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SUMMARY-INDEX OF THE WEEK'S NEWS — October 4, 1958

CLOSED-CIRCUIT TV for business meetings, sports, military, etc. broadens outlook; \$50,000,000 annual potential envisioned (pp. 2 & 4).

'INFLUENCE' IN ORLANDO Ch. 9 case studied by FCC, presaging other actions. Judge Stern aims for Miami decision by year's end (pp. 2 & 7).

NEW CAPITAL, DIVERSIFICATION in TV-radio: \$8,000,000 deal involves Hawaiian stations, new MBS-Roach owners buy Flamingo; other deals (pp. 3 & 5).

AMPEX CORP. SOARS on strength of Videotape recorder, grossing \$11,250,000 on it by Christmas. Huge non-broadcast field being explored (p. 4).

TV QUIZ "FIX" FURORE brings NBC takeover of *Twenty-One* and 4 other Barry & Enright shows. Packagers want time to prove "integrity" (p. 5).

FLINT'S WJRT READY TO START on Ch. 12 with ABC affiliation. Montana vhf resuming. Reports on other new & upcoming stations (p. 6).

CRITIC OF HOUSE PROBE of Federal agencies to be called on subcommittee's carpet; Harris irked by public blast from FTC's Gwynne (p. 7).

NETWORK TV BILLINGS GAIN 6.8% in Aug. over same 1957 month, first 8 months this year showing 11.4% advance. CBS in upward swing again (p. 8).

EIDOPHOR BIG-SCREEN PROJECTION system—refined, streamlined, in color—to be reintroduced in U.S. by CIBA Pharmaceutical at science meeting (p. 14).

Manufacturing-Distribution-Finance

STEREO WINNING HIGH FAVOR as N. Y. hi-fi show draws record crowds, network simulcasts get kudos, radio stations extend stereo shows (p. 1 & 11).

LONGER WARRANTY TREND draws dealers' fire. NARDA launches "action program" (p. 11).

MAGNAVOX REAFFIRMS STRENGTH in report on second best sales year; profit drop partly due to liquidation of Sentinel & Spartan brands (p. 13).

STEREO IS BUSTIN' OUT ALL OVER: Infant stereo, darling of the big audiophile public and growing by leaps & bounds, looks like it's sure to capture a man-sized chunk of the fall-winter home entertainment market -- pleasantly surprising even to those industry folk who tub-thumped for it last spring, howbeit with tongue in cheek. This week's industry news was just about all stereo, overshadowing the slowly-reviving TV and still-recumbent radio set businesses. Advertising featuring stereo has begun to crowd the pages of many metropolitan dailies, gradually is moving into spot radio time, too, and presumably will move soon into TV.

Stereo is everybody's proud baby now, attracted a record 50,000 from public and trade to Institute of High Fidelity Manufacturers' 3rd annual Hi-Fi Show in N.Y. this week. Theme of 5-day show quite properly was "The Age of Stereo" -- and audiophiles, teen-agers and just plain people who like good music reveled in a cacophony of true-to-life sound created by the 116 exhibitors crowding 5 floors of city's big Trade Show Bldg. Even members of the high-dome Audio Engineering Society, holding convention in the New Yorker Hotel just across the street, devoted 80% of week-long program to technical developments in an area virtually unknown a few years ago.

Stereo spilled over into the broadcast field with a stereo simulcast of the Lawrence Welk Show, carried on 75-city ABC combined TV-radio networks the night of Oct. 1 with highly effective results that drew widespread kudos. NBC has scheduled similar stereo simulcast of George Gobel Show Oct. 21, sponsored by RCA to plug its stereo phonos along with color TV.

That interest of the broadcasters is spreading is also evident from fact that uncountable radio stations all over the country are currently combining AM-FM facilities for local stereo broadcasts. Six FM stations have been authorized by FCC to

experiment with multiplexing under temporary license, and their experience will have important influence on eventual formulation of FCC regulations covering such stereo broadcasting. The 6 FMs are: WBAI, WFUV & WRCA-FM, N.Y.; WGHF, Brookfield, Conn.; WJBR, Wilmington; WASH, Washington. WBAI set up demonstration studios for stereo broadcasts direct from Hi-Fi Show. [For more on stereo, see p. 11.]

'MEETING TV'—A \$50,000,000 POTENTIAL? The closed-circuit "audience" TV business, which has boiled down largely to multi-city business meetings, boxing and some football, has also narrowed principally to 2 organizations -- Theatre Network TV and TelePrompTer. Seven other companies make sporadic efforts -- latest being Giant-View Closed-Circuit TV Network (see p. 4 & Vol. 14:39) -- but only TNT & TelePrompTer cut any real ice yet. [For list of companies, see TV Factbook No. 27, p. 397.]

Though championship fights and football games are most spectacular aspect of the industry, business meeting sessions are the bread-&-butter. TNT pres. Nathan L. Halpern states that his 1957 gross from latter source was \$2,610,000, "about 81% of the entire industry." He has 2 major auto shows due this month; these, with the 80-city IBM sales meeting last month (Vol. 14:36), produced \$500,000 gross, he says.

Pressed for a "potential" figure, Halpern calculates that closed-circuit should eventually capture 10% of the estimated \$500,000,000 that industry spends annually on centralized business meetings.

TelePrompTer pres. Irving Kahn reports that his firm is coming up nicely -- next big session scheduled Oct. 13 for W. Va. Pulp & Paper Co., major food processor later in month, big oil meeting in couple months. He has successfully corralled several major fights recently, piped to theatres, grossing \$1,400,000 & \$750,000 from Robinson-Basilio & Patterson-Harris bouts, respectively (Vol. 14:14, 34).

Unique TelePrompTer venture is new 50-man project for Army Ordnance Guided Missile School at Redstone Arsenal, Ala. -- headed up by key men from NBC's discontinued "Wide Wide World" program. [For more on closed-circuit industry, see p. 4.]

Note: New source of big-screen monochrome & color projectors (and new competition to RCA, GPL, etc.) looms in form of "Eidophor" -- the old Swiss-developed system, once pushed by 20th Century-Fox, now refined under auspices of CIBA Pharmaceutical Products Inc. and due to be reintroduced in Dec. Also new in closed circuit production field, particularly for scientific presentations, is recently-formed organization handling CIBA's demonstrations -- Teletalent, 274 Madison Ave., N.Y. (Murray Hill 3-2541), formed by ex-ABC technical director Louis L. Tyrrell and TV writer Jay E. Raeben. [For Eidophor details, see p. 14.]

THE PANDORA'S BOX PRIED OPEN BY HARRIS: Running scared of Congress and the courts, FCC this week launched formal inquiry into alleged "influence" in the Orlando Ch. 9 decision -- and it's now expected Commission will take same approach to many of the other TV cases which were subject of similar allegations by staff of House legislative oversight subcommittee (see p. 7) under Rep. Harris (D-Ark.).

Ever since Court of Appeals ran across Boston Ch. 5 allegations while it was studying House hearing record in Miami Ch. 10 case, it has been predicted the Commission would take the "abundance of caution" approach and announce that it was looking into everything dredged up by Harris -- no matter how flimsy -- to forestall any possible charges or innuendo that it was trying to cover up for itself or for its former colleagues, including the pitiful Richard A. Mack (Vol. 14:31).

Commission has just about concluded its hearing on Miami Ch. 10 (see p. 7). As for Boston Ch. 5, it told Court this week that information it has "is too fragmentary for the Commission to proceed immediately to hearing without some preliminary investigation." Harris group's presentation of Boston case was very sketchy.

Commission's Orlando action stemmed from testimony by House subcommittee staff member Stephen J. Angland, who produced a mish-mash of alleged off-record influence attempts in these additional cases: Miami Ch. 7, Jacksonville Ch. 12, St.

Louis Ch. 2 & 11, Buffalo Ch. 7, Parma, Mich. Ch. 10, Denver Ch. 7, Cheboygan, Mich. Ch. 5 (Vol. 14:23-24). FCC is studying these, presumably will "do an Orlando" whenever it decides the charges warrant.

Such action regarding Miami Ch. 7 case (won by WCKT) may have been forecast this week, when Commission stated it couldn't approve \$800,000 sale of associated radio WCKR & WCKR-FM until it examined Ch. 7 "influence" charges. The radio stations, controlled by Miami Herald-Miami News-Niles Trammell, are being purchased by Sun-Ray Drug Co. owners Wm. & Harry Sylk (Vol. 14:21). [For more on Orlando case, conclusion of FCC's Miami Ch. 10, Mack-Whiteside arraignment, see p. 7.]

NEW CAPITAL AND MORE DIVERSIFICATION: Illustrative of the continuing flow of new capital into TV-radio, the increasing involvement of stations with complex corporate entities, the changing theatrical structures being wrought by the impact of TV on the film industry, are several more actual & prospective financial moves this week:

(1) An \$8,000,000 cash deal has been agreed upon for purchase -- by a group of wealthy Oklahoma-Kansas investors, who for the most part are largely oilmen new to TV-radio -- of Hawaii's Consolidated Amusement Co. with its 18 theatres, big realty holdings and 75.45% control of KGMB & KGMB-TV, Honolulu (Ch. 9) with satellites KHBC-TV, Hilo (Ch. 9) & KMAU-TV, Wailuku (Ch. 3) -- all CBS affiliates.

Included in the deal is Honolulu Star-Bulletin's 24.55% interest in the stations -- third instance in recent months of newspapers selling out their TV-radio holdings for big sums. Others were Kansas City Star's \$7,600,000 sale of WDAF-TV & WDAF to expanding National Theatres Inc. (Vol. 14:17,30,38); Philadelphia Bulletin's \$20,000,000 sale of WCAU-TV & WCAU to CBS Inc. (Vol. 13:51; 14:1,27,30), which also involved big realty increments. [For details of Hawaiian deal, see p. 5.]

* * * *

(2) Scranton Corp., the textile firm which bought Hal Roach Studios in May (Vol. 14:22), which recently acquired Mutual Broadcasting System (Vol. 14:37) and which is itself controlled by F. L. Jacobs Co., Detroit auto parts maker whose stock is traded on the N.Y. Stock Exchange, verified purchase offer made to Flamingo Telefilm Sales Inc., distributor of TV films. Jacobs-Scranton chairman, who is also new MBS pres., Alexander L. Guterma, says offer has been accepted, subject to audit.

Also about to be acquired by Scranton is old-line Waterman Pen Co., in line with stated policy of diversification, which Guterma told us he proposes to extend soon to the acquisition of TV-radio stations as adjuncts of non-station-owning MBS.

* * * *

(3) Flamingo Telefilm Sales Inc., controlled by pres. Herman Rush and exec. v.p. Ira Gottlieb, part owned by financier Joseph Harris, thus presumably will not get new financing, as reported, from Buckeye Corp., Springfield, O., maker of incubators, brooders, poultry supplies, tobacco curers -- though conceivably Buckeye, which admittedly would be an odd entry in the TV sweepstakes, may be next quarry of the Jacobs-Scranton people in their eager quest for diversification.

Old-time film man Joe Harris, whose original Flamingo Films is dormant and who heads film firm Essex-Universal, is engaged with partner Norman E. Alexander in many diverse enterprises. They're avowedly out to purchase more TV-radio stations to add to those they already own--KXLY & KXLY-TV, Spokane (Ch. 4) & KELP & KELP-TV, El Paso (Ch. 12) whose general management and part ownership has just been relinquished by ex-DuMont & Storer executive Dick Jones (see Personal Notes).

* * * *

(4) Bankers Carl M. Loeb, Rhoades & Co., which handled the DuMont Network liquidation and station spinoff into what's now the TV-radio-operating Metropolitan Broadcasting Co., is reported about to arrange purchase of unnamed major Hollywood movie studio for multimillionaire oilman-station owner Jack Wrather to implement the purchase of Television Programs of America by his recently organized Independent Television Corp. and the expansion of his Muzak Inc. (Vol. 14:38-39). Partner John Loeb is handling deal, and announcement should be forthcoming soon.

Closed-Circuit Progress: Fall season brings annual upsurge of activity in closed-circuit "meeting" field (see p. 2)—what with introduction of new cars, football hookups, and the usual post-vacation pickup in the business pulse.

Most gratifying to the closed-circuit operators is "repeat" business; for example, GE has done 9 multi-city sales meetings, General Motors 4, through Theatre Network TV. TNT reports it has presented 156 events since inception 10 years ago, 22 of them last year—running gamut from bank conferences, fund-raising drives, demonstration of medical techniques, to conventional sales meetings.

Multi-city football presentations for sold-out college games have been offered intermittently by several organizations, including TNT & Tele-Prompter. Most recent entry, which may become a power in fields other than football, is GiantView Closed Circuit TV Network, handling Oct. 4 U of Mich.-Mich. State U game, piped to 6 cities (Vol. 14:39). It's a division of Meilink Steel Safe Co., Toledo, and weight of that 60-year-old parent behind it could make it a factor to reckon with—for Meilink pres. Stanley R. Akers is spending 3 days a week on TV. This week, incidentally, Detroit Circuit Judge Theodore J. Bohn lifted temporary injunction against GiantView's project, which had stemmed from suit brought by Mich. State Rep. John J. Fitzpatrick of Detroit, who contends closed-circuit showing for a fee violates state law.

Rivalry between the 2 majors in field—TelePrompter & TNT—is intense, gets out of bounds occasionally as they vie for championship fights (Vol. 14:14, 34), but both appear to be doing well. TNT is privately owned, doesn't disclose balance sheet. TelePrompter has public shareholders (over-the-counter), recently reported net income for 6 months ended June 30 was \$143,682 (40¢ per share) vs. loss of \$119,485 for 1957 period. Gross income rose to \$2,024,197 from \$1,177,845 (Vol. 14:38). However, Tele-Prompter doesn't break down income by source, so its closed-circuit growth isn't precisely ascertainable.

The TV networks aren't in the field, though some consideration was given to entry several years ago. They now limit their closed-circuit activities to intra-mural business affairs, program previews, etc.

Ramifications of the business are very promising. For example, TelePrompter's second-largest office is now at Redstone Arsenal, Ala., the missile center. When NBC's *Wide Wide World* was discontinued, TelePrompter seized key men, moved them to Huntsville to start project which on Oct. 8 begins series of closed-circuit "preventive maintenance" courses for senior officers, covering 6 types of missiles. Among *Wide Wide World* men involved: Cliff Paul, chief technical director; Maurey Penn, producer; Bob Corcoran, writer.

Military estimates courses will save \$11,000,000 annually, plans to extend program to Ft. Knox and Air Training U at Montgomery, Ala. Sessions are presented on 6x8-ft. screens, and everything is put on video tape.

Videotape recorder shipments: one each to WNHC-TV, New Haven; WSyr-TV, Syracuse; WHDH-TV, Boston; WJRT-TV, Flint; KTVU, Oakland-San Francisco; WJAR-TV, Providence; 2 to NBC-TV, N. Y. U of Tex., Austin, installs videotape for closed-circuit system.

Ampex Status Report: One of the phenomenal successes of the broadcast equipment business, Ampex's Videotape recorder was shown off in Washington this week by team of Ampex executives headed by div. mgr. Neal McNaughten, ex-FCC, NAB & RCA—to FCC members & staff, military, TV-radio engineers & attorneys, et al—and Ampex's apogee can't yet be calculated.

Here are a couple figures to contemplate: (1) By Christmas, 250 units will have been delivered since first one was shown at NAB convention in April 1956 (Vol. 12:16); at \$45,000 each, that's \$11,250,000. (2) Since Videotape project started in 1951, number of Ampex employes has increased from 150 to about 2500.

Almost all sales have been to networks & stations so far. The big unknown, and Ampex believes it's very big, is non-broadcast field. Surprisingly, the military is only a small customer to date—having bought only 8 recorders.

It has become a cliché, but true, that uses of recorder are limited only by the imagination. For example, Yonkers, N. Y. race track has been using one for quick examination of "foul" charges. Ampex sales promotion mgr. Jack Hauser says track management informs him recorder is worth gross of \$30,000 a day to them because it has increased betting. Los Angeles football Rams' coaches, he asserts, were delighted with use of unit during recent game with San Francisco '49ers (Vol. 14:37), claim it enabled them to nullify '49ers pass defense. For uses such as football, Ampex is encouraging stations to supply facilities on rental basis—rather than seeking to sell units directly to users.

Ampex is satisfied that TV unit is well in hand, except for refinements, so it has permitted Charles P. Ginsburg, the 38-year-old engineer who led development, to concentrate on non-broadcast angles.

Ampex "road show" schedule: Cincinnati, at WLWT transmitter, Oct. 13-14; Milwaukee, WTMJ-TV, Oct. 17-18; St. Louis, Chase Hotel, Oct. 20-21; Kansas City, WDAF-TV, Oct. 23-24; Toronto, at CBC facilities, Nov. 3-4; Hot Springs, Va., at Homestead during Assn. of National Advertisers convention, Nov. 10.

In TV, new wrinkles develop almost daily. For example: (1) Big adv. agency BBDO has switched almost entirely from live to tape commercials, terming tape "a tremendously useful new method of extending the uses of live TV." (2) During half-time of Sept. 28 N. Y. Giants-Chicago Cardinals game, CBS for first time recapitulated key plays of first half, with explanatory narration by announcer Bob Delaney. (3) On Sept. 28 colorcast *Steve Allen Show*, guest performer Ann Sheridan saw herself via tape, minutes after she had rendered song—and viewers were treated to sight of watching her live & taped, through split-screen, in color. (4) *U.S. Steel Hour* drama for Oct. 8, originally scheduled live, was taped to enable actress Barbara Bel Geddes to accept Hollywood movie assignment which came after she had committed herself to the TV program.

Financially, here's what it has meant to Ampex: Predicted profit of \$2,100,000 (about \$2.85 a share on 734,000 outstanding before recent 2½-for-1 split) on \$40,000,000 sales in year ending next April 30. Earnings were \$1,540,000 (\$2.10) last fiscal year, \$1,087,000 (\$1.51) year before. As for price of its stock (over-the-counter), it rose from \$17 to \$43 in 1956, when recorder was introduced, was 40¼ bid, 42¾ asked Oct. 3—after the split and with 1,695,663 shares outstanding. A lot of alert investors among broadcasters bought stock heavily in 1956.

New Money Into TV-Radio: Big money continues to talk big in the burgeoning TV-radio and related electronic amusement businesses, this week's news of new & prospective corporate lineups and expansions (p. 3) rivaling the verified reports of 2 weeks ago involving mostly film-for-TV interests (Vol. 14:38).

Week's biggest deal was \$8,000,000 cash purchase of Hawaii's Consolidated Amusement Co. by a group of mainlanders organized as Hialand Development Corp. and headed by Arthur L. Wood, Oklahoma City CPA, as pres.; Felix Simmons, chairman of Exchange National Bank, Ardmore, Okla., v.p.-treas.; Kenneth E. McAfee, Oklahoma City oil lawyer, secy.

Value being placed on the TV-radio stations being acquired from 3/4-owner Consolidated and 1/4-owner *Honolulu Star-Bulletin* hasn't been indicated yet, but they're said by McAfee to be good earners and plan is to retain their gen. mgr. J. Howard Worrall, operations-sales mgr. Melvin R. Wright and rest of staff. Biggest valuation will be on 18 theatres and real estate, including famed Waikiki Theatre whose realty alone is figured at \$1,000,000. Some theatres may be shut down because they're in path of local expansions.

That's where Honolulu realtor John Eagle figured in the deal that brought together the group which, except for himself, includes only people from the States. The others, representing varying personal and family investments, as yet undisclosed: Eugene Jordan & R. L. Bowers, owners of Oklahoma Transportation Co., holding city & state bus franchises; A. C. Martin, pres. of Sayre Oil Co.; John W. Nichols, pres. of Mid-American Minerals Co.—all of Oklahoma City; Thomas Walsh, investment counselor, Shawnee, Okla.; Lloyd Miller and 2 brothers, McPherson, Kan., engaged in construction, oil & grain storage enterprises.

None has been identified with TV or radio before. They're buying out holdings of some of Hawaii's famed first families. Consolidated has 1500 stockholders, headed by pres. Fred Williams, currently being offered \$38 to \$39 per share for their stock (book value, \$22.67). There must be 75% stockholder acceptance, believed assured. Agreeing to sell their interests in the stations are Mrs. Joseph R. Farrington, pres. of the *Star-Bulletin*, widow of the former delegate to Congress from Hawaii, who succeeded to his seat for awhile, and Riley H. Allen, editor.

(Incidentally, Lorrin Thurston's rival morning *Honolulu Advertiser* owns pioneer radio KGU, also 50% of KONA (Ch. 2) with satellite KMVI-TV, Wailuku (Ch. 10)—the NBC affiliates.)

The Quiz Story (Cont.): NBC takes over direct control of *Twenty-One* and 4 other Barry & Enright shows Oct. 6 as result of press furor over charges by contestants that some TV quiz programs are "fixed" (Vol. 14:35-38). Assuming full "production responsibilities," NBC-TV network program dept. will assign its own executives to run *Twenty-One*, *Tic Tac Dough* (daytime & nighttime), *Concentration* and *Dough Re Mi*.

Statement by Barry & Enright, released Oct. 3 by NBC, said packagers were "grateful" to network for move, explained partners wanted to "devote more time to disproving the unfounded charges against the integrity of our programs"—that while they've been "unable to uncover any evidence whatsoever of wrongdoing on the programs, we realize that the charges and attendant pub-

The Scranton-Jacobs deal to add Flamingo Telefilm Sales to their MBS & Hal Roach Studios acquisitions (p. 3) was revealed several days after new MBS chairman Hal Roach Jr. announced that David W. Hearst and MBS exec. v.p. Blair A. Walliser had been named to Mutual board, now numbering 11, mostly out of the Scranton-Jacobs enterprises and with Alexander L. Guterma as new pres. succeeding Dr. Armand Hammer. Hearst is one of the 5 sons of the late Wm. Randolph Hearst and is publisher of the *Los Angeles Herald & Express*—but it was made clear this did not mean the Hearst interests are investing in MBS or its parent companies.

Nevertheless, with Detroit banker and Michigan ex-Gov. Murray D. Van Wagoner also on the new Mutual board, with Roach & Walliser providing the TV-radio know-how along with director Robert F. Hurleigh, Washington v.p., the new operators make no bones about their intention of acquiring stations of their own. Just what negotiations are under way, pres. Guterma would not say. Nor would he reveal details of the Waterman Pen Co. purchase, beyond stating that it's from a syndicate, or about the projected Flamingo purchase, except to say it had been agreed upon.

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Flamingo Telefilm Sales Inc. is an outgrowth of the original Flamingo Films backed by Joseph Harris, founder of Motion Pictures for TV Inc. in early days of TV, and his partner in various enterprises Norman E. Alexander, pres. of Sun Chemical Co., N. Y. They're veterans of the movie business, having been with old Realart Pictures Corp. They're now owners of Essex-Universal, a holding company, have some interest in Flamingo, which distributes feature films and shorts to TV for Distributors Corp. of America, has own syndicated *Citizen Soldier*. But control is in hands of pres. Herman Rush and exec. v.p. Ira Gottlieb, since Si Weintraub quit firm last year.

Besides the TV-radio stations they own in Spokane & El Paso, Harris and Alexander have a finance company called Escom Corp., which underwrites new films, and own the Electro-Cord Co., maker of missile parts, among other ventures. Harris says many approaches have been made to buy the stations, but they "absolutely" are not for sale; actually, he and Alexander are seeking to acquire more.

They do like westerns, it seems—for Sept. Nielsen shows 5 of them among top 10 which were: *Miss America* telecast, 38.8 rating; *Guns, Moke*, 36.3; *Have Gun, Will Travel*, 31.1; *I Love Lucy* (re-runs), 29.7; *I've Got a Secret*, 28.9; *Wells Fargo*, 26.1; *Frontier Justice*, 25.7; *Wyatt Earp*, 25.3; *Wanted, Dead or Alive*, 25.2; *Ed Sullivan Show*, 25.1. Noteworthy absent: Quiz shows.

licity have raised questions in the minds of many viewers." They said they planned to resume production after their "absolute integrity" is "clearly & finally established." NBC owns basic rights in *Twenty-One* and *Tic Tac Dough*, has contracts with packaging team for other shows.

Meanwhile *Twenty-One* contestant Elfrida von Nardroff, one of the biggest TV quiz winners (\$222,500), was summoned to testify Oct. 15 before N. Y. grand jury which is probing alleged program "rigging." She told reporters: "I was never given any help of any kind." Two other *Twenty-One* winners—James Snodgrass & Herbert Stempel—have charged they were given answers to questions.

District Attorney Frank S. Hogan said his office was getting thousands of letters daily from viewers of quiz programs—"75% of those are critical of the shows."

New & Upcoming Stations: Next major starter apparently will be WJRT, Flint, Mich. (Ch. 12), whose pres. John F. Patt, who also heads pioneer radios WJR, Detroit & WGAR, Cleveland, reports that first test patterns were to go on the air during Oct. 4 week end and that it still plans to start Oct. 12 with ABC, film and some local programs and work up to full schedule by Nov. 1. Completed is 12-bay RCA antenna on 990-ft. Emsco tower and, besides Patt and exec. v.p. Worth Kramer, on job are A. Donovan Faust, station mgr.; James P. White, sales mgr.; Franklin C. Mitchell, program mgr.; Clarence W. Jones, chief engineer—with full staff. Base hour rate is \$700, rep is Harrington, Righter & Parsons.

Due to resume operation, probably Oct. 7, is KGEZ-TV, Kalispell, Mont. (Ch. 9), whose counsel has informed FCC it expects to be ready by then. It went off air last spring, blaming competition of local community antenna operators even though they actually own 30% interest in the station (Vol. 14:16, 18-19, 21, 38).

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Educational stations appear to dominate upcomers, at least judging from latest reports in our continuing survey:

KXAB-TV, Aberdeen, S. D. (Ch. 9), affiliated with KXJB-TV, Valley City-Fargo (Ch. 4), has changed its target to "Nov. 1 or earlier," reports pres.-gen. mgr. John W. Boler. Wiring of 10-kw RCA transmitter is scheduled for completion Oct. 25 and erection of 400-ft. Stainless tower will be finished Oct. 10. Delivery of 6-bay RCA antenna was expected Oct. 1. Base hour will be \$150. Rep will be Weed.

WKBM-TV, Caguas, P. R. (Ch. 11) has 5-kw DuMont transmitter on hand, power line to transmitter site installed and plans to start programming Christmas Eve, reports owner Ralph Perez Perry, also operator of WSUR-TV, Ponce (Ch. 9) and radio WKVM, San Juan. RCA 6-bay antenna will be assembled by Oct. 15 for installation on 200-ft. Lehigh tower. Rates not set, rep not chosen.

WEDU, Tampa-St. Petersburg (Ch. 3, educational)

WSOC-TV's right to Ch. 9, Charlotte, N. C. was affirmed this week as Court of Appeals upheld FCC's final decision. Brief "per curiam" ruling by Judges Edgerton, Fahy & Bastian stated simply: "We find no error." WSOC had won Commission decision against competition from Carolinas' TV Corp., 43% owned by WIS-TV, Columbia, S. C. (Ch. 10), and Piedmont Electronic & Fixture Corp., major stockholders of which are Wolfson-Meyer theatre interests, controllers of WTVJ, Miami (Ch. 4) and WLOS-TV, Asheville, N. C. (Ch. 13), 20% stockholders of WFGA-TV, Jacksonville (Ch. 12). Piedmont brought the appeal.

KVSO-TV, Ardmore, Okla. (Ch. 12) has been purchased for \$160,000 from estate of John F. Easley by Bill Hoover, pres.-gen. mgr. & 32.3% owner of KTEN, Ada, Okla. (Ch. 10). Call letters changed Oct. 1 to KXII. It's been operating about 2 years from site 50 mi. SW of Ada. John Easley Riesen, one of heirs to estate, is gen. mgr. Kander handled transaction.

Translator start: W78AB, Johnson City & Vestal, N. Y. began Sept. 30, repeating WINR-TV, Binghamton (Ch. 40), which also holds CP for W81AB, to serve Hillcrest & Chenango Bridge, N. Y.

Translator CPs granted: Ch. 73, Truth or Consequences, N. M., to Board of Education, to repeat programs of educational KNME, Albuquerque (Ch. 5); Ch. 71, 76 & 79, Tillamook, Ore., to Tillamook TV Translator Inc.

has completed studio and transmitter, has 3-bay RCA antenna installed on 475-ft. Stainless tower, now plans Oct. 27 programming, writes D. H. Smith, who has replaced C. W. Mason as gen. mgr.

KDPS-TV, Des Moines (Ch. 11, educational) has set Jan. 1 programming target, writes C. F. Schropp, director of audio-visual education for grantee Des Moines School District. RCA 5-kw transmitter donated by Cowles Bestg. Co., 60% owner of KRNT-TV (Ch. 8) there, has been installed, but delivery of 6-bay antenna was delayed. It's to be installed atop studio-transmitter building, 300-ft. above ground.

KERA-TV, Dallas (Ch. 13, educational) hasn't ordered equipment, doesn't plan to begin until summer of 1959, reports E. O. Cartwright, pres. of grantee Area Educational TV Foundation. It plans to use 590-ft. Ideco tower of city-owned radio WRR-FM. Martin B. Campbell, ex-WFAA-TV, Dallas, will be exec. director.

WMUB-TV, Oxford, O. (Ch. 14, educational) now has no target date, but contractor has indicated that construction of studio-transmitter building will be completed by Dec. 1, reports Stephen Hathaway, director of broadcasting for grantee Miami U. RCA 1-kw transmitter is on hand and 6-section helical antenna has been installed on 320-ft. Truscon tower. Paul Yeazell, ex-radio-TV bureau of U of Ariz., will be program director; William Utter, ex-KPTV, Portland, Ore., production director; Andrew F. Bruck, from Miami U, chief engineer.

KOED-TV, Tulsa (Ch. 11, educational) is now installing RCA 2-kw transmitter in south half of KOTV transmitter building, which it will share, and has moved target date to Nov. 1, reports John W. Dunn, director for grantee Okla. Educational TV Authority, which also operates KETA, Oklahoma City (Ch. 13, educational).

WGTE-TV, Toledo (Ch. 30, educational) now doesn't plan programming start until late Nov., reports Murray W. Stahl, program & production director for grantee U of Toledo. GE 100-watt transmitter is nearly ready and helical antenna installed on University Hall tower.

Transfer of KRTV, Great Falls, Mont. (Ch. 3) which began operation last June, to new Snyder & Assoc., in which gen. mgr. Dan Snyder holds 53.4% control, was approved by FCC this week. Those selling station are Francis R. Laird, west coast personnel & management consultant, and son Robert R. Laird. Application indicates new owners are taking over station by assuming liabilities totaling \$59,680, plus cancellation of \$19,000 owed Snyder, who also is on record as having purchased some technical equipment from the Lairds for \$6000.

Site move of WMBV-TV, Marinette, Wis. (Ch. 11) has been set for hearing by FCC on basis of objections by WFRV-TV (Ch. 5) & WBAY-TV (Ch. 2), Green Bay. WMBV-TV proposed to move from 14 mi. southeast of Marinette and 38 mi. northeast of Green Bay to 38 mi. southeast of Marinette and 14 mi. northeast of Green Bay—increasing height to 960 ft., power to 316 kw.

Power-height increase: WICS, Springfield, Ill. (Ch. 20) Sept. 30 increased power from 17 to 406 kw, height from 430 to 1000 ft., at new site 10 mi. east of Springfield—marking its 5th anniversary.

CPs granted: Educational Ch. 11, Durham, N. H., to U of New Hampshire; Ch. 83 translator, Roseburg, Ore., to Teleservice Co.

CJFB-TV, Swift Current, Sask. (Ch. 5) interconnects with CBC via microwave Oct. 1.

Orlando, Miami & 'Influence': Genesis of FCC's inquiry into "ex parte" representations in Orlando Ch. 9 case (see p. 2) was testimony presented to House legislative oversight subcommittee by its staff member Stephen J. Angland. He asserted that attorney Wm. H. Dial, a college chum of ex-Comr. Mack's, had represented decision winner WLOF-TV in certain local litigation—but not before FCC—and that he made "extra-record representations" to Mack orally and by letter in favor of WLOF-TV, against competitor WORZ. Dial has denied pitching to Mack for WLOF-TV.

FCC's announcement of inquiry simply notes the Angland testimony and says that it "will report the results of its inquiry and will take such further action as in its judgment appears appropriate at that time."

In original FCC final decision, WLOF-TV got nod from all 5 commissioners voting, and they reversed examiner—McConnaughey, Doerfer, Bartley, Lee, Mack. Craven abstained and Hyde didn't participate. WORZ challenged decision in Court of Appeals and lost, now has petition for writ of certiorari before Supreme Court.

Sad plight of ex-Comr. Mack, growing out of Miami Ch. 10 case, worsened this week. Details aren't completely clear, but he's said to have collapsed at Miami Airport while waiting to meet wife on flight from Tampa. He suffered several broken ribs in the fall, is confined at Miami Medical Center, under treatment for the fractures—and by a neurologist for severe emotional disturbance.

Mack had been scheduled for arraignment in Washington Oct. 3 before Federal District Court Judge Burnita S. Matthews, but his Washington counsel Nicholas J. Chase won week's delay pending investigation and report by U. S. Attorney's office in Miami. Chase had asked for 30 days.

Mack's friend, Miami attorney Thurman Whiteside, indicted along with Mack last week (Vol. 14:39), pleaded "not guilty" before Judge Matthews—and she set bond at \$1000, scheduling his trial for Jan. 6. Whiteside's counsel, Richard H. Hunt of Miami, has 30 days to file motions, Justice Dept. 30 days to reply.

Reprisal by Harris? Free-wheeling House Commerce legislative oversight subcommittee, whose hit-&-run investigative tactics left many FCC cases dangling (Vol. 14:39), took a breather this week until after Nov. elections—when prime target will be the one agency head who has dared to criticize probers publicly.

Subcommittee Chairman Harris (D-Ark.) shut up his shop temporarily after announcing he'd summon FTC Chairman John W. Gwynne—probably about Nov. 11—to explain just what he meant by speech week earlier. In Harris' presence on same platform, ex-Iowa Congressman Gwynne told Federal Bar Assn. that House investigators dealt in "lurid & unfounded statements more useful for headlines than for establishing truth."

Obviously irked, Harris said he wanted to find out "what has occurred" to cause Gwynne's "change of attitude" toward oversight subcommittee. In June, FTC head had written Harris praising "fairness" of investigators in FTC cases involving Boston industrialist Bernard Goldfine and since-resigned Presidential asst. Sherman Adams.

Judge Horace Stern's Ch. 10 hearing for FCC is just about wound up. No more testimony is expected—though counsel for National Airlines said he'd ask that Sen. Smathers (D-Fla.) be called if competing counsel can't agree on what portion of House subcommittee testimony should be placed into Commission's record.

At beginning of week, Judge Stern blocked attempt of Paul Porter, counsel for WKAT, to show that FCC's instructions to staff—telling it to write decision favoring National Airlines—weren't specific, as required by law. Judge Stern held that the matter was outside scope of hearing.

The Judge was curious as to how word got out that National was favored for CP—long before final decision was announced Feb. 8, 1957. FCC attorney Richard Solomon read into record *Television Digest's* report of Jan. 21, 1956 (Vol. 12:3), which was first published word of how Commission was voting.

Judge Stern talked at some length as proceedings were winding up, said he had already summarized much of testimony, hoped to have decision out before year's end. Here's tentative schedule: Oct. 10, closing of record; Nov. 3, filing of briefs (and the judge expressed hope for just a few pages from each party); Nov. 17, oral argument. The judge mused:

"After all, this is not a complicated case. There are a lot of facts, however. I haven't come to any quasi-conclusions. I'm going to take this thing quite seriously." He noted that attorneys may want to bring up legal issue of whether 3 commissioners' votes would have been decisive in case—whether Mack's vote was crucial—and he pointed to last week's Indianapolis Ch. 13 decision on the point by Court of Appeals (Vol. 14:39). He also asked, rhetorically:

"Is it terrible to talk to a commissioner? Is he different from a judge? I don't know whether the Supreme Court has ever said anything about that."

National's bitter competitor Eastern Airlines this week again sought to persuade FCC to revoke license of WPST-TV. It argued that proposed stock exchange between National and Pan-American World Airways will put station under Pan-American's control and that it's contrary to national air policy "to permit acquisition by air carriers of public service enterprises not utilized in providing air transportation."

Also on tap for public hearings in Nov. will be Civil Aeronautics Board & Interstate Commerce Commission, no further FCC proceedings being scheduled now by Harris. Staff of subcommittee, which had \$410,000 to spend in probe of Federal agencies authorized by House in April, 1957, is under notice that jobs will end some time in Jan. So there is little likelihood that multiple loose ends of FCC cases will be tied up in last remaining weeks of subcommittee's life before 86th Congress starts.

Only subcommittee business this week was hearing on agency "ethics" recommendations by American Bar Assn., Federal Bar Assn. & D. C. Bar Assn. All 3 agreed that standards of conduct in agencies should be improved.

ABA filed statement saying it's studying various legislative proposals for "ethics" codes, hasn't reached detailed conclusions. FBA's Theodore H. Haas said "statutory sanctions are necessary & desirable" and should limit *ex parte* activity in cases. D. C. Bar's F. Cleveland Hedrick & Valentine B. Deale suggested hearing examiners need "a greater degree of independence from agency influence."

Network Television Billings

August 1958 and January-August 1958

(For July report see *Television Digest*, Vol. 14:36)

NETWORK TV BILLINGS maintained their unsteady 1958 rise pattern in Aug., 3 networks registering total of \$41,509,492 vs. \$38,848,880 year earlier for 6.8% gain, according to TvB. Gross billings in first 8 months this year pushed networks 11.4% ahead of 1957. After slipping 1.4% in July from same 1957 month, CBS had 6.3% advance in Aug. over year earlier to keep its No. 1 position, ABC leading percentagewise in Aug. with 12.9% gain; NBC was up 5%. Complete TvB report for Aug.:

| NETWORK TELEVISION | | | | | | |
|--------------------|---------------------|---------------------|--------------|----------------------|----------------------|--------------|
| | Aug. 1958 | Aug. 1957 | % Change | Jan.-Aug. 1958 | Jan.-Aug. 1957 | % Change |
| ABC | \$ 6,923,735 | \$ 6,134,380 | +12.9 | \$ 65,625,091 | \$ 52,578,094 | +24.8 |
| CBS | 19,383,736 | 18,240,823 | + 6.3 | 161,764,077 | 153,540,379 | + 5.4 |
| NBC | 15,202,021 | 14,473,677 | + 5.0 | 138,310,282 | 122,148,053 | +13.2 |
| Total | \$41,509,492 | \$38,848,880 | + 6.8 | \$365,699,450 | \$328,266,526 | +11.4 |

1958 NETWORK TELEVISION TOTALS BY MONTHS

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

* Figures revised as of Sept. 29, 1958.

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

Freedom of the Press? With implications for all news media, U. S. Court of Appeals in N. Y. this week unanimously held that freedom of the press "is not absolute" when it comes to protection of news sources. Decision came as it upheld lower court's criminal contempt conviction against Marie Torre, N. Y. *Herald Tribune* TV columnist (Vol. 13:42-45). Newspaper's pres.-editor Ogden R. Reid promptly announced intention to carry appeal to U. S. Supreme Court. Case rose out of Miss Torre's Jan. 10, 1957 column quoting unnamed CBS executive's unflattering remarks about entertainer Judy Garland, who then brought \$1,393,333 contract-libel suit against CBS. Miss Garland's counsel insisted he needed name of the executive, and when Miss Torre declined to reveal it during pre-trial hearings she was given 10-day jail sentence for contempt. After this week's decision, Rep. Dorn (R-N.Y.) said he would introduce bill "granting news reporters and news broadcasters the privilege of refusing to name news sources, the same right based on an old English common law now granted to lawyers, physicians & clergymen."

NAB's Broadcasting Engineering Conference Committee, planning for 1959 convention in Chicago's Conrad Hilton March 15-18, will be headed by Allan Powley, chief engineer of WMAL-TV & WMAL, Washington. Other committeemen: James H. Butts, KBTV, Denver; John H. DeWitt, WSM, Nashville; Joseph B. Epperson, WEWS, Cleveland; Julius Hetland, WDAY, Fargo; Wilson Raney, WREC, Memphis; James D. Russell, KKTV, Colorado Springs; Mel Burrill, KIMA-TV, Yakima; Frank Marx, ABC; James D. Parker, CBS-TV; Leslie S. Learned, MBS; Raymond F. Guy, NBC. Note: Jay W. Wright, exec. v.p. of KSL-TV & KSL, Salt Lake City, named chairman of NAB engineering advisory committee.

Setting up own sales staff for N. Y. area, dropping use of CBS-TV Spot Sales, network-owned N. Y. key WCBS-TV has appointed following under sales mgr. Norman Walt: Walter Stein, ex-CBS-TV spot sales, research & sales promotion director; Wm. A. Morris, ex-Compton Adv., sales promotion mgr.; Marion Hampden, ex-CBS-TV Spot Sales, commercial traffic mgr. Sales staff comprises: Robert G. Baal, ex-CBS-TV; Alfred Di Giovanni, ex-NBC; Robert A. Innes, ex-Benton & Bowles; Tom Judge, ex-Closed-Circuit Telecasting System; Edward R. Kenefick, ex-NBC; John McCrory, ex-CBS-TV Spot Sales; James Osborn, ex-WXIX, Milwaukee; Stan Schloeder, ex-WABD (now WNEW-TV).

Article on all-Negro stations in Sept. 7 *Television Digest*, noting there are quite a few in radio but none in TV, impels WDAM-TV, Hattiesburg, Miss. (Ch. 9), 51% owned by WDSU-TV, New Orleans (Ch. 6) and repped by John E. Pearson, to advise us it's currently carrying all-Negro schedule every Sat., 9-11 a.m.; also that percentage of TV sets owned by Negro families follows population breakdown closely [57% in Miss., according to latest ARF figures; see *TV Factbook No. 27*, p. 38].

Baseball TV split of 25% of receipts from regular season games was demanded this week by National & American League players at executive council session of club owners in N. Y. Decision by owners is expected at annual winter meeting of owners in Dec.

First local sponsor to buy color spots on NBC's WRC-TV, Washington, is 100-store Peoples Drug Store chain, carrying them live on Art Lamb's daily midday *In Our Town* show, placed by Wm. D. Murdock Agency.

FCC reversed its staff this week in interpretation of political broadcasting rules, responding to plea of NAB (Vol. 14:37). Staff had informed radio KFPW, Ft. Smith, Ark. that, in giving candidate D. L. Grace "equal time," it should permit him to send spokesman if he chose. NAB said such procedure would produce "chaos," and Commission this week said that staff's interpretation was incorrect; that "the Commission is of the view that Mr. Grace's use under Sec. 315 would be limited to personal use." On Oct. 6, Commission is expected to issue revised question-&-answer document to aid broadcasters in handling political broadcasts. It brings up-to-date the Sept. 1954 report by inserting the interpretations in 19 new cases which have been announced since that time.

Printed FCC rules & regulations will be offered through new system to be instituted by Govt. Printing Office, which will print documents in 10 volumes, send subscribers amendments on loose-leaf replacement pages. Currently, documents are purchased from GPO in 37 separate parts, and amendments are sent to purchasers on an unsatisfactory clip-and-paste-in arrangement. Cost of volumes, to be offered one at a time, hasn't been determined yet. Commission estimates conversion to new system may take 3 years. Copies of proposed rule-making won't be available through new method, will continue to be published in *Federal Register*.

"Piecemeal" reallocation of spectrum in 25-890-mc. band was opposed by EIA this week in letter to FCC noting that 840-890-mc portion of uhf TV band is sought for common carrier use by Lenkurt Electric Co. (Vol. 14:37). EIA stated that Commission's current inquiry into use of whole 25-890-mc (Docket 11997) is proper forum for such requests. Hawaiian Telephone Co., following Lenkurt's lead, asked that 840-890 be assigned for common carrier use in Hawaii.

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and ELECTRONICS REPORTS

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Personal Notes: James Agostino, sales mgr., promoted to gen. mgr. of KXLY & KXLY-TV, Spokane (Ch. 4), succeeding Richard E. (Dick) Jones, who has sold his 10% interest to Joseph Harris, ex-Motion Pictures for TV, now interested in Flamingo Telefilm Sales & Essex Universal, and Norman E. Alexander, pres. of Sun Chemical Corp., N. Y., who were 45% stockholders and now 50% each; Jones, onetime DuMont & Storer executive, has also sold them his 20% interest in KELP & KELP-TV, El Paso (Ch. 13), managed by Harry Edelman . . . Rolf S. (Bud) Nielsen, ex-sales mgr. of KOB-TV, Albuquerque, named gen. sales mgr. of Dub Rogers' stations in Texas (KDUB-TV & KDUB, Lubbock; KPAR-TV, Abilene; KEDY-TV, Big Spring); John Henry, recently gen. mgr. of WEEQ-TV, LaSalle, Ill., ex-WDAF-TV, Kansas City & KOA-TV, Denver, named national sales mgr. . . William P. Dix Jr., ex-WOR-TV & WOR, N. Y., named asst. gen. mgr. of WGR-TV, Buffalo, reporting to v.p.-gen. mgr. Van Beuren W. DeVries . . . Rosel H. Hyde Jr., 31-year-old son of the veteran FCC member, engineering graduate of U of Maryland and recently out of Air Force, now Ampex distribution mgr. for instrumentation in Palo Alto (Cal.) area, on Oct. 18 will marry Nancy Wagner, recently secy. to Tom Taggart, Ampex mgr. of manufacturing at Redwood City plant . . . Sandy Cummings promoted to ABC-TV network program director, Hollywood . . . Lawrence M. Carino, ex-KTNT-TV & KTNT, Tacoma, named gen. sales mgr. of WWL-TV, New Orleans . . . Robert D. Gilman, ex-Eastern sales mgr. of WNAC-TV, WNAC, Boston, & Yankee Network, joins rep. H-R Television . . . Karl Nelson promoted to national sales mgr., WTAR-TV, Norfolk, sales v.p. Robert Lambe continuing over-all sales supervision of WTAR-TV & WTAR . . . Christopher J. Bodkin Jr., promoted to circulation director of *TV Guide*, succeeded as mid-Atlantic regional mgr. by Arthur Shulman . . . Jon Arden promoted to promotion, merchandising & marketing mgr., WCKT, Miami; Symon Cowles, ex-ABC & Warner

ADVERTISING AGENCIES: John Hertz Jr., ex-pres. of Buchanan & Co., now merged into Lennen & Newell, remains as head of Buchanan div.; exec. v.p. Wm. Dasheff becomes senior v.p., Fred Keith Los Angeles v.p. . . Robert J. Gillen Jr., ex-J. M. Mathes Adv., appointed station relations mgr. & coordinator of adv. & merchandising, Hazel Bishop Inc. . . John N. Calley, ex-Henry Jaffe Enterprises, N. Y. named director of TV-radio program development, Ted Bates Inc. . . John Martin promoted to v.p., BBDO Minneapolis office . . . Ben Alcock promoted to v.p. of Grey Adv. . . Lincoln Diamant, ex-McCann-Erickson, named v.p. of Delehanty, Kurnit & Geller Adv., N. Y. . . Richard Crisp named marketing director of Guild, Bascom & Bonfigli, San Francisco, following agency's acquisition of his Chicago management consulting firm . . . Shippen Geer resigns as public relations v.p. of Fuller & Smith & Ross to become v.p. & gen. mgr. of new Inter Ocean Publicity Inc., N. Y.

Bros., to mgr. of audience promotion & publicity . . . Charles Mason, ex-program mgr. of WSUN-TV, St. Petersburg, Fla., more recently gen. mgr. of upcoming educational WEDU, Tampa (Ch. 3), joins Screen Gems southern div. . . Bill Bailey, ex-KOMA, named operations director of KOCO-TV, Enid-Oklahoma City . . . Alberta Hackett, administrative supervisor, promoted to business mgr. of KNXT, Los Angeles, Larry Lazarus becoming director of systems; production mgr. Floren Thompson named asst. business mgr., succeeded by ex-asst. sports director Harold Uplinger . . . John G. Garrison, ex-Official Films, named national syndication director of Guild Films . . . Thomas C. Cureton promoted to promotion mgr. of WIS-TV, Columbia, S. C. . . O. Wayne Rollins, pres. & 66 $\frac{2}{3}$ % owner of Rollins Broadcasting Co., operating WPTZ, Plattsburgh, N. Y. (Ch. 5) and 6 radio stations, applicant for Ch. 12 of Storer's former WVUE, Philadelphia (Vol. 14:37), now controls firm by virtue of acquiring 16 $\frac{2}{3}$ % of stock of his brother, ex-Lt. Gov. of Del., John W. Rollins; this week he named all station mgrs. as v.p.'s, also elevating Henry B. Tippie, Albert R. Lanphear & Madalyn Pruett Copley at Wilmington headquarters to v.p.'s . . . Maurie E. Webster, sales mgr. of CBS Pacific network & KNX, Los Angeles, promoted to gen. mgr. of KCBS, San Francisco, succeeding Henry Untermeyer, re-assigned to N. Y. . . Tom Flynn, ex-KMJ-TV, Fresno, shifted to mgr. of McClatchy's KERN, Bakersfield.

J. Elroy McCaw, 46-year-old TV-radio station owner, is in Swedish Hospital, Seattle, recovering from an auto collision Sept. 27 in which he suffered serious head, chest, knee & ankle injuries. He's owner of TV stations KTVW, Tacoma; 50% of KTVR, Denver; 25% of KONA, Honolulu. He also owns or has interests in radio stations WINS, N. Y.; KDAY, Santa Monica, Cal.; KALE, Richmond, Wash.; KELA, Centralia, Wash., and was formerly owner of Seattle Americans hockey club.

If he's being considered for the projected Presidential commission to probe uses of the spectrum (Vol. 14:37-38), Dr. Irvin Stewart, recent pres. of U of W. Va. and 1934-37 member of FCC, knows nothing about it. That's what he writes from Laval U, Quebec City, one of stops on one-year Ford Foundation political science study tour, which takes him next to U of Cal. & U of Hawaii. He resigned in June from university presidency, planning to return after year to W. Va. U as professor of political science.

Robert F. Lewine, NBC-TV network program v.p., will be principal speaker at dedication of Ithaca (N. Y.) College TV-radio studios, Oct. 11.

Paul M. McDonough, attorney in FCC Office of Opinions & Review, named administrative asst. to Chairman Doerfer, succeeding Joseph M. Sitrick, who in mid-Oct. joins Washington staff of station brokers Blackburn & Co. McDonough, son of Rep. Gordon L. McDonough (R-Cal.), is 37, served as deputy city attorney of Los Angeles 1952-54, then with Los Angeles firm of Cantillon & Cantillon before joining FCC in 1957.

Michael M. Sillerman has resigned as exec. v.p. of TPA following \$11,350,000 purchase of TPA & merger with Jack Wrather's ITC (Vol. 14:38); pres. of ITC-TPA, as new company is known, is Walter Kingsley, ex-Ziv.

Obituary

Milton C. Scott, 51, chief engineer of WCKT, Miami, once with pioneer WIOD (later WCKR), died Sept. 20 in Miami. Surviving are widow, son.

AFTRA-SAG Merger Favored: N. Y. branch of Screen Actors Guild voted 217-2 this week for merger "in the field of TV" with American Federation of TV & Radio Artists—move long sought by AFTRA but opposed by SAG directors (Vol. 14:33). It was first time issue had been submitted to general SAG membership meeting. Approved resolution called on SAG's board "to take immediate steps to implement procedures" for merger, demanded "referendum of the entire membership of the SAG" on question if directors fail to act. Meanwhile AFTRA's Chicago chapter petitioned FCC to review NBC's license renewals, protesting network's local performer hiring-firing practices. AFTRA unit said NBC denies local advertisers opportunity of hiring local performers, stifles cultural possibilities of TV by its practices, ignores community interests by firing many performers, is interested only in "exorbitant" profits.

Harris Eyes Pay-TV: Most active foe of pay-TV in Congress, Rep. Harris (D-Ark.), chairman of Commerce Committee, this week disclosed plans for hearings on toll-TV plans for professional sports—starting in Jan. or earlier. Stimulated by recent talk about Skiatron's plans for wired pay system in N. Y. and on west coast (Vol. 14:36-38), Harris has sent queries about toll status to Skiatron, pro baseball & football teams in Los Angeles & San Francisco, and the telephone companies which presumably would supply cable facilities. In announcing plans, Harris stated: "Subscription TV limits the viewing of major sports events and other programs to those who are willing and able to pay. This constitutes a major departure from our present system of free broadcasting."

Omar F. Elder Jr., ABC secy. & asst. gen. counsel, has been named chairman of NAB copyright committee. Also appointed: Charles A. Batson, WIS-TV & WIS, Columbia, S. C.; attorney Robert M. Booth Jr., Washington; Ian A. Elliott, KATL, Miles City, Mont.; Robert V. Evans, CBS-TV; Leonard H. Higgins, KTNT-TV, Tacoma; Philip G. Lasky, Westinghouse stations; Douglas L. Manship, WBRZ, Baton Rouge; Harry R. Olsson Jr., NBC, N. Y.; Robert R. Tincher, WHTN-TV & WHTN, Huntington, W. Va.; J. Pattison Williams, WING, Dayton; Gunnar O. Wiig, WROC-TV, Rochester.

Experimental Ch. 12 operation of WJMR-TV, New Orleans, which also operates simultaneously on its regular Ch. 20, should be stopped immediately, according to WJTV, Jackson, Miss. (Ch. 12). WJMR-TV's Ch. 12 transmitter is less than FCC rules-required 190-mi.; grant was made so WJMR-TV could compare vhf & uhf signals. Court of Appeals ruled that Commission shouldn't have made experimental grant without a hearing, sent case back to FCC (Vol. 14:21). This week, WJTV noted that Court of Appeal's mandate was delivered to FCC Sept. 29, insisted that WJMR-TV must cease Ch. 12 operation "forthwith."

Allocations petitions filed with FCC this week: (1) Add Ch. 5 to El Centro, Cal., deleting Ch. 13 from Yuma, Ariz.; or add Ch. 5 to El Centro, leaving Ch. 13 in Yuma; or shift Ch. 13 from Yuma to El Centro—filed by Marietta Investment Co., which lost its CP for Ch. 13 in Yuma (KYAT) when FCC ruled it gave no good reason for delaying construction (Vol. 14:38). (2) Reserve Ch. 13, Bakersfield, Cal. for education—filed by Kern County Bestg. Co., Bakersfield Ch. 17 applicant.

Oilman Jack Wrather's expanding TV film operations (Vol. 14:38-39) is cue for article "U. S. TV Taps World-wide Markets" featured in Sept. 27 *Business Week*.

Another CATV Victory: N. Y. Telephone Co. must let projected community antenna system in Massena use its poles, N. Y. Public Service Commission ruled Sept. 29 in decision on complaint filed by Antenna Systems Corp. (Vol. 14:29). PSC argued it would be "discriminatory" for phone company to deny pole attachment rights to new CATV systems after having given them to earlier operators. Last week, Wyo. operators and NCTA won significant court decision which held that CATV systems aren't public utilities, don't come under state laws—because they're in interstate commerce (Vol. 14:39).

Robert D. Swezey, exec. v.p. of WDSU-TV & WDSU, New Orleans, again heads NAB's freedom of information committee. Others named by pres. Harold E. Fellows: Campbell Arnoux, WTAR-TV & WTAR, Norfolk; Otto P. Brandt, KING-TV & KING, Seattle; Carl J. Burkland, WAVY-TV & WAVY, Portsmouth-Norfolk; Richard O. Dunning, KHQ-TV & KHQ, Spokane; Frank P. Fogarty, WOW-TV & WOW, Omaha; John S. Hayes, WTOP-TV & WTOP, Washington; Joseph Herold, KBTB, Denver; Daniel W. Kops, WAVZ, New Haven; Robert T. Mason, WMRN, Marion, O.; Robert L. Pratt, KGGF, Coffeyville, Kan.; Weston C. Pullen, *Time-Life* stations; Lawrence H. Rogers II, WSAZ-TV & WSAZ, Huntington, W. Va.; W. D. Rogers Jr., KDUB-TV & KDUB, Lubbock, Tex.; James W. Woodruff Jr., WRBL-TV & WRBL, Columbus, Ga.; John C. Daly, ABC; Robert F. Hurleigh, MBS, Washington; Sig Mickelson, CBS; Wm. McAndrew, NBC; Theodore F. Koop, Radio-TV News Directors Assn., Washington.

U.S. Information Agency creates new TV service headed by Romney Wheeler, resigned managing director of NBC Great Britain Ltd. (Vol. 14:35), in move to step up video propaganda abroad. Henry Loomis remains as head of radio Voice of America. In announcing Wheeler appointment, USIA director George V. Allen said new TV dept. will offer documentaries, special events coverage, features on American life to 485 overseas stations outside Iron Curtain. In annual report to Congress, Allen said Soviet Union last year spent \$500-750,000,000 for propaganda directed at non-Communist world, plus \$100,000,000 to jam Free World broadcasts—more than U. S. spent on entire information program.

Three applications for new TV stations were filed with FCC this week: For Ch. 8, High Point, N. C., by local group including owners of *High Point Enterprise*; for Ch. 10, Charlotte Amalie, Virgin Islands, by ex-radio producer Robert Moss and ex-WABC sales mgr. Robert E. Noble Jr.; for Ch. 8, Wailuku, Hawaii, by KONA, Honolulu (Ch. 2), for use as satellite. They bring total applications pending to 95 (27 uhf). [For details, see *TV Addenda 27-E*.]

Wired-TV franchise for Antelope Valley near Los Angeles, sought by Homevision Inc., has been rejected 4-1 by Los Angeles County Board. Opposition to permit was led by chairman Julius F. Tuchler of Los Angeles Citizens Committee Against Pay-TV (Vol. 14:38).

Educational TV-Radio Center at Ann Arbor, now headed by John F. White, ex-WQED, Pittsburgh, and soon to have headquarters in N. Y. (Vol. 14:37), has named Dean Earl V. Moore, of U of Mich. School of Music, as music program adviser.

Critic goes legit: John Crosby TV-radio columnist for the *N. Y. Herald Tribune*, has sold his first play, "Love in Public," 3-act comedy about communications & modern society, to Broadway producer Alexander H. Cohen.

STEREO BUSTIN' OUT ALL OVER (Cont.): "Stereo is off and running, now," was confident assertion of youthful, savvy Joseph H. Benjamin, pres. of Hi-Fi Institute and exec. v.p. of Pilot Radio as we buttonholed him at this week's big N.Y. show (see p. 1). "Business has been mighty good the last 2 months. IHFM members (the makers of hi-fi components and systems) will overcome a bad first half to do about a \$250,000,000 retail business for the year compared with \$225,000,000 in 1957. Of course, package set makers will do a much larger total volume but our part of the industry now is growing at a faster rate. We are looking ahead to another record year in 1959."

The stereo phono famine is about over, in Benjamin's view. "Record makers were worried earlier that we wouldn't have phonos to play the new stereo records -- but that emergency seems to have passed. I think they are pleasantly surprised at the volume of equipment already on the market." Whole problem, he added, seemed to resolve itself once Columbia Records dropped its push for compatibility (Vol. 14:14) and went along with an industry plan for dual monaural and stereo releases.

Advertisements featuring stereo are literally jamming the newspapers of some major markets, notably N.Y., Chicago & Los Angeles, where specialty and dept. stores have initiated heavy space schedules along with some spot radio. New brand names are cropping out, old-line TV-radio-phono makers not yet having begun the big push. That's due to break in next few weeks, geared to pre-Christmas sales and heavily at first in class magazines, then on TV-radio as gift-giving season approaches.

An international flavor, to say nothing of new brand names, was added to the Hi-Fi Show by initial showing of British Industries Corp., exclusive American distributor for Garrard, Leak, Warfedale, et al. British representatives said interest in stereo over there equals that in U.S. -- with BBC planning more stereo broadcasts this fall and phono-record manufacturers hard pressed to meet demands. The recent annual National Radio & TV Exhibition at Earls Court, London, which featured stereo, played to huge attendance, excited enormous enthusiasm.

Dealers Protest Extended Warranties: The conflict of interest between manufacturers and dealers over trend toward extended warranties -- which latter say is now "sapping profits" -- is headed for a showdown under 3-pronged "action program" just initiated by National Appliance & Radio-TV Dealers Assn. Exec. v.p. Al W. Bernsohn told us this week representations are being made to manufacturers to: (1) shorten warranty periods, (2) eliminate references to "free labor" in manufacturers' advertising and literature, (3) let dealer decide how much "free service" he can afford.

So-called "warranty race," with manufacturers bidding against each other on length of "free service," has dealer in a squeeze, said Bernsohn. "Dealer is best fitted to decide what free service should go with each sale. Further, he can use service as a bargaining point with each transaction."

TV-Radio Production: TV output was 128,358 sets in week ended Sept. 26 vs. 118,811 preceding week and 155,751 same week last year. Year's 38th week brought total TV production to 3,452,939 sets vs. 4,420,000 last year. Radio production for week was 305,230 (101,196 auto) vs. 309,962 (109,901 auto) in the preceding week and 356,290 (105,965 auto) in same week last year. Radio output for 38 weeks this year was 7,372,917 (2,281,100 auto) vs. 9,993,000 (3,732,000 auto) last year.

Internal Revenue Service, in new ruling (Rev. Rul. 58-468), says 10% excise tax doesn't apply to sales of "device which fits on an individual's ear and allows him to hear sound signals from any apparatus that normally

uses a speaker for its output." But, if ear gadget is sold as "part or accessory for a radio or TV receiving set, a phonograph, or combination," excise applies to "total sales price of the complete set."

Trade Personals: Lester J. Neuman, pres. of Warwick Mfg. Corp., Chicago, controlled by Sears Roebuck and making its Silverstone line of TVs & radios as well as private-label hi-fi & recording equipment for other companies, relinquishes that post Oct. 15 and will be succeeded by L. G. Haggerty, resigned pres. of Capehart-Farnsworth. Neuman has been on loan from parent company since Jan., returns to old job of asst. to Sears Roebuck v.p. in charge of manufacturing; he had taken charge on retirement of ex-pres. John S. Holmes & exec. v.p. Gordon G. Brittan, latter now spending year in Europe . . . L. W. Teegarden, onetime RCA exec. v.p. and head of its tube operations, recently v.p.-distribution, who retired last summer at age 68, is now associated with Mayner, Dibrell & Co., Philadelphia management consultants . . . Vice Adm. B. Hall Hanlon (USN ret.) named Magnavox Washington v.p. . . Robert T. Champion promoted to v.p. of Siegler Corp.; Edward C. Lindsay, ex-Mercury Engineering, Milwaukee, named manufacturing v.p. of Siegler's Hufford Corp. div. . . O. W. Murray, exec. v.p. of Pathe Labs, film processor, elected pres., succeeding Kenneth M. Young, retired; David J. Melamed, Pathe treas. and associated with parent Chesapeake Industries Inc., elected exec. v.p. . . Wm. J. Kaiser Jr. promoted to Milwaukee district sales mgr., GE receiving tube dept. . . Robert H. Dolbear resigns as sales mgr. of GE cathode ray tube div., future plans to be announced . . . F. J. Van Poppelen, ex-GE, named sales mgr. of Motorola semiconductor div. . . George Tallent promoted to CBS-Hytron semiconductor quality control mgr. . . Gene R. Miller resigns as adv. & sales promotion mgr. of V-M Corp., Benton Harbor . . . Dr. Alfred N. Goldsmith, 30-year veteran of RCA as engineering v.p. & consultant, ex-IRE pres., elected a director of RCA Communications.

E. C. (Andy) Anderson, RCA exec. v.p.-public relations, suffered a slight coronary Sept. 30, will be confined for at least month in Nantucket (Mass.) Cottage Hospital.

ELECTRONIC PERSONALS: Glen McDaniel, onetime RCA v.p. & gen. counsel, ex-EIA pres., who became v.p. of Litton Industries in May, named pres. of Westrex div., recently bought by Litton from Western Electric; E. Edward Warn continues as v.p. & gen. mgr. . . Bertram B. Tower, v.p. of American Cable & Radio Corp. div. of ITT, named pres., succeeding Ellery W. Stone, elected chairman. . . C. W. Cowing promoted to sales mgr. of new GE Air Force sales dept., Syracuse . . . Maj. Gen. A. L. Pachynski, who retired in July as Air Force communications-electronics director, named program planning director of Lenkurt Electric . . . Hoyle U. Scott, ex-Navy Bureau of Aeronautics, named v.p., Webcor electronic div. . . Glen R. Simmons named research & development director of Western Electric Princeton research center . . . Dr. Martin Schilling, Army missile expert, named advanced development director of Raytheon's missile systems div., resigning as projects chief at Redstone Missile Labs . . . Paul L. Schiavone promoted to manufacturing costs mgr. of Sylvania electronic systems div., succeeding Harold Patterson, now business mgr. of Sylvania Waltham labs . . . Clifford A. Sharpe promoted to senior v.p. of American Bosch Arma . . . Lee D. Webster, ex-Dresser Industries, named v.p. of Ling Electronics . . . Henry L. Bechard, ex-Daystrom, named customer relations mgr. of Thompson-Ramo-Wouldridge.

1959 NAMM Music Show scheduled for June 22-25 in New York's Hotel New Yorker and Trade Show Bldg.

DISTRIBUTOR NOTES: Admiral, which recently announced merger of its Baltimore & Washington branch operations (Vol. 14:38), now appoints Kaufman Distributors to handle territory formerly serviced by Baltimore branch . . . Southern Wholesalers, Baltimore div., names Leo F. Lisee, ex-Admiral Distributors, Washington, sales mgr. for Kelvinator appliances . . . Jensen Industries appoints Crockett, Lund & Co., Dallas, for phono parts . . . Pyramid Electric appoints Hyde Sales, Denver, for components . . . Gray hi-fi div. appoints 14 for phonos, components: Ed. Brandt Co., San Francisco; R. Mark Markman Co., Los Angeles; Paul Hayden & Assoc., East Point, Ga.; W. G. Kelly Co., Kansas City; Walter Marsh & Assoc., Oak Park, Ill.; K. C. Burcaw Co., Detroit; Ernest Wilks Co., Dallas; Fred Rosenwasser Co., Cleveland; Wm. Lanphear, Seattle; H. A. Goodman Co., Philadelphia; Leo Jacobson Co., Buffalo; M. C. Grossman Sales Co., Newton, Mass.; Robert O. Whitsell Assoc., Indianapolis; Gramercy Sound Assoc., N. Y.

ITT has consolidated its Federal Telephone & Radio Co., Clifton, N. J., and Farnsworth Electronics Co., Ft. Wayne, under former's pres. Delbert L. Mills and with Farnsworth v.p. Vernon L. Haag named gen. mgr. of Ft. Wayne operations. Farnsworth pres. L. G. Haggerty has resigned to become pres. of Warwick Mfg. Co., Chicago. Headquarters of combined divs. will be Clifton, with Mills reporting to Fred M. Farwell, ITT exec. v.p.-U. S. Group.

Paul A. Gorman, former Western Electric v.p. in charge of manufacturing, named early this year as operations v.p., N. J. Bell Telephone Co., one of largest AT&T operating units, this week was elected pres. of N. J. Bell, succeeding Wm. A. Hughes, now chairman; Carl O. Lindeman, AT&T exec. v.p., succeeds Gorman.

Lynwood Cosby, Naval Research Lab electronic scientist, receives Navy's highest civilian award, Distinguished Civilian Service Award, for "major breakthrough" in electronics countermeasures.

"Space Vehicle Television," technical paper by C. P. Sonnett, is one of topics to be presented during IRE's symposium on "extended range & space communications" at George Washington U's Lisner Auditorium, Washington, Oct. 6-7. Major paper, to be delivered evening of Oct. 6 by Dr. John R. Pierce, Bell Labs, is "Transoceanic Communication by Means of Passive Satellites." His abstract states: "Satellites might serve as radio repeater sites to provide us with broad-band transoceanic communication, channels for multi-channel telephone & TV. Powered repeaters might be used, but the use of large metallized spheres as passive reflectors is also plausible. Two recent advances have brought the use of passive repeaters nearer to feasibility: the successful launching of satellites, and the invention of a very low-noise solid-state microwave amplifier, the maser."

Educational forum for distributors will feature 1959 Electronic Parts Distributors Show in Chicago, May 18-20, according to gen. mgr. Kenneth C. Prince, who said professional counselling organization will be selected to arrange and supervise program. Sidney Harman, of Harman-Kardon, Westbury, N. Y., heads educational and program committee, with Jack D. Hughes of Littlefuse Inc., Des Plaines, Ill., as vice chairman.

CBS Labs new research center, Stamford, Conn., will be dedicated Oct. 7. Roy W. Johnson, director of Defense Dept.'s Advanced Research Projects Agency, makes principal address.

Report on Magnavox: Magnavox's report for fiscal year ended June 30, released to stockholders Sept. 26, for first time publicly acknowledges liquidation and discontinuance of Sentinel and Spartan brands, acquired by purchase, "because it was found they did not fit the Magnavox policy of direct to dealer distribution." Report reaffirms "wisdom" of that policy, also of "our successful policy based on enduring furniture design and the avoidance of annual model changes." With 24 basic TV models, usable also as second sound system required for stereo, and with phonograph and radio-phono business on upgrade, stimulated by stereo, report forecasts "increasing share of the market potential" for firm's consumer goods.

Magnavox management explained this week that its original purpose in taking over and offering Spartan was to expand through broader distribution, notably in rural areas, but general market conditions led to conclusion it was better to drop it in interest of economy. Sentinel was purchased primarily to acquire its new plant in Evanston, with intention of using plant solely for production of color sets. After producing a few hundred color sets, it was decided "we had jumped the gun on color" and the plant was sold, its jigs and fixtures being moved to the Greenville (Tenn.) plant "in order to put us in a position to be prepared to resurrect our color production when when we felt the time was desirable . . .

"While we did not produce any color sets last year, we have one large deluxe console model in the line this year. We have it not because there have been indications of a big increase in color business but rather because there

Upturn in Movies: Republic Pictures this week reported net income of \$1,296,065 (50¢ per share) in 39 weeks ended July 26 vs. net loss of \$248,895 year earlier. And advance reports in *Wall St. Journal* on 3 other Hollywood majors—Paramount, Loew's MGM and United Artists—were other bright spots in usually gloomy movie industry. Paramount v.p. Paul Raibourn said upward trend in first 6 months (Vol. 14:33) continued through 9 months and earnings from operations "ought to be a little better" than \$2.13 per share in same 1957 period. He also mentioned "surprise in store" in Paramount plans for 1500 old silent features, but declined to say whether company is thinking of selling them to TV. Loew's pres. Joseph Vogel said that following bleak periods in recent years (Vol. 14:31), MGM is making money, will be in black for first fiscal quarter ending Nov. 30 vs. \$4,700,000 loss year earlier, has big earners in such pictures as "Cat on a Hot Tin Roof," "Reluctant Debutante," "High School Confidential." United Artists chairman Robert S. Benjamin said second 1958 half should continue first half uptrend when earnings were record \$1,319,000 (Vol. 14:37).

Higher definition TV is needed in Britain, according to Pye Ltd. chairman C. O. Stanley, who urges in annual report that a wideband system be adopted. As for color, he says: "Firstly, of course, we should proceed slowly and not imagine, as America did, that color would come overnight and suddenly break into a market of millions of sets. Second, we must learn by all the mistakes which have been made in America. And finally, let us try to do two things: Get a black-&-white system that is so good that it is valuable not only as entertainment but as an investment on its own merits."

have been enough dealers that have indicated to us that we could make scattered sales and they felt we needed it in order to complete our line."

Regarded in the trade as one of its best managed companies, the Ft. Wayne firm, which now has 8 plants in 6 cities, enjoyed second best year in its history—sales for fiscal year running \$82,592,113, net profit \$2,622,628 (\$2.50 per share) as against record 1957's \$87,467,864 & \$3,759,226 (\$3.70). Annual dividend of \$2.37½ was maintained and working capital dropped to \$16,486,890 from \$18,381,662 year ago while net worth climbed to \$23,542,119 from \$22,590,979. Taxes for year ran about twice net earnings—"major factor [being] trend of the various states and municipalities to increase their revenues at the expense of business."

Operating results and sales volume were said to have been adversely affected by general economic recession and the curtailment of military production schedules and by narrow profit margins on civilian products. Govt. & industrial products sales increased slightly over preceding year, company presently being in large-scale production of uhf systems for military aircraft and airborne radar. Research & development expenditures were about \$9,500,000 last year, 11.5% of total sales.

Proxy statement with notice for stockholders meeting Oct. 29 shows 941,278 shares of common and 115,154 of cumulative convertible preferred outstanding as of Aug. 31. Officer-director remunerations and common stockholdings were listed as follows: R. A. O'Connor, chairman, salary \$65,000 (50,857 shares); Frank Freimann, pres., \$75,000 (78,598); Gerard M. Ungaro, v.p., secy. & gen. counsel, \$40,000 (6527); Leonard F. Cramer, v.p., radio-TV div., \$50,000 (no stock).

Avco earnings, including TV-radio income from profitable Crosley stations subsidiary, rose to \$7,540,631 (80¢ per share) on sales of \$201,304,481 in 9 months ended Aug. 31 from \$6,223,181 (66¢) on \$238,983,886 year earlier, drop in sales reflecting halt in piston aircraft engine production. Report noted continued satisfactory results from TV-radio properties, good returns from electronics, airframe & farm equipment manufacturing and from research & development.

Raytheon, which increased sales & profits in first 1958 half (Vol. 14:31), will show record operating volume & earnings for full year, pres. Charles F. Adams told *Wall St. Journal* this week. He said sales should exceed \$325,000,000 vs. \$259,800,000 in 1957, "operating profits will show a substantial improvement" over last year's \$4,828,000 (\$1.70 per share). Backlog of govt. contracts—now representing 85% of Raytheon's business—totalled \$325,000,000 in first 9 months.

Reports & comments available: On Magnavox, review by Fahnestock & Co., 65 Broadway, N. Y. On Daystrom, discussion by Filor, Bullard & Smyth, 26 Broadway, N. Y. On Loew's, report by Eastman Dillon, Union Securities & Co., 15 Broad St., N. Y. On AT&T, review by Hirsch & Co., 25 Broad St., and analysis by David J. Greene & Co., 72 Wall St., N. Y. On Ling Electronics, study by J. A. Hogle & Co., 40 Wall St., N. Y.

Dividends: National Theatres, 12½¢ payable Oct. 30 to stockholders of record Oct. 16; Wells-Gardner, 10¢ Oct. 15 to holders Oct. 6; Avco, 10¢ Nov. 20 to holders Oct. 31.

Raytheon expands govt. equipment div. with new plant at No. Dighton, Mass., to employ about 1000.

Return of Eidophor: Virtually forgotten for years, the Eidophor system of big-screen TV (see p. 2) will be unveiled with considerable fanfare at meeting of American Assn. for Advancement of Science in Washington Dec. 27-30, under aegis of CIBA Pharmaceutical Products Inc. Two projectors will be on hand, one for technical sessions, other for exhibition. They were made in Zurich, Switzerland, by Dr. Edgar Gretener A.G., wholly-owned subsidiary of CIBA, will be fed by color cameras produced here by GE. Equipment and "staging" will be handled by Teletalent, new N. Y. closed-circuit organization.

GE holds rights to make projectors in U.S., and 20th Century-Fox is in the picture, too; 20th demonstrated equipment in U. S. originally in 1952 (Vol. 8:3, 5-6, 21, 26, 31, 33), and reportedly is considering ordering theatre-TV-type units from GE—as is TelePrompTer.

CIBA and Teletalent principals claim that Eidophor has been improved enormously in 6 years of development. It still uses same basic principles—film of oil on concave mirror in vacuum, modulated by electronic beam, with resultant "wrinkles" in film projected through special grating. However, equipment is now portable, reduced from 3000 to 800 lbs., and it uses xenon light. For color, it still employs field-sequential system with rotating disc. Largest projection is about 15½x11½-ft. During 1952 showings, system left generally good impression—particularly for its brightness (Vol. 8:26). Then, it was shown on 24x18-ft. screen, using 8-mc bandwidth and arc light source.

The AAAS demonstrations will be of material selected by AAAS groups—physics, chemistry, geology, botany, zoology. For Dec. 29-30 climax, there will be symposium on congenital heart disease ending with live open-heart operation.

Supervising this portion of AAAS program, along with several others, is Dr. D. B. Judd, noted Bureau of Standards color expert who testified during FCC's celebrated color-TV hearings (Vol. 6:16).

Notes on Educational TV: New twist in educational TV is closed-circuit system to alleviate overcrowding in Ohio State U law library by record-size freshman law class. Writes director Richard B. Hull of institution's WOSU & WOSU-TV (Ch. 34): "It is impossible presently to get all the freshman law students into the library for orientation or even into a single auditorium. Therefore, we are doing a closed-circuit TV job with the law librarian and a couple of student 'guinea pigs' showing how the library works and feeding it to students in different locations." Other ETV developments:

Nation's biggest class will be called to order Oct. 6 when Dr. Harvey E. White, vice-chairman of U of Cal.'s physics dept. & AEC consultant, launches *Continental Classroom* on NBC, 6:30-7 a.m. weekdays (Vol. 14:38). The noted physicist, who will conduct TV classes during fall & spring semesters, assisted by leading scientists and Nobel Prize winners, said ETV experiment marked "first time in history of TV that a full-year course in any field of education is offered to the general public on a nationwide basis." More than 300 universities & colleges offer credit for the nuclear age physics course, beamed primarily at high school science teachers.

Reports persist that Philadelphia's year-old ETV outlet, WHYY-TV (Ch. 35), may go off air if local board of

Television Factbooks Going Fast

OFF THE PRESSES only 2 weeks, *Television Factbook No. 27*, Fall-Winter edition of the TV-radio & associated electronic industries' standard reference book, has already sold some 3500 copies over and above its normal subscription run. It looks now as though extra-copy sales will exhaust the supply within a month or two, so we urge you not to put off ordering the additional copies you may need. Completely indexed, this 496pp. semi-annual "almanac" provides ready access to a wealth of basic data on all U. S., Canadian and World TV stations and networks (including complete rate cards of the U. S. & Canadian networks and digests of all station rate cards); new census of TV sets by states & counties; data on all CPs outstanding and applications pending; updated allocations tables. All other depts. have been updated, too, including directories of the FCC, TV sales reps, program producers & distributors, manufacturers of TV-radio sets, tubes & transistors, TV-radio attorneys, consulting engineers, specialized consultants, electronic labs, etc. Included with each *Factbook* is a revised copy of our 34x22-in. Map of TV Cities and Network Interconnections, in color, suitable for framing. *Television Factbook No. 27* costs \$5 for a single copy; \$3.50 each for 5 or more.

Like other TV-conscious pharmaceutical houses, CIBA is stepping up its use of the medium—just last week sponsored filmed heart operation over WMAL-TV, Washington. It plans 8-10 showings of Eidophor next year, including use at spring meeting of American Academy of General Practice in San Francisco and plastics industry session in Chicago in March.

CIBA's Dr. R. H. Roberts, who has been working on projects for several months at CIBA's Summit, N. J. headquarters, emphasizes that his company's purpose is to offer system as a "tool for education and demonstration" by scientific organizations; that it has no plans to make or sell equipment here.

education is required to withdraw its annual \$200,000 contribution for operation and divert sum to new Youth Conservation Board created to cope with juvenile problems.

Little Rock's crash ETV program (Vol. 14:39) appeared to be bogging down at close of 2nd week of operation, with TV instructors complaining that one-way teaching is "boring," students finding that unanswered questions are frustrating.

N. Y. Metropolitan Educational TV Assn. adds TV courses in basic Russian and Far East history & politics on WPIX, N. Y. (Ch. 11). It now provides more than 30 hours of ETV on leased time per week.

Still another station—WGBH-TV, Boston (Ch. 2)—is offering Russian language for credit beginning Oct. 6, course being taught by Harvard Prof. Horace G. Lunt; need for accelerated Russian study programs is pointed up by participating Lowell Institute Cooperative Broadcasting Council, which reports: "Only an estimated 8000 Americans are studying Russian, as opposed to 10,000,000 people from Soviet countries who are studying English."

New York U's singularly successful *Sunrise Semester* on WCBS-TV, N. Y. (Ch. 2) resumes (Mon.-Fri. 6:30-7:30 a.m., Sat. 7-8 a.m.), university disclosing it may telecast a major portion of its liberal arts program soon; syndicated film of 1957-58 telecourse currently is aired in 9 other communities.

**THE
AUTHORITATIVE**

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FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED

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SUMMARY-INDEX OF THE WEEK'S NEWS — October 11, 1958

CBS-OWNED HARTFORD UHF closing down in favor of WTIC-TV (Ch. 3), victim of intermixture. Second network-owned uhf to quit, 88th thus far (p. 1).

BUSINESS RECESSION RECEDING: Reports of economic pundits indicate lost ground being recovered, income and consumer demand up, optimism prevailing (p. 2).

MICROWAVE GRANTED FOR CATV to serve 3 Texas towns as FCC begins case-by-case study of station-CATV fight. Tough cases yet to come (p. 3).

RIGHT OF NEWSMEN TO WITHHOLD confidential sources is issue headed for Supreme Court; new Justice Stewart wrote opinion being appealed (p. 4).

STEREO MULTIPLEX STANDARDS precipitating FCC struggle. High Fidelity Assn., GE ask more experiments. Halstead urges own system (p. 5).

TRANSOCEANIC TV TRANSMISSION via satellite relays expected in not too distant future, says Bell Labs' Dr. Pierce. Passive & active repeaters described (p. 6).

CINEMASCOPE-SHAPED TV suggested by engineer Madison Carwein and BBC design chief Richard Levin, both arguing that present 4:3 ratio is wasteful (p. 6).

WEEK'S NEW STATION STARTERS are WJRT, Flint, Mich. (Ch. 12) & KCMT, Alexandria, Minn. (Ch. 7), bringing on-air total to 534 (p. 7).

WHO'S WHO IN AMERICA lists more than 400 ad agency executives, most in N. Y. & Chicago (p. 16).

Manufacturing-Distribution-Finance

TV SALES HIT PEAK for year in Sept., presaging better-than-anticipated fall selling season. Industry leaders highly optimistic (p. 11).

ACCOLADES FOR STEREO voiced by music critics, industry leaders alike after highly successful N. Y. Hi-Fi Show and news of sales upswing (pp. 11 & 15).

PRICE ADVERTISING TRICKERY in 'bargain' sales is target of new FTC drive. Staff enforcement manual details 9 gimmicks in use (p. 12).

RCA REALIGNS TOP EXECUTIVES, Odorizzi heading consumer products & services, Watts adding to duties. Operational Big 5 report to pres. Burns (p. 13).

TV-RADIO PRODUCTION TREND UP but totals for Aug. and first 8 months of 1958 still lag behind last year. Retail sales figures revised upward (p. 15).

CBS DROPPING OWN UHF FOR HARTFORD VHF: "Deintermix or die" seems by way of becoming an immutable law in FCC's patchwork vhf-uhf structure -- and this week's notice by CBS that it's abandoning its own uhf WHCT, Hartford (Ch. 18) as of Nov. 15 in favor of an affiliation with Travelers Life Insurance Co.'s one-year-old vhf WTIC-TV there (Ch. 3) will now be cited as another case example of the need for reallocation on an all-vhf, all-uhf or extensively deintermixed basis.

CBS stated frankly that competitive forces -- "hard economic realities" -- led to its "reluctant decision" to give up its own noble but profitless experiment in uhf ownership & operation; that if it had not affiliated with the wider-coverage vhf outlet in Hartford, its rival NBC might have done so. NBC has had a basic radio affiliation with Travelers' WTIC since its founding, which is said to be unaffected by the TV deal. NBC also owns & operates Ch. 30 WNBC in that area, while ABC is affiliated with New Haven's vhf WNHC-TV on Ch. 8.

WTIC-TV becomes basic CBS at \$1750 per Class A hour, replacing WHCT at \$700. WNBC's base rate on NBC is \$600, WNHC-TV's on ABC \$1400. CBS says it has no intention of severing affiliation with uhf WHYN-TV, Springfield-Holyoke (Ch. 40), located only about 30 mi. from WTIC-TV and within Ch. 3 primary service range, with which it recently signed usual 2-year renewal contract to offer it as an optional at \$450.

Reiterated was CBS's "current intention" to continue to own and operate its remaining uhf, WXIX, Milwaukee (Ch. 18), also in an intermixed area; this station, it was stated, also makes little or no money but its picture was recently improved

by moving down from Ch. 19 to avoid bothersome second harmonic interference.

"CBS is still hopeful about the future of uhf," said its statement. "We continue to believe that in appropriate circumstances, uhf can provide a fully satisfactory and competitive service. We will seek another uhf investment to restore the full permissible station ownership quota [5 vhf, 2 uhf] under FCC regulations."

The CBS move away from uhf in intermixed lower New England -- where there are still more uhf than vhf outlets, some doing quite well -- follows shutdown Sept. 30 of NBC-owned uhf WBUF, Buffalo (Ch. 17) in favor of basic affiliation with new vhf WGR-TV (Ch. 2), independently owned and now sold at \$1400 in lieu of WBUF's \$625. As NBC did in Buffalo, where staff of 52 was disbanded (Vol. 14:39), CBS is seeking to find places within its own organization for most of Hartford staff of 70.

CBS had operated WHCT exactly 2 years, having acquired it by purchase for \$650,000. NBC operated Buffalo just under 3 years, buying it for \$312,000. It's an interesting fact that more uhf's have gone off the air than have survived -- 88, to be exact, with 84 still surviving if you deduct month-to-go WHCT (see also p. 7).

* * * *

At FCC there was deep regret over demise of another uhf, especially one so strongly backed by economic and technical know-how -- for it reemphasizes faults of FCC's allocation plan. There was no disposition to criticize CBS. As in case of NBC's Buffalo recent uhf shutdown, move was regarded as one of business judgment in which FCC members have no right to interfere.

But it was manifest that urgency of FCC's hunt for allocations solution has been intensified by the CBS defection in Hartford and NBC's in Buffalo -- and it's apparent some members of Senate Commerce Committee are bound to be displeased, particularly Sen. Pastore (D-R.I.) who once plumped for deintermixture of Hartford and the addition of another vhf channel to Providence. As for the commissioners:

"Makes me sick to my stomach," said Comr. Bartley, who long has held that extensive deintermixture could prevent such failures. Another member told us: "It distresses me, but it's a business judgment out of our hands. Networks were balanced there, now they're imbalanced, and it may suggest the need for power to correct such imbalances." Still another commissioner's comment:

"The impact on allocations and deintermixture depends on what our own studies turn up. CBS's move may turn out to be good or bad; I don't know now. I wouldn't undertake to tell CBS how to run a network. They have to use their own business judgment, taking things as they exist under FCC's actions to date."

THE RECEDING BUSINESS RECESSION: The appraisal of general business conditions by the usually cautiously conservative and sometimes staid First National City Bank so well buttons up what most of the more important business services are saying that we feel we can do little better than quote verbatim from its current newsletter:

"The business recovery is continuing at a good pace on a broad front. Preliminary reports for Sept. indicate that production and sales have risen further... Particularly encouraging is the month's news from the capital goods industries. These industries are the laggards in the upturn, and, during the summer, while most business indexes were rising sharply, optimism was tempered by fear that the decline in capital expenditures had much further to go and would exert a prolonged depressing influence. Latest evidence, however, is that the drop in this key area has already bottomed out. No great rise is in sight, but even a sideways move is a help.

"Preliminary estimates show both personal income and personal consumption at new records during the third quarter, while economic activity generally -- as measured by gross national product -- appears to have recovered roughly two-thirds the ground lost during the recession. The persistent rise in prices, inflating dollar figures, causes them to understate the decline and overstate the rise in real terms, but, even after allowing for inflation, the gains are significant.

"More than one-half of the decline in the physical volume of industrial production was regained in the first 4 months of recovery. Between April & August, the Federal Reserve Index (seasonally adjusted, 1947-49 = 100) rose from a low of 126 to 137, making up 11 points of the preceding 20-point decline. The sharpest drop in output during the postwar period is thus being followed by the sharpest recovery. The problem now is how long the present speedy rate of recovery can be maintained.

"Four influences stand out as dominant in this rapid upsurge: shifting inventory & purchasing policies, strong consumer demand [except for autos, down 22% in 3rd quarter from 2nd], heavy govt. buying, and an upswing in home building..."

* * * *

Bolstering the foregoing was monthly report of National Assn. of Purchasing Agents, usually bellwether. "Business continues to get better," it states. "While we do not have anything approaching a boom, there is renewed optimism on many fronts." Despite spotty strikes, the purchasing agents report sharp increases in both production and new orders: 53% report improved production rates in Sept. as against 45% in Aug., only 9% saying their production is off; 58% say their new order situation has improved, only 13% reporting it as worse.

Dept. of Commerce this week reported unemployment at mid-Sept. was down about 600,000, biggest drop since last Dec., and stated that sales of wholesale merchants in Aug. ran \$9.8 billion, 2% over July but 4% below Aug. 1957. For first 8 months of this year, sales were running 6% below same 1957 period. Both the Kiplinger and Whaley-Eaton Washington services this week were "assessing" the extent of upturn in business -- and were ready to report "favorable aspects" but no boom yet.

Note: That the TV trade is sharing in the general economic upsurge, with retail sales achieving new peak in Sept., was indicated by this week's preliminary estimates of Electronic Industries Assn. (details, p. 11).

THE STATUS OF FCC'S CATV-MICROWAVE FREEZE: FCC has begun to sink its teeth into job of settling small station-community antenna fight (Vol. 14:16, et seq), and first specific action to come out of special meeting this week was to grant microwave to serve CATV systems in little towns of Childress, Memphis & Wellington, Tex. This is not at all a true melting of the microwave "freeze" imposed by the Commission because of fears expressed by several Western telecasters (Vol. 14:24).

Commission sources caution that the grant certainly doesn't mean that the freeze is over or that whole CATV policy has been set. Rather, it's the establishment of a case-by-case consideration -- and the Texas microwave was easy to grant. It will bring TV to towns that have no stations, no applications, little or no TV service from out-of-town stations -- and no one has opposed the microwave. Cheese will get more binding as Commission considers microwaves designed to serve CATV systems in towns with stations, CPs or applications.

Station & CATV operators are on tenterhooks now, waiting to see what Commission will do about other microwave applications. CATV spokesmen argue, apparently convincing substantial group within FCC, that Commission is on very tenuous legal grounds in withholding CPs. They insist that the microwaves, as common carriers, offer their services to all comers, and that Commission is barred from discriminating against CATV operators to protect station operators against competition. Latter maintain that CATV, bringing multiple TV service from big-city stations via microwave, can drive them out of business; that FCC has both power and duty of protecting local service against such "invasions."

Winner of microwave grant was Mesa Microwave Inc., subsidiary of aggressive Video Independent Theatres, big Oklahoma City-based outfit headed by Henry Griffing -- which has long string of theatres in Southwest, rapidly expanding CATV holdings and TV station interests [11.9% of KWTU, Oklahoma City (Ch. 9); CP for KVIT, Santa Fe (Ch. 2)]. Mesa Microwave has announced some very ambitious plans, intends to offer microwave service to all comers, nationwide eventually. It states that it is

"an independent communications common carrier offering a variety of services at rates which for the first time make it possible for many companies to look to common carriers to solve their special communication problems."

APPEAL FROM DICTUM BY JUSTICE STEWART: Now a journalistic cause celebre -- with the newspaper fraternity generally hailing N.Y. Herald Tribune's announced intention of carrying it to the U.S. Supreme Court -- case of TV-radio columnist Marie Torre may settle once-&-for-all the ancient question whether a reporter has the inherent right to protect his confidential news sources. And one thing's sure:

Justice Potter Stewart, the 43-year-old Cincinnati Federal court jurist named this week to the highest court in the land, will disqualify himself in the case. For it was he who wrote last week's unanimous opinion for the U.S. Court of Appeals in N.Y., sitting as visiting judge, upholding the lower court's criminal contempt conviction of Miss Torre for refusing to tell where she got certain quotes. Justice Stewart wrote, among other things, that freedom of the press "is not an absolute" (Vol. 14:40) -- and it's a long-cherished principle that's being fought out.

Counsel for Miss Torre, who touched off the litigation by refusing to name the "CBS executive" whose unflattering remarks about singer Judy Garland were quoted in her column, is ex-U.S. attorney Mathias F. Correa, now member of the law firm of Cahill, Gordon, Reindel & Ohl, who happens also to be counsel for RCA-NBC. Counsel for CBS in its own separate defense are Rosenman, Goldmark, Colin & Kaye.

Thus, with the newspaper carrying the issue to the highest court, with the nation's news fraternity jealous to retain its presumed right to withhold confidential news sources, with CBS fighting a \$1,393,333 breach of contract and libel suit brought by Miss Garland, with RCA-NBC counsel happening to become involved, outcome of the case will be watched eagerly -- for it's of vital importance not only to the world of print but to the expanding realm of video-audio journalism. [For more details about Justice Stewart's opinion and counsel arguments, see below.]

Reporter's Prerogative? It's a moot question whether, in face of N. Y. Federal appellate court's opinion that a reporter's confidential sources of information are not sacrosanct, U. S. Supreme Court will sustain that traditional prerogative of American newsmen in now celebrated Marie Torre case (above). Since judges are "people" too, Judge Potter Stewart can be presumed to have drawn upon his own youthful experience as a reporter on the *Cincinnati Times-Star* and as chairman of the Yale *Daily News*. This is the dictum, in part, he wrote for the 3-man Court of Appeals:

"Freedom of the press, hard won over the centuries by men of courage, is basic to a free society. But basic, too, are courts of justice, armed with the power to discover truth. The concept that it is the duty of a witness to testify in a court of law has roots as deep as does the guarantee of a free press . . .

"As to the Constitutional issue, we accept at the outset the hypothesis that compulsory disclosure of a journalist's confidential sources of information may entail an abridgement of press freedom by imposing some limitation upon the availability of news.

"Freedom of the press within the historic meaning of the First Amendment meant primarily freedom from previous restraints upon publication and freedom from censorship. Yet, in the domain of the indispensable First Amendment liberties, it is essential not to limit the protection of the right to any particular way of abridging it . . . but

freedom of the press, precious and vital though it is to a free city, is not an absolute.

"What must be determined is whether the interest to be served by compelling the testimony of the witness in the present case justifies some impairment of this First Amendment freedom. That kind of determination often presents a 'delicate and difficult' task. The task in the present case, though perhaps delicate, does not seem difficult."

* * * *

Line of Miss Torre's defense undoubtedly will be patterned after tack taken by her counsel, Mathias F. Correa, who argued in court of first instance that First Amendment protected Miss Torre as "a newspaper reporter" from being forced to supply confidential information during pre-trial examination. He also pointed out that others would be loath to give her information were she to name confidential sources. Said he: "The protection of confidentiality of reporters' sources is important. That preservation is essential to the maintenance of a free press." Confidentiality, he insisted, extends to reporter & news source just as it does to attorney & client, priest & penitent, husband & wife.

Counsel for Judy Garland, Lionel S. Popkin, maintained that identity of the CBS news source was "essential" to the case against CBS. Although Miss Garland is not suing the *Tribune* or Miss Torre, the columnist faces 10 days in jail if Supreme Court upholds original ruling.

And what was the horrendous remark attributed to the unnamed CBS spokesman, which began the chain reaction? Miss Garland, he's alleged to have said, "is known for a highly developed inferiority complex [and he] wouldn't be surprised if it's because she thinks she's terribly fat."

FM, Stereo & Multiplex: FCC is fast moving into a new battleground of struggle over broadcast standards—this time over FM multiplexing for stereo. FCC's request for industry's suggestions on how FM stations can produce more revenue via "subsidiary" multiplexed services (Vol. 14:27) has already produced another fight—between broadcasters and common carrier operators, latter fearing stations will cut into their "radio paging," microwaving & similar business.

This week, FM's potential for multiplexed stereo was center of argument. Institute of High Fidelity Manufacturers urged Commission not to adopt any stereo standards at this time, stating: "The result might well be to inhibit rather than to expand the great potential of high quality service to the public which stereo transmissions on FM can assuredly offer." Rather, it said, Commission should encourage more experimentation for the present. Above all, it concluded, FCC should make certain that FM's high fidelity isn't degraded.

GE radio receiver dept., through engineering mgr. John N. Phillips and attorney J. S. Kelly, urged that study of standards be undertaken "immediately" by group similar to the National TV System Committees which worked out standards for black-&-white and color TV; that "this can probably be best achieved under the sponsorship of EIA."

GE offered this brusque evaluation of "subsidiary" services: "In view of the recognized fact that the use of FM channels for multiplexed subsidiary communications degrades the quality of the FM broadcast service, we have concluded [that] such use should be permitted only on a very limited and temporary basis . . ."

"Admittedly, the use of a multiplex channel for broadcasting stereophonic information will degrade to some extent information being transmitted monophonically over the main FM channel. However, it is entirely probable that the enhancement added by the ability to broadcast stereophonic information more than offsets any degradation in other characteristics of the transmission."

MCA TV now claims 18 TV markets thus far sold will account for \$40,000,000 of the \$50,000,000 it's paying for the Paramount pre-1948 backlog of about 700 feature films—and that by Nov. 1 it will have sold enough to pay the whole freight, with U. S. sales expected eventually to run \$70,000,000 plus residuals and foreign markets. Highest priced film package yet offered, it has met tough sales resistance at stations. Though MCA TV won't release whole list of buyers or amounts involved in deals, those announced piecemeal thus far are: KETV, Omaha; KIRO-TV, Seattle; WBZ-TV, Boston; KPIX, San Francisco; WTOP-TV, Washington; KHQ-TV, Spokane; KBET-TV, Sacramento; KMOX-TV, St. Louis; WFBM-TV, Indianapolis; WTTV, Bloomington, Ind.; WTCN-TV, Minneapolis; KUTV, Salt Lake City; WJW-TV, Cleveland; WTOL-TV, Toledo; WBAL-TV, Baltimore; WITI-TV, Milwaukee (conditional on approval of Storer purchase). Some are known to be taking only part of package, and most deals are said to run well into 7 figures.

NAB's 4th annual conference of presidents of state broadcasters associations will be held next Feb. 24-25 in Shoreham Hotel, Washington.

As pres. of Multiplex Services Corp., 160 E. 55th St., N. Y., Wm. S. Halstead this week asserted, in effect, that broadcasters can have their cake and eat it, too, by using 3-channel system he developed in collaboration with Richard Burden Assoc., Mt. Kisco, N. Y. Halstead claims his system permits use of main FM channel plus one multiplexed channel for stereo, leaves a third channel for subsidiary services—such as functional music.

Attacking "other stereo systems," he says they would permit "pirating" of subsidiary services, whereas his system uses "simple 4-tube home adapter" which screens out such services. He said system has been tested by WGHF-FM, Brookfield, Conn. and WIP-FM, Philadelphia, and can produce 15,000 cycles on both stereo channels.

Halstead's main targets seem to be Crosby Laboratories Inc., Syosset, N. Y., (Murray G. Crosby, pres.), and Harkins Radio Co., 4444 E. Washington St., Phoenix (Dwight Harkins, pres.)—latter a multiplex equipment manufacturer. These two have been working together, and Crosby has been stressing a "plus-&-minus" technique designed to give owners of ordinary FM sets an undisturbed signal while providing stereo owners with full stereo effect.

FCC staff members say that it's too early to talk about standards but that problem will be dealt with sooner or later.

NBC got support in Supreme Court this week from affiliate WNEM-TV, Bay City, Mich. (Ch. 5) in fight to protect its licenses against attack by Philco (Vol. 14:25, 39). Philco had claimed NBC used its stations to give RCA unfair advantage as a set manufacturer and TV advertiser. FCC threw out Philco's protest on grounds that it has no "standing" because it's not a broadcast licensee. Court of Appeals reversed Commission, and NBC went to Supreme Court. In *amicus curiae* brief, WNEM-TV argues that statute requires Commission to limit right of protest to licensees. Station points out that its owner James Gerity Jr. has interests in non-broadcast enterprises which are TV advertisers—Hammond-Standish (meat packing) and savings bank in Adrian, Mich.—and competitors of these could attack his license if Court of Appeals is upheld.

Russia's reprisal against CBS for its recent telecast of fictional drama "The Plot to Kill Stalin" on *Playhouse 90* was to expel network's Moscow correspondent Paul Niven this week, telling him there would be no more accreditations of any CBS newsmen. CBS news director John Day, noting that news dept. had nothing to do with the dramatic presentation, said State Dept. will be asked to help persuade Russians to rescind order.

Special TV-radio report in Oct. 13 *Newsweek* titled "TV: Dial Anything for Murder" says violence on TV gets out of bounds in new season. Cover story by TV-radio editor Marvin Barrett protests against 24 prime hours weekly on 3 networks being devoted to violence, lists half of new programs in "grisly category," suggests "at least a partial moratorium on mayhem."

Erratum: In story on the \$8,000,000 Hialand Development Corp. purchase of Honolulu's Consolidated Amusement Co., along with its 75.45% control of stations KGMB-TV, KGMB & satellites (Vol. 14:40), we mistakenly stated that the *Honolulu Star-Bulletin's* 24.55% interest in the stations was included in the deal. It is not—and we regret our error.

Wide-Screen TV Proposed: From 2 quite disparate sources this week came recommendations that serious thought be given to changing TV technical standards to permit wider pictures—a la movies' Cinemascope. Madison Cawein, research-production v.p. of Grimson Color Inc., 381 Fourth Ave., N. Y., presents case for wide-screen in Oct. *Signal Magazine*, published by Armed Forces Communications & Electronics Assn., 1624 Eye St. NW, Washington. Oct. 6 *Home Furnishings Daily* carries similar plea from London by Richard Levin, BBC design chief.

A veteran TV engineer whose firm produces wide-screen TV for military, Cawein asserts: "Wide-screen TV represents a major, and probably the most important advance in the TV art in recent years." He suggests 7-to-3 aspect ratio (width-to-height relationship) instead of present 4-to-3, with 10-mc bandwidth and 700 lines of resolution to provide adequate definition. His argument is that virtually everything televised—from beach landings to football to traffic to drama—has most of its action on horizontal plane. For some special applications (airport surveillance, etc.), he suggests 9-to-3 or even 5-to-1 ratio.

"In the theatre," he writes, "the natural aspect of the stage is about twice that covered by commercial TV. This is because the actors are usually performing side by side, and not on one another's shoulders." He also notes: "The aspect ratio of our vision is more nearly 7-to-3 than 4-to-3, due to the horizontal arrangement of the eyes." Present ratio was adopted by FCC on recommendation of first National TV System Committee, which in turn followed movies' formula. Review of standards is in order, Cawein believes, because of growing stockpile of wide-screen film.

BBC's Levin suggests 7-by-3 ratio, claims that it offers much better opportunity to program producer; that "nothing much ever happens at the extreme top or extreme bottom of a picture." He admits that cost of re-tooling for manufacture of new tubes would be great, suggests that tube makers could split costs of changeover.

TV Relays Via Satellites: Transoceanic TV transmissions via satellites, both passive and active, aren't too far in future, according to Dr. John R. Pierce, Bell Labs' noted director of electrical communications research. He described possibilities during symposium sponsored by IRE and George Washington U in Washington, Oct. 6.

Best immediate potential, he said, would be a link operating between Newfoundland & Scotland through series of satellites on transpolar orbit 3000 mi. out in space. Passive satellites would be 100-ft. metallized spheres weighing about 100 lbs. each. He said that 24 of these would offer sufficient contact to provide only 1% discontinuity of communication. Optimum frequencies appear to be 1500-2000 mc and 8000-10,000 mc, he said.

Signals would be bounced off satellites from 250-ft. "dish" antennas fed by 100-kw transmitters. Pierce noted that military plans to put 100-ft. sphere into orbit at 800 mi. next year, to measure air density.

Active repeaters are further off, Pierce said, because of need for more reliability than presently attainable. He envisioned maser-powered units radiating 30 milliwatts, triggered by 100-watt transmitters on ground.

Advantage of passive repeaters, Pierce stated, is that they're flexible—any kind and number of signals may be bounced off them, and all the fallible electronic gear is on the ground. On other hand, they demand tremendous power.

BBC Laments U. S. Films: Unhappiness over British reliance on TV film imports from U. S. is expressed by BBC in 1957-58 report to Parliament, released this week. Deploring fact that 10% of BBC programming during year "consisted of material of American origin," chairman Sir Arthur Forde says govt. system "regards as unsatisfactory this position of dependence on the American product and is therefore doing all that it can to stimulate production of British films for TV." He hopes for "substantial advances" in coming year to put more British-made products on home screens, increase exports of programs. Sir Arthur laments that BBC's trouble has been that British theatrical movie features haven't been "available at a reasonable price," that British TV films "are virtually non-existent." So BBC has had to turn to U. S. feature movie libraries on international market and to "vast reservoir of 30-min. films which were originally made for showing on American TV."

There were 86,348 fulltime executives & employes at U. S. stations and networks as of last Aug. 1, according to *Broadcasting Magazine's* newly issued 1958 Yearbook edition, listing all TV-radio stations by states & cities. The 3800-odd AM-FM stations employ 42,523, the 495 commercial TV stations 29,205, the combined TV-radio networks 14,620. Network payrolls are given as 6327 at CBS, 5600 at NBC, 2525 at ABC, 168 at MBS. Total 1957 payroll, according to Dept. of Commerce: \$527,000,000.

Much-publicized furore over new gen. mgr. Lloyd Yoder's shakeup of night program schedule of WNBQ, Chicago, proposing to eliminate popular newscaster Clifton Utley and arousing loud protests by no less than Senator Douglas (D-Ill.), et al., was resolved Oct. 10 when Yoder signed Utley to new contract, doubled his air time to 10-10:10 p.m. nightly.

Westbury Electronics, manufacturer of equipment for CATV, motels, apartments, etc., has turned over distribution to Graybar Electric Co.

Active repeaters are riskier and less flexible. Equipment failure in space is final. Furthermore, they can repeat only the kind of signals for which they're originally built, can't be modified. Another possibility, much more remote, is use of satellite 22,000 mi. out. Accurately placed, it would rotate with the earth, relatively stationary with respect to any single spot. However, if it's mere 1 ft. off position, it will drift .6 mi. yearly.

Dr. Pierce contrasted the satellites with other possible means of transoceanic TV transmissions. Broadband submarine cables are technically quite feasible—but prohibitively expensive. Tropospheric scatter is possible, but its broadband signals aren't of exceptional quality, it requires lots of power, and transmitters must be located in a lot of poorly accessible places.

In another paper, Ramo-Wooldridge's Dr. Charles Sonett described photo-cell unit designed to give rough idea of what other side of moon looks like through Air Force's "lunar probe" missile fired Oct. 11. If shot is fully successful, some idea will be given of appearance of back of moon, heretofore never seen by man.

International agreement on use of frequencies for space was urged by Andrew G. Haley, pres. of International Astronautical Federation and gen. counsel of American Rocket Society. He said there's prospect of 100-200 satellites orbiting in next few years—yet there's no frequency allocation agreement covering them.

New & Upcoming Stations: This week's starters are WJRT, Flint (Ch. 12), which begins Oct. 12 with ABC-TV, and KCMT, Alexandria, Minn. (Ch. 7), which began Oct. 8 with World Series and is affiliated with both NBC-TV & ABC-TV. Two other expected starters have been delayed: KCIX-TV, Nampa, Ida. (Ch. 6), which planned Oct. 10 start, has changed target to Oct. 26; KGEZ-TV, Kalispell, Mont. (Ch. 9), which had planned to resume Oct. 7 (Vol. 14:40), reports it has been delayed week or 10 days more. This week's 2 starters change on-air box score to 534 (85 uhf).

WJRT top executives are John F. Patt, pres.; Worth Kramer, exec. v.p.; A. Donovan Faust, station mgr. It has 50-kw RCA transmitter and 12-bay antenna on 990-ft. Emsco tower 4 mi. NE of Chesaning, Mich. and about 80 mi. NW of Detroit. Besides network, it is scheduling 37 hours weekly of local. Flint studios, equipped with 6 camera chains, are augmented by auxiliary studios in Chesaning and Detroit where WJR operates under same ownership. Base hour is \$700. Rep is Harrington, Righter & Parsons.

KCMT has 2-kw RCA transmitter and traveling wave antenna on 1000-ft. Stainless tower near Westport, Minn., 25 mi. S of Alexandria and about 100 mi. NW of Twin Cities. Principal owners are pres. Joseph O. Perino, 10%, and these executives of WDAY-TV, Fargo N. D. (Ch. 6): E. C. Reinecke, 10%; Thomas K. Barnes, 21%; Julius Hetland, 10%. Glen Flint, ex-administrative asst. to Sen. Young (R-N.D.) and onetime WDAY-TV news director, is gen. mgr.; Kenneth Bechtel, program director; Kenneth L. Olson, ex-WDAY-TV, chief engineer. Base hour is \$200. Rep is Avery-Knodel (Harry Hyett remains for Minneapolis).

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

WENH, Durham, N. H. (Ch. 11, educational) has purchased used 10-kw Standard Electronics transmitter from RCA, hopes to begin Jan. 1, reports Jere A. Chase, director of development for grantee U of New Hampshire. Transmitter house on Saddleback Mt., 14-mi. away near Deerfield, N. H. is nearly ready, but studio construction in Memorial Union building on campus hasn't begun yet. It will use 360-ft. guyed Stainless tower.

CJDC-TV, Dawson Creek, B.C. (Ch. 15) has ordered 200-watt GE transmitter for Oct. 15 delivery, plans Dec. 15 programming, reports pres. H. L. Michaud. Studio-transmitter building is to be completed in 2 weeks, but work on 70-ft. tower, which will have Alford antenna, hasn't begun yet. Base hour will be \$100. Reps will be Donald Cooke and TV Representatives Ltd.

Hawaiian channel shift requested by KGMB-TV, Honolulu (Ch. 9): Delete Ch. 7 from Honolulu & Hilo; add Ch. 7 to Wailuku; delete Ch. 8 from Wailuku; reserve Ch. 11 in Honolulu for educational use. KONA-TV, Honolulu (Ch. 2), has applied for Ch. 8 satellite on Wailuku, and KGMB-TV states that a Ch. 8 signal on Wailuku would interfere with pickup of KGMB-TV's Ch. 9 signal by its own satellite KMAU-TV (Ch. 3). KGMB-TV also states that a Ch. 8 operation on Wailuku would eliminate service by its Hilo satellite KHBC-TV (Ch. 9) because its signal source is KMAU-TV.

Facility changes: WLWA, Atlanta (Ch. 11) Oct. 6 began operation from new site at 110 Arizona St. NE, with 1042-ft. tower and traveling wave antenna; WPSD-TV, Paducah, Ky. (Ch. 6) Oct. 10 boosted power to 100-kw.

The UHF's That Failed: More uhf stations have given up the ghost than have survived—forced by economic circumstance brought about by intermixture. So far this year alone, 9 have quit, including Hartford's CBS-owned WHCT (Ch. 18) which goes dark Nov. 15 (p. 1). The others: WITV, Ft. Lauderdale-Miami (Ch. 17); WFLB-TV, Fayetteville, N. C. (Ch. 18); KSAN-TV, San Francisco (Ch. 32); WKAR-TV, E. Lansing, Mich. (Ch. 60, educational); WNOW-TV, York, Pa. (Ch. 49); KFSA-TV, Ft. Smith, Ark. (Ch. 22); WBLN, Bloomington, Ill. (Ch. 15); WBUF, Buffalo (Ch. 17). [For complete list of the uhf's that left the air up to Sept. 5, see *TV Factbook No. 27*, pp. 370-72.]

FM functional music operators must convert to multiplex operation or drop the music transmissions, FCC announced this week, turning down requests by 17 stations for more time. Commission adopted rules permitting functional operation July 1, 1955, but gave operators a year to convert from simplex to multiplex. Subsequently, it granted several extensions to Oct. 1. This week, it stated that multiplex equipment is readily available; that no more extensions are justified. Decision was by Comrs. Hyde, Bartley & Cross. Doerfer & Lee were absent. Ford dissented, Craven concurring, on basis that Court of Appeals has granted stay to WFMF, Chicago, pending consideration of whether FCC is correct in its assertion that functional music is non-broadcast. Ford said that failure to grant more time under these conditions is "abuse of the Commission's power." Had Court not granted stay, he said he'd agree with majority. Several of the disappointed operators went to Court of Appeals to contest this week's ruling.

W. Randolph Tucker leaves Nathan W. Levin Co., N. Y. investment firm, to become v.p.-treas. of Barnes Engineering Co., 30 Commerce St., Stamford, Conn., instrument manufacturer which has purchased community antenna system in Bluefield, W. Va. from Levin firm. Tucker is secy. of National Community TV Assn.; Gordon Fuqua continues as mgr. of Bluefield system.

New community antenna system—Desert TV Cable Service, Rancho Mirage, Cal.—is being built by Charles M. Trimble, ex-Lincoln TV System, DeLake, Ore. In International Falls, Minn., International TV Cable Corp. has begun extending cable to adjoining Ft. Frances, Ont., first instance of system straddling border.

Translator starts: W81AB, Hillcrest & Chenango Bridge, N. Y. began Sept. 30 repeating WINR-TV, Binghamton, also owner of W78AB, Johnson City & Vestal, N. Y. K71AJ, K75AK & K81AD, Wasco, Ore. went on air Sept. 24-30 repeating KPTV, KGW-TV & KOIN-TV, Portland.

"OKT Assn. of CATV Systems" has been formed by Okla. & Tex. community antenna operators with these officers: Curtis M. Faris, Guymon, Okla., pres.; Neil W. Shirley, Denison, Tex., v.p.; Benson Dean, Ardmore, Okla., secy.-treas.

Entron Corp., CATV equipment manufacturer, opens 2 new offices: 496 No. Dentura St., Littleton, Colo. (for Denver) Evan Jones Jr. mgr.; 1320 Arnold Ave. NE, Atlanta, J. M. Sims mgr.

Translator CP's granted: Ch. 75, Manson, Wash., to Manson Community TV Co.; Ch. 71 & Ch. 79, Olivia, Minn., to Renville County TV Corp.

Community antenna system in Waldport, Ore. has been purchased from Cable TV Corp., Reedsport, Ore., by Homer C. Stokes, operator of system in Yachats, Ore.

Persian Market Opens Up: Television of Iran's TVI, Teheran (Ch. 2), RCA-built under American standards and American-managed, was officially inaugurated Oct. 3 by His Majesty the Shah of Persia, opening 4-hour nightly schedule, playing to some 1500 receivers expected to increase to 25,000 by year's end. Station is commercially operated, owned by the prominent Habib Sabet family, whose sons Iradj & Hormoz Sabet were American-educated, managed by A. Vance Hallack, ex-color production chief for RCA-NBC in N. Y. & Washington. Hallack originally went to Baghdad on loan from U.S. Govt. to help organize Iraq's govt.-owned station (operating on European standards) and previously had been detailed to conduct TV demonstrations at Djakarta, Indonesia & New Delhi, India (neither with stations as yet) and as advisor to the new HSI-TV, Bangkok, Thailand (Ch. 4), also operating under U. S. standards. Writes Hallack from Teheran: "During the last month, experimental programs were put on the air to determine the basic tastes of the Iranian people. They enjoy most of all their own Iranian music, singing & dancing, yet are partial to American cowboy and adventure films. The language problem was overcome by narrating the shorter films in Persian, subtitling most of the American films and playing Continental films with complete Persian dubbing. Commercial time on the station at the outset was 50% sold, and it will gradually expand hours as audience increases."

Sale of radio WTPS, New Orleans (940 kc, 1-kw D, 500-w N) for \$200,000 to Robert W. Rounsaville was announced this week by *Times-Picayune*—Rounsaville in turn selling WYLD, New Orleans (600 kc, 1-kw D) for \$200,000 to country music impresario Connie B. Gay. *Times-Picayune*, under agreement with Justice Dept., had to sell either the station or *New Orleans Item*, which it had bought from David Stern for \$3,400,000 and combined with its *New Orleans States* (Vol. 14:29). [For news about other radio station sales & transfers, see *AM-FM Addenda* 00 herewith.]

Reallocation of 840-890 mc from TV to common carrier use, requested by Lenkurt Electric Co. and Hawaiian Telephone Co. in petitions filed with FCC (Vol. 14:40), was opposed this week by Assn. of Maximum Service Telecasters which stated that "under existing allocations [the frequencies] are required to meet the present and future spectrum needs of TV broadcasting."

Stauffer-Capper Publications Inc., which owns WIBW-TV, Topeka (Ch. 13), 4 radio stations, 13 daily newspapers (see *TV Factbook No. 27*, p. 391), this week sold its 60-year-old but unprofitable *Household Magazine* (circ. 2,650,000) to *Saturday Evening Post*, which will discontinue it and fulfill unexpired subscriptions with its own magazines.

All stock of WBRZ, Baton Rouge (Ch. 2) will be held by Douglas & Charles Manship families and their Baton Rouge radio WJBO, according to transfer application filed with FCC, which states radio is buying 47% interest held by Lewis Gottlieb and 5 others for \$548,000.

Tyne-Tees Television, Newcastle, with theatremen George & Alfred Black as chief owners and Anthony Jelly as managing director, is newest ITA commercial contractor in Britain, projected to cover northeastern England with transmitter due on air shortly after Jan. 1.

Single application for new TV station filed this week was for Ch. 8, Jonesboro, Ark. by radio KBTM there. This brings total applications pending to 95 (27 uhf). [For details, see *TV Addenda 27-F*.]

Japanese TV industry, which has produced about 1,700,000 sets and is adding sets-in-use at prodigious rate of about 1,000,000 a year, has put 3 more stations on air since our *Factbook* listing (pp. 303-4) was prepared Aug. 1, and 14 more are due before year's end. There are 29 operating now, 4 of them low-power boosters. These have been added since Aug. 1: JOHX-TV (Ch. J-10) & JOGX-TV (Ch. J-8), Kokura, both 6.4-kw ERP; JOIX-TV, Osaka (Ch. J-10), 100-kw. Following are due by Jan. 1: JORK-TV (Ch. J-4) & JOZR-TV (Ch. J-8), Kochi, both 10-kw; JOBF-TV, Kumamoto (Ch. J-11), 12-kw; JOAF-TV, Matsuyama (Ch. J-10), 23-kw; JOIU-TV, Muroran (Ch. J-9), 6-kw; JONK-TV (Ch. J-9) & JOSR-TV (Ch. J-11), Nagano, 12-kw & 10-kw, respectively; JODX-TV (Ch. J-8) & JOOR-TV (Ch. J-4), Osaka, both 100-kw; JOKX-TV, Sappora (Ch. J-5), 100-kw; JOIR-TV, Sendai (Ch. J-1), 80-kw; JOVR-TV, Shizuoka (Ch. J-11), 10-kw; JOAB-TV, Tokyo (Ch. J-1, educational), 55-kw; JOIG-TV, Toyama (Ch. J-3), 18-kw.

Tallest self-supporting tower in world is TV structure at Tokyo's "Television City"—1092-ft. including the 82-ft. antenna which was being installed this week. The 1010-ft. tower itself is 26-ft. higher than Paris' Eiffel Tower. In U.S., record for that type of tower is held by WTVR, Richmond (Ch. 6), with 844-ft. U. S. has 66 guyed TV towers over 1000-ft. (tallest is 1610-ft. tower of KSWSTV, Roswell, N. M.) with CPs outstanding for 18 more.

Rate increases: KOMO-TV, Seattle, Sept. 1 raised base hour rate from \$1125 to \$1200, min. \$230 to \$250. KTUL-TV, Tulsa, Sept. 1, hour \$600 to \$650, min. \$120 to \$135. KROD-TV, El Paso, Sept. 1, hour \$450 to \$495, min. \$90 to \$109. WMTW-TV, Poland Spring, Me., Sept. 1, hour \$400 to \$500, min. \$80 to \$100. WSIL-TV, Harrisburg, Ill., Nov. 16, hour \$150 to \$350, min. \$30 to \$60. KRSD-TV, Rapid City, S. D., Sept. 1, hour \$147.75 to \$150. WDAM-TV, Hattiesburg, Miss., Sept. 1 added Class AA hour (7-10 p.m., daily) at \$200, Class A hour remaining \$175. KOA-TV, Denver, Sept. 1 raised hour from \$750 to \$800, min. \$175 to \$210. WNBC, New Britain-Hartford, Oct. 1 added class AA hour (7:30-10:30 p.m. daily) at \$700, min. at \$140.

Chesterfields aren't "milder," FTC said this week in order (Docket 6077) to Liggett & Myers to stop advertising claims that they're "less irritating" than other brands. FTC upheld opinion by examiner Wm. L. Pack that company's "no adverse effect" claim for Chesterfields is false, went beyond examiner's report in also holding that "milder" and "soothing & relaxing" claims are false. Liggett & Myers had argued advertising was based on findings by reputable consulting organization. Company has 60 days to carry order to Court of Appeals before it becomes final.

CBC's French network will comprise 8 interconnected stations with addition of CKBL-TV, Matane, Que. (Ch. 9) via microwave Nov. 15. Other stations: CBFT, Montreal (Ch. 2); CBOFT, Ottawa (Ch. 9); CHLT-TV, Sherbrooke (Ch. 7); CKMT-TV, Three Rivers (Ch. 13); CFCM-TV, Quebec (Ch. 4); CKRS-TV, Jonquiere (Ch. 12); CJBR-TV, Rimouski (Ch. 3). Interconnection charges, subject to discounts: hour, \$515; half-hour, \$309; quarter-hour, \$206. [For total rates, see *TV Factbook No. 27*, p. 66.]

Fred A. Niles Productions, Chicago & Hollywood producer of filmed TV commercials, buys Kling Film Enterprises' facilities at 1058 W. Washington St., Chicago, for undisclosed price. Kling exec. v.p. Michael Stehney will join Niles as v.p. in charge of TV commercials. Unaffected by deal is Kling's Hollywood operations.

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Personal Notes: R. J. McElroy, pres. of KWWL-TV & KWWL, Waterloo, Ia., who has option to buy KMMT (Ch. 6) with radio KAUS, Austin, Minn., assumes duties of KMMT gen. mgr. formerly held by John Esau; Don E. Inman, marketing director, promoted to acting sales director; Gene Loffler, ex-gen. mgr. of KMMT & KAUS, named operations director of KWWL-TV . . . J. Glen Taylor, ex-General Teleradio & MBS v.p., elected pres. & principal exec. officer of WAVY-TV, Portsmouth-Norfolk (Ch. 10) & WAVY, succeeding Hunter C. Phelan, ex-pres. of Colonial Stores who becomes chairman; Taylor holds option on 10% of stock. Carl J. Burkland, who continues as exec. v.p., this week appointed Dick Richmond, ex-McLendon stations, as news director . . . Joseph M. Kittner advances to partnership in McKenna & Wilkinson, Washington TV-radio law firm; Robert W. Coll, 1957 George Washington U law graduate, former law clerk in firm, recently law clerk to Chief Justice Marvin Jones of U. S. Court of Claims, returns as an associate . . . Frank Zuzulo, ex-MBS director of public relations, appointed to head new N. Y. office of Richards Associates, public relations firm headed by Robert K. Richards, ex-NAB v.p.; Zuzulo's new office is at 10 Rockefeller Plaza . . . Philip Beigel, ex-CBS, named asst. program mgr. of Westinghouse's WBZ-TV, Boston, replacing Ray Hubbard, now program mgr. of KPIX, San Francisco . . . Edward (Ned) Ryan, ex-adv. & sales promotion mgr., WBZ-TV, Boston, joins WJIM & WJIM-TV, Lansing, in similar capacity; Wm. B. Colvin now has his former post . . . Albert D. Johnson, gen. mgr. of KENS-TV & KENS, San Antonio, elected pres. of Texas Assn. of Broadcasters; George Tarter, sales v.p. of KCBD-

ADVERTISING AGENCIES: Merlin E. Carlock resigns as partner in Calkins & Holden; v.p. William A. Chalmers promoted to exec. v.p.; v.p. Walter B. Geoghegan to senior v.p.; A. Dudley Coan and Warren E. Rebell named v.p.'s . . . Harry Peck, chairman of Peck Adv., N. Y., is chairman of new Doner & Peck, formed by merger with W. B. Doner, Detroit; Peck pres. Sidney Garfield continues as pres. & Sanford Hirschberg as exec. v.p.; W. B. Doner, ex-Doner pres., becomes treas. . . . Frederick J. Wachter, v.p.-gen. mgr. of Erwin Wasey, Ruthrauff & Ryan Chicago office, named exec. v.p.-gen. mgr. of N. Y. office & eastern div. . . . Dorothy Winter transfers from BBDO, Hollywood, to N. Y. to direct all daytime commercial TV production there; Lawrence Algeo replaces her as live programming director in Hollywood . . . David P. Crane, ex-Benton & Bowles v.p., named v.p. of Ogilvy, Benson & Mather . . . A. Roy Barbier, v.p. of MacManus, John & Adams, Detroit, retires after 42 years . . . Austin Johnson, Benton & Bowles mdsg. director, elected a v.p. . . . Ernest W. Eversz, ex-Leo Burnett v.p., returns to Foote, Cone & Belding, Chicago, as v.p. . . . R. C. Brown, BBDO TV-radio promotion mgr., promoted to corporate public relations mgr., succeeding Richard M. Detwiler.

TV, Lubbock, secy.-treas. . . John A. Thompson promoted to v.p. of rep Peters, Griffin, Woodward . . . Clifford L. Eustace, who has operated own food brokerage business in Cincinnati, joins Crosley stations as product services director . . . Roger O. Van Duzer, ex-gen. mgr. of KNTV, San Jose, Cal., on Nov. 1 becomes mgr. of Harry Butcher's KIVA, Yuma, Ariz. (Ch. 11) . . . Kenneth A. Foellinger promoted to business mgr. of Time Inc.'s WFBM-TV & WFBM, Indianapolis, succeeding Andrew J. Murtha, returning to N. Y. for reassignment . . . Joe Hudgens promoted to program director of KRNT-TV & KRNT, Des Moines, succeeding Dick Covey, resigned . . . Joe Redmond, ex-Fox Midwest Theatres, named promotion mgr. of KMBC-TV & KMBC, Kansas City . . . Alvin E. Unger, ex-Ziv Chicago v.p., joins ITC-TPA, reporting to pres. Walter Kingsley, also ex-Ziv . . . Robert Bergmann promoted to v.p. of Transfilm's TV div.; Thomas Whitesell to v.p., motion picture production . . . Edwin J. Smith, ex-v.p. of Allied Artists International, named director of ABC Films international operations, reporting to pres. George T. Shupert . . . Robert Seidelman promoted to syndication sales director of Screen Gems . . . M. J. (Mike) Frankovitch, Columbia Pictures International v.p. and European production chief, also named managing director of subsidiary Screen Gems Ltd., London, replacing John B. Cron, resigned . . . Milton Westerman, ex-KMGM-TV, Minneapolis (now KMSP-TV), named sales v.p. of Reub Kaufman's Jayark Films Corp. . . . A. Jay Segal, N. Y. adv. mgr. of *TV Guide*, promoted to adv. mgr. of regional editions with headquarters in Radnor, Pa.; Robert G. Baumler succeeds him in N. Y. . . . Keith Culverhouse promoted to TvB sales promotion director, succeeding Gordon Hellmann, resigned; Murray Gross to sales development director, replacing Culverhouse . . . Charles W. Godwin, MBS v.p. for station relations, replaces Armand Hammer, ex-MBS pres. & chairman, as Mutual's representative on NAB's radio board; Donald W. Thornburgh, pres. of CBS-acquired WCAU-TV & WCAU, Philadelphia, resigns from board.

Donald H. McGannon, Westinghouse Bestg. Co. pres., is profiled in Sept. 26 *Printers' Ink*. Article calls him "dynamo" of Westinghouse stations, says they "never had higher revenues or a more promising future."

Obituary

Verne R. Young, 49, member since 1935 of Washington communications law firm of Loucks, Zias, Young & Jansky, died suddenly Oct. 4 of a heart ailment at Arlington, Va. He joined staff of old Federal Radio Commission in 1930, served briefly with FCC before going into private practice. He was onetime secy. of FCC Bar Assn. Surviving are widow, son, daughter.

Stephen Tuhy Jr., 50, Washington communications lawyer, died of leukemia Oct. 2 in Doctors Hospital. Surviving are widow, son, 4 daughters.

Yasha (Nathaniel) Frank, 57, TV-radio producer & director (NBC's *Pinochello*, *Hansel & Gretel*), onetime CBS program developer, ended own life Oct. 8 in Hotel Pickwick Arms, Greenwich, Conn.

Wm. J. Griffin Jr., 54, exec. v.p. of Kudner Agency, originator of TV-radio slogans ("With men who know tobacco best, it's Luckies 2-to-1"), died Oct. 3 in N. Y. Hospital. Surviving are widow, 3 sons.

Raymond R. Morgan Sr., 63, creator of many TV shows (*Breakfast in Hollywood*, *Queen for a Day*) died Oct. 3 in Hollywood.

Another 'Influence' Charge: Parma-Onondaga, Mich. Ch. 10 decision is "tainted," according to loser WKHM (Frederick A. Knorr), which cited "ex parte representations" as one of many reasons for rehearing, in petition filed with FCC this week. It referred to allegations made during hearings of House legislative oversight subcommittee (Vol. 14:40), said: "The transcript of the hearing on June 2, 1958 . . . contains a letter addressed to former Comr. Mack which stated that J. Addington Wagner, acting for or on behalf of Triad TV Corp., 'has furnished the FCC members with a summary of patent errors by the hearing examiner in its initial decision of March 7, this year, in granting CPs for new TV station operation on Ch. 10 in Michigan.' The clear, unequivocal language refers to members of the Commission, not alone to Comr. Mack . . . The ex parte communication or representation without having afforded [WKHM] the opportunity to reply not only has tainted the entire proceeding but also has denied [WKHM] due process and a full and fair hearing." Wagner is Battle Creek attorney—but Triad counsel says he is neither stockholder, officer nor director. Decision was won by share-timers TV Corp. of Mich. and Mich. State Board of Agriculture; losers were WKHM, Triad & WIBM, Jackson, Mich. WIBM is contesting decision in Court of Appeals.

Analysis of FCC workload occupied commissioners in special meeting Oct. 10, and members report happily they're getting far better understanding and control of what staff is doing. Said one: "For the first time since I've been here I feel I know where things are." One effect has been to get several-man task force, instead of one part-time man, to concentrate virtually full time on TV allocations problem. Commission began workload analysis month ago, was startled to learn just how little it knew (Vol. 14:37).

Arraignment of ex-FCC Comr. Mack has been set for Nov. 7, after Justice Dept. attorney Robert J. Rosthal informed Federal Judge John J. Sirica, in Washington, he'd learned that Mack would be sufficiently recovered from fall in which he fractured ribs (Vol. 14:40). Mack's arraignment had been scheduled last week, after indictment with Thurman A. Whiteside on conspiracy in Miami Ch. 10 case, but his attorney obtained delay pending investigation of his medical condition.

Updated political-broadcasting guide (Vol. 14:40) was issued by FCC Oct. 6, printed in *Federal Register* Oct. 9, will be reprinted by Commission in pamphlet form and distributed gratis to stations. It covers all Commission interpretations of Sec. 315 of Communications Act, including the 19 issued since first such question-&-answer guide was released in Sept. 1954. Title: *Use of Broadcast Facilities by Candidates for Public Office*.

Presidential spectrum study is still in works, though nothing definite or official has been announced by White House (Vol. 14:37-38). One report is that mere "red tape" is holding up establishment of high-level commission. Another is that Administration is seeking to get Congress to agree to joint effort of some kind. There's no reliable word as to possible appointees.

Miami Ch. 10 hearing record wasn't closed by FCC Oct. 10, as scheduled (Vol. 14:40), because of failure of attorneys to agree on stipulations covering activities of Sen. Smathers (D-Fla.) in case. However, closing is due Oct. 14 now, and it's expected agreement will be reached which won't require Smathers' appearance.

Notes on Educational TV: Stopgap effort of Little Rock's 3 stations to fill in for schools closed in integration crisis (Vol. 14:38-40) has ended after private operation of segregated schools was indicated. This week, station managements' ears were ringing with plaudits for the job done. KTHV gen. mgr. B. G. Robertson writes that a permanent setup is planned "as soon as the legal situation resolves itself" and quotes schools supt. Virgil Blossom as stating work of both stations and teachers was "tremendous." Robertson took issue with our Little Rock reports (Vol. 14:39) that students weren't much impressed with TV. He agreed that "TV class work would not supplant the classroom but rather was a supplement," and noted: "Most of the quotations from the students who took the TV lessons were very favorable except for the fact that they couldn't ask questions." Other ETV developments this week:

Jacksonville's WJCT (Ch. 7) this week became 33rd station to affiliate with National Educational TV Network, non-interconnected group associated with Educational TV & Radio Center, Ann Arbor. Latter starts new *Adventuring in the Hand Arts* Oct. 29 in partnership with NBC & Girl Scouts. Show will be fed live by NBC from N. Y. to educational TV stations via NBC's regular network facilities, Wed. 6-6:30 p.m., and offered to NBC affiliates on delayed basis.

"First color telecast on ETV anywhere" was claimed by KTCA-TV, St. Paul (Ch. 2), which celebrated first on-air anniversary with 3½-hour program. "Color TV is an ideal medium for teaching, especially in the area of science," said gen. mgr. John C. Schwarzwalder.

New English language-teaching daily series *Aqui Se Habla Ingles (English Spoken Here)* for N. Y.'s 900,000 Spanish-speaking population was started on WRCA-TV (Ch. 4). Show is aired live 6-6:30 a.m., with videotape reruns 1-1:30 a.m. next day to catch maximum audience.

Best programs aired by Detroit's WTVS (Ch. 56), based on material drawn from 18 educational & cultural institutions composing Detroit Educational TV Foundation, will be showcased as *ETV Digest* by *Detroit News'* WWJ-TV (Ch. 4), 1:30-2 p.m. daily beginning Oct. 13.

CBS has donated \$80,000 worth of equipment to Stamford, Conn. public schools for ETV pilot program scheduled for full operation via closed-circuit in 5 schools by next June.

ETV is now operating on experimental basis in Mexico City, where sets have been installed in 10 schools for daily half-hour programs; plan is to extend throughout Mexico if programs are successful.

Maryland's Dept. of Correction reports it's contemplating piping Hagerstown's closed-circuit ETV lessons to 1200 prisoners in nearby State Reformatory for Males.

New award to broadcast engineer for outstanding achievement was established this week by NAB Engineering Conference Committee headed by Allan Powley, chief engineer of WMAL-TV, Washington. A. Prose Walker, NAB engineering mgr., is chairman of special subcommittee which will determine criteria for award, members of which are: Raymond F. Guy, NBC; James D. Russell, KKTU, Colorado Springs, Colo.; Wilson Raney, WREC-TV, Memphis; Joseph B. Epperson, Scripps-Howard stations, Cleveland. Committee also set engineering sessions of 1959 NAB annual convention at Conrad Hilton, in Chicago, for March 16 all day, March 17 a.m., March 18 p.m.

SALES SURGE TO YEAR'S PEAK IN SEPT.: Apace with the upsurge in overall business conditions (see p. 2), the TV trade in Sept. enjoyed best month since Dec. 1957. As the custodian of the industry's statistics, EIA released to us at presstime preliminary estimate of 625,000 sets sold at retail during month, indicating upswing that began in July is carrying into the fall selling season.

Factory production in Sept. was 627,000 sets, EIA estimated. Retail sales approximated factory production so that total inventories remained unchanged -- at "safe level" of approximately 2,200,000 units.

Cumulative 9-mo. retail sales were 3,487,000 sets, down about 20% from same 1957 period's 4,425,000. But sales have been catching up each month since May when they were off a whopping 40%. June was 34% below same month last year, July 33%, Aug. 23%, Sept. 14% -- demonstrating that trend has been steadily upward.

Sept. is regarded as key month by the industry generally -- a useful index in gauging all-important 4th quarter in which 42% of year's business is customarily done. Should upward trend continue, there is a possibility total 1958 TV sales may reach 5,700,000 as against prior "guesstimates" from 5,300,000 to 5,600,000.

Radio shared in Sept. upturn, with retail sales estimated at 770,000 units -- only 6% lower than Sept. 1957 and boding well for balance of radio season.

* * * *

Asking key industry leaders for comment on current movement of their TV and other consumer items, we found them of one accord in their high optimism.

Said Motorola marketing v.p. S. R. Herkes: "Most encouraging thing about our business is fact public is buying a little better TV package than it did a year ago, seems willing to pay a bit more for quality & styling. Stepup models are selling better than leaders in all price ranges. While I don't like to hint at shortages, Sept. was such a good month in all lines, we are hard put to meet dealer demands."

RCA Victor v.p. James M. Toney: "Acceptance of our new TV line has exceeded sales program planned months ago and production is being maintained at a rate higher than previously anticipated. Big consoles are moving well and color TV represents a big dollar volume in RCA's overall picture this fall."

Philco pres. James M. Skinner Jr.: "TV, radio & phonos are all 'going great guns.' Our Predicta TV line is giving us a bigger share of the market than we've enjoyed for a long time. Radio & phono sales are also well ahead of last year."

Hoffman sales v.p. Paul E. Bryant: "Sept. consumer products sales were up 74% from Aug. and up 44% from Sept. 1957."

An Admiral spokesman: "I can't remember a better Sept. in the last decade. We're having trouble keeping up with demand, especially for our hi-fi TV 'theatre' models. Sets from middle to top of the line are selling best." And we learned from GE that its Aug. & Sept. sales were ahead of same months last year, that 1958 is expected to be the best year in history for radio.

More Accolades for Stereo: Sharing our enthusiasm for stereo after visiting Hi-Fi Show in N.Y. last week and after listening to ABC-TV network stereo simulcast of Plymouth's Lawrence Welk Show (Vol. 14:40), were some highly placed authorities in realms of music and trade. N.Y. Times music critic Harold C. Schonberg found the stereo demonstrations at the Show "impressive" and agreed with the trade that public is "talking stereo, thinking stereo and is going to be buying stereo."

Philco pres. James M. Skinner Jr. said: "Growing public interest in stereo stems from basic desire for really good music in the home. Stereo's not just a sales gimmick; it's a real service to the vast music loving public."

Westinghouse consumer sales v.p. Chris Witting described stereo as "shining star" for 1959 at N.Y. press conference.

Said RCA Victor v.p. R. W. Saxon, addressing a big dealer meeting in N.Y.: "No new product in past decade has received such favorable reception in such short time as stereo. Just look at this month's Esquire and Fortune -- for that matter, practically any magazine on the newsstands. Your customers are being pre-sold on stereo -- and most of them haven't even heard it yet."

[For further details on latest response to stereo see p. 15.]

War on 'Bargain' Price Fakers: TV-radio-appliance industry merchandisers, from manufacturers on down to side-street shops, should pay sober heed to formal declaration of war on price chiselers issued this week by FTC. It's in the form of 9-point "Guides Against Deceptive Pricing" for agency's staff (see below).

However blameless of "sale" sins themselves, few in industry are so innocent that they will fail to recognize specific "bargain" gimmicks cited by FTC in its new, intensified campaign (Vol. 14:35) to bring "unscrupulous merchants" to book for deception in their advertising. And FTC -- under sharp Congressional criticism recently for alleged ineffective policing of ads (Vol. 14:33-34) -- obviously means business. "Fast adversary action against those who think these guides don't mean what they say" is promised by FTC exec. director Harry A. Babcock.

No particular area of business is singled out by FTC in advance as target of drive, but agency's enforcers are known to have had offending TV-radio-appliance ads in their sights for long time. Copy on such deals as "factory" and "wholesale" buys, "50% off," "half-price," "2-for-1," etc., which are specifically noted in FTC's new "Guide," will bear close scrutiny at manufacturer, distributor and dealers levels.

TV-Radio Production: TV production was 121,495 sets in week ended Oct. 3 vs. 128,358 preceding week and 180,725 same week last year. Year's 39th week brought total TV production to 3,577,400 sets vs. 4,589,164 last year. Radio production for week was 309,574 (103,299 auto) vs. 305,230 (101,196 auto) preceding week and 380,732 (105,895 auto) in same week last year. Radio output for 39 weeks of this year was 7,688,148 (2,389,157 auto) vs. 9,863,054 (3,839,345 auto) last year.

Bargains That Aren't: "Battle lines were drawn" this week—to use FTC's own militant words—in that agency's "war on trickery in price advertising" (see above). Get-tough language accompanied release by FTC of marching orders—*Guides Against Deceptive Pricing*—to its investigative & enforcement staff.

"Intensified enforcement" of legal bars to fraudulent sales claims was promised by FTC Chairman John W. Gwynne in new campaign (Vol. 14:35) aimed at "bargain" merchandisers who not only mulct customers but work competitive hardships on honest advertisers.

Advertising Federation of America, Better Business Bureaus, civic organizations, are expected by Gwynne to join actively in govt. drive against "those who lie about their bargain prices." He said "problem is growing worse," instructed staff in *Guides* to watch out for these 9 "types of fictitious pricing":

- (1) "Reduced price" claims based on "similar or comparable merchandise"—not specific articles.
- (2) "Saving" claims based on "artificial mark-up or on previous infrequent & isolated sales."
- (3) "Comparative" prices which don't have reference to comparable merchandise.
- (4) "Special" sales which don't represent real reductions from seller's prices or regular prices in trade area.
- (5) Come-on "2-for-1" sales which don't offer 2 articles at regular 1-article price.
- (6) So-called "½ price," "50% off," "1¢" sales which are conditioned on purchases of additional merchandise.

(7) "Factory" and "wholesale" sales in which prices aren't what retailer pays regularly to stock merchandise.

(8) Fictitiously high "pre-ticketed" price tags on merchandise.

(9) "Comparative" prices for "imperfect," "irregular" or "seconds" goods which don't disclose regular prices of new goods.

FTC manual also instructs staff in how to read ads: "Advertisements as a whole may be completely misleading although every sentence separately considered is literally true."

Note: Copies of *Guides Against Deceptive Pricing* (FTC L-4375) are available from Bureau of Consultation, Federal Trade Commission, Washington 25, D. C.

Factory transistor sales jumped to a record high in Aug., renewing the steady increase temporarily checked in July (Vol. 14:38). EIA reports total Aug. sales of 4,226,616 units worth \$9,975,935 vs. 2,631,894 worth \$6,598,762 in July. Transistor sales for 8 months of 1958 were 25,310,834 worth \$59,419,783 vs. 14,611,300 worth \$42,063,000 in 1957 period.

First transistorized portable clock radio will be introduced by Westinghouse this month. Radio mgr. E. D. Smithers says 4x3x9-in. model, powered by 4 mercury penlite batteries, will retail at \$75, initial quantities limited.

Signup of 714 new Hoffman dealers for TV-radio-hi-fi as result of 6 weeks' recruitment drive is reported by sales v.p. Paul E. Bryant.

Trade Personals: Joseph P. Gordon, asst. mgr. of DuMont tube operations, succeeds v.p. Stanley J. Koch who has resigned following halt by DuMont of picture tube production (Vol. 14:37); Gordon supervises continuing industrial & military tube production. Eugene J. Tanner, DuMont gen. accounting mgr., has been named controller, succeeding George C. McConeghy, resigned. Other DuMont resignations: v.p.-treas. Donovan H. Tyson & manufacturing mgr. Donald M. Christie. Dr. Thomas T. Goldsmith continues as engineering v.p., adds supervision of research & development for military and instrument divs. . . . Robert L. Riley, Motorola credit mgr., named asst. to international operations director Thomas P. Collier; Roy Gonzales, ex-Zenith, appointed international sales supervisor for consumer products . . . Lester H. Bogen resigns as pres. of Siegler's Bogen-Presto div. . . . Mark Mooney, Jr. named exec. secy. of Magnetic Recording Industry Assn., succeeding Edward A. Althuler, now a consultant . . . Charles V. Dickman, ex-Zenith, named national sales mgr. of Conrac's Fleetwood TV line . . . Arthur Gottlieb, ex-Granco, named national sales mgr. of Herold Radio's Steelman Phonograph and Roland Radio divs. . . . Wm. H. Meyers promoted to market mgr., RCA entertainment tube dept.

Famed 154-year-old Franklin Institute, Philadelphia, at annual Medal Day ceremony Oct. 15 will bestow Stuart Ballantine Medal on Dr. Harald T. Friis, Bell Labs, for contributions to radio-communications, and 1958 John Price Wetherill Medals on British scientists Dr. John T. Randall, U of London; Dr. Henry H. Boot, Services Electronics Research Lab, Baldock; Dr. James Sayers, U of Birmingham—latter 3 for developments providing first useful high-power pulsed microwave magnetron that made possible narrow-beam radar for precise location of aircraft targets.

Donald J. Plunkett, Capitol Records, is new pres. of Audio Engineering Society.

New RCA Executive Lineup: Realignment of RCA top-side assignments, first major move in program of executive organizational overhaul and probable later plant integrations, was announced this week by pres. John L. Burns—most important step being the placing of responsibility for all consumer products & services under former exec. v.p.-sales & services Charles M. Odorizzi, now titled group exec. v.p., consumer products & services. Former exec. v.p.-consumer products Robert A. Seidel becomes asst. to the president.

Only other group exec. v.p. title thus far formally designated is that of W. Walter Watts, now group v.p.-electronic components, though in effect the "group" title also actually applies functionally to Dr. E. W. Engstrom, senior exec. v.p., and Theodore A. Smith, exec. v.p.-industrial electronics products. Foregoing, along with E. C. Anderson, exec. v.p.-public relations, actually constitute the operational Big 5 at N. Y. headquarters, each reporting to Burns. Odorizzi & Engstrom also sit on RCA board of directors.

In the new setup, Odorizzi supervises RCA Service Co., whose newly named pres. Don H. Kunsman reports to him; RCA Institutes Inc. (George F. Maedel, pres.); RCA Victor Distributing Corp. (Walter M. Norton, pres.); RCA Victor Co. Ltd., Montreal (Pat J. Casella, pres.). Casella continues to head the Canadian subsidiary, but also becomes exec. v.p.-consumer products in N. Y. under Odorizzi.

Martin Bennett, ex v.p. merchandising, now becomes v.p.-distribution, also reporting to Odorizzi. Casella, like

ELECTRONICS PERSONALS: Maj. Gen. W. Preston Corderman (ret.), ex-commanding officer of Ft. Monmouth Signal Center, joins Litton Industries as v.p. . . . W. B. Kirkpatrick, ex-chief of airborne systems dept., RCA Defense Electronic Products, Camden, named mgr. of newly completed 135,000-sq. ft. plant at Burlington, Mass. set up for RCA's new Missile Electronics & Controls Dept. under exec. v.p. A. L. Malcarney; Dr. R. C. Seamans Jr., ex-mgr. & chief systems engineer, Boston Airborne Systems Lab, named chief engineer . . . Harvey H. Helling, ex-Executive Communications Systems, named ITT eastern regional sales mgr. for industrial products . . . Robert R. Mallory, ex-Air Defense Command, ex-AT&T, joins Page Communications Engineers, Washington, as asst. to exec. v.p. J. A. Waldschmitt.

DISTRIBUTOR NOTES: Hoffman appoints Toledo Merchandise Co., Toledo, for TV, radios, phonos . . . Packard-Bell appoints Robert T. White Co., Seattle, for TV, radio . . . Olympic appoints Standard Electric Supply, Milwaukee, for TV, radios, phonos . . . Webcor appoints Mid-Cal Distributors, Fresno, for hi-fi, phonos . . . Granco appoints Empire Enterprises, Philadelphia, for radios, stereo equipment.

John T. Thompson, since June mgr. of Raytheon's new distributor products div., announces following staff appointments: gen. sales mgr. F. E. Anderson, ex-receiving tube distributor sales mgr.; industrial products mgr. John A. Hickey, ex-asst. industrial products sales mgr.; dealer products mgr. Frederick H. Keswick, ex-GE; mdsg. mgr. William Grey, ex-*Life Magazine*; director of personnel & trade relations E. I. Montague, ex-distributor sales adv. mgr.; controller John Manchester, ex-Mahasco Industries; market research mgr. Harold Hennig, ex-sales analyst.

Odorizzi a onetime Montgomery Ward executive, will have under him the RCA Victor TV Div. (James M. Toney, v.p.-gen. mgr.); RCA Victor Radio & Victrola Div. (Ray W. Saxon, v.p.-gen. mgr.); RCA Victor Record Div. (George R. Marek, v.p.-gen. mgr.).

Watts adds the RCA International Div. (Douglas Lynch, gen. mgr.) to his group, which continues to include Electron Tube Div. (Douglas Y. Smith, v.p.-gen. mgr.) and Semiconductor & Materials Div. (Dr. A. M. Glover, v.p.-gen. mgr.). Recently promoted to Brigadier General, Army Signal Corps Reserve, Watts joined RCA in 1945 after wartime service in the Signal Corps as colonel in command of its distribution agency and as procurement director.

* * * *

Dr. Engstrom retains title of senior exec. v.p., and under him are Arthur L. Malcarney, exec. v.p.-defense electronic products; Dr. Douglas H. Ewing, v.p., research & engineering; Frank Sleeter, v.p., manufacturing services; Carl W. Zemke, mgr. of newly formed Astro-Electronics Div. Under Malcarney comes the newly established missile electronics & controls dept. (see Electronics Personals). Under Dr. Ewing are Dr. James Hillyer, v.p.-gen. mgr., RCA Labs, and O. B. Hanson, v.p., engineering services.

Theodore A. (Ted) Smith's industrial electronic products group embraces the newly formed Automation Products Dept., which has just contracted to make the Dow Jones electronic typesetting machine and which is headed by D. A. Thomas (see p. 14); new Educational Electronics

Dept. headed by v.p. P. B. (Pinky) Reed; Telecommunications Div., headed by Col. Thompson H. Mitchell, who is also pres. of RCA Communications Inc.; Broadcast & TV Equipment Dept. (E. C. Tracy, mgr.); Theatre & Industrial Products Dept. (H. M. Emlein, mgr.); Communications Dept. (C. M. [Buck] Lewis, mgr.).

E. C. (Andy) Anderson, currently confined in Nantucket (Mass.) Cottage Hospital after a recent heart attack (Vol. 14:40), continues as exec. v.p.-public relations, reporting directly to Burns. Under him are Sydney M. Robards, director of press relations; Orrin E. Dunlap Jr., v.p., institutional adv. & publications; George Y. Wheeler, Washington v.p.; Julius Haber, director of community relations; Dermot A. Dollar, director of exhibits.

Official Films Inc. (Harold L. Hackett, pres.), reported discussing possible merger with Guild Films (John C. Cole, pres.) [Vol. 14:39], shows net loss of \$180,095 for fiscal year ended June 30 vs. net profit of \$437,831 in 1957 period. Earned surplus dropped to \$374,735 from \$692,904 in year, total assets to \$4,651,825 from \$5,019,854, current liabilities rising to \$1,601,399 from \$988,489.

United Artists Associated Inc. controls 75% of stock of Associated Artists Production Corp. in deal (Vol. 14:38) by which United Artists Corp. affiliate acquires \$21,000,000 Warner Bros. film library held by Associated Artists, according to UA chairman Robert S. Benjamin. He said UAA will have 80% of AAP stock by mid-Oct., paying \$11 cash per share plus 6% interest from July 1 to Oct. 16.

Reports & comments available: On CBS, report by F. P. Ristine & Co., 123 S. Broad St., Philadelphia. On Westinghouse, review by Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. On Time Inc., special report by Loewi & Co. Inc., 225 E. Mason St., Milwaukee. On Philips' Lamp, comment by Milwaukee Co., 207 E. Michigan St., Milwaukee.

Merger of *Electronic Servicing* into Howard W. Sams & Co.'s *PF Reporter* (Mal Parks Jr., gen. mgr.) has been completed, former name to be used later; also, with Oct. edition, *Service Magazine* was merged into *Electronic Technician* (Howard A. Reed, publisher).

Mindful of hi-fi snafu due to lack of standards, EIA has asked Record Industry of America to join in setting up standards for stereo records "to insure consumers appropriate quality safeguards and adequate identification."

OFFICERS-&DIRECTORS stock transactions as reported to SEC for Sept.:

Amphenol—John Frank Leach exercised option to buy 500, holds 1000; Fred G. Pace exercised option to buy 300, holds 350; John L. Woods exercised option to buy 500, holds 1725.

Avco—A. B. Newton bought 5000, holds 5900.

Beckman Instruments—Frederick L. Ehrman bought 2500, holds 3000.

Columbia Pictures—Group of 10 officers & directors reported direct or indirect ownership of shares of Pico Corp., which bought 4797, holds 35,158; L. M. Blanche holds 152; Samuel J. Briskin holds 95 and 512 more in S. J. Briskin Pictures; Ralph M. Cohn holds 42,056 and 1843 more in trust; Alfred Hart bought 549 privately, holds 8818; Leo Jaffe holds 151; Paul H. Lazarus Jr. holds none; Abraham Montague holds 8352; Abraham Schneider holds 16,772; Charles Schwartz holds 14,498 in Schwartz & Frolich, none personally; Donald S. Stralem holds 1748.

Corning Glass—Paul T. Clark sold 500, holds none; John L. Hanigan sold 200, holds 2425; Eugene C. Sullivan sold 400, holds 31,295; Arthur W. Weber exercised option to buy 3000, sold 1000, holds 5000.

DuMont Labs—Frederick H. Guterman sold 500, holds none; Percy M. Stewart sold 900, holds 100.

Emerson—Benjamin Abrams bought 100, holds 261,766 personally, 29,239 in trusts, 65,001 in foundations.

GE—John W. Belanger exercised option to buy 4125, holds 16,688; George L. Irvine exercised option to buy 900, holds 3348; Clarence H. Linder bought 2070, holds 10,310; Ray H. Luebbe bought 2892, holds 10,352; C. K. Rieger exercised option to buy 1725; holds 6059; Chauncey Guy Suits exercised option to buy 2481, holds 6720; Arthur F. Vinson exercised option to buy 3732, holds 9481 personally, 310 for minor children.

Electronics for Printing: Broad range of industrial products produced under the RCA monogram was extended significantly this week with announcement that it would produce and market a new electronic typesetting machine originally developed by Dow Jones & Co., publishers of *Wall St. Journal*. Agreement also provides for RCA production of tape editing & collation apparatus, and a strip labeler for addressing newspapers and other printed matter.

Emphasizing RCA's continuing diversification into industrial products, pres. John L. Burns announced formation of new Automation Products Dept. under D. A. Thomas, who reports to Theodore A. Smith, exec. v.p., RCA industrial electronic products. Dept. covers production of materials-handling equipment, metal-grinder controls and electronic-inspection units for beverages, foodstuffs, metal products, plastics.

Typesetter sales aren't confined to *Wall St. Journal*, pres. Bernard Kilgore stating that "RCA will make available to other publishers anything we produce that seems useful elsewhere." Said Burns: "This marriage of journalism and electronics represents a major step in dealing with the problem of producing newspapers more efficiently and economically in the face of rapidly rising costs."

Concept of Electro-Typesetter isn't new—in fact, *Wall St. Journal* uses them for simultaneous setting of type for its identical issues printed in N. Y., Washington, Chicago, Dallas, San Francisco. What's new in latest unit is increased automation which permits casting of type 2-3 times faster than by conventional methods.

Earlier Electro-Typesetters work like this: An operator perforates tape, using typewriter-like keyboard. Tape is fed through device that actuates type-casting machine (such as Linotype), using machine's keyboard but substituting electrical or mechanical devices for operator's fingers.

New machine bypasses type-casting machine keyboard and much of the complicated machinery that releases matrices for individual letters. According to inventor J. J. Ackell of Dow Jones, it produces more accurate and trouble-free composition.

Earlier this year, RCA announced new transistorized newspaper counter, one of which is now used by *Detroit News*, which can count up to 120,000 units per minute. Strip labeler can print addresses at rate of 15,000 per hour—2-3 times as fast as other devices.

Indiana Steel Products—Paul R. Doelz bought 1000, holds 5600 personally, 6160 in trusts; Charles A. Maynard bought 100, holds 1350.

Litton Industries—Charles R. Abrams Jr. sold 100, holds 3320; Roy L. Ash acquired 48 in partnership through failure of performance by purchasers, disposed of 263 from partnership through exercise of options by employes, holds 13,829 in partnership, 50,925 personally; Lewis W. Howard sold 300, holds 3425; Carl A. Spaatz sold 100, holds 4000; Charles B. Thornton acquired 104 in partnership through failure of performance by purchasers, disposed of 574 from partnership through exercise of options by employes, holds 30,422 in partnership, 123,249 personally.

Loew's—Jerome A. Newman bought 100 and 200 more through Graham-Newman Co., holds 5770 personally, 6665 in Graham-Newman Co.; Benjamin Thau sold 11,300, holds none.

P. R. Mallory—J. E. Cain exercised option to buy 3825, holds 19,991 personally, 1020 in trust, 2030 in Niac Co.; G. A. Godwin sold 200, holds 6430 personally, 1530 in trust; Ray F. Sparrow sold 600, holds 21,366.

National Telefilm Assoc.—E. Jonny Graff exercised option to buy 2000, sold 700, holds 3200.

Philips Electronics—Oliver H. Brewster sold 500, holds 500.

Raytheon—N. B. Krim exercised option to buy 3323, holds 8048.

Television Industries—Matthew Fox acquired 64,840 in 10-for-1 reverse split (Vol. 14:22), bought 10,300 more, holds 75,140 of which 64,640 are pledged as collateral against loans.

Texas Instruments—F. J. Agnich sold 1000, holds 27,105.

Tung-Sol—Alfred K. Wright bought 200, holds 986.

20th Century-Fox—Spyros F. Skouras exercised option to buy 12,800, holds 22,800; James A. Van Fleet sold 1500, holds 500.

Westinghouse—J. H. Jewell sold 130, holds 1000; Leonard B. McCully bought 1500, holds 2800; Fergus M. Sloan exercised option to buy 250, holds 1001.

TV-Radio Production: August brought upturn in both TV and radio set production—but totals for the month, and for first 8 months of 1958, were still well below corresponding 1957 periods. EIA reports cumulative TV output as of Sept. 1 was 2,950,455 sets vs. 3,756,533 in 1957. Aug. production was 507,526 vs. 274,999 in July and 673,734 in Aug. last year. TV sets made with uhf tuners in Aug. totaled 38,166 vs. 23,205 in July and 88,615 in Aug. 1957.

Radio production in Jan.-Aug. period totaled 6,611,686 receivers (1,893,813 auto) vs. 8,765,606 (3,392,926 auto) last year. Aug. radio output was 1,028,852 (242,915 auto) vs. 621,541 (186,379 auto) in July and 965,724 (301,971 auto) in Aug. 1957. FM radio production in Aug. was 21,335 vs. 11,816 in July. This is only second month EIA has reported FM radio statistics, and comparisons with prior periods are not available.

Picture tube sales, paralleling TV, increased in Aug. but lagged behind 1957. Jan.-Aug. sales totaled 4,952,862 vs. 6,236,890 in same 1957 period. Aug. sales were 713,458 vs. 549,817 in July and 930,296 in Aug. 1957.

EIA also revised upward TV retail figures for Aug. and first 8 months of 1958 from preliminary estimates (Vol. 14:37), though totals were still well below same 1957 periods. EIA said Jan.-Aug. retail sales were 2,862,452 sets vs. 3,756,834 last year. Aug. sales totaled 405,790 vs. 279,010 in July and 510,097 in Aug. 1957. Radio sales at retail likewise increased in Aug.—658,247 units vs. 488,495 in July and 710,553 in Aug. 1957. Cumulative radio sales were 4,110,080 vs. 4,947,000 last year. Revised EIA Jan.-Aug. monthly production figures follow:

| | TV | | Picture Tubes | | Receiving Tubes | |
|--------------|------------------|------------------|------------------|--------------------|-----------------|--------------------|
| | TV | Auto Radio | Units | \$ Value (Add 000) | Units (Add 000) | \$ Value (Add 000) |
| Jan. | 433,983 | 349,679 | 1,026,527 | 621,910 | 12,342 | 26,805 |
| Feb. | 370,413 | 268,445 | 876,891 | 556,136 | 11,211 | 29,661 |
| March | 416,903 | 234,911 | 931,341 | 634,779 | 12,643 | 28,548 |
| April | 302,559 | 190,435 | 697,307 | 590,357 | 11,592 | 32,582 |
| May | 266,982 | 185,616 | 654,803 | 560,559 | 11,237 | 36,540 |
| June | 377,090 | 235,433 | 774,424 | 725,846 | 14,203 | 36,270 |
| July | 274,999 | 186,379 | 621,541 | 549,817 | 11,109 | 30,795 |
| Aug. | 507,526 | 242,915 | 1,028,852 | 713,458 | 14,190 | 30,456 |
| Total | 2,950,455 | 1,893,813 | 6,611,686 | 4,952,862 | \$98,528 | 251,657 |

Rhapsody Over Stereo: From 2 recognized authorities—one a music critic, the other a merchandiser—came confident predictions this week that stereo has captured the fancy of the vast music loving public and is sure to be a big factor in the home entertainment market this fall. Wrote N. Y. Times' music critic Harold C. Schonberg after visiting last week's N. Y. Hi-Fi Show:

"There were some mighty impressive demonstrations. Judging from the public reception and the corridor gossip, the American public is talking stereo, thinking stereo, and is going to be buying stereo. This column has pointed out before, and will point out again, that monophonic disks will not be made obsolete; that a great performance can be enjoyed as a great performance whether it is on cylinders, acoustic disks, early electrics or stereo; and that, furthermore, monophonic disks can sound immensely more impressive when played through stereophonic equipment.

"But there is no point denying the fact that stereophonic disks are ushering in a new dimension of sound; and, under the proper conditions (involving decent playback equipment, judicious tone control settings, correct speaker placement), it will be still another valuable tool toward the goal to which all are aspiring: the truer reproduction of good music in the home."

Said R. W. Saxon, RCA Victor v.p.-gen. mgr. at dealer meeting in N.Y.: "We stand on the bridge that spans

WHY, IN A TIME of bull markets and inflation, should the shares of some companies sell for less than their share of the liquid assets, at a price which puts no value at all on the sometimes considerable plant and equipment? asks Oct. 1 *Forbes Magazine*, which under caption "Bargains or Booby Traps?" goes on to say that a stock is worth only as much as the public is willing to pay for it and to set forth other possible reasons. Then it lists more than 100 of what it called "Loaded Laggards." In Radio-TV category it puts Admiral, with book value of \$25.03, prior obligations \$11.94, recent price 13½; DuMont Labs, \$7.52, \$3.65 & 3¼; Emerson Radio, \$10.70, \$9.15 & 8¼; Sparton, \$9.10, \$4.62 & 6¼. [Note: Oct. 10 closing of Admiral was 14%, DuMont 4, Emerson 9½, Sparton 5%.]

In his "Market Outlook" column in same issue of *Forbes*, Josephthal & Co.'s Sidney B. Lurie comments on "Wall Street's loss of enthusiasm for RCA, now around 38." He observes: "The promise of RCA is not this year's \$2 per share earnings potential, or the fact that the TV industry has learned to live in a replacement set market. Rather, few major companies possess as much internal earnings leverage as is evidenced by the fact that a 1% increase in pre-tax profit margins could add about 80¢ per share to pre-tax profits. This is probably within the realm of possibilities next year—which is when the stock could come into prominence again.

"There are various reasons why profit margins may be better, not the least of which is a cost-conscious new president. Furthermore, color TV, which has cost RCA untold sums in recent years, some day will be a real 'plus' for it obviously will make black-and-white obsolete. RCA is a stock for the sophisticated speculator, one who is in a position to build up an interest over a period of time. It is not a holding for the impatient."

Recently formed Lazard Fund Inc. (assets as of Sept. 30: \$122,851,003) reports that common stocks related to electronics in its portfolio are 25,000 shares of GE, 4800 IBM, 15,000 RCA.

the gap between the good sales days of hi-fi and the untouched, unlimited era of stereophonic sound. We've never been in such a potentially profitable spot in our history. The future is fantastic. We expect the home music industry will chalk up a record total of \$1,300,000,000 in business next year. We forecast a gross of \$585,000,000 in packaged hi-fi alone. Standard phonos—those selling for under \$100—will account for \$125,000,000. Records will reach an all-time high of \$400,000,000. Pre-recorded tapes will bring in another \$50,000,000 and tape recorder-players an estimated \$140,000,000."

Merger of General Transistor and Barnes Engineering is planned on basis of exchange of one share of General Transistor for 3¼ shares of Barnes. Former makes transistors, computers, electronic equipment; latter, infra-red systems and instruments for military and industrial uses.

Hewlett-Packard Co., Palo Alto, Cal. (electronic measuring instruments) acquires 80% of outstanding stock of F. L. Moseley Co., Pasadena maker of recorders & other electronic equipment. Details of stock exchange deal, by which Moseley continues as independent firm, weren't disclosed.

Raytheon purchases 250,000 sq.-ft. plant formerly occupied by Bostich, Pawcatuck, Conn. for expanded operations to be revealed later.

Do You Know That...

UNDER THE CATEGORY Advertising Agency Executives are something more than 400 biographies in the 1958-59 *Who's Who in America*—and it's interesting to note that more than half the names are from New York City and 60-odd from Chicago. As in the case of the Radio-TV and the Electronics and Electronic Equipment executives categories, published in Vol. 14:39, there's obvious overlap with other categories and some quite substantial top names among the advertising fraternity are missing.

But relying on the Vocational Index just released by *Who's Who*, we find well over twice as many ad agency folk listed in *Who's Who* as were TV-radio network and station executives. As we did with the aforementioned categories, we've culled the Advertising Agency Executives roster and these are the names listed, starting with New York City and Chicago and then tabulating the remainder by states & cities, alphabetically:

NEW YORK CITY: Edward Aleshire, H. C. Allen, R. E. Allen, T. H. Anderson Jr., Donald B. Armstrong Jr.

A. A. Bailey, W. R. Baker Jr., S. M. Ballard, H. R. Bankart, T. L. Bates, S. H. Bayles, K. J. Beebe, G. N. Beecher, F. K. Belrn, Wm. Bernbach, Jack Bisco, R. J. Blair, Brown Bolte, Barrett Brady, J. A. Brewer, T. D. Brophy, D. L. Burdick, T. C. Butcher.

J. A. Cairns, H. W. Calkins, J. Caples, Len Carey, Thomas K. Carpenter Jr., Albert Carroll, E. A. Cashin, G. D. Cates, G. I. Chatfield, W. S. Chesley, J. T. Chlurg, D. K. Clifford, R. T. Colwell, W. H. Conine, S. R. Coons, F. W. Coste, Edwin Cox, Thayer Cummings, B. A. Cummings, J. P. Cunningham.

Samuel Dalsimer, H. M. Dancer, Maxwell Dane, William Dasheff, S. W. Dean Jr., H. J. Deines, F. E. Delano, S. H. M. Dene, H. H. M. Dobberteen, Sherwood Dodge, J. C. Dowd, J. E. Doyle, B. C. Duffy, R. C. Durham, R. S. Durstine.

J. T. Ellington, E. H. Ellis, J. H. Ellis, Z. D. Ely, G. A. Erickson, Frank Fagan, A. C. Fatt, G. H. Fitch, Bernice Fitz-Gibbon, C. L. Fitzgerald, C. J. Fleming Jr., H. C. Flower Jr., Emerson Foote, R. L. Foreman, G. S. Fowler, Don Francisco, G. T. Fry.

F. R. Gamble, R. M. Ganger, A. V. Geoghegan, B. B. Geyer, S. H. Gliellerup, G. H. Giese, S. W. Granville Jr., C. C. Green, Marjorie Greenbaum, G. H. Gribblin, Rudolph Guenther.

Walter Haase, D. H. Halpern, J. E. Hanna, Marlon Harper Jr., G. E. Harris, W. A. Hart, John Hertz Jr., W. R. Hesse, A. F. Hewitt, J. M. Hickerson, W. R. Hillenbrand, Peter Hilton, D. D. Hoover, J. J. Houlihan, W. H. Howard, F. L. Howley, Winthrop Hoyt, E. F. Hudson Jr., P. D. Hyland.

J. H. Irish, E. F. Johnstone, Muriel Johnstone, H. K. Kahn, Elkin Kaufman, W. H. Kearns, A. H. Ketchum, Abbott Kimball, A. A. Kron, J. A. Kuneau.

T. H. Lane, S. S. Larmon, H. M. Legler, A. W. Lehman, Douglas Leigh, F. T. Leighty, A. W. Lewin, W. B. Lewis, W. H. Long Jr., G. P. Ludlam, R. E. Lusk.

F. W. Mace, F. B. Manchee, W. C. Matthews, H. A. Mattoon Jr., C. J. McCarthy, N. F. McEvoy, J. T. McHugh, W. E. McKeachie, R. C. McKee, G. S. McMillan, S. W. Meek, S. L. Meulendyke, D. C. Miller, Dwight Mills, H. W. Moloney, John Monsarrat, Rudolph Montgelas, S. M. Morey, J. B. Morris, L. W. Munro, Marvin Murphy.

R. R. Newell, C. P. Newton, E. B. Noakes, N. E. Norman, H. R. Noxon, D. M. O'Gilly, W. T. Okle, A. F. Osborn, E. J. Owens.

R. C. Palmer, D. R. Parmak, C. N. Parsells, J. W. Patterson, H. O. Pattison Jr., A. G. Peart, C. A. Pooler, C. A. Posey.

C. D. Reach, V. D. Reed, Rosser Reeves, J. A. H. Rehm, T. S. Repplier, Stanley Resor, William Reydel, F. D. Richards, J. W. Rindlaub, L. H. Rosenberg, F. B. Ruthrauff, F. B. Ryan Jr., J. D. Ryle.

C. A. Sante, F. A. Schneller, V. O. Schwab, H. S. Schwerin, A. J. Seaman, A. N. Sidnam, C. L. Smith, G. C. Smith, J. S. Smith, Raymond Spector, F. E. Spence, L. T. Steele, W. E. Steers, E. E. Stowell, H. D. Strauss, N. H. Strouse, J. K. Strubing Jr., D. D. Sutphen Jr., W. M. Swertfager.

A. J. Taranton, J. D. Tarcher, R. W. Taylor, R. E. Thompson, A. J. Toigo, J. V. Tutching, G. M. Ule, J. D. Upton, Lawrence Valenstein, L. B. Van Doren, I. A. Vladimir.

J. A. Wales, B. A. Walker, F. H. Walsh, A. M. Ward, W. B. C. Washburn, R. M. Watson, J. D. Webb, Walter Weir, R. L. Wensley, F. K. White, Elwood Whitney, J. E. Wiley, D. B. Williams, A. M. Wilson, J. O. Young.

Other New York State: Red Hook—H. S. Ward. Rochester—F. M. C. Hutchins, F. M. Hutchins, W. B. Potter. Westhampton—W. R. Moore.

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CHICAGO: David Adler, J. C. Arnold, J. T. Aubrey, B. A. Baker, V. R. Bliss, F. O. Britton, Melvin Brorby, Burton Browne, Walter Buchen, H. J. Buckley, Leo Burnett, F. S. Cary, T. R. Chadwick, J. M. Cleary, F. M. Cone.

Draper Daniels, G. C. Dibert, W. L. Diener, Andrew Duncan, A. C. Farlow, C. E. Frank, C. D. Frey, E. R. Gambic, E. A. Gebhardt, D. L. Harrington, R. N. Hartsing Sr., R. N. Heath, L. O. Holmberg, N. E. Jacobs, Freeman Keyes, J. H. Kies, R. J. Koretz, L. M. Krautter.

J. K. Laird Jr., J. J. Louis, Earle Ludgin, Hays MacFarland, L. M. Maltz, J. M. McDonald, R. W. Metzger, A. E. Meyerhoff, M. H. Needham, L. R. Northrup, Sterling Peacock, G. C. Reeves, B. L. Robbins, J. P. Roche, A. E. Rood.

M. H. Schwartz, R. J. Scott, J. W. Shaw, A. W. Sherer, A. E. Tatham, H. H. Thurber, Louis Tilden, W. D. Tyler, A. G. Wade II, J. E. Weber, E. H. Weiss, T. T. Weldon, S. A. Wells, L. A. Wherry, W. T. Young Jr., Martin Zitz.

Except for Los Angeles and environs, with 16 names, Detroit 14, San Francisco 9, Boston, Philadelphia, Pittsburgh & Minneapolis 7 each, St. Louis 6, Cleveland 5, there are only a scattering few agency men listed from the rest of the country. Still listing only those names shown in the Vocational Index, we find:

CALIFORNIA: Los Angeles—Don Belding, Roy Campbell Jr., H. E. Cassidy, Burt Cochran, T. H. Factor, J. A. Ford, R. C. Francis, Cornwell Jackson, E. C. McGaughey, C. B. Oliver, W. J. Pringle, R. A. Robinson, M. B. Scott, J. W. Smock, Tony Wann, P. H. Willis. San Francisco—D. F. Bascom, W. C. Baumont, Russell Farbes, Walter Gullid, H. Q. Hawes, S. R. Hutton, L. H. Odell, E. B. Sorensen, F. C. Wheeler. Santa Barbara—A. F. Marquette.

COLORADO: Denver—W. J. Kostka.

DISTRICT OF COLUMBIA: L. F. Wood.

FLORIDA: Miami—J. A. Day.

GEORGIA: Atlanta—J. H. Kinsella.

INDIANA: Ft. Wayne—B. F. Geyer.

LOUISIANA: New Orleans—J. H. Epstein, J. L. Killeen, R. M. Schwarz.

MARYLAND: Baltimore—Joseph Katz, Wilbur Van Sant.

MASSACHUSETTS: Boston—Harold Bugbee, Harold Cabot, F. W. Hatch, R. S. Humphrey, E. D. Parent, L. J. Raymond, W. J. Sheehan.

NORTH CAROLINA: Raleigh—H. R. Hames.

MICHIGAN: Detroit—W. B. Booth, D. P. Brother, W. C. Campbell, W. B. Doner, Clay Doss, J. H. Forshew II, W. S. French, E. R. Grace, W. R. A. Graham, J. J. Hartigan, Clarence Hatch, G. A. Porter, E. H. Scott, F. W. Sharp, Henry Tuttle.

MINNESOTA: Minneapolis—J. C. Cornelius, J. S. Fish, Wayne Hunt, A. H. Lund, R. O. Mithum, L. H. Swenson, A. R. Whitman.

MISSOURI: Kansas City—J. B. Woodbury. St. Louis—Beatrice Adams, H. W. Chesley Jr., C. E. Claggett, E. G. Marshutz, J. B. Orthwein, K. E. Runyon.

NEBRASKA: Omaha—M. E. Jacobs, F. C. Miller.

NEW JERSEY: New Brunswick—E. G. Gerbic. Princeton—G. M. Lauck, S. J. Schwinn.

NEW MEXICO: Pena Blanca—J. W. Young.

OHIO: Cleveland—K. W. Akers, E. L. Andrew, J. C. Maddox, E. T. Morris, M. S. Sweeney. Toledo—D. B. Seem.

PENNSYLVANIA: Philadelphia—G. W. Cecil, J. B. Gray, B. S. Greene, H. H. Kynett, F. C. P. McGinn, W. S. Shelly, J. M. Wallace. Pittsburgh—H. S. Downing, R. E. Grove, Emil Hofsoos, G. Ketchum, W. A. Marsteller, E. T. Parrack, W. S. Redpath.

TEXAS: Houston—S. R. Wilhelm.

VIRGINIA: Roanoke—C. B. Houck.

WISCONSIN: Milwaukee—F. V. Birch, C. J. Callos, A. R. McGinnis, A. W. Seller.

Add another to new rash of novels with TV-advertising as backgrounds—*The Insider*, by Ellington & Co. v.p. James Kelly, its background the advertising business and suburban living, published this week by Henry Holt & Co. One of best written of current crop, *The Hot Half Hour*, by BBDO exec. v.p. Robert L. Foreman, with Madison Ave. and bigtime TV giveaways as theme, looks like best-seller potential, may go into movies (Vol. 14:36); just released, its publisher is Criterion Books, N. Y. Also new and awaiting reviews is ABC-TV Chicago v.p. Sterling (Red) Quinlan's *The Merger*, based on what happens to people involved in a broadcasting merger; its release date by publisher Doubleday & Co. is Oct. 16 (Vol. 14:35).

Medics Warned on TV: Physicians shouldn't endorse drugs on TV commercials, says N. Y. County Medical Society's *New York Medicine*. Reporting that advertisers had attempted to recruit 3 young doctors to take places of "man in white coat" actors after NAB TV Code ban on such presentations becomes effective Jan. 1 (Vol. 14:30), publication asks: (1) Do physicians want to make reputations as pitchmen? (2) Shouldn't doctors practice medicine, not advertising? (3) How can doctors regain reputation as practicing physicians after TV contracts run out? Medical Society has made no official ruling on appearances by physicians in commercials, however.

Twelve No. Carolina radio stations, one of them owned by Charlotte's WSOC-TV (Ch. 9), have banded together as Carolina Radio Group to offer time under group rates with John E. Pearson Co. as national rep.; pres. is Harry L. Welch, WSAT, Salisbury, national sales mgr. Tom Morris, WTIK, Durham.

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**THE
AUTHORITATIVE**

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

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with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — October 18, 1958

NBC SHIFTS SEATTLE & PORTLAND affiliations to Bullitt stations from KPTV and KOMO-TV, which attacks "audacity." New ABC affiliations not indicated (p. 1).

BRITISH TV AD VOLUME rapidly approaching that of newspaper & magazines. Already 47% as great after only 3 years, compared with 27% in U.S. (p. 2).

FOUR STATIONS OPERATE TRANSLATORS to fill holes, extend coverage, counter CATV inroads. FCC reports translator coverage good, costs low (p. 3).

FREEZE ON CATV MICROWAVE attacked in Court of Appeals. Eager to tap new markets, applicants ask that FCC be forced to issue CPs or start hearings (p. 3).

COLOR TV OWNERS RATE HIGH in income, education, social status, civic activity, interest in new products, NBC-BBDO "ColorTown" report shows (p. 4).

FCC QUESTIONS STORER PURCHASE of WITI-TV, Whitefish Bay-Milwaukee on "concentration of control," proposed rates, "financial basis" (p. 5).

NETWORK TV ONLY GAINER in Aug. *Printers' Ink* National Advertising Index, rising 5% from year earlier vs. general 8% drop; network radio down 25% (p. 6).

BIG-MONEY TV QUIZ SHOWS seem doomed as Twenty-One shuts shop in wake of "fix" charges, low ratings. Fate of \$64,000 Question is next question (p. 6).

AT&T LOOKS AT ETV, sees future bright in quarterly report to stockholders (p. 8).

ADVERTISERS HELP ETV by sponsoring programs promoting interest in classics, etc., CBS-TV's Merle Jones tells NAEB. Other ETV news (p. 8).

Manufacturing-Distribution-Finance

NO TV PRICE INCREASE LIKELY this year, as trial balloon finds nobody ready to go first. Possible 3% or 5% increase on new Jan. lines (p. 11).

ELECTRONICS FACTORY PACE quickens toward recovery from poor first half, but 1958 output will drop for first time since TV, Commerce Dept. says (p. 11).

GE'S 'OPERATION UPTURN' helps accomplish most profitable 3rd quarter in company history—6% up from 1957 period despite 4% drop in sales (p. 13).

AMPEX'S CHARLIE GINSBURG, man behind the Videotape recorder, got into electronics through side door, enjoys "monomania" about work and golf (p. 14).

NBC AFFILIATE SWITCH IN SEATTLE & PORTLAND: Shift of NBC'S Seattle & Portland, Ore. affiliations to Mrs. A. Scott Bullitt's KING-TV (Ch. 5) & KING, and KGW-TV (Ch. 8) & KGW, respectively -- from KOMO-TV (Ch. 4) & KOMO, and KPTV (Ch. 12) -- provoked an expression of extreme bitterness from KOMO-TV exec. v.p. W.W. Warren, emphasizing anew the vital necessity of major network affiliation. Owner of KPTV, George Haggarty, had offered no comment by week's end. Changes are effective next year.

"NBC's announcement [came] as a complete surprise to us," Warren said. "We do not know what political, economic or ulterior forces were brought to bear on NBC to destroy 32 years of successful partnership. We are amazed that NBC would have the audacity to make a 'package' deal involving Portland & Seattle which sells one of its oldest friends and staunchest supporters down the river. This is all the more incredible in light of the fact that KOMO-TV is No. 1 in the market and repeatedly attracts the most viewers on directly competitive local programs."

NBC reacted with this brief statement: "No 'political' or 'ulterior' motives were involved. The affiliation changes were based on NBC's conclusion that they would benefit its TV network and the public and advertisers it serves. This conclusion was reached with regard to each of the stations, in each of the markets, on its individual merits."

Warren didn't indicate whether protest would be made to any official agency, but FCC has consistently kept out of such controversies, regarding them as private

business matters -- nor has Congress ever intervened, though individual Congressmen have at times protested to Commission.

A number of stations have smarted under network shifts through the years but seldom have they been able to do anything about it. Right now, KIRO-TV, Seattle (Ch. 7) and CBS are in court because of switch, in \$15,000,000 treble-damage anti-trust suit by KTNT-TV (Vol. 14:22, 27), but litigation will run months if not years.

* * * *

The Bullitt stations will shift from ABC, and there's no indication yet as to who will pick up the ABC affiliations. All switches to primary NBC affiliate status will come next year: KING-TV, June 14; KING, Dec. 10; KGW-TV, May 1; KGW, Dec. 19. Meanwhile, they are designated NBC secondary affiliates. NBC has no radio affiliate in Portland itself, has been using KGON in nearby Oregon City.

KIRO-TV (Ch. 7) & KIRO are CBS outlets in Seattle, KOIN-TV (Ch. 6) & KOIN in Portland. Independents in Seattle-Tacoma are KTNT-TV (Ch. 11) and KTVW (Ch. 13). Portland has only 3 stations, all affiliated, and a projected uhf -- KHTV (Ch. 27).

NBC Spot Sales has been rep for KOMO-TV, but neither station nor network had anything to say about possible change in rep. Blair-TV handles both Bullitt stations, and Katz represents KPTV. There was no comment, either, about status of Mrs. Bullitt's KREM-TV, Spokane (Ch. 3), now ABC-TV. KHQ-TV (Ch. 6) has NBC there, and KXLY-TV (Ch. 4) is CBS outlet in the 3-station market.

NOTABLE STATURE OF BRITISH COMMERCIAL TV: If you think TV in U.S. has been a phenomenal growth industry, have a look at Britain. After a mere 3 years of commercial operation there, TV is already garnering 47% as many advertising dollars as entire newspaper-magazine field. TV advertising volume in the U.S. runs only about 27% of printed media's -- after 12 commercial years. Even if you add radio in U.S., commercial broadcasting here still captures only 40% as much as newspapers & magazines.

Look at the figures: Britain's Media Records Inc. reports that in first half of 1958 printed media absorbed £51,849,207 (about \$145,566,000), up £4,500,000 (\$12,633,000) over same 1957 period. But TV took in £24,500,000 (\$68,783,000), rising whopping £10,500,000 (\$29,478,000) over year ago -- and with only 7 commercial stations (though they reach about 75% of TV homes).

For comparable U.S. figures, McCann-Erickson's estimate (TV Factbook No. 27, p. 24) put 1957 TV total at \$1,290,000,000, radio \$622,500,000, newspapers & magazines at \$4,698,900,000. This, with U.S. operating 494 commercial stations and 3 networks at the end of 1957.

British commercial TV was expected to rise faster than it did in U.S., for simple reason that long non-commercial BBC-TV operation had created substantial saturation of sets (9,313,800 as of Aug. 1) which needed only small investments to convert them for reception of commercial channels -- whereas U.S. set saturation (48,300,000 as of July 1) grew from scratch in 1946.

But the relationship of TV to printed media is the astonishing thing -- for Britisher publishers are no slouches at selling space. In fact, advertising in England is generally more pervasive and more blatant than it is in U.S.

We don't pretend to prognosticate how British TV will progress from here on out -- but we doubt whether its pell-mell growth is going to slacken drastically. There are already demands for more commercial stations as well as for inauguration of commercial radio. At present rate of growth, commercial broadcasting in Britain may well become the dominant medium, printed media playing second fiddle in volume.

Foregoing accounts for hegira of U.S. TV executives to Britain, rapidly accelerating, as they seek chunk of that income by way of syndicated film, agency branches, rating services, equipment sales, etc. And profits can be substantial: Associated TV Ltd., one of the 10 commercial contractors, achieved operating profit of £4,053,000 (\$11,378,000) in 1957 vs. £447,600 (\$1,256,000) in 1956; profit after taxes was £1,997,909 (\$5,609,000) vs. £201,000 (\$564,307).

STATIONS EXPERIMENTING WITH TRANSLATORS: Only 4 TV stations have built uhf translators or applied for them -- out of the 142 operating, 32 CPs, 40 applications -- but experience being amassed by translator pioneers may well develop a brisk growth in use of the hole-fillers and coverage-extenders.

Greatest translator enthusiast among station operators is Wm. Putnam, who is developing a veritable chain emanating from his WWLP, Springfield, Mass. (Ch. 22). He has not only a conventional satellite, WRLP, Greenfield, Mass. (Ch. 32), but 2 translators operating -- and he's applying for 3 more soon. Translators are now operating in Claremont & Lebanon, N.H., and Putnam asserts: "I get more viewers per dollar of outlay from translators than I do in Springfield."

Two other uhf's with translators: WINR-TV, Binghamton, N.Y. (Ch. 40), with units in Johnson City-Vestal, and Hillcrest-Chenango Bridge; WHIZ-TV, Zanesville, O. (Ch. 18), with repeaters in Coshocton & Cambridge.

Effort to counteract community antenna systems is objective of the sole vhf organization using translators -- Wm. Smullin's KBES-TV, Medford (Ch. 5) & KOTI, Klamath Falls (Ch. 2), both Ore. Smullin has been applying left & right for translators in his coverage area, because CATV systems are giving their customers the 3 Portland signals, thus cutting into pickups of his signals.

Smullin operates one translator in Cave Junction, holds CPs for 2 in Cow Creek and 2 in Grants Pass, is applicant for one in Butte Falls. He also had applications for one each in Medford & Klamath Falls, to repeat both his stations, but FCC said they'd violate "duopoly" rules -- commonly-owned stations in a market.

Most of station-owned translators are too new to give definitive coverage data -- but FCC's information on other and older units is that they're working very well, will do even better when power ceiling is hiked from 10 to 100 watts, expected shortly when Commission concludes its power-increase rule-making.

Translator cost data has been collected by TV Allocations Study Organization along with coverage measurements. It found that average 1-channel translator costs \$6212; 2-channel, \$13,040; 3-channel, \$20,764. Average annual operating costs are: 1-channel, \$1161; 2-channel, \$1990; 3-channel, \$2210. Commission estimates there are more than 750,000 people living in areas served by translators -- and it figures equipment costs at \$1.20 per person, annual operating cost about 22¢. It estimates average maximum distance reached by translators is 22 mi.

CATV MICROWAVE FREEZE ATTACKED IN COURT: FCC's "deep frost" on microwaves to serve community antenna systems really isn't thawing at all, despite one Texas grant last week (Vol. 14:41), in opinion of several microwave applicants -- so they trudged up to Court of Appeals and asked that Commission be forced to grant CPs or hearings.

Reason for applicants' impatience is that there are scarcely any good-sized towns left to develop for CATV without use of microwave -- i.e., signals can't simply be picked out of the air, must be piped substantial distances. In addition, CATV operators using 1 or 2 signals need microwave to bring in more or better signals.

Three nearly identical appeals were filed this week by Smith & Pepper law firm, whose E. Stratford Smith is also counsel for National Community TV Assn. The theme is that FCC can't legally freeze applications. Mesa Microwave, which last week obtained grant to serve Memphis, Wellington & Childress, Tex., asks court to get FCC action on microwave designed to serve CATV in Laredo, Tex.; Tallahassee, Ft. Myers & Naples, Fla. Carter Mt. Transmission Corp. proposes to initiate or augment service to Miles City, Mont.; Riverton, Lander, Thermopolis, Cody & Powell, Wyo. E. Texas Transmission Co. seeks to serve Tyler, Jacksonville & Palestine, Tex.

"Perhaps this Court can compel the Commission," petitions state, "to tell the Court what the Commission apparently is unwilling to tell Petitioner, namely, the precise reasons why it will not grant its applications, and why the Commission is unwilling to have Petitioner know these reasons." Then, warming up: "If there is no improper reason for such 'secrecy' then it is sheer, incredible, unlawful, bureau-

cratic arbitrariness and capriciousness." In conclusion, petitions ask that "this Court retain a supervisory jurisdiction over this matter insuring that both proper and expeditious action be taken."

Some FCC attorneys concede the Commission might have been wiser to send the applicants a letter or to issue a public notice -- to justify freeze during its consideration of CATV's impact on TV stations (Vol. 14:21). Ordinarily, the petitions wouldn't disturb them too much -- but they're not so sure now, in light of scathing language court has used on Commission in recent months. Notable instance was the court's effort to make "errand boy" out of FCC in Miami Ch. 10 remand (Vol. 14:16). Another was court's decision on Ch. 10, Norfolk, in which it clearly questioned Commission's good sense by stating: "It may be that Congress has confided too great power in the agency" (Vol. 14:38).

Tidings from 'ColorTown': Owners of color TV today constitute a "cream" market, 4 out of 10 having incomes of \$10,000 or more, 65% earning more than \$7500 annually. This is major finding in first formal report on 3-year "ColorTown" TV survey project undertaken jointly by NBC & BBDO (Vol. 12:9, 41).

Started in Dec. 1955 to measure "growth & impact of color TV within a panel of 4000 families in a typical medium-sized city," field work by Advertest Research Inc. yielded these conclusions about color TV set owners—"compared with the average citizen"—in project's Study No. 1, released this week:

(1) They have more spending money, fewer family obligations. (2) Most are home owners. (3) They're better educated. (4) They're more active socially and in civic groups. (5) They have more interest in new products and new ideas—and firmer opinions. (6) "They are excited about color TV."

Researchers had to go outside 4000-family panel for documenting statistics, however, since "it will be some time before the panel itself will yield a large enough group of color owners to serve as a basis for a separate study." RCA service contract and dealer lists in area were culled to make total of 328 color set owners for sampling.

In addition to probing economic & social status of color owners, "ColorTown" field workers invited criticism of set performance: 75% were "very satisfied," 22% "fairly well satisfied," 3% "not satisfied at all." Major color vs. black-&-white complaint, voiced by 14% of all 328 owners: "Color is harder to tune; too much adjusting." Also, 7% thought color TV "isn't perfected yet," 5% found black-&-white clearer on regular sets.

Additional "ColorTown" surveys, intended by NBC & BBDO to chart change in character of color TV market as medium develops and to show impact of color on programs & commercials, will be conducted by R. H. Bruskin Assoc.

Sunday news ban invoked against CBC by Ont. courts, which ruled publicly-owned corporation must stand trial under Lord's Day Act for news broadcasts on that day, was appealed this week to Canadian Supreme Court. CBC argued that it's an agent of Crown, not subject to blue law because Crown isn't specifically named in Act. Ont. courts held CBC is "legal person," responsible for any offenses it commits.

NBC signs affiliation with TV Corp. of Mich. Inc., whose share-time Ch. 10, Onondaga (with State Board of Agriculture), is due on air Jan. 1 (Vol. 14:38). Call letters for commercial station (40% owned by Lansing radio WILS) will be WFTV; State Board's, WMSB.

Non-Profit UN Series: Underwritten by group of TV network & station executives, new filmed 15-min. *Dateline: Un* series of 26 programs, designed to bring "understanding in depth" of United Nations to U. S. viewers, starts Oct. 24—United Nations Day—on 60 stations. Non-profit series, made with help of UN camera crews in Washington, Moscow, Africa, other parts of world, is offered at these rates by U. S. Broadcasters Committee for UN, 422 Madison Ave., N. Y.: N. Y., Chicago, Los Angeles, \$200; cities with more than 1,000,000 sets, \$100; cities with 225,000-1,000,000 sets, \$50; cities with 100,000-225,000 sets, \$25. Committee's chairman is *Television Magazine* publisher Frederick Kugel; vice chairman, P. A. Sugg, NBC; secy.-treas., David C. Moore, Transcontinent TV Corp. Members of exec. committee: Roger W. Clipp, Triangle Stations; R. E. Dunville, Crosley Bestg. Corp.; Harold Grams, KSD-TV, St. Louis; Jack Harris, KPRC-TV, Houston; Donald McGannon, Westinghouse Bestg. Co.; C. Howard Lane, KOIN-TV, Portland, Ore.; C. Wrede Petersmeyer, Corinthian Bestg. Corp.; James G. Riddell, ABC; J. S. Sinclair, WJAR-TV, Providence; George Storer Jr., Storer Bestg. Co.; Robert D. Swezey, WDSU-TV, New Orleans; E. K. Wheeler, WWJ-TV, Detroit; George Whitney, KFMB-TV, San Diego.

Defense of FCC members was delivered by Comr. Robert T. Bartley, as he spoke this week to meeting of Mass. Broadcasters' Assn. in Boston, his old stamping grounds where he served as asst. to pres. of Yankee Network 1939-1943. Though he stated that Rep. Harris (D-Ark.) subcommittee "wasn't merely playing cops & robbers" when it had Commission on grill earlier this year, he lauded his colleagues as conscientious officials—at peak of abilities, with average age of 53, average length of public service 22 years.

Miami Ch. 10 hearing finished this week with competing attorneys agreeing, by stipulation, to put into record the entire letter sent by Sen. Smathers (D-Fla.) to Harris investigative committee—describing his activity in case (Vol. 14:41). Smathers was executor of estate of L. B. Wilson, who had been an applicant for Ch. 10. Judge Horace Stern, the hearing examiner, has asked for briefs by Nov. 3, oral argument Nov. 17, says he hopes to issue initial decision before Christmas.

U. S.-Soviet TV exchange "could well be the first effective step toward the peace we all want," *TV Guide* managing editor Merrill Panitt told Detroit Ad Craft Club last week, reporting on recent trip to Russia. "If Russians can see movies and TV shows that describe how we live, what we enjoy, and what sort of people we are, perhaps they will start doubting the insidious propaganda they are subjected to," Panitt said.

Storer Purchase Questioned: Snag developed this week in Storer Bestg. Co.'s proposed \$4,462,500 purchase of WITI-TV, Whitefish Bay (Milwaukee), Wis. (Ch. 6), which it plans to substitute for now-dark WVUE, Wilmington-Philadelphia (Ch. 12) [Vol. 14:32 et seq], when FCC wrote both buyer & seller and said it couldn't approve sale unless it has more information showing transfer wouldn't produce too much "concentration of control."

Vote was 3-2 by the 5 commissioners present, but chances are that same results would have obtained had all been there. Comrs. Hyde, Craven & Ford voted for "more information," while Lee & Cross would have approved sale. Based on past records, it's likely Bartley would have joined majority, Doerfer minority.

Commission called attention to Sec. 3.636 of its rules, said application for transfer made no showing that Storer's swap of Wilmington for Milwaukee outlet wouldn't increase Storer's market coverage to degree inimical to public interest. Storer's other TV holdings: WJBK-TV, Detroit (Ch. 2); WSPD-TV, Toledo (Ch. 13); WAGA-TV, Atlanta (Ch. 5); JWV-TV, Cleveland (Ch. 8).

Commission had some other questions, too. It stated: "Such showing as you decide to submit should include a statement as to whether, in setting its rates for time purchased on WITI-TV, Storer Bestg. Co. proposes to operate said station in combination with its other broadcast stations . . . Further, since Storer operated station WVUE as an independent station and found it necessary to terminate such operation for financial reasons, its showing should set forth the basis for its belief that station WITI-TV can be operated as an independent station on a sound financial basis in the public interest."

Action of FCC doesn't at all mean that it's bound and determined to deny approval of sale ultimately. Similar letters have gone out before in similar cases. On other hand, approvals have been granted rather routinely in similar cases.

There's no gainsaying, however, that Commission is "stickier" than it used to be. Its question about "concentration of control" isn't unusual—but its queries about rates and independent operation are.

Disqualification of Comr. Craven from any further participation in Indianapolis' Ch. 13 case, which was sent back to FCC by Court of Appeals (Vol. 14:39), was urged in petition filed this week by WIBC, which had lost final decision to Crosley. WIBC says it doesn't "impugn the integrity" of Craven but that he's barred from acting in judicial capacity because he had served as consulting engineer to Ch. 13 contestant WIRE before he joined FCC. Now operating WLWI, Crosley this week asked FCC for special temporary authority to continue running station pending outcome of further proceedings. Court of Appeals had said Commission should take steps to continue service pending reconsideration—and WIBC has asked FCC to establish "trusteeship" to take over station.

Reservation of Ch. 8, Waycross, Ga. for educational use was denied by FCC this week. Petition of Georgia State Dept. of Education was turned down, according to Commission, because Waycross isn't a predominantly educational center, because it's likely to have only one vhf channel in foreseeable future—and, therefore, Commission should let all comers, educational & commercial, seek channel on their "comparative merits."

Stereo broadcasts by educational WTTW, Chicago (Ch. 11) and FM station WFMT were authorized by FCC for 6 months under waiver of rules, Sec. 3.651 (c).

WWL-TV Wins Court Fight: Religious issue was rejected by Court of Appeals this week as it affirmed FCC's choice of Loyola U's WWL in decision on Ch. 4, New Orleans. Loser James A. Noe had contended that Jesuit's Loyola was "alien-controlled" because Roman Catholic Society of Jesus' superior general is Belgian citizen living in Rome. Unanimous decision by Judges George T. Washington, Daniel L. Bazelon & Charles Fahy, written by Washington, noted that section of Communications Act dealing with aliens was designed to protect country in time of war and concluded: "The relationship of Loyola to the Society of Jesus hardly seems to endanger our national security" and this relationship "has never been used in the past to impinge upon the independence of the University in the operation of its radio station . . . The religious orientation of a licensee is an irrelevant factor. As the Commission has held, the prime consideration is 'whether the applicant, whatever his own views, is likely to give a "fair break" to others who do not share them.'" Court also rejected argument of "Protestants and Other Americans United for Separation of Church & State" that grant to Loyola violated Constitution's church-state separation provision. Note: Court exercised care in choice of judges in case—for Washington is Protestant, descendant of President Washington's family through Col. Samuel Washington, Bazelon is Jewish, and Fahy is Catholic.

Aftermath of Hartford Switch: Request for a vhf channel in Springfield-Holyoke by uhf WHYN-TV (Ch. 40), submitted to FCC this week, was the quick reaction of CBS affiliate WHYN-TV to CBS's action in Hartford last week—dropping its own uhf WHCT (Ch. 18) there and taking on WTIC-TV (Ch. 3) as CBS-TV affiliate (Vol. 14:41). Wm. Dwight, pres. of WHYN-TV, asked FCC to find a new vhf channel for area, stating: "Circumstances indicate that others may seek and will probably be successful in obtaining permission to operate at least one other vhf channel in the Hartford, Conn. area. It is our opinion, based on the experience of others throughout the country, that successful operation of uhf stations in the Springfield-Holyoke, Mass. area cannot long continue if vhf operation is permitted in the adjacent Hartford, Conn. area and only uhf operations permitted in the Springfield-Holyoke, Mass. area. A Hartford, Conn. vhf station does not, cannot and undoubtedly will not adequately service the people in the Springfield-Holyoke area. There is no community of interest between the people of Hartford and Springfield-Holyoke."

Courts Need TV Coverage: Public gets more realistic understanding of trial procedures on TV than press reporting provides, says Judge John C. Powell of Okla. Criminal Court of Appeals. In opinion concurring with ruling by Judge John A. Brett upholding right of WKY-TV, Oklahoma City, to televise burglary trial proceedings (Vol. 14:36), Judge Powell concludes: "We have in this court had experience with the TV people, and such has been favorable. Where cases of notoriety have become beclouded by the conflicting reports of various newspapermen, the visual broadcasting of actual proceedings has demonstrated the due process of law and in a light healthful & favorable." Judge scorns "forced maxim" of American Bar Assn.'s Canon 35 ban on TV in courtrooms. He points out cameras can be unobtrusive, says TV provides "educational opportunity for the citizen [to] enable him more truly to gain an insight into the working of the courts, not so realistically revealed by the written word."

TV Up, Other Media Down: Network TV again was only medium on up side in Aug., gaining 5% from same 1957 month while general advertising average dropped 8%, according to monthly National Advertising Index in Oct. 17 *Printers' Ink*.

Overall, national ad volume after 8 months of 1958 was running 2% below Jan.-Aug. last year, continuing decline which started early in year. Omitting any estimates of TV or radio spot from its figures, *Printers' Ink* showed that network TV's cumulative 11% rise in 8 months continued to be only plus mark in Index's ledger.

In Aug., network radio was down 25%, newspapers 14%, magazines 12%, business papers 11%, outdoor 3% from year earlier.

Coincident with release of these index figures, TvB this week released Aug. roundup of estimated expenditures of top 15 network advertisers by name and brand, plus grand totals by day parts and by product classifications (available from its N. Y. headquarters, 444 Madison Ave.). The *Printers' Ink* Index and percentage figures for Aug. and Jan.-Aug.:

| | Index | | % change from | | % cumulative change |
|--------------------|-----------|-----------|---------------|------------|---------------------|
| | July 1958 | July 1957 | 1 month ago | 1 year ago | |
| Medium | 199 | 216 | - 3 | - 8 | - 2 |
| General Index | 199 | 216 | - 3 | - 8 | - 2 |
| Total Magazines | 151 | 172 | - 6 | -12 | - 7 |
| Weekly | 174 | 200 | - 5 | -13 | - 7 |
| Women's | 112 | 125 | - 7 | -10 | - 6 |
| General Monthly | 172 | 184 | - 3 | - 7 | - 4 |
| Farm | 87 | 117 | -13 | -26 | -19 |
| Newspapers | 184 | 213 | - 4 | -14 | - 9 |
| Network Television | 408 | 390 | + 1 | + 5 | +11 |
| Network Radio | 24 | 32 | - 8 | -25 | - 5 |
| Business Papers | 190 | 213 | - 2 | -11 | - 6 |
| Outdoor | 163 | 168 | - 7 | - 3 | - 2 |

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change, from the same period last year, of the index average from January through Aug. 1958. Direct mail index for Aug. is not available.

Baltimore's ad taxes are invalid, Md. Court of Appeals ruled Oct. 17, upholding July decision by Md. Circuit Court that 6% special levies on TV, radio, press, other media "violate the fundamental [constitutional] guarantees of freedom of the press" (Vol. 14:28). City Council has repealed 4% tax on advertising sales plus 2% on media receipts, effective Jan. 1, 1959, but appealed lower court's ruling in hope of retaining about \$1,500,000 already collected this year. Baltimore stations & newspapers joined in court challenge of levies, which now are forbidden under new state law.

TV discount discrimination against Amana Refrigeration Inc. is denied by CBS Inc., which filed Chicago Federal court brief asking dismissal of Robinson-Patman Act anti-trust claim in \$9,000,000 countersuit by Amana against network (Vol. 13:29, 44). In court actions stemming from alleged contract failure by Amana in sponsoring 7 spots on *Phil Silvers Show*, CBS previously had denied "must-buy" and "tie-in" allegations by refrigerator firm in triple-damage suit.

Big Associated TV Ltd., major commercial TV contractor in Britain, is getting bigger. Recently it established reciprocal arrangement with Jack Wrather's new Independent TV Corp. (Vol. 14:38). Now, it has purchased Australia's Broadcasting Associated Pty. Ltd., large TV-radio station operator which also holds interests in Macquarie Network, most extensive commercial radio chain. BAP was owned by *Daily Mirror* and *Sunday Pictorial* newspapers, each of which owns 11% of ATV.

Curtains for Quizzes: End of TV's big-money quiz show era was close at hand this week as result of program "rigging" scandals (Vol. 14:35-38, 40) and falling ratings, *Twenty-One* following *Dotto* and \$64,000 *Challenge* off network air, \$64,000 *Question* facing almost certain death.

Less than 2 weeks after NBC-TV took over direct charge of much-battered *Twenty-One* from packagers Barry & Enright, it died with Oct. 16 show. Viewers were given no explanation why program would be seen no more. But spokesman for sponsor Pharmaceuticals Inc. cited "decline in ratings," adding: "We must admit the [N. Y. grand jury] investigation had something to do with the decline." Show had 10.3 Trendex rating—its lowest—last week. It once hit 34.7.

As for CBS-TV's \$64,000 *Question*, which hasn't been mentioned in any "fix" charges by disgruntled quiz contestants, it still was alive at our presstime. But "it's just a matter of time," spokesman for network told us. Show sank to 12.4 Trendex Oct. 12, and v.p. George Abrams of co-sponsor Revlon Inc. said he was discussing its survival with producers Entertainment Productions Inc. He acknowledged "there is no question but that quiz shows have shown a general decline."

In dropping *Twenty-One*, sponsor deserted neither NBC nor Barry & Enright. Pharmaceuticals bought firm's game-type *Concentration* for same Thu. 8:30-9 p.m. spot, starting Oct. 30. Jack Barry will m.c. it, as he did *Twenty-One's* 2-year \$1,000,000 giveaway run. And for good measure, Pharmaceuticals became alt. sponsor (with P. Lorillard, which dropped NBC's \$64,000 *Challenge*) of *Arthur Murray Party* Mon. 10-10:30 p.m., and bought 5 segments of NBC daytimers *Treasure Hunt*, *It Could Be You* and *Concentration*.

Pharmaceuticals spokesman underscored vote of confidence in Barry & Enright: "They are above reproach. In our own investigation of the charges, we haven't found a thing that would personally implicate these 2 fellows in any wrongdoing."

Meanwhile, there were no reports indicating what N. Y. grand jury was doing in its probe of quiz shows which started after Colgate's *Dotto* sank without trace from CBS & NBC schedules in Aug. Man who started it all—*Dotto* stand-by contestant Edward Hilgemeier Jr.—charged winner on show had been fed answers to quiz questions. Run on District Attorney Frank P. Hogan's office by winners & losers on other shows followed.

Rate increases: WFIL-TV, Philadelphia, Oct. 1 raised base hour from \$3200 to \$3300, min. \$750 to \$880. WBKB, Chicago, Aug. 15 raised hour from \$2400 to \$3000, min. \$700 to \$750. WWJ-TV, Detroit, Oct. 1, hour \$2400 to \$2700, min. \$600 to \$660. KFRE-TV, Fresno, Oct. 15, hour \$650 to \$750, min. \$150 to \$180. WWTU, Cadillac, Oct. 1 added Class AA hour (7:59-10:31 p.m. daily) at \$400, min. at \$80, Class A hour remaining \$350. WCSC-TV, Charleston, S. C. Nov. 1 raises hour \$300 to \$350, min. \$75 to \$80. WLEX-TV, Lexington, Nov. 1 adds Class AA hour (7-10 p.m. daily) at \$341, min. at \$55.50, Class A hour remaining \$284.

WJR, The Goodwill Station, big Detroit broadcaster whose WJRT, Flint (Ch. 12) went on air Oct. 12 (Vol. 14:41), reports lower earnings & sales for 9 months ended Sept. 30 vs. corresponding 1957 period. Net income was \$254,239 (44¢ per share) on sales of \$2,352,012 in first 3 quarters this year vs. \$370,149 (64¢) on \$2,639,422 in 9 months of 1957.

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with ELECTRONICS REPORTS

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Personal Notes: Edmund C. Bunker, CBS-TV v.p.-director of affiliate relations, named v.p. & gen. sales mgr., reporting to network sales v.p. Thomas H. Dawson; Carl S. Ward succeeds Bunker under affiliate relations & engineering v.p. Wm. B. Lodge . . . Joseph L. Tinney, v.p. & asst. gen. mgr. of WCAU-TV and WCAU, Philadelphia, retires after 14 years . . . Frank Marx, ABC engineering v.p. & Raymond F. Guy, NBC senior staff engineer, left N. Y. Saturday on 5-week global inspection of Voice of America facilities as representatives of USIA Broadcast Advisory Committee . . . Ross Donaldson promoted to NBC-TV script services director . . . Richard C. Barron promoted to asst. to exec. v.p. & gen. mgr. Harold Essex of WSJS-TV and WSJS, Winston-Salem, N. C. . . . John P. Sholar, ex-WNOK-TV, Columbia, S. C., named sales director of WSPA-TV, Spartanburg . . . Frank Ridolphi promoted to administrative asst., WSFA-TV, Montgomery, Ala. . . . S. Wm. Aronson promoted to administrative asst. to ABC radio v.p. Edward J. DeGray . . . Howard Coleman, ex-WMAQ, Chicago, named administrative asst. to pres. Harold Gross of WJIM-TV & WJIM, Lansing . . . Bob Krieghoff, program director of WTOL, Toledo adds duties as program director of upcoming WTOL-TV (Ch. 11) due in Dec.; Rus Stone, WTOL sales mgr. promoted to sales mgr. of TV . . . Paschal Porta, ex-KFSA-TV, Ft. Smith, named program director of KNAC-TV there . . . Edwin

Roy H. Thomson, Canadian chain newspaper publisher (*Quebec Chronicle-Telegraph*, etc.), publisher of *St. Petersburg* (Fla.) *Independent*, 49% owner of CKWS-TV, Kingston, Ont. (Ch. 11) & CHEX-TV, Peterborough, Ont. (Ch. 12), publisher of *Edinburgh* (Scotland) *Scotsman* & *Dispatch*, chairman of commercial TV contractor for Scotland, has been elected to board of Rediffusion Inc., Montreal wired-music & community antenna operator.

New public affairs dept. established at CBS's WCAU-TV, Philadelphia, and headed by gen. mgr. John A. Schneider, is claimed to be "most extensive operation of its kind by an independent local TV station." Staff includes: program director Jack Dolph, public affairs director Don Lenox, news director Charles Shaw, educational director Margaret Mary Kearney, promotion & information director Robert N. Pryor.

Michael M. Sillerman who resigned as exec. v.p. of TPA following its merger with Jack Wrather's ITC (Vol. 14:38) joins Gross-Krasne, N. Y. and Hollywood TV film producers & distributors, as pres. Philip Krasne is chairman; Jack Gross, v.p.; named changed to Gross-Krasne-Sillerman.

Canadian Broadcasting Corp. promotes: Peter McDonald, to director of TV network; Gunnar Rugheimer, to asst. director of TV network; John R. Malloy, to supervisor of TV network sales; Ian Ritchie, to headquarters station relations staff.

Pfeiffer, ex-rep Edward Petry, joins KOTV, Tulsa, as commercial mgr. Nov. 1 . . . Dick Paul promoted to promotion director of WBRE-TV & WBRE, Wilkes-Barre . . . William E. Goetze, ex-San Diego Chamber of Commerce, named adv. & promotion director of KFSD-TV & KFSD there . . . Pierre Marquis, Screen Gems director of sales planning, adds duties of adv. & promotion supervisor, succeeding Henry White who continues as program procurement director; Gene Plotnik promoted to publicity director . . . Norman Wieland, ex-*Billboard* magazine, named merchandising mgr. of 20th Century-Fox Records . . . Florence Small, agency editor of *Broadcasting* magazine, resigns to form Penthouse TV Assoc., public relations & advertising counselling, 595 Madison Ave., N. Y. (Plaza 3-4380) . . . Alvin Cooperman, producer (Shirley Temple's *Storybook*), named executive producer of Screen Gems, Columbia Pictures TV subsidiary . . . Don Waterbury, ex-Broadcast Time Sales, named national sales mgr. of rep Rambeau, Vance, Hopple, N. Y. . . . David H. Sandberg resigns as v.p. & Pacific coast mgr. of rep Avery-Knodel . . . W. C. Swartley, v.p. of Westinghouse's WBZ-TV, Boston, elected pres. of Mass. Bestrs. Assn.

ADVERTISING AGENCIES: Bruce L. Altman & John L. Baldwin promoted to v.p.'s of Kenyon & Eckhardt, Chicago . . . Wm. H. Howard, ex-Young & Rubicam v.p., joins J. Walter Thompson, his executive title to be announced . . . Everard W. Meade, ex-Young & Rubicam, appointed TV-radio v.p. of Ogilvy, Benson & Mather . . . Harry M. Jobson promoted to exec. v.p. of Harris & Co., Miami . . . Wm. H. Genge promoted to v.p. of MacLeod & Grove . . . Rudy Etchen, ex-Browning Arms, named v.p. of Erwin Wasey, Ruthrauff & Ryan, Pittsburgh . . . Ned Smith, ex-Raymond Spector, named v.p. of Maxwell Sackheim Inc. . . . Julian P. Brodie, ex-Lewin, Williams & Saylor, named v.p. of Lawrence C. Gumbinner, N. Y. . . . Dean Avery, ex-Young & Rubicam, named v.p. of Muray Associates, adv. photographers.

Ever-expanding Independent TV Corp., which recently purchased TPA (Vol. 14:38), promotes 5 to district mgrs.: Ralph Barron, Hugh Simpson & Alton Whitehouse in N. Y., reporting to mgr. Walter Plant; Lee Cannon & Casper Chouinard in Chicago, reporting to mgr. Art Spirt.

Visit to Russia by U. S. broadcast engineering group is being planned by State Dept.'s East-West Contacts section under Scott Lyon. Many other industry groups—steel, plastics, etc.—have sent delegations under the U. S.-Russian exchange agreement.

Dr. Norwood L. Simmons, Eastman Kodak Co., elected SMPTE pres., succeeded as exec. v.p. by John W. Servies of National Theatre Supply Co.

Obituary

Joseph Katz, 70, Baltimore adv. executive, pioneer in radio, 95% owner and chairman of WWDC, Washington, which in Aug. acquired WMBR, Jacksonville, died Oct. 13 in Baltimore of a heart ailment. His son-in-law is Ben Strouse, pres.-gen. mgr. of WWDC & WMBR. Surviving are widow, 2 sons, daughter.

Elroy Schroeder, 59, pres. & 20% owner of KNOX-TV (Ch. 10) & KNOX, Grand Forks, N. D., also Grand Forks supt. of schools, died of heart attack Oct. 10 after collapsing at Minneapolis Airport.

Robert Allan Smalley, 69, retired J. M. Mathes Adv. exec., died Oct. 10 in Sherman, Conn. Surviving are widow, 2 daughters.

Bell System Backing ETV: Not only are GE & RCA currently researching ETV expansion and equipment potential, so convinced of its inevitable growth that one top GE executive told us he believes there will be more educational than commercial stations on the air within 10 years, quite aside from closed-circuit teaching (Vol. 14:39), but no less than AT&T is watching it closely as an actual & prospective long-lines customer. Giant Bell System is probably the most powerful ally to be enlisted in the cause of ETV since Ford Foundation's generous bequests gave it the economic & political guidance and the industrial & sociological caste that was unobtainable from FCC and from most of the broadcasting industry.

Sent along with quarterly dividend checks to its more than 1,600,000 stockholders, AT&T's quarterly report last week devoted 4 of its 8 pages to ETV, noting that "providing its connecting links is a natural undertaking for the telephone companies." Report includes simple diagrams of closed-circuit only, closed circuit with station tied in, and network connecting stations. It also mentions Bell System's pioneering in coaxial cables, microwave radio and TV interconnections, and telephone engineers' role in the Hagerstown, Louisville, San Jose & Cortland, N. Y. school TV projects. It further states:

"The Bell companies believe therefore that they can be of much help to educators who are exploring the potential value of ETV. They welcome opportunities to work with boards of education, and with colleges, in this important effort . . . Educational TV has not yet come of age. How

Notes on Educational TV: Big commercial sponsors—however indirectly—are going in for educational TV, CBS-TV stations div. pres. Merle S. Jones told 34th annual convention of National Assn. of Educational Broadcasters in Omaha this week. In major speech, he pointed out advertisers are "now sponsoring an encouraging number of shows with real educational value."

FCC's emissary at convention was Comr. Cross, banquet speaker. "ETV is out of the switchyard and on the mainline," he said. "Anybody who tries to subvert an ETV channel is in for serious opposition."

NAEB officers for 1959, when convention will be held Oct. 30-Nov. 2 in Detroit: pres. Wm. G. Harley, U of Wisconsin's WHA-TV, Madison (Ch. 21); first v.p. Jack McBride, U of Nebraska's KUON-TV, Lincoln (Ch. 12); 2nd v.p. Robert Schenkkan, U of Texas TV-radio director; 3rd v.p. Graydon Ausmus, U of Alabama broadcasting services director; treas. Robert Coleman, Michigan State U's radio WKAR; secy. Keith M. Engar, U of Utah's KUED, Salt Lake City (Ch. 7).

A sidelight of NAEB sessions, attended by record number of delegates including representatives of 33 on-air ETV stations, was presentation of special NAEB citation "of exceptional merit" to Washington communications lawyers Marcus Cohn & Leonard Marks for "sound & realistic counsel" to educational broadcasters. In other ETV developments:

- Ford Foundation announced new ETV grants: \$320,100, to Language Research Inc., closed-circuit English instruction in N. Y.'s predominantly Puerto Rican Chelsea district; \$172,191, American Institute of Biological Sciences, high school courses; \$110,000, Metropolitan Pittsburgh Educational TV Assn., 1958-59 programming; \$35,000, American Chemical Society, 2 TV films; \$35,000, College of St. Catherine, St. Paul, psychology course; \$25,000, National Academy of Science's National Research Council, grade school science courses in Washington & Pittsburgh.

well it may serve each community will depend largely on finding good answers to many technical, administrative and financial problems. . . . If you are an educator or school board member, and are concerned with this question, don't hesitate to get in touch with your local telephone manager. He and his associates who are specially familiar with TV problems will be glad to work with you in studying your needs."

Broadcasters have been derelict in job of informing public, in opinion of CBS v.p. & newsman Edward R. Murrow. He made it clear he was speaking for himself, not CBS, in addressing Radio-TV News Directors Assn. in Chicago this week. He didn't exempt networks from his attack, accused them of feeding public steady diet of "decadence, escapism and insulation from the realities of the world in which we live" rather than keeping people informed of national & international problems. He criticized networks for failing to protest State Dept. refusal to permit newsmen to enter Red China. He also suggested that sponsors turn over to networks one period annually for presentation of information programs. NAB pres. Harold E. Fellows urged group to give more local news, rely less on wire services, and stated: "From a news standpoint and in the view of serving the public, there can't be too many radio stations or too many TV stations or too many newspapers—although those who own and operate them might take a contrary view from the standpoint of the balance sheet."

- Montgomery County, Md. school board got into storm-in-teacup trouble with other officials by ordering \$25,000 worth of specially-built 24-in. TV sets from Transvision Inc., New Rochelle, without seeking bids. State law requires bidding for over \$5000 purchases. Board explained sets, similar to those in Hagerstown ETV experiment, meet Greater Washington Educational TV Assn. specifications.

- Dr. Robert S. Lankton of Detroit schools' instructional research dept. told Board of Education year-long ETV experiment in 9 schools showed TV helps promote learning, boosts grades, minimizes tardiness & absenteeism, reduces need for discipline.

- New morning series, *Big Blackboard*, Sat. 8:30-9 a.m. beginning with Dr. Carlton Coon, U of Pa. anthropologist, has been started by WCAU-TV, Philadelphia (Ch. 10).

- Chicago Teachers College said it will give credits for *TV Teachers College* on WGN-TV (Ch. 9) 8:15-8:45 a.m. daily.

- Elementary typewriter course was scheduled by WTOP-TV, Washington (Ch. 9), starting Nov. 4.

Broadcasters' immunity from libel suits resulting from political broadcasters, emphasized by North Dakota Supreme Court in case involving WDAY, Fargo (Vol. 14:14), will be weighed by U. S. Supreme Court. Station had been sued by Farmers Union because of statements made by independent Senatorial candidate A. C. Townley; station claimed it was immune from libel suits because Communications Act forbade it from censoring Townley's remarks. After losing in state courts, Farmers Union appealed to U. S. Supreme Court which this week agreed to review case.

"Time Listings" is new feature of *Time Magazine*, gives capsule previews & reviews of TV, movies, theatre, books. Oct. 13 issue covers 10 TV shows, Oct. 20 nine.

St. Louis' Ch. 11 & 'Influence': Revocation of CBS's KMOX-TV, St. Louis (Ch. 4) and reopening of city's Ch. 11 for new hearing were sought this week by St. Louis Amusement Co., which lost to CBS in original hearing on Ch. 11. CBS has since turned Ch. 11 (KCPP) over to 220 TV Inc., after having bought Ch. 4 (then KWK-TV) last year (Vol. 13:43). In petition filed with FCC, St. Louis Amusement cites testimony presented to House legislative oversight subcommittee alleging that CBS chairman Wm. S. Paley and pres. Frank Stanton agreed with Tex McCrary (identified as friend & neighbor of Paley's) to talk to FCC commissioners before Ch. 11 decision was rendered. Petition said that McCrary was to go to Commission "ostensibly as a newspaper reporter not associated with CBS, and ostensibly to procure information about the decision, about rumors of trial votes taken by the Commission, about the machinery for decision in the case and to learn 'if there was anything the matter.'" It says that McCrary did see Comrs. Doerfer, McConaughy & Craven and that purpose "was to induce them to take action favorable to CBS." CBS and 220 TV Inc. countered immediately, both pointing out that Court of Appeals has held that St. Louis Amusement no longer has any standing to participate in case. CBS characterized pleading as "an extreme example of the 'nuisance' litigation approach to Commission proceedings." McCrary's discussions with commissioners, it said, were totally on his own as a news reporter—not as an agent of CBS.

KGEZ-TV, Kalispell, Mont. (Ch. 9) went on program tests Oct. 17, resumes program schedule Oct. 20, after being dark since April 7, 1958, attributing shutdown to audience loss to community antenna system (Vol. 14:16). On-air total now stands at 535 (85 uhf). KGEZ-TV is affiliated with CBS-TV & NBC-TV, picking up programs of KXLY-TV, Spokane (Ch. 4) & KHQ-TV, Spokane (Ch. 6). Control is held by Frank Reardon (58%), who also owns majority of radios KGEZ, Kalispell, and KBOW, Butte, Mont. Minority KGEZ-TV stockholder, with 30%, is Northwest Video Inc., the CATV system which Reardon had blamed for his economic troubles. Base hour is \$125. Reps are Donald Cooke and Art Moore.

RCA Shipments: Six-section superturnstile antenna to WDAY-TV, Fargo, N. D. (Ch. 6), planning boost to 100-kw; 18-section superturnstile to KRBB, El Dorado, Ark. (Ch. 10), boosting to 316-kw; pylon antenna to WICS, Springfield, Ill. (Ch. 20), boosting to 512-kw; 10-kw transmitter Sept. 12 to upcoming KXAB-TV, Aberdeen, S. D. (Ch. 9), planning Nov. start; 18-gain traveling-wave antenna Sept. 19 to KCMT, Alexandria, Minn. (Ch. 7); 50-kw transmitter to upcoming WTOL-TV, Toledo (Ch. 11), due in Dec.; used 12-kw amplifier Oct. 9 to WKYT, Lexington, Ky. (Ch. 27), planning boost to 214-kw; pylon antenna Oct. 1 to KBAS-TV, Ephrata, Wash., planning switch from Ch. 43 to Ch. 16; traveling wave antenna Oct. 9 to WXYZ-TV, Detroit (Ch. 7), planning move to new tower & site.

Translator starts: K81AC, Grangeville, Ida. began Oct. 1, repeating KHQ-TV, Spokane; K82AE, Rock Springs, Wyo., Oct. 4 with KUTV, Salt Lake City; K83AH, Roseburg, Ore., Oct. 5 with KOIN-TV, Portland; K73AL, Truth or Consequences, N. M., Oct. 12 with KNME-TV, Albuquerque; K70BF, Douglas, Ariz., Oct. 14 with KVOA-TV, Tucson.

CP granted: Ch. 6, Pocatello, Ida., to KBLI Inc., operators of KBLI, Blackfoot, Ida. and KNAK, Salt Lake City (Howard D. Johnson, pres.). [For details, see *TV Addenda 27-G.*]

Transfer of off-air WWOR-TV, Worcester, Mass. (Ch. 14) to Wm. Putman's Springfield Television Bcstg. Corp., operator of WWLP, Springfield, Mass. (Ch. 22) & satellite WRLP, Greenfield, Mass. (Ch. 32), was approved this week by FCC, with condition that assignment be consummated within 20 days and WWOR-TV resume operation within 90 days of consummation. WWOR-TV owners are to get 20% of Springfield Television in return for station, which is to operate initially as satellite of WWLP (Vol. 14:30, 37). Also approved this week was sale of 47% of WBRZ, Baton Rouge, La. (Ch. 2) for \$548,000 by Lewis Gottlieb and 5 others to Baton Rouge radio WJBO, owned by Douglas & Charles Manship families, also publishers of *Baton Rouge Advocate* and *State Times* (Vol. 14:41).

Radio Station Sales: Charles Britt, who headed group which founded WLOS-TV, Asheville, N.C. (Ch. 13), now owned by Mitchell Wolfson's WTVJ Inc. (Vol. 14:29), is buying radio WIRY, Plattsburgh, N. Y. for \$200,000 from Joel Scheier. WSPB, Sarasota, Fla. has been sold by Robert C. Jones and associates to owners of radio WALL, Middletown, N.Y. for \$335,000, thru broker Allen Kander. WALL principals are John Morgan Davis (60.2%), former minority stockholder in WPFH (now WVUE), Wilmington-Philadelphia (Ch. 12), and Roger W. Clipp (32.48%), v.p. & gen. mgr. of radio and TV div. of Triangle Publications. [For news about other radio station sales & transfers, see *AM-FM Addenda PP.*]

Sarkes Tarzian shouldn't get Ch. 13 in Bowling Green, Ky., according to FCC's broadcast bureau, which this week told Commission that examiner Millard F. French erred in initial decision favoring Tarzian over George A. Brown Jr. (Vol. 14:37). Bureau stated that Tarzian's civic activity in Bloomington, where he owns WTTV (Ch. 4), is irrelevant when balanced against Brown's Bowling Green residence & activities; that examiner failed to give Tarzian a demerit on "media diversification" factor, in face of Brown's lack of media ownership.

New \$1,500,000 studio-office building of WKRC-TV (Ch. 12) & WKRC, Cincinnati, will be started by designer-contractor Austin Co. next week—2-story structure including 2 TV and 3 radio studios. Site is near present TV transmitter in Mt. Auburn. WKRC-TV will move all but newsroom from old location, Post & Times-Star Bldg., while all radio facilities except transmitter & tower will shift from Alms Hotel. Estimated construction time is 10 months.

Construction of 3-station tower in Baltimore, to carry all antennas candelabra-fashion, was begun this week after 3 years of planning, is due for completion in Jan. or Feb. The 730-ft. structure will support antennas of WBAL-TV (Ch. 11), WMAR-TV (Ch. 2) & WJZ-TV (Ch. 13).

Waiver of FM rules to permit power increase from 11 to 34.1-kw is sought in petition filed with FCC this week by N. Y. *Times'* WQXR-FM, which claims hike would add 300,000 to service area and improve signal in present coverage area.

Identification changes granted by FCC under waiver of rules: KWWL-TV, Waterloo, Ia. (Ch. 7), to identify itself also with Cedar Rapids; WMT-TV, Cedar Rapids (Ch. 2), to add Waterloo. Comr. Lee dissented, merely says he doesn't believe rules should be waived.

Only TV application filed this week was for Ch. 16, Pittsburgh, by WQED (Ch. 13) there, which plans to use it as second non-commercial outlet. Total applications pending are now 94 (28 uhf). [See *TV Addenda 27-G.*]

'Economic Injury' Debate: Philco counterattacked NBC in Supreme Court this week, arguing that there's no need to review Court of Appeals' decision that Philco has "standing" to protest renewal of NBC's Philadelphia stations (Vol. 14:25, 39, 41). Philco asserts: "The petitioner [NBC] seems to recognize that the authorities have uniformly considered likelihood of economic injury as the test in cases involving standing. However, it is argued that something more is required in the present case. In addition to alleging economic injury as a result of the grant, the petitioner would require that Philco meet what can only be characterized as an occupational test. Philco is variously described in the petition as 'not even a member of the "industry at large,"' and as having 'no interest in the broadcasting business.' This unique theory of limiting standing to members only is highly discriminatory and fortunately was not the test adopted by Congress. Economic injury hurts regardless of a person's occupation and Congress, wisely, did not attempt to discriminate between those so injured." Philco also objected to motion of WNEM-TV, Bay City, Mich. (Ch. 5) to assist NBC as *amicus curiae* (Vol. 14:41).

Suit against community antenna system in Helena, Mont. (Vol. 14:36, 38) is likely to be washed out soon—because both complainant KXLF-TV, Butte (Ch. 4) and Helena CATV system have asked for dismissal. CATV has quit carrying KXLF-TV's signal, and station has asked for dismissal of suit without prejudice, subject to refile if CATV starts picking up signal again. Suit was based on "rebroadcast" rules of FCC, station asserting that CATV utilized its signals without permission. CATV system argued that U.S. District Court Judge W. D. Murray doesn't have jurisdiction; that FCC must be approached first by complainant.

Hal Roach Studios, bought in May by Scranton Corp. in TV-radio-film expansion moves which since have embraced MBS and Flamingo Telefilm Sales Inc. (Vol. 14:40), buys out ABC Films 50% interest in RABCO Inc., becoming sole owner of TV film program producing firm. Jointly formed 4 years ago by Roach and ABC Films as AB-PT subsidiary, RABCO's properties include *Forest Ranger*, *Racket Squad*, *Code 3*, *Passport to Danger*. Terms of Roach's purchase deal with ABC Films pres. George T. Shupert weren't disclosed.

Competitor of AT&T and ITT is Florida Micro-Communications Inc., which is ready to accept business for one-way TV transmissions from Marathon, Fla. to Matanzas, Cuba, starting Nov. 1. Using over-the-horizon "scatter" technique, it filed tariff with FCC providing rates of \$500 for black-&-white hour, \$750 color. It shows plant investment of \$343,000, estimates \$168,000 annual revenues, \$14,900 income after taxes.

Forty-city closed-circuit business meeting for General Motors dealers, conducted by Theatre Network TV from Waldorf-Astoria Oct. 15, was used to introduce new GM chairman Frederic G. Donner and pres. John F. Gordon, as well as to display 34 new cars. Show was narrated by newscaster John Daly, employed 12 cameras.

CBC Board of Governors recommended only power boosts at Oct. 9 meeting—to 49.3-kw for CJBR-TV, Rimouski, Que. (Ch. 3) and 90-kw for CKNX-TV, Wingham, Ont. (Ch. 12).

Alpine tramway with cars carrying 6 passengers to transmitter site on Ranger Peak is proposed by KTSM-TV, El Paso (Ch. 9), which has filed application to move to peak, 5962-ft. above sea level.

Tax regulations for personal holding companies—including those organized by high-bracket TV & movie stars to escape 91% individual levies (Vol. 12:50-51, Vol. 13:4, 12)—are detailed in T. D. 6308, published as 76 pp. section of Sept. 29 *Internal Revenue Bulletin*. Modifying once-proposed IRS ruling which performers feared would wreck them financially, regulations impose 75% tax on undistributed personal holding company income not in excess of \$2000 and 85% on undistributed income above \$2000. Personal holding companies are defined as those in which more than 50% of stock is owned "by or for not more than 5 individuals." Examples are cited how regulations work for incorporated actor who has other performers under contract.

TV signal distribution systems for educational use will be studied by special EIA group under Ben Adler, Adler Electronics Inc. Project was initiated by Wm. J. Morlock, GE technical products dept. gen. mgr., who said group "will lay foundations for EIA recommendations to the FCC regarding necessary rule changes for frequencies necessary to operate low power RF transmitters in connection with educational TV systems."

Experimental transmissions of TV "standard test signals" may be continued by stations until April 3, 1959, FCC stated this week. Last year (Vol. 13:14), Commission started rule-making on NBC-suggested proposal for transmitting variety of system-checking signals between frames of ordinary transmissions (Doc. 11986). This week's extension is for purpose of gathering more data.

NBC countered AFTRA's complaint about Chicago performer hiring-firing practices (Vol. 14:40) by telling FCC that AFTRA has no legal standing to complain; that Commission has repeatedly ruled it has no jurisdiction over broadcasters' day-to-day labor and programming policy decisions; that there have been only very minor changes in WNBQ's programming.

Scholarship of \$520 annually, for electrical engineering students at George Washington U, Washington, has been established by Assn. of Federal Communications Consulting Engineers. Head of AFCCE scholarship committee is David L. Steel Sr., of Page, Cruetz, Steel & Waldschmitt.

Britain's powerful Trades Union Congress approved resolution at recent annual conference criticizing American TV programs, highly popular on both BBC and commercial ITA schedules but under quota as to numbers, as violent and alien influence on British life; it urged programs more correctly reflecting "the British way of life."

First outdoor studio in Europe, possibly first ever, is operated in Wales by TWW, independent commercial contractor for the area, to take advantage of "the rural atmosphere and natural vistas." Photos and description of engineering problems are available from TWW, 187 Oxford St., London W.1.

Triangle stations (Annenberg) have dispatched veteran newsman John Raleigh to Formosa to handle on-the-scene reports. Newsmen Gunnar Back & Allen Stone of Philadelphia's WFIL-TV & WFIL have been given roving assignments, foreign & domestic, while ex-NBC & ABC newsman John McVane is covering UN.

Regular Russian color transmissions will begin in Dec., according to a Soviet communications official—UPI reports from Stockholm.

German TV saturation is 10%, radio 80%, according to recent report by Institute of German Industry; it estimates 1,760,000 TV sets-in-use.

PRICE INCREASE TRIAL BALLOON COLLAPSES: Apparently just about everybody wants to boost TV prices right now -- but nobody will stick his neck out to lead the parade. Trial balloons -- talk of upping prices before Christmas, countering the long-standing price squeeze with an across-the-board increase -- were sailing high early this week, but by weekend had apparently collapsed. Now, it's almost a certainty current price line will hold steady for balance of the year.

One break in the ranks and all would follow, we learned from our conversations with leading merchandisers in the industry. None wanted to be quoted but all agreed rising costs made price increases a logical next step. They'd like to take the step now, feel that the recent upsurge in retail sales would absorb a "modest" increase. But each is wary of making first move.

Distributors are most chary of price increases, it would appear, since they are not quite sure the buyer strike which has plagued them all year has ended for certain. This gun-shy attitude of distributors and big dealers is principal reason there won't be a general price move by manufacturers immediately. Also, distributors and dealers are pleased with prospect of pretty good sales and profits during the coming Christmas season and don't want anything to upset the applecart.

Price increases on Jan. lines are almost a certainty. There is talk of 3% or 5% -- maybe more -- especially if the retail upsurge continues through the holiday. Most makers say an increase of that size would enable them to catch up with steadily mounting production costs over last several months.

Prices are creeping up on hi-fi stereo instruments. There's been no across-the-board hike, but new models are coming out with slightly higher price tags. It's a gradual move with prices being upped a fraction here and a fraction there. Component manufacturers already have raised prices and have notified makers that they may expect a general increase right after first of the year.

Electronics Industry Picks Up Pace: Momentum of midyear upturn in production of electronic equipment & components -- not counting research & development expenditures -- is continuing through rest of 1958, promising recovery of most of lag suffered by industry in poor first half, Commerce Dept. reported this week.

"Greater than seasonal upswing in radio & TV receiver output" was cited by director Donald S. Parris of Business & Defense Services Administration's electronics div. as big factor -- plus expanding military production -- in factory recovery from early-in-year doldrums brought on by cuts in consumer output.

But for first time since advent of TV, electronic production will fail to show increase this year, Parris said in "Trends in the Electronics Industries" report (No. 6304). He forecast total factory value of around \$6.9 billion for 1958 -- drop of \$100,000,000 from record \$7 billion in 1957. Parris noted that "magnitude of recovery" in balance of year depends on consumer demand.

Note: Industry sources don't accept Commerce estimate of \$100,000,000 decline in factory figure. They insist upswing in past 30 days, with impetus of stereo on hi-fi phono sales, is more than enough to counter-balance drop.

TV-Radio Production: TV production was 127,125 sets in week ended Oct. 10 vs. 121,495 preceding week and 167,605 same week last year. Year's 40th week brought TV production for the year to 3,704,525 sets vs. 4,769,000 last year. Radio production for week was 314,884 (93,088 auto) vs. 309,574 (103,299 auto) preceding week and 356,748 (114,402 auto) in same week last year. Radio production for 40 weeks was 8,003,032 (2,482,245 auto) vs. 10,731,000 (3,952,000 auto) last year.

Trade Personals: Commodore A. J. Spiggs (USN ret.) takes leave of absence as Packard-Bell v.p. to be adviser to Commerce Dept. electronics div. director Donald S. Parris . . . Dr. Myron S. Heidingsfield, chairman of Temple U's Business School marketing dept., named RCA Victor TV market research mgr.; John E. Johnson, ex-Minneapolis-Honeywell, named marketing mgr., RCA electronic data processing div. . . Col. James W. Anderson Jr. (USAF ret.) named gen. mgr. of Magnavox Urbana (Ill.) div. . . Frederick R. Lack, retired Western Electric v.p., elected a director of Hazeltine Corp. . . Harold J. Adler, ex-Hallicrafters, named operations v.p. of Shure Bros., Evanston, Ill. . . G. W. Tunnell promoted to mgr. of broadcast systems & service sales, RCA Service Co. . . Calvin Roberts promoted to mgr. Columbia Transcriptions, succeeding Al Schulman, now Epic Records gen. mgr. . . Irving Jerome named sales v.p. of Roulette Records, succeeded as MGM Records national sales mgr. by Charles Hassin . . . Sid N. Cottin, ex-Crest Records, named show director of Institute of High Fidelity Mfrs., succeeding Elliot Davis, resigned . . . Harold F. Driscoll, ex-Bell & Howell, named Zenith adv. mgr.

John V. L. Hogan, pres. of Hogan Labs, N. Y., elected pres. of DeForest Pioneers Inc., organization of those who worked with inventor Dr. Lee DeForest in early days. Other officers: Dr. Allen B. DuMont, v.p.; E. N. Pickerill, ex-RCA, now retired, secy.; Sidney A. Wood, exec. v.p. of Wilbur B. Driver Co., treas. New directors: Charles A. Rice, pres. of United Electronics Co.; Ellery W. Stone, ITT chairman.

Brig. Gen. David Sarnoff, RCA chairman, will deliver principal address at traditional Veterans Day observance, Nov. 11, at the Arlington National Cemetery memorial amphitheatre.

ELECTRONICS PERSONALS: Brig. Gen. Monro MacCloskey (USAF ret.) named asst. to pres. of Avco's Crosley div. with headquarters in Washington; James R. Kerr promoted to pres. of research & advanced development div.; George H. Geick, ex-General Mills, named Crosley div. market research & planning mgr. . . Arthur L. Lebel promoted to asst. chief of State Dept. telecommunications div., assuming position vacated by FCC Comr. John S. Cross . . . Fred C. Alexander appointed deputy asst. director for telecommunications, Office of Defense & Civilian Mobilization; Brig. Gen. Wendell H. Duplantis (USMC ret.) named deputy asst. director for communications & warning, Battle Creek . . . Maj. Gen. Merrill D. Burnside (USAF ret.), appointed Philco special representative, headquartering at West Coast Development Lab, Palo Alto . . . Richard B. Dozier promoted to sales administrator of Beckman Instruments' international div., succeeding Robert T. Jones, resigned.

DISTRIBUTOR NOTES: Motorola has sold its Detroit factory branch (Motorola-Michigan) to v.p. & gen. mgr. James B. Charters who forms J. B. Charters Inc. . . Hoffman appoints C. Carson Merchandiser Co., Detroit; Radio Electronic Sales, Worcester, Mass., for TV, radio, hi-fi . . . Stromberg-Carlson appoints Ed. J. Halliday Co., Burlingame, Cal., for radios, phonos . . . Emerson appoints Hom-Aids Inc., Birmingham; Robinson Distributing, Seattle, for DuMont TV, radio, hi-fi . . . Olympic appoints Charles Laub, Hyattsville, Md., for TV, radio, phonos in Washington area . . . Arvin appoints Joseph Kurzon Inc., N. Y., for radio, phonos.

Obituary

George Sheets, 68, Stromberg-Carlson Washington representative, died Oct. 11 at Washington Hospital Center after a long illness.

TV & Radio Shipments: TV shipments to dealers in Aug. were ahead of the same 1957 month for the first time this year. EIA reports that shipments jumped to 499,857 sets from 334,200 in July, and nosed out Aug. 1957, when they were 409,849. Shipments for first 8 months of this year were 2,835,045 sets vs. 3,460,100 for corresponding 1957 period. Radio shipments to dealers for 8-mo. period totaled 4,229,576 sets vs. 4,787,066 last year. First 8-mo. TV-radio shipments by states:

| State | TV | Radio | State | TV | Radio |
|-------|---------|---------|-------------|-----------|-----------|
| Ala. | 36,950 | 51,749 | N. J. | 106,167 | 159,552 |
| Ariz. | 20,099 | 25,793 | N. M. | 11,741 | 12,828 |
| Ark. | 23,775 | 23,327 | N. Y. | 321,749 | 585,096 |
| Cal. | 286,135 | 333,368 | N. C. | 56,252 | 72,020 |
| Col. | 24,597 | 33,933 | N. D. | 7,874 | 13,384 |
| Conn. | 45,878 | 56,944 | Ohio | 149,360 | 239,522 |
| Del. | 8,123 | 9,026 | Okla. | 36,907 | 42,800 |
| D. C. | 31,766 | 45,018 | Ore. | 28,758 | 42,773 |
| Fla. | 102,458 | 112,234 | Pa. | 202,044 | 303,884 |
| Ga. | 53,554 | 79,027 | R. I. | 16,060 | 25,035 |
| Ida. | 8,617 | 15,977 | S. C. | 22,470 | 32,202 |
| Ill. | 169,405 | 337,840 | S. D. | 8,860 | 10,527 |
| Ind. | 69,880 | 77,767 | Tenn. | 43,625 | 60,979 |
| Ia. | 34,111 | 51,613 | Tex. | 143,061 | 204,895 |
| Kan. | 33,251 | 51,439 | Utah | 13,549 | 15,966 |
| Ky. | 43,187 | 58,461 | Vt. | 5,598 | 9,930 |
| La. | 48,068 | 54,476 | Va. | 48,447 | 70,208 |
| Me. | 14,712 | 27,523 | Wash. | 45,931 | 63,977 |
| Md. | 43,369 | 85,704 | W. Va. | 26,245 | 25,892 |
| Mass. | 95,273 | 155,403 | Wis. | 50,322 | 85,987 |
| Mich. | 97,450 | 151,083 | Wyo. | 7,375 | 5,485 |
| Minn. | 42,353 | 75,858 | | | |
| Miss. | 22,652 | 27,101 | U. S. TOTAL | 2,825,483 | 4,213,784 |
| Mo. | 67,492 | 126,372 | Alaska | 1,639 | 3,760 |
| Mont. | 12,170 | 14,196 | Hawaii | 7,923 | 12,032 |
| Neb. | 23,916 | 26,249 | | | |
| Nev. | 4,484 | 7,315 | GRAND TOTAL | 2,835,045 | 4,229,576 |
| N. H. | 9,363 | 15,546 | | | |

Sylvania opens new receiving tube plant at Altoona, Pa., Oct. 21. It's said to be fully air conditioned, have unique manufacturing equipment.

NBC-TV debut in stereo simulcast—the *George Gobel Show* Oct. 21 (Vol. 14:35)—is billed by sponsor RCA as “most ambitious one-shot promotion in its history.” It's second network venture into stereo simulcasting, first being Plymouth's *Lawrence Welk Show* now in its 5th week over ABC-TV to 75 cities. In addition, RCA show will be in color. Special program “gimmick” has been arranged for viewers on black-&-white sets to show what it would look like in color. Special color photo has been placed in current *TV Guide* and when Gobel “stops the show” for one minute, viewers will be asked to superimpose color photo on half of black-&-white screen to show contrast. RCA adv. & sales promotion v.p. R. H. Coffin says gatefold cost in *TV Guide* is \$130,000, extra costs of stereo simulcast promotion include \$105,000 for network TV & radio time, \$50,000 for special point of sale material. Big show will plug RCA color TV and stereo hi-fi phonos.

Rumors of Lockheed-Hazeltine merger which, if consummated, would initiate long-expected invasion of big aircraft manufacturers into electronics field, were neither confirmed nor denied by principals this week. It was known, however, that Lockheed, already deep in missile and satellite electronics, has made overtures to several important electronics firms looking toward acquisition of additional facilities. Hazeltine exec. v.p. W. M. McFarlane told us “approaches” had been made by several companies including Lockheed but that no definitive steps had been taken toward a merger. He pointed out that Hazeltine is now engaged in weapon systems “teamwork” with Lockheed and that relationship between companies is very close.

Financial Reports:

GIANT GE SCORED RECORD 3rd quarter earnings of \$58,589,000 (67¢ per share)—6% up from \$55,165,000 (63¢) in corresponding 1957 period—despite 4% decline in sales to \$1,003,000,000 from last year's record 3rd quarter \$1,047,000,000, chairman Ralph J. Cordiner attributing results largely to "Operation Upturn" launched in April.

In first 1958 half, GE earnings were down 19%, sales off 7% from year earlier (Vol. 14:29). But 3rd quarter ended Sept. 30 improved trend for 9 months, which showed net profit down 11% to \$161,970,000 (\$1.85) from \$182,988,000 (\$2.10) in 9 months of 1957, sales down 6% to \$2,982,000,000 from \$3,169,000,000.

"Operation Upturn"—intra-company campaign to boost sales, improve merchandise quality, speed deliveries, increase customer service—"has helped create business that GE might otherwise not have received," said Cordiner.

General Instrument, big TV-radio components manufacturer, earned \$266,561 (20¢ per share) on sales of \$10,397,040 in 2nd fiscal quarter ended Aug. 31 vs. \$169,599 (12¢) on \$8,157,605 year earlier, chairman Martin H. Benedek reporting TV-radio business "holding firm" despite decline in set production. For 6 fiscal months, net profit was \$354,477 (26¢) on \$19,076,067 vs. \$247,053 (18¢) on \$15,200,170 in 1957 half. "Major contribution" to gains in earnings & sales came from semi-conductor & military business, Benedek said, adding that fall-winter pickup in TV production should help General Instrument achieve "significantly improved" 3rd quarter results and substantial increase in pre-tax profits for 4th successive year.

Raytheon earned \$6,381,000 (\$2.10 per share) on sales of \$264,079,000 in first 3 quarters ended Sept. 28—both figures surpassing results for all 1957 (Vol. 14:5). In 9 months last year earnings were \$3,258,000 (\$1.15) on \$172,949,498, net income excluding \$2,672,000 (94¢) from sales of Datamatic Corp. to Minneapolis-Honeywell (Vol. 13:25). Raytheon pres. Charles F. Adams said 4th quarter should continue sales growth and improved operating results. Govt. business accounted for about 85% of company's sales in first 3 quarters, backlog totaling more than \$300,000,000 now.

Texas Instruments, which had record earnings in first 1958 half (Vol. 14:34), expects to end year with sales of nearly \$90,000,000 vs. \$67,338,574 in 1957, chairman J. E. Jonsson told *Wall St. Journal* this week. He said earlier predictions of 1958 earnings of \$1.45 vs. \$1.11 "appear solid." Third quarter sales this year ran ahead of \$17,284,000 in 1957 period, when earnings were \$953,000 (29¢ per share).

Howard W. Sams & Co. reports before-tax profit of \$324,597 on sales of \$3,474,303 in first 9 months this year vs. \$270,914 on \$2,985,206 in corresponding 1957 period, gains in last 3 months representing new highs in 13-year record of Indianapolis electronics engineering, research & publishing firm. Associated Sams enterprise Waldemar Press Inc. had profits of \$141,986 on sales of \$1,496,535 in 9 months vs. \$111,432 on \$1,205,489 year earlier.

Cornell-Dubilier, which lost \$51,948 on sales of \$13,319,184 in 6 months ended March 31 (Vol. 14:24), reported net income for 9 months of \$25,319 on sales of \$20,259,777 vs. \$525,068 (95¢ per share) on \$24,958,419 in same period year earlier. Earnings for quarter ended June 30 were \$77,267 (13¢) on \$6,940,592 vs. \$110,026 (19¢) on \$8,065,718 last year.

Jerrold Electronics Corp. is showing so much improvement, according to pres. Milton J. Shapp, that fiscal year ending Feb. 28 will have sales of around \$8,000,000, about 30% above previous year, with earnings considerably higher than 10¢ per share in 1957. He attributed rise primarily to unusually heavy sales in community antenna equipment and to operating revenues in Jerrold-owned CATV systems. He also reports highly encouraging progress of new consumer product—TV-FM amplified home system for multiple-set homes, listing at \$67.75—introduced to Allentown, Pa. market last week. Reflecting improved showing, Jerrold stock has risen from \$2 per share at beginning of year to nearly \$4 recently; it was first introduced publicly at \$4 three years ago.

Columbia Pictures had operating loss of \$1,150,000—excluding \$3,837,000 write-offs for unabsorbed Hollywood studio overhead and unused stories—in fiscal year ended June 28 vs. earnings of \$2,253,103 (\$1.80 per share) year earlier. Preliminary report by pres. Abe Schneider said operating loss equaled net loss because no tax provision was made, Columbia having used up tax carry-forward. Movies made by independent producers for Columbia distribution should absorb studio overhead in current fiscal year, Schneider added.

Allied Artists lost \$1,189,688 in fiscal year ended June 28 vs. loss of \$2,458,910 (reduced to \$1,783,910 after \$675,000 Federal income tax credit) year earlier. Acknowledging "result for the year is far from satisfactory," pres. Steven Broidy nevertheless pointed out losses had been cut, said outlook for current fiscal year—with 32 movies scheduled for release—is more favorable. Domestic & Canadian gross from film rentals fell during last fiscal year to \$11,311,000 from \$13,822,000, but foreign rentals rose to \$4,427,000 from \$3,980,000.

Stanley Warner Corp., which now owns more than 61% of 1,044,500 shares of Cinerama Productions Corp. as result of Cinerama Inc. stock deal (Vol. 14:25), extends share-for-share offer to Cinerama Productions stockholders until Nov. 3. Stanley Warner's subsidiary Stanley Warner Cinerama Corp. holds 35% of Cinerama Inc., which owns patent rights to Cinerama movie process. Cinerama Productions shares picture profits with Cinerama Corp.

United Artists, which expects rosy 2nd-half profits this year (Vol. 14:40), had gross revenues of \$23,678,505 from theatrical distribution in 3rd quarter ended Sept. 30 vs. \$18,476,637 year earlier. World gross for 9 months was \$56,938,150 vs. \$48,115,010 in 1957 period, reports UA pres. Arthur B. Krim.

TelePrompTer shares, now over-the-counter, are due to be listed on American Exchange in next few weeks.

Reports & comments available: On RCA, review by Halle & Stieglitz, 52 Wall St., N. Y. On Westinghouse and AT&T, comments by *Investor's Reader* of Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N. Y. On Motorola, study in *Weekly Review* of Fahnstock & Co., 65 Broadway, N. Y. On Sylvania, report by Hayden, Stone & Co., 25 Broad St., N. Y. On E. J. Korvette, analysis by Lee Barishaw of Auchincloss, Parker & Redpath, 729 15th St., Washington.

Dividends: General Instrument, 15¢ payable Dec. 15 to stockholders of record Nov. 14; Decca Records Ltd., 1¢ Oct. 10 to holders Aug. 5; Marconi International, 4% stock Dec. 3 to holders Oct. 30; Gross Telecasting, 40¢ payable Nov. 20 to holders Oct. 27; class B, 7½¢ Nov. 10 to holders Oct. 27.

Do You Know That . . .

WE'VE BEEN INTRIGUED for some time with a young man whose contributions are in the news almost daily but about whom little is known of a personal nature. He's Charles P. Ginsburg, the key man in Ampex's development of its strikingly successful Videotape recorder (Vol. 14:40). Recently, we were able to get him to hold still long enough to learn something about him.

Within the last year, Ginsburg has won the top TV marks of distinction—SMPTE's David Sarnoff Gold Medal Award and IRE's Vladimir Zworykin TV Award—and this month he is being made a Fellow of the SMPTE.

But Ginsburg is most eager to see that these "goodies," as he puts it, aren't credited solely to him, and he calls attention to the fact that the citations accompanying awards also recognized his associates.

* * * *

What manner of man is he? "Charlie" P. Ginsburg (he won't tell what the "P" stands for) is 38, slight & wiry, with short-clipped dark hair and a good-&-easy smile. A native of the San Francisco Bay area, he's son of a roentgenologist who died in 1941.

He got into electronics on the side, holds math degree (San Jose State College, '48) rather than E.E. Actually, he started in pre-med (against his father's wishes) at U of Cal. at Berkeley, veered to animal husbandry at U of Cal. Davis Campus—while working for various small communications firms in the area.

He left school to get married in 1942, went to work for Wesley Dumm's international stations KWID & KWIX, principally as a transmitter engineer. In 1947, he decided to go back to school, got his math degree. Also in 1947, he began working for KQW, San Francisco (now KCBS), staying there until joining Ampex in 1952.

Ampex approached him to work specifically on the Videotape project. He was given a basic team—and the same group is still at Ampex, working under Ginsburg, who now holds title of mgr. of advanced video development dept. He's mighty enthusiastic about his group, extolling talents of such people as Ray Dolby, who joined Videotape project when he was only 19, is now studying electron microscopy at Pembroke College, England, under Marshall scholarship. He says Dolby's contributions have been "stupendous." Ginsburg will show you "my most treasured possession"—a watch given him by his group, inscribed: "Charlie. V.T.R. Project. 1955."

"The amazing thing to me," says Ginsburg, "is the way the Ampex people, all the way, will knock themselves out. I once asked some of the top executives the reason for this—though I thought I knew the answer. I was right. It's the top man—founder and chairman Alexander M. Poniatoff. He's the source of the spirit, always bubbling with enthusiasm. I recall once we were stuck with a tough formula. He wandered into the lab, asked if we wanted him to take it. He took it into his office and came out with the answer. You know, you just don't expect the boss to bother with that kind of thing."

He makes no secret of his high regard for his immediate superior, Neal McNaughten, mgr. of professional products div. McNaughten is an engineer of broad experience—with FCC, NAB & RCA.

A major factor about the Videotape unit, which makes it work as well as it does, according to Ginsburg, is the FM system itself—and apparently this was one of his own major contributions, though he's reluctant to em-

phasize it. "It's the cause of the marvelous grey scale," he says. Another major breakthrough was the conquering of tape stretching—finding reliable automatic means of compensation, which is a very important factor in interchangeability of tapes & machines.

Asked why the Ampex organization proved fertile ground for the tape's success, Ginsburg says: "Ampex has always been awfully good in mechanical aspects, able to achieve the close tolerances needed for production runs."

Ampex Corp. started out in Redwood City, Cal. during World War II as a small manufacturer of precision motors & generator units for Navy airborne radar units. With end of war and cancellation of contracts, it turned to tape recording, which Germans had pioneered with their "Magnetophone." It's now a leader in every phase of recording—for industry, military and home market—does a \$40,000,000 business and employs 2500 people.

Ginsburg says Videotape is now "well in hand." It was designed for TV, and it's doing the job. Now, he's concentrating on non-broadcast uses—and he envisions enormous potential there.

"I like to work," he says. "I guess it gets to be a sort of monomania with me at times. For 6½ years I've been telling my wife it will ease off next month, but it doesn't seem to." Asked if other manufacturers have tried to entice him away from Ampex, he smiles and says: "They know I'm pretty happy with Ampex. I'm doing what I want to do."

Golf, apparently, is another mania. Ginsburg is a very fine golfer. He started caddying at 12, once played in low 70s with a 2 handicap. Three years ago, he entered the National Open, was eliminated, determined never to take it seriously again—but he still participates in tournaments. He's fond of tennis, too, plays whenever he gets a chance.

He's been quite athletic all his life. This is all the more remarkable because he's one of those medical rarities—an "old diabetic." He developed the disease when he was 4, just 2 years after Banting & Best discovered insulin, and he's been on it 34 years. A few months ago, he had complete physical, was declared to be in excellent health.

Ginsburg's wife, a Stanford U political science graduate, is also athletic—a fine swimmer & diver and tennis player. They have 5 daughters, ranging from a 13-year-old to 9-year-old twins. They live on Orange Ave. in Los Altos, in a 50-year-old 11-room house—along with a spotted Pointer and Siamese cat. To transport his sizeable family, he owns a Volkswagen "Microbus" and he zips around town in a 1953 English Rover.

Intriguing technical paper scheduled Oct. 22 during Oct. 20-24 convention of SMPTE at Sheraton-Cadillac Hotel, Detroit, will be presented by Alexander F. Victor, of Alexander F. Victor Enterprises Inc., Carmel-by-the-Sea, Cal. Program describes it: "A method for producing color on existing black-&-white TV receivers, which does not require electrical or mechanical changes in the sets. The system includes a projector for broadcasting stations to transmit color pictures to existing black-&-white receivers and a multicolor screen for the reception of the pictures." Convention agenda includes 5 papers on closed-circuit TV teaching and "Impressions of Electronics in Russia" by Axel G. Jensen, Bell Labs.

Stereo system proposed by Crosby Labs (Vol. 14:41) was endorsed this week by hi-fi manufacturer Harmon-Kardon Inc., 520 Main St., Westbury, N. Y., whose engineering v.p. Robert E. Furst wrote FCC: "We strongly feel that the Crosby compatible system of stereophonic FM multiplexing presents a major and important step."

**THE
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SUMMARY-INDEX OF THE WEEK'S NEWS—October 25, 1958

NETWORK BUSINESS GOOD NOW, delegates to NBC affiliates convention given bullish reports (p. 1). Sarnoff discusses networking stresses & strains (p. 7).

PORTABLE TRANSISTORIZED TVs, portable tape system for home "hear-see" and electronic photography, vidicon color system for field pickups, are among new developments shown at RCA Labs (p. 2).

NAB LIQUOR AD BAN DEFIED by 2 radio stations, reviving hopes of dry forces that Congress will outlaw all TV-radio alcoholic beverage commercials (pp. 3 & 6).

'INFLUENCE' IN RULE-MAKING questioned as Supreme Court sends Peoria & Springfield, Ill. deintermixture cases back to Court of Appeals (p. 4).

WHITNEY BUYING KBET-TV, Sacramento (Ch. 10), for \$4,500,000 cash. Providence's WJAR-TV (Ch. 10) offered with Outlet Store for \$14,000,000 (p. 6).

NBC PRESS TOUR highly successful, bringing in 73 newspaper TV-radio editors for interviews with stars & executives, trip to RCA Labs (p. 11).

STEREO AM BROADCASTING, through use of both sidebands, demonstrated by RCA. Compatibility and single-transmitter use stressed at Princeton (p. 16).

Manufacturing-Distribution-Finance

CORNING PLANS 23-in. TUBE, will sample makers next month. Laminated face panel permits more rectangular picture area, greater strength (p. 12).

JAPANESE TRANSISTOR PRODUCTION in sharp rise, with bulk of exports flowing into U. S. market, according to communiques from Tokyo (p. 12).

GOVT. PATENT SUITS AGAINST RCA due for settlement soon, attorneys reportedly agreeing on major facets of consent decree in anti-trust cases (p. 13).

HUGE ELECTRONICS RESEARCH expenditures by industry to develop new products revealed in first govt. survey; total was \$1.4 billion in 1956 (p. 14).

NEW BOOM IN ELECTRONICS will come soon from adaptations to multitude of industries and businesses. Investment firm picks leaders (p. 14).

NBC-TV NETWORK FEVER CHART AGAIN HEALTHY: TV's much-publicized summer recession and concomitant fears for the winter season turned out to be merely "a delay in placing orders," in the words of NBC-TV network sales v.p. Walter D. Scott -- and things are hunkydory again on the business front despite a few unsold gaps. Word from the reps is that spot is booming, too, but reports on radio are too spotty to point uptrend.

It was in an atmosphere of quiet confidence and calm assurance that NBC affiliates -- TV & radio delegates overlapping more often than not (e.g., advisory board memberships, p. 5) -- held their annual convention in New York this week. As was the case at CBS-TV affiliates convention in Washington last winter (Vol. 14:3), there were no stunts, no ballyhoo. It was mostly serious business, no pep rally.

Key network executives rendered reports, made sometimes elaborate presentations, capped by an extraordinarily penetrating talk by Chairman Robert W. Sarnoff, carried in full on pp. 7-9 because its topicality and broad-gauged viewpoints cut across so many facets of the industry as a whole that we believe every responsible executive should read it regardless of network affiliation or competitive prejudice.

Most important points made by NBC spokesmen, as we heard them:

* * * *

Pres. Robert E. Kintner's report that the network was basically sold out at night, has more daytime sponsors than ever before, has hit jackpot with Garroway and Paar shows -- all in face of severest competition ever from ABC-TV and always-tough CBS-TV. His general statements were documented by Walter Scott, who reported "rush of business," both night and daytime, in last 2 months and trend still favorable.

National sales v.p. Don Durgin's claims of "audience shift to NBC," which he

spelled out with charts and figures, quoting Nielsen & Trendex liberally -- theme of all the business talks being that NBC has overtaken and passed arch-rival CBS.

TV network programs v.p. Robert F. Lewine's refutation, by way of programming breakdowns and ratings reports, of press criticisms of "mediocrity" in the current season's offerings; his specific claims of audience and ratings superiority over CBS & ABC; his presentations of key NBC newsmen, some brought in from foreign posts; and his claims for news v.p. Wm. McAndrew's dept. that it's now the unsurpassed leader.

RCA-NBC color coordinator William E. Boss' report that color sets sales are running 25% ahead of last year (figures still secret); that only 35-40% of viewers have yet seen color TV, leaving lots of "exposure" yet to be achieved; that dealer apathy is fast being overcome, servicing problems solved; that 3 out of 5 demonstration sets installed on approval stay in homes; that 297 stations can now colorcast.

Radio v.p. Matthew J. (Joe) Culligan's report that sponsorships are on rise; that NBC now enjoys higher ratio of radio network sponsorships than CBS; that plan is to put on more news analyses to compete especially with MBS's all-news policy and with plenitude of newscasts on independents; that time clearances have gone up from 74% in July 1957 to 80% in Oct. 1958, an 85% clearance level now goal; that higher clearances are needed to justify higher prices; and that compensations to stations, already up, will increase accordingly.

Note: Boxscore on unsold network option time at this week's end, with the TV season now in full swing, shows NBC with 2½ unsold half-hours, down from 8½ first week in Sept. (Vol. 14:36); CBS 5 (down from 7½); ABC 8 (down from 10) -- total 15½ comparing with 26 only 7 weeks ago. As for daytime, CBS is now 82% sold (up from 78%); NBC 70% (unchanged); ABC 95% (unchanged). And of course the network TV volume index figures continue to stay up, well ahead of all other media which are still down for year (Vol. 14:42) while reports on dollar sales are well up (Vol. 14:40).

MORE SCIENTIFIC WONDERS IN THE OFFING: This was a "week of wonders" for some 300 owners & executives of NBC affiliated stations gathered for their annual conclave in New York's Hotel Plaza -- and no less for the 100-odd newsmen from dailies and trade press throughout the country invited to some of the sessions. Though essentially a business convention for an accounting of progress & plans and an exchange of ideas, what will probably stick longest in the minds of those attending were the fabulous new technical achievements demonstrated during a side trip to RCA's Princeton Labs.

Actually seeing what to most had merely been printed or spoken effusions up to now, quickly glossed over and easily forgotten, gave them new and larger scientific perspectives, new food for thought, about matters affecting their own industry vitally but lying beyond their immediate operational problems and their day-by-day quests for competitive advantage and more profit.

Not that sales, profits, program trends, competitive problems were ignored. Far from it; they were the main purpose of the convention. But the new vistas opened up by RCA scientists, especially those devices applicable to TV-radio broadcasting, held the rapt attention and intrigued the broadcasters and newsmen fully as much as the present and prospective accomplishments of NBC expounded by its topkicks (p. 1) and the "long range" thinking urged by its board chairman Robert W. Sarnoff (p. 7). This is what they were shown at Princeton:

(1) Portable battery-operated TV sets -- a 14-in. weighing only 30 lb., an 8-in. 24 lb., both with 25 transistors, one rectifier tube, powered by dry cells or rechargeable storage battery or even from a 12-volt auto battery connected to the cigaret lighter. Rabbit ears picked up excellent signals from Empire State, 50 mi. away. Such sets will be ready for market in less than 2 years (from other manufacturers as well as RCA) and can be expected to do for widening of TV audiences what portables, notably the fast-selling transistorized ones, are doing for radio.

(2) Portable TV tape system -- with its concomitant prospect of a new form of electronic photography. Lab model "hear-see" unit, no larger than a high quality magnetic tape sound recorder and appearing to be no more complex, used 7-in. reel of

¼-in. plastic tape capable of 5 min. sight-&-sound recording on each side; it was stated, though, that longer playing tape was relatively simple matter. RCA is aiming for mass market primarily -- "make your own picture recordings off your own TV set for playback when you please" -- and this one too looks like it's 2 years away or less. Also promised is "a fully portable system adapted to field pickup use" for news coverage, industrial & military functions, etc. -- method of electronic motion picture photography whose value in TV station operation is palpable.

(3) Vidicon color TV closed-circuit system -- looking to fully portable field pickups and weighing only 20 lb., with 45-lb. monitor & control unit, both powered by only 75 watts. [For further details, see p. 15.]

(4) An all-AM radio stereophonic system, both broadcasting and receiving, with one-station transmissions to a one-unit receiver. [More details, p. 16.]

* * * *

Foregoing items were the ones most applicable to broadcasting. Also demonstrated, some still more amazing, especially to the non-technical mind:

(1) Electronic light amplifier, which multiplies brightness of a projected image up to 1000 times, or converts an invisible X-ray or infra-red image into a bright visible picture. Most important for high-brightness radar and X-ray fluoroscopy, its principles might be applied to brightening TV images for large-area display -- possibly even projection sets, though RCA isn't saying so yet.

(2) Electrofax, a high speed electronic printing process for speedy reproductions on paper, metal, wood, cloth, plastics, ceramic or glass.

(3) Megacoder, a sort of personal radio-calling system that can select one coded signal out of millions sent simultaneously from a central transmitter so as to be picked up by a doctor or soldier or even a man out fishing whose wife may want to send him a message -- receiver powered by a tiny dry-cell battery.

(4) Phonetic typewriter that converts spoken words to type, still in rudimentary lab form but already capable of typing up to 10 spoken words.

(5) Electronic music synthesizer, capable of generating any imaginable sound whether voice or instrument -- in effect, creating voices without people, music without musicians. This one is still highly experimental.

Also described briefly was the "Stellarator" project for producing economical power from sea water on the fusion principle, on which RCA is engaged in collaboration with Allis-Chalmers, Princeton U, Atomic Energy Commission. New plant costing \$35,000,000 is now being completed at Princeton, to house apparatus capable of heat up to 100,000,000 degrees. [Story on Stellarator in Vol. 14:24.]

One non-classified item not demonstrated, on which RCA is still working, is the electronic refrigerator and air conditioner, whose revolutionary implications are not too hard to imagine.

LIQUOR ADS—SELF-RESTRAINT & SELF-INTEREST: Nobody of consequence in broadcasting, so far as we know, contemplates any break with industry's sensible tradition that advertising of hard liquors has no place on air. And we don't think that isolated moves by 2 maverick radio stations, in revolt against long-standing custom (p. 6), is going to incite any TV-radio policy revolution to kill that tradition.

It's a good thing for broadcasting -- as it is for any industry which depends on public confidence & support -- when principled practices also happen to be self-serving practices. NAB's voluntary code for keeping whisky plugs off air and out of living rooms serves purposes of both practices, and serves them well.

Case for freedom of press & choice for liquor commercials can be argued. It has some validity. If it's moral -- or at any rate profitable -- for newspapers and magazines to promote whisky sales, why isn't it proper for TV & radio to cut themselves in on that sort of legitimate business, too?

But broadcasting is the home medium -- more than newspapers & magazines ever were. It has become an integral part of American family life -- more than any print

medium can now hope to be. Closeness of broadcasting-family relationship makes it imperative for TV & radio -- for business goodwill reasons if for no other -- to respect & observe American mores, one being that liquor & home don't mix well.

Federal law outlawing all interstate advertising of all alcoholic beverages has been constant threat since Prohibition's end. Legal ban would hit broadcasters where it hurts, taking away big income from beer & wine commercials which have won general public acceptance. Up to now, legislation lobbied by church & dry forces has been snickered at in Congress. But it could be no laughing matter if broadcasters make mistake of breaking their long-self-imposed no-hard-liquor rule.

There was lots of talk in industry circles this week about the 2 rebel radio stations. To our knowledge, however, there was no significant sentiment in favor of break. That goes for TV-radio and liquor industries, trade associations -- and, with one exception, trade press. Notwithstanding the abortive editorial buildup by Broadcasting Magazine for change in broadcasters' policy, notwithstanding occasional instances of local liquor stores getting on air with hard liquor plugs, we are confident that tradition will hold as firmly as it has since the beginnings of the business of broadcasting. It makes business as well as moral sense. [See also p. 6]

SUPREME COURT POSES NEW 'INFLUENCE' QUESTION: Lawyers are still haggling over meaning of Supreme Court's decisions this week, throwing Springfield & Peoria deintermixture cases back to Court of Appeals -- but there's considerable belief that the highest court justices have shown they're aware of headlines kicked up by Harris subcommittee investigation of charges of improper influence exerted on FCC members.

It's no surprise that the high court would be concerned about charges of "ex parte" representations to FCC. What is troubling industry is fact that Supreme Court appears to broaden the area in which commissioners are "untouchables."

Law is explicit about keeping FCC members aloof in comparative TV hearings, but it's silent about discussions affecting rule-making -- such as TV channel shifts involved in deintermixture. Now, Supreme Court seems to have broken new ground by telling Court of Appeals to look into charges of "influence" in deintermixture.

How about FCC approval of uncontested applications & station sales? Lawyers are now wondering whether protestants may successfully challenge such Commission actions by alleging that pre-approval discussions with commissioners took place.

Court of Appeals has been quite brusque with FCC over reports of back-door shenanigans, ramming Miami Ch. 10 & Boston Ch. 5 cases back to Commission for hearings on the charges. Now, in opinion of some, Supreme Court has adopted similar attitude. They believe, along with dissenters Clark & Harlan, that Court of Appeals is fully capable of handing charges of "influence" that arise after its decisions have been rendered; that there was no need for Supreme Court to drive its point home by actually throwing out lower court's decision. [For further details, see below.]

Now—Rule-Making 'Influence': Reversal of interpretation of law is strongly suggested by this week's Supreme Court decision sending Springfield & Peoria deintermixture cases back to Court of Appeals (see above).

Both Court of Appeals and Supreme Court had once rejected assertions that it's improper to discuss channel-shifts with commissioners. After FCC had put Ch. 10 in Albany area, uhf WTRI (Ch. 35) charged that CBS executives had improperly urged the drop-in—along with several other drop-ins throughout country—through personal calls on commissioners. Court of Appeals wouldn't accept that argument, and Supreme Court sustained it by denying writ of certiorari.

The cases which go back to Court of Appeals are those in which FCC shifted Ch. 2 from Springfield, Ill. to St. Louis, Ch. 8 from Peoria to Davenport-Rock Island-Moline. Appeals Court sustained FCC action.

Harris subcommittee testimony was genesis of Supreme Court's action, as it was in Miami Ch. 10 and Boston Ch. 5 cases, both of which were ordered back to FCC by Court of Appeals. In testimony regarding Springfield case, Harry Tenenbaum, pres. of then-uhf KTVI, St. Louis (Ch. 36), had told Harris group he did everything in his power personally to persuade the commissioners to shift Ch. 2 to St. Louis (Vol. 14:24). FCC later did order the change, now permits him to operate on Ch. 2 temporarily. This was called to Supreme Court's attention by U.S. Solicitor General J. Lee Rankin and FCC—but they said Supreme Court didn't need to take over case; that Court of Appeals was free to handle the matter.

Supreme Court disagreed, granted writ of certiorari, vacated the Court of Appeals decisions, remanded cases to the lower court "for such action as it may deem appropriate." Justices Clark & Harlan dissented, agreed with

Justice Dept. & FCC. Appeal had been brought by WTAX, Springfield, which had lost fight for Ch. 2 to WMAV-TV. After FCC took Ch. 2 away, it gave WMAV-TV a CP for Ch. 36.

* * * *

Much more unusual was Supreme Court's Peoria decision. It took same action as in Springfield case "in the light of the matter called to this Court's attention on p. 7 of the Solicitor General's brief in [the Springfield case]." But p. 7 does not mention any "influence" allegations regarding Peoria. Matter of fact, Solicitor General's brief in Peoria case specifically notes that Court of Appeals had found charges of impropriety weren't substantiated. Appellant WIRL, which had won the now-departed Ch. 8, alleged that Sen. Kerr (D-Okla.) had used "his influence, power & prestige" to get Ch. 8 out of town, because he controls uhf WEEK-TV (Ch. 43) there, doesn't want vhf competition.

Even Court of Appeals seems confused by Peoria decision. Pondering fact it has 2 more deintermixture appeals before it—affecting Evansville, Ind., Owensboro & Louisville, Ky.—it apparently decided it better find out whether "ex parte" is involved in them, too.

So Court of Appeals instructed its clerk to poll all attorneys involved in Evansville series of cases, asking them "whether or not there exists in these cases circumstances similar to those which caused the Supreme Court . . . to vacate the judgment of this Court in WIRL TV Co. v. U.S. [and] which might affect the disposition by the Court of [Evansville and related] cases." Replies are due by Oct. 31.

In view of fuzziness of Peoria decision, attorneys are wondering what to say. As one put it: "I'm tempted to tell them I don't know what 'caused' the Supreme Court to overrule the Court of Appeals in the Peoria case."

There's some speculation that Supreme Court is interested not only in "ex parte" but in the deintermixture principle—and therefore tied Springfield & Peoria cases together for reconsideration of deintermixture concept. There also is thought that both courts may be confused. For example, Court of Appeals is believed to be most interested in "ex parte" and really meant to call lawyers' attention to Springfield case rather than Peoria.

Upshot of it all, at any rate, is that Court of Appeals will either ask for more briefs from Springfield & Peoria parties or kick the whole business back to FCC for "know thyself" hearings—as it did in Miami & Boston cases.

FCC is not at all sure Supreme Court frowned on "ex parte" in rule-making, though everyone acknowledges that some channel-shift rule-makings are just as vital to specific applicants as regular comparative hearings.

Some lawyers believe FCC will wind up by conducting Miami-type hearings on most cases in which "influence" was alleged during Harris hearings. Good question: "Who'll be the examiners?" Commission picked the eminent Justice Horace Stern for Miami case. He may be available for more, hasn't been asked yet. Commission's regular examiners could hear them; they're controlled by Civil Service Commission, not FCC—though in practice they frequently try to anticipate Commission's desires.

* * * *

Supreme Court's decisions were brief. Springfield case (No. 235) reads: "The petition for writ of certiorari is granted. In view of the representation in the Solicitor General's brief on pages 7 & 8, concerning testimony given before the subcommittee on legislative oversight of the House Committee on Interstate & Foreign Commerce subsequent to the decision by the Court of Appeals in the case, the judgment of the Court of Appeals is vacated and the case is remanded to the Court of Appeals for such action as it may deem appropriate."

The Peoria decision (No. 242): "The petition for writ of certiorari is granted. The judgment of the Court of Appeals is vacated, and the case is remanded to the Court of Appeals for appropriate action in the light of the matter called to this Court's attention on page 7 of the Solicitor General's brief in [Springfield case]."

Dissenters Clark & Harlan stated: "The matters referred to by the Court were not presented in the Court of Appeals and are not presented by these petitions. Agreeing with the Solicitor General that denial of the petitions for writs of certiorari would not foreclose appropriate consideration thereof by the Court of Appeals, we see no reason for vacating the Court of Appeals' judgments and, therefore, dissent from this disposition of the matter by the Court."

NBC Affiliates Elections: NBC-TV Board of Delegates at N. Y. convention this week elected Jack Harris, KPRC-TV, Houston (KPRC-TV), chairman to succeed Walter Damm, ex-WTMJ-TV, Milwaukee (WTMJ), now retired and living in Naples, Fla. and Edwin K. Wheeler, WWJ-TV, Detroit (WWJ), vice chairman (basics), succeeding Harris. Harold Essex, WSJS-TV, Winston-Salem (WSJS), continues as vice chairman (optionals); Harold C. Stuart, KVOO-TV, Tulsa (KVOO), as secy.-treas. New members: Harold Grams, KSD-TV, St. Louis (KSD); Lawrence H. Rogers II, WSAZ-TV, Huntington-Charleston, W. Va. (WSAZ); Harold P. See, KRON-TV, San Francisco. They replace Ewing C. Kelly, KCRA-TV, Sacramento (KCRA); Ralph Evans, WOC-TV, Davenport (WOC); John H. DeWitt, WSM-TV, Nashville (WSM). Relected to TV board: Richard O. Dunning, KHQ-TV, Spokane (KHQ); Robert Ferguson, WTRF-TV, Wheeling, W. Va.; Joseph H. Bryant, KCBD-TV, Lubbock, Tex. (KCBD). NBC Radio Affiliates relected George W. Harvey, WFLA, Tampa-St. Petersburg (WFLA-TV), as chairman; Douglas Manship, WJBO, Baton Rouge (WBRZ), as secy.-treas. New members of Radio Affiliates exec. committee: Frank Gaither WSB, Atlanta (WSB-TV); Ralph Evans, WOC, Davenport

(WOC-TV); Wm. E. Goetze, KFSD, San Diego (KFSD-TV). Others are: David H. Baltimore, WBRE, Wilkes-Barre (WBRE-TV); Wm. Grant, KOA, Denver (KOA-TV). The 3 retiring members are: Harold Hough, WBAP, Ft. Worth (WBAP-TV); Willard Schroeder, WOOD, Grand Rapids-Kalamazoo (WOOD-TV); George Wagner, KFI, Los Angeles.

Preservation of TV channels from inroads by other services is objective of Assn. of Maximum Service Telecasters, whose board this week voted for "full and active participation" in FCC's broad 25-890-mc rule-making proceeding. Board also approved plan of cooperation with TV Allocations Study Organization on experiments with TV directional antennas and reported conclusion of its extensive field-test measurements in these areas: Wilkes-Barre, Pa.; Baton Rouge, La.; Madison, Wis.; Columbia, S. C.; Fresno, Cal.; Buffalo, N. Y.; Philadelphia. MST mobile units have also been used for measurements in central Minn. and Springfield, Mass.—conducted at request of FCC and TASO committees.

Waiver granted: To WCTV, Thomasville, Ga., to identify itself also with Tallahassee, Fla.

Breakthrough for Liquor? Decisions by 2 radio stations to uncork 20-year-old voluntary ban by broadcasters and accept hard liquor commercials this week produced sorrowful protest from NAB, almost-triumphant "I-told-you-so!" cry from dry forces—and no indication that whisky advertising is about to inundate airwaves.

Issue of defiance of NAB code rule against commercials for anything stronger than beer & wine began fizzing at NAB's fall conference last week in Milwaukee. There NAB pres. Harold E. Fellows' attention was called to Nov. 1 rate card of 250-watt WOMET, Manitowoc, Wis. "All alcoholic beverage advertising accepted," it said boldly.

Reaffirming broadcasters' "moral" obligation to observe self-imposed Standards for Good Practice and TV Code, Fellows said: "Anyone who violates this tradition is selling his birthright for a \$20 bill." He added that he knew of no hard-liquor commercials actually on air, that "it would be regrettable if there ever were."

It then was learned that since early Oct. Federal Liquors, Boston, had been sponsoring 2 daily 5-min. newscasts on WCRB, Waltham (5-kw day, 1-kw night), plugging Nuyens cordials & vodka. Hard liquor distributor has 26-week contract with Boston area station.

NAB had nothing more to say officially, and at this week's end there were no reports that liquor dike had been breached on any other radio or TV front. But instantly heard from was National Temperance League, always in forefront of perennial—and so far always hopeless—campaign in Congress to enact law forbidding interstate advertising of all alcoholic drinks (Vol. 14:33)—the Langer bill.

"The demand for such action by the next Congress will undoubtedly be greater than ever before because of

the decision of stations WCRB & WOMET," said League's exec. director Clayton M. Wallace. He pointed out Congress had placed dependence on NAB and Distilled Spirits Institute (which also opposes hard liquor TV & radio commercials) to regulate advertising. But action in Manitowoc & Waltham "completely refutes the claims that self-regulation is adequate," Wallace went on. He said only "sure way to protect the American home from radio & TV advertising of alcoholic beverages" is outright ban.

As for WOMET's new policy on commercials, gen. mgr. Francis M. Kadow said: "If *The Saturday Evening Post* can change its policy and take liquor advertising, we can do so, provided the advertising is handled with good judgment & good taste and at the proper time." He added: "This broadcasting business is solid enough to stand up against the dry organizations. Our skirts are clean."

In Waltham, WCRB gen. mgr. Richard L. Kaye defended its policy switch: "Ours is a concert music station, and our audience is one notch above beer, so why not?" Station's pres. Theodore Jones added: "We have built up our station the long, hard way. We have a loyal, adult audience, which doesn't respond to jarring jingles that drive them crazy, but which does respond to adult level messages. When Nuyens approached us, we saw nothing against accepting their cordials, or even hard liquors, for late newscasts."

Meanwhile Distilled Spirits Institute stood fast with NAB on issue. Washington spokesman said: "There has been no disposition on the part of any of our members to relax the self-imposed regulations regarding airwave advertising, nor has any member suggested that he is contemplating reversal of the voluntary restrictions."

Institute represents all major distillers except Schenley & Publicker, both of which go along with Institute's no-hard-liquor-on-TV-or-radio policy. Schenley broke away briefly several years ago by sponsoring whisky commercials on Alaska radio, but venture stopped there.

\$4,500,000 Sacramento Deal: KBET-TV, Sacramento, Cal. (Ch. 10), CBS basic founded 3½ years ago by local group headed by pres. Wm. P. Wright and v.p.-gen.-mgr. John H. Schacht Jr., is due to be sold shortly for approximately \$4,500,000 to John Hay Whitney's Corinthian Broadcasting Corp., headed by Whitney partner C. Wrede Petersmeyer. It would be Corinthian's 5th TV (4 vhf, 1 uhf). No radio is involved.

Corinthian bid is expected to be accepted against higher offers from Friendly Group (Berkman-Laux-Weber) and Transcontinent (Schoellkopf-Goodyear) because it's cash whereas others propose term payments. McClatchy chain's *Sacramento Bee* revealed negotiations this week, later verified by Petersmeyer.

Operator of a uhf in Fresno, 5 radios, McClatchy had sought Ch. 10 for itself, fought grant unsuccessfully through FCC and courts, now has indicated it may protest sale, alleging it verifies its counsel's claim during bitter hearings that winning group (29 stockholders, mostly local) sought channel only for purpose of selling the property—and to an outsider, though Petersmeyer is a native Californian, graduate of U of Cal. [For KBET-TV ownership, see *TV Factbook No. 27*, p. 83; for Corinthian, Friendly & Transcontinent group, pp. 385-387].

Note: Also due to be sold, though deeply interwoven in parent company's complex financial structure, with estate controlled by banking trustees, is Outlet Co.'s WJAR-TV, Providence (Ch. 10), with radio WJAR (5-kw, 920 kc, NBC), managed by J. S. (Dody) Sinclair, of old-time dept. store family—his aged mother being a daughter of

one of its founders. It's a pre-freeze outlet, carrying both NBC & ABC, reputedly highly profitable. Not so profitable dept. store, however, must be sold, too—asking price: \$14,000,000—and insider sources say none of big store chains thus far is willing to pay that much and that several prospective TV-radio buyers have been scared off by the tax problems involved in buying entire estate and then separating store and station properties.

Spot TV Up, Sales Up: Close correlation between increases & decreases in use of spot TV and increases & decreases in sales of sponsor's products is shown by rep Edward Petry & Co. in special study, "What Spot TV Did for Sales in the Beer & Tobacco Industries." Report discloses that 10 of 12 leading brewers and 8 of 9 leading cigarette-makers who raised spot TV investments in 1957 over 1956 registered sales gains. Conversely, 3 of 7 brewers and 8 of 9 cigarette-makers who cut spot budgets suffered sales losses. Study also notes that filter brands accounted for 77% of all cigarette spot in 1957—and that 41% overall filter sales increase last year exactly matched 41% increase in spot TV promotion of filters.

John Boler's North Dakota Bcstg. Co.—owner of KXMC-TV, Minot (Ch. 13); KXJB-TV, Valley City (Ch. 4); KBMB-TV, Bismarek (Ch. 12); upcoming KXAB-TV, Aberdeen, S. D. (Ch. 9); applicant for Ch. 11 in Fargo—is buying radio KFGO, Fargo, for \$150,000. Buyer recently sold KSJB, Jamestown, N. D. and KCJB, Minot, N. D. to James M. Pryor. [For news about other radio station sales & transfers, see *AM-FM Addenda QQ*.]

Trends in TV—Network-Affiliate Stresses and Strains

Changing Patterns, Divergent Interests, Long-Range Stakes, Prompt Plea for Cohesion

Remarks by Robert W. Sarnoff, NBC board chairman, at annual affiliates convention in New York, Oct. 23, 1958

THIS MORNING'S SESSION brings us near the end of our twelfth annual affiliates meeting. I have attended most of these meetings since 1946, first as an observer and then as a participant with you in the occasionally hectic, but always rewarding, deliberations that have charted our joint course through television's turbulent first commercial decade. Casting back over these years, I can only marvel at the profound changes that have taken place in TV, not only in its size, but in its mode of operation, in the new enterprises it has created, and in the new interests it has drawn into the fold.

Of one thing, I am certain. It will keep on changing, probably at an accelerated pace. For TV has become a vast and complex business—far bigger than radio ever was, with higher stakes, greater risks and larger areas of conflict.

Because of the variety of conflicting interests and the size of the stakes, TV has generated fierce and widespread competition, perhaps unparalleled in American enterprise. Its cost level is very high, calling for large-scale resources. Its total profit—combining all elements—is also high, even though spread unevenly across the industry. Some of the highest risk enterprises, such as networking, have relatively low profit margins; others, such as talent agencies and stations, have generally maintained much higher margins.

New Program Sources, Old Movies, Color, Videotape

The constant hunger for programs to fill the schedules of more than 400 stations has brought into being a complex of new program sources, not all of them blessed with financial and creative stability. In the last 5 years, scores of outsiders have plunged into programming waters, threshed about briefly and then submerged, to be followed by others. Some have managed to stay afloat through growth or consolidation; and they, plus others from the motion picture industry, from syndication and from the talent agency field, have become firmly anchored as program originators, providing, at last, a basic stability to this segment of television.

The movie industry has made a direct penetration into TV by exhuming, in volume, the product consigned to its vaults over many years. Only a soothsayer would hazard a forecast on whether the features will soon wane in appeal through play and replay, bringing an end to this chapter in TV's history; or whether they will continue as a TV staple. Their presence has, however, already produced drastic changes in programming patterns and has affected some of TV's basic relationships.

Color is at hand, expanding steadily and as rapidly as the full support of only one network and one manufacturer can make it expand. Soon this solitary effort will have created a market big enough to enlist other manufacturers in a vigorous production and merchandising drive. Then, as color begins to tap the mass market, it will trigger the familiar cycle of circulation growth, advertising support and program expansion. At some point in this process, probably when it appears that profits are more imminent, we expect other networks to support our color programming efforts.

With the advent of videotape, we stand on another frontier opened by new technology. It will revolutionize

many of our operations and many of yours; it will open up new avenues of program production, lead to many new services which we are just beginning to explore. It will also likely bring into TV new forces, again producing change in an industry where change is the only constant.

New Sales Forms, New Schedule Demands

And, like everything about it, the NBC TV network has changed too.

In sales, we have embraced new forms which would have seemed radical—maybe even unthinkable—to the affiliate of 1948. But you, too, have changed by recognizing the need for this flexibility. Through your cooperation we have been able to adjust to the demands of the market for the most efficient use of network TV.

The network's overall schedule has kept changing, too. Some program types have receded in popularity; others have come to the fore. The pace of these adjustments has placed demands on the network undreamed of in the radio era. Like the automobile industry, we retool for each season far in advance. We must begin preparing for the next broadcast year when the current one begins, and we must support our judgment on what will be successful a year hence with tens of millions of dollars. We must also cope with a challenge unknown in the automobile industry: we must be flexible enough to change models drastically in mid-season.

Not only do the programs keep changing; so does the means of their birth, care and feeding. In the contest for competitive supremacy, we must find the best possible shows wherever they can be found. And drawing from a vast range of program sources, we now employ an intricate variety of program arrangements, which cannot be put into the neat, over-simplified compartments of "inside" or "outside" the network.

Building for a 'Strong Tomorrow'

For example, we have programs originally conceived and developed by NBC, which have been farmed out to others for production according to our concept and specifications, and with our financing. Then there are program ideas brought in by others which we jointly fashion into show form. There are cases where we select a program from a pilot and buy outside production; cases where we acquire broadcast rights to complete shows produced by others. In short, there are many different combinations of program interests spread among NBC, performers, independent producers, talent agencies, and others—so many as to reduce to sophistry the concept of everything being "inside" or "outside" the network.

But whatever the origin of the show, it is NBC's creative responsibility to design its overall schedule with balance, taste and competitive impact. This responsibility is always discharged, as it must be, with a careful eye on serving the public interest and on the barometer of demands from our market.

The changes at NBC have deeply involved its organization and its modes of operation. We have streamlined to avoid waste. We have organized to use the full resources of the company in making decisions intelligently, quickly and responsibly.

We have built for a strong tomorrow by bringing

along the young and most able people in our organization, and by attracting other young and gifted people to join us. To achieve strength and stability, particularly in the vital TV network area, we have gone through organizational changes, just as the other networks have done and continue to do. Out of this sustained effort, we have fashioned a network organization that I consider the most competent anywhere. It has depth. It has skilled and energetic executives heading each operating area. It has been welded into a cohesive, purposeful team by a seasoned leader with an unsurpassed knowledge of broadcasting—Bob Kintner. We are geared for the rough competition of today, and for the rougher competition of the future.

In shaping our organization, in selecting our programs, we exercise a certain control over the shape of our own future. But in seeking agreement on what we should or should not do, or be, we are a cat chasing its tail. If you will all join me in a tranquilizer, I will try a hasty count-down of the dilemmas and frustrations of networking.

First, we face recurring charges of network monopoly; yet we are a business whose hallmark is no-quarter competition.

Next, we face the paradox of a public official suggesting that perhaps more network programming would improve the quality of radio stations—at a time when other government officials seem dedicated to reducing the amount of network programming carried by TV stations.

Then, we stand in the dock on the charge of controlling too much of what the public sees; while at the same time we are being accused of abdicating program control to advertisers and agencies.

Some feel we shun controversial programming; yet others are alarmed when our commentators express opinion on issues in the news.

Some feel we exile informational and cultural shows to Sunday afternoon; others are distressed when we preempt regular night-time shows for such programs.

Some of this pull and haul comes from genuine divergence of belief, and this is fine. But some of it comes from misunderstanding of the role of networks as balance wheels in this loosely-knit business of TV.

Only the networks assume the responsibility for offering a varied and balanced schedule with something of appeal to all audience tastes. In doing so, they often go upstream against the program trends of the moment. Too many Westerns, too many situation comedies on the air? This might be true if you count the vast outpouring of such programs from independent sources over whom the networks have not the slightest control. But those who deplore them should realize that without the counter balance of network programming, there would be twice, or three times, or four times as much of prevailing popular show types on the home screens as there is now. The simple fact is the networks alone do not comprise the entire television industry.

The Network-Affiliate Relationship

The ability of the networks to continue as the balancing force, and the creative hub, of TV, depends without question upon the unwavering continuance of one fundamental relationship. That is the network-affiliate relationship. Though I am intimately involved in this relationship, I want to attempt a detached appraisal of its importance in safeguarding TV as a productive service for the public, the stations and the national economy.

It is unique in American business, unlike the relationship of the manufacturer and distributor, wholesaler and

retailer, motion picture producer and theater owner. It rests on the powerful structure of mutual interest, yet this structure is under constant stress from divergent interests that pull a network and its affiliates in opposite directions. The future of networking, the future of your stations, the very future of TV itself will depend on whether, and how well, we jointly withstand these stresses.

Thus far, the forces of cohesion have withstood those of division. I personally feel they always will—if the fundamentals of our relationship continue to be viewed in clear perspective. The danger is that expediencies of the moment may obscure the enduring values of these fundamentals.

These values need little elaboration. On our part, the TV network could not exist without you—you *are* the network, and our programming and sales and facilities would be meaningless without you to carry our programs to the national audience. We can succeed only to the extent that you are successful. Our position nationally is the sum total of your positions locally.

'Joint Asset Could Be Slowly Eroded Away'

On your part, you would surely agree that your NBC affiliation is one of your most valuable assets. Just as we need you, you need us. If this axiom required illustration, it was supplied dramatically last season when so many NBC affiliates surged forward in their markets as a direct result of the strengthened network schedule.

Clearly, an asset of such value is worth protecting. When it was under fire in the Barrow hearings, you took the initiative in going to Washington and effectively supporting the integrity of the network-affiliate relationship. If the issue is ever presented so clearly again, I am sure you will respond in the same steadfast manner.

But in our month-to-month, year-to-year dealings with each other, it is rarely defined so sharply. My concern now is that this joint asset could be slowly eroded away, either through misunderstanding or through failure to recognize the narrow margin between network success and failure. If that happens—however inadvertently, however unintentionally—the affiliates themselves could bring about the very result which they have pleaded so eloquently with the Government to avoid.

Competition, Rising Costs, Lower Profits

In the present atmosphere, it is not difficult to see how this could happen. With 3-network competition, new pressures have emerged, both within the network and spot fields. Program sources have multiplied and diversified. With a buyers' market—plus competitive jockeying—network sales and final programming decisions have been slow in firming up. With rising costs, the rising scale of station profits has levelled off, while total network profit margins have declined. New interests have entered the station field. As businessmen they recognize the essential value of the network to them; but they may be tempted to judge individual transactions on the transient basis of immediate financial effect, without first weighing the ultimate effect on the overall network-affiliate relationship.

Under pressures such as these, it would require neither design nor deliberation to produce a weakening of the obligations of affiliation. The results of such a development could be gravely damaging to the network structure, and thus to the stations' own interests. For the network can give the station the service it needs only to the extent that the station makes it possible.

I propose no action that you would find incompatible with your interests and responsibilities as station opera-

tors. I only suggest that whatever action you take bearing on your network relationship be taken with a considered awareness of its implications for the long as well as the short range.

Perhaps we who are in the communications business need better communications with each other—communications not on the mechanics of our relationship, but on its essentials. These annual meetings give us that opportunity, and I have attempted to use it to communicate in all candor my thoughts on the most important subject facing all of us.

Change is perhaps all we can count on in this dynamic industry. But change always brings fresh opportunities. If we stand staunchly together, I am more convinced than ever that we can insure our common success for many prosperous and constructive years to come and thus serve the best interests of the public and the industry.

Receipt of "Bowles Report" to Senate Commerce Committee, covering allocations and FCC procedures (Vol. 14:39), has been acknowledged by Chairman Magnuson (D-Wash.) who dissolved Bowles Committee and wrote committee chairman Edward Bowles: "I need not emphasize the importance of providing a nationwide, competitive TV system to the people of the U. S. As I have stated before, it is obvious to me that a decent and vigorous regard of the best interests of those who have most at stake, namely the American people, must have the highest priority in our studies and deliberations. The public interest does and will supersede the interests of everyone including those who have been entrusted by the Govt. with the utilization and administration of our greatest of public assets—the public airways. Your report, I am sure, will contribute a great deal to the study of this problem. I personally have found it provocative and want to assure you and the members of your group that the report will be fully considered and in the event any questions arise, you will be notified."

TV-radio income from sale of broadcasting rights to championship tournaments by a tax-exempt sports association isn't taxable as "unrelated business," Internal Revenue Service has decided (Rev. Rul. 58-502). Ruling was issued in case of unnamed association, "formed to promote & conserve the best interests & true spirit of a game," which obtained "relatively insignificant" income from tournament TV-radio rights. IRS held that broadcasts were "substantially related to the carrying out of the purposes for which the organization was granted exemption."

Hearing on program ratings, which was started by Senate Commerce Committee in July (Vol. 14:26), will resume in Jan. rather than in Nov. as originally planned. Chairman Magnuson (D-Wash.) announced that change stemmed from inability to round up committee quorum in Nov. Investigation was initiated by Sen. Monroney (D-Okla.), who heard testimony in defense of ratings from representatives of Nielsen, Trendex, Pulse, ARB & Videodex. Monroney complained that ratings are responsible for "mediocrity" of programs.

Also aiming at Negro market (Vol. 14:39), at same time appealing to all levels of audience, are 5 hours of live Negro programs carried for last 5 years on WJBF, Augusta, Ga., (Ch. 6) Sun. 8 a.m.-1 p.m. Most programs are musical, though recently live drama by local Negro college students on history of Negro race got excellent reception. What's more, reports owner J. B. Fuqua, the time is almost 100% sponsored.

CATV-Microwave Opposition: Small-market TV operators wasted no time challenging efforts of microwave applicants to get "freeze" on CPs lifted by Court of Appeals (Vol. 14:42)—4 of them filing petitions to intervene: KWRB-TV, Riverton, Wyo. (Ch. 10); KLTV, Tyler, Tex. (Ch. 7); KHAD-TV, Laredo, Tex. (Ch. 8) WCTV, Tallahassee (Ch. 6). They assert they're parties in interest because of injury which would result if local community antenna operators were able to improve & augment their services by bringing in signals via new microwaves. KLTV's response, typical of the 4, stated: "Numerous national advertisers, realizing (by purchasing time on the Shreveport & Dallas stations) that their messages will be made available via the CATV system to a substantial number of persons in Tyler, have failed to buy time on KLTV, thus substantially affecting that station's revenues." Three more microwave applicants went to Court of Appeals this week, with complaints similar to those filed last week: New York Penn Microwave Corp., to serve Corning, N. Y.; Idaho Microwave Inc., for Twin Falls; Valley Microwave Inc., for Muscle Shoals, Ala.

Granada TV Network Ltd., ITA program contractor for North of England, has just published *TV: Year One*, profusely illustrated, appropriately dedicated to the men and women of BBC who established world's first TV service in 1936 in Alexandra Palace, London. Besides data on Granada, book carries chapters on history of independent (commercial) TV in England, text of TV Act of 1954, lists of people in TV, list of advertisers. Editor of 117 pp. cloth-bound volume, obviously with tongue in cheek, carries old engraving of P. T. Barnum on last page.

"Scatter" link to Bahamas is sought by AT&T, which has asked FCC to allocate 2110-2200 mc for 5-mc transmissions, asserting that conventional radio circuits are subject to disruption. It would use Florida City, Fla. site now employed for over-the-horizon link with Cuba. No video for the 185-mi. link is proposed initially, because there's been no demand for it. AT&T is disappointed with traffic on Cuba link, NBC boxing being only regular feature.


List of 464 educational TV courses offered during 1957-58 school year is included in *Telecourse for Credit* prepared by Mich. State U Continuing Education Service. On-air courses increased 112% over total from 1951 to 1957, offered by 53 universities, 34 colleges, 20 public school systems, 3 networks, 2 state depts. of public instruction participated in ETV programs.

NTA and officers Oliver Unger & Bert Kleiner, along with producer Mort Abrahams, are defendants in \$3,750,000 libel suit filed in Los Angeles by actor James Mason, charging Abrahams made remarks reflecting on his patriotism, courage & integrity, published in Sept. 29 *London Express*—specifically, that he was disloyal to his native England.

Four new Australian TV stations are in the works— at Brisbane, Adelaide, Perth, Hobart—with letting of \$1,120,000 in equipment contracts, mostly 100-kv ERP, to Marconi.

Hollywood AFL Film Council names John W. Lehnert, IATSE, as pres. to succeed Pat Somerset, Screen Actors Guild; Charles Thomas, IBEW, as v.p. to succeed Lehnert.

Description of stereo broadcasting has been issued by FCC in form of one-page "general information" sheet, Mimeo. 64888.

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Personal Notes: Gerald Adler, European programming director for NBC's California National Productions, named managing director of NBC Great Britain Ltd., succeeding Romney Wheeler who is returning to take over as TV director of U. S. Information Agency in Washington (Vol. 14:40) . . . J. Elroy McCaw, operator of KTVW, Tacoma (Ch. 13), radio WINS, N. Y. and various other stations, who was seriously injured in an automobile crash Sept. 27 (Vol. 14:40), was due to be released this week from Seattle's Swedish Hospital, after which he will recuperate at home for 6-8 weeks; he suffered multiple fractures of his knees & ankle (requiring surgery), scalp & face cuts, rib fractures, shock, but his improvement is considered good . . . John H. Bone, ex-gen. mgr. of WBRZ, Baton Rouge (Ch. 2) is now national sales mgr. of WOITV, Ames, Ia. . . Jack Reber, ex-NBC, since June exec. coordinator of Cascade Bestg.'s KIMA-TV, Yakima, Wash., with 3 satellites, 4 radio stations, named asst. to v.p.-gen. mgr. Tom Bostic . . . Wm. G. Carreras, ex-WEEQ-TV, LaSalle, Ill., named sales mgr. of WKAN, Kankakee . . . John W. Kiermaier promoted to asst. to pres. Walter Kingsley of Independent TV Corp. . . . Paul Harrison, producer-director (CBS *Shower of Stars*), named exec. producer of Screen Gems . . . Len Levy, ex-Kling Film Productions, named exec. producer of Robert Lawrence Productions new Chicago office . . . Robert L. Friedman, ex-Universal Pictures, named mid-Atlantic div. mgr. of NTA Pictures, headquartering in Washington . . . John L. Beers, ex-Young & Rubicam, named central div. mgr. of Theatre Network TV . . . James Alspaugh promoted to v.p. of rep H-R Television, San Francisco, succeeding Paul R. Weeks, retired . . . Paul R. Fry, ex-pres. KBON, Omaha, named mid-west mgr. of broker R. C. Crisler . . . Wm. P. Pipher, ex-sales mgr. of WTVH, Peoria, named midwest radio mgr. of rep Petry, succeeding John Ashenhurst, now asst. to exec. v.p. Edward E. Voynow . . . Charles E. Reilly Jr., ex-Stuart Pharmaceutical, named *TV Guide* eastern promotion representative, succeeding Arthur Shulman, now mid-Atlantic regional mgr. . . . Edward R. Eadeh, ex-FCC network study, ex-DuMont network, named sales development director of rep George P. Hollingbery . . . Carl E. Lee promoted to exec. v.p. of WKZO-TV & WKZO, Kalamazoo; Donald DeSmit, TV sales mgr., assumes duties also of administrative asst. for TV.

ADVERTISING AGENCIES: George H. Gribbin, senior v.p. of Young & Rubicam since 1956, named pres., succeeding Sigurd S. Larmon, continuing as chairman; exec. v.p. Louis N. Brockway named exec. committee chairman; Frank Fagan, Harry Harding, Harry H. Enders promoted to v.p.'s . . . Charles S. Winston, Foote, Cone & Belding senior v.p., adds duties of Chicago gen. mgr., succeeding v.p. Richard W. Tully, who Jan. 1 becomes operations committee chairman in N. Y. . . . J. S. Chatham promoted to v.p. of R. T. O'Connell, N. Y. . . . David Roe promoted to mgr. of Kenyon & Eckhardt, Montreal.

Radio-TV News Directors Assn. at Chicago convention elected: pres. Ralph Renick, WTVJ, Miami; v.p.-program Sheldon Peterson, WTCN-TV, Minneapolis-St. Paul; v.p.-TV Wm. J. Small, WHAS-TV, Louisville; v.p.-radio Nick Basso, WSAZ-TV & WSAZ, Huntington-Charleston, W. Va.; treas. F. O. Carver Jr., WSJS-TV, Winston-Salem, N. C.; directors Wm. G. Garry, WBBM-TV, Chicago; Wm. Monroe, WDSU-TV, New Orleans; H. Bremmer, CFPL, London, Ont. Top 1958 RTNDA awards went to: WKY-TV, Oklahoma City (Bob Gamble, news director; Norman P. Bagwell, mgr.), for outstanding TV news operation; WTOP, Washington (Edward F. Ryan, news & public affairs director; Lloyd W. Dennis, mgr.), for outstanding news story or informational series; WTVJ, Miami (Ralph Renick, v.p. for news; Lee Ruwitch, mgr.), for outstanding TV news story or informational series; Robert D. Swezey, exec. v.p. & gen. mgr. of WDSU-TV, New Orleans, and chairman of NAB's freedom of information committee, for work in opposition to American Bar Assn.'s Canon 35 ban on TV-radio court coverage.

Restrictions on news film exports from Russia were protested by NBC this week, v.p. Wm. R. McAndrew telling State Dept. that new USSR rulings would "effectively restrict any spot-film coverage of Russia." The new limitations: (1) Photographers must get Soviet approval of every story planned. (2) All exposed film and narration must be submitted for approval, delaying shipment at least 24 hours. (3) A \$1000 fee has been imposed for each 100 meters of film shot—regardless how little eventually is telecast. McAndrew added: "These restrictions come within days of the Soviet expulsion of CBS and AP correspondents, and reduce further the amount of information available to the American people about Soviet Russia."

Due in Moscow Oct. 27 for 3-weeks' study of broadcasting-recording techniques under East-West cultural exchange agreement administered by State Dept.: Ralph Harmon, Westinghouse stations; Ralph Cohn, Screen Gems; Jerry Danzig, NBC; Mike Wallace, ABC. Originally scheduled, but not going, was Richard S. O'Brien, CBS. Dr. Burton Paulu, U of Minn., is now in London, may join group. Russia will send delegation to U. S. in Nov. State Dept. is also considering sending non-broadcast electronics group, plans still indefinite.

NAB fall meeting windup: Maj. Gen. Robert Jefferson Wood, deputy chief of Army research & development, will be banquet speaker Oct. 27 in Statler-Hilton Hotel, Washington, at last of 8 NAB fall conferences. He'll discuss missiles research and military implications of future international laws governing outer space. Meeting ends with Oct. 28 luncheon addressed by Coca-Cola v.p. & marketing director Felix W. Coste.

George G. Kerasotes, Springfield, Ill. theatre operator, elected pres. of Theatre Owners of America, succeeding Ernest G. Stellings, Charlotte operator of 2 N. C. theatre chains, who becomes chairman; Albert M. Pickus, owner of Stratford Theatres, Stratford, Conn., named executive committee chairman.

History of British broadcasting will be written by Asa Briggs, Leeds U modern history professor, under commission by BBC.

MBS moves Washington studios & offices from 1627 K St. NW to Sheraton-Park Hotel Nov. 1.

Obituary

Frank Ewing, 54, chairman of Fensholt Adv., Chicago, died Oct. 11 of a heart attack. Surviving are widow, 5 children.

NBC Treats the Press: Extraordinarily successful promotional coup was NBC's "press tour" this week, in which it brought 73 newspaper TV-radio editors to New York and threw open its whole programming & executive organization for virtually unlimited news access. There for the taking was grist for enough columns to backlog a critic for a month.

It was NBC's second such venture, last year's being conducted in Los Angeles. Feat was brilliantly executed under supervision of press & publicity v.p. Sydney H. Eiges and press dept. director Ellis Moore, who carried off a \$75,000 affair with only about \$25,000 of NBC's money—balance coming in form of parties, transportation, gifts, etc., from sponsors, stars, hotels and the like. Months of intense planning, by big staff, went into it.

Heart of the tour comprised interviews with performers and executives. Interviews were set up in advance, and the reporters quizzed to their hearts' content—4 sessions running concurrently. And, learning from last year's too-frantic pace, NBC wisely gave newsmen breathers to write their stuff.

News "package" was complete—for NBC also scheduled affiliates' annual meeting same time, held joint press-affiliate meetings addressed by executives from chairman Robert W. Sarnoff down (see p. 1). In addition, RCA was brought in via trip to Princeton Labs, where reporters were shown latest technical developments (p. 2).

"Socializing" was tremendous, including: buffet dinner at Essex House by Perry Como; brunch at Sardi's,

UHF's 'Angry Young Man': Most unrepressed station operator in the industry, when it comes to criticism of FCC for its allocation policy, is Wm. L. Putnam, pres. of WWLP, Springfield, Mass. (Ch. 22). Addressing Ohio Assn. of Broadcasters in Columbus last week, he asserted: "The American people don't know what is being done to them today, but some day they are going to find out, just as sure as you and I are here, and when they do, they will ultimately demand more and more intensive regulation of this growing monopoly, just as they have demanded and gotten regulation of every other monopoly in these U. S. Broadcasters of this nation have a choice. They can be morally honest, and support what really ought to be done, or they can subject themselves to the other alternative of increasing bureaucratic domination. I am inclined to believe that, at long last, the Commission will very shortly announce a new allocations policy which will go a long way toward alleviating this monopolistic situation. It remains to be seen, however, with what degree of grace we broadcasters will accept such a policy and with what degree of courage the FCC will see it executed."

Stereo combination: educational KQED, San Francisco (Ch. 9) and commercial FM station KPFB, Berkeley. They'll present KPFB's weekly concerts, under waiver of rules granted by FCC—similar to last week's action affecting educational WTTW, Chicago (Ch. 11) and WFMT (Vol. 14:42).

RCA shipped 12-section superturnstile antenna Oct. 23 to upcoming WTOL-TV, Toledo (Ch. 11) due in Dec.; 12-section superturnstile Oct. 17 to WKBW-TV, Buffalo (Ch. 7), also due in Dec.; 6-section superturnstile Oct. 13 to WCSC-TV, Charleston, S. C. (Ch. 5), planning move to 1000-ft. tower at new site.

TV-radio tower fabrication has been discontinued by Truscon Steel div. of Republic Steel, but it continues making towers for Govt.

Colgate; luau at Lexington Hotel, Steve Allen; dinner at Leone's, Gillette; "learn how to cha cha!" at studios of Arthur Murray, who then was dinner host at Tavern on the Green; dinner at Nassau Tavern, Princeton, RCA; reception for press, affiliates & performers at Plaza Hotel, NBC; dinner for press & stars again at St. Regis Roof, NBC. Windup—for recuperation—was at Concord Hotel, Lake Kiamesha, N. Y.

There were "refreshments at all times" at press headquarters in New York and thousands of photographs of the editors chinning with "names" (one photographer told us he'd shot about 150 first day). Also, each reporter was insured—\$100,000 in air, \$25,000 on ground. And a topper was daily distribution of ABC & CBS publicity releases!

Clue to the editors' collective news sense was their choice of interviewees. Here were top 10, with number of interview requests for each: Marlene Dietrich, 42; Stockton Helffrich, director of continuity acceptance, 30; Cliff Arquette, of *Jack Paar Show*, 30; screening of *Gateways to the Mind*, 30; Dave Garroway, 24; producers of *Continental Classroom*, 22; Charles Van Doren, 20; Betsy Palmer, 18; Alfred Drake, 17; Mildred Freed Alberg, exec. producer, *Hallmark Hall of Fame*, 16.

Britain's new northeastern TV station at Burnhope schedules start on Jan. 15, 1959, with Tyne-Tees Television Ltd. as program contractor under Independent TV Authority. It begins with 100-kw, horizontally polarized, on Ch. 8 (189.75 mc visual carrier, 186.25 mc aural).

Rehearing of Norfolk Ch. 10 decision was denied this week by Court of Appeals, sitting *en banc* and voting 7-2 to sustain its recent action upholding FCC's choice of WAVY-TV over Beachview Bestg. Corp. (Vol. 14:38). This week's action was punctuated by dissent from Judge David L. Bazelon, who stated: "I vote to grant the petition for rehearing *en banc* in order to reconsider this court's recent rulings which appear to render us powerless to restrain the Commission from employing shifting emphasis of comparative criteria obliterating any predictable pattern of decision." Other dissenter was Judge Wilbur K. Miller.

Tallest self-supported tower in world before Tokyo's 1092-ft. structure came along (Vol. 14:41) was the 1042-ft. spire of KCMO-TV, Kansas City (Ch. 5)—including antenna. Mgr. E. K. Hartenbower supplies these statistics: 800 cu. yds. of concrete in footings, 600 tons of steel, 25,923 bolts, 5 mi. of wire, sixteen 100-watt obstruction lights, 1360 tower-leg bulbs, five 300mm flashing beacons, five 1000-watt beacon lights, 7 catwalks—and it takes average man hour to climb to top.

Big demand among engineers for 2 technical papers by Dr. G. H. Brown prompted reprints, RCA says—both available from RCA Industrial Electronic Products, Camden: "Design Methods to Improve the Stability of AM Directional Antenna Systems" and "Ground Systems as a Factor in Antenna Efficiency."

CPs granted: Educational Ch. 56, Lakewood Center, Wash., to Clover Park School District 400; Ch. 75, 77 & 83 translators, Spencer & Spirit Lake, Ia., to Spencer Area TV Inc.

Ampex shipments: one color kit each to CBS N. Y. & Hollywood studios; one recorder to WJAR-TV, Providence; 2 recorders to Telesistema de Mexico, Mexico City.

New call letters: WLBR-TV, Lebanon, Pa. changes to WLYH-TV next Jan. 1.

CORNING'S NEW 23-in. PICTURE TUBE: Challenger to 21-in. picture tube, also starting TV industry once again on march toward bigger picture screens, is new 23-in. bulb which Corning Glass Works says it will show to industry next month for first time. We tracked down reports that big Corning, which makes lion's share of bulbs, would sample industry with both a new 18-in. and a 23-in. bulb -- but Corning states it has no plans at this time for the 18-in. type.

The 23-in. bulb is a version of "contoured twin panel" tube Corning announced last May (Vol. 14:20), but without oil-filled space between tube face and panel. Now panel is fixed directly to face of picture tube with special plastic cement. Apparently, idea of oil-filled space has been dropped. There are similarities between new Corning tube and laminated tube face Pittsburgh Plate Glass announced recently (Vol. 14:30). Here are new tube's advantages, according to Corning:

- (1) Face panel gives greater strength -- so new bulb has straighter sides and sharper corners and fits more compactly into cabinet.
- (2) Tube face flattened to a considerable degree.
- (3) More rectangular area permits bigger picture -- approximately 20 sq. in. more than is possible with current design.
- (4) Dust-free -- dust collecting surfaces eliminated, leaving only front which can be washed easily.
- (5) Reflections reduced -- also because there are 2 surfaces, not 4.
- (6) Light output increased about 8% -- attributable to elimination of the reflecting glass surfaces.
- (7) New design concepts possible -- because of the sharper corners and the flatter face. Thus, both depth & width of cabinet can be reduced.

Height & width of new tube are virtually same as standard 21-in. bulb. And, the weight is the same or slightly less.

If set makers cotton to new bulb, they'll probably get them too late for the spring lines shown to distributors in Dec.-Jan. But, they could get them in time for mid-year introduction of new 1960 models.

Transistor Threat from Japan: The production of transistors in Japan has zoomed to more than 2,000,000 units expected this year -- and the "mighty mites" are finding their way in increasing numbers into the U.S. So says communique to the Commerce Dept. from attaches in Tokyo, their report coming hard on information that Japanese transistor radios are invading U.S. market at 50-70,000 monthly rate (Vol. 14:39).

Plea for import restrictions to protect domestic transistor industry is being readied by EIA's Import Committee headed by Motorola chairman Paul V. Galvin, for presentation to Director Leo Hoegh of the Office of Defense & Civilian Mobilization. It's estimated that domestic requirements take about 2/3 of Japanese production, and leave 600,000 or more available for export this year, mostly to U.S. While this is relatively small compared with expected U.S. production of 48,000,000 transistors in 1958, it is regarded as a sufficient threat to justify request for import curbs.

TV-Radio Production: TV output was 124,503 sets in the week ended Oct. 17 vs. 127,125 preceding week and 164,627 same week last year. Year's 41st week brought year's total production to 3,829,028 sets vs. 4,921,396 last year. Radio production was 287,829 (73,754 auto) for week ended Oct. 17 vs. 314,884 (93,088 auto) preceding week and 407,298 (150,075 auto) same week last year. Radio production for 41 weeks was 8,290,661 (2,555,999 auto) vs. 10,566,643 (4,103,822 auto) last year.

RCA-JUSTICE DEPT. PATENT SETTLEMENT DUE: Final agreement on consent decree to settle long-pending govt. patent anti-trust suits against RCA appears imminent. Despite absolute refusal of RCA and Justice officials to discuss matter, we were able to confirm that "breakthrough" had been achieved; that there were intense conferences between RCA & Justice attorneys this week; that only minor problems remain.

There have been approaches to agreement several times in recent months, as attorneys negotiated over civil suit which was started in Nov. 1954 (Vol. 10:37) and criminal suit in which indictment was filed last Feb. 21 (Vol. 14:8) -- but current discussions are said to have achieved final results.

The 1954 civil suit attacked RCA "package licensing agreements" and other "misuse of patents." Named as "co-conspirators," but not as defendants, were AT&T, Western Electric, Bell Labs, GE, Westinghouse. Criminal suit charges RCA with 4 counts of violation of Sherman Anti-Trust Act. No individuals were named, but 20 domestic & foreign companies were -- including GE, Westinghouse, AT&T.

Settlement of foregoing wouldn't clear up all RCA anti-trust litigation -- for there's still: (1) Philco's \$150,000,000 treble-damage suit pending against RCA, GE, AT&T. (2) Govt.'s civil suit against RCA & NBC, charging violation of the Sherman Act in swap of Philadelphia & Cleveland TV-AM-FM stations between NBC & Westinghouse (Vol. 12:49, et seq).

Trade Personals: Robert Adams promoted to Packard-Bell's eastern operations mgr., Washington, succeeding Commodore A. J. Spriggs, now adviser to Commerce Dept. electronic div. director Donald S. Parris (Vol. 14:42) . . . Roger C. Smith, ex-asst. gen. mgr. of Motorola Finance Corp., promoted to credit mgr. of parent corporation . . . Francis A. Bonner, ex-Amphenol, named sales mgr. of Admiral International & Admiral Corp. Interamericana, succeeding Earl L. Nissen, resigned . . . Harry J. Abrams, ex-Trav-Ler Northwest Sales, named Philco field operations mgr.; Horace P. Auston Jr., ex-Certain-Teed Products, named field operations representative, both reporting to Wm. A. Harrison, mgr. of distributor operations . . . Edward Welker promoted to product planning & market development mgr. of RCA Victor record div. . . Kenneth C. Moritz, ex-Philco, named sales mgr. of Raytheon's semiconductor div. . . Edgar Greenebaum Jr., Chicago financial consultant specializing in TV-electronics, having attended International Electronics Conference at Liege, Belgium, Oct. 6-11, went to Russia Oct. 16 to study developments there . . . Dr. Philip N. Hambleton promoted to CBS-Hytron research & development supervisor for tubes . . . Meyer Leifer promoted to Sylvania special tube operations mgr., headquartered at Mountain View, Cal. . . J. D. Houlding promoted to v.p.-gen. mgr. of RCA Victor Ltd., Montreal . . . James McGill promoted to Hot-point TV-appliance sales mgr., N. Y. area . . . Clark Lambert promoted to sales administration mgr. of Siegler's Olympic div. . . Walter L. Brough, ex-Hercules Motors, named ORRadio manufacturing mgr. . . Leonard W. Smith, ex-Norge, named Westinghouse appliance merchandise mgr. . . John Rankin, ex-Chrysler, named engineering director of V-M Corp., Benton Harbor, Mich. . . Wm. F. Kiefer, mgr. of Corning Glass Works refractories plant, will be mgr. of company's new TV tube plant near Sydney, Australia.

"New Concepts for Space Age" is theme of 1959 Electronics Components Conference to be held in Philadelphia May 6-8 under sponsorship of EIA, IRE, AIEE & WCEMA. Abstracts of proposed technical papers should be sent to Brig. Gen. Edwin R. Petzing, AGEPSecretariat, U of Pennsylvania, 200 S. 33rd St., Philadelphia.

ELECTRONICS PERSONALS: Francis H. Lanhan named pres. of new ITT subsidiary, International Electric Corp., formed to produce world-wide electronic control system for Strategic Air Command; also resigns as pres. of Federal Electric Corp., ITT's service organization; ITT exec. v.p. Fred M. Farrell named chairman of International Electric . . . Air Force Col. B. H. Perry named exec. officer for communications-electronics, Joint Chiefs of Staff; Navy Capt. Richard R. Hay heads international liaison group . . . Brig. Gen. Wayne H. Adams (USMC ret.) named Sylvania military requirements analyst, headquartered in Washington . . . Harry Reese Jr., ex-Curtiss-Wright, named atomic energy services mgr. of RCA Service Co. . . Clarence A. Wetherill promoted to chief engineer of Stromberg-Carlson's San Diego operations . . . James J. Kerley promoted to asst. controller of Avco's Crosley div.

DISTRIBUTOR NOTES: Westinghouse appoints Samuel Jacobs, Philadelphia, for consumer products . . . Hoffman appoints A. W. Bolingbroke Co., Milwaukee, for TV, radio, phonos . . . Olympic appoints Coffin & Wimple, Bangor, Me., for TV, radio, hi-fi . . . DuMont appoints Videon Corp., Hialeah, Fla.; Bill Ellis Sound Equipment Co., Austin, Tex., for closed-circuit TV . . . Hallmark appoints Southeast Sales & Mfg., Atlanta, for stereo equipment, records . . . Westbury Electronics (multiple-distribution equipment) adds Graybar to list of regular distributors.

Biggest New England industry within 10 years will be electronics, RCA pres. John L. Burns predicted at dedication of company's new missile electronics and control lab & plant at Burlington, Mass., Oct. 22. He said electronics already employs 65,000 in Mass. alone, trailing only textiles.

Exhibit hall of N. Y. Stock Exchange (Ruddick Lawrence, ex-NBC, public relations v.p.) has Texas Instruments' display of what it calls "world's largest transistor," showing animation of inner workings on a transistor magnified 25,000 times.

Dr. Gordon R. Partridge, senior engineer in Raytheon's communications dept., is author of *Principles of Electronic Instruments* (383pp., \$11), published by Prentice-Hall.

Huge Research Bill: First comprehensive survey of electronic research & development expenditures by U. S. industry, made by Labor Dept.'s Bureau of Labor Statistics for National Science Foundation and released by EIA, shows that investment in science for commercial objectives totaled nearly \$1.4 billion in 1956.

Excluding basic electronic research not directed toward development of specific products (and which brought total r-&d bill to \$6.452 billion), \$669,600,000—biggest item in big bill—was spent by TV, radio and other electronic industry manufacturers for applied science 2 years ago. Aircraft and associated parts firms accounted for \$260,700,000, telecommunications & broadcasting (including networks) for \$182,100,000.

Govt. survey demonstrates again how electronics applications are vital to wide range of manufacturing & non-manufacturing groups beyond leaders in field. It covers 15 industries in all, ranging from instrument-making to construction, from public utilities to food, all of which reported appreciable investments in electronic research.

During 1956 nearly half of industry's applied-&-basic r-&d expenditures—\$3.1 billion—was financed by Govt. Not listed in report are electronic research projects undertaken by Govt. itself, universities, commercial labs, non-profit institutions, which would have raised national total to an astronomical level.

Details of industrial research costs for electronics will be disclosed in subsequent BLS-National Science Foundation report, due soon. Also under way is survey of 1957-58 r-&d expenditures, for which electronic manufacturers are asked to send descriptions (brochures, pamphlets, etc.) of typical activities to Office of Special Studies, National Science Foundation, 1951 Constitution Ave., Washington 25, D. C. Following is table of 1956 applied electronic r-&d expenditures by industries, EIA's electronic & electrical systems & parts category (TV, radio, etc.) embracing Govt.'s Standard Industrial Classification grouping of electrical machinery, equipment & supplies:

| Industry | R & D Expenditures (in millions) |
|---|----------------------------------|
| Electronic-Electrical Systems, Parts | \$ 669.6 |
| Aircraft & Associated Parts | 260.7 |
| Machinery (including computers) | 182.1 |
| Telecommunications & Broadcasting | 137.0 |
| Professional & Scientific Instruments | 64.5 |
| Fabricated Metal Products & Ordnance | 36.7 |
| Stone, Clay & Glass Products | 4.4 |
| Food & Kindred Products | 4.0 |
| Textile Mill Products & Apparel | 1.1 |
| Petroleum Products & Extraction | .8 |
| Primary Metals | .8 |
| Chemicals & Allied Products | .4 |
| Transportation & Other Public Utilities | .3 |
| Construction | .1 |
| Paper & Allied Products | .1 |
| All Other Industries | 30.3 |
| Total | \$1,392.9 |

Prospect of excise tax refunds on sums spent by manufacturers under TV-appliance warranties faded as Supreme Court refused to upset 2 U. S. Court of Claims decisions holding that warranty allowances are part of sales price subject to 10% excise levy. Several companies in TV-appliance industry have claims pending similar to those denied in suits filed by General Motors Frigidaire div. and Ford Motor Co. Government is expected to move for dismissal of suits pending in Court of Claims on basis of Supreme Court refusal to consider appeals.

The 5th Age of Electronics: The Age of Industrial Electronics, an era already begun in a modest way, will be 5th Electronic Age and will achieve a peak in 1961-2, according to special study of the electronic industry by Harris, Upham & Co., N. Y. investment firm, titled "The Next Upsurge, Where & When." Study notes that electronics is one of half-dozen really new industries born during last half century, says it's riding crest now of 4th boom, "latest in series which has boosted sales in this field from \$340,000,000 in 1939 to well over \$12,000,000,000 in 1957." Four prior electronic ages: Age of Radio, Age of Radar, Commercial TV Age, Missile Age. Says report:

"In our opinion there will be a 5th great upsurge in electronics sales and profits. We do not refer to the field of color TV although that medium is sure to be successfully developed in time, and yield a potent shot in the arm for the TV segment of the industry. TV may receive an assist in 2 other areas as well—subscription and closed-circuit TV.

"Next real boom will occur in what we call the Age of Industrial Electronics, . . . [and] will represent the real maturity of the electronics industry. Electronics will no longer be considered a specialized miracle worker, but a work saver useable in virtually every industry or business. . . . In the 1962-1972 period, electronics will actually infiltrate virtually every industrial and business operation, with markets of a volume and scope far above those of today. These markets will probably total \$20,000,000,000 by 1962 and should increase substantially in the 10 years to follow."

Report concludes enthusiastic forecast of investment possibilities in electronics by picking present & future leaders in 5 phases of industry:

- (1) Computers: Burroughs Corp., Electronics Associates, IBM, Litton Industries, Sperry Rand.
- (2) Automatic controls: Bendix Aviation, General Precision Equipment, Leeds & Northrup, Minneapolis-Honeywell, Robertshaw-Fulton Controls.
- (3) Radiation Equipment: Baird-Atomic, GE, High Voltage Engineering Corp., Nuclear-Chicago Corp., Tracerlab, Varian Assoc.
- (4) Ultrasonics: Bendix Aviation, Curtiss-Wright.
- (5) Transistors: Baird-Atomic, GE, General Transistor Corp., RCA, Texas Instruments, Thompson Products.

Increase in receiving tube production, despite greater use of transistors and other semiconductors in electronic equipment, was predicted by Sylvania chairman-pres. Don G. Mitchell at opening of company's new \$4,500,000 automated tube plant at Altoona, Pa. Mitchell forecast 450,000,000 receiving tubes will be produced annually in the foreseeable future vs. current 420,000,000 output. He said development of "hybrid-type" equipment, using both tubes & transistors, will give receiving tube business a "big lift."

Slump in tape recorder sales is due to consumer confusion over 3 new developments: (1) stereo disks, (2) slow-speed 4-track stereo tape, (3) new tape cartridge. So says Oct. 24 *Electronics* which also predicts sales exceeding 650,000 units in 1959. "These developments [are] key to a real mass market for tape machines, hitherto purchased largely by audiophiles, hobbyists and music enthusiasts."

New Hi-Fi Show dates: Cow Palace, San Francisco, Feb. 7-10; Biltmore Hotel, Los Angeles, Feb. 16-23. Both are under auspices of Institute of High Fidelity Mfrs.

Financial Reports:

SYLVANIA SALES rose 20% in 3rd quarter over 2nd, achieving record for period, while earnings ran close to 3rd 1957 quarter and also went ahead of April-June. Third quarter sales were \$90,139,178 vs. previous record of \$89,363,200 in 1957 period. Net income was \$3,779,387 (\$1.05 per share) vs. \$3,853,571 year ago and \$1,415,052 in 2nd 1958 quarter.

"Sylvania's operations have returned to more normal levels, and the outlook is very promising for the remainder of the year," said chairman-pres. Don G. Mitchell. He reported Sylvania's TV set sales more than doubled 2nd period. Picture tube market improved; sales to other TV & radio set manufacturers indicated further increases in rest of 1958 to replenish inventories.

For 9 months this year sales were \$237,715,394 vs. record high of \$251,883,741 in first 3 quarters of 1957. Earnings were \$6,362,257 (\$1.72) vs. \$8,642,240 (\$2.37).

Philco earned \$1,774,000 (42¢) on sales of \$95,925,000 in 3rd quarter vs. \$1,477,000 (35¢) on \$90,115,000 year earlier, net income for 1958 quarter more than absorbing first-half loss of \$1,442,000 (Vol. 14:31). For 9 months, earnings were \$332,000 (1¢) on \$245,820,000 vs. \$2,733,000 (61¢) on \$275,071,000 in 1957.

Admiral Corp. reports earnings of \$947,254 (40¢ per share) on sales of \$123,529,953 in 9 months ended Sept. 30 vs. \$665,264 (28¢) on \$129,044,499 year earlier. In first half this year Admiral had \$407,180 net loss after \$400,000 reserve for liquidation of unprofitable molded products div. (Vol. 14:33).

AT&T earned \$189,400,000 (\$2.71 per share on 69,900,000 shares outstanding) in quarter ended Sept. 30 (Sept. figures partly estimated) vs. \$173,242,305 (\$2.69 on 64,497,723) in same 1957 period. For 12 months ended Sept. 30 net income was \$729,210,000 (\$10.96 on 66,536,000) vs. \$370,318,337 (\$10.58 on 63,371,109) year earlier.

RCA earned \$6,254,000 (40¢ per share) on sales of \$292,199,000 in 3rd quarter vs. \$8,009,000 (52¢) on \$288,677,000 in same 1957 period. For 9 months net income was \$19,798,000 (\$1.26) on \$834,753,000 vs. \$28,320,000 (\$1.87) on \$853,667,000 year earlier.

Siegler Corp., whose divs. include Olympic Radio & TV, earned \$533,262 (35¢ per share) on sales of \$19,005,400 in first fiscal quarter ended Sept. 30 vs. \$368,602 (24¢) on \$16,662,835 year earlier.

Universal Pictures lost \$861,247 in 39 weeks ended Aug. 2, after Federal income tax credit of \$1,160,000, vs. net profit of \$1,887,498 (\$1.86 per share) in same period last year.

Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing) earned \$529,246 (\$1.32 per share) in 9 months ended Sept. 30 vs. \$502,003 (\$1.26) year earlier.

Muter Co. earned \$189,801 (25¢ per share) in 9 months ended Sept. 30 vs. \$248,155 (32¢ adjusted for stock dividend) year earlier.

ORRadio Industries lost \$41,000 on sales of \$1,367,000 in 6 months ended Aug. 31 vs. earnings of \$83,968 on \$970,174 (18¢ per share) year earlier.

Dividends: Sylvania, 50¢ payable Dec. 23 to stockholders of record Dec. 2; Electronics Investment, 3¢ Nov. 28 to holders Nov. 3; Walt Disney Productions, 10¢ plus 3% stock, both Jan. 1 to holders Dec. 3; Siegler, 10¢ Dec. 1 to holders Nov. 15.

Portable Color Camera: Remarkable job of miniaturization is RCA's color camera, still developmental (see p. 3), which uses three ½-in. vidicon pickup tubes, weighs 20 lbs., is operated with 45-lb. monitor & control unit.

It's entirely transistorized, using 300 transistors—some of them still in developmental stage—and performance is said to be comparable with that achieved with equipment using tubes. Mere 75 watts is needed, so equipment may be driven by automobile-type batteries.

RCA stresses possibilities for field use—"color telecasting, military field reconnaissance, sales promotion." In addition, major potential is seen for closed-circuit use in medicine, industry & research.

System was developed by team under supervision of honorary v.p. Dr. V. K. Zworykin, including L. E. Flory, J. M. Morgan, W. S. Pike, L. A. Boyer. The ½-in. vidicon was developed by A. D. Cope.

RCA also called attention to refinement of its color camera using 1-in. vidicon, reported that it's in commercial production; that installations include huge color system at Army's Walter Reed Medical Center in Washington.

TV production in Italy rose sharply in 1957 to 380,000 sets vs. 250,000 in 1956, only 90,000 in 1955, according to Commerce Dept. It reported 90% of Italy's requirements for TV and radio now being supplied domestically. West Germany supplied 71% of imports, Netherlands 18%, U. S. 5%. Dept. said imports from dollar area are subject to licensing, with the 1958 quota for TV established at 3500 units. "Developing production of electronic components in Italy has lessened somewhat industry's dependence on imported parts. In 1957, West Germany supplied over 43% of such imports, U. S. 18%, Netherlands 16%, Dept. reported.

Latest entry into transistor radio field is Channel Master, big TV antenna maker, which announced agreement with Sanyo Electric Co. in Japan to manufacture 2 six-transistor models under Channel Master name. Model 6506 has 6 matched transistors plus one diode and one thermistor, lists for \$49.95. Model 6501 has 6 transistors, one diode, lists for \$34.95. Company announced move into radio field was first in planned diversification program. Sales will be through present antenna distribution channels.

Standard tests for printed circuit boards will be worked out by joint committee representing EIA, National Electrical Mfrs. Assn. & American Society for Testing Materials. Delaware U research facilities will be used. Dr. James K. Davis, Corning mgr. of electronic component development & research, was named to represent EIA on the committee.

Over-the-horizon range can be increased, or same range can be achieved with reduced power, using new "parametric" amplifier which is still in lab stage, according to ITT. Ten-kw transmitter range can be extended from 250 to 350-mi. or 250-mi. range can be retained with power reduction from 10-kw to 1-kw, states Wm. Sichak, director of ITT radio communication lab.

Transistorized FM radio is now possible with development of new type "drift" transistor, according to Dr. Alan M. Glover, v.p.-gen. mgr. of RCA semiconductor & materials div. Still in developmental stage, new transistor will be ready soon for industry sampling, he said.

Webcor will consolidate operations in new \$6,000,000 Chicago plant to be built next year. Company now has 5 plants and offices in area.

Compatible Stereo Via AM: Unless we miss our guess, whole stereo broadcasting picture is going to be shaken up by RCA's announcement of new stereo AM system, demonstrated to affiliates & newsmen at Princeton Labs this week (p. 2).

Concept itself seems almost too simple. Each AM station now broadcasts 2 "sidebands"—each of which carries all the information a radio receiver needs. RCA feeds a microphone to each sideband, broadcasts the 2 signals simultaneously. Special AM receiver separates the signals, feeds each to a speaker—and that's it. Furthermore, system is compatible—i.e., existing AM receivers will accept and reproduce stereo broadcasts just as if they were ordinary transmissions.

System performed well at Princeton demonstration, though there was momentary difficulty because of wiring problems.

RCA Labs v.p. Dr. James Hillier frankly labeled system "experimental," but said he looks forward to commercial development. His statement was strongly worded:

* * * *

"This is perhaps the longest forward stride in the standard radio broadcast field in nearly 30 years. With the mounting public interest in stereophonic sound reproduction as a means of achieving the highest fidelity, a new system that provides stereo for the first time entirely within the standard AM radio broadcast band is a development of major significance."

Dr. Hillier contrasted system with current methods of broadcasting stereo—FM multiplexing and combination of FM & AM stations: "The combination of FM & AM requires the home listener to use 2 different types of radio which are usually unmatched and difficult to tune to the

proper relationship for full stereo effect. Moreover, it requires the broadcaster to use 2 transmitters and 2 separate broadcast frequencies. The FM system benefits listeners who have appropriate special FM equipment, but many home radios and all automobile radios receive only AM broadcasts.

"A stereo AM system, such as the one demonstrated by RCA, can remove these limitations and place stereophonic sound for the first time on the same basis as standard AM broadcasting. For the listener, it means stereophonic sound in radio with only one receiver and one tuning adjustment, as simple in operation as the tuning of present AM sets. For the broadcaster, it means the ability to transmit live or recorded stereophonic programs with a single transmitter and within present operating AM frequencies."

* * * *

Dr. Hillier didn't speculate about costs, but Washington consulting engineers assume that modification of existing AM transmitters shouldn't prove to be exorbitant. As for FCC—which would have to approve standards—its engineers seemed startled by the announcement, which presumably would have no impact on allocations, interference & service areas.

Among the most interested in development are proponents of FM multiplex systems because of possibility that stereo AM might take some edge off FM stereo. Said Murray Crosby, head of Crosby Labs:

"To me, it helps along the FM situation, because it looks as if RCA wants to get on the bandwagon. FM is coming into its own as a definitely superior medium. It can never be approached in fidelity by AM."

The RCA idea seems so obvious that question arises as to why it hadn't been suggested before. One reason advanced by engineers is that single-sideband techniques and equipment were very complex and costly until certain engineering breakthroughs were achieved during last few years.

RAB Sponsors Radio Set Count: Huge sample of 36,500 homes in 330 areas will be covered in nationwide survey by Census Bureau next month to pinpoint radio receiver ownership—in study financed by Radio Advertising Bureau and planned by Advertising Research Foundation. Last nationwide radio survey was conducted in 1954 by Alfred Politz Research Inc. for RAB (then called Broadcast Advertising Bureau), also under ARF supervision. RAB's most recent estimate of radio sets-in-use (July) put total at 142,600,000. The 1954 survey concluded there were 100,920,000 sets—74,740,000 of them in homes, 26,180,000 auto. New survey will determine not only set total but location in home, number of multiple-set homes, auto receivers—broken down into 14 geographical areas.



Statewide Ohio ETV system costing \$9,000,000, with 2 channels for colleges, one each for high schools and elementary schools, is proposed by chairman Paul L. Walker of State Board of Education's audio-visual committee. He seeks General Assembly approval of 2-year project designed for use by each school & college in Ohio.

FCC technical report, on "An Analysis of Long Term Fading Ranges for TV & FM Service Fields" (TRR 2.1.7) is available from Technical Research Div., Room 7506, New Post Office Bldg., Washington 25.

Roger Williams Straus Memorial Foundation, N. Y., approved \$50,000 grant for sponsorship of 13-film ETV series in field of human relations.

TV commercials are twice as effective as radio commercials—but TV still can take advertising lessons from radio, according to Sept. *Bulletin* of Schwerin Research Corp. Newsletter says TV advertising needs "audio that stands on its own prose," since many viewers don't look at pictures when commercials are aired. "Good radio practices" recommended for TV: (1) Clarity. (2) Repetition. (3) Identification & description of "presenters & characters." But Schwerin concedes it's "probably impossible to design a commercial that is perfect for both TV & radio."

Network TV audiences continue to grow, TvB reported this week on basis of study of Nielsen ratings—with the first 9 months of 1958 showing an 8% increase in average evening program audience, 13% increase in average daytime audience. Average weekday daytime program reaches 372,000 more homes per broadcast in 1958 than 1957, TvB reports, while average increase for weekday evening shows is 653,000.

New reps: WOI-TV, Ames-Des Moines, to H-R Television as of Jan. 1 (from Weed); WLOS-TV, Asheville, N. C., to Peters, Griffin, Woodward (from Venard, Rintoul & McConnell); WUSN-TV, Charleston, S. C., to Bolling for midwest and west coast (from Simmons Assoc., now out of business); WTVY, Dothan, Ala., to Richard O'Connell (from Young).

NBC-TV's coast-to-coast college-credit *Continental Classroom* (Vol. 14:38, 40) added General Foods & Standard Oil of Cal. as sponsors.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
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SUMMARY-INDEX OF THE WEEK'S NEWS — November 1, 1958

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

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

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

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

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

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

Manufacturing-Distribution-Finance

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

* * * *

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

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

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

* * * *

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

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

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

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


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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

Full Text of Final Judgment

Department of Justice Anti-trust Action Against RCA

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

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

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

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

UNITED STATES OF AMERICA,
Plaintiff,

v.

RADIO CORPORATION OF AMERICA,
Defendant.

Civil No. 97-38

FINAL JUDGMENT

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

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

ORDERED, ADJUDGED AND DECREE as follows:

I

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

II

As used in this Final Judgment:

- (A) "RCA" shall mean the defendant Radio Corporation of America and each of its subsidiaries.
- (B) "Domestic patent" shall mean United States Letters Patent (and all reissues, divisions and extensions thereof) relating to, but only in so far as they relate to, the manufacture, use or sale of any radio purpose apparatus.
- (C) "Foreign patent" shall mean foreign patents (and all reissues, divisions and extensions thereof) relating to, but only in so far as they relate to, the manufacture, use or sale of any radio purpose apparatus.
- (D) "Person" or "applicant" shall mean any individual, partnership, corporation, association, firm, trustee or other legal entity.
- (E) "Radio purpose apparatus" shall mean equipment,

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

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

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

III

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

IV

RCA is enjoined and restrained from:

- (A) Entering into, adhering to, enforcing or claiming any rights under any term or provision of any contract, agreement or understanding, which term or provision or understanding allocates or divides territories, fields or markets for the manufacture, use or sale of radio purpose apparatus or for the licensing of domestic or foreign patents or other inventions;
- (B) Entering into or adhering to any contract, agreement, understanding, plan or program under which any domestic or foreign patents are licensed upon the condition, agreement or understanding that the licensee will limit or cause any other person to limit imports into or exports from any country;
- (C) (i) Entering into or renewing any contract, agreement or understanding under which any foreign patents are licensed by any person who directly or indirectly licenses patents owned or controlled by any person other than RCA; (ii) failing to give notice of the cancellation of any such contract, agreement or understanding within

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

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

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

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

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

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

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

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

V

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

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

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

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

EXHIBIT A

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 2,299,333 | 2,633,554 | 2,740,889 | 2,768,296 | 2,816,230 |
| 2,344,810 | 2,633,555 | 2,742,524 | 2,782,333 | 2,817,276 |
| 2,431,115 | 2,650,264 | 2,742,615 | 2,785,336 | 2,817,788 |
| 2,440,418 | 2,663,821 | 2,742,627 | 2,789,212 | 2,820,174 |
| 2,446,791 | 2,677,720 | 2,744,155 | 2,791,644 | 2,821,671 |
| 2,449,969 | 2,677,721 | 2,747,136 | 2,795,717 | 2,824,172 |
| 2,477,557 | 2,677,779 | 2,749,475 | 2,795,719 | 2,824,267 |
| 2,497,840 | 2,678,348 | 2,750,438 | 2,795,733 | 2,830,112 |
| 2,503,700 | 2,681,379 | 2,750,440 | 2,795,734 | 2,831,968 |
| 2,536,838 | 2,707,248 | 2,750,456 | 2,799,723 | 2,832,619 |
| 2,545,325 | 2,712,568 | 2,751,430 | 2,799,798 | 2,834,911 |
| 2,551,228 | 2,719,242 | 2,751,519 | 2,806,162 | 2,835,728 |
| 2,554,693 | 2,726,340 | 2,751,520 | 2,806,163 | 2,837,692 |
| 2,560,351 | 2,728,812 | 2,752,520 | 2,806,164 | 2,841,702 |
| 2,561,059 | 2,728,857 | 2,755,402 | 2,809,133 | 2,842,708 |
| 2,561,089 | 2,729,764 | 2,755,405 | 2,810,779 | 2,845,481 |
| 2,595,548 | 2,733,164 | 2,757,232 | 2,811,577 | 2,846,608 |
| 2,598,134 | 2,736,765 | 2,758,155 | 2,811,580 | 2,847,600 |
| 2,630,542 | 2,736,766 | 2,761,916 | 2,811,636 | 2,851,542 |
| 2,633,538 | 2,737,609 | 2,762,874 | 2,813,225 | 2,855,529 |

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

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

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

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

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

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

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

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

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

(1) the license may be nontransferable;

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

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

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

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

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

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

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

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

VI

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

VII

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

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

VIII

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

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

IX

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

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

X

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

XI

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

XII

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

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

XIII

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

Dated: October 28, 1958

E. J. DIMOCK
United States District Judge

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

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ROBERT L. WERNER
Vice President and General Attorney
Radio Corporation of America

Statement by Department of Justice Explaining RCA Consent Judgement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

RCA WELCOMES the termination of this long and burdensome litigation.

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

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

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

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

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

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

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

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AUTHORITATIVE**

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

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SUMMARY-INDEX OF THE WEEK'S NEWS — November 8, 1958

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

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

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

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

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

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

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

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

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

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

Manufacturing-Distribution-Finance

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

House Committee on Interstate Commerce loses 7 of

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

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

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

* * * *

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

* * * *

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Television Digest

with ELECTRONICS REPORTS

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Personal Notes: William S. Paley, CBS chairman, will be presented special award of Broadcast Pioneers at Nov. 20 luncheon in New York's Hotel Ambassador . . . Herbert W. Hobler, TelePrompTer sales v.p., ex-NBC-TV & CBS-TV, has resigned to set up own sales consulting firm at 295 Mercer Rd., Princeton, N. J. . . . Wayne Kearl, gen. sales mgr. of KENS-TV, San Antonio, ex-KSL-TV, Salt Lake City and KGMB-TV, Honolulu, named KENS-TV station mgr. under gen. mgr. Albert D. Johnson . . . Michael J. Kane, CBS-TV director, elected pres. of Radio-TV Directors Guild International . . . Robert J. Steinle, ex-NBC-TV merchandising mgr., named asst. adv. mgr., U. S. Tobacco Co. . . . Arch Robb, ex-Wide World administrative exec., named NBC-TV special programs mgr. . . . Jerry Baker promoted to program mgr. of KERP-TV, El Paso, succeeding Hillman Taylor, named station mgr. of upcoming KVKM-TV, Monahans, Tex. (Ch. 9) . . . Alfred L. Lewis, business mgr. of WNBQ & WMAQ, Chicago, adds duties of acting director of operations, succeeding John Whalley, resigned to join Needham, Louis & Brorby Adv. . . . George Carroll, ex-program director of WFBG-TV & WFBG, Altoona, promoted to station mgr. of Triangle's WNBF-TV & WNBF, Binghamton, N. Y.; Russ Baker has resigned as operations mgr. of WNBF-TV . . . Gil Martyn, public affairs & public service director of Paramount's KTLA, Los Angeles, named to new post of editorial policy

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

them out on possibilities of switching their affiliations.

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

| | TV | | Receiving Tubes | |
|--------------|------------------|------------------|------------------|------------------|
| | Auto Radio | Total Radio | Units (Add 000) | Units (Add 000) |
| Jan. -- | 433,983 | 349,679 | 1,026,527 | 621,910 |
| Feb. -- | 370,413 | 268,445 | 876,891 | 556,136 |
| March | 416,903 | 234,911 | 931,341 | 634,779 |
| April | 302,559 | 190,435 | 697,307 | 590,357 |
| May | 266,982 | 185,616 | 654,803 | 560,559 |
| June | 377,090 | 235,433 | 774,424 | 725,846 |
| July | 274,999 | 186,379 | 621,541 | 549,817 |
| Aug. | 507,526 | 242,915 | 1,028,852 | 713,458 |
| Sept. -- | 627,734 | 489,738 | 1,567,135 | 891,803 |
| Total | 3,572,189 | 2,282,551 | 8,178,821 | 5,844,665 |

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

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

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

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

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

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

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

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

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

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

Financial Reports:

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

**THE
AUTHORITATIVE**
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
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ARTS AND INDUSTRIES

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

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

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

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

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

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

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

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

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

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

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

Manufacturing-Distribution-Finance

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

FCC attorneys, headed by assoc. gen. counsel Edgar

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

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

* * * *

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

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

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

* * * *

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

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

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

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

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

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

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

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

"The biggest news in Videotown this year," said C&W research v.p. Gerald W. Tasker, "is the return of housewives to morning radio listening. On the 5 weekday mornings, the average housewife listened for a total of 5 hours & 48 min.—a 109% increase over 1957. We think this may partially be due to the recession and subsequent unemployment (last summer more than 3/4 of housewives were home all morning, as opposed to 63% the year before), but there is no doubt that morning radio has made a significant gain." Other findings:

* * * *

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

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

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

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

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

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

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

Network Television Billings

September 1958 and January-September 1958

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

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

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

1958 NETWORK TELEVISION TOTALS BY MONTHS

| | ABC | CBS | NBC | Total |
|-----------|-------------|--------------|--------------|--------------|
| January | \$9,163,609 | \$22,094,015 | \$18,344,111 | \$49,606,735 |
| February | 8,441,988 | 19,410,741 | 16,785,315 | 44,638,044 |
| March | 9,402,407 | 21,211,070 | 18,874,597 | 49,488,074 |
| April | 8,739,456 | 20,628,511 | 18,283,379 | 47,651,346 |
| May | 8,477,755 | 20,970,022 | 18,470,368 | 47,918,145 |
| June | 7,387,586 | 19,733,057 | 16,648,462 | 43,769,105 |
| July | 7,083,555 | 18,332,925 | 15,702,029 | 41,118,509 |
| August | 6,923,735 | 19,383,736 | 15,202,021 | 41,509,492 |
| September | 6,627,093 | 19,415,705 | 16,408,345 | 42,451,143 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

■

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

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

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

* * * *

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

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

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

Questions raised at hearings, according to Williams,

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

Television Digest

with ELECTRONICS REPORTS

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Also looked for at upcoming session of Congress is

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | Sales | Pre-tax Earnings | Net Profit | Net Per Share | Dividends | Total Assets |
|--------------|---------------|------------------|--------------|---------------|-----------|---------------|
| 1950— | \$124,105,408 | \$ 9,555,329 | \$ 4,105,329 | \$.80 | \$.53 | \$ 53,833,265 |
| 1951— | 192,384,608 | 13,618,942 | 6,360,097 | .91 | .53 | 101,481,809 |
| 1952— | 251,594,490 | 15,938,724 | 6,445,506 | .92 | .53 | 111,720,900 |
| 1953— | 313,908,771 | 22,687,288 | 8,894,642 | 1.27 | .62 | 136,040,997 |
| 1954— | 373,380,139 | 23,214,645 | 11,414,645 | 1.62 | .63 | 169,296,915 |
| 1955— | 316,572,766 | 29,897,427 | 13,397,427 | 1.83 | .77* | 180,089,502 |
| 1956— | 354,779,843 | 35,083,462 | 16,283,462 | 2.17 | .90* | 196,097,774 |
| 1957— | 385,409,018 | 48,593,367 | 22,193,367 | 2.90 | 1.00† | 222,870,272 |
| 1958 (9 mo.) | \$300,738,926 | \$36,200,462 | \$16,522,462 | 2.10 | \$1.00†† | — |

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

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

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

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

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

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

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

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

**THE
AUTHORITATIVE**

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

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

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

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

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

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

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

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

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

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

Manufacturing-Distribution-Finance

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

What started it all was Sen. Potter's (R-Mich.) doubts that military is making best use of its vhf spectrum, and his belief it might readily transfer some of it to TV. To find out the score, he introduced bill (S. Res. 106) to establish a spectrum study commission but it was defeated by industry pressure (Vol. 14:30).

SACT is a high-level and experienced group, all right, though it doesn't give TV-radio industry much of a shake, albeit the member most closely associated with TV-radio is one of the best -- Dr. Frank Kear, Washington consulting engineer.

Chairman of 5-man group is Victor E. Cooley, retired chairman of Southwestern Bell, until early this year the deputy director of OCDM's predecessor Office of

Defense Mobilization, second in command to Gordon Gray. The other members are: Dr. Irvin Stewart, FCC member 1934-1937, ex-pres. of W.Va. U, now on fellowship in Hawaii. He's noted for distinguished work as chairman of President Truman's Communications Policy Board, which issued 238pp. report "Telecommunications -- A Program for Progress" after a year's study (Vol. 7:13). Wm. G. Thompson, retired AT&T asst. v.p. in charge of overseas radio & cable communications. Maj. Gen. W. Preston Corderman (USA, ret.), 1955-1957 Deputy Chief Signal Officer, now a v.p. of Litton Industries, major manufacturer of military electronics equipment. Committee met Nov. 18-19, meets again in about 2 weeks.

* * * *

Ever since Congress killed Potter Resolution to establish a study commission, after broadcasters lobbied against it for fear it would be stacked against them (Vol. 14:32), there's been speculation the President would appoint his own -- but he delayed it so long that it was assumed he'd leave next, move up to Congress.

Hoegh said the main task of SACT "is to recommend methods to bring about improvements in the use of telecommunications resources. It will examine the existing governmental policies, use of facilities, and administrative arrangements and procedures for the allocation, management and control of telecommunications including the radio frequency spectrum for govt. & non-govt. use."

Committee won't be concerned with FCC's powers & procedures, said Hoegh, nor will it make studies of detailed problems such as radio frequency usage.

Both industry and FCC are puzzled by Hoegh's statement. One commissioner asks: "How can it study non-govt. spectrum use without concerning itself with the 'powers & procedures of the FCC'? I think it's just a gesture."

EIA was obviously disappointed. H. Leslie Hoffman, chairman of its spectrum study committee, wrote to Cooley, expressing hope that this week's move is "the first step toward a long-range study of the military & civilian uses of the radio spectrum and its administration," designed to promote more efficient use of radio. He again offered industry's help in any such study.

Placement of 2 former AT&T men on SACT irks manufacturers no end, for several are now feuding with AT&T over mobile radio, which they claim AT&T is trying to monopolize. They wouldn't have cavilled at one ex-AT&T man -- but 2 is "too many."

Note: FCC meets again on its own vhf-uhf allocations problems Nov. 24. Again at full strength with return of Chairman Doerfer from Europe and with considerable staff-prepared material before it, Commission may make decisive moves.

TELEVISION DIGEST SOLD—Statement by Martin Codel: "It is with pride and confidence that I announce the sale of Television Digest Inc. to Triangle Publications Inc., newspaper & magazine publishers and operators of a group of TV-radio stations.

"Television Digest will join TV Guide in Triangle's TV Publications Div. As most of you know, TV Guide is one of the current phenomena of the publishing industry, having achieved in little more than 5 years a circulation exceeding 6,500,000 for its 51 regional editions -- largest circulation of any weekly in America.

"The new publishers of The Digest, with their greater resources, will be able not only to continue the authoritative & objective editorial approach of The Digest but will be able to insure improved and expanded service to its readers, who generally are the top executives of the TV-radio broadcasting and related amusement-electronic arts and industries.

"These factors, plus my own need to slacken my working pace after some 40 years of strenuous journalistic activities, 32 of them as a specialist in radio and television, prompted my decision to sell The Digest.

"I shall remain as an associate publisher -- and it goes without saying that I'm proud to be associated with Triangle and with Mr. Walter H. Annenberg, its president, who was good enough to say that, as a reader of The Digest almost from its

inception, he has always been impressed by its record of service to the industry and by its high reputation for originality, accuracy and integrity. As our readers know, these have been The Digest's motivating force from the time it was founded in 1945 after my return from wartime service overseas with the American Red Cross. In 1944, as many will recall, I sold Broadcasting Magazine, which I also founded and which I published for 15 years, to its present owners.

"The staff of Television Digest will be retained. Triangle takes over as of the end of this month. After a vacation, I shall have my own private office in Washington to continue some writing and to handle my personal business affairs."

TV OWNERSHIP—THE OLD ORDER CHANGING: Still more of TV's "founding generation" are stepping aside in favor of new capital and sometimes younger operators confident of the present profitability and future potential of telecasting. This week, another multi-million dollar station sale deal was disclosed, about the 200th since we began keeping track of them in 1949 (see TV Factbook No. 27, pp. 323-329).

KFRE-TV, Fresno, Cal. (Ch. 12), only vhf in pioneer uhf-saturated area, has been sold by founder-pres. Paul R. Bartlett & associates for \$3,000,000, purchase price including their 50-kw radio KFRE (940 kc). Both are CBS-affiliated. Buyer is Walter Annenberg's Triangle Publications Inc., Philadelphia (Philadelphia Inquirer, TV Guide, et al), which already operates 4 vhf's, one uhf, 4 AMS (Factbook, p. 387). Triangle's TV-radio v.p. Roger Clipp said no changes in Fresno personnel or policies are contemplated. Broker in deal was Howard Stark.

Formally announced this week, too, was sale of KBET-TV, Sacramento, Cal. (Ch. 10), without any radio adjunct, to John Hay Whitney's Corinthian group, operator of 3 vhf's, one uhf, 2 radios; like Triangle, it wants to acquire full allowable limit of 5 vhf's, 2 uhf's, 7 radios (for present holding, see Factbook, p. 385). As previously reported (Vol. 14:43), price is \$4,550,000 cash. Corinthian is headed by 40-year-old Whitney partner C. Wrede Petersmeyer, himself a Californian.

Definitely on the block is WJAR-TV, Providence (Ch. 10) with its radio WJAR (5-kw, 920 kc) -- but they're so inextricably intertwined in their banker-controlled parent Outlet Co., dept. store operator, that few want to tackle job of separating the package, said to be acquirable for around \$12,000,000. N.Y. realtor Roger L. Stevens, best known as backer of Broadway shows who was once identified with ownership of Empire State Bldg., has option on Outlet (traded on N.Y. Stock Exchange) and is trying to develop 2 purchasers -- one for TV-radio, other for store. Broker Allen Kander has purchased some stock, has indicated deal may be near, but buyers and valuation allocated for the stations aren't revealed.

* * * *

These big projected deals come in wake of \$6,000,000 cash purchase by Cowles TV-radio-publishing group (Factbook, p. 386) of Hoyt Wooten's WREC-TV, Memphis (Ch. 3) with radio WREC (5-kw, 600 kc), which pends FCC filing (Vol. 14:45); \$2,800,000 purchase of pre-freeze WKTV, Utica, N.Y. (Ch. 13, shifting to Ch. 2) and radio WKAL, Rome, N.Y. (250-w, 1450 kc) by Paul Harron & associates (Vol. 14:46); transfer of WITI-TV, Whitefish Bay-Milwaukee (Ch. 6), with no radio adjunct, purchased by Storer for \$4,462,500 (Vol. 14:46) and approved by FCC last week.

Scarcely a TV station owner has not had offers to buy, and more deals are in the making secretly as entrepreneurs scour the hustings in quest of properties -- apparently with more buyers than sellers. Only ones revealed as being negotiated, but nothing definite yet, are KPTV, Portland, Ore. (Ch. 12) and WMUR-TV, Manchester, N.H. (Ch. 9) and it won't be surprising if they change hands soon (Vol. 14:45). And many overtures have been made to acquire San Francisco Chronicle's KRON-TV (Ch. 4), most notably by NBC which wants TV outlet in that city so badly (it already has AM) that it would willingly dispose of WRC-TV, Washington (Ch. 4) under 5-limit; but any prospective buyer is told KRON-TV cannot be had without also buying the newspaper.

Pittsburgh Smog (Cont.): Ex-FCC chairman George C. McConnaughey had his delayed day in House "influence" subcommittee's court this week, testifying under oath to what he did & didn't do in much-befogged 1957 Pittsburgh Ch. 4 "bribery" case (Vol. 14:46). He tried to dispel ugly rumors involving him, left investigators still mired in gossip & innuendoes they themselves had spread publicly.

Unsubstantiated reports that his Ch. 4 vote had been up for sale were "the most unbelievable, inconceivable, vicious things I ever heard of," said McConnaughey, who now is in private law practice with son in Columbus, O. "Nothing ever hurt me or my family like this."

McConnaughey acknowledged that he had lunched privately in Washington's Mayflower Hotel in spring of 1957—while Pittsburgh award was pending—with pres. Earl F. Reed of applicant TV City, which subsequently joined with Hearst's WCAE to win WTAE grant. But if anything irregular occurred, McConnaughey told Commerce legislative oversight subcommittee, it was this:

"Mr. Reed said he represented some clients in Ohio, National Steel & other clients, and that he might be in a position to throw my son some law business. When he made that statement it was a shocking thing to me. I changed the subject as rapidly as I could."

* * * *

But former FCC chief swore that there was nothing to vague allegations of wrongdoing by him which the headline-happy subcommittee obtained in Sept. from investigator Oliver Eastland and again last week from Reed and assorted other principals & lawyers in Ch. 4 proceedings. Specifically—and vehemently—McConnaughey denied that:

(1) He had let it be known, directly or indirectly, that he would switch his vote from Hearst to TV City for \$50,000 fees from latter. (2) He had received offer from Hearst of \$20,000 per year for 5-10 years as legal retainer.

Miami Case in Stern's Hands: Judge Horace Stern's initial decision in Miami Ch. 10 "influence" case, which he expects to issue by Dec. 1 following this week's oral argument, is expected to be endorsed by FCC with almost no change. That won't end the case, of course. It's bound to get back to Court of Appeals, sooner or later, either under pending appeals or new ones—no matter which way FCC votes. Grand finale is still months off—though Stern's forthcoming recommendations may well foreshadow it.

Attorneys for parties elaborated and punctuated the briefs they filed last week (Vol. 14:45)—generally using stronger language orally than they were willing to commit to the cold type of legal documents.

FCC assoc. gen. counsel Edgar Holtz led off with demand National Airlines' CP be cancelled; that 3 of the 4 applicants be disqualified, or that black marks be put on their escutcheons in any further comparative consideration—National Airlines, WKAT & North Dade Video. He

(3) He was source of Commission "leak" to Reed & other principals that FCC had been tied 3-3 in case. (4) He has been paid any money or given any law business by any Ch. 4 principal since he left FCC June 30, 1957.

When McConnaughey's testimony was over, Rep. Wolverton (R-N.J.), ranking minority subcommitteeman, observed: "I have sympathy for someone charged with an offense who can only say 'I am not guilty.'" Wolverton said that so far as he had been able to find out, all "bribery" talk in Ch. 4 case "comes down to an alleged telephone call [to Reed] by an unknown person."

Subcommittee planned one more try Nov. 24 to rescue itself from tangle of testimony before giving up on Pittsburgh. Reed and George A. Sutton, Washington attorney for TV City who teamed up briefly for law business with McConnaughey after he left FCC, were recalled for more questions. Also called was Wm. G. Matta, of Matta Enterprises, one of Ch. 4 applicants who withdrew to leave field to TV City & Hearst.

Best that acting subcommittee Chairman Williams (D-Miss.) could think of to do next was to toss rumors to Justice Dept. to see if it could make anything actionable out of them. Williams thought that maybe Justice could start "criminal libel" proceedings against yet-unidentified originators of rumors if it found no basis for bribery case.

But Justice Dept. spokesman told reporters later: "No testimony was given at the subcommittee hearings which had not previously been given to the grand jury [which recessed without any action in Pittsburgh case]. Unless some new evidence is developed there is no reason or intention to resubmit it to the grand jury."

Note: Scoring subcommittee's "boobery" and "hunger for cheap notoriety," *Washington Post* said editorially that McConnaughey committed "gross impropriety" by meeting privately with Reed—but as for "bribery":

"The most logical next stop for the free-wheeling subcommittee would be some sort of wailing wall where it could repent of its indiscretion. It ought to take a candid look at the ridiculous spectacle it has made of itself." *St. Louis Post-Dispatch* said McConnaughey "offended the proprieties" by having lunch with Reed, but that: "If the investigators had no evidence or no prospect of evidence to support a charge so scandalous, they should have heard the reports in executive session only."

made no attack on L. B. Wilson Inc., though he asserted Justice Dept. had no right to suggest that FCC accept L. B. Wilson's and new applications in a new proceeding for Ch. 10. He insisted examiner can't recommend that.

Holtz also noted that his brief hadn't mentioned Congressional pressures, but he urged that "your decision make clear they're no different from anyone else." With a wry smile, Stern said: "You mean that the courtesy you extend them doesn't apply to the examiner?"—bringing gleeful snickers from hearing room audience. Holtz ended with declaration that Stern's decision could be a "landmark, a touchstone."

* * * *

WKAT counsel Paul Porter insisted that pres. A. Frank Katzentine did everything he could "to protect FCC processes" when he and his friends contacted ex-Comr. Mack and Congressmen in effort to persuade Mack "to vote on the merits." Porter's plea was a climate-of-the-times approach, saying in effect that Katzentine did what the "mores of the community" demanded in attempting to nullify efforts being made on behalf of National Airlines. "If he'd gone to the Justice Dept.," Porter said, "he prob-

ably wouldn't have got past the front door." He said it would be "unrealistic" to apply an "ex post facto" condemnation to Katzentine.

L. B. Wilson counsel Paul Segal, agreeing that National's CP should be declared dead, went on to say that WKAT's argument seems to be this: "It may be wrong to fix a case, but it's not wrong to unfix a case." Such argument, he said, "is adolescent." As for North Dade Video, he lambasted "the intrinsically incredible testimony of Bob Jones." He was referring to pro-North Dade document which ex-FCC Comr. Robert Jones said he had given Comr. T. A. M. Craven after Ch. 10 final decision was rendered. Segal claimed the document just didn't have the appearance of one tendered for "academic" purposes, as Jones said it was.

Judge Stern appeared quite dubious about Segal's claims, stating that there was no evidence that Jones' document was presented before the decision. Regarding Jones' efforts to get Congress to block grants of TV franchises to airlines, Stern said there was nothing "clandestine" about the efforts; that "suspicion doesn't take the place of facts."

Nathan David, arguing for North Dade, emphasized that none of his principals attempted to contact commissioners; that Jones' efforts on Capitol Hill "didn't try to focus the attention of Congress on the case, as such"; that Craven couldn't have voted because he'd served as engineering consultant to Storer Bestg. Co., which had been involved in case at one time.

* * * *

National Airlines counsel Norman Jorgensen went further than ever to disassociate his principals from Thurman Whiteside, the attorney who had interceded with Mack. He admitted that National sought to hire Whiteside. However, he said, when Whiteside declined to become counsel, he went on to play several sides of the fence. Jorgensen asserted that Whiteside not only made a pitch for National but at same time sought to persuade Katzentine that he was "unpledging" Mack from National. Jorgensen said Whiteside did this to get insurance business from National and to get Katzentine to grant concessions in a certain "Foster Trust case," in which Whiteside and Katzentine were opposing counsel.

Jorgensen wrapped up his argument with a big blast at Justice Dept. "The Justice Dept.," he stated, "was in haste to get an Administration face-scrubbing before the public and to restore its prestige." Justice Dept. attorney Robert Bicks said Dept. would rest on its brief, and he offered no oral statement.

Reporters asked Judge Stern if he would preside at any more "influence" hearings such as upcoming Boston Ch. 5, which presumably FCC will designate for hearing by Dec. 15. Stern declined to answer either way, leaving distinct impression he may well handle more. Until end of year, however, he expects to be heavily occupied as vice chairman of a special Pa. committee considering revision of State's constitution. He's retired chief justice of State Supreme Court.

TV Prober Praises It: Chairman Harris (D-Ark.) of House Commerce Committee and its legislative oversight subcommittee (see pp. 1 & 5) thinks American TV system is "best & freest yet devised." In National TV Week statement released by NAB he pointed to TV's "potential for the future welfare of this nation and other nations," predicted that "more & more TV will become a medium not only of entertainment but of information & education."

Laws For a Code of Ethics: New legislation, providing penalties for violations, are a "must" if influence-peddling is to be curbed, according to David W. Peck, former presiding justice of N. Y. Supreme Court appellate div., representing American Bar Assn. Participating in Nov. 18-19 panel discussions before Rep. Harris' investigative subcommittee (p. 1), he stated:

"The only problem really is in defining the type of proceedings in which a code should apply. In their legislative and executive operations the members and staffs of the agencies should be approachable by citizens and by public officials. The difficulty of definition is that there is not always a sharp line between a legislative or executive function on the one side and a judicial function on the other. But the possible nicety of distinction is no excuse for failing to reach a definition of the area in which a code should be applicable."

He suggested that code apply to all proceedings "where the agency is determining, as between contending parties, public or private, any right, privilege, license, obligation, liability, sanction or status of a person or persons."

Written *ex parte* communications, Peck said, should be returned to senders "with due reference to the code" and copies placed in public file. In case of oral pitches: "The speaker should be advised at the outset of the violation involved and the conversation should be quickly terminated. If the speaker should persist, the agency official addressed should make a fair written summary of the conversation and place it in the public file, with notice to all interested parties."

Thereafter, Peck said, "an adequate opportunity should be afforded all interested persons to make seasonable reply to any *ex parte* communications. But all such communications should be ignored in considering a case."

Punishment: "Violations could well be made a crime with appropriate penalties; lawyers could be barred from practicing before the agency; and sanctions such as a denial of standing or recognition of any asserted claim or interest might be invoked against any principal in whose behalf the code was violated."

Indianapolis Retake: New FCC vote on Indianapolis' Ch. 13, now occupied by Crosley's WLWI, will be made without Comr. Craven, who bowed out of case as Commission scheduled oral argument (with Crosley & WIBC as competitors) in compliance with Court of Appeals order (Vol. 14:39, 42). Commission also granted Crosley's request for authority to continue operating pending new decision, turned down WIBC's petition for joint operation by the 2 contestants. Court had vacated CP on grounds Craven shouldn't have voted to break 3-3 tie because he hadn't heard oral argument. Court didn't rule on charge that Craven was further disqualified from voting because he had been engineering consultant for WIRE (now out of the case) before joining FCC. This week, Craven stated flatly that he won't participate again, not even if there's another deadlock—unless courts say he can. Originally, gen. counsel Warren Baker had advised him it was his legal duty to vote. In one of this week's orders in the proceeding, Craven's colleagues stated: "The Commission desires to express the high regard which it holds for Comr. Craven's irreproachable character and unimpeachable integrity." With Craven out of picture, Comr. Doerfer remains sole member who voted for Crosley. Mack & McConnaughey are gone; Hyde, Bartley & Lee voted against Crosley. Ford & Cross will be able to vote after hearing oral argument—date not yet set.

Retreat in Manitowoc: A forlorn rebel surrendered—and all was quiet again this week on the rarely-breached broadcasting-liquor industry front set up voluntarily at Prohibition's end to guard the air against whisky commercials.

In Manitowoc, Wis. owner-mgr. Francis M. Kadow of 250-watt radio WOMT pulled down his liquor rate-card flag. He had hoisted it last month, stirring up some excitement in industry but winning no radio or TV recruits for his revolt against broadcasting tradition—and no liquor accounts, either (Vol. 14:43-44).

Kadow signaled his retreat in WOMT's *Station Breaks* house organ, proclaiming in "Notice to Interested Parties" that:

"We have reversed our position on the acceptance and the broadcast of 'HARD LIQUOR' advertising on WOMT.

"I can give you any one of 60 or more reasons for the change of our position in this matter. However, the one re-occurring argument advanced by interested parties who are not in radio broadcasting industry but who were interested in what we proposed to do and that was—

"Such advertising as we proposed to carry is all right in magazines & newspapers, as these mediums do not have the absorption, persuasiveness or the impact of radio."

"Re-evaluating our medium, it maybe is for the best interests of all that the great force of radio be kept in restriction.

"It's unfortunate that the 5 words in our rate card No. 25 ['All alcoholic beverage advertising accepted'] were blown to the proportions they were."

* * * *

Kadow put it more succinctly to us. Just before he publicly conceded defeat he said: "If I give this thing up, it will be for only one reason. It will be because liquor

advertisers aren't interested. And if they're not interested, why should we be?"

He told us that station boycott voted by group of local clergymen in protest against his bid for whisky sponsors "didn't amount to a hill of beans," that WOMT had lost no accounts or known listeners because of it. He also said he has no intention of making peace with NAB, from which he resigned after pres. Harold E. Fellows accused him of "selling his birthright for a \$20 bill." But he admitted unhappily that his liquor-revenue cause got nowhere.

NAB's TV & radio code committees haven't deigned to acknowledge that any threat to their self-regulating rules against whisky commercials had been raised by the minor furor caused by Kadow. They called no emergency meetings, didn't even bother to reaffirm codes. And—as expected—Distilled Spirits Institute board, meeting in regular session this week in N. Y., acted to keep its own TV-radio liquor ad ban intact in revised voluntary regulations, which were relaxed to permit illustrations of women in ads.

At week's end, the quiet on the liquor front nationally was disturbed anew only by a fringe movement. Bottlers of Schweppes soda, thru Ogilvy, Benson & Mather, were proposing radio commercials which would suggest that Schweppes goes good in such combinations as gin-&-tonic. Agency said it had had "heavy" response from stations willing to accept such commercials. But no final decision on campaign was reported.

* * * *

Note: FCC sentiment—both at high & low echelons—on TV-radio acceptance of liquor commercials, which has been agitated by only one trade paper, is epitomized by FCC Comr. Hyde's remark: "I think the broadcasters have more sense than that" (Vol. 14:44). However, Comr. Lee said Nov. 15 on *Closetup* panel program on KMOX-TV, St. Louis, that he'd have no objection to such commercials so long as they're presented at "suitable time" and "in good taste." Lee emphasized this was his opinion, not FCC's.

TV—Only Bright Spot: All national media except network TV dropped in Sept. from Sept. 1957 levels, general decrease of 19% for month being offset only by TV's 4% gain, according to *Printer's Ink's* National Advertising Index. For 9 months of 1958, while cumulative index for all media was down 4% from same period last year, network TV gained 11%, only other medium in plus column being direct mail, up 4% for first 8 months, Sept. figures not available. Network radio was off 18% in Sept. from Sept. 1957, magazines 12%, newspapers 17%, business papers 11%. PI Index doesn't include estimates of TV or radio spot. These are figures for Sept. & Jan.-Sept.:

| Medium | Index Sept. 1958 | Sept. 1957 | % change from 1 month ago | % change from 1 year ago | % cumulative change |
|--------------------|------------------|------------|---------------------------|--------------------------|---------------------|
| General Index | 175 | 215 | -12 | -19 | -4 |
| Total Magazines | 145 | 165 | -4 | -12 | -7 |
| Weekly | 163 | 189 | -6 | -14 | -8 |
| Women's | 107 | 131 | -4 | -18 | -8 |
| General Monthly | 175 | 176 | +2 | -1 | -4 |
| Farm | 87 | 108 | 0 | -19 | -19 |
| Newspapers | 182 | 220 | -1 | -17 | -10 |
| Network Television | 399 | 383 | -2 | +4 | +11 |
| Network Radio | 27 | 33 | +13 | -18 | -6 |
| Business Papers | 199 | 224 | +5 | -11 | -7 |
| Outdoor | 150 | 154 | -8 | -3 | -2 |

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change, from same period last year, of the index average from Jan. through Sept. 1958. Direct mail index for Sept. is not available.

'ABC-TV Has Come of Age': Network maturity has been reached by ABC-TV, pres. Oliver Treyz assured 125 executives of primary affiliates at fall meeting this week in N. Y. He and other network officials, developing "ABC-TV Has Come of Age" theme, boasted that: (1) "Average evening commercial program" this season has 1,500,000 more homes in viewing audience than last season. (2) Commercial hours sold this year total 48 vs. 27 in 1957-58 season. (3) More sponsors are on ABC-TV—63 now vs. 50 year ago—than ever before. (4) "Operation Daybreak" is 95% sold. (5) More evening programs lead in their time periods. (6) New shows will be added to schedule in spring. Participants in presentation of ABC-TV success story included John Daly, v.p.-news; Thomas W. Moore, v.p.-programming; Wm. P. Mullen, v.p.-sales; Donald W. Coyle, v.p.-gen. sales mgr.; Alfred R. Beckman, v.p.-station relations.

TV Critics Hit Again: CBS-TV pres. Louis G. Cowan, who recently lit into newspaper derogators of TV in speech to Pittsburgh Ad Club (Vol. 14:38), resumed his counterattack this week. He told Minneapolis Ad Club that columnists who sneer that TV is geared to 12-year-old mentalities don't know what they're talking about. He said he welcomes "responsible criticism" by press of TV programming, but that he knew of "no feeling on the part of anybody" in industry that presumes viewers have low mentalities.

Valuable Marketing Guide: Vital statistics on 7 major media—newspapers, magazines, farm papers, network TV, spot TV, business papers, outdoor—with analyses of their respective status and trends are provided in 346pp. *Advertisers' Guide to Marketing for 1959* released by *Printers' Ink* as Section 2 of its Oct. 31 edition (635 Madison Ave., N. Y. \$2.50). It's the most comprehensive such compilation yet produced, valuable alike for evaluating respective media and charting media use trends. Unlike the monthly *Printers' Ink Index*, prepared in collaboration with McCann-Erickson Research Dept., the media covered do not include huge direct mail (1957 volume estimated at nearly \$1.5 billion). Breakdowns for radio (total SRA-estimated 1958 volume \$576,000,000) also aren't carried.

Figures are devoted to the all-important \$1,000,000-or-higher national advertisers, for main part, and the top 10 for all media in 1957 are shown as: General Motors, \$104,066,030; Procter & Gamble, \$90,511,850; Ford Motor, \$68,652,181; Chrysler, \$58,725,019; Lever Bros., \$43,482,670; General Foods, \$41,759,576; Colgate-Palmolive, \$40,558,614; American Home Products, \$28,564,219; General Electric, \$27,761,387; R. J. Reynolds, \$25,748,112. The "100 top" are further tabulated, total as well as by media, as are the 383 "millionaires" which in 1957 invested a record total of \$1,970,728,000, up 8.1% from 1956 and representing 63% of all the advertising in the measured media.

Listed, too, are the leading network TV, spot TV and radio advertisers—all figures previously released by their respective trade associations and generally published in the trade press but here put together in one volume and ready-reference format for first time.

Wm. S. Paley, CBS chairman, Wm. S. Hedges, NBC v.p. for general services & Carl Haverlin, BMI pres., given special awards Nov. 20 by N. Y. chapter of Broadcast Pioneers for contributions to radio & TV.

Fabulous British TV Growth: As if to underline our analysis of commercial TV development in Britain—which showed that it now reaps 47% as many advertising dollars as whole newspaper-magazine field, compared with 27% in U. S. (Vol. 14:42)—one of the 10 commercial contractors has issued report showing what the increase has meant to individual investors. Associated TV Ltd., releasing plan covering conversion of stock, showed that chairman Prince Littler's \$2500 investment increased in value to \$560,000; deputy chairman (ex-BBC program chief) Norman Collins' \$6300 to \$1,404,900; managing director Val Parnell's \$2800 to \$624,000. Firm lost money first year, achieved \$560,000 profit second year, \$10,262,000 last year, is expected to exceed \$14,000,000 in 1958. Independent TV Authority, which oversees commercial operations, is seeking a second commercial channel to cover the country; if it's authorized, additional contractors will be selected. [For directory of the 10 contractors, with officers, addresses, etc., see *TV Factbook No. 27*, p. 310.]

Network TV evening audience increased 8% in first 10 months of 1958 compared with same 1957 period and the gain in daytime viewers was 9%, TvB reports on basis of Nielsen ratings. Evening programs in Jan.-Oct. this year reached average of 620,000 more homes than in Jan.-Oct. 1957, weekday daytime programs reached 276,000 more homes, according to TvB.


ITC has contracted with *Saturday Evening Post* for 39 half-hour film shows; producer is Robert J. Enders.

ADVERTISING AGENCIES: J. R. Pearshall becomes pres., Charles Dallas Reach is chairman of Reach, McClinton & Pearshall, formed from merger of Reach, McClinton, N. Y. & J. R. Pearshall Co., Chicago . . . Edward L. Bond, Young & Rubicam v.p., promoted to head of contact dept., succeeding Harry Harding, recently named exec. v.p. . . . Howard Shank, ex-Benton & Bowles v.p., named v.p. of Grey Adv., succeeding Arkady Leokum, retired . . . Harry Wayne McMahan resigns as v.p. of Leo Burnett Co. to set up Cupid Inc., production firm, with producer Jerry Fairbanks . . . Christy Walsh, ex-Ted Bates, joins Ogilvy, Benson & Mather to head new Hollywood office to be opened in Feb. . . . Henry L. Hayden, ex-Buchanan & Co. exec. v.p., joins Norman, Craig & Kummell, N. Y. . . . Paul E. Mathias resigns as BBDO v.p. to join F. L. Bradflure & Sons as v.p. . . . Herb Zeltner promoted to v.p. & asst. media director, Lennen & Newell . . . Harold Davis, Grey Adv. v.p., named asst. to pres. Arthur F. Fatt . . . Alfred C. Gary heads new Dallas office of Kenyon & Eckhardt (Meadows Bldg.) . . . Edward W. Karthaus promoted to v.p. of Erwin Wasey, Ruthrauff & Ryan . . . Shelley Hull, ex-Henry Jaffe Enterprises, joins Ted Bates Hollywood office as a production supervisor . . . Paul Keller named research director of Reach, McClinton & Co., succeeding Edward Stover, now handling special national research projects . . . Peter A. Cavallo Jr., resigns as v.p. of TV-radio dept. of D'Arcy Adv., Chicago, planning to go into radio station operation . . . Walter O. Wegner, ex-A. C. Nielsen Co., named marketing-research director, Cortez F. Enloe Inc.

Lee H. Bristol, chairman of Bristol-Myers, and Lewis Gruber, pres. of Lorillard, both pioneers in radio & TV advertising, will be honored for outstanding contributions to American advertising at testimonial dinner by adv., publishing & communications divs. of Federation of Jewish Philanthropies Dec. 4 in the Waldorf-Astoria, N. Y.

Instantaneous TV rating systems such as American Research Bureau's "Arbitron" and Nielsen's upcoming "Audimeter" (Vol. 14:44) are mixed blessings to programmers & sponsors, NBC research director Dr. Thomas E. Coffin told 3rd annual seminar of Broadcasters' Promotion Assn. in St. Louis this week. In slide-illustrated address on "By the Numbers" at 3-day session, Dr. Coffin showed how varied rating techniques operate to provide "a yardstick—and only one yardstick" of program values. And new instant ratings, he said, share with older systems "both the promise of new understandings and the danger of new confusions. The very fact of their immediacy & excitement tempts people to jump on their horse and ride off in all directions." In another key speech to 225 station promotion executives attending BPA meeting, Westinghouse stations pres. Don McGannon warned that "broadcasting, as the branch of show business that reaches most people most often, lives in a world of criticism"—with newspaper competitors as chief critics. He urged broadcasters to use own promotional facilities to build "corporate image" of TV & radio as the "dynamic sales media [which] can market products more efficiently & more economically than any other media."

Rate increases: WRGB, Schenectady, Sept. 1 added Class AA hour (7:30-10:30 p.m. daily) at \$1250, min. at \$225 (no discount on spots), Class A hour remaining \$1100. KUTV, Salt Lake City, Nov. 1 added Class AA hour (6:30-10 p.m. daily) at \$650, min. at \$180, Class A hour going from \$600 to \$450.

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|  <p>Television Digest with ELECTRONICS REPORTS WYATT BUILDING, WASHINGTON 5, D. C.</p> | <p>MARTIN CODEL, Publisher ROBERT CADEL, Bus. Mgr. ALBERT WARREN, Senior Ed. WILLIAM WIGHT, Managing Ed.</p> |
| | <p>Associate Editors: WILBUR H. BALDINGER PAUL STONE WM. J. McMAHON Jr. ANNE G. BJARBU</p> |
| <p>Weekly Newsletters Published Saturdays Television Factbooks Published in March & September AM-FM Directory Published in January TV and AM-FM Addenda Published Weekly Copyright 1958 by Television Digest, Inc.</p> | |

Personal Notes: Harvey Struthers, recently gen. mgr. of CBS's discontinued uhf WHCT, Hartford, soon to be revived by ex-WNHC-TV gen. mgr. Edward D. Taddei (Vol. 14:46), named director of station services for CBS-TV stations div., effective Dec. 8, serving as liaison between stations and that div., headed by v.p. Craig Lawrence, also between stations and CBS network, engineering, building & construction, labor relations, etc. . . . Lamont L. (Tommy) Thompson, onetime FBI agent, ex-CBS-TV Spot Sales in Chicago & N. Y., recently sales mgr. of WHCT, Hartford, named director of newly established client relations dept. of Spot Sales in N. Y.; Sherman Adler, onetime WMCT, Memphis, promoted from account exec. to Chicago director of same dept. . . . Davidson Taylor, who has been public affairs v.p. of both NBC & CBS, has been appointed consultant to the Lincoln Center Committee of the N. Y. Public Library to work on plans for a Library Museum of the Performing Arts . . . Leonard H. Goldenson, AB-PT pres., reelected chairman of United Cerebral Palsy Assns., which he helped found in 1950 and served as pres. for 5 years . . . Patricia Ann Lee, daughter of FCC Comr. Robert E. Lee, married Nov. 22 to Army Lt. Martin C. Fisher, Yorktown, Va., stationed at Ft. Belvoir, Va. . . . Halsey V. Barrett, ex-TvB director of national sales, named TV business development mgr. of rep Katz . . . Harold A. Dorschug, ex-WHCT, Hartford, named engineering director of WTIC-TV & WTIC, also Hartford . . . John Esau, ex-gen. mgr. of KWWL-TV, Cedar Rapids, named eastern sales mgr., Norman J. Ostby, ex-MBS, west coast sales mgr., of Jack Wrather's Programatic Bestg. Service Inc. (automation programming system) . . . Warren L. Braun,

Broadcasters' Promotion Assn. at St. Louis convention (see p. 8) elected: Charles A. Wilson, adv. & sales promotion mgr. of WGN-TV, Chicago, as pres. to succeed Elliott W. Henry Jr., ABC western div. publicity & promotion director; Gene Godt, WCCO-TV, Minneapolis, first v.p.; Burt Toppan, WTVJ, Miami, 2nd v.p. New directors for 3-year terms: Janet Byers, radio KYW, Cleveland; Harvey Clarke, radio CFPL, London, Ont.; L. Walton Smith, WROC-TV, Rochester, N. Y.; Austin Heywood, KNXT, Los Angeles. BPA board named Don B. Curran, KTVI, St. Louis, as director to fill out 2 years of term of Ed. M. Morrissey, KIMA-TV & KIMA, Yakima, Wash., resigned.

More electees to public office from the broadcasting industry (Vol. 14:45): J. B. Fuqua, owner of WJBF, Augusta, Ga. (Ch. 6), elected in field of 4 candidates to full 2-year term in Georgia House of Representatives, where last term (he was first elected in 1957 to fill an unexpired term) he was actively identified with administration of Gov.-elect Ernest Vandiver. Ray T. Miller Jr., pres. of radio WERE, Cleveland, elected State Senator. Raymond Motley, commercial mgr., WMOH, Hamilton, O., elected to Ohio General Assembly.

asst. gen. mgr. of Transcontinent's WSVA-TV & WSVA, Harrisonburg, Va., adds duties of engineering director . . . Hal Chase, onetime gen. sales mgr. of KNTV, San Jose, also ex-MCA-TV Ltd., promoted to San Francisco office mgr. of H-R Representatives, succeeding James Alspaugh, now H-R radio sales mgr., N. Y. . . . F. Greer Parkinson, ex-program chief of WBNS, Columbus, named mgr. of Hearst's radio WCAE, Pittsburgh . . . Mitchell S. Cutler, 1958 George Washington U Law School graduate, joins Washington firm of Welch, Mott & Morgan . . . Charles F. Holden, ex-Hollywood CBS-TV, named production mgr., Videotape Productions of N. Y. . . . Albert S. Goustin, ex-Ziv, named director of sales of Paramount TV Productions and Paramount Sunset Corp., TV subsidiaries of Paramount Pictures . . . John P. Rohrs, ex-Gross-Krasne, MCA-TV & Pearson reps, appointed central div. mgr. of Telestar Films . . . Sidney G. Deneau, western sales mgr. of Paramount Film Distributing, named also a v.p. . . . Dan Chamberlain, ex-MGM-TV, named special public relations projects coordinator of Colgate & Co. . . . Walt Plant resigns as eastern div. mgr. of Independent Television Corp. to form own Hollywood production firm . . . Burton I. Lippman promoted to NTA comptroller, succeeding Leonard S. Holstad, resigned . . . Carl A. Russell, ex-Ziv & WBKB-TV, Chicago, named ITC mgr. of regional sales, headquartering in Chicago but reporting directly to pres. Walter A. Kingsley.

Obituary

Edward Harvey Long, 60, treas. of Huntington Publishing Co. (*Huntington Herald-Dispatch and Advertiser*) and its subsidiary WSAZ Inc. (WSAZ-TV & WSAZ), died Nov. 18 of cancer. His brother Walker is secy. of the firm and father-in-law of Lawrence H. (Bud) Rogers II, pres. & gen. mgr. of the stations and active in TV industry affairs. Among survivors are widow and father, Col. J. H. Long, latter now over 95.

Sydney B. Loewenberg, 47, until a few months ago v.p. of Joseph Katz Adv., died Nov. 18 at Phelps Memorial Hospital, Croton-on-Hudson, N. Y. Surviving are widow, 2 sons.

M. L. Nelson, 49, managing news editor of WHO-TV & WHO, Des Moines, died of a heart attack Nov. 16.

FCC chairman John C. Doerfer, just returned from international conference in Geneva, is so full of information about European TV that he couldn't help telling colleagues about it in meeting this week, finally leading Comr. Robert E. Lee to josh: "John, we're going to have to set aside an afternoon for you to talk. Until then, please hold off." Doerfer will participate in "First Institute on Practical Problems Before Administrative Agencies" Dec. 11-12 at Mayflower Hotel, Washington, as member of panel on "Conduct of Administrative Proceedings—Pre-Trial Discovery Role of the Examiner." On Feb. 4, he addresses Radio & TV Executives Society of N. Y.

Freeman F. Gosden, the "Amos" of radio's famed *Amos 'n' Andy* team, now living in Beverly Hills, Cal., has been named by President Eisenhower, along with Secy. of State Dulles, Milton Eisenhower and 6 other delegates, as U. S. representatives attending Nov. 28 inauguration of Mexico's new President Adolfo Lopez Mateos in Mexico City.

TvB board of directors upped 1959 budget to \$940,000 from this year's \$860,000; elected as v.p.'s: George Huntington, gen. mgr.; John Sheehan, sales; Howard Abrams, retail sales; Leon Arons, research.

Drumbeatniks and Hucksters: Latest of the crop of novels relating to advertising (Vol. 14:41), *The Insider*, by Ellington & Co. v.p. James Kelly, published by Holt, has drawn critical acclaim from *Time*, which says it's "several grades better [than] other ad fictioneers" and from *Saturday Review*, which says it's "by a wide margin, the best of the current crop of Madison Avenue exposes." It's about an adv. agency heel on a drug account, married to the client's daughter, who gets caught up in the huckstering maelstrom, cheats on his wife, is written off by his father-in-law, is found expendable by the agency. And add to the TV-background novels previously reported on—*The Hot Half Hour* by BBDO's Robert Foreman (Criterion Books) and *The Merger*, by ABC Chicago v.p. Sterling Quinlan (Doubleday)—these other new stories about admen, stimulated perhaps by Frederick Wakeman's 1946 hit *The Hucksters: The Detroiters*, by Harold Livingston ex-D.P. Brothers Co., about frenzied admen for the auto industry (Houghton Mifflin); *A Twist of Lemon*, by Edward Stephens, of Dancer-Fitzgerald-Sample, about what *Time* calls "drumbeatniks" (Doubleday); *The Admen*, by Shepherd Mead, ex-Benton & Bowles (Simon & Schuster). The public relations field is setting for 2 other new novels: *Pax*, by Middleton Keifer, ex-Charles Pfizer & Co. (Random House) and *A Really Sincere Guy*, by Robert Van Riper, of N. W. Ayer & Son (McKay). Note: Both the Foreman and Quinlan novels have been purchased for Broadway production, with movie plans under way also. Hollywood writer-producer Alex Gottlieb has been engaged to do a play of *The Hot Half Hour*, and producer John Wildberg has taken over *The Merger*. Wildberg reports that a play with similar theme to Quinlan's, titled *Any Other Business*, is a current hit in London.

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Andrew G. Haley, Washington TV-radio attorney who has pursued rocketry as a hobby and sideline business for some 20 years, is author of *Rocketry and Space Exploration: The International Story*, being published Dec. 18 by Van Nostrand (288 pp., \$6.75). It's history of rocketry from beginnings in medieval China to present-day missiles, forecasts rockets eventually propelled by ions, also manned satellites. Onetime pres. of American Rocket Society, Haley is currently serving second term as pres. of International Astronautical Federation.

Another starter on booklists is *So Early in the Morning* by Jack Sterling (with Wm. C. Vance), who runs 5:30-9 a.m. show on CBS's N. Y. radio WCBS (Crowell). No fictional expose, it's engagingly-written story of Sterling's life (and sometimes tough times) in broadcasting, starting in 1939 at WMBD, Peoria.

Lee Cooley, exec. director of programming, KTLA, Los Angeles, ex-producer of *Perry Como Show*, has written a first novel, *The Run for Home*, based on his experiences in the merchant marine; published by Doubleday.

Attack on XETV, Tijuana, Mex. (Ch. 6) for advertising itself as identified with San Diego area was made by KFMB-TV, San Diego (Ch. 8) in letter to FCC, asking that Commission start action to revoke ABC-TV's permission to "locate, use or maintain a broadcast studio or other place or apparatus in the U. S. for the production of programs to be transmitted or delivered" to XETV.

Alfred I. DuPont Awards nominations, to be announced in March, must be submitted by Dec. 31 to O. W. Riegel, Washington & Lee U, Lexington, Va. Peabody Awards nominations close Jan. 10, must be made to U of Georgia School of Journalism.

CBS Inc.'s European Setup: New foreign units of CBS Inc., CBS (Europe) SA, with headquarters in Zurich, and CBS Ltd., London, will be headed by Michael Burke as managing director, with Anthony C. Bartley as director of sales for CBS Ltd. Burke is the onetime U of Pa. All-America football player, who as a naval officer assigned to OSS during the war won both the Navy Cross and Silver Star for his exploits in German-occupied Italy & France. He has been director of CBS-TV network programs in London for last year. Both he and Bartley will sit on board of directors of CBS Ltd., other directors being Merle S. Jones, Richard S. Salant & Samuel Dean. Jones, pres. of CBS-TV stations div., will sit on board of CBS (Europe) SA with Dr. Paul Gmur, Swiss attorney, and Robert H. Lutz, of Swiss Credit Bank. Said Jones: "We have great faith in the growth and development of TV program sales in the British Isles and on the continent of Europe. These companies will be engaged in the licensing and distribution of CBS Films and other TV properties." The Swiss firm will also be interested in production of films for TV.

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Sweeping court ban on all news pictures or sound recordings of principals in Atlanta embezzlement trial—even on sidewalks & streets adjoining courthouse—has been protested by NAB pres. Harold E. Fellows. In telegram to Judge Durwood Pye, who imposed rule for trial of Ga. Revenue Comr. T. V. Williams on charges he stole \$46,928 in state funds, Fellows said: "Unreasonable limitations upon media of communications are inconsistent with the basic right of the people to full information." Protests also were filed with judge by Ga. Press Assn. & Sigma Delta Chi, while Atlanta Newspapers Inc. (WSB-TV) challenged rule in county appeals court. Earlier, NAB chief attorney Douglas A. Anello told Maine Radio & TV Broadcasters Assn. in speech on issue that "if the people demand a change" restrictions on TV-radio coverage of trials will be lifted. Anello said "giant steps towards this goal of equality" of broadcasters with press already are being taken by American Bar Assn. (Vol. 14:44) and some judges.

Is TV 'Gossip' News? Marie Torre, N. Y. *Herald Tribune* TV-radio columnist, is not a newspaper reporter but the conductor of a "gossip" department which doesn't qualify for "freedom of the press" privileges, U. S. Supreme Court was told this week. Asking dismissal of appeal by Miss Torre from contempt of court conviction arising out of \$1,000,000 defamation suit by Judy Garland against CBS (Vol. 14:44), singer's lawyer Lionel S. Popkin maintained in brief filed with Court that Miss Torre can't withhold source of derogatory comment about Miss Garland which was quoted in column. Popkin argued: "The press is in no danger because the writer of a 'gossip' column is required to state the name of the person who made libelous statements to her, which she in turn repeated." Moreover, said Popkin, such a columnist has no more "freedom of the press" protection from "testifying to a matter in litigation" than such other newspaper employes as linotypists or engineers.

Start of \$18,000,000 audio-visual research program set up by last Congress in National Defense Education Act (Vol. 14:46) was postponed this week pending appointment of 14-member advisory board. Office of Education had been scheduled to announce makeup of group representing National Science Foundation, public, teachers, communications technicians, etc., but selection of members wasn't completed.

New & Upcoming Stations: Week's status reports on new starters were highlighted by unexpected debut of satellite KALA, Wailuku, Maui, Hawaii (Ch. 7), which began Nov. 19 picking up NBC-TV from parent KONA, Honolulu (Ch. 2), 90 mi. distant. Also reported, belatedly, was demise of 10-month-old KTRX, Kennewick-Pesco, Wash. (Ch. 31), which left air Nov. 5. Dropout of latter leaves only 83 uhf stations still on air, less than half of those starting since freeze was lifted—but over-all on-air total remains 538.

KALA is named after Haleakala crater on which transmitter is located, has 2-kw RCA transmitter and GE antenna. Hitherto KMVI-TV, Wailuku (Ch. 12), owned by Walter Cameron, has been rebroadcasting KONA. KONA-KALA owners are *Honolulu Advertiser* (50%) and John D. Keating & J. Elroy McCaw (50%). KALA is sold as bonus to KONA, which has \$350 base hour. Rep is NBC Spot Sales.

KTRX left air after equipment failure, and present majority stockholder Dr. Phillip Berman states that financial problems and need for new transmitter "necessitated rushing through the proposed sale of the majority of the stock" to new owners, names withheld. Ben W. Roscoe is agent for buyers.

Next new starter is expected to be WGTE-TV, Toledo (Ch. 30, educational), with Nov. 27 target; also revived WWOR-TV, Worcester, Mass. (Ch. 14) is definitely scheduled to begin Dec. 1 (Vol. 14:45) as satellite of Wm. Putnam's highly successful uhf WWLP, Springfield (Ch. 22). Others with Dec. 1 dates are WKBW-TV, Buffalo (Ch. 7); WTOL-TV, Toledo (Ch. 11); KNOP, North Platte, Neb. (Ch. 2); KVKM-TV, Monahans, Tex. (Ch. 9); KOED-TV, Tulsa (Ch. 11, educational).

Pittsburgh's 2nd educational outlet on Ch. 16, granted to operator of WQED (Ch. 13, educational), has Jan.-Feb. target, writes gen. mgr. William C. Dempsey. GE transmitter has been ordered and 500-ft. Blaw-Knox tower will be used.

CHAB-TV, Moose Jaw, Sask. (Ch. 4) has ordered 6-kw RCA transmitter for delivery by end of year, plans programming "early in 1959," writes mgr. Sid Boyling for owner J. D. Moffat. Bids have been asked on studio-transmitter building and 440-ft. tower with 12-slot antenna will be used. Base hour will be \$200. Rep will be Television Representatives.

Single application for TV station filed with FCC this week was for Ch. 8, Greensboro-High Point-Winston-Salem, N. C. by Southern Bestrs. Inc., owned by principals of WTOB, Winston-Salem (who also own 80% of WAPA-TV, San Juan, P. R.; off-air uhf WTOB-TV, Winston-Salem; WSGN, Birmingham, Ala. and 50% of Ch. 42 grantee there) and by owners of off-air uhf WNAO-TV, Raleigh, N. C. Both groups would dispose of their present TV holdings upon grant of this application. Applications for new TV stations pending now total 90 (23 uhf). [For details, see *TV Addenda 27-L*.]

Experimental vhf booster, sought by WTEN, Albany (Ch. 10) for No. Greenbush, N. Y. (Vol. 14:45), shouldn't be granted until FCC finishes its inquiry on boosters, translators, etc., Assn. of Maximum Service Telecasters urged in statement to Commission this week. However, AMST said, if FCC doesn't want to defer granting the 500-watt co-channel booster, it should require WTEN to provide a "firm safeguard against interference" and get permission of co-channel WJAR-TV, Providence (Ch. 10).

Indifference to Conelrad exercises, displayed by some broadcasters who are "annoyed" by national defense demands on their stations, was scored by FCC Comr. Lee in speech to Missouri Broadcasters Assn. in St. Louis. He said he's "pessimistically confident" that many station operators haven't read Communications Act, don't know that "public interest" requirement carries obligation to cooperate with Govt. in national defense. "With their licenses safe for 3 years," Lee said, "they turn their full attention and resources to the making of as much money as they can in the shortest time possible consistent with minimal public interest standards." He warned that license renewals are "contingent upon their operating in the public interest [including] cooperation with duly constituted authorities in responsible defense planning."

Translator power ceiling was raised from 10 to 100 watts this week effective Dec. 26, FCC finalizing rule-making as expected—no opposition having been raised (Vol. 14:46). Large number of applications is expected from both existing translators and new applicants. Commission also granted 2 new translator CPs: Ch. 80, Spirit Lake, Ia., to Spencer Area TV Inc.; Ch. 83, Palmerton, Pa., to Upper Lehigh Translator Service Corp. Palmerton grant is conditioned on termination of operations in event regular station begins on any channel too close from engineering standpoint.

St. Louis Ch. 4 & Ch. 11 status remained unchanged this week, as U. S. Supreme Court denied writ of *certiorari* to St. Louis Amusement Co., one of original 5 Ch. 11 applicants. FCC had ruled applicant had defaulted by failing to participate in hearing; Court of Appeals agreed—and so does Supreme Court. St. Louis Amusement still has pending before FCC its charges that CBS engaged in attempted "influence" when Tex McCrary asked Commission members about status of case before decision was reached (Vol. 14:42). CBS won Ch. 11, transferred it to 220 TV Inc., bought KWK-TV (Ch. 4), now KMOX-TV.

Martha Rountree is selling her 50% interest in WKTF, Warrenton, Va. (5-kw D, 1420 kc) for \$30,000 to Dr. Fred J. Crescente, Paterson, N. J. physician and real estate investor, according to application filed with FCC this week. Sportcaster Harry Wismer recently acquired other 50% (Vol. 14:27), Rountree Productions Inc. and columnist Ruth Montgomery each selling Wismer 25%. [For week's other radio station sales & transfers, see *AM-FM Addenda UU*.]

Ted Oberfelder, ex-WCAU & WFIL, Philadelphia and WJZ & WABC-TV, N. Y. has sold his 25% interest in WKIX, Raleigh, N. C. (850 kc, 10-kw D, 5-kw N, ABC), along with holdings of Norman Glenn, publisher of *Sponsor*, and Louis Randell, N. Y. theatrical attorney; purchasers, for reported \$125,000 plus assumption of indebtedness, are gen. mgr. Hugh Holder, owner James Stephenson of WFVG, Fuquay Springs, N. C., et al.

FCC belatedly amended rules to comply with an old agreement with Canada providing that no U.S. uhf station be permitted to operate with more than 1000 kw within 250 mi. of border. FCC had inadvertently authorized several stations in Pa. to go to slightly more than 1000 kw—but they all reduced voluntarily upon informal notification by Commission staff. Ceiling is 5000 kw elsewhere in U. S.

Radio coordination procedures during national emergency, covering govt. users, are spelled out in new order IX-4 issued by Office of Civil & Defense Mobilization, which emphasizes that they don't affect private frequency users controlled by FCC. Text of new order is contained in Nov. 20 *Federal Register*.

FEWER MAKING TVs, MORE MAKING RADIOS-PHONOS: Time was -- and not so long ago -- when there were more than 90 U.S. companies in the business of making TV sets. Our Television Factbook No. 16, issued in Jan. 1953, listed 93, although admittedly some were merely assemblers who scarcely merited the name of manufacturer. There's been a steady attrition since, until the current TV Factbook No. 27, off the press last Sept., lists but 38 in the U.S., 15 in Canada (p. 461).

TV industry may never get down to "Big Three" -- like automobiles -- nor does there seem to be any serious threat yet of TV receiver imports, but there's no denying that a few big makers will soon dominate the market. In "guesstimating" 1958 TV production by the major manufacturers for us last Aug. (Vol. 14:31), TV-electronics financial consultant Edgar N. Greenebaum, of Chicago, figured that 11 companies will account for about 90% of TV production this year.

Trend toward concentration was highlighted last week by Hotpoint's withdrawal from highly competitive, low profit TV business after a 2½-year effort to make dent in the market (Vol. 14:46). Recent demise that also comes to mind was pioneer set & tube manufacturer DuMont Labs, which gave up its lines of consumer products last July (Vol. 14:27), selling its TV & hi-fi business to Emerson where they are now the "Cadillacs" of the Emerson lines and reportedly doing right well. And Magnavox just a few months ago abandoned its Sentinel & Spartan lines (Vol. 14:10).

Among other onetime big names that have gone out of TV are Arvin, Capehart-Farnsworth, Fada, CBS-Columbia, Crosley, Hallicrafters, Kaye-Halbert, Raytheon, Spartan, Stewart-Warner, Stromberg-Carlson, Tele-Tone.

Bucking TV trend toward fewer companies are both radio & phonos. Our TV Factbook No. 27 (p. 473) lists 49 radio set makers (many of them overlapping with TV), 57 makers of hi-fi & standard phonos (p. 471), as complete a list as we know of. Yet we're sure there are many in burgeoning hi-fi field about whom we haven't heard yet. There's heavy foreign competition, too, in the phono field.

Two major diversification moves stand out prominently in news of the radio & phono trade this week. Delmonico International Corp. (Adolphe Juviler, chairman), big importer of West German and Japanese hi-fi sets and radios, which also does some assembling in this country, was acquired by the prominent engineering-architectural firm of Thompson-Starrett, N.Y. As an autonomous div. of Thompson-Starrett, we're told, Delmonico is in for major expansion, may add importantly to its already long lines of imported West German hi-fi brands.

Also branching out is Blonder-Tongue Labs, Newark (Isaac S. Blonder, pres.), big closed-circuit TV & equipment manufacturer, which announced it is entering the audio field for first time with a new FM-AM radio priced at \$64.50 to be offered through 100 franchised wholesalers with full line of tuners, amplifiers & speakers.

Motorola Breaks Price Barrier: First to raise prices this year, Motorola took the critical step Friday of this week by boosting prices on four basic models by \$10 & \$20. Said exec. v.p. Edward R. Taylor: "We are committed to high standards of quality in our lines. In recent months there has been increasing pressure from rising costs of materials and labor. An increase in prices was necessary to maintain our standards of performance and dependability."

Price increase has been long anticipated but nobody, apparently, was ready to take the initial step. Now, with the barrier broken, industry leaders we were able to reach at presstime expressed the opinion most major manufacturers would follow Motorola's lead promptly. Only one willing to be quoted, Philco v.p.-marketing Henry E. Bowes, said: "We're looking at the cost situation and studying possibility of an increase. I don't see how we can hold the price line much longer."

Latest Stirrings in Stereo: New EIA National Stereophonic Radio Committee, set up to recommend stereo broadcast standards to FCC -- just as did the National TV System Committee for both black-&-white and color TV -- is slated for formal organization at EIA's winter meeting in N.Y., Hotel Roosevelt, Dec. 4. It will be headed, as was NTSC, by ex-EIA pres., retired GE v.p. Dr. W.R.G. Baker, now research v.p. of Syracuse U. Chairman of all-important Systems Analysis Panel has not yet been found. This group will assign jobs to specific task forces.

"We will study all stereo systems including those which have been tried to date and several still in development stage," said Dr. Baker. "The best one may now be in existence or it may be a combination of several. After it has been approved by industry, we will present our choice to the FCC for approval."

Requisites of a suitable stereo system, according to Baker: (1) Compatibility so receiver can receive regular FM broadcasts as well as stereo. (2) Easy for the public to buy. (3) Not too expensive to operate.

Comprehensive industry representation is being sought for all panels. Every company which has a major interest in stereo will be invited to be represented on one or more panels. It's too early to tell who will be guiding lights on important panels and Dr. Baker says few acceptances have been received to date. EIA engineering dept. mgr. Virgil M. Graham will serve as secretary. Also, Murray Crosby, pres. of Crosby Labs, Syosset, N.Y., developer of a multiplex system, and Peter C. Goldmark, pres. of CBS Labs, have agreed to serve on the Systems Analysis Panel, along with Wm. J. Morlock, gen. mgr. of GE's technical products dept.

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Good examples of laymen's introduction to stereo are ad-laden 20pp. special section in Nov. 16 N.Y. Times, and 16pp. section in N.Y. Herald Tribune same Sunday. Former includes articles with headlines such as these: "Stereo: Eventually 90 Per Cent," "All at Once or Bit by Bit," "Battle of Decibels & Decor." Latter features: "The Stereo Story: Hi-Fi Hits a New High," "Stereo Tunes in to the Customer," "Q & A -- What Stereo Is, What It Does, How It Works," "For Wives Whose Husbands Are Married to Stereo." This is pattern of news (and advertising) coverage in other major dailies throughout country, stimulated by local hi-fi & stereo shows.

TV-Radio Production: TV output was 112,202 sets in week ended Nov. 15 vs. 111,554 preceding week and 138,831 same week last year. Year's 45th week brought year's total production to 4,290,305 sets vs. 5,549,641 last year. Radio production was 364,943 for week ended Nov. 15 (113,309 auto) vs. 344,204 (117,585 auto) preceding week and 390,435 (120,234 auto) same week last year. Radio production for 45 weeks was 9,614,982 (2,912,431 auto) vs. 12,033,125 (4,613,652 auto) last year.

DISTRIBUTOR NOTES: R. C. Hawley heads new Hotpoint distribution dept., Bellwood, Ill., under GE v.p. & Hotpoint gen. mgr. Wm. C. Wichman; it will run all 21 Hotpoint distributorships, staff including A. L. Lacey as mgr. of distributor sales administration; E. E. Pile, mgr., employe relations; J. M. Whelan, mgr., finance & operations; D. E. Bamford, counsel . . . Norton Spitzer, ex-Admiral Distributors, Chicago, named adv. & sales promotion mgr., RCA Victor Distributing Corp. there . . . **Hamburg Bros.**, Pittsburgh (RCA), elects Lester A. Hamburg pres., succeeding his father, Elmore A. Hamburg, now chairman . . . Admiral appoints Stratton & Terstegge, Louisville, for all consumer products, replacing Peaslee-Gaulbert Corp. . . . Hoffman appoints Cumberland Distributing Co., Nashville; Lolyngo Appliances, Jacksonville, for TV-radio-phonos . . . Hitachi (Japanese transistor radios) appoints Corwin Hall Distributing, Los Angeles . . . Charles Hakimian, ex-mgr. of Philco's Chicago factory branch, named gen. mgr. of Philco Distributors Inc., succeeded in Chicago by George R. Hickmon, promoted from district representative.

EIA formally protested to Labor Dept.'s wage & hour div. this week against a proposal by aircraft manufacturers and their unions to blanket missile workers in with aircraft workers under definitions of the Walsh-Healy Act. (Vol. 14:44). Reclassification of missile workers in electronics plants as aircraft workers just because they are working on missile guidance systems would substantially boost manufacturing costs of equipment for the defense program as well as civilian goods such as TVs, radios, etc. Said EIA: "The objective sought by Aircraft Industries Assn. and the unions, if attained, could add without any reasonable justification an estimated billion dollars a year to the cost of the national defense program. What they are asking the Dept. to do is to render a wage determination which would disrupt the wage structures in the manufacturing establishments of an industry wholly unrelated to aircraft production, but which is the prime source of guidance systems and other electronic equipment intended for govt. and commercial application. The net result of this scheme would be to increase tremendously the cost of making such systems and equipment."

Trade Personals: Charles P. Baxter, former v.p. & gen. mgr. of RCA Victor TV div., has established management consultant business as Charles P. Baxter Associates, 457 Derwyn Rd., Drexel Hill, Pa. . . . Bond Geddes, who retired in 1951 as RMA exec. v.p. and is still advisory counsel for EIA, has been discharged from Georgetown Hospital, Washington, where he was gravely ill for 3 weeks; now 75, he's confined to his home, 20 Grafton St., Chevy Chase, Md. . . . G. K. Bryant, marketing mgr. of RCA Victor TV div., promoted to special projects mgr., reporting to exec. v.p. P. J. Casella; A. Robert Baggs, ex-marketing mgr. of radio & Victrola div., named merchandising mgr., succeeding Justin L. Albers, now on special assignments. . . . A. B. Pollock, ex-RCA Bloomington (Ind.) plant mgr., named gen. mgr. of all RCA TV & radio-Victrola div. plants; F. R. Demmerly promoted to controller, P. R. Slaninka to personnel mgr., RCA consumer products administrative services units. . . . Gordon G. Hoit, Stromberg-Carlson exec. v.p., elected director at large of Empire State Chamber of Commerce. . . . Clark Lambert promoted to sales administration mgr., Olympic Radio, succeeding Sy Lipper, resigned. . . . Michael J. James promoted to sales mgr.-entertainment products, Philco's Lansdale Tube div. . . . J. E. Schoner, ex-Easy Laundry, named Admiral regional mgr. at Atlanta. . . . E. H. Hayes, chief engineer of Northern Electric Co.'s communications equipment div., Montreal, named director of planning, being succeeded by C. B. Woodley, ex-communications systems supt.

Max F. Balcom, retired chairman of Sylvania Electric Products, ex-EIA pres., named chairman of EIA legislative policy committee. Other members: Ben Adler, Adler Electronics; E. C. Anderson, RCA; Wm. F. Ballhaus, Northrop Aircraft Notronics div.; Roland M. Bixler, J-B-T Instruments; Sidney R. Curtis, Stromberg-Carlson; L. Berkley Davis, GE electronic components div.; Philip Dechert, Philco gen. counsel; J. B. Elliott, Tele-Dynamics Corp.; Robert W. Galvin, Motorola; H. Leslie Hoffman, Hoffman Electronics; W. F. Joyce, Texas Instruments; Robert C. Sprague, Sprague Electric.

ELECTRONICS PERSONALS: Rear Adm. Carl F. Stillman (USN ret.) joins General Instruments Corp. as head of new value engineering dept., overseeing defense production at its 7 plants from Brooklyn headquarters. . . . Dr. Wm. L. Everitt, U of Ill. engineering dean, elected pres. of Engineers Council for Professional Development, embracing the 8 major professional engineering societies. . . . Harry B. Henshell, director of Bulova research & development labs, named also exec. v.p. of parent Bulova Watch Co. . . . Henry F. Schoemehl, chief sales engineer, promoted to gen. sales mgr. of Hoffman Electronics Corp.'s semiconductor div., Evanston, Ill., Roy J. Herter becoming asst. director of marketing. . . . Albert E. Keleher promoted by Raytheon to new post of mgr. of marketing planning, govt. equipment div.; replacing him as product sales mgr., communications systems, is Raymond Kendall, ex-Motorola. . . . Richard D. Evans, ex-govt. sales mgr. for Sylvania's special tube operations at Woburn, Mass., named asst. technical liaison mgr. for Sylvania's Waltham Labs. . . . F. X. Rettenmeyer promoted to mgr. of Philco's new Space Communication Systems lab. . . . Frank S. Greene promoted to RCA market mgr., airborne systems dept. . . . E. S. Willis promoted to gen. mgr. of Erie Resistor's electro-mechanical div.

Obituary

George A. Long, 89, telephone pioneer, holder of many patents and inventor of first pay telephone, died Nov. 20 at his home in Bloomfield, N. J. He was founder-pres. of Gray Telephone Pay Station Co., which in 1939 became Gray Mfg. Co., Hartford (electronic equipment).

Dr. Ernst Weber, pres. of Polytechnic Institute of Brooklyn, elected 1959 pres. of Institute of Radio Engineers, succeeding Donald G. Fink, Philco research director. Donald B. Sinclair, v.p. & chief engineer of General Radio, West Concord, Mass., named v.p., succeeding Carl-Eric Granqvist, director of Svenska Aktiebolaget Gasaccumulator, Stockholm, New directors elected: Prof. Ferdinand Hamburger Jr., Johns Hopkins U, and Bernard M. Oliver, research & development v.p. of Hewlett-Packard.

TV & Radio Shipments: TV shipments to dealers in Sept. were ahead of Aug. but continued to lag behind the same month a year ago. EIA reports that Sept. shipments jumped to 663,073 sets vs. 499,857 in Aug. and 789,675 in Sept. 1957. First 9 months shipments totaled 3,498,118 sets vs. 4,249,775 for the same 1957 period. Radio shipments for first 39 weeks of 1958, ending Oct. 3, were 5,182,851 vs. 5,844,280 in same 1957 period. First 9-mo. TV-radio shipments by States:

| State | TV | Radio | State | TV | Radio |
|------------|---------|---------|-------------|-----------|-----------|
| Ala. | 46,582 | 59,913 | N. J. | 126,799 | 214,058 |
| Ariz. | 24,661 | 30,341 | N. M. | 14,863 | 14,596 |
| Ark. | 28,319 | 27,162 | N. Y. | 389,155 | 762,909 |
| Cal. | 349,243 | 399,721 | N. C. | 71,173 | 85,983 |
| Col. | 30,865 | 38,250 | N. D. | 10,071 | 16,120 |
| Conn. | 57,243 | 70,453 | Ohio | 187,795 | 293,804 |
| Del. | 10,025 | 10,933 | Okla. | 45,745 | 49,569 |
| D. C. | 38,455 | 61,691 | Ore. | 35,594 | 65,748 |
| Fla. | 123,089 | 132,045 | Pa. | 252,497 | 384,553 |
| Ga. | 66,580 | 92,041 | R. I. | 19,897 | 34,814 |
| Ida. | 10,648 | 17,665 | S. C. | 28,271 | 37,935 |
| Ill. | 208,971 | 407,756 | S. D. | 10,847 | 11,735 |
| Ind. | 87,890 | 89,087 | Tenn. | 54,378 | 70,466 |
| Ia. | 43,131 | 59,299 | Tex. | 174,728 | 242,710 |
| Kan. | 41,469 | 59,264 | Utah | 16,626 | 20,949 |
| Ky. | 53,187 | 67,891 | Vt. | 6,865 | 11,108 |
| La. | 57,557 | 64,187 | Va. | 60,082 | 81,990 |
| Me. | 17,764 | 31,431 | Wash. | 55,906 | 73,577 |
| Md. | 52,183 | 107,347 | W. Va. | 32,724 | 31,003 |
| Mass. | 119,973 | 192,191 | Wis. | 62,071 | 100,377 |
| Mich. | 125,442 | 188,059 | Wyo. | 8,749 | 6,187 |
| Minn. | 53,881 | 87,150 | | | |
| Miss. | 27,568 | 32,018 | U. S. TOTAL | 3,486,550 | 5,165,548 |
| Mo. | 84,830 | 154,154 | Alaska | 1,925 | 4,232 |
| Mont. | 15,456 | 16,560 | Hawaii | 9,643 | 13,071 |
| Neb. | 29,728 | 30,957 | | | |
| Nev. | 5,473 | 9,523 | GRAND | | |
| N. H. | 11,501 | 18,241 | TOTAL | 3,498,118 | 5,182,851 |

Also Made 2 Holes-in-One: National Video's Asher Cole isn't the only industry notable who has made the magical hole-in-one twice (Vol. 14:46). There's also J. A. (Shine) Milling, pres. of Howard Sams & Co. Playing at Tavistock Country Club, Haddonfield, N. J. in 1948, he made it with a No. 7 iron on the 134-yard eighth hole, witnesses being several of his ex-colleagues at RCA—LeRoy A. Goodwin Jr., tube & equipment sales div., and Herbert C. Edgar, in charge of RCA instrument advertising. On same course 2 years ago, Milling scored a 185-yard hole-in-one. Though he's a graduate engineer, Milling avers: "This is one time that lightning struck twice."

Reorganized Muntz TV Inc. chairman & chief exec. officer Floyd G. Dana reports firm has pulled itself into profit position (\$23,467 for fiscal year ended Aug. 31) from loss of \$1,024,842 preceding year. Its 1958 sales were \$4,057,890, of which \$3,634,193 were TVs, \$318,689 radios & phonos, as against \$6,034,849 in 1957. Earned surplus deficit has been reduced to \$5,091,899, and back taxes of \$1,531,000 owed after reorganization in Jan. 1956 have been reduced to \$371,000. Report states new dealership program has increased number from 600 to 1200 in year.

RCA will start production Dec. 1 of its magazine-loading stereo tape player recorder first announced at RCA's annual stockholder meeting in May (Vol. 14:19). It promised shipments to dealers in time for Christmas.

Financial Reports:

STORER'S REPORT to stockholders on 3rd quarter earnings (sales volume is reported annually only) cites an "abandonment loss" of \$4,709,063 on now-dark WVUE, Wilmington-Philadelphia (Ch. 13) which resulted in over-all net operating loss of \$1,464,837 (59¢ per share) for quarter as against profit of \$820,008 (33¢) for same 1957 quarter. For 9 months ended Sept. 30, Storer profit was \$264,782 (11¢) vs. \$5,249,492 (\$2.12) for same 1957 period. Dec. 15 dividends are being paid as usual (see Dividends), and 4th quarter revenues, running higher than last year, indicate earnings of about \$1,300,000 vs. \$1,146,671 for same 1957 quarter.

The WVUE "abandonment loss" includes loss on original purchase price in May, 1957 (\$7,159,000, including retained radio WIBG), losses on film contracts and write-down of physical assets to their salvage value. "However," report adds, "the company's future earnings will not be subject to the drain of WVUE losses, and we have been able to recapture \$2,448,712 of the reserve for Federal income taxes which had previously been established." Pres. George B. Storer goes on to say company now is in "the best financial condition in its history," with cash, govt. income tax notes and bonds on hand amounting to \$6,259,120, net working capital \$6,110,086 as of Sept. 20, 1958.

Looking to future, Storer tells stockholders about deal to acquire WITI-TV, Whitefish Bay-Milwaukee (Ch. 6) for \$4,462,500, for which no borrowing was needed and which FCC has approved conditional on disposal of WVUE (Vol. 14:46). Though CP for the Wilmington-Philadelphia Ch. 13 is still nominally in Storer's name, fact that station has been written off means it's now open to all comers—with Rollins the only formal applicant to date but with others known to be waiting for proper time to file.

Storer's letter makes particular point of the value of radio WIBG, which "has become the largest and fastest-growing station among the 7 Storer radio stations." He claims No. 1 rating in Philadelphia area, reports new plant will soon increase its daytime power to 50 kw. He concludes by stating:

"It now appears that, even after abandonment of the TV station, the Philadelphia-Wilmington purchase will turn out to be a sound, long-range investment. With the national picture improving, with added power, increased advertising revenues and No. 1 ranking in the nation's 4th biggest market, radio WIBG bids fair to become one of the company's more profitable acquisitions."

International Resistance, which lost \$71,248 in first 25 weeks this year (Vol. 14:30), reports sharp upturn in 17 weeks ended Oct. 19, earnings of company & domestic subsidiaries totaling \$381,073 (28¢ per share) vs. \$275,444 (20¢) in same 1957 period. For 42 weeks to Oct. 19 net income was \$309,825 (22¢) on \$10,642,998 vs. \$531,424 (39¢) on \$12,965,896 in same period last year.

Texas Instruments achieved record sales & earnings in 3rd quarter, reporting net income of \$1,448,000 (44¢ per share) on sales of \$21,867,000 vs. \$953,000 (29¢) on \$17,284,000 year earlier. For 9 months ended Sept. 30, earnings were \$3,591,000 (\$1.10) on \$64,056,000 vs. \$2,672,000 (78¢) on \$48,114,000.

Varian Associates, Palo Alto, Cal. (klystrons, micro-wave components, etc.) reports net income of \$1,225,364 (90¢ per share) for 9 months to Sept. 30 vs. \$763,280 (56¢) in same 1957 period.

A. C. Nielsen Co. asked SEC this week to register 126,780 of \$1 par common stock shares—64,500 to be issued & sold by TV rating & market research firm, 62,280 outstanding shares to be offered by present holders. Principal underwriter is Smith, Barney & Co., 20 Broad St., N. Y., price & terms to be supplied to SEC by amendment. Proceeds would be used by Nielsen for general corporate purposes determined by management—including possible further investments in "Audimeter" instantaneous rating system (Vol. 14:44), foreign expansion, purchases of additional land & buildings. SEC statement listed 505,500 common shares and 480,000 Class B special shares outstanding, all of latter held by chairman Arthur C. Nielsen. Selling holders of common shares include Nielsen, owning 178,080, offering 18,000; Richard F. Knott, 57,540 (12,000); Frederick K. Keisch, 24,000 (6000); Bertha K. Pritzlaff, 9000 (4500); Edward L. Lloyd, 14,040 (3000); Philip D. Reed, 13,500 (2700); Helen Douglass, 5340 (2040). Other blocks offered range from 60 to 1980 shares.

United Artists, movie distributor whose subsidiary United Artists Associated has completed \$30,000,000 acquisition of Associated Artists Productions and its big Warner Bros. film library for TV (Vol. 14:44), set 9-mo. record—\$61,591,000 gross revenues vs. \$52,553,000 year earlier, \$2,623,000 earnings (\$2.06 per share) vs. \$2,364,000 (\$1.85).

Allied Artists, which lost \$1,189,688 in fiscal year ended June 28 (Vol. 14:42), earned \$120,200 (12¢ per share) in 15 weeks ended Sept. 27 vs. \$90,800 (8¢) in same 1957 period.

TelePrompTer Corp., now traded over-the-counter, is due to be listed on N. Y. Stock Exchange before year's end.

Reports & comments available: On General Telephone-Sylvania merger, appraisal by Schweickhardt & Co., Hibernia Bldg., New Orleans. On AT&T's current rise, Nov. 17 report by United Business Service, 210 Newbury St., Boston. On Raytheon and Standard Coil, reports by Shields & Co., 44 Wall St., N. Y. On Motorola, brief by Francis I. duPont & Co., 1 Wall St., N. Y. On Herold Radio, analysis by Gregory & Sons, 72 Wall St., N. Y. On General Precision Equipment, review by Filor, Bullard & Smyth, 26 Broadway, N. Y. On Thompson Ramo Wooldridge, pamphlet by Orvis Bros. & Co., 15 Broad St., N. Y. On Walt Disney Productions, comment by T. L. Watson & Co., 25 Broad St., N. Y. On Meredith Publishing, report by Wm. R. Staats & Co., 640 S. Spring St., Los Angeles. On United Artists, special report by Standard & Poor's, 345 Hudson St., N. Y. On Seeburg, report by Frederic S. Greenwald of Hayden, Stone & Co., 25 Broad St., N. Y. On Jerrold, analysis by Singer, Bean & Mackie, 40 Exchange Pl., N. Y.

Dividends: Storer, 45¢ and 6¢ on "B," both payable Dec. 15 to stockholders of record Nov. 28; Hazeltine, 35¢ plus 2½% stock, both Dec. 15 to holders Dec. 1; AT&T, \$2.25 Jan. 10 to holders Dec. 10; Collins Radio, 50¢ Jan. 2 to holders Dec. 19; Meredith Publishing, 45¢ Dec. 10 to holders Nov. 28; Globe-Union, 20¢ Dec. 10 to holders Nov. 28; Cornell-Dubilier, 20¢ Dec. 31 to holders Dec. 16; Time Inc., \$1 Dec. 10 to holders Nov. 28; Litton, 2½% stock Jan. 23 to holders Jan. 9; Indiana Steel Products, 30¢ Dec. 10 to holders Nov. 25; Consolidated Electrodynamics, 10¢ Dec. 15 to holders Nov. 28; Canadian GE, \$2 plus \$4 extra, both Jan. 2 to holders Dec. 15; GE, 50¢ Jan. 26 to holders Dec. 19; Warner Bros., 30¢ Feb. 5 to holders Jan. 10.

Rich or Poor, NBC 'Loves' Radio: Reaffirming NBC's determination to keep its radio network alive, in the face of the recently announced cutback by CBS Radio (Vol. 14:44-45) and previous curtailments by ABC Radio, NBC chairman Robert W. Sarnoff devotes his latest letter-to-editors to some sideswipes at "other networks" and to this disquisition on the problems & prospects of still-unprofitable radio networking:

"The problem facing NBC Radio now is not ratings or current level of sponsorship, which represents 48% of all measured network radio sponsored time. The problem is one of general industry psychology. With one network's cutback following another's, the temptation to write off all network radio can become more acute. In a military operation or in a cattle drive or in an uncertain business climate, one defection can precipitate a stampede and this is plainly what we must guard against today . . .

"Because of its importance to the nation—and its values to the audience and to advertisers—I'm certain that radio networking will continue as an active enterprise. And the key to its survival, I think, lies in its ability to do things differently than TV. For 2 years now, we have been forging sales and programming patterns attuned to modern network radio's potentials and capabilities . . . a widely diversified service, keyed to news, *Monitor* and entertainment. For the advertiser, it has meant novel merchandising and marketing opportunities and greater cumulative advertising impact. We are selling cost-per-thousand economy in large bottles. We are furnishing flexibility, frequency and mobility, the reach-where-TV-can't principle. We have talked more about the beaches and hills than Churchill and MacArthur combined."

So far, young Sarnoff goes on, this effort has increased commercial business 20% over a year ago, station clear-

TV Settles in West: Hollywood's TV film industry is settling down to a stable \$155,000,000-per-year business, no matter what "fluctuating fortunes" movies may suffer, reports *Variety*. Show biz weekly cites 2 big factors in Hollywood's development as TV center: (1) Network programming now is 55-60% filmed. (2) Syndicated production on West Coast has reached 40 new series per year and output is expected to be sustained "indefinitely." Concomitant decline of N. Y. as TV capital was illustrated meanwhile at N. Y. chapter meeting of TV Academy of Arts & Sciences, where N. Y. Film Producers Assn. presented city Commerce Dept. figures showing live TV location permits in first 10 months this year totaled 238 vs. 310 in same 1957 period. MPO TV Productions v.p. Marvin Rothenberg maintained, however, that N. Y. remains filmed-commercial center, estimating 85% of business stays there vs. 10% in Hollywood, 5% in rest of country. But even this N. Y. claim to TV preeminence was disputed by West Coast director John Cole, of Sullivan, Stauffer, Colwell & Bayles. He told Hollywood Adv. Club that Hollywood produced 40% of \$50,000,000 worth of TV commercials made in 1957—and that its share of business still is growing. Note of warning to N. Y. producers of TV commercials came at same time TV-radio director Rollo Hunter of Erwin Wasey, Ruthrauff & Ryan, who told *Variety* they are inviting "filmicide" by resorting to undercutting & kickbacks to agencies in bidding for sponsor business. "At the rate the system is working, in from 3 to 5 years there will be no more than 20 producers in N. Y.," said Hunter.

It Had To Happen: Russians plan 1677-ft. TV tower in Moscow next year. It would be world's tallest, exceeding 1610-ft. structure of KSWB-TV, Roswell, N. M. (Ch. 8).

ances to 86%, rate of compensation to 201 affiliates. He obviously gloats over CBS's retrenchment: "A year ago, I believe this would have produced naked panic in all radio circles. This time it caused some uneasy rumblings within the trade, but it made no dent in our station phalanx . . . [We will] continue to underwrite our faith in the medium by seeking ever more effective new services within the framework of present programming and sales methods.

"So network radio still lives and breathes. To paraphrase Joe E. Lewis, it has been rich and it has been poor. It likes being rich much better, but it probably never will be again. It can, however, look forward to a useful and reasonably prosperous future if all those who have 'faith' will hold to it."

Note: NBC executives have repeatedly stated, and Sarnoff avows again, that affiliates of other networks are now trying to get on NBC—but their identity has been withheld and no new affiliations yet revealed. This week, 50-kw radio WJR, Detroit, announced it would disaffiliate with CBS Radio next spring, after 23 years, unwilling to go along with its new PCP plan which goes into effect Jan. 1, 1959 (Vol. 14:44). CBS Radio sales v.p. John Karol immediately responded that, while others have voiced objections, they have been satisfied that the CBS plan is the only one that can pull radio networking back to profitability; that WJR is the only affiliate that has actually defected; and that CBS is unworried about getting another Detroit affiliate.

Among shows being dropped by CBS radio network in the curtailment, reducing feeds to affiliates from about 65 hours per week at present to around 50 hours, only 30 "musts," are *Indictment*, *City Hospital*, *Sez Who?*, *FBI in Peace & War*, *Nora Drake*, *Our Gal Sunday*, *Road to Life*, *Backstage Wife*—mostly N.Y. originations.

Strike Threat Eases: "Stop-the-clock" negotiations between AFTRA and CBS, NBC, ABC & MBS to avert all-network TV-radio strike (Vol. 14:46) continued on-&-off this week, union & networks agreeing Nov. 21 to put off further talks until Nov. 24. Walkout over such issues as contract rates for performers & announcers in videotape commercials had been set for midnight Nov. 15. But AFTRA extended deadline 72 hours, then ordered further postponements as parleys progressed. Meanwhile, 14 IBEW engineers went on strike at radio WINS, N. Y., protesting management failure to negotiate higher pay. Picket line was respected by 9 AFTRA members at station, but 25 supervisory employes kept WINS on air.

AB-PT Pictures Corp., production subsidiary of American Broadcasting-Paramount (Vol. 14:13), is being abandoned Jan. 1 along with AB-PT Distributing Co. which supplemented film supply from Hollywood sources. Stock & assets of 2 AB-PT adjuncts are being acquired by pres. Irving H. Levin, terms not disclosed. Assets include 4 completed pictures, 8 story properties. Yet-unnamed new production organization will be headed by Levin with Harry L. Mandell as v.p.-gen. mgr., AB-PT asst. treas.-controller Larry Clement as secy.-treas.

Casualty of The TV Era: *Metropolitan Auditions of the Air*, carried on New York's radio WABC since 1935 but unsponsored since 1950, has been dropped—and instead Met's Rudolf Bing and staff will audition new talent on its stage. When Sat. afternoon live opera broadcasts were transferred to WCBS, *Auditions* show was included but station decided not to continue it. The 23-year-old tryout show, open to all comers, has produced such famous stars as Rise Stevens, Patrice Munsel, Roberta Peters, Robert Merrill, Leonard Warren.

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SUMMARY-INDEX OF THE WEEK'S NEWS — November 29, 1958

RASH OF CRITICISM BREAKING OUT against programming, much of it from intra-industry sources. An appraisal and digests of what they're saying (pp. 1 & 4).

NEW BIG SCREEN COLOR PROJECTORS, imported by pharmaceutical firms, claimed superior to U. S. units. GE reported working on "Super-Eidophor" (p. 2).

ILLEGAL VHF BOOSTERS' days numbered as FCC votes tentatively against legalizing them. Gradual substitution by translators expected (p. 3).

3 NEW STATION STARTERS in Buffalo, Monahans, Tex., Aberdeen, S. D. Delay in Toledo. On-air total 542 (84 uhf) with return of WWOR-TV, Worcester, Mass. (p. 6).

'DIVERSIFICATION' DOESN'T OUTWEIGH other factors automatically, Court of Appeals rules in sustaining FCC grant of Ch. 10, Knoxville, to WBIR-TV (p. 6).

FORTUNE MAGAZINE SHOWN UP as "The Prophet That Failed" in 1951 and now tries again to derogate rival TV medium; text of CBS inter-office memo (p. 7).

FCC PROGRAMMING 'GUIDE'—license renewal forms—proposed in "more realistic" form. Industry generally pleased with suggested changes (p. 10).

50,000,000 FOREIGN TV SETS-IN-USE in 4 years predicted by USIA's Romney Wheeler. Quarterly report shows 1,400,000 set increase, 79 in stations (p. 12).

HARRIS PROBERS GIVE UP, leaving mystery of Pittsburgh Ch. 4 "bribery" rumors unsolved as public hearings on Federal agencies are officially ended (p. 16).

Manufacturing-Distribution-Finance

HIGHER TV PRICES NEXT YEAR now certain as more set makers plan introduction of higher priced lines during Dec. (p. 13).

FM RADIO PRODUCTION MOUNTS as manufacturers gear for surging interest in stereo hi-fi (p. 13).

GE & WESTINGHOUSE ANTI-TRUST SUIT poses problem of maintaining friendly business relations with Canada while enforcing U. S. laws (pp. 13 & 14).

A TIME TO HEED AND A TIME TO PONDER: When no less a personage than Edward R. Murrow, who helped make both TV and radio great and was made great by them, takes occasion to lambast certain of TV's current program trends so unmercifully that Time Magazine could chortlingly headline its report on his speech, "Decadence & Escapism"....

When Fortune Magazine scathingly berates TV for the "mediocrity" of its programs ("the staples of TV today are pap") and for what it calls the "jerry-built" nature of its economic structure -- in an article with just enough appeal to peeves and prejudices against TV to make many nod approval, yet so replete with misstatements & specious conclusions (p. 7) as to make you wonder about its real motivation. A queer sort of article, too, in light of fact that the Luce publications co-exist under the same corporate roof as Time Inc.'s own 5 TV & 5 AM stations -- all of them network-affiliated, all profitably run, each no better than most other stations....

When Reader's Digest, most widely circulated of all American magazines, comes out unequivocally for pay TV, mainly on the basis of dissatisfaction with present programming -- indicating that perhaps the industry didn't do as good job of unselling that pie-in-the-sky idea as thought after last spring's Congressional forays....

When critic John Crosby -- even granting that his emotions and his penchant for neat turns of phrase sometimes get the better of sound judgment -- echoes the editors of Reader's Digest and Fortune in suggesting maybe pay TV's the thing....

When the president of Cunningham & Walsh, 17th ranking advertising agency in TV-radio billings, remarks on TV's "current plethora of pallid and repetitive programming" after some recent vigorous swiping at the industry generally....

When the head of the Mogul agency, 40th ranking, tells a timebuying seminar

that he's moving more of his clients' money from TV to other media because of mediocre network programming and because of what he calls "ratingitis"....

When a handful of quick-buck radio station operators, ignoring the industry's own long-established and seldom-breached code, loudly declaim their intention of going after hard-liquor advertising, prompted and abetted by interests notorious for their bad taste if not downright venality -- a "crusade" that came a cropper rather dismally, mainly because the liquor industry is rigidly maintaining its own code....

* * *

Then a time for sober stock-taking would seem to be at hand -- a time when holders of the precious broadcast franchises must recognize that perhaps something is indeed amiss and that the current rash of criticisms isn't all merely pratings of irresponsible fault-finders or headline seekers.

It's not enough to reply testily to the printed media, "Oh, well, you're just jealous of our success in attracting advertising dollars; you're worse offenders than we are." Or to retort, as do the industry-can-do-no-wrong coterie, that only TV can make the claim that it came through the recession with improved billings.

Are those adequate answers? Can Ed Murrow and Henry Luce and John Cunningham and Emil Mogul be accused of ulterior motives or dismissed for mere eggheadedness?

We don't think so. Nor do we profess to know the answers. All we can do now is point out that the complaints have been too many of late and are coming from too many important sources to be ignored; and warn that criticism from within, from the industry's own people and well wishers, will probably beget more and perhaps less valid criticism from those who always carp and cavil.

The simplest sort of self-interest would seem to dictate that those who run the TV-radio media might very well take their minds off balance sheets long enough to reappraise their programming structures -- with the classes as well as masses in mind -- instead of following the easy path of retreat into old formulas that may actually turn out to be less safe for the long pull.

And if broadcasters can't stand criticism from their own ranks, won't take time out for sober self-appraisal, they can blame none but themselves for whatever may befall. For digests of the more important recent critiques, see p. 4.

GROWING COMPETITION IN THEATRE-SIZE COLOR: Big-screen color-TV picture is getting brighter, literally -- and the intensifying competition may well stimulate the still-small market for such expensive equipment.

Pharmaceutical houses, with their plush promotional budgets, have given a lift to the expensive science of color projection development, should eventually bring equipment within price range of its greatest market potential -- the producers of closed-circuit business meetings & sports events and the not-to-be-underestimated educators (Vol. 14:40). Here are the latest developments:

(1) Swiss-made Eidophor color projector is finally here, imported by CIBA Pharmaceutical Products Inc., Summit, N.J. (Vol. 14:40), installed in GE mobile unit and undergoing tests preparatory to first public showing in Washington Dec. 27 at meeting of American Assn. for Advancement of Science.

(2) Dutch-made (Philips) conventional 3-tube color projector, claimed to be many times brighter than RCA's, has been shipped to Smith, Kline & French pharmaceutical house in Philadelphia, and is due for first use at American Medical Assn. clinical meeting in Minneapolis Dec. 2-5, then 10 demonstrations next year.

(3) GE is working quietly on a "Super-Eidophor," may show black-&-white version next spring, color some time in indeterminable future.

CIBA principals are quite excited by their Eidophor, project director Dr. R. H. Roberts telling us "we're putting out mighty pretty pictures." There were some delays in preparation, due to death a few weeks ago of Dr. Edgar Gretener, the Swiss genius whose firm is wholly-owned subsidiary of CIBA.

Dr. Roberts says his organization is ready to go at AAAS meeting, with pro-

duction being handled by Teletalent, new N.Y. closed-circuit TV firm (Vol. 14:40). Demonstrations will cover physics, chemistry, geology, etc. System uses field-sequential system, rotating disc.

The Philips unit is something brand new. Principles are conventional -- NTSC system, 3 projection tubes, Schmidt optics. What's different are the tubes; they're 7-in., compared with 2½-in. for RCA units. According to Robert Reath & Lewis Crist, section head & chief engineer, respectively, of the Smith, Kline & French public relations unit handling color TV, they estimate the highlight brightness of 12x9-ft. screen will run 5 ft.-lamberts -- vs. 1.2 for RCA's 6x4½-ft. Model TLS-50.

SKF was once hot about CBS field-sequential system, used it for medical demonstrations, employing ordinary disc-type receivers -- but company is whole hog for NTSC system now, has 3 TK-41 RCA color cameras. Reath says that as far as he knows there are only 2 other units like the one it's getting -- one in Marseilles, other in "breadboard" stage at Philips plant in Eindhoven.

GE principals won't disclose their progress on Eidophor-type equipment, but well-informed sources claim they're trying some new physical principles which appear to be sound but need to be proved out. To get NTSC color from Eidophor, using no disc of course, GE apparently is employing a "variable diffraction" technique. Big advantage of Eidophor is brightness -- because it can use any kind of light source, such as arc, whereas conventional projectors depend on CR tubes. Big disadvantage is great complexity -- but Eidophor boosters claim problems are licked.

CIBA and SKF are most active in closed-circuit medical demonstration field. Upjohn has conducted several nationwide clinics, but other pharmaceutical majors seem content to eat the promotional dust of the foregoing -- who are delighted with their harvest of publicity and physician good will at innumerable meetings, clinics, etc. The others: Merck, Parke-Davis, Schering, Pfizer, Lederle, Eli Lilly.

FCC FORESHADOWS DEMISE OF ILLEGAL BOOSTERS: Looks like the illegal vhf booster's goose is finally cooked -- after several years of rather silly political folderol -- for FCC majority this week instructed staff to draft final decision throwing out its rule-making proposal to legalize the troublesome repeaters. There may yet be a slip -- because official last word is still to come -- but it's unlikely.

Here's brief history of it all: For several years, citizens here and there, mostly in Northwest, had installed little jerry-built amplifiers on mountain-tops, picked up distant stations, beamed them into valley towns on same channel or on a different vhf channel. FCC ruled that these operations were illegal and dangerous.

Booster operators took FCC to court, got a delay, persuaded Commission to take another look. Last year, one month after deciding boosters were illegal, FCC reversed itself, started rule-making looking toward legalizing them (Vol. 13:31).

This week's action indicates end is about at hand -- Commission again deciding against the boosters primarily on these counts: (1) Danger to safety & special services such as aircraft navigation signals. (2) Destruction of TV service itself.

It was always felt that FCC gave in too easily to political pressures when Colo. Gov. McNichols urged it to try to find a home for boosters (Vol. 13:28). However, McNichols was sat on pretty hard by his neighboring western governors when he sought to give the impression that he spoke for them -- and it's believed politics are largely out of the picture now.

Another factor stimulating proposed denial is success of uhf translators (Vol. 14:46), which are perfect substitute for illegal boosters, though more expensive. There are some 1000-1500 boosters operating, and it's presumed FCC will be quite lenient in giving operators time to quit & convert to translators if they choose.

Translator manufacturers should be preparing for a roaring business in the hamlets of the Northwest. Interestingly, principal translator manufacturer Adler Electronics first supported the FCC's booster-legalizing proposal, thought adequate protective techniques could be devised. It later changed mind completely.

Criticism Is Snowballing: Tongue-lashings from important people within the industry, not just from professional critics or headline-hunting politicians, seem to be the order of the day—and they range from Edward R. Murrow's recent critique of TV-radio news trends, to explosions by advertising agency bigwigs who themselves haven't contributed much to TV's stature as a social force, to scornful appraisals of current programming like those in the Nov. *Reader's Digest* and Dec. *Fortune*. Mere fact that there have been so many such outbursts lately underscores the importance of taking sombre note of them (p. 1).

Former CBS v.p. & director Ed Murrow, who still isn't doing too badly with his *Person to Person* and *Small World* but is smarting, so they say, because CBS dropped his pet *See It Now* for lack of sponsorship, let loose at the recent convention of the Radio & Television News Directors Assn. He undoubtedly reflected his own news colleagues' bitterness over the demise of such expert "think shows" and documentaries as *Wide Wide World*, Eric Sevareid's *World News Roundup*, Charles Collingwood's *Adventure*, Martin Agronsky's *Look Here*—to mention a few mortalities of the recent recession and concomitant network economy waves.

"One of the basic troubles with radio and TV news," said Murrow, "is that both instruments have grown up as an incompatible combination of show business, advertising and news. Each of the 3 is a rather bizzare and demanding profession. And when you get all 3 under one roof, the dust never settles. [We must] get off our fat surpluses and recognize that TV in the main is being used to distract, delude and insulate us from the realities of the world we live in. If this state of affairs continues, we may alter an advertising slogan to read: 'Look Now, Pay Later.'"

"For surely we shall pay for using this most powerful instrument of communication to insulate the citizenry from the hard and demanding realities which must be faced if we are to survive. I mean the word 'survive' literally.

"If there were to be a competition in indifference, or perhaps an insulation from reality, then Nero and his fiddle, Chamberlain and his umbrella, could not find a place on an early-afternoon sustaining show. If Hollywood were to run out of Indians, the program schedules would be mangled beyond all recognition . . ."

* * * *

Murrow's primary gripe: The fear of management to treat controversial and unpleasant subjects on the air. His remedy: Let each sponsor contribute a few of his prime time periods each year to alerting and informing the citizenry. And let the heads of the networks ("who have better taste than their schedules would suggest") prove that they're not merely what *N. Y. Times* critic Jack Gould calls "captives of a corporate complex that dictates that they present shows that will sell goods and achieve maximum audiences [or] frightened rabbits when anyone in Washington raises an eyebrow."

Obvious flaw in Murrow's suggestion: Why ask the advertisers to donate the time? Why relinquish control over that time, when the broadcasters are better qualified to evaluate news and program balance? Don't the broadcasters now clear time for transcendental programs, like

Presidential speeches, or for superior sponsored shows, like the spectaculars?

But the main point is that a distinguished "member of the family" made such a speech at all. It's text was carried by no trade paper, so far as we know, nor was it very fully reported; it does appear in *The Reporter* of Nov. 13. And it triggered a lot of other sometimes nasty criticisms in subsequent weeks.

* * * *

Said adman Emil Mogul, speaking before a timebuying seminar in N. Y. last week: "I can't see what is gained by pretending a serious problem does not exist. I consider the current crop of new shows, by and large, inane, puerile and alarmingly empty of real content or meaning for our present society. What's more, most of the new shows commit the one unpardonable sin—they're dull.

"How an advertiser can be expected to invest anywhere from \$2,500,000 to \$5,000,000 a year in the kind of program now available is utterly beyond my comprehension. And it's precisely this paucity of good programs which leads me to make the flat prediction that pay TV will be here in 2 or 3 years . . . if TV continues to slide.

"The networks will have no one to blame but themselves. [They] are sowing the seeds of their own destruction . . ." Then, in a later question period, he was quoted as adding, "Advertisers are just as much at fault for buying the garbage, and so are the agencies." He lashed out against ratings, against station rate practices, and he indicated his agency's TV-radio billings, which dropped 5% this year, will drop another 5% next year as printed media are recommended instead.

Cunningham & Walsh's pres. John P. Cunningham, who recently drew the ire of one of the industry's trade journals by criticizing radio programs, replied in a letter to the editor last week to thank him for playing up that agency's latest "Videotown" report (Vol. 14:46) and observing politely: "May I add that it was not a wholly unpalatable operation to eat my own words [about programming] because it was so reassuring to find that TV, despite the current plethora of pallid and repetitive programming, is maintaining and even increasing its vigor as an advertising medium."

* * * *

The magazine *Fortune* looks with jaundiced eyes at today's program trends, asserts "that TV has reached a kind of ceiling, that mediocrity is increasing and that only through some drastic change will the excitement and aspiration of, say, 1954, return to our TV screens." It eyes the economics of TV askance, says it tends to perpetuate mediocrity, remarks on today's offerings: "By and large, the 1958-59 season is compounded of bathos from Boot Hill, counterfeit celebration via quiz shows, barbarism from the police blotter, inanity from outer space, monstrophilia from Hollywood's celluloid cemeteries . . ."

"TV's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program). On the contrary, TV economics tend to establish and perpetuate mediocrity . . ." And, rather less positively than the Nov. *Reader's Digest* (Vol. 14:44), *Fortune* suggests pay TV as the possible "curative force":

"One thing for sure, a potentially magnificent medium is not going to be kept in a state of continual adolescence on the notion that because the public can get shoddy merchandise free, it won't pay to get quality merchandise elsewhere.

"As for commercial TV's counter-argument that it would collapse under the competition, pay TV is not going to come overnight. Commercial TV will have plenty of

opportunity to make a solid structure of its jerry-built establishment and do it for the first time under the influence of competition, a force that has worked miracles for quality improvement throughout our system."

Article is dated, uses "recession statistics" and slips up on the facts like the demise of quiz shows (see also p. 7); but its importance lies in fact that *Fortune's* editors sensed enough dissidence to warrant so critical an examination of a medium in which Time Inc. has invested millions (it bought all its 5 TV & 5 radio stations) and in which it profits enormously from station operations and network affiliations. The article also states:

"Whatever remained of radio's old willingness to risk new formats and get along on modest ratings has all but vanished from TV. The mounting pressure of costs on sponsors and networks alike has weakened the will to experiment. TV, to borrow the phrase of one of its most distinguished producers, Fred Coe (*Playhouse 90*), is now imprisoned in the 'bland norm' of mediocrity. Yet as the medium loses its capacity to excite, to create and to lead, its audiences will inevitably shrink. And as audiences shrink, more pressure to stick to 'successful' formats and eschew the unknown may well follow, resulting in the disastrous cycle of economic pressure making for shoddy programs, shoddy programs reducing the TV audience, smaller audiences increasing the economic pressure . . ."

* * * *

John Crosby's most recent criticism arose from what he called "the most aggravatingly sponsored election in my memory," complaining about over-commercialism of the recent election returns. That cued some uncomplimentary remarks on the commercials on *Today* and the *Jack Paar Show*, then on the sponsorship of "parlor games."

"Back when TV had no money at all," he wrote in his syndicated column, "it put on Toscanini, 12 hour-long live dramatic programs and the Metropolitan Opera. Now that it's rich, it can only afford *Concentration*, a variation of a child's card game. If we get any richer, TV will be able to afford to turn the station on long enough to give the soap commercial and turn it right off again."

Bricker Bill Revival? Direct FCC regulation of TV & radio networks—pet legislative project of Sen. Bricker (R-O.), defeated this month for reelection (Vol. 14:45)—may become lively issue in upcoming Congress, reports Robert D. Novak in Nov. 28 *Wall St. Journal*. In p. 1 story he says it's "likely" that unnamed "liberal" Democrat will take up where Bricker left off with Bricker's now-dead S-376 (Vol. 14:23)—"with much better prospects for passage." Much will depend on whether "networks show up badly" in scheduled Jan. hearings by Senate Commerce Committee in one-man crusade by Sen. Monroney (D-Okla.) against rating systems (Vol. 14:43), according to Novak. If CBS, NBC & ABC don't put up good defense for their rating practices, "the movement for network regulation will be strengthened and probably will gain adherents" including now-neutral Monroney.

CBS pres. Dr. Frank Stanton, who resigned several years ago from his college social fraternity (Phi Delta Theta) in protest against its national office's policy of religious discrimination, participates Dec. 6 in panel on another subject close to his heart: Anti-Defamation League's forum at N. Y.'s Temple Emanu-El on "Communicating the Idea: Mass Media in a Democracy." Also on the panel are Turner Catledge, managing editor, *N. Y. Times*; Dan Milch, editorial chief, *Look*.

Then, obviously enjoying his cuteness in avowing he's not against sponsored TV "except that the advertising message is supposed to pay for the program, not to be the entire program," Crosby quotes *Reader's Digest's* roughest passage:

"If sometimes you complain about the quality of programs you see on your TV set, if you wonder why so many of them are dull or tawdry and constantly interrupted by commercials, remember this: you are not allowed to pay to see what you really want. Instead you may look at only what it is to someone else's interest to let you see. The miracle is that TV is as good as it often is."

"Why Can't We Have Pay TV?" titles the *Reader's Digest* article, and Crosby warns that "if TV gets to be more of an uninterrupted commercial, there are going to be more and more people asking that question."

* * * *

The bony finger of competitive jealousy certainly cannot be attributed to the critique of Prof. Edward Stasheff, of the U of Michigan speech dept., speaking before a conference of social security administrators. He counted 40 "adult" westerns scheduled by networks and film syndicators, up from 26 last year, while live dramatic presentations have shrunken to "less than a handful." He blames the "apathy of the American public—apparently for its predilection for the highly-rated westerns and filmed dramatic shows.

"So long as the only evidence of popularity available—the ratings—indicates that viewers want more of the same, TV will keep on grinding out slightly disguised imitations of last year's successes. The networks have all but turned the control of programming over to the sponsors and advertising agencies, because they have been unable to prove the American people want better TV, will watch it, and will support the sponsors and products that make fine programs available."

Prof. Stasheff's remedy: "Postcards can be potent weapons in getting better programs. The voice of the viewer can be heard in the land if he will take the trouble to make his wishes known . . ."

Pro-liquor-advertising position of Francis M. Kadow's radio WOMET, Manitowoc, Wis. (Vol. 14:47) might have got Kadow into trouble with FCC had he not dropped it—for Commission renewed his license this week only after he announced he had backed out. Questions were about to be raised, might have precipitated fight within Commission. Commissioners aren't of one mind on subject—for example, Comr. Hyde opposes liquor commercials, Comr. Lee is in favor—and there's substantial doubt whether Commission has any right to raise question, anyway. In Tucson last week, Ariz. Bestrs. Assn. voted unanimously to keep ban on liquor commercials. Pres. Tom Wallace, of KTKT, Tucson, stated: "What this resolution means is simply to reaffirm what has always been our position [and] to demonstrate that the broadcasting media recognize their responsibilities in the public interest."

"By the dawn's early light," 270,000 viewers across country sit in on NBC-TV's unique *Continental Classroom* (Vol. 14:43) with AEC consultant Dr. Harvey E. White of U of Cal. to learn about Sputnik-era physics. Network placed full-page newspaper ads this week to make this boast: "World's largest class" 6:15-6:45 a.m. Mon-thru-Fri. is carried by 144 stations; 243 colleges & universities offer full academic credit for course; 27,000 students have mailed in 50¢ each for syllabus; total audience is estimated at 270,000 now.

New & Upcoming Stations: Two new starters were due on the air Nov. 30 & Dec. 1 and a 3rd began Nov. 27. The stations: WKBW-TV, Buffalo (Ch. 7), city's 3rd vhf, which begins Nov. 30 as ABC-TV basic; KVKM-TV, Monahans, Tex. (Ch. 9), due Dec. 1 as ABC-TV affiliate. On Nov. 27 KXAB-TV, Aberdeen, S. D. (Ch. 9) went on the air with CBS-TV & NBC-TV. These, plus the slated Dec. 1 resumption of WWOR-TV, Worcester, Mass. (Ch. 14) as satellite of Wm. Putnam's WWLP, Springfield, Mass. (Ch. 22) brings on-air total to 542 (84 uhf). WTOL-TV, Toledo (Ch. 11) reported at week's end that it has been delayed about week from meeting Dec. 1 target as CBS-TV basic. Also delayed from announced Nov. 27 start is Toledo's educational WGTE-TV (Ch. 30), now reporting Jan. 27 target.

Buffalo's WKBW-TV has 10-kw RCA transmitter and 1000-ft. Stainless tower with 12-section superturnstile antenna at 1420 Main St., in new building adjacent to radio WKBW. Principal owners are Clinton H. Churchill, pres.-gen. mgr., 51%, onetime pastor of Buffalo's Churchill Tabernacle; attorney Edward Kavinovsky, treas.-secy., 24%; Buffalo Waste Paper Co., 15%. John H. Norton Jr., onetime ABC v.p., recently gen. mgr. of WMTW-TV, Poland Spring, Me., is asst. to pres.; Alfred E. Anscombe, v.p. & 5% owner, station mgr.; Thomas E. Martin, sales mgr.; Floyd A. (Tim) Timberlake, ex-ABC-TV & RCA, chief engineer. Base hour is \$1000. Rep is Avery-Knodel.

KVKM-TV, Monahans, which is 30 mi. SW of Odessa, has 10-kw GE transmitter and 12-bay batwing antenna on 780-ft. Stainless tower. One-third owners are pres.-gen. mgr. J. Ross Rucker and J. B. Walton & wife Helen W. Walton, latter 2 also having ranching & oil interests. Hillman Taylor is station mgr.; Rubin Masters, ex-KNAC-TV, Ft. Smith, Ark., chief engineer. Base hour is \$250. Reps are Everett-McKinney and Clyde Melville.

Aberdeen's KXAB-TV is 4th in string of TV stations operated by John Boler as Market Maker group. Located in NE corner of state, 30 mi. from N. D. border, it has 10-kw RCA transmitter and 340-ft. Stainless tower with 6-bay antenna. KXAB-TV is picking up CBS-TV from Boler's KXJB-TV, Valley City, N. D. (Ch. 4) and NBC-TV from E. C. Reineke's WDAY-TV, Fargo, N. D. (Ch. 6), each about 120 mi. away. Other Boler stations are KXMC-TV, Minot (Ch. 13) & KBMB-TV, Bismarek (Ch. 12), latter operating in affiliation with KXJB-TV. Henry Benchler, ex-commercial mgr. of KXMC-TV, is KXAB-TV resident mgr. Base hour is \$150. Rep is Weed.

Texas Tall Tower Corp., joint enterprise of San Antonio's WOAI-TV (Ch. 4) & KENS-TV (Ch. 5), inaugurates use of 1531-ft. tower near Elmendorf Dec. 7 after 15 months of construction. With transmitters and associated equipment, project represents \$1,000,000 investment. It's 3rd tallest structure in the world, topped only by 1610-ft. spire of KSWS-TV, Roswell, N. M. (Ch. 8) and 1572-ft. tower of KWTW, Oklahoma City (Ch. 9). Stations will retain their downtown facilities as auxiliaries. Radio WOAI moved to the Elmendorf "antenna farm" Nov. 21, using new tower about ½-mi. from TV structure; previously, it operated near Selma, Tex., ¾-mi. from Randolph Field, shifted because of hazard to jet aircraft.

E. M. Hoge, ex-NBC-TV network sales mgr., ex-mgr. of KOA, Denver, recently gen. mgr. of KSJB, Jamestown, N. D., has purchased KENA, Mena, Ark. (250 watts, 1450 kc) for \$42,500 from licensee R. B. Bell, subject to FCC approval. Broker was Blackburn & Co.

Court Upholds Knoxville CP: Experience does count, Court of Appeals ruled this week in sustaining FCC's grant of Knoxville's Ch. 10 to WBIR-TV, turning down appeal by Tennessee TV Inc. (Guilford Glazer, pres.). Other loser, Scripps-Howard's WNOX, didn't appeal. Judges Fahy, Burger & Bazelon delivered decision, Bazelon dissenting. Tennessee TV had argued that it should have won because of "diversification" factor, because it owns no communications media, but court held: "The diversification of media of communication that would result were the permit granted to appellant does not on the record so clearly warrant selection of appellant in the public interest as to outweigh other public benefits of the award to intervenor, at least to a degree that requires substitution of our judgment for that of the Commission. The Commission weighed all competing considerations, stating it was apparent appellant was superior not only with regard to diversification but also in local ownership and civic participation; however, the Commission added, 'We cannot conceive that the ownership by WBIR in Knoxville of a TV station can be of such grave concern as to outweigh WBIR's marked superiority in most other respects.' This was a conclusion we must recognize as one the Commission could reasonably reach on the record." Bazelon disagreed, said "the Commission has effectively nullified the diversification and anti-monopoly policy long since recognized as 'one of the basic underlying considerations in the enactment of the Communications Act,' quoting from a 1953 FCC report on multiple ownership. All 3 judges agreed on another point, that Tennessee TV had no "standing" to protest FCC's modification of WBIR-TV's CP in minor technical respects.

Anti-trust questions still worry FCC in connection with *Mansfield* (O.) *Journal*, which seeks to purchase local WCLW for \$45,000. In battle which went to U. S. Supreme Court in 1951, *Journal* was enjoined from certain practices—such as refusing to carry ads from advertisers using radio WMAN. WMAN and *Journal* have been battling ever since, WMAN asking Commission not to approve WCLW sale. *Journal* asserts that its ownership has changed completely, is now owned by estate of S. A. Horvitz, who had run the newspaper prior to and during anti-trust litigation. WMAN maintains that present owners still engage in monopolistic practices. Commission wrote to *Journal* this week, saying proposed purchase must go to hearing because "substantial question still exists as to whether the *Mansfield Journal* engages and will continue to engage in activities which are inconsistent with the FCC policy in the treatment of controversial issues and in business practices tending toward suppression of competition and attainment of monopoly in advertising and news dissemination."

CPs granted: Ch. 31, Huntsville, Ala., to Rocket City TV Inc. (John S. Gregory Jr., pres.); Ch. 70 & 76 translators in Quitaque & Turkey, Tex., to Valley Translator System; Ch. 82 translator in Laramie, Wyo., to Albany Electronics Inc. [For details, see *TV Addenda 27-M.*]

Final decision awarding Ch. 11, Houma, La. to St. Anthony TV Corp. (Frank Conwell, pres.) was issued by FCC this week, making effective immediately the initial decision issued Nov. 5—St. Anthony being sole applicant.

Facility changes: KVII, Amarillo (Ch. 7) Nov. 9 boosted power to 316-kw; KNAC-TV, Ft. Smith, Ark. (Ch. 5) Nov. 1 went to 100-kw; WMBD-TV, Peoria (Ch. 31) Nov. 23 went to 1000-kw.

Fortune Magazine—The Prophet That Failed

Refutations of Arguments, First Advanced 7 Years Ago, That TV Is Going to the Dogs

CBS researchers and economic planners, than whom there are none finer in the business, come forth with a cogent dissection of the much-discussed article "TV: The Light That Failed" in the Dec. Fortune Magazine. Their memorandum of reply, written for CBS's own executives and not designed for publication, alleges the article is based on unwarranted preconceptions, as was a similar aberrant essay in the same magazine in 1951, when commercial TV was only about 3 years old; is guilty of errors of fact and unsupported conclusions, notably in its economic appraisals; doesn't give the industry due credit for the superior things it has done and is doing, program-wise; omits even to mention the duress of Washington (the option time issue) which could really tend to degrade program quality. This document is not intended to prove that all's well with TV, whose critics seem to be increasing lately (pp. 1 & 4). It was not written for publication, and its replies to the Fortune article seem to us to be irrefutable, and certainly show Fortune up for some rather thin researching.

THIS IS NOT basically an original article. Much the same points were made in the same publication, *Fortune*, 7 years ago. In the Aug. 1951 *Fortune*, under nobody's by-line, appeared an essay entitled "TV's Time of Trouble." It may be illuminating to compare various conclusions of that 1951 anonymous article with the 1958 model as by-lined by Richard Austin Smith:

1951—"TV's Time of Trouble"
"Ownership figures reveal that an important percentage of the major TV market areas are already close to saturation."

"TV's novelty is no longer glittering enough to mesmerize just any advertiser into continuing a \$100,000 program, the size of whose audience is so much a matter of conjecture."

"Under the pressure of costs, many public-service and educational features have been squeezed from the scheduling . . ."

"Potentially subscription TV can open up a whole new world for movies and education, providing one with as many 'theaters' as there are homes, the other with the means of financing a university of the air."

1958—"TV: The Light That Failed"

"Third, the television 'audience' is almost at the saturation point."

"... evidence is mounting that television is something less than all things to all advertisers."

No reference to public service other than a passing mention of *Continental Classroom*.

"The outcome, however, could very well be history repeating itself: the restraints imposed on television by its own commercial interests will simply result in the raising of a new empire, the competing one of Pay TV, and the crowning of a new set of kings."

Our purpose in pointing up the above comparison of the two *Fortune* articles is to establish a certain obvious historical context. In 1951, *Fortune* ran a summary of its piece which read: "The big story about TV today is no longer one of irresistible power. It lies rather in the unexpectedly strong bargaining position of TV's competitors heretofore given up for lost, and in the equally unexpected weaknesses of the new medium." That same summary might apply with complete accuracy to the "new" article in the Dec. 1958 issue.

Having adduced certain evidence that neither Time (Inc., of course), tide, rain, sleet, storm, black of night nor the passage of a full 7 years can alter the preconceived notions with which *Fortune* magazine views a competing medium, let us proceed to an ad seriatim bill of particulars about the 1958 presentation:

Not a Word About Achievements in News

The Smith article leads off with an allusion to an Orson Wells TV program, *Fountain of Youth*. In describing the program a bit later on, Smith says, "Few TV dramas have ever received such nationwide acclaim." Among the quotations from reviews he adduces in support of this statement, none can be found from *Time*, *Broadcasting* or the *New York Times*. *Variety* did review the presentation, saying that it was "a mess of plottage . . . What Wells called a 'wacky comedy' actually

wasn't." *Broadcasting* and the *Times* didn't review it at all. Yet this one-shot drama, rather than any of the string of *Playhouse 90*'s recent hits, or CBS-TV Network's unanimously praised election night coverage, or any of the excellent special programs presented by all 3 of the networks so far this year, becomes Mr. Smith's example of commercial TV at optimum.

It is worth noting that nowhere in the *Fortune* article is the TV medium's news and informational power even mentioned. And this cannot be an excusable omission. *Douglas Edwards with the News* is a commercially sponsored weekday evening show just as surely as *Your Hit Parade*. While it may not serve the purposes of Time Inc. to accept the fact that this single news vehicle has the largest audience of any such vehicle in the entire world, an article which presumes to call TV "The Light That Failed" might logically be expected to give the whole story of what TV's light is.

"The sad state of another year's programming has all but obscured a critical development that the public very much needs to understand. That development is simply this: TV's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program). On the contrary, TV economics tend to establish and perpetuate mediocrity." The foregoing quotation from the *Fortune* video exegesis sets the stage for a series of false syllogisms. The first phrase of the quotation is prophetic not about TV but about the Smith article.

Cannot See the Good for the Bad

"The sad state of another year's programming" is a fact only to *Fortune*, Mr. Smith and those other observers who cannot see the good for the bad. This, after all, is the year when Edward R. Murrow, himself no mean critic of the medium, has come up with another humdinger of a show, *Small World*, which has already furnished an exciting forum for stimulating scholars from Nehru to Muggeridge. This is the year when *Playhouse 90* has won such accolades as "sheer wizardry" (*Des Moines Register*) and daytime TV has been described, in the case of Arthur Godfrey's sessions with Jackie Gleason, as "the most entertaining, most stimulating daytime sessions in this viewer's memory." (*Boston Evening American*).

As a matter of fact, the best evidence of the inaccuracy of Mr. Smith's opening gambit is the testimony of Mr. Smith himself. In his article he lists shows he likes, "such as" *Playhouse 90*, the *Dinah Shore Chevy Show*, *Gunsmoke*, et al. Since he uses the word "such as," there presumably are other shows extant which he also finds attractive. Let it be noted, therefore, that 10 hours or more of prime program time per week are specifically commended in his article. This alone, without the addition of

any of the unnamed "such as" shows, and without any reference to the news and informational programs which Mr. Smith ignores completely is a pretty good batting average for the indicted medium.

"Television's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program)," Mr. Smith goes on. This is presented as a verdict, but it is basically a forecast. As such, it deserves to be stacked against the 1951 *Fortune* comment that "some advertisers . . . are beginning to show grave concern about the muddled economics of the new marvel." In 1951, *Fortune* cited a cutback in TV expenditures by Chevrolet to prove the point. In 1958, with Chevrolet a bigger TV advertiser than ever, *Fortune* happily cites a couple of other automobiles, with even more glaring fallacies as noted later in this memo.

A Look at the TV Ledger

Having begun the attack with some ancient history, Mr. Smith and *Fortune* next proceed to take a long hard look at TV's ledger. "For the first time in its history," says Mr. Smith, "the industry suffered a profit slump last year." He compares this to the fact that the 500 largest industrial corporations were "skinning through the year with a modest increase in earnings." He does *not*, repeat *not*, compare TV to its logical competitors—the press, the newspapers, the magazines, the book publishers, the motion picture industry, the stage, the spectator amusements. While he is not at all hesitant to cite debatable findings as to the relative advertising worth of video and printed media, he somehow neglects this comparison in the case of the press. He neglects, for example, to discuss the number of magazines that have been forced by economic crisis to merge or simply to go out of existence. He made no mention of decline in magazine advertising revenues. Nor does he make any mention of the fact that last year's income slump in TV was due very largely to one company's troubles and that CBS has just posted the largest nine month earnings in its history.

Some CBS figures which are pertinent to the Smith mention of "a cost-price squeeze" deserve notation: CBS Inc. revenues for the first 9 months of 1958 indicated a 9.2% increase over 1957. Profits reflected a 20% increase. TV network and station operations were the primary contributors to this increase. The CBS-TV Network during this period spent nearly 10% more for programs than in 1957.

The newsletter *Space and Time*, in its November 24th issue, reports that "network TV is up about 11%; spot TV is highest it's ever been. Direct mail has jumped because of higher postal rates, newspaper and magazine income is down."

Joins the Wolf Pack vs. Option Time

Fortune and Mr. Smith are correct in stating that the FCC's consideration of proposals to abolish option time threaten the strength of network programming; unfortunately, the magazine does not follow this point through to its logical conclusion and sound the tocsin. Instead, it chooses apparently to join the wolf pack. *Fortune's* in-the-red colored glasses look at the TV "audience" (and why they put that word in quotes is beyond us) and find that it is "almost at the saturation point." They had said much the same thing back in 1951, long before we came even close to the present (*Fortune's* figures) 90% of all homes and a total of 47,500,000 TV receivers. The cute hitch here is that, as *Fortune* puts it, the audience will increase from here on "only as the population grows." The total number

of U. S. families is increasing at a rate of close to a million a year; within 10 years the total American TV audience can therefore be expected to be at least 20% higher than it is today.

"The audience," says *Fortune*, "is getting choosier. The fact that a growing sector of the audience is not disposed to sit in stupefaction before shoddy programs portends nothing but greater strain on TV's economic system." Going at this one from the latter obiter dictum, it seems only fair to observe that if an audience were to be found dissatisfied with existing programs the basic conclusion would be that TV's programming creativity, rather than its economic system, would be the aspect summoned to battle.

More important, however, is the basic misstatement that the audience is getting "choosier," if that implies that there is less viewing. The Jan.-Sept. average hours per day spent in viewing TV have gone up steadily—from 4.69 for the average viewer in 1955 to a peak of 4.98 hours in 1958.

Fortune reports that "television is something less than all things to all advertisers." This somewhat less than earthshaking revelation becomes the jumping off point for citation of "the classic instance" of Philip Morris dropping *I Love Lucy* in 1955 "because it wasn't selling cigarettes." Notably absent from *Fortune's* report of this incident is (a) the fact that other advertisers picked up *I Love Lucy* immediately, and (b) Philip Morris, like every other cigarette company, is a major TV advertiser today.

Citing Cadillac and Pontiac as auto companies which are disenchanted with TV as the major advertising medium, *Fortune* indulges in a syntactic to imply that the parent corporation agrees with this viewpoint. "Both General Motors divisions appear to have accepted the conclusion of their advertising agency," says Mr. Smith, without the slightest indication that many other General Motors divisions, notably Chevrolet, Buick, Oldsmobile & United Motors, are among the leading network TV advertisers today, or that Pontiac itself is the sponsor of such CBS-TV Network special shows as the *Victor Borge* program, *The Ginger Rogers Show* in October and the upcoming *Phil Silvers Revue*.

Fallacious Sponsorship Statistics

The most incredible and at the same time unexpectedly impressive testimonial to the strength of TV comes in Mr. Smith's citing of Sindlinger statistics in an effort to prove that the Edsel spectacular with Bing Crosby and Frank Sinatra cut the market for the car from 191,000 potential sales to 88,000. Mr. Smith is here postulating that TV had such penetration that a single show was able to change the minds of half of Edsel's supposed customers. No mention is made, of course, of visits to dealers' showrooms, announcements of price or even of the general slump in car sales of which Edsel was a hapless part. Nor is any mention made of the fact that the very same company which marketed the Edsel is not only still sponsoring the *Ed Sullivan Show* and the *Ernie Ford* program but has also recently bought still another big program, the televised concerts of the New York Philharmonic.

Another example of the never-never land in which *Fortune* seems to be operating is a single paragraph which first says that Hazel Bishop was ruined by television and then, a couple of sentences lower down—in the very same paragraph—quotes Sindlinger saying television "is spectacularly good for such items as cosmetics, coffee and soap." Hazel Bishop, of course, is a cosmetics company. It is a far more convenient example of a cosmetics-in-televi-

sion, from *Fortune's* point of view, than Revlon. Revlon is a far bigger company and was made as big as it is by its brilliant use of television (which, of course, makes it a poor proof of *Fortune's* pudding).

We now arrive at the "have you stopped beating your wife?" phase of *Fortune's* disquisition. "As the medium loses its capacity to excite, to create, and to lead, its audiences will inevitably shrink." Up to this point, *Fortune* has not even mentioned any of the shows that have TV's prime "capacity to excite, to create, and to lead," any more than the magazine has been able to show a shrinkage of audience. It is here that the omission of the specials, the coverage of the Papal Coronation and the election, the Miss America Pageant, the presentation of "The Ruble War" etc. certainly deserve to be at least cited. But *Fortune* seems to be looking the other way, just as it has done with so many other worthwhile video presentations.

Effect of the Washington Attacks

There is no point in arguing *Fortune's* criticism of the weaknesses of current TV programming. In any year, programs range from superb to bad. It is of course pertinent to observe that *Fortune's* decrying of the lack of more network creativity is not accompanied—in its constant repetition throughout the piece—by any reiteration of the fact that Washington attacks on network practices, option time and the whole idea of network-created programs have set up roadblocks. *Fortune* would apparently rather prosecute than set things right.

The synthetic "problem" of TV's "light that failed" is no problem to *Fortune*. They have a solution. It happens to be the same solution they had 7 years ago. "The

curative force," says Mr. Smith, is Pay TV, which is sure to be brought into being "sooner rather than later."

Nor is *Fortune* handicapped by any need to state both sides of this fiery hot potato. It has conveniently at hand Skiatron's "initial poll" of California television set owners which purported to show that the viewer's only reaction about Pay TV was that 90 percent wanted it as soon as possible. There have been far more polls with reverse findings, such as those conducted by *TV Guide*, Elmo Roper, *Minneapolis Tribune*, *Cincinnati Post*, etc.—and directly antithetical expressions by the American Legion, the AFL-CIO, VFW, etc. None of these, curiously, finds space in *Fortune's* article.

As a closing observation, it is the seeming belief of *Fortune* that the function of network is to provide minority communication at the expense of the general public. This is certainly true of Pay TV, which would—as its advocates frankly have admitted—outbid free TV for all free TV's most popular offerings. It is a state of mind revealed in *Fortune's* characterization of *Wyatt Earp* as one of TV's puerilities, with no cognizance of the fact that this program has a rating more than 50% higher than its network's average.

Quality of reporting on major public issues by TV, radio, newspapers & magazines will be explored in new Fund for The Republic-financed 13-week educational TV series starting Dec. 18 on 40 commercial & ETV stations. Produced by WGBH-TV, Boston, filmed shows featuring discussions by specialists in top news fields are moderated by curator Louis M. Lyons of Nieman Fellowships at Harvard U.

Gen. Sarnoff Lashes 'Fortune': Irked by out-of-context quote in the Dec. *Fortune* article titled "TV: The Light That Failed," RCA chairman David Sarnoff this week wrote editor-in-chief Henry R. Luce to deny he had ever been interviewed for the article, that he had ever made the statement attributed to him, or that it represented his convictions. Seeking to make the point that networks are relinquishing control to sponsors of what's going on the air, *Fortune* quoted Gen. Sarnoff as saying: "We're in the same position as a plumber laying a pipe. We're not responsible for what goes through the pipe." He had, said Gen. Sarnoff, on various occasions compared the transmission facilities of wireless communications to a system of pipes laid by a plumber. But he has never disclaimed the broadcaster's responsibility for the programs he transmits; quite the contrary, he has urged that it be regarded "as a public trust, not merely another business." That's why, he continued in contradiction to the article's thesis, he brought to NBC in its early days Dr. Walter Damrosch's *Music Appreciation Hour*, Toscanini, Metropolitan Opera, ex-pres. James Rowland Angell of Yale to direct NBC's educational programs—"NBC assumes full responsibility for programs broadcast over its facilities," he stated. "This responsibility encompasses maintenance of a balanced schedule, consisting not only of broad appeal entertainment programs, but also presentations designed for specialized intellectual and cultural interests." Among the latter carried currently, he listed *Continental Classroom*, NBC Operas in English, *Meet the Press* and "a wide range of special presentations embracing great music, the classics of literature, science, news and public affairs. This is the kind of programming that 'goes through the pipe,' and NBC is responsible for it." Note: Network managements are convinced that the *Fortune* article, like *Time's* frequent sideswipes at TV, are

part of the "pattern of derogation" of TV as a competitive advertising medium against which then NBC pres. Robert W. Sarnoff took off quite vigorously in a widely quoted speech last June (Vol. 14:21 & Special Supplement).

Network Study Up Again: FCC's investigation of network practices is moving toward another climax, now that staff has concluded digest of hearings in 100pp. "findings" which commissioners are studying in preparation for meeting Dec. 8. Commission has been planning to submit findings to Justice Dept. so that latter could give its formal opinion on legality of option-time, must-buy, etc. Informally, Justice's anti-trust chief Victor Hansen and first asst. Robert Bicks have made flat assertions that option-time & must-buy are illegal (Vol. 14:18, 25). It's understood that staff's findings lean generally toward support of its original conclusions in Barrow Report, and some commissioners don't believe it should be sent to Justice without industry comments. Dec. 8 meeting may result in agreement to invite analysis by industry.

CBS Foundation Inc. will close applications Feb. 2 for 3rd group of 8 Columbia U news & public affairs fellowships, worth about \$8000 each, for study in academic year opening Sept. 1959. Fellowship plan is open to employes of CBS News, CBS stations & affiliates, staff employes of educational TV & radio stations and teachers of broadcast news techniques at colleges & universities.

Pasadena Tournament of Roses on New Year's Day, carried in color on NBC-TV last few years, will be broadcast over ABC-TV 11:30 a.m.-1:45 p.m. EST Jan. 1 under Quaker Oats sponsorship.

Roy E. Larsen, Time Inc. pres., named recipient of *Printers' Ink* 1958 Advertising Award, selected by group headed by J. Walter Thompson pres. Norman Strouse.

Renewal-Form Changes Welcomed: FCC's programming "guide" for stations—its license renewal form, in which licensee describes his schedule—is finally up for revision, as Commission starts rule-making which invites industry's comments on proposed changes. By-&-large, it's an industry-drafted document, and station operators are likely to find changes welcome.

"More realistic" is term commonly used to describe proposed changes. For example, present forms ask operators to list "talks" and "discussions" without describing substance of programs—such as agriculture, public affairs, etc. More accurate reporting of spots is provided, so that Commission can have clearer picture of "commercialization," which may be good for some stations, bad for others. New system would ask for length of spots. Old form asked for number, ignored length.

Another important change is definition of "commercial program" in 14-min. segments rather than 14½-min.; this permits 1-min. spot before or after a sustaining program, yet allows it to remain classified as "sustaining." Also, non-paid-for spots needn't be counted.

Schedules will look "more live," too, for FCC proposes that programs more than "half live" may be classified as "live." Separate category for "sporting events" is set up. Among other changes:

(1) Separate category for "education" is established, for description of programs "prepared by, or in behalf of, or in cooperation with educational organizations, exclusive of sporting events."

(2) Need for filing information on "wire" programs is eliminated.

(3) Exact copy of program log for the 7 days of composite week must be filed.

(4) Licensees are invited to describe schedules further, if they believe that renewal form alone doesn't reflect programs adequately.

(5) Less detail on employes is required.

Vote was 5-1, Craven dissenting, Bartley not participating. Craven spread himself in long, well-written statement reiterating his long-held conviction that renewal forms should be dispensed with altogether; that they're a form of censorship forbidden by law. He stated:

"The establishment of program categories, the Commission has long insisted, falls entirely within its regulatory powers since these categories serve merely as guideposts for the applicants and need not be followed. Such argument sounds quite reasonable to anyone not familiar with the practical application of these 'guideposts,' or the 'lifted eyebrow' technique used by this administrative

agency. But to one whose broadcast experience has been more practical than theoretical, it is obvious that no licensee is free to program according to his personal opinion as to what constitutes the best public service when he knows full well that his views are destined to be evaluated in the light of preconceived and pre-stated opinions of the regulating agency."

Craven maintains that Congress & courts intend that FCC supervise programming only to determine whether stations are violating the laws governing lotteries, obscenity, monopoly, etc.

Comr. Hyde came to defense of the renewal-form procedure in speech prepared for delivery at meeting of National Assn. of TV & Radio Farm Directors in Chicago Nov. 29. "It has even been suggested," he said, "that FCC renewal license application forms which require a report of past service by classification of program material operate as some kind of obstacle to the broadcaster. It seems to me that if a form which has been designed through the assistance of gov.-industry committees, essentially for assistance in reporting information, were employed in fact as a limiting factor and as a broadcaster's guide in lieu of applying his own imagination, initiative, interest in the community, creative ability and a desire to serve, the situation would be sad indeed. Any broadcaster, regardless of how diligent his efforts may be, must know that filling in application forms is not the purpose and goal of broadcasting . . .

"In brief, it becomes the FCC's responsibility to see that radio frequencies are made available for use as the law prescribes only by those who show in the first instance that they will satisfy the public trust required by law. At renewal time, it becomes a question of whether or not the licensee has kept faith with the public trust. In reviewing these basic principles, I am sure we must all be impressed with the idealism and high purpose of the objectives of the law as well as the breadth and scope of the challenge to the broadcaster and the grave responsibility imposed upon the Commission."

Since renewal forms must be approved by Budget Bureau, which has jurisdiction over all gov. forms, the new proposal was drafted by Bureau and FCC with help of an industry committee headed by Ben Strouse, pres. of WWDC, Washington & WMBR, Jacksonville. Strouse said that committee was "delighted" with proposal; that "we are sure that broadcast industry will greet the proposed new forms with enthusiasm." Rule-making is Docket No. 12673, with comments due Jan. 19, and document is Public Notice 58-1098 (Mimeo. 65861), copies available from Commission.

Westinghouse TV Rep Plans: When Westinghouse sets up its own TV representation firm next July 1, to be known as TV Advertising Representatives Inc., it will be headed by Larry H. Israel, presently gen. mgr. of its WJZ-TV, Baltimore, who will become a v.p. Firm starts with the 5 Westinghouse TV stations (Vol. 14:25), will be operated entirely separately from WBC's AM Radio Sales Corp., representing its 6 radio stations headed by Wilmot M. Losee (Vol. 14:46) and will also have offices in N. Y., Chicago, Detroit, Los Angeles & San Francisco. Until July 1, most of the Westinghouse stations (WBZ-TV & WBZ, Boston-Springfield; KYW-TV & KYW, Cleveland; KDKA-TV & KDKA, Pittsburgh; radio WOWO, Ft. Wayne; radio KEX, Portland) continue to be represented by Peters, Griffin, Woodward Inc.; WJZ-TV, Baltimore, by Blair; KPIX, San Francisco, by Katz. Successor to Israel in Baltimore remains to be appointed.

Microwave to serve CATV systems in Pennsylvania with signal of WRCA-TV, N. Y., sought by Penn Microwave, should not be granted, FCC was told this week by WNEP-TV, Scranton (Ch. 16). It urged that application be held up pending Commission's conclusion of its "small-town TV" inquiry (Vol. 14:28) or that application be designated for hearing. WNEP-TV asserted that Penn Microwave doesn't have WRCA-TV's permission to relay signal; that microwave isn't needed to bring service to an unserved area. Microwave would bring WRCA-TV signal to CATV systems in Bloomsburg, Williamsport, Sunbury, Shamokin & Mt. Carmel.

U. S. Census Bureau, now interviewing 36,500 households in 330 sampling areas to determine number of radios—and Radio Advertising Bureau, cooperating with Advertising Research Foundation—will publish new count of households with radios, including auto sets.

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Personal Notes: Thomas B. McFadden, NBC-TV spot sales v.p., promoted as of Dec. 1 to new post of gen. sales exec. of NBC-TV network with responsibility for Eastern, Detroit, Los Angeles & San Francisco offices, reporting to Don Durgin, v.p. & national sales mgr.; Charles Abry, Eastern sales mgr., promoted to gen. sales exec. for Eastern & Detroit areas, reporting to McFadden; Richard H. Close, director, represented stations, takes over McFadden's former post as head of spot sales . . . C. Richard Evans' new Star Valley Electronics Inc., Thayne, Wyo., formed to manufacture and license an electronic guitar he invented, along with other advanced musical devices (Vol. 14:34), has been incorporated in Utah, will shortly be in production; an outstanding TV-radio engineer, he's ex-gen. mgr. of KSL-TV, Salt Lake City & KGMB-TV, Honolulu . . . Charles P. Manship Jr., who with brother Douglas L. Manship, pres. of WBRZ, Baton Rouge (Ch. 2), controls *Baton Rouge Advocate and State-Times*, last week took office as pres. of So. Newspaper Publishers Assn.; he's publisher of the newspaper . . . Roger Clipp, gen. mgr. of Triangle's WFIL-TV & WFIL, Philadelphia, elected chairman of TvB, succeeding Lawrence H. Rogers II, pres. & gen. mgr. of WSAZ-TV, Huntington, W. Va.; Norman E. Cash re-elected pres.; Otto Brandt, v.p. of KING-TV & KING, Seattle, elected secy.; Payson Hall, gen. mgr. of Meredith stations, treas. . . . David C. Adams, NBC exec. v.p., named TV-radio chairman of Muscular Dystrophy Assns. . . . Hubbell Robinson, exec. v.p. for programs of CBS-TV, named chairman of TV-radio div. of 1959 March of Dimes in N. Y. . . . Roger Garrett, ex-WSTV-TV sales mgr., named gen. mgr. of Friendly Group's WBOY-TV &

ADVERTISING AGENCIES: Paul L. Bradley resigns as N. Y. v.p. & gen. mgr. of Grant Adv.; agency now under direction of 3-man executive committee comprising v.p.'s John H. Pinto, Abbott Kimball, Lawrence D. Reedy . . . Rudy Behlmer promoted to TV-radio director of Grant Adv., Hollywood . . . Wm. J. Lyons, ex-Dowd, Redfield & Johnstone, named TV-radio supervisor of Ted Bates Adv. . . . Merlin E. Carlock, ex-vice chairman of Calkins & Holden, named chairman of Burke Dowling Adams . . . Reginald F. Pierce Jr. and Jerome H. Gordon promoted to v.p.'s of Kenyon & Eckhardt . . . Norman F. Best, ex-Erwin Wasey, Ruthrauff & Ryan, named v.p. of Campbell-Mithun Inc., Minneapolis . . . G. Douglas Morris promoted to senior v.p. of Lambert & Feasley, N. Y. . . . Harold Platt promoted to v.p. of Edward Weiss Adv., Chicago . . . C. Gilbert Sellman promoted to v.p. of McCann-Erickson affiliate Sales Communications Inc. . . . Robert Swanson, ex-BBDO and Cunningham & Walsh, author of Piel's and other jingles, has formed Robert Swanson Productions, 1 E. 54th St., N. Y. . . . Fred Nahas, ex-pres. of KXYZ, Houston, is now v.p. of Kamin-Nahas-Blumberg Adv., Houston, changed from Kamin Adv. to reflect new co-ownership with v.p. B. L. Blumberg & pres. Lester Kamin.

WBOY, Clarksburg, W. Va. . . . Chalmers H. Marquis Jr. promoted to program director of educational WTTW, Chicago, succeeding James Robertson, who joins Educational TV & Radio Center, Ann Arbor, as station relations director . . . Harold Ross, ex-NAB, recently on special project for AMST in Washington, joins NBC research dept. Dec. 1 . . . Edwin L. Dennis promoted to v.p. of KMBC-TV & KMBC, Kansas City . . . Nuel Pazdral named sales operations mgr. of KGO-TV, San Francisco, succeeding Chandler R. Meloy, now national spot sales mgr. . . . Wm. T. Lane, ex-gen. mgr. of WAGE, Syracuse, founder of old WLTV, Atlanta, now WLWA (Ch. 12), recently operating own public relations firm in Syracuse, has joined Carrier Corp., air-conditioner and heater manufacturer, as v.p. . . . Edwin C. Metcalfe promoted to v.p. of rep Weed in charge of Los Angeles office . . . Bill Hargan promoted to technical operations director of KSBW-TV, Salinas-Monterey, Cal. & satellite KSBY-TV, San Luis Obispo, succeeded as chief engineer by Wes Chaney . . . Ed Voynow, Chicago partner of Edward Petry & Co., who breeds and races horses (Vol. 14:46), named to Illinois state racing commission . . . Wm. B. Rohn, assisted by LeGrand Redfield Jr., heads new Petry marketing dept. . . . Roch Demers, chief engineer of CFCL-TV, Timmins, Ont., elected chairman of Central Canada Bestrs. Assn. . . . Hugh F. Gage promoted to v.p. of Wilding Picture Productions in charge of N. Y. office, succeeded as mid-west sales mgr., Chicago, by Clifford F. Weake . . . James R. Van de Velde, ex-production mgr. of WISN-TV, Milwaukee, named to newly created post of supervisor of program production for Triangle stations under John D. Scheuer Jr., director of programming & public relations.

Obituary

H. M. Dancer, 60, chairman of Dancer-Fitzgerald-Sample, died of a heart attack Nov. 21 while on vacation at Antigua, B. W. I.

Radio comedian Harry Einstein, 54, "Parkyakarkus" of Eddie Cantor show in the 1930s, died of a heart attack Nov. 24 in Beverly Hills.

John P. Jefferson, 38, CBS News asst. director, died of a heart attack Nov. 27 at Hartsdale, N. Y.

C. C. Duncan, asst. operations director, AT&T long lines dept., promoted to operating staff director; Paul W. Gaillard promoted to marketing director; James R. Rae, to chief engineer. Ernest H. Crabb, ex-division commercial mgr. in Washington, promoted to gen. marketing mgr., and Harold S. Salzman, ex-commercial mgr. in San Francisco, promoted to gen. sales mgr.

Mallyck & Bernton is new Washington TV-radio law firm, formed by Eugene T. Mallyck, ex-FCC Broadcast Bureau attorney, and Wm. P. Bernton, TV-radio specialist in firm of Sher, Oppenheimer & Harris. Partners are seeking office space, meanwhile have temporary quarters at Bernton's old firm—Woodward Bldg. (Republic 7-3028).

Simon H. Fabian, pres. of Stanley Warner Corp., elected temporary chairman of 6-man exec. committee organizing American Congress of Exhibitors to act for exhibitors in same way Eric Johnston's Motion Picture Assn. of America acts for producers & distributors.

One More Hole-in-One: To the list of industry folk who have made it (Vol. 14:46-47), add the name of W. R. (Bill) Roberson Jr., pres. & gen. mgr. of WITN, Washington, N. C. (Ch. 7). He scored his on a 146-yard hole on the Washington Yacht & Country Club course in 1950.

USIA's Overseas TV Sizeup: Foreign TV sets-in-use will total 50,000,000 within 4 years, more than doubling, in opinion of Romney Wheeler, ex-NBC London, new director of U. S. Information Agency's TV Service. In speech prepared for delivery before Birmingham Kiwanis Club Dec. 2, he speaks of "promise" of inter-American and transatlantic live transmissions by 1962, says foreign TV growth "will provide the U. S. with a chance to tell something about America and Americans to upwards of 200,000,000 persons."

"This is not hard sell," Wheeler asserts. "We only want them to get to know us—to understand us a little better—and to see for themselves that we don't resemble, even remotely, the Communist-inspired image of America."

USIA this week released its quarterly summary of foreign TV developments, estimates 21,585,200 sets-in-use outside U. S. & its territories, excluding Canada, as of Sept. 30—an increase of 1,400,000 in the quarter.

New station starters during the period numbered 79, USIA says, bringing total to 639, and it estimates total will reach 706 by end of year. Western Europe added 56, Latin America 7, Far East 5, Middle East, South Asia 2. USSR increased by 5, Czechoslovakia 2, East Germany 1, Red China 1.

Our own compilation of foreign TV data as of Aug. 1 is included in Foreign TV Directory section of *TV Factbook No. 27*, pp. 299-310. Copies of USIA's full 26pp. report may be obtained from the agency, at Washington 25, D.C. It's titled: *Overseas TV Developments—Quarterly Report, July 1-Sept. 30, 1958.*

Baseball TV Cut Demanded: Major baseball league player representatives are talking "drastic action" if owners don't agree at meeting in Washington next month to give them slice of regular-season TV-radio income, Associated Press reports. Players now get 60% of \$3,250,000 paid to clubs for broadcasting rights to World Series & All-Star Games, but don't share in big revenues from regular games. Size of TV-radio melon was indicated in report by players' attorney J. Norman Lewis, who had accounting team go over club records. Gross income of majors was \$32,035,481 in 1950—and \$42,836,327 in 1956, Lewis pointing out most of \$10,000,000 increase came from regular broadcasting fees. He had no figures for 1950 & 1951, but said TV-radio receipts in 1952 were \$4,164,939; 1953, \$4,746,206; 1954, \$5,755,683; 1955, \$6,122,303; 1956, \$7,306,259.

Russia will have TV network next year, reports 5-man U. S. delegation sent to Soviet Union last month by State Dept. to study broadcasting-recording techniques under East-West cultural exchange agreement (Vol. 14:43). Group was told by officials of State Committee for Broadcasting & Telecasting that initial network plan is to set up Moscow-Leningrad & Moscow-Kiev links. Delegation (Jerry Danzig, NBC; Ralph Harmon, Westinghouse; Mike Wallace, ABC; Ralph Cohn, Screen Gems; Burton Paulu, U of Minn.) spent 19 days in Russia, now is writing formal report for State Dept.

Philadelphia's WTEL (250 watts D, 860 kc) is being sold for \$500,000 by Foulkrod Radio Engineering Co. after more than 33 years of ownership to brothers John E. & George D. Hopkinson and Quentin C. Sturm. Hopkinson brothers are partners in Chicago radio rep firm Dwight & Assoc. Inc., also partners in a mail order business, and each owns 1/3 of WKAB, Mobile, Ala. Mr. Sturm owns other 1/3 of WKAB as well as 6.35% of WLOI, La Porte, Ind.

Love That Radio Networking: Interesting turn in current efforts to rehabilitate network radio (Vol. 14:44-46) came this week when *Oklahoma City Oklahoman's* WKY, an NBC-TV affiliate, whose counterpart WKY-TV is basic on NBC-TV, announced the Nov. 27 termination of its longtime affiliation with NBC Radio, whereupon Todd Storz's recently acquired KOMA there immediately assumed the affiliation. Storz stations (others are WHB, Kansas City; WDGY, Minneapolis; WTIX, New Orleans; WQAM, Miami) have been prime examples of highly successful independent local operation. The WKY defection came in wake of refusal of WJR, Detroit, to go along with CBS's new PCP plan of radio network operation (Vol. 14:46), effective next Jan. 1, which CBS says is the only disaffiliation yet. Meanwhile, MBS did a bit of gloating, took full-page trade paper ads captioned, "We have a feeling we're being followed . . . by CBS"—and going on to say it pioneered CBS's new programming concept more than 16 months ago. "It works," said MBS, reporting clearances up, sales up, good results for sponsors (listing 28 "blue chip" advertisers using Mutual). The ad then carries this gleeful tag-line: "The feeling of confidence is Mutual!"

Fire gutted the home-office of United Broadcasting Co. pres. Richard Eaton in uptown Washington Nov. 25, causing \$30,000 damage and injuring 9 firemen. His 6-year-old daughter Francoise was rescued in the flames by a hired hand, 6 other children having made their escape earlier. Eaton has built up string of 7 radio stations (WOOK, Washington; WSID, Baltimore; WARK, Hagerstown, Md.; WINX, Rockville, Md.; WANT, Richmond; WYOU, Newport News; WJMO, Cleveland) since he fled France, where he published several rural weeklies, just ahead of the Nazi invasion. Five of his 7 children are adopted French orphans.

In filing transfer papers for WTRF-TV, Wheeling W. Va. (Ch. 7), it's revealed purchase price to new WTRF-TV Inc. (Vol. 14:46) is \$1,856,000. The brothers Albert, Raymond, Robert & Gordon Dix, Ohio newspaper publishers, boost holdings from 30% to 92.8% (23.2% each), with gen. mgr. Robert W. Ferguson owning remaining 7.2%. Oct. 1 profit & loss statement lists \$294,795 profit before taxes for year to that date vs. \$229,429 for same 1957 period. Oct. 31 balance sheet shows \$374,773 current assets, \$125,862 current liabilities, \$339,194 fixed assets, \$578,767 surplus.

Professional collegiate journalism fraternity Sigma Delta Chi elects: pres. James A. Byron, news editor of WBAP-TV & WBAP, Ft. Worth, first broadcaster so honored; honorary pres. Eugene C. Pulliam, pres. & publisher of Indianapolis *Star and News* (radio WIRE); v.p.-professional affairs V. M. Newton Jr., *Tampa Tribune* (WFLA-TV & WFLA); v.p.-undergraduate affairs Robert Root, Syracuse U; v.p.-expansion E. W. (Ted) Scripps, *Rocky Mountain News*, Denver; secy. Buren McCormack, *Wall St. Journal*; treas. Robert M. White II, *Mexico* (Mo.) *Ledger*.

Sylk brothers' Sun Ray Drug Co., Philadelphia area drugstore chain of 140 stores (total assets, \$12,800,000), which also owns radio WPEN there and has application pending before FCC to purchase WCKR, Miami, plans merger with Consolidated Retail Stores Co., A. H. Sonnabend-controlled N. Y. chain of 29 apparel stores.

NBC-TV primary affiliation was signed this week by WFRV-TV, Green Bay, Wis., effective May 23, 1959, replacing WMBV-TV, Marinette-Green Bay.

MORE TV SET PRICES GOING UP: It's now certain TV prices will be higher next year, for several more major set makers this week boosted prices or indicated plans to do so, most others deciding to wait for introduction of new lines later in Dec. Hard on heels of last week's Motorola price announcement (Vol. 14:47), RCA revealed it has increased suggested list prices on 16 of 28 basic models by \$10 to \$25 (color models not included), while GE market mgr. Jack S. Beldon said that "it may be necessary to boost prices on some models before the end of the year."

A 5% across-the-board price boost on new 1959 models is minimum expected by industry sources who say exact amount won't be known until one or 2 major set makers fix the pattern at upcoming distributor conventions. Distributor showings so far announced are: Motorola in Chicago, Dec. 5; Sylvania in Hollywood, Fla., Dec. 8-10; Zenith in Chicago, Dec. 16; Philco in Philadelphia, Jan. 2-4.

Once-a-year model changes for TV, like automobiles, may be presaged by RCA's plan to make practically no changes in its fall line this year. Spokesman said that there might be one or 2 drop-ins but no important changes in styling or engineering features. RCA's entire sales force, including field reps & regional managers, will attend sales sessions this week starting Mon. Dec. 1 at the Chalfont-Haddon Hall, Atlantic City, where 4 new radios will be shown and merchandising plans revealed.

The Swing to FM Continues: Pace of FM radio output continues to accelerate under the impetus of surging interest in stereo hi-fi. EIA, which began keeping industry figures on FM set production in July after a 4-year lapse, reports Oct. production was 59,586 sets vs. 14,408 in Sept., 21,335 in Aug., 11,816 in July.

Though only drop in the bucket compared with 9-month total (about 6,224,000 sets), Oct. FMs represented 4.6% of home radio production vs. 2.7% in Sept.

Rapid expansion of interest in FM indicates our earlier guess (Vol. 14:44) -- that about 300,000 FM radios will be built in U.S. in 1958 -- was a good one. It will be the best output since 1953 but still far behind FM heyday in late 1940s when there were 700 FM stations and set makers sold more than 1,000,000 sets annually.

TV-Radio Production: TV output was 116,530 sets in week ended Nov. 22 vs. 112,202 preceding week and 137,263 same week last year. Year's 46th week brought production to 4,408,092 sets vs. 5,690,275 same period last year. Radio output was 390,019 (137,678 auto) for week ended Nov. 22 vs. 364,943 (113,309 auto) preceding week and 442,416 (152,541 auto) same week last year. Radio production for the 46 weeks was 10,003,938 (3,048,190 auto) vs. 12,441,038 (4,766,193 auto) last year.

GE & WESTINGHOUSE LATEST ANTI-TRUST TARGETS: A curious foray into friendly U.S.-Canadian business relations was undertaken this week by the Justice Dept's perhaps over-zealous trust-busters -- and it could have just as important diplomatic as business implications. Complaint filed in the U.S. District Court for Southern N.Y. District charged GE & Westinghouse with manipulating their subsidiaries in Canada and the Canadian patent pool (Canadian Radio Patents Ltd.) so as to prevent export of radios & TVs from U.S. into rich Canadian market. Big N.V. Philips Gloeilampenfabrieken was also named defendant in the civil anti-trust suit, the complaint saying it comes within jurisdiction of Court because its subsidiaries do business in N.Y. Twelve other U.S. & Canadian companies, including RCA & Hazeltine, are named "co-conspirators" but not defendants.

GE & Westinghouse promptly replied that their Canadian subsidiaries are operated by Canadian managements and that parent companies do not "dictate or regulate" their affairs. Said GE v.p. & gen. counsel Ray H. Luebbe: "The proceeding is unfounded in fact, unwarranted in law and ill advised in terms of public policy. [It]

raises a serious question as to the extent to which the Justice Dept. should try to interfere with the legitimate attempts by friendly countries, particularly Canada, to foster and maintain essential industries within their own borders."

Said Westinghouse v.p. E. V. Huggins: "We don't run the Canadian company from the U.S. and don't intend to. Our patent operations never kept anyone out of Canada. Presently, 26% of Canadian Westinghouse is owned outside of Westinghouse and we only obtained majority control 3 years ago. So, when the Govt. talks about what happened 30 years ago, we can't be held responsible."

Canadian press erupted indignantly over what one paper termed another attempt by U.S. to dictate economic policy in Canada. Nov. 25 Toronto Globe & Mail called the Justice Dept.'s suit "an amazing piece of effrontery," and said "Justice Dept. in Washington now is trying to tell Canadians that they must stop promoting development of manufacturing in Canada and should buy their goods from U.S. instead."

Nov. 28 Wall Street Journal calls the suit an "Anti-trust Dilemma," opines that the "Justice Dept. should recognize the difficulties of trying to do business by U.S. laws and U.S. standards in lands of other laws and standards."

Impression among industry lawyers is that basis of civil suit was found in 1957 N.Y. grand jury proceeding out of which grew criminal anti-trust suit against RCA, settled only 4 weeks ago (Vol. 14:44) by a nolo contendere plea and imposition of \$25,000 fines on each of 4 counts. Some small manufacturers, they say, may have been hurt years ago by the Canadian patent pool, which, it is alleged, successfully stifled importation of U.S. radios & TVs, but most companies have long since solved problem by establishing plant facilities in Canada or by licensing agreements. [For additional details and comment on the suit, see below.]

Intrigue in Canada? Just how far U. S. can go in controlling the activities of foreign subsidiaries of American firms, is fine legal point raised by civil anti-trust suit filed this week against GE & Westinghouse (above), which alleges they conspired with their Canadian subsidiaries to operate a patent pool against the interests of U. S. foreign trade with Canada. Gist of the complaint, which also names as defendant Philips of Holland because it does business in N. Y. (North American Philips), is that both GE and Westinghouse Canadian subsidiaries were instrumental in setting up Canadian Radio Patents Ltd. which, in turn, was manipulated so as to make it virtually impossible for U. S. manufacturers to ship radios & TV receivers into Canada.

Result of the alleged conspiracy, complaint states, was to force U. S. firms to establish manufacturing facilities in Canada against their wishes and best interests. Complaint goes back to 1927 when, it alleges, Canadian patent pool began licensing all manufacturers of home entertainment apparatus in Canada under package licenses and using its resources in such a manner as to make it impractical for U. S. manufacturers to export to Canada. Canadian Radio Patents Ltd., it says, is owned in 5 equal shares by Canadian subsidiaries or affiliates of GE, Westinghouse, Philips, Western Electric, English Electric Co.

Suit names 12 co-conspirators, but does not include them as defendants, namely: Canadian Radio Patents Ltd., Canadian GE, Canadian Westinghouse, Canadian Radio Manufacturing Corp. Ltd., Rogers Majestic Electronics Ltd., Canadian Marconi Co., Northern Electric Co., RCA, RCA Victor Ltd., Western Electric, North American Philips Co., Hazeltine Corp.

Complaint alleges that defendants and co-conspirators

entered into agreements to "prevent, hinder & preclude the importation into Canada from the U. S. of home entertainment apparatus which could compete in the Canadian market with home entertainment apparatus manufactured in Canada by Canadian companies, including the Canadian subsidiaries or affiliates of each of the defendants."

This is accomplished in part, it states, by issuance of package licenses which require the licensee to manufacture only in Canada and "to refrain from importing" radios and TV sets manufactured in the U. S. Also, CRPL is said to have refused to license imports of radios & TV sets made in the U. S.; "threatened to institute, and has instituted, patent infringement suits against dealers undertaking to sell in Canada home entertainment apparatus manufactured in the U. S."; and has "persuaded and induced Canadian Standards Assn. to refuse to approve, as unsafe, home entertainment apparatus not manufactured under license from CRPL."

Effects of this alleged conspiracy and combination, the complaint says, are that "trade between the U. S. and Canada in home entertainment apparatus has been unreasonably restrained"; that the Canadian market "has been virtually closed" to TV and radio sets made in U. S.; and that U. S. companies which otherwise would have exported home entertainment apparatus to Canada "have been compelled to manufacture such apparatus in Canada."

Zenith has purchased Central Electronics Inc., Chicago, manufacturer of single sideband equipment for radio amateurs and other electronic devices, will operate it as wholly owned subsidiary. Wesley R. Schum, founder of Central Electronics, was named Zenith v.p.

Motorola says production of 12,000,000 home & clock radios in its Quincy, Ill. plant over last 10 years entitles that town to call itself "Radio Capital of the World." They represented \$250,000,000 in sales, \$20,000,000 in payroll.

Trade Personals: Fred A. Martin promoted to gen. sales mgr. of Sylvania parts div.; W. H. Hendricks, ex-Meier Electric & Machine Co., named district sales mgr., Indianapolis . . . Thomas D. Fuller promoted to Sylvania special tube operations marketing mgr. . . . Henry R. Pongetti promoted to purchasing agent, Motorola consumer products div. . . . Albert E. Keleher promoted to market planning mgr., Raytheon govt. equipment div., succeeded as product sales mgr., communications systems dept., by Raymond Kendall, ex-Motorola . . . J. Seddon Allen, ex-King Allen Inc., named Admiral mid-South sales mgr. with headquarters in Memphis . . . E. K. Rogers promoted to Packard-Bell district sales mgr., Seattle . . . Wm. S. Nielsen, ex-Columbia Records, named sales director of Urania Records, succeeding David Rothfield, now with E. J. Korvette . . . Samuel Olchak resigns as sales mgr. of Paramount Enterprises Hallmark div.

* * * *

ELECTRONICS PERSONALS: Dr. Robert Huntoon named Bureau of Standards deputy director, continuing as assoc. director for physics . . . Dr. Carl E. Barnes promoted to research v.p. of Minnesota Mining & Mfg. . . . Dr. Edward E. Davis, Bell Labs director of visual & acoustics research, named 1958 "outstanding alumnus" of Ga. Institute of Technology . . . Dr. Harry G. Romig, ex-Summers Gyroscope, named reliability director of Hoffman Labs . . . Malbon H. Jennings promoted to military requirements director of Ramo-Wooldridge with headquarters in Washington . . . Herbert Rosen, ex-Washington editor of *Electronic Week*, named deputy public information officer of National Aeronautics & Space Administration.

Richard D. Thornton, MIT asst. prof. of electrical engineering, receives IRE's 1959 W. R. G. Baker Award for best paper published in *Transactions of the IRE Professional Groups*, for "Active RC Networks." Franklin H. Blecher, Bell Labs, gets 1959 Browder J. Thompson Memorial Prize Award for paper "Design Principles for Single Loop Transistor Feedback Amplifiers."

Robert G. Hufford, Eastman Kodak, named 1959-60 chairman of Hollywood Section, SMPTE; Carl W. Hauge, Consolidated Film, is secy.-treas. Board now includes Ralph E. Lowell, NBC-TV; Wm. E. Gephart, General Film; James P. Corcoran, 20th Century-Fox; with holdovers Theodore Grenier, ABC; James T. Pettus, RCA.

Add U. S. Naval Academy graduates in the broadcasting industry (Vol. 14:38): George F. Rester, Class of '44, then for 5 years in submarine service, latterly as lieut. comdr. He served awhile with NBC engineering, then with RCA broadcast marketing group in Camden, now is TV field sales rep for RCA, in Pa., Del., N. J.

William White resigns as member of Sylvania board due to conflict of interests resulting from proposed merger of Sylvania with General Telephone Corp. (Vol. 14:45); he's also a director of AT&T.

Marconi's Wireless Telegraph Co. has elevated gen. mgr. F. N. Sutherland to managing director and member of board.

Frank M. Folsom, ex-pres. of RCA, now chairman of its exec. committee, elected a director of Crown Cork & Seal Co.

Obituary

Harvey W. Harper, 80, founder-chairman of Tung-Sol Electric, Newark, died Nov. 23 at his home in Belleair, Fla.

GE's Color Studio-on-Wheels: One of most elaborate mobile TV units ever put together, GE's new 18-ton, \$250,000 aluminum trailer was turned over this week to Army Pictorial Center, Long Island City, N. Y. after being shown off in Washington to military & other govt. officials at studios of WTOP-TV. The 3-camera setup was bought by Army "to determine the degree of importance of color TV in military applications," according to Lt. Col. Hollis Dakin, TV chief of Pictorial Center. GE suggests that it may be used for "covering maneuvers, missile launchings, atomic problems and medical training programs." Wm. J. Morlock, gen. mgr. of GE technical products dept., says that the highly transistorized equipment, under ordinary studio conditions, would take up 4-5 times as much space as that provided by the 35x8-ft. aluminum trailer. In addition to TV gear, it has complete audio recording equipment. Though it doesn't have own power-generating equipment, it has built-in 9-ton air-conditioning & heating unit. It will take crew of 12-14. GE engineers are particularly proud of their compact color cameras, report 8-9 have been sold to stations since introduction at NAB convention this year.

Hi-fi enthusiasts may now join Institute of High Fidelity, 125 E. 23rd St., N. Y., adjunct of Institute of High Fidelity Mfrs., by paying \$10 annual dues, and will receive 12-mo. hi-fi package including: Choice of special test tape or disc; free 6-mo. subscription to one of 5 popular hi-fi magazines; book on high fidelity, regular issues of newsletter reporting advance data on new equipment and latest developments in field, free admission to hi-fi shows in various cities.

RCA announces transfer of radio & hi-fi production from Canonsburg, Pa. to Indianapolis & Cambridge, O., temporarily curtailing operations at Canonsburg plant until machinery is set up for manufacture of "another type of electronic equipment." Also announced was expansion of Bloomington, Ind. plant, which makes black-& white and color TV sets, and transfer of Findlay, O. plant to RCA semiconductor & materials div. for production of transistors and other semiconductors.

An improved Cuban market for U. S. TVs & radios may be expected in near future, reports Commerce Dept. *Foreign Commerce Weekly*. It estimated 95% of TV and 70% of radio imports are from U. S., balance from West Germany, Netherlands, Japan. Report states that "trade sources do not anticipate Cuban market in foreseeable future will justify establishment of TV and radio production facilities on the island."

IRE's 1959 Directory, listing names and addresses of all its 70,000 members, with half of more than 1000pp. volume being an alphabetical directory of manufacturers by product groups, with advertising, is being distributed this month to members. Also out is 620pp. *IRE Purchasing Directory* listing all vendors.

American TV & Radio Co., St. Paul, manufacturer of ATR brand TV sets, has acquired Eckstein Radio & TV, Minneapolis, where it plans to establish its radio receiver branch and continue production of private label sets for Gamble-Skogmo and Western Auto Supply.

New microwave system (MCR-1000) in 5925-8500-mc band, designed for voice, teleprinter, facsimile, supervisory control telemetering, etc., has been introduced by Raytheon, due for Oct. 1959 delivery.

Emerson introduces combination stereo hi-fi, TV & radio priced at \$348—said to be "most complete home entertainment unit on market today."

FCC Probe—End of The Line: Oft-headlined life of House Commerce legislative oversight subcommittee came to a frustrated, inglorious end this week, Chairman Harris (D-Ark.) winding up 11-month "influence" manhunt through Federal agencies with his last big case—mystery of Pittsburgh Ch. 4 phantoms (Vol. 14:47)—still unsolved.

After 2 days of hearings in which Ch. 4 case witnesses managed to compound—instead of clarify—confusion about "bribery" rumors involving ex-FCC chairman George C. McConnaughey, Harris—his face flushed—gave up. He adjourned subcommittee, set final executive session for Dec. 10, said no more public hearings will be held. At the Dec. meeting, his special House investigating unit, whose official life closes at end of year, is expected to decide whether to ask incoming Congress to revive it. Members are split on question.

One positive development came at end of hearings. Into voluminous record of this year's subcommittee hearings went letter to Harris from FCC Chairman Doerfer. Result of Nov. 20 conference between Harris, Doerfer & Comr. Hyde, it promised "affirmative action" by Commission in 2 areas in which "influence" investigation has been centered.

Doerfer wrote that FCC's recommendations to 86th Congress for legislation would include these Communications Act changes: (1) Amendment of Sec. 409(c) on *ex parte* pressures to "prohibit any person (except as authorized by law) from making a presentation to the Commissioners except on the record." Prohibition presumably would apply to members of Congress as well as principals & lawyers in FCC cases. (2) Deletion of Sec. 4(b) permitting payment of "honorariums" by outsiders to Commissioners for speeches, etc.

* * *

Traveling in circles as it attempted to trace gossip that McConnaughey's vote on Pittsburgh Ch. 4 in 1957 was for sale, subcommittee otherwise accomplished nothing. It developed neither substantiation nor refutation of hearsay allegations which were called "inconceivable" by McConnaughey himself on stand last week. "It's perfectly ridiculous," said Harris angrily. "It's a strange situation," agreed Rep. O'Hara (R-Minn.)

Ch. 4 principal who seemed to be chief spreader of rumors about McConnaughey—pres. Earl F. Reed of TV

City, which combined with Hearst's WCAE to win Pittsburgh grant—was recalled as one of last unproductive witnesses. He was put—impatiently—through repetitious questioning about his earlier story (Vol. 14:46) that somebody told him McConnaughey sought \$50,000 from TV City.

Reed blandly assured subcommittee: "I have no idea where I got the information. I have no recollection." He was equally vague in his memory of who leaked fact to him that at one point FCC was tied 3-3 on Ch. 4 award. Nor could he recall, he insisted, who tipped him off that TV City's Washington counsel George O. Sutton planned law association with McConnaughey after latter left Commission June 30, 1957. Harris waved him off stand after 55 fruitless minutes.

Another Ch. 4 principal summoned for return appearance before the subcommittee—Reed's law partner & TV City secy. Lee W. Eckels—was no more helpful in identifying sources of gossip he said he'd heard. "I can't recall," he said repeatedly. He was on stand 20 minutes.

Earlier Wm. G. Matta of Matta Enterprises, one of 3 Ch. 4 applicants which withdrew from Pittsburgh case after TV City & Hearst paid them \$50,000 each for "out-of-pocket" expenses, added another to many contradictions in case. He swore that he didn't start the 1957 report—as Reed had testified—that Hearst offered McConnaughey \$20,000 per year. "I heard it on the telephone from Mr. Reed," said Matta.

Harris started out in subcommittee's windup week to try to develop his own theory that maybe Ch. 4 rumors—which subcommittee itself first spread on the public record in Sept. without any attempt to sift them (Vol. 14:39)—"were created with a design to influence proceedings before the FCC." But he got nowhere with this thesis, either.

This week, subcommittee staff attorney Stephen J. Angland, anticipating end of his job when unit shuts shop, sent letters to subcommittee members saying he wouldn't continue as aide even if Congress renews its life. He said subcommitteemen "have done a very excellent job in handling what at times were almost completely intolerable situations." But he also expressed hope that "a more professional approach" would be made by any such investigating subcommittee next session.

Composition of U. S. families—size, number of children, ages, urban or rural, white or non-white, etc.—is described by Bureau of Census in new 15pp. *Household and Family Characteristics: March 1958*, available for 25¢ from the Bureau or Commerce Dept. field offices.

Financial Reports:

Dividends: Zenith, 50¢ plus \$2 extra, both payable Dec. 29 to stockholders of record Dec. 12, plus \$2 special Jan. 30 to holders Jan. 9 . . . Hoffman Electronics, 25¢ Dec. 31 to holders Dec. 17 . . . Sprague Electric, 30¢ Dec. 13 to holders Dec. 1 . . . Arvin Industries, 25¢ Dec. 27 to holders Dec. 8 . . . Television-Electronics Fund, 45¢ Nov. 29 to holders Nov. 3 . . . Philco, 2% stock Dec. 26 to holders Dec. 8 . . . Decca Records, 25¢ Dec. 29 to holders Dec. 15.

Reports & comments available: On improved business prospects for 1959 as seen by presidents of 109 major corporations in poll reported in Dec. *Review & Modern Industry* of Dun & Bradstreet, 99 Church St., N. Y. . . . AB-PT, brief by Auchincloss, Parker & Redpath, 729 15th St., Washington, D. C. . . . On west coast electronic companies, special survey by Shearson, Hammil & Co., 14 Wall St., N. Y.

Loew's theatre-radio spinoff, complying with 6-year-old govt. anti-trust consent decree divorcing movie houses from film production & distribution (Vol. 14:44), was approved this week by N. Y. Federal District Judge Palmieri. When plan is worked out in 2-4 months, Loew's 102 U. S. & Canadian theatres and N. Y. radio WMGM will be placed in separate company. Still under parent Loew's will be MGM, 49 overseas theatres, TV interests (25% of KTTV, Los Angeles and \$33,000,000 in contracts for pre-1948 film), record & music publishing companies.

Music Corp. of America holdings in Republic Pictures, big distributor of films to TV, have been bought by syndicate organized by Republic directors Herbert J. Yates & Victor N. Carter, price undisclosed. MCA had held about 85,000 of 2,004,190 outstanding Republic shares.

ORRradio Industries, which lost \$41,000 in first fiscal half ended Aug. 31 (Vol. 14:43), reports loss of \$36,700 for 8 months ended Oct. 31.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
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SUMMARY-INDEX OF THE WEEK'S NEWS—December 6, 1958

PARAMOUNT GETTING \$4,000,000 for 21% of Metropolitan, but not planning to sell out its 27% of DuMont Labs, which went in black in Oct. Outlet Co. option acquired from Samuels Estate; its Providence TV-radio stations to be re-sold to Zeckendorf-Mullins combine for \$6,500,000 (pp. 1 & 4).

TOUGH MIAMI Ch. 10 DECISIONS still up to FCC, as Judge Stern recommends revocation of CP but says National and WKAT not "absolutely" disqualified (pp. 2 & 5).

CBS-TV DROPS MUST-BUY PRACTICE, NBC-TV seen doing same, in hope concession will ease Justice Dept. and FCC staff demands for end of option-time (p. 3).

CATV-MICROWAVE FREEZE argued in Court of Appeals. Applicants claim FCC tramples rights (p. 9).

TOLEDO's SECOND STATION, WTOL-TV (Ch. 11) starts this week as primary CBS-TV affiliate. (p. 9).

TV ALLOCATIONS ALTERNATIVES analyzed by Comr. Ford, who weighs pros & cons of 6 variations (p. 9).

TRANSATLANTIC LIVE TV via scatter now technically feasible—if someone puts up \$50,000,000 for 6-10-hop system, according to Page engineer (p. 11).

FTC's TV-RADIO MONITORING of commercials expanded to include home work at sets by 350 professional staffers. Charles A. Sweeny heads unit (p. 16).

Manufacturing-Distribution-Finance

INDUSTRY KEEN ABOUT 23-in. TUBE but it's now slated for June 1 availability from Corning. Delay due to hassle over deflection angle (p. 12).

EIA APPROVES TV SALES PROMOTION program but turns down \$100,000 industry-wide fund. Board sets up stereo broadcast standards committee (p. 12).

WESTINGHOUSE PLANS NEW COLOR SETS next year, says "if there's anything new in TV, it's color" (p. 12).

STEREO AM SYSTEM proposed to FCC by Philco, urging field-testing, single set of standards. Claimed to be compatible, inexpensive, uncomplicated (p. 13).

INVESTORS, FINANCIERS & WHEELS WITHIN DEALS: Several more highly complex TV-radio station sale deals came to light this week as buyers & sellers prepared for filing of FCC-required transfer papers. So complicated were the transactions, which some of the principals tried to keep hush-hush, that it's good guess that not only will lawyers require weeks if not months to iron out details but FCC will doubtless take long hard look at all the ramifications. Once again (Vol. 14:47), the transactions illustrate how eagerly new capital is eyeing the intriguing and profitable TV-radio media; how licenses are increasingly becoming intertwined with complex corporate setups; how trend to multiple ownership is continuing. Week's big deals:

(1) Paramount Pictures Corp. is selling its 21% holdings in Metropolitan Broadcasting Corp. (335,200 shares at about \$12 per share) to syndicate dominated by John W. Kluge, Washington food broker who has been highly successful in station investments. This \$4,000,000-plus valuation on only one-fifth of Metropolitan, the old DuMont broadcasting subsidiary spun off Allen B. DuMont Laboratories Inc. in 1955, and Kluge-associated interests' quiet acquisitions of still more Metropolitan stock (traded over-the-counter) in recent months, indicates the high value attached by seasoned investment men to the earnings potentials of Metropolitan stations -- all of them independents. They are WNEW-TV, New York (Ch. 5) and radio WNEW; WTTG, Washington (Ch. 5); radio WHK, Cleveland. [For further details, see p. 4.]

(2) A \$500,000 option on Outlet Co., old-line Providence dept. store whose stock is traded on N.Y. Stock Exchange, and whose most valuable asset and earners are its subsidiary WJAR-TV (Ch. 10) with radio WJAR (5-kw, 920 kc), has definitely been given middleman Roger L. Stevens, N.Y. realtor best known for his speculations on Broadway plays. He now holds options on 55,230 shares held by 5 family trusts,

out of 99,420 shares outstanding. He's paying \$120 a share, or \$6,627,600, to gain control, offering to buy rest, planning to sell the stations for around \$6,500,000 to Webb & Knapp (big realty firm headed by Wm. Zeckendorf) and old-time telecaster John C. Mullins, who together own KBTB, Denver (Ch. 9).

Buyer of the dept. store, which is nowhere near the profit maker of TV-radio operations, is not yet divulged -- and consummation of whole deal may be in jeopardy by reason of threatened legal action of J. S. (Dody) Sinclair, gen. mgr. of the stations and son of one of the largest trust fund owners. [More on p. 4.]

* * * *

Paramount's decision to sell its holdings in Metropolitan, which grow out of its 26.9% ownership in DuMont Labs, has naturally led to question whether it also intends to sell its 100%-owned KTLA, Los Angeles (Ch. 5). Answer is definitely not, said a spokesman, who observed that the station is now a good earner; that parent Paramount is now in best financial shape ever, having reduced its outstanding stock from 3,300,000 shares to 1,750,000, and having shown profit of more than \$14,000,000 in first 9 months of 1958 -- some \$6,000,000 of it, incidentally, coming from TV.

Does it mean Paramount might pull out of DuMont Labs? Again, response was a positive No -- maybe because DuMont might be available one day as the manufacturing vehicle for Barney Balaban's and Paul Raibourn's still-cherished plans for pay TV.

There has been persistent talk that DuMont Labs, because of its heavy losses in recent years (Vol. 14:11), might be acquired for its technical facilities & know-how by another big electronics firm, possibly a well-heeled aircraft company.

Having divested its pioneer TV operations via sale and spinoff, then its TV-radio-hi fi manufacturing to Emerson (Vol. 14:27), DuMont has been subject of much rumor and conjecture. But the only things that can definitely be determined are (1) that the management engineering firm of Stevens, Jordan & Harrison has been studying it for a directors' report due this month; (2) that the firm went into the operating black in Oct. for first time in several years; (3) that Mabon & Co., N.Y. brokers, recently bought 15,000 of its 122,016 outstanding shares of \$20 par 5% convertible preferred, plus 75,000 shares of its 2,361,092 outstanding common, for an unrevealed account; (4) that consultant Oscar Lasdon, 37 Wall St., has also been building up a position in DuMont Labs; (5) that its stock has enjoyed rise on American Exchange from 1958 low of 3 to around 5 in Nov., peak of 6% in Dec., 6 at Dec. 5 closing.

JUDGE STERN PROPOSES, FCC MUST DISPOSE: Miami Ch. 10 case is still very much in lap of the FCC -- for Judge Horace Stern gave it no easily rubber-stamped initial decision this week when he recommended that National Airlines CP for WPST-TV be revoked; that none of the 4 applicants be absolutely disqualified, but that black marks be affixed to escutcheons of 2 of them in any further proceedings.

FCC can go any of many directions from here. It can conduct oral argument limited to 4 present applicants, pick one for the grant. It can open new full-scale hearing for the same 4. It can wash out the whole thing and invite new applicants in addition to old. It can throw out some applicants, keep some, for new hearing. There are plenty other possibilities, but most bets are being placed on a brand-new start with everyone and his brother invited to apply.

Stern's decision is a model of fairness -- and brevity (2lpp.) -- in the opinion of most observers, and Commission is obviously satisfied with his work, for it has "retained" him for Boston Ch. 5 hearing, which was designated this week in compliance with Court of Appeals' mandate (for Miami decision details, see p. 5).

Stern didn't spare Congressional pressurers, much to virtually everyone's delight; he criticized the efforts made by Senators Kefauver (D-Tenn.), Holland and Smathers (D-Fla.), something devoutly hoped-for by public & industry (Vol. 14:25). He didn't pass judgment on ex-FCC chairman George C. McConaughy, who had been target of appeals by the representatives of WKAT -- and he made it clear that all incumbent commissioners are "clean" in the case.

Essence of Stern's decision is very simple: You can't tamper with judges.

Representatives of National Airlines and WKAT, he said, definitely influenced or attempted to influence ex-Comr. Mack. Therefore, Mack shouldn't have voted, National CP should be revoked, and National & WKAT should suffer severe handicaps if Commission lets them participate in new comparative proceeding.

Stern said nothing about applicant L.B. Wilson Inc., against which few accusations of "influence attempts" were made. Fourth applicant, North Dade Video, he said, hired ex-Comr. Robert F. Jones for purpose of getting Congressional help "which would have been improper" but Jones never actually did anything improper. Stern said Jones was "indiscreet & imprudent" in giving Comr. Craven pro-North Dade brief after final decision was issued but this was "apparently not ill-intentioned."

One of most interesting aspects of Stern's decision was his failure to toss out National & WKAT summarily, as recommended by Justice Dept. & FCC staff, which also would have eliminated North Dade (Vol. 14:46). Stern's reasoning: Even if National or WKAT are guilty of improprieties, it's possible that a TV grant to one of them might be in the public interest -- if their favorable attributes are simply overwhelming. However, this is very meager sustenance for the 2.

Note: If FCC throws Ch. 10 up for grabs again, there will be a lot of hot applicants. For example, one new Miami group has admitted it's already planning to apply. Headed by Charles H. Crandon, Miami business leader, it includes: Luther Chandler, grower; J. N. McArthur, dairyman and ex-head of Miami Chamber of Commerce; Richard Maxell, attorney; Grover Noetzel, dean of U of Miami business school; Tom Skinner, Lincoln dealer; C.S. Schewmake, pres. of Fla. National Bank; E. N. Belcher, head of Belcher Oil Co. And Elzey Roberts, former part-owner of KWK-TV & KWK, St. Louis, this week asked FCC to open Ch. 10 to all comers if it sustains examiner Stern and cancels National Airlines' grant of WPST-TV.

MUST-BUY ON WAY OUT; HOPES FOR OPTION TIME: CBS's abandonment of "must-buy" practice in favor of "minimum-buy" -- details of which are due next week -- clearly bespeaks that network's willingness to compromise with Justice Dept. & FCC in order to preserve its vital option-time practices. With both Justice & Commission's network study staff asserting that must-buy is neither necessary nor legal -- particularly since ABC doesn't employ it and says it doesn't need it -- CBS obviously concluded that it was in an untenable position and would do well to give in.

It's assumed that NBC won't be far behind in relinquishment of must-buy, for its reaction to CBS move was to issue this statement:

"In testimony before the FCC in March 1958 on its must-buy policy, NBC took the position that 'substitution of a minimum requirement for the present designation of basic required stations would not involve a serious operating problem for the network.' Since that time, NBC has been considering various types of minimum-order requirements which would permit the TV network to be used as a national medium, without designation of a list of must-buy stations. NBC expects to reach a decision on this matter in the near future."

Question now is whether Justice Dept. zealots will be satisfied with this concession and ease up on demand that option-time be killed, too. FCC is committed to seek Justice's legal opinion on option-time & must-buy, and it meets Dec. 8 to discuss the staff's summary of hearing testimony on the issues. Chairman Doerfer believes this summary should be published and the industry invited to comment on it before submission to Justice (Vol. 14:48), but he may have trouble mustering a majority for that procedure. Another possibility is revision of the summary before presentation to Justice. However, must FCC regard Justice's opinion as sacred? Not necessarily, in opinion of some authorities.

It's understood that CBS's new minimum-buy practice will feature: (1) Minimum-dollar purchase by advertisers. (2) Minimum number of stations. (3) Requirement that geographical distribution of stations bought be truly nation-wide.

ABC's minimum-buy setup requires sponsor to purchase stations whose aggregate Class A hour time is worth \$66,000 -- sponsor choosing the stations.

Back of Big Station Deals: Essential details of latest multi-million dollar deals (p. 1), which are among the biggest in history involving changes in TV-radio station ownerships, came to light this week as principals reached basic agreements on (1) purchase of a major block of stock in Metropolitan Broadcasting Corp. (licensee of WNEW-TV & WNEW, N. Y.; WTTG(TV), Washington; radio WHK, Cleveland) by a wealthy Washington investor hitherto best known for his radio station acquisitions; (2) projected purchase of control of The Outlet Co., Providence dept. store, licensee of WJAR-TV & WJAR there, and plans to sell off the stations to Wm. Zeckendorf's big realty firm Webb & Knapp, in association with John C. Mullins, co-owner with Webb & Knapp of KBTW, Denver (Ch. 9).

Paramount Pictures Corp. is selling its 21% holdings in Metropolitan (335,200 shares at about \$12 per share) to syndicate headed by John W. Kluge, Washington food broker who presently owns highly prosperous radios WEEP, Pittsburgh; WINE, Buffalo; WKDA, Nashville; KNOX, Ft. Worth; WGAY, Silver Spring, Md.; 24.67% of WLOF-TV, Orlando, Fla. (Ch. 9) with radio WLOF. Currently, Kluge awaits FCC approval to sell his Silver Spring station to performer Connie B. Gay. He now proposes to drop his planned purchase of radio WSRS, Cleveland Heights, O., in line with a policy of adding to his TV investments.

Washington brokerage firm of Jones, Kreeger & Co., whose senior partner Col. Robert C. Jones is a member of the Metropolitan board, has on its own and clients' accounts also acquired a position in Metropolitan by buying up stock variously reported at from 10% to 25% of the 1,541,137 shares outstanding. Though Col. Jones' firm handles the Kluge account, and though he would not name other principals than himself, he did say that the Kluge group's 21% purchase was entirely separate; that there is no design on his or Kluge's part to acquire control; that v.p.-gen. mgr. Richard D. Buckley retains his nearly 15% stockholdings and his executive posts.

The deal and all its ramifications, like the Outlet Co. deal, has a notable array of counsel, including Wm. A. Roberts, of Roberts & McInnis, representing all parties; Norman Frost, of Frost & Towers, among counsel for Kluge, who also has Leonard Marks, of Cohn & Marks, and D. F. Prince, of Prince, Taylor & Crampton; Paul Porter, of Arnold, Fortas & Porter and Edwin L. Weisl, of Simpson, Thacher & Bartlett, for Paramount.

* * * *

Metropolitan was set up early this year as successor to DuMont Broadcasting Corp. (Vol. 14:15), which in turn had been spun off in 1955 from Allen B. DuMont Laboratories Inc. (Vol. 11:33-34), which had founded WABD, N. Y. (now WNEW-TV) & WTTG, Washington, both Ch. 5. Paramount owns 26.9% of DuMont Labs, had same amount in Metropolitan. But when new firm purchased radio WNEW for \$4,815,407 cash plus 281,889 shares of DuMont Broadcasting (then 8½%), then bought *Cleveland Plain Dealer's* WHK for \$700,000 cash, Paramount's equity in Metropolitan went down to 21%. DuMont Broadcasting Corp. jumped its gross revenues to \$10,293,587 in the 52 weeks ended Dec. 28, 1957 from \$5,564,913 in 1956, showed profit of \$243,460 (15.8¢ per share) vs. loss of \$899,593 (95.3¢).

Last report on Metropolitan (Vol. 14:32) showed earnings for first half of 1958 were \$306,194 (20¢) vs. \$65,254 (4¢) in same 6 months of 1957. Before depreciation and amortization, cash earnings for the first 26 weeks of 1958 were \$1,070,049 (69¢) vs. \$342,680 (22¢) in same 1957 period. Current assets at end of last July were reported to FCC as \$5,037,463 (of which \$2,495,264 represented film rights), current liabilities were \$3,780,998 (\$2,859,770 long-term debt).

From year's low of 6¼ bid, Metropolitan stock, traded over-the-counter, by end of Oct. had gone to 9 bid, 10 asked; in Nov. hit 11-11½; at this week's closing was 13¼-14¼.

* * * *

The Providence station deal is extraordinarily complex—so much so that quite a few prospective buyers, though eager to get the stations, had shied away when faced with necessity of purchasing a complete package that included the parent dept. store. A hint of its complexity is indicated by fact that 3 of the East's biggest law firms—Arnold, Fortas & Porter, Washington; Cravath, Swain & Moore, N. Y.; Sullivan & Cromwell, N. Y.—are involved for the sellers, along with special tax counsel; Andrew D. Haley, of Haley, Wollenberg & Kenehan, Washington, for Webb & Knapp and Mullins; Bruce Sundlun, of Amram, Hahn & Sundlun, Washington, for stations' gen. mgr. J. S. (Dody) Sinclair, an heir of one of the major stockholders, who is protesting the sale.

Trustees of the estates of the store's founding brothers, Joseph & Leon Samuels, have agreed to sell 5 different trusts totaling 55,230 shares (out of 99,420 outstanding) at \$120 per share and offer is out to buy the remainder at same price. Shares have long been traded on N. Y. Stock Exchange as The Outlet Co.; from year's low of 82½, it has been rising rapidly lately, closed at week's end at 115½.

Purchaser Roger L. Stevens has paid \$500,000 earnest money to trustees who are Industrial National Bank, retired banker Walter Farrell, attorney Daniel Morrissey—all of Providence. Total purchase price of the controlling 55,230 shares would be \$6,627,600, of all 99,420 shares \$11,930,000. Stevens has agreed to sell the TV-radio properties, by far the best earners in the package, to Zeckendorf's firm and John C. Mullins (holdings of each undisclosed) for \$6,500,000 and presumably has a customer (undisclosed) for the dept. store. Among Stevens' underwriters is said to be big investment firm of Lazard Freres.

Outlet Co. in 1957 earned \$7.69 per share, of which \$5.36 came from the broadcast properties—and latter are expected to show an even higher proportion of earnings this year. Outlet's consolidated gross sales for year ended Jan. 31, 1958 were \$15,505,986, net earnings \$764,757 (\$532,980 from TV-radio). The 60-year-old dept. store, while profitable, does not return nearly as much on investment. Presumably, Stevens expects to sell it for something over \$5,000,000 and to earn his profit from finder's commission.

* * * *

Beneficial owner of more than half of the 55,230 shares which the trustees propose to sell is Mrs. Samuel Sinclair, about 54, daughter of the late James Samuels, who would gain control over her stock within about 3½ years under certain conditions of her father's will. Her son Dody, an Annapolis graduate of 1945, who went into the TV-radio side of the business when he resigned from the Navy after the Korean War, on Dec. 1 wired the trustees to demand court approval of the sale. He has made no secret of his desire to retain management of the stations, which pre-

sumably would change under the new Zeckendorf-Mullins ownership. He wired trustee Walter Farrell:

"Understand you propose selling Outlet Co. stock held in trusts of which I am beneficiary, thereby depriving me and my family of our inheritance of family business where I work, and subjecting value of estate to large diminution through capital gains tax. If so, demand you seek court approval of sale in advance so I may be heard in opposition."

John C. Mullins, Tulsa & Pheonix amusement park enterpriser, in 1949 bought KPHO-TV, Phoenix (Ch. 5) from group of Texas oilmen who relinquished their interests because they couldn't make it pay (Vol. 5:26 & 6:6, 20), and in 1952 he sold it to Meredith Publishing Co. for \$1,500,000 (Vol. 8:18, 26). He and Frank Leu in 1955 paid \$1,000,000 for Denver's KBTW (Vol. 11:7, 13); that same year 50% stockholder Leu sold his interest to the Zeckendorf firm for \$850,000 (Vol. 11:49 & 12:13).

Buyers of WKTV, Utica, N. Y. (Ch. 13, due to shift to Ch. 2) and radio WKAL, Rome, N. Y. are revealed in transfer application filed with FCC this week as actually paying \$4,000,000 for the stations (Vol. 14:45-46), purchase including transfer of surplus account revealed as \$1,072,451, as of Sept. 28, assets \$1,745,861 (\$423,423 fixed), current liabilities \$173,420. Newly formed Mid-New York Broadcasting Corp., proposing to take over from Kallet family, among the few theatre operators going into TV pre-freeze, comprises these stockholders: Gordon Gray, ex-General Telradio, pres. & gen. mgr., 8.5%; Paul F. Harron, ex-owner of now-defunct WVUE, Wilmington (Ch. 12) and WIBG, which he sold to Storer for about \$6,500,000 less than 2 years ago, exec. v.p., 74.31%; Lawrence D. Biele, Philadelphia attorney and 12.5% owner of World Broadcasting Co., secy.-treas., 5.5%; Wm. R. Burt, Washington attorney, 2.75%; James T. Murphy, Philadelphia contractor, 2.75%; Mrs. Regina Hanson, sister of Mr. Harron, 2.75%; Dr. Edward J. Chemol, 2.75%; Dr. Patrick J. Kennedy, .9%.

Founders Corp., N. Y. investment and holding company headed by Harold E. Anderson, which owns 50% of KTVR, Denver (Ch. 2), has elected David Mendelsohn as pres. of subsidiaries Radio Hawaii Inc. and First Broadcasting Corp. Ex-gen. mgr. of KTVR and of radio WTAC, Flint, Mendelsohn has been eastern mgr. of Founders for about year. His new job includes "future acquisitions." Radio Hawaii Inc., besides its Honolulu TV holding, owns 50% of radio WSMB, New Orleans; First Broadcasting Corp., besides WTAC, owns radio WFBL, Syracuse.

KBET-TV, Sacramento, Cal. (Ch. 10), being purchased for \$4,550,000 cash by Jock Whitney's Corinthian group (Vol. 14:43, 47), is shown in transfer application filed with FCC this week as having had sales and other income of \$942,823 in first 6 months of 1958, net income after taxes totaling \$21,579 to bring earned surplus as of June 30 to \$37,629. Sept. 30 balance sheet shows current assets of \$1,129,708, current liabilities of \$931,490, earned surplus \$28,600.

Washington attorney James A. McKenna Jr., who also owns 50% of KEVE, Minneapolis, is purchasing 66% of WCMB, Harrisburg, Pa. (1460 kc, 5-kw U) and its off-air CP for Ch. 71 from Edgar T. Shepard Jr., according to application filed with FCC this week. Edgar K. Smith, v.p.-gen. mgr. and 33 $\frac{1}{3}$ % owner, who remains as gen. mgr., has also agreed to sell 13 $\frac{1}{3}$ % of his interest to McKenna after consummation of Shepard sale. (For news about other radio station sales, see *AM-FM Addenda WW.*)

The Miami 'Example': Judge Horace Stern, the 80-year-old retired chief justice of Pennsylvania Supreme Court who delivered initial decision in Miami Ch. 10 case this week (p. 2), might well be said to have employed the "punctilio of judicialty" as theme of his report—to borrow that wonderful phrase recently used by David W. Peck, former N. Y. Supreme Court judge (Vol. 14:47).

Judge Stern even quoted the Bible (Deuteronomy XVI:19) in driving home his point that judges (or "quasi-judges," as in case of FCC) must remain impartial: "Thou shalt not wrest judgment, thou shalt not respect persons, neither take a gift; for a gift doth blind the eyes of the wise and pervert the words of the righteous."

Stern reviewed testimony, said it showed clearly that National Airlines and WKAT sought to influence ex-Comr. Mack; that Mack was indeed influenced. He listed the people who approached Mack, described their actions and concluded:

"All of those thus named—persons to whom Mack was obligated by reason of friendship or political support or both—actually sought his vote for WKAT however vigorously both he and they denied that they asked him for it in so many words."

As for Thurman Whiteside, who made pitches to Mack on behalf of National: "Mack himself had no doubt as to what Whiteside wanted, for he frankly testified that it was obvious to him that Whiteside favored National's application and hoped that he, Mack, would act favorably on it."

* * * *

Stern summarized: "It would be quite contrary to our knowledge of human nature to believe that when [Mack] was acting in response to such close ties of friendship and financial favors he could possibly have performed his judicial duty with any degree of objectivity and necessary impartiality."

As for National and WKAT assertions that they were merely seeking to nullify each other's pressures: "The remedy was not to indulge in the same reprehensible conduct but to call the matter to the attention of the Commission for their consideration and such action as it might deem appropriate."

Even if Mack's vote weren't decisive in the case, Stern said, CP would have to be cancelled because: "Litigants are entitled to an impartial tribunal whether it consists of one man or 20 and there is no way which we know of whereby the influence of one upon the others can be quantitatively measured."

Why shouldn't National and WKAT be thrown out now, if their behavior was so reprehensible? Said Stern: "It would seem clear, therefore, that, since the 'public interest, convenience, and necessity' is, by statute and decision, the proper and indeed the supreme determinant in such cases, there is not any edict or rule of law prescribing an absolute, automatic disqualification, in all future proceedings in the case, of applicants guilty of any wrongdoing."

"It might be possible, for example, to find in a case that an applicant guilty of misconduct—after full consideration by the Commission of all relevant factors, financial, technical, experience, planning, and the numerous other requisite qualifications that enter into the question, but including also consideration of the misconduct itself as

adversely reflecting upon the character of the applicant and as hereinafter discussed—would nevertheless be the party that would furnish the best TV service, in all its important purposes of education, entertainment and information, to the people of the community in which the station was to operate, and thereby best serve the 'public interest, convenience, and necessity.'

"It is, of course, true, as applied to the present case, that the more important public policy, as contrasted with mere practical considerations of the public interest, demands that tampering with the integrity of a Commissioner of a Federal agency acting in a quasi-judicial capacity cannot be tolerated, that all must be made to realize that they cannot permanently win by such tactics, and that an applicant for a grant from any such agency of a permit, license or other privilege who has been guilty of such misconduct cannot be allowed to obtain any advantage or to profit by his wrongdoing, nor suffered to enjoy the fruits of his transgression. It is for this reason, above all others, that [National] is now to be penalized by a revocation of the permit . . . previously awarded to it."

Document is Public Notice 58D-108 (Mimeo 66419), available from FCC—or we'll get you copy.

* * * *

Boston Ch. 5 case, which Judge Stern will also hear, beginning on date to be specified, is substantially different from Miami Ch. 10. In contrast with the documentation of gifts & loans to Mack, and of many Congressional and other contacts with Mack, there is only the testimony of

Federal Aid to ETV Starts: National Defense Education Act's 4-year \$18,000,000 audio-visual research program (Vol. 14:46-47) got under way this week following appointment by U. S. Education Comr. Lawrence G. Derthick of 14-member advisory committee. It meets in Washington Dec. 17-18 to set basic policies, adopt procedures for govt. grants for research in TV-radio-movies-recording teaching techniques. Govt. representatives on committee are Derthick and National Science Foundation asst. director Harry C. Kelly. Other advisers: Higher education—Chancellor Glenn T. Seaborg of U of Cal., Berkeley, also a director of Educational TV & Radio Center, Ann Arbor; pres. Very Rev. Robert J. Slavin of Providence (R. I.) College; exec. officer Howard Nostrand of U of Wash. (KCTS, Seattle). Elementary & secondary schools—Wanda Mitchell, Evanston Township (Ill.) High School TV project; Ala. education supt. Austin Meadows (WAIQ, Andalusia; WBIQ, Birmingham; WTIQ, Munford); audio-visual director Elizabeth Golterman of St. Louis public schools. TV-radio-motion pictures—pres. Scott Fletcher of Ford Foundation's Fund for the Advancement of Education, N. Y.; radio-TV director Richard B. Hull of Ohio State U (WOSU-TV, Columbus), an ETRC director; director L. C. Larson of Indiana U audio-visual center, Bloomington. Public—chairman Leland Hazard, of Metropolitan Pittsburgh Educational TV (WQED), an ETRC director; editor Ralph McGill of *Atlanta Constitution* (WSB-TV & WSB); Clayton Brace, asst. to pres. Hugh B. Terry of Time Inc.'s KLZ-TV & KLZ, Denver.

Non-TV audience of 18,000,000 has seen National Educational Television programs distributed in last 3 years on 16mm films to schools, business & industry, professional organizations, reports v.p. Kenneth L. Yourd, of Educational TV & Radio Center, Ann Arbor. Shows seen on 31 ETV stations are processed for movie screen projection by NET film service at Indiana U.

McConnaughey that he had lunched with Robert Choate, publisher of Ch. 5 winner *Boston Herald-Traveler* (WHDH-TV), before final decision, but had steered conversation away from case (Vol. 14:23, 31).

FCC staff has been busy ever since Court of Appeals ordered Commission to look into case, trying to find something more substantial to throw into a hearing. Hearing issues are similar to those for Miami—to determine whether any commissioner should have disqualified himself and whether anyone tried to influence FCC.

McConnaughey had voted with majority in 4-2 decision, Hyde & Bartley dissenting, Craven abstaining. Losers were Greater Boston TV Corp. (headed by insurance broker Arthur D. Cronin and including principals of WORL), Mass. Bay Telecasters (pres., Alan Steinert, RCA-Whirlpool distributor) and Allen B. DuMont Labs. First 2 appealed.

One of industry's biggest questions has been: How many more decisions will be thrown open to rehearing by FCC? This week, attorney Stephen J. Angland, who is quitting staff of Rep. Harris' investigative subcommittee, was disclosed as having told subcommittee he knows of some 30 cases in which influence attempts should be prosecuted; he or someone else leaked report to *N. Y. Herald Tribune*.

In the report, Angland complains that Justice Dept. knows of some of the cases but doesn't want to prosecute. Unofficially, Justice spokesmen say Communications Act isn't clear about who is forbidden to talk to commissioners.

For a TV-Radio Hall of Fame: NAB has taken over from Broadcast Pioneers spadework on proposed Broadcasters Hall of Fame & Museum (Vol. 14:20, 31), proposed as sort of counterpart to baseball's Hall of Fame at Cooperstown, N. Y. & Ford Museum in Dearborn, Mich. to preserve memorabilia of the industry and records of its great figures. NAB has set up committee headed by John F. Patt, pres. of WJR, Detroit & WJRT, Flint, Mich. (Ch. 12) which has voted to raise at least \$10,000 "seed money" for professional study of project. Patt headed Broadcast Pioneers when idea was broached, has spear-headed move to get it under way; he was succeeded as pres. of Broadcast Pioneers by rep Frank Headley, who also set up committee which presumably is now displaced. Patt's new committee under NAB aegis, said to have some of the fund already pledged, includes Joseph E. Baudino, Westinghouse stations; Merrill Lindsay, WSOY, Decatur, Ill.; Paul Morency, WTIC & WTIC-TV, Hartford; Fred Weber, Friendly Stations group.

NAB's new engineering award (Vol. 14:41), according to eligibility requirements announced this week, may go to "officers or employes of an organization whose primary business is broadcasting via stations licensed by the FCC, and to employes of the Federal Govt. actively engaged in broadcast engineering." Contribution of winner, says award committee chairman A. Prose Walker, NAB engineering mgr., "should be an invention, development of new techniques, contributions to technical knowledge, leadership in broadcast engineering affairs, or any other outstanding contribution which in the opinion of the committee warrants consideration."

Singer Eddie Fisher has endowed 2 music scholarships at Brandeis U, one for \$2000 a year in modern music, one for \$4000 in classical music, honoring his mentor Eddie Cantor who will be chairman for the modern award while Leonard Bernstein is chairman for the classical.

Television Digest

and ELECTRONICS REPORTS

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Personal Notes: James G. Riddell, who rose from ranks of old WXYZ, Detroit, helped found WXYZ-TV, became v.p. last year of ABC div. of American Broadcasting-Paramount Pictures, also member of AB-PT board, in Feb. becomes chief. exec. officer in charge of ABC Western Div., Hollywood, continuing in his present posts; Earl Hudson, v.p. in charge at Hollywood, will continue under new 5-year contract in advisory capacity under Riddell, handling special projects and representing AB-PT on board of Disneyland Inc. . . . Burt Modello, ex-talent coordinator for old Steve Allen shows on CBS and prominent writer-director, Dec. 15 becomes mgr. of program development for ABC Western Div., reporting to Sandy Cummings, director of TV network programs in Hollywood . . . Robert L. Stone, ABC v.p. since 1957 and gen. mgr. of WABC-TV, N. Y., since 1955, resigns after 6 years with network to join NBC as v.p. for facilities operations effective Jan. 12, reporting to pres. Robert E. Kintner; he replaces Charles H. Colledge, named gen. mgr. of parent RCA's broadcast & TV equipment div. . . . John McClay, from Westinghouse's KYW-TV, Cleveland, where he became gen. mgr. in July, named gen. mgr. of WJZ-TV, Baltimore, succeeding Larry H. Israel, who heads Westinghouse's new TV Advertising Representatives Inc. (Vol. 14:48); George E. Mathiesen, asst. gen. mgr. of KPIX, San Francisco, since 1954, named to succeed McClay at KYW-TV . . . Gordon F. Hayes, gen. mgr. of CBS Radio Spot Sales, promoted to new post of v.p. for Spot Sales . . . Thomas K. Fisher, v.p. & gen. attorney of CBS-TV Network, adds same duties for CBS-TV Stations Div.; Geraldine Zorbaugh continues as v.p. & gen. attorney for CBS Radio Div. . . . Glover DeLaney, v.p. & gen. mgr. of Gannett TV-radio stations, is now resident mgr. of Gannett's recently acquired KOVR, Stockton-Sacramento (Ch. 13), with Lowell MacMillan in charge at WHEC-TV, Rochester . . . Lincoln Dellar, West Coast broadcaster, ex-operator of KCCC-TV, Sacramento, opens station brokerage firm under own name at 1460 E. Valley Rd., Santa Barbara, Cal. (telephone, Woodland 9-0770), affiliating in East with R. C. Crisler & Co. . . . George R. Comte, who succeeded recently retired Walter Damm as gen. mgr. of WTMJ-TV & WTMJ, Milwaukee, elected a v.p. of owner The Journal Co. (*Milwaukee Journal*) . . . Eugene T. Mallyck, ex-FCC Broadcast Bureau attorney, and Wm. P. Bernton, ex-Sher. Oppenheimer & Harris, who have formed new law partnership (Vol. 14:48), have taken offices at 619 Colorado Bldg., Washington (phone, Sterling 3-7371) . . . Charles Allen Hobbs, recently law clerk to Judge Warren E. Burger of U. S. Court of Appeals for D. C., and Richard R. Wilkins, recent graduate of Stanford and New York U., join law firm of Wilkinson, Cragun & Barker, Washington . . . George W. Phillips, ex-FCC accountant in renewal branch of Broadcast Bureau, retires to open consulting practice at 4716 Beatty Place, Riverside, Cal. . . . Ronald Little promoted to production supervisor of Westinghouse's WBZ-TV, Boston . . . Harold Wooley, ex-KDUB-TV, Lubbock,

Tex., named production & film mgr. of new KVKKM-TV, Monahans, Tex.; Bill Downing, ex-KKOD-TV, El Paso, promotion director . . . Robert L. Pierson promoted to program operations mgr. of WBTV, Charlotte, N. C.; Norman Prevatt promoted to production supervisor; J. Nathan Tucker, to film director & asst. program mgr. . . . Bernard P. Pearse promoted to v.p. of rep Weed with headquarters in Detroit . . . Mal Hansen, for 12 years farm service director of Meredith's WOW, Omaha, elected v.p. of Travel & Transport Inc., travel agency; he will continue farm broadcasts over WOW . . . Barrett H. Geoghegan promoted to sales mgr. of radio WABC, N. Y. . . . Benedict Gimbel Jr. named pres.-chairman, Ralph Brent v.p., of new WIP Broadcasting Co., recent purchasers (Vol. 14:34) of pioneer Gimbel radio station in Philadelphia; Arthur Miller is secy.-treas., Wm. T. Nace, asst. treas. . . . F. C. Sowell, gen. mgr. of WLAC, Nashville, owned by same interests as WLAC-TV (Ch. 5) elected pres. of Tenn. Assn. of Broadcasters . . . Carl A. Russell, ex-Ziv, named Chicago regional sales mgr. of Independent TV Corp. . . . Sidney Kramer, ex-RKO Radio Pictures, named NTA foreign distribution director & film coordinator . . . Leonard S. Gruenberg, ex-N. Y. mgr. of RKO Pictures, named v.p. of Gross-Krasne-Sillerman . . . Alex Sherwood, veteran broadcast mgr., recently with ABC-TV Films, Dec. 1 becomes SE rep of Official Films Inc. at Atlanta.

Man of "many mistresses" is the way a description of Dr. Frank N. Stanton starts out (*Printers' Ink* "Portrait," Nov. 28 & Dec. 5). Besides being "married [to] one of the most creative and exciting networks in the world," the mistresses he keeps with "passionate interest" are said to be the arts of painting & sculpture, architecture, furniture design. He also has had "more than passing affairs" with the sciences of psychology and research, and he "likes to toy" with photography and sleek sports cars. That middle initial, which he doesn't use, is revealed as standing for "Nicholas."

FCC staff additions: Engineers—Charles W. Harvey, ex-Naval Gun Factory, to marine div., Safety & Special Radio Services Bureau; Chester J. Monkiewicz, ex-Navy Dept., to aviation div., S&SRSB. Attorneys—Robert R. Jacobi, ex-private trademark practice in Washington, to office of opinions & review; John S. Brookbank Jr., recently discharged from Air Force, to office of general counsel.

Howard S. Meighan, ex-CBS Pacific Coast v.p., now pres. of Videotape Productions of N. Y. Inc., elected to board of Market Research Corp. of America; also newly elected to board was Sam Cherr, retired exec. v.p., Young & Rubicam, while Edwin T. Gibson, retired exec. v.p. of General Foods was reelected chairman.

Dr. Javier Barros Sierra, ex-dean of engineering, U of Mexico, appointed Secy. of Communications in cabinet of new President Mateos.

Obituary

M. A. Lightman, 70, pres. of Malco theatre chain of 50 Southern movie houses, onetime owner of WEHT, Evansville, Ind. (Ch. 50), holder of uhf CPs for Memphis, Oklahoma City & Utica, N. Y., ex-pres. of Motion Pictures Theatre Owners of America, died in Memphis Dec. 4.

Col. Howard L. Nussbaum, 47, World War II head of Armed Forces Radio in European theatre, onetime (1937-42) NBC radio program director, died of heart attack Nov. 29 in Chicago.

Frank A. Kearney, 60, v.p. of Geyer Adv., died Dec. 2 in N. Y. Surviving are widow, 2 daughters.

Shepherd Mead Strikes Again: British should stick to spot TV system, not adopt U. S. system of sponsorships according to Shepherd Mead, ex-Benton & Bowles v.p. and copy chief, now with S. H. Benson Ltd., London. "The trouble with sponsorship," he says in recent *Advertiser's Weekly*, of London, "is that the advertiser becomes an impresario. He has to take the risk of a show being a flop. With TV costing what it does, and maybe 39 weeks' bookings, that risk can involve several million dollars. He takes the risk on the advice of his agency, and that makes the agency very cautious. Your programme contractors here can plan an evening's viewing with a buildup of interest and a peak. And they can afford to experiment a little. With sponsorship, everyone wants his show to be the peak, and no one wants to risk anything new." Mead has just published new satire on TV & advertising, *How to Get Rich in TV Without Really Trying* (T. V. Boardman & Co. Ltd., 37 Hertford St., London), in which he concludes, among other things, that "you can be stupid, incompetent and even moderately repulsive" and still make a fortune as an announcer, TV cowboy, star, script writer, promotor, adman. He says, for example, "A TV copy chief is a man who hires TV copywriters and takes the credit for what they do. You may first have to establish yourself as a top-level thinker. If you can do this without any actual thinking, so much the better." In 1954, Simon & Schuster published Mead's satire on public relations, *The Big Ball of Wax*.

Edison Foundation 1958 TV Awards presented at 4th annual dinner in N. Y. this week: program best portraying America, *20th Century* (CBS); best science program for youth, *Conquest* (CBS); best children's program, N. Y. Philharmonic young people's concerts with Leonard Bernstein (CBS); distinguished public service in the interests of education, *Continental Classroom* (NBC) and Hagerstown (Md.) closed-circuit project; station that best served youth, WQED, Pittsburgh (Ch. 13, educational). Radio awards: distinguished public service in the interests of education, *World of the Mind* scripts prepared by BMI in cooperation with American Assn. for Advancement of Science & American Council of Learned Societies; station that best served youth, WFMT, Chicago.

Criminal conspiracy case against Philadelphia Radio & TV Broadcasters Assn. and 9 member radio stations accused by Govt. of illegal fixing of adv. rates (Vol. 12: 26, 37) was closed this week with filing of a consent judgment in the U.S. District Court in Philadelphia. Justice Dept. announced that the judgment contains "appropriate injunctive relief terminating the illegal activities alleged in the complaint" and provides for dissolution of the Assn. Stations consenting to judgment: WHAT, WDAS, WIP, WIBG, WFIL, WCAU, WJMJ, WPEN, WFLN.

Perambulating Pizza: *Omaha World-Herald's* KETV (Ch. 7), whose gen. mgr. is ex-WOR sales v.p. Eugene S. Thomas; is conducting unique promotion which it calls "Snack on 7." Rolling-oven crew inquires at homes whether family is watching Ch. 7; if it is, each member of family gets a packaged pizza and malted milk with KETV's compliments and their names are announced on the station that evening.

Pulse study of radio & TV audiences in 27 major markets, *Adult Audience Patterns* (12pp.), has been issued by Radio Advertising Bureau, 460 Park Ave., N. Y.

Report on Alaskan market, noting civilian consumer expansion of at least 5% annually, has been released by J. Walter Thompson Co., No. 1 agency in TV-radio billings.

ADVERTISING AGENCIES: Freeman Keyes remains chairman, Edward Madden (onetime NBC-TV national sales & operations mgr.) pres., Howard Jones exec. v.p. of Keyes, Madden & Jones, while Edward J. Churchill stays as pres. of Donahue & Coe in "fusion" of personnel but no change of corporate structure or existing offices of either company; reports of personnel changes at the agencies are vigorously denied by the principals . . . John G. Hoagland, W. Donald Mix & Charles Russell promoted to v.p.'s of BBDO . . . Wm. Bager, ex-Needham, Louis & Brorby vp., appointed v.p. of Leo Burnett . . . Lawrence D. Reedy resigns as Grant Adv. v.p. & member of 3-man executive committee appointed last week to direct agency activities (Vol. 14:48) . . . Lee J. Heagerty, ex-Grant Adv., named pres. of Hudson Productions Ltd., Montreal, (film service) . . . Edward B. Henderson & Chauncey F. Korten promoted to v.p.'s of Kenyon & Eckhardt . . . Robert W. Dailey has resigned as v.p., McCann-Erickson, Chicago . . . J. Blan van Urk, ex-Calkings & Holden exec. v.p., resigns to form own consulting firm with offices in Philadelphia & Pittsburgh . . . Tom Moorehead, ex-WFIL, Philadelphia, joins George S. Mallis Adv. as TV-radio v.p. . . . Jay DeBow promoted to v.p. of Merrill Anderson Co., N. Y. . . . George R. Darcy promoted to senior v.p. of Rumrill Adv., Rochester, N. Y., succeeded as Buffalo gen. mgr. by James G. Wells . . . Dr. Bertrand Klass, ex-McCann-Erickson, named v.p. of Forbes Marketing Research, N. Y. . . . Ralph W. Tanner, v.p. of Anderson & Cairns Adv., N. Y. named pres. of new Creative PR Inc., agency's public relations subsidiary; Ashley W. Burner, A&C public relations director, named v.p. . . . Alfred C. Gary promoted to mgr. of Kenyon & Eckhardt's new Dallas office . . . Norman C. Kal, senior partner of Kal, Ehrlich & Merrick, Washington, onetime part owner of old WAAM, Baltimore, now Westinghouse's WJZ-TV, heads corporation, including his partners, which has applied for new 1-kw daytime radio station on 950 kc at Potomac, Md., on outskirts of Washington.

Rate increases: KMOX-TV, St. Louis, has raised base hour from \$1750 to \$1900. WBEN-TV, Buffalo, Dec. 1 added Class AA hour (7:59-10:31 p.m. daily) at \$1250, min. at \$250, Class A hour going from \$1050 to \$1100. KAKE-TV, Wichita, Dec. 1 added Class AA hour (6:30-9:30 p.m. daily) at \$700, min. at \$150, Class A hour going from \$600 to \$465. WTRF-TV, Wheeling, Dec. 1 raised hour from \$600 to \$625, min. \$120 to \$140. KOSA-TV, Odessa, Dec. 1, hour from \$300 to \$350, min. \$60 to \$80. **Spot increases:** WNEW-TV, New York, Dec. 1 raised base min. from \$300 to \$500. KBET-TV, Sacramento, Nov. 1 raised min. from \$200 to \$225.

TV-radio contest misrepresentation is alleged in FTC complaint filed against Arthur Hammell, 350 Fifth Ave., N. Y. and 3 firms at same address—Advertisers Assoc. of America Inc., Teleradio Advertisers Inc., United Publicity Inc.—in which he is officer. FTC said "false claims" to stations & advertisers were made by Hammell and his representatives in promoting "Millionaire's Weekend Trip," "Juvenile Delinquency Essay Contest" & "Safety on the Highways Essay Contest." Hearing on complaint was scheduled by FTC for Jan. 31.

Complete TvB report on combined network TV billings in 3rd quarter, supplementing Sept. & Jan.-Sept. figures released earlier (Vol. 14:46), itemizes daytime & nighttime billings, expenditures by top company & brand advertisers, expenditures by product. Report is available from TvB, 444 Madison Ave., N. Y., and 369 Pine St., San Francisco.

Stations vs. CATV, Again: Microwave applicants seeking to melt FCC's freeze on their proposals to serve community antenna systems (Vol. 14:42), face a rather dubious Court of Appeals. In oral argument this week, Judges Prettyman, Bazelon & Washington questioned applicants' counsel E. Stratford Smith quite closely about their jurisdiction—whether there's anything FCC can be forced to do. Smith has asked that the Commission be required to grant applications or set them for hearing, instead of simply freezing them without explanation.

FCC asst. gen. counsel Richard Solomon, however, told judges he thinks FCC does have jurisdiction, though he argued that freeze has been of short duration; that microwave problem is relatively new, needs to be examined in overall inquiry into impact of CATV, translators, etc. on regular TV stations; that danger of CATV is loss of service to rural areas; that FCC's inquiry isn't "frivolous, sham or going through the motions just to give temporary relief to a few broadcasters."

Smith insisted that court shouldn't condone "agency inaction"; that he's not asking court to force CPs from Commission, that he wants FCC to come up with "something to appeal from."

Vernon Wilkinson and J. Roger Wollenberg, representing several small-town stations, supported Solomon's position—stressing that if CATV systems forced small-town stations out of business rural coverage would suffer and that CATV brings big-city signals to small towns, providing competition to local stations. They argued that a general proceeding, such as FCC's "inquiry," is better way of disposing of whole issue than case-by-case action.

Pending court decision, Commission has modified its freeze to extent of granting microwaves to serve CATV systems in towns with no TV service.

Translator CP: Ch. 76, Olivia, Minn., to Renville County TV Corp., to repeat WCCO-TV, Minneapolis (Ch. 4).

VHF-UHF—Educational Phase: No answers yet in FCC's TV allocations dilemma—but a lot of "studying" is going on. Commission staff made another presentation to commissioners Dec. 4 in session described to us as "educational, no decisions." TV Allocations Study Organization (TASO) board held monthly meeting in Washington Dec. 3, and word is that it expects to meet year-end target for report—though printing and presentation to FCC will be delayed until Jan.

One of problem's most earnest students, Comr. Fred Ford, this week presented a "mid-term paper" on the subject at Dec. 5 meeting of Radio & TV Executives Assn. of Houston. He spent considerable time drafting it over last few months, consulting Commission staff at length. He doesn't claim to have solution yet—but presents excellent picture of the alternatives and their possible consequences.

One thing certain, according to Ford, is that matters will merely deteriorate if nothing is done. If FCC just rocks along, he said, "I believe the following result will be inevitable:

New & Upcoming Stations: WTOL-TV, Toledo (Ch. 11) went on full schedule Dec. 5 with CBS-TV, 2nd TV station in city where Storer's pre-freeze WSPD-TV (Ch. 13) has been sole outlet since 1948. Year's 34th starter, it brings on-air total to 543 (84 uhf). Also getting program test authorization this week is KLOR-TV, Provo, Utah, (Ch. 11), but we're not including it in this week's on-air count because it doesn't plan to start programming as independent outlet until Dec. 15.

WTOL-TV has 50-kw RCA transmitter and 100-ft. Ideco tower with 12-section superturnstile antenna in Oregon City, O., 8 mi. from downtown Toledo, with temporary studios in penthouse of Toledo's Hillcrest Hotel. Ex-Congressman Frazier Reams, operator of radio WTOL, is pres. & 70% owner. Other stockholders with 10% each are his brother, Dr. Glenn H. Reams; Thomas S. Bretherton, exec. v.p.-gen. mgr.; Morton Neipp, attorney. Rus Stone, from WTOL, is sales mgr.; Robert Krieghoff, also ex-WTOL, program director; James T. Lynagh, ex-WSBA-TV, York, Pa., production mgr.; Steve Fayer, ex-WSBA-TV, promotion mgr.; Harold Holmes, WTOL, chief engineer. Base hour is \$900. Rep is H-R Television.

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

WBDG-TV, Cheboygan, Mich. (Ch. 4) still hopes for early 1959 start, picking up NBC-TV from parent WPBN-TV, Traverse City (Ch. 7), now that 6-bay RCA antenna has been installed on 500-ft. Stainless tower, wires pres.-gen. mgr. & 30% owner Les Biederman. However, studio-transmitter building to house RCA equipment hasn't been completed. WPBN-TV base hour is \$200. Rep is Hal Holman.

KUAT, Tucson (Ch. 6, educational) has 250-ft. Utility tower and RCA antenna ready, still expects to meet Dec. target, writes Wesley T. Johnson, Radio-TV Bureau engineer of grantee U of Ariz. It has 500-watt RCA transmitter ordered for delivery soon. Equipment will be housed in Herring Hall, which already has studios used for closed-circuit for 2 years.

(1) All or part of the allocation to uhf will be re-allocated for non-broadcasting services.

(2) There will be a minimum of competition between local TV outlets in many areas of the country.

(3) Efforts to relieve monopoly situations and lack of a choice of stations will lead to shorter mileage separations between co-channel and adjacent-channel stations, thus tending to degrade or eliminate service which the public now enjoys, particularly in rural areas.

(4) Many communities will be denied local TV outlets entirely."

Ford then describes an "ideal" allocation as one which has: (a) Band that is contiguous or nearly so. (b) Top-bottom frequency ratio "as low as possible"—not more than 3-to-1 is desirable. (c) Similar propagation characteristics for all channels. (d) Enough channels.

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There are 6 major alternatives open to Commission, in Comr. Ford's opinion.

(1) No change—which would "compound the present difficulties [and] ultimately lead to the demise of uhf."

(2) Change vhf standards (cut mileages, etc.) and give uhf to other radio services. Pros & cons: "While this course of action might increase the total number of stations, it is also possible that it would lead to less service

to the public. This could occur through increased interference between stations which are closer together."

(3) Vhf-uhf deintermixture. This hasn't helped much so far, to the degree that it has been tried. Said Ford: "Admittedly, novel schemes for deintermixture have been put forth but not tried out. But it seems clear that any deintermixture scheme would leave us with 2 different TV services in this country. The choice of which system serves a particular community would be determined by the geographical location of communities rather than by the normal standards of public interest, convenience & necessity . . .

"If the presently allocated vhf & uhf channels are effectively exploited by TV, the risks of losing spectrum space for TV will be avoided. The longer it takes to effectuate deintermixture, however, the greater the risk of losing all or part of the uhf-TV band. Any inroads into this band could operate to prevent using deintermixture as the formula for putting TV broadcasting on a nation-wide competitive basis with a choice of service to the public."

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(4) Add to the 12 vhf channels and abandon uhf. Ford analyzes non-TV spectrum between 54 & 300 mc: 72-76 mc, 88-174 mc, 216-300 mc. All are well-occupied by other services, including FM, amateurs, air marker beacons, international civil aviation. It would take time & money and international negotiations to achieve a shift—obviously years. If all other services were shifted, TV could add 15 vhf channels in 54-216-mc band, but many less drastic changes might be considered—perhaps adding only 5 vhf channels, etc.

(5) Contiguous band starting at 174 mc—174-474 mc, for example. This is more "feasible," Ford said, than attempting to shift non-TV services out of 54-216-mc band and it would provide 50 channels instead of 27. In 1956, an interdepartmental committee, including FCC, concluded that military couldn't release space in 216-300-mc band because "world-wide build-up of our international defense facilities in collaboration with friendly countries has intensified the reliance which must be placed for defense purposes on these frequencies."

So, said Ford, we'd have to take another look and see

Translator applications providing chain from Duluth-Superior to International Falls, Minn. (Vol. 14:46) were vigorously attacked this week by Superior Communications Co., microwave operator which serves community antenna system in International Falls. It complains that Minneonto TV Inc., the translator applicant which also holds CP for KIFS, International Falls (Ch. 11), doesn't intend to build KIFS, aims to drive CATV-system out of business with no-cost translator service. This, Superior says, would deprive it of its only customer for microwave service. It asks for dismissal of Minneonto applications or a hearing.

Latest NAB engineering report is *Experience with Compatible Single Sideband at KDKA*, reprint of paper by Westinghouse stations' engineering v.p. Ralph N. Harmon. NAB engineering dept. mgr. A. Prose Walker reports it's policy to try to get out one report monthly, says one of most successful was July 1955 *Frequencies Used by the Broadcast Services*—of which FCC itself ordered 50 copies. Other reports have covered remote control, tower problems, proof of performance for AM & FM, "tips for broadcasters," remote pickups, image orthicon survey. Next month: *Modernization of Transmitters*. New NAB members get packet of past reports.

if that is still true. Furthermore, the committee didn't study space above 300 mc, so that should be looked into. At any rate, if a shift of this sort is possible, "it would take time to negotiate with a considerable number of other countries, and much time and many dollars to implement."

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(6) All uhf. Said Ford: "There would be no adverse impact on other existing radio services and it would reasonably meet all the criteria in our ideal standard . . . Most of the impacts on TV licensees and the general public of this plan have been carefully analyzed before. The report of TASO will, I hope, furnish new light on the engineering capabilities of uhf."

As for public's ability and willingness to convert sets to uhf, there's little difference, Ford said, between a 50-channel vhf plan and all-uhf—because "the receiver conversion problem would be approximately the same for both." Furthermore: "The 50-channel vhf plan would be costly and time consuming for the non-broadcast users in this and friendly countries. The uhf (470-890) would not." Ford's conclusions:

"All but alternatives 1 & 2 would entail serious disruptions because of necessary TV receiver conversion or replacement. In this respect, the alternatives which would extend the vhf range immediately beyond Ch. 13 are at a disadvantage in that there are no TV receivers which cover these frequency bands in existence or production. For an all-uhf system using the 70 channels now allocated, there are now in the hands of owners some 8 or 9 million receivers which tune to some or all of the uhf channels, and in addition, there are all-channel sets in commercial production.

"It is of course obvious that use by TV of any part or all of the spectrum now allocated to TV would avoid the tremendous dislocation of other govt. and non-govt. services vital to safety or the national defense.

"I would like to make it clear that in the event of changes in the present structure, if any changes are possible at this late date, the conversion period should be sufficiently long to permit appropriate amortization of sets in the hands of the public and investments in TV broadcasting plants by broadcasters."

GE shipped 10-kw transmitter Nov. 21 to WKTV, Utica (Ch. 13), authorized to shift to Ch. 2; 2-bay helical antenna Nov. 19 to WQED, Pittsburgh (Ch. 13, educational) and on same day returned repaired uhf antenna for upcoming Ch. 16 there; 2000-mc microwave relay Oct. 31 to WSIL-TV, Harrisburg, Ill. (Ch. 22); 2000-mc microwave relays Nov. 14 weekend to KALB-TV, Alexandria, La. (Ch. 5), WJHL-TV, Johnson City, Tenn. (Ch. 11) & KVII, Amarillo, Tex. (Ch. 7).

RCA shipped traveling wave antenna Oct. 29 to WIS-TV, Columbia, S. C. (Ch. 10), planning boost to 316-kw at new site; superturnstile antenna Oct. 20 to KXLY-TV, Spokane (Ch. 4); 6-section superturnstile antenna Nov. 12 to WMAR-TV, Baltimore (Ch. 2), planning move early next year to tower to be shared by city's 3 TV stations (Vol. 14:42); 6-kw transmitter Nov. 26 to WNBQ, Chicago (Ch. 5).

Single TV application filed this week was for Ch. 8 Christiansted, St. Croix, Virgin Islands, by owners of radio WIVI there. Total applications pending are now 88 (22 uhf). (For details, see *TV Addenda 27-M*.)

Ampex Videotape recorder shipments: WPIX & WNTA-TV, N. Y.; KTLA, Los Angeles; second unit to WFIL-TV, Philadelphia; WRGB, Schenectady, N. Y.

Ocean-Hopping With Scatter: Transatlantic TV transmission via tropospheric scatter is now technically possible—if someone wants it badly enough to put up about \$50,000,000 for the necessary 6-10 North Atlantic hops. According to Ed Dyke, asst. director of Page Communications Engineers, big Washington “troposcatter” contractor, the technical tools are at hand and he lists these developments which make the transmissions possible:

(1) Big antennas. It had been thought that maximum economic limit had been reached with antennas about 120-ft. in diameter, but RCA research has found that doubling antenna can produce about 4.5db improvement and at same time help preserve wide bandwidths.

(2) Accurate prediction of fades. Mathematical work by scientists, notably those of Bureau of Standards, has eased burden of handling fading.

(3) Power reduction. Development of automatic devices which adjust transmitter power to that actually needed, tying transmitter to signal vagaries, cuts power use to about 10% of former values—saving on fuel, tubes, etc. Westinghouse is credited with this work.

(4) “Mavar” amplifier, a new device which cuts noise amplification drastically, developed by Stanford U, Bell Labs, Zenith, et al.

(5) Bandwidth reduction. By coding TV signal, transmitting only those elements which change from frame to frame, bandwidth has been cut to 1-2 mc and is expected to be reduced even more. Technicolor Inc. has done considerable work in this field.

(6) Easier tests. It once took days, if not weeks, to set up scatter units and test them at isolated spots. Page can now fly entire station to location by helicopter, set it up in minutes—using inflatable rubber antenna.

Dyke has been with Page since Jan., previously with Collins Radio in Dallas. He's extremely bullish about troposcatter generally, expects it to serve underdeveloped areas as well as microwave does in U. S.—since it provides reliable communications for hops greater than 700 mi.

Buyer of off-air WHCT, Hartford (Ch. 18), being acquired for \$250,000 from CBS (Vol. 14:46), is new Capitol Broadcasting Inc., with Edward D. Taddei, ex-gen. mgr. of WNHC-TV, New Haven (Ch. 8), holding 54%, according to transfer application filed this week. Other stockholders are David K. Harris, film producer who owns 10% of radio WHAY, New Britain, v.p. & 23.7%; Michael J. Goode, owner of 5% of WHAY, 7.9%; Pasquale Corolla, New Haven adv. executive, 4%; Guiseppi Marzullo, pastry shop owner, 4%; Louis Follis, insurance man, 2.4%; Anthony Quarino Jr., film producer associated with Harris, 1.67%. Remaining 2.3% is held by 3 others with less than 1% each.

“Life & death” issue of station survival is cited by WMBV-TV, Marinette, Wis. (Ch. 11) in 2 petitions to FCC this week in connection with proposed site move nearer Green Bay (Vol. 14:40). In one, WMBV-TV urges expedited hearing on move, against which objections have been filed by Green Bay's WFRV-TV (Ch. 5) & WBAY-TV (Ch. 2). WMBV-TV says its survival depends on expanded coverage in Green Bay area with continued NBC-TV affiliation, which network is switching to WFRV-TV (Vol. 14:48). Other petition protests Nov. 25 renewal of WFRV-TV's license, alleging “malicious interference” with WMBV-TV's relations with NBC.

Casting News Section of *Variety*, detailing parts available in N. Y. theatrical productions, has been expanded to include TV casting news.

Programs for Crisis: Mass media—including CBS networks—haven't done enough to combat racial bigotry & violence in U. S., CBS Inc. pres. Frank Stanton told N. Y. “freedom forum” of B'nai B'rith's Anti-Defamation League this week. He said that “no mass medium can, of itself, control events or establish leaders or induce trends,” but that CBS News proposes now to develop series of 5 TV & radio programs exploring intolerance: (1) *South in Crisis*, on school integration conflicts. (2) *North of the Mason-Dixon Line*, on “smug satisfaction of the northerner” vs. his racial practices. (3) *The Hatemongers*, on “disturbed personalities who live off human discord.” (4) *The Price of Discord*, on domestic & international effects of segregation. (5) *Case History of Progress*, on “gradual, painful steps that have been taken in a series of representative cases where conditions have been improved.”

Both 1960 Presidential conventions should be held in same city, thus save TV-radio networks about \$750,000, CBS News v.p. & gen. mgr. Sig Mickelson told Democratic Site Committee in Washington this week, speaking for all networks. Similar presentation to GOP is planned. Criteria outlined: Adequate workspace & housing; satisfactory communications facilities including phone company know-how; availability of TV equipment, including videotape facilities, and skilled manpower; short AT&T haul to TV centers, 1-2 week interval between conventions. Democratic and GOP site subcommittees agreed to meet with Mickelson next week. Both TV-radio and printed media representatives hope single site for both conventions will be selected—TV-radio obviously hoping for Chicago, San Francisco or Los Angeles.

ASCAP-radio negotiations for new licensing terms replacing contract expiring Dec. 31 were suspended this week, all-industry committee chairman Robert T. Mason, pres.-gen. mgr. of WMRN, Marion, O., reporting further talks were useless. ASCAP has offered one-year renewal of contract for 2¼% royalty fees based on stations' gross income. Radio negotiators want fees reduced and other concessions in terms which now yield ASCAP about \$8,000,000 per year. Deadlock doesn't mean ASCAP radio music will be off air after Dec. 31 if issues aren't settled, 1950 ASCAP anti-trust consent decree providing that Federal court can fix rates if agreement isn't reached. ASCAP-TV agreement, running to 1961, was signed year ago (Vol. 13:52).

Moody Bible Institute, Chicago, operator of radio WMBI there for last 32 years, has acquired Westinghouse's old KYW-FM (Ch. 277), now WCRF, and is operating it for Bible, religious, classical & news programs weekdays 1-9 p.m., Sun. 9 a.m.-9 p.m.

List of copyrighted movies & filmstrips, Jan.-June 1958, has been issued by Library of Congress in 73pp. pamphlet—*Catalog of Copyright Entries*, 3rd series, Vol. 12, Parts 12-13, No. 1—available at 50¢ from Register of Copyrights, Library of Congress, Washington 25, D. C.

Reserve corps of war correspondents, to be organized by armed services in cooperation with press & broadcasting industries in preparation for any hostilities, is proposed by UPI pres. Frank H. Bartholomew.

New TV-radio primer, *Evolution of Broadcasting*, is 15pp. report prepared by FCC Office of Reports & Information (George O. Gillingham, chief); copies are available from Commission.

Jack Benny's TV film parody of MGM's “Gaslight” movie, suppressed 5 years by litigation in celebrated copyright suit (Vol. 14:46), will get public showing on CBS-TV 7:30-8 p.m. Sun. Jan. 11.

NEW CORNING 23-in. TUBE HOT—BUT LATE: There's industry-wide interest in Corning's new 23-in. "contoured twin panel" picture tube (Vol. 14:43) -- but it won't be ready in time for introduction in 1960 TV models next June. That's latest word we get from an industry spot check, including independent tube makers, who expressed disappointment at prospect of delay of what many hoped would be a prime innovation and perhaps a big sales stimulant for next year's lines.

Hassle within industry over deflection angle -- whether it should be 110 or 118 degrees -- is one reason for delay given by Corning v.p. for electrical products John L. Hanigan. That cannot be resolved, he said, until Corning samples industry with 118-degree tube in Feb. He said argument should be settled so bulbs would be available June 1, but admitted that might be too late for inclusion in new lines.

Set designers are intrigued with new tube, we learned. It eliminates the flat safety glass plate, substituting a curved panel affixed directly to tube face by a special plastic cement. It also makes for shallower design, cuts down on reflection. No information is available yet on the price factor involved with the new tube.

Some set makers don't want "twin panel" tube next year, one independent tube maker told us, because they prefer to put off tooling costs until fall of 1959 or later. He suggests they may have brought pressure to bear on Corning to delay production of 110-degree tube which was sampled to the industry in Nov. and which, he said, is now ready to go into production and could be out in 90-100 days.

'Multiple Sets for the Home': That's the theme of industry-wide TV set promotion formally approved this week by EIA board meeting in N.Y. Board shied away, however, from a suggestion that it seek \$100,000 fund from members to hire an outside public relations counsel and implement a broadscale promotional program. Instead, the adv. & public relations committee of the consumer products div. will act as a clearing house for suggestions based on the campaign theme, passing them along to set makers for incorporation into individual company adv. & public relations programs. RCA Victor adv. & sales promotion mgr. J. M. Williams is committee chairman.

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Board also gave formal approval to establishment of a National Stereophonic Radio Committee to recommend stereo broadcast standards to FCC -- modeled after the National TV System Committees for black-&-white and color TV. [For details of NSRC plans, see Vol. 14:47.] Its all-important administrative committee will be headed by ex-EIA pres., retired GE v.p. W.R.G. Baker who also headed NTSC. Other members: vice chairman David B. Smith, Philco; Arthur V. Loughren, Airborne Instruments Lab; W. J. Morlock, GE; Donald G. Fink, Philco; I. J. Kaar, Hoffman Electronics; A. N. Goldsmith, N.Y. engineering consultant. Chairman of NSRC operating committee will be Graydon Lloyd, GE; vice chairman, J. E. Young, RCA. This week, Philco proposed new AM stereo standards to FCC (see p. 13), differing from RCA's (Vol. 14:43).

Westinghouse Stays With Color: "If there's anything new in TV, it's color," said Westinghouse's E. J. Kelly, gen. mgr. of TV div., announcing this week his company will introduce 2 new color models -- one table model, one console -- in its 1960 line. "We had to decide whether we're in color or not; no matter how little it is, we're in it," he said, estimating that Westinghouse will sell only about 10% of the total 150,000 anticipated color set sales by the industry this year.

Trend toward once-a-year TV model changeover was emphasized by Kelly who said Westinghouse would stand pat on its present line through next spring, following the similar policy announced last week by RCA (Vol. 14:48). He said there might be a few minor modifications of current models but line would remain virtually unchanged.

TV-Radio Production: TV output was 99,618 sets in week ended Nov. 29 reflecting Thanksgiving Day holiday vs. 116,530 preceding week and 134,179 same week last year. Year's 47th week brought production to 4,507,710 sets vs. 5,825,804 for same period last year. Radio production 338,887 (109,098 auto) for week ended Nov. 29 compared with 390,019 (137,678 auto) preceding week and 455,779 (158,655 auto) same week last year. Radio production for 47 weeks was 10,342,825 (3,157,288 auto) vs. 12,862,226 (4,925,157 auto) in the same period last year.

Philco Goes Into Stereo AM: Another challenger in the stereo standards picture is Philco, which this week informed FCC it has developed a compatible stereo AM system now ready for field-testing. Thus, in addition to competing stereo FM systems being pushed before Commission (Vol. 14:41), there are divergent approaches to stereo AM—RCA having announced one (Vol. 14:43).

Since Philco owns no AM stations, it told Commission, it needs cooperation of broadcasters for field tests, says it's ready to work with new National Stereo Radio Committee, of which Philco research v.p. David B. Smith is vice chairman (see p. 12).

Smith says Philco system is well-advanced, has patents pending, is distinguished by fact that it can be used with inexpensive, uncomplicated receivers. Asked how system differs from RCA's, he said: "I don't know what RCA has. All I know is what the newspapers reported, and that isn't much." RCA has announced system which uses each of AM's sidebands for a stereo channel.

Smith says he hopes there will be no fight over stereo standards; that industry will be able to agree on single standard, through NSRC. "Stereo patents aren't particularly important," he states, "because stereo is an old art."

"This is a chance for AM stations, particularly the independents, to get on the stereo-record bandwagon," Smith asserts. "Several have heard our demonstrations and they're excited about it. We're inviting the FCC to come up, but we don't intend to make a big public fanfare until we have something to sell." In filing with FCC, Philco suggests following changes in AM standards:

Stereo Transmission Standard—For stereo transmission, the present Standards of Good Engineering Practice for Radio Broadcast Service (AM) shall apply except as indicated in Appendix II. For stereo transmission, the broadcast signal shall consist of a modulated carrier having both amplitude and phase modulation. The amplitude modulation shall be proportional to the sum of the 2 stereo signals. The phase modulation shall be determined by the higher frequency components only of the difference of the 2 stereo signals. The following conditions shall obtain:

(1) From the input of the modulators onward, the 2 signal carrier components shall have the same amplitude response and envelope delay.

(2) The higher frequency components of the modulating signal producing phase modulation shall be the equivalent of those which will pass through a high pass RC filter with a low frequency cut off of 300 cps.

(3) For identical input signals, i.e., monophonic programs, the phase modulation shall vanish.

(4) When one stereo signal is zero and the other has that amplitude corresponding to 100% modulation at a high audio frequency, the phase modulation will be asymmetric and shall be 45 degrees in the direction of its maximum excursion. This statement describes a carrier in which the phase modulation and amplitude modulation sidebands contain equal energy.

(5) The composition of the stereo carrier shall be such that the carrier component due to a signal in the 'right' or 'A' track will lead the carrier component due to a signal in the 'left' or 'B' track by 90 degrees.

(Appendix II referred to in the foregoing covers details of audio distortion, audio frequency response and modulation monitors.)

Packard-Bell introduces first line of AM-FM table model radios ranging in price from \$49.49 to \$61.95, featuring automatic frequency control, 6-in. oval speaker, 7 tubes, 2 diodes, indoor FM antenna.

OFFICERS-&DIRECTOR stock transactions as reported to SEC for Nov.:

Admiral—John F. Gilbarte exercised option to buy 1800, holds 1800.

American Electronics—David Van Alstyne Jr. sold 6050 through Van Alstyne Noel, holds none.

Avco—H. Webster Crum exercised option to buy 3000, sold 2900, holds 500; W. A. Mogensen sold 2000, holds 1000; K. R. Wilson Jr. bought 500, donated 500, holds 2500.

Cinerama—Grant Leenhouts sold 2000, holds 625.

Columbia Pictures—Charles Schwartz bought 6000 through Fico Corp., in which 11 other officers & directors are beneficial owners, holds 41,358 in Fico Corp., 14,499 in partnership, none personally.

Consolidated Electrodynamics—Robert L. Smallman sold 500, holds 2800; Harold W. Washburn sold 2200, holds 3690.

Consolidated Electronics Industries—Charles G. Munn sold 500, holds 2700; Arie Vernes sold 100, holds 400.

Corning Glass—Thomas Waaland exercised option to buy 2000, holds 3800.

Daystrom—Bradford T. Blauvelt exercised option to buy 2200, holds 5000; Carlton S. Proctor sold 200, holds 300.

Emerson—Percy West bought 100, holds 2110.

Gabriel—Frank M. White sold 1000, holds 23,000.

General Dynamics—Wm. McCormick Blair bought 2250, holds 3700 personally, 2250 in partnership; Allen D. Marshall exercised option to buy 5000, holds 16,750; Joseph T. McNarney exercised option to buy 9500, holds 12,013; Kenneth Stiles exercised option to buy 600, holds 1000.

GE—Carter L. Redd exercised option to buy 450, holds 2767 personally, 1350 in trust, 542 for Carter L. Redd Jr.; Harold E. Strang bought 2650, holds 8691.

General Telephone—Robert A. Gantt bought 200, holds 2000.

Guild Films—David Van Alstyne Jr. bought 3000 as trustee, sold 1000 as trustee and 6333 more through Van Alstyne Noel, holds 7207 personally, 8400 as trustee, none in Van Alstyne Noel.

Hazeltine—Laurence B. Dodds sold 100, holds 322.

ITT—John E. Gingrich bought 100, holds 144.

Litton Industries—Roy L. Ash acquired 29 in partnership through failure of performance under sales contracts, disposed of 1262 in partnership through exercise of options by employees, holds 50,925 personally, 12,513 in partnership; Alfred B. Connable sold 100, holds 7700; Glen McDaniel bought 5000, holds 10,000; Carl A. Spaatz sold 300, holds 3600; Charles B. Thornton acquired 62 in partnership through failure of performance under sales contracts, disposed of 2776 in partnership through exercise of options by employees, holds 123,249 personally, 27,528 in partnership.

Loew's—Louis A. Green bought 5400 through Stryker & Brown, holds 150,035 in Stryker & Brown, none personally.

Motorola—Paul V. Galvin sold 250 privately, holds 97,903 personally, 155,580 in trust; Robert W. Galvin sold 250 privately, holds 181,593 personally, 155,580 in trust; Edward R. Taylor bought 500, holds 4060.

National Theatres—E. C. Rhoden sold 7500 and 16,400 more through Rhoden Investment, holds 26,800 personally, 26,950 in Rhoden Investment, 1325 in Boot Hill Investment, 10,850 in Precision Holding.

National Telefilm Assoc.—Burt Kleiner bought 3000, holds 10,000.

Philco—Henry F. Argento bought 5500, holds 5727.

Philips Electronics—Arie Vernes bought 200, holds 400.

Raytheon—John H. Beedle bought 500, holds 2900; Carlo L. Calosi exercised option to buy 2000, holds 3000; David D. Coffin exercised option to buy 3150, holds 3303; Ray C. Ellis exercised option to buy 500, sold 35, holds 1500; Harold S. Geneen exercised option to buy 250, holds 15,960; Gordon S. Humphrey bought 1102, sold 105, holds 2152; O. P. Susmeyan exercised option to buy 2152, holds 2152.

Siegler—Donald Royce sold 800, holds 11,016.

Sylvania—Curtis A. Haines sold 192, holds 1004.

Texas Instruments—W. D. Coursey sold 500, holds 5205.

Trans Lux—Harry Brandt bought 5700 and 200 more through Harry Brandt Foundation, sold 200 through G. Brandt Foundation, holds 1,673,000 personally, 16,380 in Harry Brandt Foundation, 12,150 in G. Brandt Foundation, 18,600 for wife, 200 in Bilpam Corp., 1000 in Brapick Corp., 700 in Marathon Pictures.

United Artists—Robert S. Benjamin sold 14,062, holds 116,220; Seward I. Benjamin bought 14,062, holds 14,062.

Westinghouse—W. O. Lippman sold 200, holds 1221; Gwilym A. Price bought 2000, holds 6116.

Zenith—Hugh Robertson bought 100, holds 3636; Leonard C. Truesdell bought 100, holds 100; Joseph S. Wright bought 200, holds 1260.

Trade Personals: J. Gerald Mayer, v.p. of General Instrument, also named pres. of subsidiary Radio Receptor Co. . . . L. G. Haggerty, new pres. of Warwick Mfg. Co. & Martin J. Caserio, gen. mgr. of GM Delco Radio div., elected to board of EIA, representing consumers products div.; George R. Hasse, pres. & gen. mgr., DuKane Corp., elected to represent technical products div. . . . Dr. D. W. Epstein, ex-RCA Labs associate director, named mgr., conversion tube operations, RCA industrial tube products dept., Lancaster, Pa.; C. F. Nesslage promoted to financial controls & planning mgr.; E. E. Spitzer promoted to power tube operations mgr.; E. M. Wood to operations services mgr. . . . Mogens E. Christiansen promoted to gen. sales mgr. of P. R. Mallory & Co. . . . Guy Bell promoted to mgr. of Canadian Admiral's new Montreal factory branch . . . Don Jonson, ex-General Cement, named sales mgr. of Erie Resistor electronic distributor sales div. . . . G. Birch Ripley, ex-Columbia Records, named adv. & sales promotion mgr. of Herold Radio & Electronics, succeeding Robert A. Donner now with Dunay, Hirsch & Lewis Adv., N. Y. . . . Lloyd W. Dunn promoted to v.p. of Capitol Records artists & repertoire div., succeeded as sales & mds. v.p. by John K. Maitland; Gordon R. Frazer promoted to sales director; Wm. Tallant, to merchandising director . . . Bruce H. Boyers, ex-GE Electric Appliances, Cincinnati, named national sales mgr. of Chime Record Co. . . . David A. Thomas promoted to new post of v.p. & gen. mgr., RCA industrial & automation div., reporting to industrial products exec. v.p. T. A. Smith; John J. Graham promoted to gen. mgr., communications & industrial electronics products operations div. . . . Wm. O. Bennett, since 1949 chief engineer in charge of new products div., named research & engineering director of Bulova Watch Co. (radios).

West Coast Electronic Mfrs. Assn., now changing name to Western Electronics Mfrs. Assn., has elected as chairman, H. Myrl Stearns, Varian Associates; exec. committee chairman, Bernard M. Oliver, Hewlett-Packard; show director, O. H. Brown, Eitel-McCullough; convention director, Albert J. Morris, Levinthal Electronic Products. WESCON's 1959 convention will be held in San Francisco, Aug. 18-21.

First prediction of 1959 TV business comes from Motorola exec. v.p. Edward R. Taylor, who told this week's distributor meeting in Chicago that the industry should produce 6,200,000 TV sets next year—or 12% more than 1958. His other "guesstimates": 2,500,000 table radios, up 10%; 2,300,000 clock radios, up 2%; 3,000,000 portable radios, up 7%; 1,000,000 monaural phonos & hi-fi, down 37%; 3,000,000 stereo hi-fi, up more than 200%; 4,500,000 car radios, up 32%. He added: "Competition next year will be exceptionally keen but on a quality-value basis rather than price. The customer is showing a tenacious interest in upgrading his tastes this year and we expect this trend to continue. Novelty merchandise will go begging. Before long, stereo hi-fi will be as great a factor in the entertainment business as TV is today."

Trav-Ler will enter tape recorder field "soon after first of the year" with a complete line of both stereo and monaural home recorders, according to pres. Joe Friedman. Meanwhile, Bell & Howell v.p. Fletcher Waller confirmed that the company's tape recorder tools & dies have been sold to Trav-Ler for an undisclosed price, that Trav-Ler will manufacture recorders to Bell & Howell specifications, and that company will continue to merchandise them through its present distributor-dealer organization.

ELECTRONIC PERSONALS: Richard B. Bean, administration mgr. of Automatic Electric Co., named asst. director, communications industries div. of Commerce Dept.'s Business & Defense Services Administration, succeeding Wm. Hatton, retired ITT v.p. . . . Sidney Frankel, ex-Hughes Aircraft, named engineering director of Philco's Sierra Electronic div., Menlo Park, Cal., succeeding Paul F. Byrne, resigned . . . Dr. Donald G. Wilson promoted to gen. mgr. of Stromberg-Carlson's electronics div., San Diego . . . C. W. Finnigan, ex-Stromberg-Carlson, named commercial engineering director of Avco's Crosley div. . . . Donald M. Christie promoted to plant mgr. of Sylvania electronic systems div., Buffalo, succeeding George L. Downs, now program mgr. of Amherst Engineering Labs there; Charles G. Kunz promoted to mgr. of new field engineering dept. . . . A. P. H. Barclay, Philips Electronics Industries Ltd., Toronto, elected director of IRE Canadian Region . . . Albert E. Edwards, ex-mfg. v.p., Sperry-Rand's Ford Instrument Div., elected a v.p. of W. L. Maxon Corp. . . . Jack H. Zillman promoted to gen. mgr. of Daystrom's Pacific div., Los Angeles . . . John G. Copelin, ex-v.p. & comptroller of International Standard Electric Corp., elected v.p. & comptroller of parent ITT; Paul F. Swantee elected treas., succeeding O. C. Buchanan, retiring.

DISTRIBUTOR NOTES: GE sets up factory branch in East Hartford, Conn., replacing Orkil Inc. whose pres., Orrin P. Kilbourne, retires Dec. 31 after 22 years as GE distributor . . . RCA appoints E. A. Helwick, Gulfport, Miss. for TV, tubes, transistors, replacement parts . . . RCA appoints National Radio Parts Distributing Co., Brooklyn, N. Y. for parts . . . Hoffman appoints The Sampson Co., Chicago, for TV, hi-fi . . . V-M appoints Walker Martin Inc., Charlotte, N. C. for phonos, tape recorders . . . Grundig Majestic appoints Su-John Co., Philadelphia, for hi-fi, radios.

Obituary

Frederick H. Troup, 66, retired controller of RCA electron tube div., died Dec. 5 at Irvington, N. J. Surviving are widow, son, daughter.

Ira J. Adams, 81, founder of RCA patent dept. and its first patent attorney, died Dec. 4 at Ridgewood, N. J.

TV-appliance retail sales in Sept. exceeded same 1957 month for the first time this year, according to a nationwide compilation by *Electrical Merchandising* of reports from major utilities. "This is first time this year every product has shown a marked increase in retail sales over last year," report said. "It may indicate the start of a broad upswing in appliance sales." Percentage increases over Sept. 1957 were: TV, 3%; refrigerators, 5%; freezers, 14%; electric ranges, 11%; washers, 1%; dryers, 4%; dishwashers, 19%; room air conditioners, 39%.

Japan's 5-Year Plan: A 1962 electronics production goal of \$1 billion—almost double the 1957 figure—has been set by Japan's ministry of international trade & industry, according to AP report from Tokyo. Of current export situation, it says: "Biggest electronics hit Japan has made overseas is transistor radios. Transistor and vacuum tube radio exports last year totaled \$11,000,000—more than half all electronics exports. The U. S. is the largest buyer."

Whirlpool, owned 20% by RCA, expects 15-20% increase in its major appliance sales in 1959 above the \$402,000,000 to be chalked up this year, according to sales v.p. John A. Hurley. Appliance industry as a whole should enjoy a 7-9% increase, he said.

Financial Reports:

N. V. Philips Gloelampenfabrieken, the Philips Lamp Works, Dutch TV-radio-electronics manufacturer, major factor in export trade, in year ended Sept. 30 increased sales to \$1,294,340,000 from \$1,150,566,000 preceding year. Net income jumped to \$8,150,000 from \$6,075,000. Widely traded in U.S., with subsidiaries here (notably North American Philips), big Dutch firm also reports its 9-mo. business to Sept. 30 was \$906,415,000 vs. \$810,943,000 for corresponding 1957 period, profit increasing to \$5,698,000 from \$4,604,000.

Texas Instruments, whose 3rd quarter sales & earnings set records (Vol. 14:47), will earn about \$5,210,000 (\$1.60 per share) on sales of slightly more than \$90,000,000 this year vs. \$3,700,000 (\$1.11) on \$67,000,000 in 1957, chairman J. E. Jonsson estimated this week. Noting that sales this year will nearly double those in 1956, he also told 45th annual convention of Investment Bankers Assn. in Bal Harbour, Fla. that further growth of Texas Instruments is indicated in plans to build twin to company's present \$5,000,000 semi-conductor plant.

Packard-Bell earned \$1,002,594 (\$1.46 per share) on record sales of \$37,371,081 in fiscal year ended Sept. 30 vs. \$704,447 (\$1.02) on \$32,262,878 year earlier. Its home products div. (including TV & radio production) accounted for 32% of sales, remaining profitable in face of industry declines, pres. Robert S. Bell reported.

Cohu Electronics, which bought Massa Labs, Boston, for \$1,500,000 in July (Vol. 14:28), will absorb first-half losses this year and end 1958 with profit, reports chairman & pres. LaMotte T. Cohu. Sales this year already have passed \$5,428,093 reported for 1957.

Sylvania & General Telephone Corp. stockholders vote Feb. 11 on projected merger (Vol. 14:45), former meeting in Hotel Statler, N. Y. and latter in Sheraton-Plaza, Boston.

Dividends: Wells-Gardner, 10¢ plus 10¢ extra, both payable Dec. 15 to stockholders of record Dec. 8 . . . Webcor, 15¢ Dec. 29 to holders Dec. 15 . . . National Co., 2% stock Dec. 30 to holders Dec. 18 . . . United Artists, 40¢ Dec. 26 to holders Dec. 12 . . . Capitol Records, 25¢ plus 15¢ extra, both Dec. 31 to holders Dec. 15 . . . Corning Glass, 25¢ plus 50¢ extra, both Dec. 27 to holders Dec. 12 . . . Cle vite, 40¢ Dec. 26 to holders Dec. 12 . . . RCA, 25¢ plus 50¢ extra, both Jan. 26 to holders Dec. 19 . . . Amphe-nol div. deferred.

Color TV promoter, Willer Color TV System Inc., 151 Odell Ave., Yonkers, N. Y., offers as speculation 72,035 shares of stock at \$3 through underwriter Edwin Jefferson, 39 Broadway, N.Y., describes its "system" as follows: "A novel system of color selection by which one or another of several color laminations gives a visible color at any instant using however a single electron gun, and recreating the pictured scene in color by the rapid sequence of selected colors. It is also 'compatible' and can reproduce in black-&-white. In the laboratory, a color bar pattern has been exhibited on a series of experimental and developmental Willer color tubes, showing a complete range of colors of the spectrum from red through violet." Concept is that of late Bert M. Willer, employs principles developed by Dr. Charles Feldman, Naval Research Lab (Vol. 13:12). Promoter is Walter Whillans.

Color microwave, 8-hop, simulating 240-mi. path, has been set up at Camden plant by RCA, will be shown to engineers, telecasters, et al, Dec. 11.

National Telefilm Associates Inc., being merged into National Theatres Inc. (Vol. 14:44, 46), reports gross income of \$15,497,595 and net after taxes of \$687,048 (63¢ per share) for 12 months ended July 31. Gross was about \$10,000,000, profit \$1,094,031 (\$1.07) in preceding fiscal year. Decline in net reflected increase in amortization charges (from \$4,599,801 in 1957 to \$8,257,985) and initial operating losses of about \$460,000 on newly acquired WNTA-TV, Newark (Ch. 13) and KMSP-TV, Minneapolis (Ch. 9), soon to be added to the National Theatres operations, which include WDAF-TV (Ch. 4) & WDAF, Kansas City. Current assets of NTA as of July 31 totaled \$36,947,894, current liabilities \$25,575,356. Note: In transfer applications of stations filed with FCC this week it's disclosed that WNTA-TV had income of \$290,412 and operating loss of \$252,394 in period from May 6, 1958 when NTA acquired station, until July 31; that radio WNTA had income of \$134,278, loss of \$24,138 in same period; that KMSP-TV's income for Dec. 1, 1957-July 31, 1958 was \$457,873, net loss \$193,721. Newark stations' current assets were stated as \$2,037,601, current liabilities \$2,025,016, deficit on May 6, \$822,655, reduced after that date by new owners to \$659,187. KMSP-TV current assets as of Sept. 30 were \$251,088, current liabilities \$280,998, surplus deficit \$1,240,886.

Warner Bros. lost \$1,023,808 on gross revenues of \$72,316,858 (including \$66,275,814 from film rentals to TV, movie sales, etc.) in fiscal year ended Aug. 31 after providing \$3,000,000 for estimated losses on advances to independent producers. Year earlier, Warner Bros. had net profit of \$3,415,367 (\$1.90 per share) on gross of \$80,279,315, including \$75,476,698 from film rentals & sales. Despite fiscal 1958 loss, pres. Jack L. Warner reported improvement in 4th quarter, said "substantial profit" should be shown for first quarter of current fiscal year. He pointed to 30 major movies being readied for theatre release, boasted that *Maverick*, *Cheyenne*, *Sugarfoot*, *Colt 45* are "top-rated" on ABC-TV, said company is "intensifying" TV production.

Stanley Warner Corp., 100% owner of WTRI, Albany (Ch. 35), whose other interests include theatre chain, Cinerama, baby garments, etc., reports consolidated earnings of \$2,333,100 (\$1.15 per share) on revenues of \$113,319,000 in fiscal year ended Aug. 30 vs. \$3,767,800 (\$1.82) on \$115,125,300 year earlier. Latex div. sales were up, theatre admissions down, 19 properties were sold, 6 theatre leases were cancelled, 2 expired theatre leases weren't renewed during year.

Long roundup on transistors and other semiconductors in Dec. 3 *Wall St. Journal* is built around theme: "Semiconductors, the post-war wonder midgets of electronics that were going to replace the old-fashioned vacuum tube, still are well short of accomplishing the task." Reports from manufacturers, article says, are that semiconductors are virtually irreplaceable for some equipment, such as missiles, but too costly or technically inadequate for others, such as TV sets—at this stage of the art.

FCC's list of "acceptable" equipment complying with standards for certain non-broadcast services has been brought up to date, may be inspected at field offices (for addresses, see *TV Factbook No. 27*, p. 375). It covers equipment as of Oct. 1, 1958 for following services: maritime, aviation, public safety, industrial, land transportation, citizens, domestic public radio.

Stromberg-Carlson div. of General Dynamics has sold its electronic carillon business to Telematics Inc., Franklin Park, Ill.

Home Work for FTC Staff: From now on, broadcast commercials will be monitored for fraud by FCC's 350-member professional staff, watching & listening in spare time in Washington and in field at home sets, as well as by TV-radio crew assigned to record offending sights & sounds at headquarters (Vols. 13:44, 14:15).

Latest move by FTC to "broaden its scrutiny of radio & TV advertising" in monitoring project launched 2 years ago, when 135 field attorneys began watching out for fraudulent commercials during their off hours, came this week as FTC chairman John W. Gwynne appointed Charles A. Sweeny to head agency's TV-radio unit.

Plan calls for professional staffers "to fill out legal information sheets concerning questionable advertising they might see or hear while operating their own radios or televisions during non-duty hours." Their notes & comments will be sent to special unit "to assist it in obtaining maximum effective use of its electronic monitoring equipment as well as in identifying advertising that would warrant further study."

Sweeny, 50, has been acting head of unit since Sept. (Vol. 14:39). He succeeds T. Harold Scott, now assigned to FTC's small business div. Sweeny once worked for FBI, has been with FTC since 1935 as advertising investigator except for 1942-46 military service in Coast Guard. He is commanding officer of Coast Guard Reserve's port security training unit.

Listeners vs. Liquor: Audience poll by radio KADY, St. Charles, Mo., shows 6-1 vote against liquor commercials on radio or TV, sustaining traditional opposition of broadcasters & distillers (Vol. 14:47), reports pres. Wm. R. Cady Jr. Survey was undertaken following inquiries to radio stations by BBDO on subject of acceptance of whisky ads, KADY advising agency it won't take them. "We have been very pleased with the response from our listeners," says Cady. Meanwhile, Grand Marnier Liqueur commercials were accepted in one-month experiment by WBAI-FM, N. Y., where for years N. Y. Times' WQXR has been carrying commercials for cordials (Vol. 14:44). Carillon Importers Ltd., distributors for Grand Marnier, is sponsoring George Hamilton Combs newscasts on WBAI 5:45-6 p.m. Wed. & Fri. until Jan. 1 thru Gore Smith Greenland Inc. Station announcer Janet Baker-Carr also is handling series of 1-min. spots for after-dinner liqueur, Carillon pres. Alexander Lesnor indicating WBAI test may be "prelude to our advertising approach in various sections of the country."

N. Y. Stock Exchange suspended trading this week in the capital stock of F. L. Jacobs Co., Detroit auto parts maker which controls Scranton Corp., purchaser earlier this year of Hal Roach Studios Inc. and Mutual Broadcasting System (Vol. 14:47). Reason given was firm's failure to issue annual report for fiscal year ended last July 31 within NYSE time limit, or by Oct. 31. Company's chairman-pres. A. L. Guterman, who also is new pres. of MBS, charged Exchange's action was "arbitrary" and taken without giving firm chance to "rectify the infraction of a technicality." It claimed complex accounting problems, some due to this year's subsidiary acquisitions, including purchase last May of Symphonic Electronics Corp., private-label phono firm headed by Max Zimmer, forced delay; that audit data is all available to Ernst & Ernst, should be completed by end of this month when it expects suspension will be lifted; that meanwhile, Jacobs stock, which closed at 7% on day of suspension, will be traded over-the-counter. Jacob reported loss of \$852,378 on sales of \$18,583,357 for fiscal year ended last July 31.

Add TV Program Gripes: New chorus of complaints against current network TV programming (Vol. 14:48) is raised in Nov. *Tide's* Advertising Leadership Panel. Queried on likes & dislikes, 43% of ad executives heard from judged this season's shows "just about the poorest ever," 49% think they're no worse than in past years, only 8% see them as improved. Reasons for dissatisfaction: "Lack of originality, monotony, duplication, an overabundance of westerns & quiz shows [although welcome signs of latter's demise were noted], dearth of live dramas & 'think' programs." BBDO exec. v.p. Robert L. Foreman blamed recession for taking "guts out of those few [programmers] who had any." TV industry is "too prone to stick to tried & tired ideas," said exec. v.p. H. H. Sharman, of Marsteller, Rickard, Gebhardt & Reed. Networks make "too little appeal to the intelligence," said adv. & promotion director Edward Whitney of Warner-Lambert's Warner-Chilcott div. What the admen liked were *Playhouse 90* (CBS-TV), *Dinah Shore Show* (NBC-TV), *What's My Line?* (CBS-TV), *Perry Como Show* (NBC-TV), *Peter Gunn* (NBC-TV), *Garry Moore Show* (CBS-TV), Bing Crosby specials (ABC-TV), *Firestone Hour* (ABC-TV). Note: N. Y. *Herald Tribune's* John Crosby, himself no soft critic of TV, agreed with gripes voiced in *Tide*, but asked: "Who, if not the ad men, is responsible for this state of affairs?" Answer to question came from ex-NBC-TV network program v.p. Richard A. R. Pinkham, now Ted Bates v.p. in charge of TV-radio. It's networks' responsibility to maintain medium's vitality, he told N. Y. Sales Executives Club panel meeting. "Otherwise, opaque-eyed idiots will sit by the hour at the TV screen and look at whatever we [ad agencies] put on there."

TvB Also Strikes Back: Hard-hitting, point-by-point rebuttal to much-discussed "TV: The Light That Failed" article in Dec. *Fortune*, which was dissected last week by CBS researchers (Vol. 14:48), has been issued by TvB pres. Norman E. Cash. He scores article's "immature, misleading writing," cites errors which CBS intra-office memo also exposed, says *Fortune* ignored facts which TvB itself supplied on request when Luce magazine researched anti-TV piece. Cash suggests "objectivity of this reporting can be judged by the near-pathological vocabulary used in the article," which he describes as "diatribe from a competitor." Examples of 86 "combinations of personal editorializing": "counterfeit cerebration," "monstriphilia," "regurgitated melodrama," "sepulchral abyss,"

Baseball's big TV income from regular season games won't be shared with players who had demanded cut (Vol. 14:48)—nor can players count on alternative 20% slice of each club's gross income. Flat turndown of pleas by players for bigger pay came this week from National & American Leagues at joint management meeting in Washington. "Drastic action" had been threatened by players if demands weren't met, but players' attorney J. Norman Lewis reacted mildly to owners' decision. "We're always willing to compromise," he said, professing hope that owners eventually will agree to new salary plan. Meanwhile, NBC-TV signed Milwaukee, Pittsburgh & St. Louis in National League and Boston, Detroit, Baltimore & Washington in American League for Sun. games-of-week telecasts next season, meeting competition by CBS-TV, which negotiated Sun. game-of-week schedule last season.

Commercial monitoring service, covering 230 TV stations via audio tape, will be provided to all 3 TV networks under contracts signed with Broadcast Advertisers Reports Inc., 750 Third Ave., N. Y. (Robert Morris, pres.).

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

with **ELECTRONICS REPORTS**

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 50

SUMMARY-INDEX OF THE WEEK'S NEWS — December 13, 1958

OPTION-TIME DEBATED AT FCC, commissioners reluctant to throw it out. CBS tells affiliates details of new minimum-buy policy (p. 1).

KANSAS CITY'S PIONEER KMBC-TV buys KDRO-TV, Sedalia, Mo. (Ch. 6), paying \$50,000 and assuming its obligations (p. 2).

CATV GROWING PAINS producing twinges again. FCC nearing decisions on illegal boosters, CATV microwave, impact on small-town stations, etc. (pp. 3 & 5).

QUIZZES ON ALLOCATIONS face FCC in Congress, but it will be better prepared than ever—with staff briefings, TASSO findings, Presidential Committee report (p. 3).

APPEAL BY MARIE TORRE from contempt conviction for withholding news source in Judy Garland libel suit vs. CBS rejected by Supreme Court (p. 4).

PROVIDENCE DEAL TAKEN TO COURT by WJAR-TV gen. mgr. Dody Sinclair. Wooten calls off \$6,000,000 Memphis sale to Cowles. Whitney buys AMs (p. 6).

NEW OUTLETS START: KNOP, North Platte, Neb. (Ch. 2); Klor-TV, Provo, Utah (Ch. 11). Other reports (p. 11).

INDIANAPOLIS & SEATTLE CASES set for early oral argument, to be re-done because of Craven's vote. Progress on other remanded cases (p. 11).

MORE WOMEN TV-RADIO station owners & executives listed as AWRT reports more than fifth of all employees are on distaff side (p. 16).

Manufacturing-Distribution-Finance

BUSINESS UPSWING TO CONTINUE through 1959 is consensus of company executives, financial analysts, trade organizations and government economists (pp. 1 & 7).

AVERAGE TV FACTORY PRICE TURNS UP for first time as industry catches up with material & labor costs. (p. 12).

FIRST TV IMPORTS may reach U. S. next fall. Delmonico reports import plans; one U. S. set maker says Japanese have transistorized portable (p. 12).

CONSENSUS—OPTIMISM IS THE LINE FOR '59: Steady improvement of the national economy is the basic theme of the business forecasts we summarize on pp. 7-8. These being days when just about everyone of consequence in industry and banking is being asked his opinion about the business outlook, we decided this week to break away from precedent -- and, while still waiting for the usual crop of New Year prognostications by TV-radio & related electronics industry leaders, we have digested the extraordinary rash of general business appraisals and forecasts crossing our desk this week and last. They came by way of our news ticker, financial journals and market reports which we cull daily, and an exceptional outpouring of press releases.

Note the predominant note of bullishness, yet the paucity of talk about boom. There are lots of words of caution -- especially in such obviously vulnerable spots as automotive production and steel which, while heading upwards, apparently won't go to former peaks. But on the whole the basic trend is up, up, up -- and it's evident that the men who know business best are sure of a prosperous America in 1959. Since the business fortunes of our readers, who generally are top-level executives, are so intertwined with the economy as a whole, we hope that our read-as-you-run digests on pp. 7-8 will help you in your thinking and planning for the upcoming year.

FCC PONDERES OPTION-TIME; CBS'S NEW MINIMUM: The evaluation of network option-time, submitted to FCC members by its staff (Vol. 14:49), was sent back to staff this week with instructions to revise it. Details are meagre -- but it's understood that commissioners are not eager to kick out option-time; that one suggestion under consideration is reduction from 3 hours to 2½ per segment of the day. At any rate, Commission will have at least one more go at it before sending it to Justice Dept. for

opinion on option-time legality -- or it may first request industry comment on it.

CBS disclosed details of its new minimum-buy practice, meanwhile, introduced as substitute for must-buy, effective March 1 (Vol. 14:49). These are major provisions, described in closed-circuit to affiliates Dec. 11 by v.p. Wm. Lodge:

(1) Advertiser pays minimum of 80% of aggregate night (8-11 p.m. N.Y. time) card rate of all 197 CBS-TV U.S. & Alaskan affiliates (not Hawaii or Canada), 75% of total rate for all other times. In terms of hourly rate, this would mean \$99,000 nighttime, \$93,000 daytime. Present 60-station must-buy Class A hour is \$83,925.

(2) No "significant area" of the country can be excluded by the sponsor.

(3) Advertiser may purchase less than minimum-buy, in 13-week cycles, but order is cancellable on 60-day notice -- if bigger buyer comes along.

(4) No minimum number of stations.

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CBS reports that no nighttime sponsor now buys less than the new minimum, and only 2 daytime sponsors do -- so that it means little dollar difference to present advertisers. However, some affiliates point to the exceptions which permit less-than-minimum-buy, say that advertisers won't be worried by the cancellation clause -- so that CBS is really loosening up in a bid for new business.

Some affiliates will gain, others lose, by change. A few must-buy stations will run into trouble because they're not in biggest markets or because sponsor has no distribution in certain cities. A few small-market stations may get windfalls from money taken from previous must-buy list.

Actual practice will clarify some points which are now fuzzy. For example, what is a "significant area" of the country? Lodge mentioned New England, South, Pacific Coast, etc. -- but, as one affiliate put it, "that's not much help to a salesman who is pounding the pavement."

NBC-TV is studying CBS's new pattern, meanwhile, is expected to come up with a minimum-buy policy of its own in near future.

VHF STATION SELLING FOR ONLY \$50,000: Not all TV station sale deals fall within the category of Big Business, like the flurry of 7-figure transactions we've reported in recent weeks (Vol. 14:47,49) -- several of which, notably in Providence and Memphis, have taken interesting new twists (p. 6). This week, FCC was asked to approve sale of KDRO-TV, Sedalia, Mo. (Ch. 6) for mere \$50,000 plus assumption of \$127,661 long-term obligations to owners of KMBC-TV, Kansas City (Ch. 9).

This is one of lowest sales prices for a vhf on record, explainable by facts that (a) Sedalia is a very small town -- 1950 pop., 20,354 -- about 70 mi. East by South of Kansas City and not even that far away from well-served Columbia and Jefferson City; (b) 4½-year-old KDRO-TV had no network connection until recently, when it became an ABC bonus to KMBC-TV; (c) station hasn't ever shown a profit, its gross reportedly running less than \$100,000 annually.

Founder Milton J. Hinlein, whose health has been impaired by an auto accident and who recently sold his radio KDRO to his son and others, is selling his 52.99% stockholdings. Among other stockholders are KTTS-TV, Springfield, Mo., 12%; Donald Dick, 10.5%; Leora Chapman, 6% -- theirs and all other stock included in the \$50,000 price. Station's balance sheet shows a \$107,881 cumulative deficit to Oct. 31, with \$9251 current assets, \$23,605 current liabilities, \$68,220 fixed assets.

Purchasing firm principals in deal are Don Davis, president of KMBC-TV and radios KMBC and KFRM, Concordia, Kan., and John Schilling, exec. v.p. & gen. mgr. They represent Cook Paint & Varnish Co., owner, which 5 years ago bought stations from founder Arthur B. Church, now retired in Colorado Springs, Colo. FCC transfer papers show KMBC group of stations had gross income of \$1,765,369 for 8 months from Dec. 1, 1957 to Aug. 1, 1958 as against \$1,739,334 for same period year earlier. It is presumed Sedalia outlet will be operated as satellite of KMBC-TV.

COMMUNITY ANTENNA PROBLEMS SURFACING AGAIN: The CATV business' regulatory ailments were acting up again this week. They've been building up for some time, will be popping out again shortly. Consider these, which are discussed in detail on p. 5:

(1) FCC's "inquiry" into impact of CATV, etc. on small-town TV stations is due to come before Commission for at least tentative policy decision next week.

(2) Illegal vhf booster problem, tied in somewhat with the inquiry, should be up for final decision shortly -- and question has been raised as to whether the bare 4-3 tentative vote to outlaw boosters will hold at the showdown (Vol. 14:48).

(3) Schizophrenic again on CATV-microwave subject, the Commission took the unusual action of staying for a week the start of microwave to serve Helena, Mont. CATV system with Spokane signals. Vote was tight, 4-3.

(4) NAB plans to attack, within a month, CATV's life-line -- the programs it picks up free from stations and relays to customers -- in copyright test suit.

(5) FCC is questioning a radio-newspaper-CATV setup in Fayetteville, Ark. on charges by radio competitor that it's "unfair" and "monopolistic." Owners of the group under attack: Sen. Fulbright (D-Ark.) and family.

Voice of Senate Commerce Committee should be heard soon. Counsel Kenneth Cox has been drafting the report stemming from its CATV-booster-translator hearing (Vol. 14:26), and it's expected to be finished momentarily.

ALLOCATIONS BUILDUP TO CONGRESS' RETURN: FCC will be on spot again on allocations, come next month when Congress convenes, for it will be expected to give Senate Commerce Committee a substantial progress report. Of course, the Commission has been scolded by Congress as a "do-nothing" outfit before, without getting fazed, but current FCC membership is quite determined in its attack on allocations problems.

It takes no seer to predict that the Commerce Committee's report on allocations, drafted by special counsel Kenneth Cox, will be plenty critical of Commission and will lean toward uhf, when it's issued -- probably in couple months. Committee has been lambasting Commission on that score for years. (The Committee's report on small-town TV, CATV, translators, boosters, etc., is expected in couple weeks.)

Commission will have chance to get its ducks in a row before the questions start flowing from Capitol Hill, because it will be better informed than ever with: (1) Numerous intense FCC member-staff briefings analyzing alternatives. (2) Technical findings of TV Allocations Study Organization -- most extensive allocations fact-finding project since freeze-end. (3) Recommendations of President's Special Advisory Committee on Telecommunications (Vol. 14:47).

But the foregoing won't make FCC's decisions for it -- because the allocations problem is not primarily technical. Rather, it's mostly economic and political -- using "political" in its best or "voice-of-the-people" sense.

TASO's technical findings won't be startling -- at least that's what FCC observers on its panels tell us. And President's committee isn't going into TV allocations or any other allocations; it's going to make recommendations regarding govt. administrative machinery -- which might have some very long-range impact on TV allocations, but certainly nothing bearing immediately on FCC's problems.

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Comr. Fred Ford is amused and a little irked by divergent conclusions being drawn from his speech on allocations last week (Vol. 14:49). One publication has assumed that he was plumping for switch to all-uhf systems; another figured he was in favor of shift to 174-474-mc vhf system. "Apparently," he says, "people have read into the speech what they wanted to find."

Ford insists he hasn't concluded that any of the 6 major alternatives is the answer; that there was no hidden significance in anything he said; that he has no secret information about military use of and plans for vhf frequencies which might be desired for TV. By and large, however, he's pleased with reaction, says many people have told him that his evaluations have made picture a lot clearer.

'CONFIDENTIAL' NEWS SOURCES & THE COURTS: The notion long held by many newsmen -- that they somehow enjoy lawyer-client, doctor-patient relationship with confidential sources -- was dispelled this week by Supreme Court's refusal to review the contempt of court conviction of Marie Torre of N. Y. Herald Tribune (see below).

It was valiant try for press privilege that TV-radio columnist Torre made -- in behalf of all working reporters as well as herself -- when she refused, in Judy Garland-CBS libel case testimony, to name the network v. p. whom she said was the confidential source of some disparaging remarks about the singer.

Hard choice of changing her mind or going to jail now confronts Miss Torre. Her failure to win her point of privilege, or even to have it argued before Supreme Court, is to be regretted by those who hold that press confidences always are something sacred, that newsmen shouldn't be forced to expose informants.

All is not lost, however. "Wholesale disclosure of a newspaper's confidential source of news" was not issue in Appeals Court decision upheld in effect by Supreme Court. Lower court made it plain that immediate issue in case was need for fair trial of Miss Garland's case against CBS. And as a result of Miss Torre's troubles, Rep. Dorn (R-N.Y.) proposes to introduce bill which would give newspapermen & broadcasters Federal immunity from revealing sources (Vol. 14:40).

Marie Torre Faces Jail: News reporters have no absolute freedom-of-press privilege to conceal confidential sources of published information when disclosure is necessary to insure fair trial in Federal court—and *N. Y. Herald Tribune* TV-radio columnist Marie Torre may go to jail for insisting that they do.

That's import of refusal by U.S. Supreme Court this week to grant review of contempt of court conviction of Miss Torre (Vol. 14:40, 41, 44, 47) for refusing to divulge identity of the CBS executive she quoted as telling her that singer Judy Garland had "an inferiority complex" and is "terribly fat."

It was first time issue had been carried to Supreme Court. Brief order rejecting appeal by Miss Torre (Justice Wm. O. Douglas noting he would have granted review) carried no written opinion. But it left standing N. Y. District Court Judge Sylvester J. Ryan's opinion that she "has no legal support" for withholding source, which was demanded by Miss Garland's lawyers in her \$1,393,333 libel-breach-of-contract suit against CBS. He sentenced her to 10 days in jail for defiance.

Supreme Court also in effect sustained opinion in case by new Justice Potter Stewart, who didn't participate in high court's action. As an Appeals Court judge he had upheld Judge Ryan against Miss Torre, holding that when claims of press privilege under Constitution clash with fair-trial rights, "paramount public interest in the fair administration of justice" must prevail, that "freedom of the press, precious & vital though it is to a free society, is not an absolute."

It was uncertain at week's end what happens next in case—which has turned out to be something less than a cause celebre to press. Miss Torre could purge herself of contempt by changing her mind and naming her CBS source in pretrial hearings. She may persist in defiance when she is summoned by Judge Ryan to surrender herself after he receives official word of decision from Supreme Court—which may take several weeks. And in any event Judge Ryan could reduce or suspend Miss Torre's jail sentence.

"I wish I could tell you," Miss Torre told us. "I do

what they [*Herald Tribune* lawyers who took case to Supreme Court] tell me." Mathias J. Correa, counsel for Miss Torre, member of N. Y. firm of Cahill, Gordon, Reindel & Ohl, said there's "theoretical possibility" that Supreme Court will be asked again to hear free-press arguments. Lionel S. Popkin, Miss Garland's counsel, said: "We don't want to see her in jail. We just want an answer to our question." CBS counsel Ambrose Doskow of Rosenman, Goldmark, Colin & Kaye said: "We are prepared to defend ourselves in trial court."

Despite free-press issues posed in case, no other segment of press joined Miss Torre and *Herald Tribune* in seeking Supreme Court hearing. American Newspaper Publishers Assn. didn't intervene; neither did NAB. N. Y. Newspaper Guild had said it would file brief supporting Miss Torre, but didn't, and international executive board of parent AFL-CIO American Newspaper Guild kept hands off.

N. Y. Times said editorially that it wished Supreme Court had explored issues instead of turning down plea for hearing, but that it's "satisfied that the public interest has been properly served." It also stated: "In refusing to hear the case [the Court] has at least by negative action emphasized the fact that even the most sacred constitutional tenets—and we include freedom of the press in that category—cannot be absolute & unlimited."

New anti-trust damage suits, filed by two weeklies competing for advertising in its territory, are faced by *Kansas City Star* in aftermath of 1957 consent decree which brought \$7,600,000 sale of its WDAF-TV & WDAF to National Theatres (Vol. 14:17). In civil actions similar to advertising monopoly suits filed year ago by 4 other area publications seeking triple damages totaling \$7,300,000 (Vol. 13:50), *Westport Reporter* seeks \$100,000 damages, *Northeast News* \$30,000. Note: Former President Truman told Washington's National Press Club Dec. 8 that Kansas City now has "free" TV & radio. He was asked: "In cities with press monopolies, should TV & radio stations start airing competitive editorials?" He replied: "Yes, I do. We accomplished that in Kansas City. There was complete control of all news sources in my home town and this no longer exists. We have free radio & TV stations so we can get news. We couldn't get it before."

Community Antennas & Govt.: FCC really is having trouble coming to decisions on its duties & authority in regard to "hinterland" TV and all the devices used to put signals into small and/or isolated towns (p. 3).

Its every instinct, for example, is to clamp down on illegal vhf boosters, force them to uhf translators—which are perfect for the same job. However, Commission has vacillated for so many years that boosters have proliferated to somewhere between 1000 & 1500, and the people who bought sets on strength of these signals have developed a powerful political voice.

Majority of commissioners recently voted tentatively to dismiss their rule-making proceeding, which had been designed to explore possibility of legalizing the boosters (Vol. 14:48). It's understood, however, the vote was 4-3—so there's always possibility that decision will be reversed when it comes up for the last time. Majority is said to comprise Comrs. Hyde, Bartley, Lee & Ford. Comr. Craven is known to desire lenient rules which would virtually approve what exists. Comrs. Doerfer & Cross have favored legalizing the boosters—but with stringent regulation.

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Commission may face up to final decision soon, or it could again delay it indefinitely. It may choose to wait until Senate Commerce Committee issues its report on the subject, expected shortly. During Senate hearings, Committee's leanings toward "legalizing" were undisguised—presumably because Chairman Magnuson's home state of Washington is loaded with boosters.

FCC has to decide, again, whether it can or should control CATV systems directly, and whether it should seek new legislation. There's considerable pro-regulation sentiment in Commission—to protect public, stations and CATV operators themselves. Actually, CATV interests can visualize a lot of good in Federal regulation, aren't nearly so opposed to it as they once were. They'd much prefer uniform Federal control to local regulation dictated by petty politics. Presumably, national politics are better.

NAB is going to bat for its smaller members by filing "copyright piracy" suit, alleging CATV can't use stations' signals without permission—or payment. Suit site hasn't been chosen yet, but it's expected to be filed against the CATV system in one of these towns: Twin Falls, Ida.; Clarksburg, W. Va.; Casper, Wyo. National Community TV

TV-Radio Into the Breach: Shutdown of New York City's 9 daily newspapers this week by independent Newspaper & Mail Deliverers Union brought general mobilization by broadcasters to fill the news void. Newspaper-of-the-air substitutes for 5,500,000 copies of dailies which weren't available included these emergency enterprises: (1) NBC's WRCA-TV & WRCA expanded news schedules, published one-page tabloid *Extra*, with 150,000 press runs, for street & railroad free distribution by 10-man crew. (2) CBS's WCBS-TV added 65 minutes of newscasting to daily schedules, planned for more over week end. (3) ABC's WABC-TV trimmed some commercial programs to make room for more news, added 7 daily newscasts, including 70-second "capsules." (4) WOR-TV put 3 special 5-min. afternoon news shows on air, inserted extra 30-min. wrapup Dec. 11, spotted news nightly on *Million Dollar Movie*. (5) WNEW-TV, working on flexi-

Assn. is eager for the suit, would like issue finally adjudicated so members can make investment decisions. NAB & NCTA agree that case should involve all possible angles, to wrap up all loose ends once and for all.

FCC continues to grant microwaves to serve CATV systems—but only for towns not receiving station signals. Since it started complete "freeze" on grants, it thawed it enough to grant microwaves to serve towns of Wellington, Childress, Laredo & Perryton, Tex.; Miles City, Mont.; Lander, Wyo.; Snowflake & McNary, Ariz.

Commission ran into trouble, however, with microwave for Helena, Mont. It had granted one some time ago to James G. Edmiston; he built it, was ready to go last week. This week, on petition of Ed Craney's KXLJ-TV, Helena (Ch. 12), FCC held up for a week Edmiston's request for permission to test. With Comrs. Doerfer, Lee & Ford dissenting, majority apparently believed it needed to study whole CATV-station relationship a little longer.

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CATV is on FCC's hands in still another context in a Fayetteville, Ark. case—"unfair competition." Radio KFAY (Weldon Stamps) alleged that it must pay for program listings in *Northwest Arkansas Times*, while *Times'* KHOG doesn't; that local cable system carries KHOG on its lines and offers 2600 subscribers as bonus to sponsors; that there's interlocking ownership between *Times*, KHOG & CATV system. Commission set case for hearing.

Interesting factor in case is Sen. Fulbright. He's participant in Fulbright Investment Co., set up to handle his father's estate. Investment Co. owns *Times*, which in turn owns part of KHOG. It has no interest in cable system. However, Fulbright's brother-in-law Hal Douglas is substantial stockholder in KHOG and CATV.

In Austin, Tex., there's at least cooperation between KTBC-TV (Ch. 7) and CATV system under construction—and KTBC-TV is controlled by Claudia T. Johnson, wife of Senate Majority Leader Lyndon B. Johnson (D-Tex.). Midwest Video Corp., Little Rock, Ark., headed by C. Hamilton Moses, chairman of exec. committee of Ark. Power & Light Co., is wiring up Austin—putting its receiving antenna on KTBC-TV's tower.

Midwest Video spokesman said system will distribute signals of San Antonio stations and KTBC-TV, has potential of 15-25,000 subscribers—which would make it largest in nation. Midwest operates CATV in Victoria, Bryan & College Station, Tex.; Greenville, Miss.; Paducah, Ky.; Poplar Bluff & Dexter, Mo.; Rapid City, S. D.; Clovis, N. M.

ble basis, inserted bulletins throughout commercial schedule. Stepped up coverage by all radio stations included *N. Y. Times'* WQXR calling on paper's staff in N. Y. and in bureaus here & abroad for special radio coverage. *Times* assigned Clifton Daniel to head broadcast operations.



No Retreat on Liquor: NAB's AM radio committee this week unanimously urged NAB board to reaffirm broadcasting's voluntary ban on hard liquor commercials—subject of controversy within industry recently (Vol. 14:48). Board holds winter meeting Feb. 2-6 in Hollywood Beach, Fla. Committee (F. C. Sowell, WLAC, Nashville, chairman) also recommended that NAB ask FCC to postpone Jan. 19 deadline for filing comments on proposed revisions of license renewal form (Vol. 14:48) on ground broadcasters need more time for study.

Snafus in Big Station Deals: Legal obstacles arose this week to delay, if not prevent, the projected sale of WJAR-TV, Providence (Ch. 10) and WJAR (Vol. 14:49), while at the same time Hoyt Wooten's proposed \$6,000,000 cash sale of WREC-TV, Memphis (Ch. 3) with WREC to the Cowles TV-radio-publishing interests (Vol. 14:47) was definitely called off. This week, too, it was disclosed that the Cowles are balking at a \$1,400,000 asking price for the 40% stock interest held by Kingsley Murphy Jr. & family in KRNT-TV, Des Moines (Ch. 8) and KRNT, 60% owned by Cowles.

Counsel for J. S. (Dody) Sinclair, gen. mgr. of WJAR-TV & WJAR, which trustees propose to sell in package deal involving parent Outlet Co. and its dept. store, asked for temporary restraining order which Judge G. Frederick Frost, of Rhode Island Superior Court for Kent County, refused to issue. The judge, however, assigned the case to hearing Jan. 19, Sinclair's counsel filing bill of complaint stating the trustees failed to acquit their "moral obligation" to provide for the beneficiaries of the will of Outlet's co-founder Col. Joseph Samuels.

The 36-year-old Sinclair, grandson of Col. Samuels, claims deal is unfavorable to him, and says his mother is behind him in action to halt it. She is owner of nearly one-third of Outlet stock, held in trust by Providence bankers and an attorney who have agreed to purchasers' offer of \$120 per share. Young Sinclair, who would become beneficiary under certain conditions at age 40, charges the trustees, in effect, with growing "old and tired" of their duties; with proposing to invest proceeds in tax-exempt securities less favorable for income than present operation; with proposing deal whereby he would be "severed from his financial interest in the business founded by his grandfather and to which complainant is dedicated by both family ties and professional associations [and] has devoted his entire business career."

Young Sinclair states buyers have indicated they would retain him in management, says he gets "less than \$25,000 salary," claims he has own buyers who would be willing to acquire Outlet Co. if given opportunity to bid.

Buyer Roger L. Stevens, best known as a N. Y. realtor and backer of Broadway plays, who put up \$500,000 earnest money and agreed to buy up all outstanding Outlet stock at \$120 per share for total of nearly \$12,000,000, does not appear as principal in deal in letter addressed to all Outlet stockholders this week by Wm. Zeckendorf, head of Webb & Knapp, big realty firm. Zeckendorf states company buying stations is called The 90165 Corporation, a wholly-owned subsidiary of TV Denver Inc., operator of KBTB, Denver (Ch. 9) which is owned in equal parts by Webb & Knapp and veteran broadcaster John C. Mullins of Tulsa. Zeckendorf outlined terms and terminal dates for his proposed acquisition of the Providence stations for \$6,500,000.

Oversight Report Delayed: Two days of closed-session work this week by House "influence" investigators failed to produce expected report & legislative recommendations on FCC and other Federal agencies (Vol. 14:48). Commerce legislative oversight subcommittee headed by Rep. Harris (D-Ark.) pored through transcripts of hearings this year, riffled through voluminous staff reports, agreed to try again later in month. Harris said subcommittee made "great progress" toward drafting proposed legislation, but details wouldn't be worked out until around Jan. 1, when unit's legislative life expires. Also undecided this week

Remainder of purchase price presumably is for the dept. store, thus evaluated at about \$5,500,000. It's understood, but not verifiable, that Stevens proposes to retain the store and operate it in conjunction with a dept. store involved in his plans for the big new New Haven Center project. However, it's regarded more likely the store would also be sold if buyer can be found; it is considerably smaller earner by comparison with the TV-radio properties (Vol. 14:49).

Note: In press release issued in Denver Dec. 12, Mr. Mullins, pres. & gen. mgr. of TV Denver Inc., said that syndicate purchasing The Outlet Co. comprises TV Denver Inc. and Mr. Stevens; that he (Mullins) will also become pres. & gen. mgr. of Providence stations; that Denver will remain his residence though he'll also establish a home in Rhode Island when FCC approves deal; that he and Mr. Zeckendorf "are currently negotiating for the purchase of 2 other large radio & TV properties."

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Hoyt Wooten informed FCC that "we agreed we couldn't agree"—hence the calling off of the Memphis deal with Cowles. He asked FCC to transfer licenses to new WREC Broadcasting Service Co., Inc., with himself as 100% owner and as chairman-pres. and with his sons-in-law as directors. They're Charles B. Brakefield, exec. v.p. & commercial mgr. of the stations, and Jack C. Michael, v.p., secy. & program director. Also a director is Mrs. Frances Benden, treas. He said he "can't say" whether he will ever again entertain an offer to sell but he "certainly" has no intention of doing so now.

The Cowles group meanwhile is deadlocked with the Murphys over the purchase price of latter's 40%, which Murphy stockholders had agreed to sell in 3 years at time of merger of competitive interests in 1955 to expedite getting the Ch. 8 Des Moines station on the air.

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Another deal involving multiple ownerships was disclosed when VIP Radio Inc., operating daytime radios WNRC, New Rochelle, N. Y. (1460 kc, 500 watts) and WVIP, Mt. Kisco, N. Y. (1310 kc, 1 kw), informed FCC that 50% interest was being acquired via stock purchased for about \$175,000 by Plymouth Rock Publications Inc., wholly owned by John Hay Whitney, Ambassador to Britain. Plymouth recently acquired control of the N. Y. *Herald Tribune* and publishes the widely syndicated Sun supplement *Parade*.

Producer Martin Stone (*Howdy Doody*, *Author Meets Critics*, *Super Circus*, *TV Bingo*) owns 50%, having bought 100% of WNRC last month for \$225,000. The Mt. Kisco station has been 50% owned by wealthy Mt. Kisco realtor E. Monroe O'Flynn, who receives \$100,000 for 40% being sold to VIP Radio Inc., keeps 10%. The radios are in no way connected with Whitney's Corinthian group of TV-radio stations (4 TVs, 2 AMs) but will be counted under FCC rules against his partnership's quota of 7.

was question whether subcommittee will seek House permission to stay in business next session.

Norman Knight, Teleradio v.p. in charge of WNAC-TV (Ch. 7) & WNAC, Boston, is buyer of radio WHEB, Portsmouth (750 kc, 1-kw limited-time) for \$75,000 from Charles N. Dale, according to application filed with FCC. Also buying radio station this week is station rep James S. Ayers, who with Charles B. Britt (50% each), filed application to purchase WJRS, De Land, Fla. (1490 kc, 250-U) for \$125,000. Britt is v.p. & 14.4% owner of WLOS-TV, Asheville, N. C. (Ch. 13) & WLOS.

Prosperity the Outlook for America, 1959

Forecasts of Prospects for Next Year's Economy—Digests of Expert Opinions (story, p. 1)

American Bankers Assn.: Deputy mgr. E. Sherman Adams foresees some tightening in credit availability, resulting in higher interest rates before 1959 ends. States and municipalities are expected to borrow record amounts, and the Federal Govt. will have to borrow to cover its budget deficit. At same time, banks are much less liquid than has been the case since World War II. To meet these potentially inflationary forces, the Federal Reserve Board would probably not employ the aggressive easy-credit policy with which it fought the recession.

Associated General Contractors of America: The estimated \$49 billion worth of construction this year stands a fair chance of growing to \$52 billion in 1959, with private construction expected to rise 3-4%. Govt. outlays—paced by acceleration of Federal highway program—up 16% to \$17.4 billion, according to Wm. G. Dooly, public relations mgr. Private home building will advance 7% despite less mortgage money in latter part of year, much of rise being completion of houses begun this year. Industrial construction, which plummeted 30% in 1958, is likely to fall off some more, then recover later in year. Church construction may cross the \$1 billion mark for first time, and building of schools may jump 6% to \$3 billion.

Automobile Manufacturers Assn.: Managing director Harry A. Williams said sales will hit 5,500,000 passenger cars, up 25% from the 4,300,000 estimated for 1958. Truck sales will remain unchanged at 900,000. Thus 1959 looks like 5th best year on record, in a "healthy market in which manufacturers and dealers could cooperate comfortably and profitably." Factors behind pickup: consumer confidence in future, repayments of auto credit which have built up installment buying potential, low inventories of and high prices for used cars, 1958 sales only slightly exceeding estimated scrappage of cars.

Arthur C. Babson: The v.p. of *Babson's Reports* told annual clients conference that "a moderate, and not extremely sharp, upward move" is under way; that 1959 business recovery will average 5-7% over 1958; that auto sales should go 1,000,000 units above the 5,300,000 of 1958; that "we would not be surprised to see total corporate profits advance 20-25% above the average levels finally to be recorded for all of 1958" which he said probably will trail 1957 by 15-17%; that the only areas likely to buck recovery trend are foreign trade and railway equipment. Editor John D. Riordan added that he looks for higher stock market prices to continue into 1959.

Federal Reserve Board: Index of industrial production, based on 1947-49 average of 100, jumped 3 points in Nov. to 141, or 2 points above Nov. 1957 and only 4 points below all-time record in boom Aug. 1947. That the nation is pulling out of last winter's slump, is evident from fact new construction rose in Nov. by 6% to annual rate of \$52 billion; retail sales rose 1½% to top previous high of summer of 1957 by 1%, due partly to improved auto sales; personal income reached new record high. Non-durable goods, which fared relatively well during slump, rose to new records in Nov., most notably in the textile, leather & rubber industries.

First National Bank of Chicago: Conference for correspondent banks developed that, of 1700 bankers, 57% expected 1959 business conditions to show improvement

over last half of 1958, only 1% thought they'd be poorer. (The optimism ran 61% in the South, only 50% in the Northeast.) Also up, in the consensus mind: employment, instalment credit loans, interest rates. But, as to latter, bank's chairman Edward E. Brown dissented later in week, with opinion that "interest rates for both short and long-term loans will stay about where they are now for the next 9 months." At panel for business and industrial executives, bullish forecasts were expressed for steel, autos, retail sales, and various other categories. Sears, Roebuck pres. Charles H. Kellstadt noted that the post-war baby population would move into the ranks of the teenagers.

First National City Bank, N. Y.: Fall business as a whole has been encouraging. Business men, though still cautious, look for continuing recovery. Nov. retail sales appear to have maintained or improved on moderate gains registered in Oct. Auto output is now accelerating in order to stock dealers, with favorable impact on wide variety of suppliers.

Institute of Scrap Iron & Steel: Wm. S. Story, public relations director, sees 1959 outlook for steel measurably brighter after poor 1958 when steel output fell to 9-year low. Output in 1959 could hit 105-120,000,000 tons vs. this year's 85,000,000. A steel strike in July, when union contract expires, could alter situation.

Investment Bankers Assn. of America: "The recovery in our economy looks to be solidly based," pres. Wm. C. Jackson (First Southwest Co., Dallas) told IBA convention at Bal Harbour, Fla. He said a relapse seems unlikely, and a substantial rise in Govt. expenditures can be expected.

Kirby, Block & Co.: This big buying organization's survey of retailers who do an aggregate of \$4.5 billion a year shows that every single one of the 649 merchants surveyed (chiefly women's and children's wear) believes first 4 months of 1959 would be his biggest spring season in history. Average of predictions: Jan.-thru-April would run 8% over same period of 1958.

National Assn. of Food Chains: Wallace N. Flint, v.p., said larger supplies of pork & beef, plus hope last winter's freeze in the South will not recur, bolster expectations of stable food prices in 1959. Apace with increased population, food sales hit new high in 1958, and jump of 6.5% is expected for 1959. Food chains may spend up to \$1 billion in 1959 to modernize existing stores and build new ones. In 1958, they spent more than \$700,000,000 to build 2500 new supermarkets and remodel 1800 others.

National Assn. of Manufacturers: Survey of 3212 business executives (large and small, all U. S. sections) found about three-quarters of them anticipating higher sales in 1959; but only 53% expect higher profits. Anticipating increased capital outlays for expansion: 37%.

National Assn. of Purchasing Agents: Nov. monthly report pointed out that despite much optimistic talk, including good demand for new cars, negative elements must be noted, such as the uninterrupted lull in demand for textiles, lumber, machine tools. The 54% of purchasing executives able to report higher production by their firms

in Oct. dropped to 52% in Nov., and the 31% reporting larger work forces dropped to 28%. Report pointed out that there is still considerable unemployment in many industries—"with no indication of any immediate improvement."

National Electrical Manufacturers Assn.: Atlantic City convention was told that electrical industry spending for plant and equipment would total \$4.6 billion for the current year, an increase over 1957's \$4.3 billion.

National Retail Merchants Assn.: J. Gordon Dakins, exec. v.p., said merchants expect store sales to continue strong into 1959, with 4% increase in first 6 months over same 1958 period which was "heart of the recession." Net profits should advance 8% in first half.

National Tool & Die Mfrs. Assn.: Exec. v.p. George S. Eaton expects, not a sudden major improvement, but a 15% increase in shipments which would still leave the depressed industry another 15% short of its reasonably good 1957 performance. Some mfrs. expect even a small decline but this outlook could change within months if makers of appliances and other consumer durables need new tools and dies to change models or styles. The shift from aircraft to missiles has not yet made itself felt in this field because much missile work has not yet reached the production stage that requires extensive tooling. Farm equipment, whose new orders hit a recession low last Aug., has turned upward to the brightest spot for the industry.

Nation's Business: Outlook survey in Dec. issue of U. S. Chamber of Commerce's magazine reveals that 93% of high-level, decision-making executives believe 1959 will see sales increases for their organizations—a cross-section of the largest ("pace-setting") industrial and business concerns throughout the nation. The bullish, expansive, restless, let's-get-going attitude displayed by the 175 top-echelon executives surveyed (41% of them presidents) was in marked optimistic contrast to the pessimism evinced in a similar NB survey year ago. Now, 50% anticipate rise in their employment figures as against 26% year ago, and 77% predict their companies will spend more in 1959. Biggest company problem: controlling costs. Biggest managerial problem: competent personnel.

Newsweek Magazine: Major conclusions of 10-page summation of its own survey of business: "Businessmen confident. No boom, but a solid year. Earnings rising. Consumers spending more. Construction solid. Sweep of recovery spreading to almost every industry. Inflation biggest worry. Selective market. 'Show-me' attitude."

Prentice-Hall: Some slowdown in the recovery from recession is likely, but by mid-1959 the economy will be at new peaks. Retail sales next year will equal or slightly exceed the 1957 total of \$200 billion. Wholesale prices will probably show little change in first quarter 1959. Production trend is up.

Standard & Poor's: Upward pace will probably slacken in early 1959, retail trade will expand. Of the stock market: Underlying position remains bullish, though a technical correction is overdue.

United Business Service: Uptrend in new orders, rising profits, increasing capital outlays, decreasing rate of inventory liquidation, other indicators—all seem to confirm view that "the American economy will maintain its forward momentum in 1959." UBS sees unemployment, now around 7%, dropping below 5% by end of next year, Gross National Product rising to about \$472 billion from \$436 billion in 1958 and \$440 billion in 1957. UBS "busi-


ness thermometer," now about plus-10%, should rise to at least plus-25% during 1959, with stimulus coming from increased consumer and govt. spending, some pickup in capital outlays, trend toward inventory accumulation. On Commodity Prices: Average wholesale prices will move moderately upward despite wide individual variations. Industrial Production: Total next year will be about 10% larger than 1958. Retail Trade: Total should reach \$210-212 billion, a new record and a 5-6% gain over 1958, with prices trending upward and retail profit margins maintained despite keen competition and higher operating costs.

U. S. Chamber of Commerce: Chief economist Emerson P. Schmidt, at the Chamber's annual business outlook conference, joined a blue-ribbon panel of 7 business leaders (whose views are all digested in these columns) to predict growth to record dimensions by the American economy in 1959. All anticipated more production or sales in 1959 than in 1958; and it was felt that prices might creep upward in the latter part of the year. The theme that ran through the forecasts was that while 1959 might not be a boom year, the outlook today was very much brighter than a year ago. Schmidt forecast the nation would produce up to \$480 billion worth of goods and services (up 5%), so that by 1960, he added, "We should, with ease, cross the \$500 billion mark."

U. S. Government Economists: Joint report of Dept. of Commerce and Securities & Exchange Commission this week said: Business spending for new factories and equipment will increase slightly in first quarter of 1959 but will be sharply below 1957 levels. Expected Jan.-March rate, if realized, will be nearly \$1 billion above recession low of last summer but some \$7 billion below 1957 peak. Last year, railroads cut back most (46% from 1957 outlays) while durable goods makers cut back 31%, mining firms 26%. Public utilities, construction & commercial firms cut back least. Report estimates 1958 outlays by manufacturing firms, \$11.5 billion, was off 28% from 1957, foresees added drop of 4% for first 3 months of 1959. Dept. of Commerce economist Louis Paradiso, in another statement, forecast Christmas spending will reach record high this year and get 1959 business off to good start by cleaning off store shelves and creating a demand for new merchandise. As for unemployment: expected seasonal rise in mid-Nov. due to cutbacks in outdoor work, estimated at first at 980,000, turned out to be an encouraging 28,000—largely due to return of striking auto employes to work.

U. S. Savings & Loan League: "I am inclined to think we are entering another period of price stability," said Dean Arthur M. Weimer, of Indiana U School of Business, addressing San Francisco convention. Among reasons: "Consumer goods are now pursuing customers rather than customers pursuing goods . . . Spreading diversification in the economy . . . A vast expansion in research with greater emphasis on cost cutting and production efficiency."

University of Michigan: Latest (Oct.) study of consumer & buyer attitudes by Survey Research Center showed Joe Citizen more confident—but conservatively so. He's over the jitters and expects business to be good, will step up buying, but still worries about high prices—and every fifth Joe is still not quite sure his job is steady. He's showing interest in homes and household goods but is in no mood to splurge. Silver-lining news for the sales depts. of advertising media was the Survey's conclusion: "Consumers are not in a mood to go on a spending spree. They must be *persuaded to buy*—(italics ours)—by products which are judged to be attractive and serviceable, offered at prices thought to be 'right.'"

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Personal Notes: Leslie T. Harris, since 1954 v.p.-gen. mgr. of CBS Films and ex-Colgate-Palmolive TV-radio director, named v.p. in charge of production by CBS-TV stations pres. Merle S. Jones, who also announces these additional realignments of CBS Films Inc. creative & administrative responsibilities: Sam Cook Digges, administrative v.p.; John F. Howell, v.p. & gen. sales mgr.; Fred J. Mahlstedt, director of operations & sales services, domestic & international. Frank Shakespeare, gen. mgr. of WXIX, Milwaukee, replaces Digges as gen. mgr. of WCBS-TV, N. Y. and WXIX sales mgr. Richard P. Hogue is promoted to gen. mgr. . . . Joseph Stampler, for 3 years sales mgr. of WABC-TV, N. Y., promoted to gen. mgr. and appointed an ABC v.p., succeeding Robert L. Stone, who resigned to join NBC as v.p. (Vol. 14:49); Sanford (Sandy) Cummings, western div. director of ABC-TV network program dept., also elected an ABC v.p. . . . Harold C. Lund, Westinghouse stations v.p. in charge of KDKA-TV & KDKA, will be honored at banquet Jan. 18 as outgoing Chief Barker of Pittsburgh Variety Club . . . Malcolm C. Klein, ex-asst. sales mgr. of KABC-TV, Los Angeles, named v.p.-gen. mgr. of WNTA-TV, Newark-N. Y., reporting to v.p. Ted Cott . . . Charles F. Grisham, v.p.-gen. mgr. of WAPI-TV & WAPI, Birmingham, elected pres. . . . Arthur M. Swift, ex-gen. sales mgr. of WOOD-TV & WOOD, Grand Rapids, named mgr. of Time Inc. radio WTCN, Minneapolis . . . Charles R. White, ex-commercial mgr. of old KPTV, Portland, Ore., later with Idaho stations and then part owner of CHEK-TV, Victoria, B. C. (Ch. 6), which he

ADVERTISING AGENCIES: Deane H. Uptegrove, pres. of H. B. Humphrey, Alley & Richards, becomes senior v.p. of Reach, McClinton in merger of 2 agencies; Harold L. McClinton is pres.; chairman Richard S. Humphreys is named pres. of Boston subsidiary Reach, McClinton & Humphrey . . . Robert L. Dellinger promoted to Grant Adv. plans board chairman, Hollywood, succeeded as Dallas mgr. by Joe Hughes . . . Wm. F. Craig, ex-Wm. Morris Agency, joins Grey Adv. Jan. 1 as v.p. for TV programming . . . Edmund F. Johnstone resigns as exec. v.p. of Dowd, Redfield & Johnstone . . . Alan Wallace resigns as TV-radio v.p. of Needham, Louis & Brorby, Chicago . . . Douglas J. Coyle, ex-Kenyon & Eckhardt v.p., named v.p. of Sullivan, Stauffer, Colwell & Bayles . . . Oscar Lubow promoted to v.p. of Young & Rubicam . . . Nelson Winkless, TV film supervisor, named also v.p. of Leo Burnett . . . Philip S. Boone closes own San Francisco agency to become West Coast v.p. of Dancer-Fitzgerald.

Frank W. Miller, pres. of Kelly-Smith, newspaper reps, and Frank W. Miller Jr., v.p., who also are principal officers of Headley-Reed, TV-radio reps, have purchased full ownership of *Schenectady Union-Star*.

Kindergarten TV films of Dr. Frances (Miss Frances) Horwich's *Ding Dong School* on WGN-TV, Chicago, will be syndicated nationally early in 1959, reports v.p.-gen. mgr. Ward L. Quaal.

has sold, is now operating several businesses in Sidney, B. C. (R.R. 2, Ardmore Dr.), including a fishing charter service . . . Hugh L. Kibbey promoted to national sales mgr. of WFBM-TV, Indianapolis . . . Lyle DeMoss, asst. gen. mgr. of WOW-TV, Omaha and director of radio WOW, resigns to become partner of Allen & Reynolds, local adv. agency . . . Jack Drabant promoted to production mgr. of WFAA-TV, Dallas, succeeding Tom S. Palmer, who resigned to go into real estate . . . Charles Keffer, ex-WHCT, Hartford, now off-air, named business mgr. of WTIC-TV & WTIC there . . . Wally Blake, ex-KIVA, Yuma, Ariz. & KWVL-TV, Waterloo, Ia., opens adv. agency under own name at 2627 B St., San Diego . . . Morton Basset, until recently owner of radio WROD, Daytona Beach, Fla., named v.p. & N. Y. mgr. of radio rep Robert Eastman Co. . . . Donald R. Collins named chief engineer of Video-Tape Productions Inc., N. Y.; Steve de Satnick, ex-WPIX, N. Y., succeeds him as chief engineer of Metropolitan Educational Television Assn., N. Y. . . . Robert S. Green, ex-Justice Dept. attorney in civil div. of appellate branch, formerly law clerk to N. Y. Court of Appeals Judge Medina, joins Koteen & Burt, Washington TV-radio law firm . . . Sidney Van Keuren, 26-year veteran of Hal Roach Studios, resigns as v.p.-studio mgr. due to ill health . . . James A. Brown Jr., ex-Grant Adv., named mgr. of Detroit office of reps Venard, Rintoul & McConnell . . . Wm. DuBois promoted to operations & sales planning director of Independent TV Corp., succeeded as gen. sales mgr., syndicated div., by Hardie Frieberg . . . Bernard I. Ochs, ex-WLWA, Atlanta (Ch. 11) appointed mgr. of new Atlanta office of reps Rambeau, Vance, Hopple Inc. . . . John D. F. Martyn, ex-Young & Rubicam, named chief officer of Pulse Ltd., London affiliate of the U. S. research firm.

Obituary

Charles A. Wall, 58, pres. of Associated Music Publishers and v.p.-gen. mgr. of Broadcast Music Inc., died Dec. 8 in N. Y. Surviving are widow, son, daughter.

Charles P. Hughes, 55, radio producer best known as "Mr. First Nighter," died Dec. 9 in Chicago.

Allen M. Woodall, pres. & gen. mgr. of WDAK, Columbus, Ga., was elected chairman of Radio Advertising Bureau at annual meeting in N. Y. last week, succeeding Kenyon Brown, KGLC, Miami, Okla. Also elected: secy. Frank P. Fogarty, WOW, Omaha (WOW-TV); treas. Richard D. Buckley, WNEW, N. Y. (WNEW-TV). Reelected: pres., Kevin B. Sweeney; v.p. & gen. mgr., John F. Hardesty; asst. secy.-treas., Wm. L. Morrison. New board members: Paul Braden, WPFB, Middletown, O.; John Kluge, Kluge stations; Harold Krelstein, Plough stations; Edwin K. Wheeler, WWJ, Detroit (WWJ-TV); Robert Wolfenden, WMEV, Marion, Va.; George Comte, WTMJ, Milwaukee (WTMJ-TV), who was elected in Oct. to fill vacancy.

Sylvester L. (Pat) Weaver, ex-pres. & chairman of NBC, currently heading his own production firm Weaver Associates, 430 Park Ave., N. Y., has become consultant to McCann-Erickson, top-ranking TV-radio adv. agency, reporting to pres. Marion Harper. He continues his consultancies for Kaiser Industries, Gov.-elect Nelson Rockefeller (a Dartmouth classmate), et al. A top McCann-Erickson executive, Frank White, v.p. & treas., is also a former NBC pres. and onetime CBS v.p.-treas.

Pauline Frederick, NBC News United Nations correspondent, named pres. of UN Correspondents Assn.

Federal Communications Bar Assn. holds annual banquet in Washington's Sheraton-Park Hotel, Fri. Jan. 9.

'One Best Rating Method': Old idea of setting up single TV audience measurement system comparable in acceptance & authority to Audit Bureau of Circulation for newspapers & magazines was revived this week—with several new twists—by Revlon's adv. v.p. George J. Abrams.

He proposed in Washington Ad Club speech that TV industry—networks, sponsors, agencies—“create immediately their own Audit Bureau of Television.” “Perhaps” FCC should supervise ABT operations, he suggested, saying that “one best rating method” already is available—M. A. Wallach Research Inc.'s “personal coincidental interviewing technique” described at last month's meeting of Assn. of National Advertisers (Vol. 14:45), of which he is TV-radio committee chairman.

“Unless the broadcasting industry accepts its responsibility and delivers to the sponsors of America a single, valid, reliable report showing who is viewing, when they're viewing, and what they're viewing,” said Abrams, “I believe they will force the FCC to take over measurement control of the American TV audience.”

None of established TV rating systems tells “absolute, reliable truth” about program audiences, he told club, which gave him its annual award for “outstanding achievement in the field of advertising.” He ticked them off: Nielsen reports only “that the TV set in the home is tuned in,” ARB “relies on diaries,” Pulse depends “on one person's memory,” Trendex may not get “accurate information” from telephone calls. Result, according to Abrams: “You can get 5 separate reports of size of audience and just as many different opinions of which report is correct by asking the first 5 broadcasting executives you meet.”

In contrast, Abrams said, Revlon-financed Wallach sample surveys reached directly into TV homes via personal interviews, probed “such qualitative areas as age, sex, income, brand usage, program attitude, and viewing habits.” He thought that Wallach system, covering 100,000 homes each rating week, could be started for about \$4,000,000—“actually less than is spent today [for ratings] by advertisers, their agencies and the broadcasting industry.”

At same time Abrams made it clear he wasn't questioning TV's effectiveness as advertising medium: “There is no need for the broadcasting industry to go on the defensive. Lord knows the casebooks are filled with successful examples of what the use of TV did for advertisers and their businesses. Our own company is probably the most quoted success story in the TV industry—to the point where we had to prove that business was pretty good even before *The \$64,000 Question* came along, and is even better now that it's gone.”

Supreme Court & Anti-Trust: FCC's role as an enforcer of anti-trust laws is now directly before U. S. Supreme Court for clarification—after this week's argument over Commission's approval of NBC-Westinghouse Cleveland-Philadelphia station swap (Vol. 14:2, 19, 45). Justice Dept. had lost out in Philadelphia Federal District Court after it attacked RCA-NBC with charges that latter had forced Westinghouse into deal—Judge Wm. H. Kirkpatrick dismissing Justice's suit on grounds FCC had already ruled on anti-trust aspects by approving sale. Justice Dept. appealed directly to U. S. Supreme Court, and Solicitor General J. Lee Rankin this week summed up his position by stating that if Judge Kirkpatrick's ruling were upheld it would strike “a blow to enforcement of the whole anti-trust laws of the country.”

Philadelphia attorney Bernard G. Segal, representing RCA-NBC, urged that “the strong arm of the Govt. should

CBS-TV Tape Policy: Taping of network shows for delayed telecasts won't be permitted, CBS-TV informed affiliates this week—“except in unusual circumstances and unless a clear showing of warrant exceptions is made.” To get permission for delayed-tape showings, station must get permission of network and sponsor, must supply following information to network: name of program, date of recording, date of telecast, reason for not telecasting at time of network feed—plus assurances that tape will be used only once and erased within 6 hours of use, that entire program will be used, that tape won't be made part of any other program. Carl Ward, v.p. & director of affiliate relations, said these principles are involved: “Among the unique functions of a network are (1) simultaneity; (2) making it possible for an advertiser, through a single purchase, to achieve nation-wide circulation at a predictable and uniform point in the schedule. It is well-known that one of the most important characteristics of a network is also a balanced schedule with appropriate sequence of programs. Therefore, the very essence of networking precludes haphazard or piecemeal rescheduling of programs on a station-by-station basis. To permit this would cause dissipation of the unique benefits which networking provides to the public, advertisers, affiliates themselves.”

TV Court Ban Upheld: Contempt-of-court convictions of cameramen Ben Silver of WCKT and Robert Brumfield of WTVJ, Miami, for defying judge's order not to take courthouse corridor pictures of rape case defendant (Vol. 13:48), were sustained this week by Fla. Supreme Court. Fined \$25 each by Circuit Judge Vincent Giblin, who had prohibited arraignment picture-taking “in the courtroom or any place within 30 feet of any entrance to the courtroom,” Silver & Brumfield appealed convictions on freedom-of-press grounds. But unanimous opinion by Supreme Court held that judge's order was proper, that it was his duty to protect pre-trial processes for defendant. Similar ban by Atlanta judge on news pictures in courthouse or environs has been appealed by WSB-TV (Vol. 14:47). Note: In ruling last month dealing with court ethics, Fla. Supreme Court banned all picture-taking or broadcasting of trials, holding that cameras & microphones “degrade” or “create misconceptions” of proceedings. Just before opinion in Silver-Brumfield case was handed down, Fla. Assn. of Broadcasters petitioned for rehearing on blanket rule, asking for TV camera test in court to show TV can be unobtrusive in courtroom. Such demonstrations are urged by NAB to convince judges & lawyers that American Bar Assn.'s Canon 35 proscription against TV-radio trial coverage should be lifted.

not be permitted to strike down what another arm has approved.” Supreme Court then took case “under advisement,” will later tell whether it will actually review it.

Another attack on the station deal is also before Supreme Court—Philco's protest against the sale (Vol. 14:46)—and Justice Dept. & FCC seem to have difficulty in agreeing on a position. FCC threw out Philco's protest; Court of Appeals overruled Commission, whereupon RCA-NBC appealed to Supreme Court. High court has asked FCC for a brief on its position, but there are reports that Justice Dept. doesn't agree with Commission; Justice may file different interpretation of law or remain silent.

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New reps: WSLs-TV, Roanoke, Dec. 11 to Blair TV (from Avery-Knodel); KSLA-TV, Shreveport, Jan. 1 to Harrington, Richter & Parsons (from Raymer).

New & Upcoming Stations: Mid-Dec. starters are KNOP, North Platte, Neb. (Ch. 2), which begins Dec. 15 with NBC-TV, and KLOR-TV, Provo, Utah (Ch. 11), which begins Dec. 17 as independent. They're year's 35th & 36th new outlets, bring on-air total to 545 (84 uhf).

KNOP has 5-kw GE transmitter and 500-ft. Ideco tower with 6-bay superturnstile antenna. Owners are 50 local businessmen, headed by attorney Rush C. Clarke, who acquired CP early this year for \$5000 from Ray J. Williams (operator of Colo. AMs KAVI, Rocky Ford & KAPI, Pueblo) and 2 partners (Vol. 14:1, 5). Bob Riedy, ex-radio KODY, North Platte, is gen. mgr.; Howard Morgan Jr., ex-KOAT-TV, Albuquerque, sales mgr. & operations director; Bill Wood, ex-KODY, program mgr.; John Seide, ex-KHOL-TV, Holdrege, chief engineer. Base hour is \$150.

KLOR-TV has 6-kw Standard Electronics transmitter and 84-ft. Stainless tower with helical antenna on Lake Mt., 15 mi. W of Provo, 32 mi. S of Salt Lake City. Studios are at 1980 S. Columbia Lane, Orem, Utah, which borders Provo; station also has sales office in Surety Life Bldg., Salt Lake City. Principal owners are Samuel B. Nissley, pres.-gen. mgr., and wife Jeanette C. Nissley, secy.-treas., who jointly hold 69.8%. John A. Drum is regional sales mgr.; Garry Payne, local sales mgr.; Gaylon B. Rowan, ex-KSL, Salt Lake City, program director; Phillip Hurlbut, ex-WSPD, Toledo, chief engineer. Base hour is \$350. Rep is Raymer.

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

WILX-TV, Onondaga-Parma, Mich. (Ch. 10), planned as share-time operation with Mich. State U's educational WMSB, has changed target to Feb. 1, reports pres.-gen. mgr. John C. Pomeroy, also operator of radio WILS, Lansing. GE 50-kw transmitter is due in latter Dec., construction has just begun on 1000-ft. Ideco tower which will have helical antenna. Studios will be in Hotel Hayes, Jackson. Base hour will be \$800. Rep will be Venard, Rintoul & McConnell.

KVIE, Sacramento, Cal. (Ch. 6, educational), with 10-kw Standard Electronics transmitter due Dec. 22, has changed target to Jan. 5, writes gen. mgr. John C. Crabbe for grantee Central Cal. Educational Television. GE 3-section helical antenna is scheduled for installation week of Dec. 15 at 382-ft. level on Ideco 450-ft. tower of KBET-TV. KVIE won't have own studios to start, will share space with KOVR.

KOMC, McCook, Neb. (Ch. 8), with 10-kw GE transmitter ordered for Jan. 20 shipment, has changed target to March 1 for start with NBC-TV as satellite of parent KCKT, Great Bend, Kan. (Ch. 2), 150 mi. away, reports KCKT chief engineer H. G. Haefele. Construction of studio-transmitter building is scheduled to start Dec. 8 and 600-ft. Stainless tower will be used. KCKT, which also operates satellite KGLD, Garden City, Kan. (Ch. 11), has \$300 base hour. Rep is Bolling.

Transfer of Claremont, N. H. translator W79AA to WCAX-TV, Burlington, Vt. (Ch. 3) from Wm. Putnam's WWLP, Springfield, Mass. (Ch. 22) was approved by FCC this week—while WWLP has application pending for another translator in Claremont. WWLP leases equipment for 3 years for \$3600, gives WCAX-TV option to buy it for \$100 at end of 3-year period. W79AA will switch to WCAX-TV from WRLP, Greenfield, Mass. (Ch. 32), satellite of WWLP.

FCC Repairing TV Decisions: Busier than ever patching up TV decisions ruptured by Congress and/or courts, FCC took these actions this week:

(1) Scheduled oral argument Jan. 23 on Ch. 13, Indianapolis, now held by WLWI. Court of Appeals had ordered Commission to re-do the case on grounds that Comr. Craven shouldn't have voted because he hadn't heard oral argument (Vol. 14:25).

(2) Set aside CP for KIRO-TV, Seattle (Ch. 7), acting on petitions of KXA & KVI (which had lost to KIRO)—for same reason as in Indianapolis case, i.e., Craven voted without hearing argument. New oral argument was scheduled for Jan. 30.

(3) Received petition of *Boston Globe*, which wants to get into Ch. 5 "influence" hearing to be conducted by Judge Stern, who just issued Miami Ch. 10 decision (Vol. 14:49). *Globe* asserts that its attorneys have unearthed "new evidence pertinent to the issues."

(4) Threw a new issue into its reconsideration of ancient grant of site move to WSPA-TV, Spartanburg, S. C. (Ch. 7). On petition of WAIM-TV, Anderson (Ch. 4) and WGVL, Greenville (Ch. 23), it amended hearing issues to include questions on WSPA-TV's past practices "and other facts or circumstances affecting [WSPA-TV's] reliability and candor as a licensee."

In other TV actions during a busy week, the Commission: (1) Told staff to draft document denying most recent of radio WSAY's attempts to get CPs taken away from Ch. 10 share-timers WHEC-TV & WVET-TV, Rochester. (2) Voted tentatively to deny extension of time to build to Ch. 3 grantee KSLM-TV, Salem, Ore. (3) Granted Bakersfield, Cal. Ch. 39 CP to Pacific Bcstrs. Corp. (electronics mfr. H. L. Hoffman, chairman), conditioned on outcome of numerous pending reallocation petitions. It turned down variety of requests that Bakersfield grant be deferred—filed by KERO-TV (Ch. 10) & KBAK-TV (Ch. 29), Bakersfield, and Kern County Bestg. Co., Bakersfield Ch. 17 applicant.

Second TV Station in Lima, Peru—commercial OAX4U-TV (Ch. 4)—was due to start this week end, according to RCA International, supplier of equipment; it has 2-kw transmitter, will radiate 6-kw ERP. RCA also reports second El Salvador station due "any day now"—commercial YSU-TV (Ch. 4)—with 10-kw transmitter, 60-kw ERP. (For details of all foreign TV stations, existing & planned, see *TV Factbook No. 27*, pp. 299-310.)

Translator CP in Roseburg, Ore., granted to Tele-service Co., was set aside by FCC this week, in response to petition by KPIC, Roseburg (Ch. 4), which objects to translator's plans to repeat KOIN-TV, Portland. Commission noted that translator application had been incompletely prepared and was "incorrectly accepted" by FCC; it said it would still consider properly prepared application—along with objections raised by KPIC.

CBS radio disaffiliation of WSAN, Allentown, Pa. in wake of network's new PCP plan which led also to disaffiliation of WJR, Detroit (Vol. 14:46), came this week, station rejoining NBC Radio Jan. 1 after 2 years with CBS. For 20 years previously, WSAN had been NBC affiliate.

Another Tall Tower Entry: 1526-ft. structure of WIS-TV, Columbia, S. C. (Ch. 10), which features 18-gain 126-ft. RCA traveling-wave antenna. Only higher antennas are KSWs-TV, Roswell, N. M. (Ch. 8), 1610-ft.; KWTW, Oklahoma City (Ch. 9), 1572-ft.; WOAI-TV (Ch. 4) & KENS-TV (Ch. 5), San Antonio, 1531-ft. (Vol. 14:48).

UPTURN IN AVERAGE TV FACTORY PRICE: Average price of TV set at factory level has mounted steadily throughout 1958, and in Oct. passed the 1954 average of \$140, we're told by industry statisticians. Sharp increase reflects greater demand for high-end merchandise, plus a gradual increase in prices on portables without an appreciable increase in the ratio of portables to total production.

It's first upward curve in factory prices since TV came into being, starting in a small way late in 1957 when average factory price went to \$130 from low of \$127 in 1956. Average factory price for first 10 months of 1958 was \$135. By October, average had increased to \$141, indicating the price increase has been sharply accentuated since introduction of new models last summer.

Upturn doesn't reflect most recent price increases, which have occurred since Nov. 1. The percentage of portables is said to have stayed almost constant at 35% throughout the year, though we can't confirm this by EIA statistics which now lump portables with table models. However, we're told that the portables and table models together account for about 65% of factory sales vs. 61% last year -- further accenting the current trend toward higher priced merchandise.

Industry has not yet caught up with rising labor and materials costs and it will take about 5-7% increase to reach the 1954-55 cost-price ratio when the average factory price ranged between \$135 and \$140. But the industry is evidently on the way toward putting a profit margin back into the business.

Good picture of steady decline and late upturn in average factory value may be gained from EIA statistics for last decade as follows: 1947, \$280; 1948, \$235; 1949, \$193; 1950, \$180; 1951, \$177; 1952, \$172; 1953, \$170; 1954, \$140; 1955, \$138; 1956, \$127; 1957, \$130; 1958 (first 10 months), \$135.

Analyzing the problem from another standpoint, one TV spokesman rhetorically asked: "What other industry has improved its product as much as TV and still cut the prices drastically in 10 years?" To point up lower TV prices vs. those of other consumer durables, we obtained these wholesale price indices from U. S. Dept. of Labor (Figures are expressed in terms of 1947-49 base period, which equals 100):

| | <u>1953</u> | <u>1954</u> | <u>1955</u> | <u>1956</u> | <u>1957</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| TV Receivers | 74.5 | 71.2 | 69.1 | 69.7 | 70.5 |
| Automobiles | 118.9 | 119.3 | 122.9 | 129.8 | 135.4 |
| Automatic Laundries | 104.8 | 103.0 | 100.2 | 102.1 | 109.9 |
| Refrigerators | 105.6 | 106.4 | 101.5 | 98.0 | 92.7 |

'Threat' of TV Imports Looms: Delmonico International Corp., big importer of West German hi-fi phonos and Japanese transistor radios, which was merged recently into engineering-architectural firm of Thompson-Starrett, N.Y. (Vol. 14:47), has definite plans to import TV sets next fall -- possibly transistorized portables -- according to pres. Albert Friedman. It's first word that Japanese have transistor set, first "threat" of TV imports. It drew a skeptical response from domestic industry sources who doubt Japanese are any more ready to market transistor sets than U.S. makers.

Japanese have a transistor TV set, nonetheless -- one manufacturer told us he saw it operating -- with an 8-in. picture tube, carrying a U.S. price tag of \$89.95. But our informant is still doubtful it is ready for export. He says market in U.S. wouldn't be interested in 8-in. sets, adds availability of suitable batteries is a problem with the Japanese, just as it is with U.S. manufacturers.

All transistor portables are still in development stage, we're told by some set makers who have demonstrated engineering models, and a crash program would be necessary to bring them out with a \$500 price tag. Among those known to have a transistorized set under way are GE, Motorola, Philco, RCA.

Factors against TV imports from Japan at this time: Production is not yet able to meet domestic demand; production costs are still above those in U.S.; very few large screen sets are made (i.e., above 14-in.) because of very high tax on them.

"We're discussing imports with several TV makers," said Friedman, "and we are confident we can bring out a line next fall. While we want transistorized portables, as soon as or before any domestic manufacturer, we may have to bring in tube sets at first." Delmonico now imports Sony transistor radios from Japan; Kuba, Koerting, Maestling, Kaiser & Sauter hi-fi phonos from West Germany.

Production: TV output was 103,539 sets in week ended Dec. 6 vs. 99,618 in the preceding week and 123,844 same week last year. Year's 48th week brought production to 4,611,249 sets vs. 5,945,028 for same period last year. Radio output was 358,987 (140,662 auto) vs. 338,887 (109,098 auto) preceding week and 357,881 (109,372 auto) same week last year. Radio production for 48 weeks was 10,701,812 (3,297,950 auto) vs. 13,194,492 (5,040,057 auto) in the same period last year. [For further details on production and retail sales for Oct. and Jan.-Oct. period, see below.]

TV-Radio Production: Both TV and radio output in Oct. declined from Sept. peak for the year and figures for month and year-to-date continued to lag behind 1957. EIA reports TV production in Oct. was 495,617 sets vs. 621,734 in Sept. and 661,944 in Oct. last year. TV sets with uhf tuners totaled 42,171 units in Oct. vs. 40,712 in Sept. and 83,372 in Oct. 1957. Year-to-date output of uhf receivers was 353,980 sets vs. 669,277 as of Nov. 1 last year. Cumulative production of TV sets for Jan.-Oct. period was 4,067,277 vs. 5,251,158 in same 10-month period last year.

Radio production in Oct. was 1,305,857 vs. 1,572,001 in Sept. and 1,569,180 in Oct. 1957. FM receivers produced in Oct. totaled 59,586 vs. 41,408 in Sept. and 21,335 in Aug., reflecting mounting interest in FM broadcast music (Vol. 14:48), and bringing total FM sets produced since July (when EIA started collecting FM statistics) to 235,647. Comparative FM figures for last year are not available.

Picture tube factory sales bucked the downward trend, rising to 957,041 tubes in Oct. vs. 891,803 in Sept. but lagging behind the 995,629 sold in Oct. 1957. Jan.-Oct. picture tube sales were 6,801,706 vs. 8,304,181 sold during the same period last year.

Retail sales of both TV & radio declined in Oct. from the year's peak in Sept. EIA's revised retail figures (Vol. 14:46) showed 523,440 TV's sold in Oct. vs. 605,638 in Sept. and 572,589 in Oct. 1957. Jan.-Oct. TV retail sales were 3,991,530 vs. 5,024,670 in same period last year. Retail sales of radios totaled 743,368 units in Oct. vs. 792,596 in Sept. and 923,849 in Oct. 1957—all excluding auto radios. Jan.-Oct. retail radio sales totaled 5,647,044 vs. 6,764,221 in same 1957 period. Revised Jan.-Oct. monthly figures follow:

| | TV | Auto Radio | Total Radio | TV | | Receiving Tubes | |
|--------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| | | | | Picture Tubes | Value | Units | Value |
| | | | | (Add 000) | (Add 000) | (Add 000) | (Add 000) |
| Jan. | 433,993 | 349,679 | 1,026,527 | 621,910 | \$12,342 | 26,805 | \$ 23,264 |
| Feb. | 370,413 | 268,445 | 876,891 | 556,136 | 11,211 | 29,661 | 25,650 |
| March | 416,903 | 234,911 | 931,341 | 634,779 | 12,643 | 28,548 | 25,716 |
| April | 302,559 | 190,435 | 697,307 | 590,357 | 11,592 | 32,582 | 25,788 |
| May | 266,982 | 185,616 | 654,803 | 560,559 | 11,237 | 36,540 | 31,406 |
| June | 377,090 | 235,433 | 774,424 | 725,846 | 14,203 | 36,270 | 31,445 |
| July | 274,999 | 186,379 | 621,541 | 549,817 | 11,109 | 30,795 | 26,927 |
| Aug. | 507,526 | 242,915 | 1,028,852 | 713,458 | 14,190 | 30,456 | 25,442 |
| Sept. | 627,734 | 489,738 | 1,567,135 | 891,803 | 17,704 | 40,061 | 33,951 |
| Oct. | 495,617 | 296,067 | 1,305,857 | 957,041 | 19,351 | 41,540 | 34,362 |
| Total | 4,067,806 | 2,679,618 | 9,489,544 | 6,801,706 | \$135,584 | 333,258 | \$286,952 |

Dual lines of TV picture tubes—new and factory re-built—will be marketed by RCA starting in Jan., according to electron tube div. v.p. D. Y. Smith.

Sylvania introduced its first full line of stereo hi-fi phonos to distributors in convention this week at Hollywood Beach, Fla. The 1959 line includes both self-contained and 2-unit consoles, all engineered for both monaural hi-fi and stereo discs. Prices range from \$69.95 for self-contained stereo portable to \$595 for deluxe, 5-speaker stereo system. Also introduced was 17-in. Duetto TV, designed to serve both as a portable & table model. Gen. market mgr. Robert L. Shaw told distributors only 20% of portables are actually used as portables but serve rather as table models in the home. He predicted the dual purpose "concept" will eventually lead to elimination of table models as they are known today. The Duetto is priced at \$189.95 & \$199.95.

"Nice, lively recovery in the black-&-white TV market" is underway, said EIA pres. David R. Hull in Dec. 7 interview with N. Y. Times business writer Al Zipser. He foresaw no mass sales of color TV sets this year, said \$500 minimum price is "still too high and there is little prospect of a technological breakthrough" that would lower it. One "breakthrough" that is almost at hand, according to Hull, is transoceanic TV beamed from the earth and relayed across the sea by a space satellite—a feat which may be accomplished with the next five years. Factory sales of all electronic products will reach \$7.7 billion this year and go up to \$8.3 billion in 1959, greatest gain being scored in military electronics sales.

Factory sales of transistors continued upward trend in Oct. and total for first 10 months of 1958 was almost 70% ahead of the same 1957 period. EIA reports Oct. sales were 5,594,856 units vs. 5,076,443 in Sept. and 3,544,000 in Oct. 1957. Sales in first 10 months totaled 36,072,133 worth \$83,692,052 vs. 21,396,300 worth \$56,131,000 in same 1957 months.

More Price Increases: Philco will increase suggested TV list prices \$10 & \$20 effective Jan. 2, marketing v.p. Henry E. Bowes stating that "continually upward movement of raw material and component prices, as well as increasing manufacturing costs, makes it impossible to hold the price line."

Zenith announced a fully transistorized traveling clock radio—said to be first on the market—weighing only 2¼ lbs. It's claimed clock will operate for one year on a separate, single 1½ volt "D" cell; the radio for 400 hours on 4 mercury batteries.

Packard-Bell will build 50,000-sq. ft. engineering & manufacturing plant next spring at Newbury Park, Cal.

Trade Personals: Martin F. Shea resigns as v.p. of Philco's automotive div., Detroit, to establish own business . . . Frank W. Mansfield, Sylvania market research director, elected treas. of Advertising Research Foundation . . . Melvin B. Josefsberg promoted to mfg. director of Siegler's Olympic Radio & TV div., succeeding Benno Bordiga who resigned to form All-Omatic Mfg. Corp. (auto parts) . . . C. V. Anderson promoted to mgr., instrumentation products mfg., Ampex Corp.; Wm. Harper promoted to mgr., fabrication mfg. dept.; Arthur Kromer to mgr., professional products mfg. dept.; Aubrey Harris, ex-chief engineer of ZBM-TV, Bermuda, joins Ampex video products dept. . . . John R. V. Oakley promoted to sales mgr. of Canadian GE semiconductor products section . . . Dawson L. Newton, ex-Ruthrauff & Ryan, named public relations director of Magnavox . . . Clyde W. Foster promoted to new post of Midwest district sales mgr. of Sylvania's parts div. . . Lewis E. Gillingham, ex-marketing mgr. of RCA International div., named marketing director-advertising mgr. of Altec Co., Los Angeles . . . Charles Schicke, ex-Epic Records director of artists & repertoire, promoted to national sales mgr., succeeding Walter Hayum.

Ewen C. (Andy) Anderson, RCA exec. v.p.-public relations, is recovering nicely from his Sept. 30 coronary attack and is at his home, 27 Studio Lane, Bronxville, N. Y. He's expected back at work sometime after New Year.

Dr. Harold H. Beverage, retired RCA v.p. for communications research & development, receives 1958 achievement award of IRE professional group on communication systems.

Britain's time-payment system, called "hire-purchase," has been relieved of all restrictions—permitting little or no down payment on TV sets, etc. Govt. move was generally welcomed by industry. Sir David Eccles, pres. of Board of Trade, stated: "I do not expect this change to produce a rush of orders for cars and radio & TV sets, but I think it will help the manufacturers and the dealers to give the public better service, and if that happens it is bound to be good for business."

Misrepresentation complaint against 2 affiliated N. Y. distributors alleging failure to disclose that TV-radio parts sold were govt. surplus or contained used parts was closed by signing of consent decree with the Federal Trade Commission. The FTC said Concord Radio Corp., Fay-Bill Distributing Co. and Wm. Abramowitz, an official of both concerns, agreed not to represent cathode ray tubes and other electronic parts as "brand new" unless they are so in fact.

New standards issued by EIA: RS-186-A, *Standard Test Methods for Electronic Component Parts*, \$1.70. RS-191-A, *Measurement of Direct Interelectrode Capacitances*, \$1.50. RS-214, *Method for Calculation of Current Ratings on Hookup Wire*, 60¢. RS-215, *Basic Requirements for Broadcast Microphone Cables*, 25¢. Non-members may obtain these reports from EIA Engineering Dept., 11 W. 42nd St., N. Y.

Rabbit-ear TV antennas sold separately for bracket-mounting on sets are exempt from 10% Federal manufacturers' excise tax on TV & radio components, Internal Revenue Service decided this week (Rev. Rul. 58-590). IRS said built-in antennas continue to be subject to tax, along with rabbit-ear accessories which are sold by manufacturer as parts of taxable sets.

ELECTRONICS PERSONALS: Dr. Julius A. Stratton, chancellor of Massachusetts Institute of Technology, named 11th president of that institution, succeeding Dr. James R. Killian Jr., now President Eisenhower's special assistant on science & technology . . . John Mihalic, v.p. of Avco's Crosley div., named pres. of new Avco mfg. div., Nashville (aircraft parts, radar systems, home appliances) and v.p. of parent Avco . . . A. C. DeAngelis, v.p. of Dynamics Corp. of America, Reeves-Hoffman div., named also pres. of Radio Engineering Labs div., succeeding late David T. Bonner . . . Homer R. Oldfield Jr., ex-GE, named asst. mgr. of Raytheon's govt. equipment div. . . . George A. Franco promoted to mgr. of Stormberg-Carlson's radio lab, Rochester . . . Col. J. H. Rothrock (USAF ret.) named mgr. of defense products, RCA West Coast electronics.

DISTRIBUTOR NOTES: Admiral Distributing (N. Y.-N. J.-Philadelphia) promotes Jack Somber to gen. sales mgr.; Harold Blake promoted to operations sales mgr.; Paul Bassin, to sales mgr. in N. Y.; Ed Learner, sales mgr. in N. J.; Wm. J. Geiger Jr. remains sales mgr. in Philadelphia . . . Emerson appoints Toledo Appliances, Toledo, and L. Gordon Distributing Co., Syracuse, for DuMont lines of TV, hi-fi . . . Hoffman appoints Clardy's, Montgomery, Ala. for all consumer products . . . Sues, Young & Brown, Los Angeles (Zenith) names E. E. Young pres., succeeding M. G. Sues, retired.

New EIA members: Allen B. DuMont Labs, Clifton, N. J.; Continental Device Corp., Hawthorne, Cal.; Minneapolis-Honeywell Regulator Co., Minneapolis; Ram Electronics, Paramus, N. J.; Wellington Co., Philadelphia.

Dr. E. E. Zepler, prof. of electronics at U of Southampton, elected pres. of British IRE.

Ceaseless Wonders of Electronics: You've heard about driverless cars of the future that will keep their position and speed on superhighways by means of electronics, with no danger of accident because radar principles will prevent collisions. Comes now the director of Ohio's Dept. of Highways, Charles M. Noble, speaking before the American Assn. of State Highway Officials in San Francisco, with the news that radio devices that flash red lights on dashboards of cars traveling too fast, also applying brakes electronically, are among new auto safety devices under development. And Andrew Kucher, Ford engineering v.p., recently told an MBS audience listening to the automobile symposium 1959 on *Wheels*: "I foresee vehicles without wheels, that ride along on a cushion of air. I foresee cars that steer themselves electronically, cars that travel safely at double and perhaps more than double today's highway speeds."

New tube testing machines, making 15 electrical tests on 2500 receiving tubes per hour, have been installed by RCA in its plants at Harrison, N. J., Cincinnati & Indianapolis. Four are in use, more will be added, and units will be offered to other tube makers.

AC generator with "absolute stable frequency," achieved through electronic control, has been announced by Hallamore Electronics div. of Siegler Corp. It's claimed to be less expensive, weigh 1/3 less, than present systems.

Next British Radio & Electronic Component Show, sponsored by Radio & Electronic Manufacturers Federation, 21 Tothill St., London SW-1, will be held at Grosvenor House & Park Lane House, April 6-9.

Symphonic Radio has become co-sponsor of Walter Winchell newscasts on Mutual Network, plugging pre-Christmas trade in stereo, portables, tape recorders.

Financial Reports:

TELEVISION-Electronics Fund in 10th annual report lists net assets of \$204,702,134 and 16,059,119 shares outstanding in fiscal year ended Oct. 31 vs. \$151,889 and less than 17,000 when mutual fund was established in Chicago in 1948. In decade it has paid out more than \$22,000,000 to shareholders from realized capital gains, \$19,000,000 in dividends from investment income. In 4th fiscal quarter these were portfolio changes from 3rd quarter, when net assets were \$178,531,343, shares outstanding 15,444,896:

New stocks added: 13,000 shares Champion Spark Plug, market value \$500,500; 20,000 Perkin-Elmer, value \$770,000. Also added were \$150,000 Fischer & Porter 5¼% convertible subordinate debentures, due 1977; \$200,000 Ling Electronics 5½% convertible subordinate debentures, due 1970.

Holdings were increased in Allegheny Ludlum Steel, Allis-Chalmers, American Bosch-Arma, AB-PT, AT&T, Carborundum, Carrier, Eaton Mfg., Ex-Cell-O, Food Machinery & Chemical, Garrett, General Bronze, GE, GM, General Telephone, Hoffman Electronics, Indiana Steel Products, Leeds & Northrup, Lockheed, Magnavox, RCA, Reliance Electric, Robertshaw-Fulton, Storer, Thompson Products.

Part of Holdings were sold in Aerojet-General, Ampex, Burroughs, Corning Glass, Eastern Industries, General Tire & Rubber, Square D, Statham Instruments, Stewart-Warner, Texas Instruments, Varian Assoc., Walt Disney Productions, Zenith.

Stocks eliminated: 45,000 Elox, 4000 Litton Industries, 6000 Ryan Aeronautical, 12,000 Sprague Electric.

Unchanged during quarter were holdings in ACF Industries, Addressograph-Multigraph, Admiral, Air Reduction, American Chain & Cable, American Electronics, American Machine & Foundry, Amphenol, Babcock & Wilcox, Barry Controls, Beckman Instruments, Bell & Gossett, Bendix Aviation, Boeing, Bullard, Bulova Watch, Cincinnati Milling Machine, Clark Controller, Cleveite, CBS Inc., Conrac, Consolidated Electrodynamics, Consolidated Electronics, Cornell-Dubiller, Curtiss-Wright, Cutler-Hammer, Dictaphone, Douglas Aircraft, Dresser Industries, DuMont Labs, duPont, Eastman Kodak, Eltel-McCullough, Electronic Assoc., Emerson Electric, Fansteel, Fischer & Porter, Foxboro, Friden, General Mills, General Precision Equipment, General Railway Signal, G. M. Giannini, Globe-Union, Goodyear Tire, Harris-Intertype, Hazeltine, Hewlett-Packard, Industrial Electronics, IBM, ITT, Ling Electronics, Liquidometer, Machlett Labs, P. R. Mallory, Martin, W. L. Maxson, Mergenthaler Linotype, Minneapolis-Honeywell, Minn. Mining & Mfg., Motorola, National Acme, National Cash Register, Neptune Meter, North American Aviation, Northrop Aircraft, Oak Mfg., Otis Elevator, Paramount Pictures, Penn Controls, Philco, Pullman, Royal McBee, Servomechanisms, Smith-Corona Marchant, Sperry Rand, Sylvania, Taylor Instrument, Technicolor, TelAutograph, Telecomputing, Television Assoc., Thompson Ramo Wooldridge, Tung-Sol, 20th Century-Fox, Union Carbide, United Aircraft, United-Carr Fastener, United Utilities, Vitro, Westinghouse Air Brake, Westinghouse Electric.

[For status in 3rd fiscal quarter see Vol. 14:36.]

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Electronics Investment Corp., mutual fund founded & headed by ex-San Diego broadcaster Charles E. Salik, reports net assets of \$18,286,853 in 6 months ended Oct. 31. Portfolio included \$15,081,541 of common stocks, \$516,862 preferred, \$1,517,675 bonds, \$598,140 U. S. Govt. obligations. Portfolio changes during July 31-Oct. 31 quarter:

Purchases: 7000 shares of ACF Industries (making total of 11,400); 500 AT&T (total 1500); 5000 CBS Inc. (total 10,000); 2000 GM (total 2000); 1900 General Transistor (total 8000); 3000 P. R. Mallory (total 13,000); 5000 Packard-Bell (total 7100); 4700 Storer (total 15,000); 1000 Sylvania (total 6500); 600 United Aircraft (total 3000); 2000 Western Union (total 10,000); 3000 Westinghouse Air Brake (total 10,000); \$220,000 Ling Electronics 5½% convertible debentures due 1970 (total \$220,000); 500,000 U.S. Treasury bills due Dec. 26, 1958 (500,000).

Sales: 2000 Ampex; 2600 Beckman Instruments (holds 5400); 1300 Burroughs (holds 5000); 5000 Daystrom; 2100 G. M. Giannini (holds 3900); 4243 ITE Circuit Breaker; 17,500 Ling Electronics; 20,000 Lab for Electronics; 2780 Leeds & Northrup (holds 1300); 500 Marquardt Aircraft; 6000 Raytheon (holds 6600); 8000 Statham Instruments; 3150 Taylor Instruments; 14,300 Telecomputing; 20,000 Tracerlab.

Other changes: 1224 Eastern Industries common shares received as result of 1375 called preferred converted to common (holds 3667 common, 5925 pd.); 2500 H. I. Thompson Fibreglass common received as result of 50% stock dividend (holds 7500).

[For status in previous quarter, see Vol. 14:36.]

Dividends: ITT, 45¢ payable Jan. 15 to stockholders of record Dec. 22 . . . Republic Pictures, 15¢ Feb. 16 to holders Jan. 15 . . . Muter, 5¢ stock Jan. 20 to holders Jan. 5 . . . Howard W. Sams, 12¢ plus 12¢ extra, both Jan. 26 to holders Jan. 15 . . . Machlett Labs, 5¢ Dec. 29 to holders Dec. 22.

Amphenol Electronics and George W. Borg Co. merger plan, whereby new Amphenol-Borg Electronics Corp. stock will be traded on N. Y. Stock Exchange, with Borg stockholders getting 1½ shares for each share now held (Vol. 14:45), will be voted upon by Amphenol shareholders in Chicago Dec. 30. Notice to shareholders this week disclosed that 1,162,810 shares will be outstanding and that ⅔ of Amphenol holders must favor merger designed for diversification. Proxy statement shows 1957 remunerations of top-paid Amphenol officers-directors as follows: Arthur J. Schmitt, pres., \$109,500 (holds 29,858 shares of present stock); Wm. H. Rous, v.p.-sales, \$37,875 (500 shares); John L. Woods, v.p.-controller, \$37,878 (1725). Borg remunerations: George W. Borg, chairman, \$36,000 (holds 109,000 shares, with 15,000 more owned by wife and 5600 by Borg Foundation); Byron C. Booth, pres., \$34,192 (200); Lester M. Grether, v.p. \$47,250 (includes \$7662 bonus on cessation of employment). Stock options held by Amphenol officers covered total of 24,100 shares at prices ranging from \$18 to \$19.75 to \$27.25; options are out on 12,200 Borg at \$27, plus 1200 to v.p. G. Marshall Borg at \$31.

ITT earned \$18,014,686 (\$2.51 per share) on consolidated revenues of \$501,689,254 in 9 months ended Sept. 30 vs. \$16,854,296 (\$2.35) on \$482,004,005 in same 1957 period, pres. Edmond H. Leavey reporting U. S. manufacturing and telephone & radio operations continued to improve while foreign business declined from 1957. In 3rd quarter, net income was \$5,667,858 (79¢) on \$171,231,269 vs. \$3,865,042 (54¢) on \$155,087,008 year earlier. ITT directors have proposed 2-for-1 capital stock split, shareholders to meet Jan. 22 for vote on plan. If approved, additional shares will be distributed about March 1, first quarterly dividend in April on new basis to be at rate of 25¢ per share—equivalent to 50¢ on present stock.

Silicon Transistor Corp., 150 Glen Cove Rd., Carle Place, N. Y., is new entry in manufacture & sale of silicon power transistors & diodes. Organized Oct. 14, headed by pres.-treas. Harold Sandler, company has filed registration with SEC for 200,000 common stock shares to be offered to public at \$3 per share, \$183,000 to be used to purchase equipment.

Trav-Ler earned \$107,000 (14¢ per share) in 6 fiscal months ended Oct. 31 vs. loss of \$103,000 in first half year earlier. Pres. Joe Friedman of Chicago company (TVs, radios, hi-fi, stereo record players) reports "continued improved earnings" are expected in 2nd half, said Trav-Ler's backlog on Oct. 31 was biggest in its history.

Columbia Pictures earned \$319,000 in first 13-week fiscal period ended Sept. 27 vs. loss of \$425,000 in same quarter year earlier. Non-recurring profit of \$2,679,000 from Oct. sale of Columbia film lab to Pathe Labs will be reflected in net earnings for 6 months ending late this month, pres. Abe Schneider reported.

Reports & comments available: On electrical equipment industry (including TV), forecast in *Value Line* of Arnold Bernhard & Co., 5 E. 44th St., N. Y. . . . Television-Electronics Fund holdings, thumbnail descriptions of firms in 10th annual report, 135 S. La Salle St., Chicago . . . Westinghouse, brief by Schirmer, Atherton & Co., 50 Congress St., Boston . . . Motorola, review in *Listening Post* of Bache & Co., 36 Wall St., N. Y. . . . Amphenol, analysis by Henry J. Low of Gude, Winmill & Co., 1 Wall St., N. Y. . . . P. R. Mallory, Avco, General Dynamics and Westinghouse, briefs by Rudd & Co., 734 15th St., Washington, D. C. . . . National Telefilm Assoc., discussion by David Bell of Herzfeld & Stern, 30 Broad St., N. Y.

Do You Know That...

MORE THAN ONE-FIFTH of all employes of TV-radio stations in the U. S. are women, we're now told by their own organization, American Women in Radio & Television—nearly 10,000 in all, an average of 2.57 women out of 11.7 employes per station. Statistical divisibility aside, it's noteworthy that women figure quite importantly in ownership-management of stations, as we pointed out in 2 preceding columns on the subject (Vol. 14:33, 36). Those columns dealt with the most prominent, notably in TV. But there are even more in radio stations who have achieved administrative distinction by reason of initiative and enterprise as well as marriage and inheritance.

Among the TV enterprisers unmentioned in our previous articles is shrewd business woman Mary Pickford, the onetime movie star, who with her husband Buddy Rogers joined in founding WSJS-TV, Winston-Salem (Ch. 12) with the local Gordon Gray interests, who now seek to buy out their one-third interest; she also owns 54% of KFBI, Wichita, Kan. We should also have included Leora Chapman, who is secy.-treas. and one of the main wheels of Milton J. Hinlein's KDRO-TV, Sedalia, Mo.; Alberta Hackett, administrative supervisor at CBS's KNXT, Los Angeles, who rose from the ranks to third in command under gen. mgr. Clark George and sales mgr. Bob Wood; and Mrs. Marietta Meyer Ekberg, daughter of the late Phil Meyer, who controls KFYR & KFYR-TV, Bismarck, N. D., which with satellites are managed by her husband Bill Ekberg.

Only within the last few weeks, the Stackpole interests, who own WHP & WHP-TV, Harrisburg, Pa., designated Mrs. A. K. Redmond, who had worked with her late husband and then with her recently deceased brother-in-law in station management for more than 26 years, as gen. mgr. of those stations (Vol. 14:46).

Mostly, the additional ladies of the industry called to our attention are radio station owners, part owners and/or managers—though there also are such kindred enterprisers as Mrs. Johnnie Andrews, who took over as head of Andrews Tower Inc., Ft. Worth maker of TV-radio towers, after her husband was killed in an airplane crash last year; Mrs. Helen Gill, working partner of Gill-Perna Inc., small but substantial TV-radio rep firm in N. Y.; Ann Corrick, Washington newswoman for 15 years, now asst. chief of Westinghouse stations' own Washington news bureau; Betty Luster, ex-ballerina and choreographer, now handling special TV presentations, promotions etc. out of her own N. Y. offices.

* * * *

There was considerable curiosity when our recent column noted that Mrs. O. B. Cornett of Ontario, Oregon, is listed in *Who's Who in America* as a radio executive; it turns out that Mrs. Marshall E. (Olive Byram) Cornett not only is co-owner & mgr. of Inland Radio Inc., operating 2 stations in that state—KSRV, Ontario & KLBM, LaGrande—but was GOP National Committeewoman for Oregon, 1948-56.

Among other multiple station owners, directors and/or managers we find Miss Eleanor McClatchy, of the pioneer California newspaper clan, who not only runs her family's newspapers but also its stations in Fresno (TV-radio), Sacramento, Bakersfield & Reno, latter 3 radio; Agnes Jane Reeves Greer, of the Morgantown (W. Va.) newspaper family, owning stations in that town, in Pittsburgh and in Dover & Canton, Ohio; Jessica L. Langston, actively oper-

ating radios in Seattle, Bellingham & Moses Lake, Wash., also one in Burley, Ida. in association with Felice Brownlow, who is co-applicant for another in St. Helen's, Ore. In Moses Lake, also, Mrs. Pat Hughes runs the TV community antenna system.

Then there's Agnes I. McGillvra, wife of the veteran rep Joe McGillvra, now retired, co-owner with him of flourishing radio stations in Bedford, Ind. & Chillicothe, O. And Katherine G. Harris, v.p. & 25% owner of WFTW, Ft. Walton Beach & WJOE, Ward Ridge, Fla.

Running both a radio station (KOJM, Havre, Mont.) and a community antenna system (in Butte) is Charlotte H. Brader. Running the sizeable trade school, Port Arthur College and its 26-year-old radio station KPAC, Port Arthur, Tex., is Mrs. Marjorie R. Vickers. Reported making a go of FM in San Diego (KITT) is Dorothy Rabell, working alongside her husband Fred.

It's the proud boast of Mrs. Ida A. McNeil, who owns KGFX, Pierre, S. D., that she's not only pres. & gen. mgr. but holds all other titles and has done every job at the station except chief engineer.

Dolly Banks is mgr. of WHAT, Philadelphia, owned by her brother Wm. A. Banks, and in nearby Trenton Theresa M. Rose was recently promoted to mgr. of WBUD. Thelma Kirchner actually runs Ben McGlashan's pioneer KGFJ, Los Angeles, with title of gen. & commercial mgr. In Fresno, Mrs. Jeanne Bacher not only owns KGST but works as its program director. Mrs. Mary Elizabeth Gunberg, whose father was the late Grant Ashbacher, former owner of WKBZ, Muskegon, Mich., widely known for fighting through the famed "Ashbacher case," recently purchased KNBA, Vallejo, Cal.

* * * *

Among other women who own or control stations, most of them active in management: Ethel H. Cooley, KLPM, Minot, N. D.; Mrs. Bess M. Rickard, KWBW, Hutchinson, Kan.; Mrs. Sally Person Pigford, WTJS, Jackson, Tenn.; Mrs. A. Fletcher, KSEI, Pocatello, Ida.; Mrs. Florence M. Gardner, KTFI, Twin Falls, Ida.; Mrs. Carla B. Keys, WFLO, Farmville, Va.; Mrs. C. N. Clyde, KTBB, Tyler, Tex.; Mrs. Vernice Doernbecker Irwin, KVI, Seattle; Mrs. Mary Storm Taft, KOL, Seattle; Mrs. Ed M. Anderson, WBBO, Forest City, N. C. (recently widowed).

There are hundreds more appearing as officers, directors and/or minority stockholders, not always active at the station. A few of these: Marguerite Potter, WHBF & WHBF-TV, Rock Island, Ill.; Edith Dickscheid, WGLI, Babylon, N. Y.; Elizabeth L. Boggs, WCFR, Springfield, Vt.; Helen Townsley Coogan, pres., KVGB, Great Bend, Kan. And v.p. of the Rollins group of radio stations, headquartered in Wilmington, Del., owners also of WPTZ, Plattsburgh, N. Y. (Ch. 5) and applicants for Storer's shut-down WVUE, Wilmington-Philadelphia (Ch. 12), is the highly capable Madalyn Pruett Copley.

Note: Since printing column on women attorneys in TV-radio and associated electronics fields (Vol. 14:29), we've been advised Raytheon also has two very capable ones in its legal dept.; they're Nora Ford, graduate of Suffolk U and Barbara Murray, graduate of Boston College.

Deadline for awards entries for 1959 American Exhibition of Educational Radio & TV Programs, better known as Ohio State Awards, which will be announced at 29th annual Institute for Education by Radio-TV in Columbus, May 6-9, has been set for Jan. 5. Entry blanks may be obtained from I. Keith Tyler, director of the Institute at OSU.

AUTHORITATIVE

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

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Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — December 20, 1958

SATELLITE TRANSMISSIONS of President's Christmas message hailed as scientific victory for free world, milestone in communications history (p. 1).

TELEPHONE IN EVERY CAR envisioned by Bell System— if FCC allocates 75 mc of TV's uhf spectrum. All non-broadcast services hunger for band (pp. 2 & 12).

MORE STATION SALES agreed upon, WPRO & WPRO-TV, Providence, fetching \$6,500,000 cash, WICC & WICC-TV, Bridgeport, about \$1,700,000. Richard Eaton buying late Gov. Murphy's WMUR-TV, Manchester (pp. 2 & 7).

NEW SCHOOL OF COMMUNICATIONS at U of Pennsylvania gets \$3,000,000 grant from Annenbergs. Pattern of Wharton, Pulitzer, Harvard schools (pp. 3 & 6).

LIFE MAGAZINE ATTACKS PROGRAMMING, following blast by sister publication Fortune—but Newsweek highlights "joyous" holiday schedules (p. 4).

MAGNUSON QUIZZES NETWORKS on "public service" programming, gets forthright answers (p. 4).

TV TRIES TO FILL GAP in N. Y. newspaper strike, but there's no big rush to sets for news. Past strike experience: TV no permanent substitute for dailies (p. 14).

Manufacturing-Distribution-Finance

TV RETAIL SALES DOWN in Nov., presaging total of 4,900,000 for year, lowest since 1949. Radio also is lagging (p. 10).

CO-OP AD FUNDS SUBJECT TO TAX under new Internal Revenue Service rule which leaves uncertain possibility of retroactive action (p. 10).

ELECTRONICS FIRMS GET LION'S SHARE of defense funds for research & development. (p. 12).

HISTORIC SPACE RELAY—FREE WORLD TRIUMPH: The Signal Corps and its contractors -- and the American people, of course -- gave the Free World a magnificent propaganda break and established a genuine milestone in communications with the voice-from-outer-space transmissions from "Project SCORE" this week. Everyone thrilled to hear President Eisenhower's voice with this message from orbiting 4½-ton Atlas missile:

"This is the President of the United States speaking. Through the marvels of scientific advance, my voice is coming to you from a satellite circling in outer space. My message is a simple one. Through this unique means I convey to you and to all mankind America's wish for peace on earth & good will toward men everywhere."

Transmission wasn't perfect -- the words "this is a simple message" not coming through -- but it's an extremely significant precursor of vastly improved communications, probably including worldwide live TV.

Transmission came when equipment was triggered -- or "interrogated" -- from earth station, and tape in missile was "read out" by transmitter. As President's voice was received on earth, it was taped and offered immediately to networks -- while Voice of America repeated it to the world.

Additional messages can also be sent to missile and recorded for later transmission. Equipment weighs 150 lbs., includes: 2 transmitters, 2 receivers, 2 tape recorders. Transmitters operate on 132.435 & 132.905 mc, draw 8 watts from zinc-silver oxide batteries which have life of 4-6 weeks. Equipment can handle 3 teletypewriter channels and one voice channel.

"Project SCORE" was so titled because it means "Signal Communications by Orbiting Relay Equipment." Army Signal Corps developed equipment with cooperation of RCA, Eagle-Picher Lead Co., Porter Bromfield, General Dynamics Corp., Radiation Inc., R. F. Laboratories. Summing up the achievement, Defense Dept. said it was "of historical importance" and "implications of this experiment are extensive." "However," it cautioned, "it is as primitive as a baby's first words."

BELL WOULD CARVE MOBILE-PHONE FROM UHF: Assaults on uhf TV band are going to mount to an absolutely irresistible force unless FCC does something to make uhf telecasting economically feasible. Much more rapidly than you'd think, day is approaching when Commission must take steps that show reasonable promise of making uhf TV work -- or kiss off uhf TV as an unhappy experiment and turn over its enormously valuable 420 mc of space (470-890 mc) to hungry non-broadcast services.

Even if FCC were wont to dally indefinitely, pressures from almost every branch of American industry will make that impossible. A most impressive example of that is the little-publicized long-range proposal of Bell System to make "phone-in-your-car" as common as auto radios -- and Bell wants to do it with 75 mc of uhf's spectrum, or 13 of uhf's 70 channels (specifically, Ch. 63-75). Bell has a car-phone service now, but it's minor, and says its growth has been stunted by insufficient spectrum space -- which is allocated in scattered "slivers."

Proposal has immense popular appeal, and FCC & telecasters would be hard put to toss it aside lightly -- in view of TV's current sparse usage of the channels. Fact is, there is only one station operating in that region -- WNOK-TV, Columbia, S.C. (Ch. 67) -- mere 9 CPs outstanding (see TV Factbook No. 27, p. 419). Taking uhf band as a whole, efficiency (channel-use) is very low. The 84 operating uhf's (excluding the 145 translators) occupy 70 channels, a "density" of 1.2 stations per channel. The 461 vhf's use only 12 channels, have density of 38.4 per channel.

Bell is seeking to enlist whole electronics manufacturing industry in its effort, and is making pitch in FCC's important rule-making which is examining the whole 25-890-mc band, with oral hearing due early next year (Docket 11997). Bell makes it clear that it would provide the basic framework of system but that it would stay strictly out of mobile-unit manufacturing.

One of clearest outlines of Bell's ideas was drawn last month by Bell engineer F.M. Ryan in talk to an Electronics Industry Assn. mobile radio committee. We go into greater detail on his presentation on p. 12, but these excerpts are well worth noting here, to present the basic concept:

"We believe that people should be permitted to have the same nationwide telephone service when they are on the move -- in cars or trains or ships or air-planes -- as they have when they are in their own homes or offices. We believe there is a large potential market for public mobile telephone service -- a market that is today virtually untapped. We believe that this untapped market presents an almost unprecedented opportunity to the electronic industry [and] the telephone industry...

"In order to provide a nationwide public mobile service there are formidable technical and economic problems to be solved. We need not be discouraged by these. As far as the Bell System is concerned, we have enough faith in the future -- assuming a suitable block of frequencies is made available -- to commit ourselves to undertake the studies and developments necessary to make it possible..."

THE STATION MARKETPLACE CONTINUES BUSY: Again focusing fact that nearly every TV station has offers to sell out to old or new TV-radio enterprisers (Vol. 14:47-50) -- more often than not with 7-figure inducements -- are this week's disclosures of 3 transfer deals made in New England. Two involve AM as well as TV stations, one of the radio outlets actually offsetting continuous losses of a uhf to show a consolidated profit. Deals also were reported but denied that involve minority stockholders in 2 Midwest stations. Summary of latest reports (further details on p. 7):

(1) WPRO-TV, Providence, R.I. (Ch. 12), highly prosperous pre-freeze basic CBS outlet, is being sold with its very profitable radio WPRO (5-kw, 630 kc) & FM for \$6,500,000 cash to Capital Cities Television Corp., operator of stations in Albany, N.Y. & Durham, N.C. Headed by veteran broadcaster Frank Smith, Capital City is publicly traded but controlled by so-called "Lowell Thomas group" (Vol. 14:35). Deal is entirely separate from sale, also for \$6,500,000 cash, of Providence's WJAR-TV (Ch. 10) with WJAR to Stevens-Zeckendorf-Mullins group as part of projected

package sale of parent Outlet Co. for \$12,000,000 (Vol. 14:49-50) -- though it came about, oddly enough, as result of Smith's probe into prospects of buying Outlet.

(2) WICC-TV, Bridgeport, Conn. (Ch. 43), which has lost money consistently since it was founded in early 1953 by onetime NBC engineer Philip G. Merryman, is being sold, along with its highly profitable radio adjunct WICC (1-kw D, 500-w N, 600 kc) for approximately \$1,700,000 to veteran N.Y. & Conn. broadcaster Kenneth M. Cooper and associates in time-payment deal engineered by broker Allen M. Kander.

(3) WMUR-TV, Manchester, N.H. (Ch. 9), close to Boston, whose in-&-out financial fortunes have depended largely on its changing network affiliations, was to be sold this week by owner ex-Gov. Francis P. Murphy, who died Dec. 19 before signing final papers (see obituary, p. 9), for an undisclosed sum. Price was said to be nearer \$500,000, however, than its onetime asking price of \$900,000. The prospective buyer, who presumably will now deal with the estate, is Richard Eaton, of Washington, operator of 7 highly successful AM independents. No radio adjunct is involved.

* * * *

Week was crowded with rumors, which didn't check out, of various other deals said to be cooking. Bruce Gran, of Wisconsin chain theatre family, who is 35.7% owner of WREX-TV, Rockford, Ill. (Ch. 13), was reported on verge of selling out his minority interest. But he absolutely denied it -- while the licensee group's pres. Louis E. Caster, local bakery magnate, asserted that nothing but amicable relations exists among the stockholders and that none plans to sell any stock, so far as he knows. In fact, Gran indicated he and Caster definitely are going ahead with plans for new WDUL-TV, Duluth (Ch. 10), will start construction when weather permits.

Minority stockholders in WTVW, Evansville, Ind. (Ch. 7), old-time broadcaster Rex Schepp and family, embroiled in litigation with management majority, were reported in Evansville Press about to sell their 30% to Frank McKinney, Indianapolis banker and onetime Democratic national chairman, and Bruce McConnell, wealthy head of Hamilton-Harris Tobacco Co., who were principals in Indianapolis & Ft. Wayne stations that were sold in 1956 to Jock Whitney for \$10,000,000 (Vol. 12:30,34,41). But McConnell unequivocally denied the story, and group in control of station indicated they had first call on Schepp stock. McKinney did say that Schepp, who now lives in Phoenix, had offered it to them, as he has to others, "but we aren't interested."

WTVW is in midst of hearing on FCC "show cause" order, in which Commission is trying to force it to Ch. 31 as part of deintermixture for area. In another aspect of the deintermixture proceeding, Court of Appeals this week affirmed FCC's legal procedures in ordering the channel shifts (see p. 7). And in Evansville Dec. 19, WTVW majority filed Federal Court petition for reorganization of corporation, now in deficit position, asking approval of conversion of about \$400,000 in debts into company stock "in order to provide a workable financial structure."

HIGHER EDUCATION IN MASS COMMUNICATIONS: Quite a few U.S. universities and colleges -- 299, to be exact -- offer courses of one sort or another in TV-radio and related mass communications. Only 20 of these are technological-only, and 85 offer varied TV-radio liberal arts courses leading to graduate as well as baccalaureate degrees.

It remained for U of Pennsylvania, with a \$3,000,000 grant from the Annenberg interests, biggest ever to come from a TV-radio source, to establish a School of Communications with its own dean and own faculty, scheduled to open Sept. 1959. Called the Annenberg School of Communications, it will parallel famed Wharton School of Finance & Business on the same Philadelphia campus.

An academic structure akin to the Pulitzer School of Journalism at the U of Missouri is envisaged by U of Pennsylvania pres. Gaylord P. Harnwell and the donor, publisher-broadcaster Walter H. Annenberg, though the School actually will start out as a graduate school more like the Harvard Business School. However, its courses will also be made available to undergraduates in other schools of the university.

Nearest in concept or name to such a full-blown project for teaching and research in communications fields are Michigan State U's School of Communications

Arts; Boston U's School of Public Relations & Communications; Illinois U's School of Journalism & Communications; and the departments at various other colleges awarding both graduate and undergraduate degrees in the communications arts.

Among the best known of the latter, usually traceable to strong personalities at the top, are the courses at Syracuse (all-graduate and first to offer specialized degrees in TV), Penn State, Fordham, Southern California, Stanford, Washington.

For further details about the U of Pennsylvania project, see p. 6.

Luce Attacks Again—But: Look at the “musts to see or hear,” the 29 worthwhile TV and 7 radio shows suggested in 2-page spread in Dec. 22 *Newsweek*, for “a joyous holiday sleigh ride over the airways”—and any reasonable person, in or out of the industry, cannot help but wonder whether the recent outpouring of criticism of TV, notably the *Fortune* assault (Vol. 14:48), was altogether justified, after all.

Nonetheless, and ironically, station owner Henry Luce's wordshops emerged this week with another swipe at TV-program quality, plus another gratuitous pitch for pay TV. Says editorial in *Life's* big Dec. 22 edition, devoted exclusively to rundown on U. S. entertainment, which otherwise treats TV as show business rather well:

“So many critics have assailed the sleazy and self-imitative bulk of TV output that we will not discuss this here. With so omnivorous a medium, the natural limits on talent will probably always condemn most of its station-hours to old movies, rerun serials, nonstop pitchmen-prattlers and similar junk. What John Crosby calls ‘TV's creeping mediocrity’ is even charged with brutalizing, cretinizing or at best homogenizing our young.”

Adds *Life*: “It is a tribute to [Jack] Benny and others that they can hold audiences anyway, but it may be a losing game. TV has been able to create audiences and addicts, but it has shown little power to create new loyal fans—still less to hold them.”

TV's problems, *Life* theorizes, is that its “structure is flawed by hybrid motives, which come between the entertainer and his audience, to their mutual detriment. TV is becoming a subsidiary, instead of a vehicle, of advertising. Both are honorable professions, but more so when kept separate.”

Life concludes: “The networks might correct [the problem of poor programming] by taking all program control away from the advertisers, as is the practice in British commercial TV. The question could also be tested by really trying a parallel system of pay-as-you-listen TV, with a view of restoring the direct relation between entertainer and audience. In Gilbert Seldes' words, pay-TV would ‘put an end to the real monopoly in broadcasting, which is a monopoly of purpose.’”

Meanwhile, back at the *Saturday Review* (Dec. 20), the selfsame Gilbert Seldes, long an ardent critic of TV's cultural shortcomings, had an afterthought of his own:

“For a time I was puzzled by my faint dislike of *Fortune's* [article]. For the most part it says what . . . others [and I] have been saying for five years. [But] the chief objection I have is to the assumption that the networks all by themselves have led us into mediocrity and all by themselves will keep us there until we are led out of it by the superior quality of pay-TV. That is not the situation and it is not the way of salvation . . . We have to create the real countervailing power which is a new kind of public demand.”

Magnuson Needles Networks: Sen. Magnuson (D-Wash.), chairman of powerful Interstate Commerce Committee, got all het up last Sept. 30 over rumors that networks were cutting down on “public service” programming, and asked networks to tell him all about it. This week, he released their replies. The answers seem to stand up quite well—and Magnuson is letting the matter rest there. Here's how he prefaced his request for rundown:

“We are interested whether the volume of such programming is increasing or decreasing and whether it is being made available in time periods convenient for the public. I can assure you that we are not concerned with the content of any particular program, as long as overall balance and fairness in the presentation of conflicting opinions are maintained. We certainly have no desire to act as censors in any way, but we are desirous that the broadcasting industry maintain a high level of performance in the discharge of its obligation to the public for providing programming dealing with the many important national and international issues now confronting our country.

“We are quite aware, of course, of the degree to which such matters may be influenced by the economics of broadcasting. Obviously the networks must be permitted to earn revenues sufficient to permit their continued functioning in the public interest. However, I am sure you would agree that it would not be proper to eliminate all public service programming simply because the networks increase their profits by so doing.

“We have been informed that there are plans now under consideration to reduce public service programming during the coming season. If so, it may be that these changes can be fully justified, but I am sure you would concede that the Committee has the right, and indeed the responsibility, of assuring itself as to the reasons underlying any such curtailment.”

Sen. Magnuson then asked networks to list all existing, planned and discontinued programs in “public service” category.

* * * *

Heads of all 3 networks pointed to difficulty of agreeing on definition of “public service,” but they tended to lean over backwards in their listings to avoid appearance of padding the category.

AB-PT chairman Leonard H. Goldenson answered for ABC. He defended his showing as including “a large and diverse selection of programs including panels, forums, news programs, dramas, religious, musical and documentary programs,” said they're presented throughout week in periods designed to reach large audiences.

“Your letter indicated,” Goldenson said, “that there may be some feeling on the part of your Committee that the amount and quality of ‘public service programming’

is being decreased. We contemplate that our weekly schedule of regular public service programs in TV & radio will not be decreased during 1959, and you may rest assured that we will continue as we have in the past to broadcast the substantial number of public service programs which we regard as necessary for a well balanced program schedule."

* * * *

CBS pres. Frank Stanton was so conservative in his listing that he said he had included only programs by CBS News Div. or under its supervision—thus excluding such features as *Young People's Concert* and *N. Y. Philharmonic* on TV, *Metropolitan Opera* and *Philharmonic* on radio.

"There has been no reduction in news and public affairs programming," Stanton said, "and none is planned on the CBS-TV network. There will be some changes, but no substantial curtailment, on the CBS Radio network beginning next Jan.

"As my associates and I have stated a number of times in the past months, we recognize our enormous responsibility in the areas of news and public affairs programming, and our plans are to increase rather than curtail our efforts in these fields. Some idea of the dimensions of CBS programming [in this area] is provided by our dollar expenditures. The actual total news and public affairs program expense of the CBS-TV network was \$14,431,000 in 1957 and \$16,825,000 in 1958—an increase in excess of 16%." He appended a graph covering 1951-58,

Local ad tax schemes are "more dead than alive" as result of Baltimore's abortive attempt to impose special 6% levies on TV, radio, newspaper & other media there (Vol. 14:42), says staff report of American Municipal Assn. titled *City Taxes on Advertising—the Baltimore Case*. Officials of AMA member cities which may be contemplating similar revenue-raising devices are warned that such discriminatory taxes not only are "generally [considered] most contrary to public policy" but are "obviously impossible" to enforce, since locally-originated advertising can't be separated from exempt national advertising carried on air and in press. Copies of report are available from AMA, 1625 H St. NW, Washington, D.C.

Known-week TV ratings "should be abolished [as] disservice to the TV industry and all the facets connected with it," pres. Mitchell Wolfson of WTVJ, Miami, told N. Y. Radio & TV Executives Society this week. He said "abnormalities inherent in the known-week rating book due to program & promotion 'loading' do not give the purchaser [of time] any valid indication of viewing habits." WTVJ is withdrawing from participation in So. Fla. market known-week surveys after delivery of Dec. book, will offer 4-week surveys instead. In another attack on known-week ratings at RTES meeting, assoc. media director Gene Accas, of Grey Adv., described "hypo-ing" by stations as "nothing more than media misrepresentation."

TV ratings probe started as one-man crusade last July by Sen. Monroney (D-Okla.) probably won't be resumed by Senate Commerce communications subcommittee until Feb. at least. Hearings had been set for Nov., then postponed until Jan. in N. Y. (Vol. 14:43) with heads of 3 networks slated to testify on Monroney complaint that rating systems dictate what TV viewers can see. Committee sources said this week, however, that it's unlikely any schedule will be fixed next month by Chairman Magnuson (D-Wash.).

and it showed such programs always cost vastly more than they brought in—e.g., \$8,440,000 in 1958.

Stanton also noted that CBS News Div. program costs are about 25% of those of entertainment dept.—though News Div. program output may appear a "rather small percentage statistically." News Div. has 378 people (187 administrative, 191 creative); entertainment dept. has 310 (205 administrative, 105 creative).

Stanton listed discontinued programs, said that "fatigue factor" accounted for dropout of most; that they'd been replaced.

* * * *

NBC pres. Robert E. Kintner offered staunch reply: "I believe the attached material demonstrates that far from reducing our efforts in the public service and informational programming, we are seeking to increase the effectiveness, scope and variety of programming in this field, just as we do in the field of entertainment programming. This of course involves changes in the composition of the public affairs program schedule from time to time, as new approaches are developed in an effort to diversify our presentations and to refresh the audience interest in our offerings." He gave these examples of new programs: *Continental Classroom*, *NBC Kaleidoscope*, *Chet Huntley*.

Programs dropped were generally replaced, Kintner said. *Wide Wide World* was discontinued because sponsors (Alcoa & GM) didn't renew, it had "extraordinarily high budget" and "its public identification in the public mind with the former sponsor greatly limited the potential saleability of the series."

More "creative" people into radio station ownership: Purchasers of WZIP, Covington, Ky. (1050 kc, 250-D), for \$200,000, are (1/3 each) Edward Skotch, originator and director for 9 years of ABC-TV's *Super Circus*; Monte Fassnacht, Chicago Civic Opera House technical director; Donald Balsamo, ABC account exec. WZIP v.p.-gen. mgr. Ed Weston is retained as consultant. Broker: R. C. Crisler & Co. [For news about other radio station sales, see *AM-FM Addenda YY*.]

Hildreth stations WABI-TV, Bangor (Ch. 5) & WAGM-TV, Presque Isle (Ch. 8) become CBS-TV affiliates Feb. 1, primary & EMP respectively, WLBZ-TV, Bangor (Ch. 2) taking over NBC-TV. ABC-TV continues to feed both Bangor stations, WABI-TV taking most. WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11), which is losing NBC-TV affiliation (Vol. 14:49) to WFRV-TV, Green Bay (Ch. 5), becomes primary ABC-TV affiliate Feb. 1.

Westinghouse's WBZ-TV, Boston, sent film producer Phil Galligan and Washington news correspondent Rod MacLewish to Rome to cover the elevation of Richard Cardinal Cushing; they flew over in company of Father Walter L. Flaherty, TV-radio director for the Archdiocese of Boston, sending back daily films and telephone stories.

Bound and Indexed

We will index and bind, between embossed hard book covers, a limited quantity of all 1958 issues of the Television Digest Weekly Newsletters, plus the semi-annual TV Factbook with all Addenda, plus all Supplements and Special Reports. This volume will provide a handy and handsome permanent reference for your own or your company library. Orders will be taken until Jan. 9. Price: \$25 per volume.

New School of Communications: U of Pennsylvania's projected new School of Communications, backed by a \$3,000,000 private endowment and by the resources of the 220-year-old institution of higher learning founded in Philadelphia by Benjamin Franklin even before that great pioneer experimenter in electronics helped found the Republic, is an educator's dream come true—besides representing due academic recognition of the growingly important communications arts and sciences centering around TV & radio.

Under terms of a 10-year contract the Annenberg School of Communications (p. 3) will have its own campus building by Feb. 1960, and its own dean and faculty. It will offer graduate degrees at the outset, specializing in teaching and research in TV, radio and printed journalism. Its courses will also be open to undergraduates studying for degrees in other schools of the university.

Pending establishment of formal offices on the campus, students seeking admission to the School, which opens in Sept. 1959, may address their applications care of Office of Admissions, U of Pennsylvania, Philadelphia 4.

* * * *

Moving spirit behind the project is Walter H. Annenberg, publisher of the *Philadelphia Inquirer*, *TV Guide*, *Seventeen*, various other trade publications, and operator of the Triangle group of TV-radio stations (see *TV Factbook No. 27*, p. 387). He's a 1931 alumnus of the University's Wharton School of Finance & Commerce, and president of the Annenberg Foundation Inc., donor of the building to be erected in memory of the late M. L. Annenberg, his father. Heading the project in its present inceptive stages is Dr. Gaylord P. Harnwell, president of the University.

Chairman of an ad hoc committee interviewing candidates for top post of director is Dr. Loren C. Eiseley, professor of anthropology, one of its members being Roger W. Clipp, v.p. in charge of the Triangle stations. Clipp is a 1925 graduate of the university and a member of its board of trustees.

Establishment of the School, said Annenberg, brings to fruition an ambition he has cherished ever since he began to appreciate the enormous impact of TV & radio, first on journalism and then on the mind of human society

ETV research advisers in 4-year \$18,000,000 National Defense Education Act program for audio-visual teaching-aid studies (Vol. 14:49) held first meeting in Washington this week, approved \$127,500 budget for next 6 months, scheduled March 5-6 sessions to act on specific research proposals. Headed by U. S. Education Comr. Lawrence G. Derthick, 14-member advisory committee set Feb. 1 as cut-off date for initial applications for research grants. Universities, colleges, school systems, private non-profit organizations already have submitted 60 proposals covering wide range of uses of TV, radio, films, tapes in teaching. Budget for rest of fiscal year ending June 30 includes \$75,000 for film studies; \$17,500, pilot conferences & seminars; \$5000, demonstrations & exhibits; \$15,000, consultants; \$15,000, publications.

FCC holiday schedule: Works Dec. 22, 23, 24, 29, 30, 31 & Jan. 2. Holds regular meetings Tuesdays Dec. 23 & 30 instead of customary Wednesdays.

generally. Said the joint statement issued Dec. 15 by Dr. Harnwell and Mr. Annenberg:

"The existence of free and effective channels of communication among men is a basic requisite to an informed public consensus upon the important issues of society which, in turn, is essential to the viability of our democratic form of gov't. The ability to utilize the techniques of communication provided by the technology of our age for the clear and rapid dissemination of information and the ability to draw upon the scholarship and arts of our institutions of higher education to reduce the incidence of semantic ambiguity and demagogic device require . . . skilled and educated profession of communications.

"The new school is being established as an educational institution to teach the art, science and techniques of mass communications, with particular emphasis on radio, TV and publishing. Instruction will be offered, however, not only in the technical and highly specialized aspects of communications, but in the liberal arts and other fields as they relate . . . to such broad studies as the psychology and sociology of mass communications media, the effects of mass communications on international affairs and other subjects requiring a cross-pollination of various disciplines . . ."

* * * *

The statement pointed out that, while the university now has schools, depts. and courses in various subjects related to communications, and owns and operates basic facilities and resources, it does not now have a specialized and departmentalized communications school of the scope and character envisaged for the new school. The 1957-58 *Directory of College Courses: Radio & Television*, published by the U. S. Office of Education, shows that Penn now has a radio-TV workshop, courses in radio & TV journalism and writing, courses in engineering fundamentals, communications engineering, electronics, etc.—but offers no special degrees in those subjects. Penn State U does offer A.B. & M.A. degrees in TV-radio specialties, as does Temple U in Philadelphia, where TV-radio courses were established in 1946 in cooperation with Triangle's WFIL.

The govt. agency's directory lists 299 universities & colleges with professional teaching programs for students aspiring to work in one or more of the major phases of broadcasting: programming, management, sales, advertising, engineering and, to a growing extent, education. Only about 20 are strictly engineering or technological schools. Of the total, 85 institutions report radio and/or TV majors leading to undergraduate and graduate degrees.

Broadcast editorial standards for TV & radio stations are proposed by NAB's ad hoc committee on editorializing in report to be submitted to NAB board for action at Feb. 2-6 session in Hollywood Beach Hotel, Hollywood, Fla. Meeting in Washington this week, committee drafted summary of station policies & practices as reported by broadcasters at NAB fall conferences, prepared analysis of legal problems raised by FCC interpretations of fair-comment doctrine and licensee responsibility, cited broadcast editorial as "important force for community improvement." Committee co-chairman were managing director Alex Keese of WFAA-TV & WFAA, Dallas, and Westinghouse Washington v.p. Joseph E. Baudino.

Eidophor big-screen color equipment (Vol. 14:48) is now being set up in Washington's Sheraton-Park Hotel by CIBA Pharmaceutical Products Inc., will be shown to newsmen Dec. 27, then employed during Dec. 27-30 meetings of American Assn. for the Advancement of Science.

Channel-Shift Sustained: FCC was upheld by Court of Appeals this week in procedural aspects of its Evansville, Ind. deintermixture action last year (Vol. 13:9). FCC had shifted Ch. 7 from Evansville to Louisville, Ch. 9 from nearby Hatfield, Ind. to Evansville, reserving latter for educators and giving "show cause" order to WTVW, Evansville, to shift from Ch. 7 to a uhf channel. Ch. 9 applicants WVJS & WOMI appealed on grounds Commission hadn't given them adequate legal notice of intention to give Ch. 9 to educators.

Judges Danaher & Bastian—Fahy dissenting—this week concluded proper notice had been given, even though the Ch. 9 shift wasn't proposed initially by Commission but was suggested in the middle of rule-making by uhf stations in area. Decision states:

"There was no denial of opportunity to the parties to participate as fully as they chose. To void the Commission's rule-making here would be an exercise in sheer stultification . . . If the purpose of notice when required in any case is to give notice, the appellants-petitioners here had it. There is no showing that they were deprived of opportunity in any measure to take whatever steps their own situation might suggest, whether by way of counterproposal and comment or by evidence to establish their own position. That they are not happy over the result is clear. That they sustained legal injury is not."

Fahy felt that FCC shouldn't have made the Ch. 9 shift without announcing its intention beforehand, quoted Administrative Procedure Act to effect that notice "must be sufficient to fairly apprise interested parties of the issues involved [and] should be complete and specific."

San Diego area's second Mexican-based signal is now being transmitted, as Tijuana Ch. 12 station owned by Azcarraga-O'Farrill interests began test patterns—though regular programming isn't due for several months. XETV, Tijuana (Ch. 6), owned by Azcarraga alone, has been operating since 1953; this week, it received 35-kw GE transmitter, will hike power from 38 to 100 kw.

Station Marketplace (Cont. from p. 2): While he was looking into possibilities of acquiring Outlet Co.'s TV-radio stations in Providence (p. 2), as had Jock Whitney's Corinthian group and others, Capital Cities Television Corp.'s Frank Smith, 48-year-old old timer of the broadcasting business, who traces his career back to the early days of Cincinnati's great WLW, literally stumbled into the information that Cherry & Webb's highly lucrative WPRO-TV (Ch. 12) with its AM-FM adjuncts in the same city might be had. He sought out his old friend, able radio veteran William C. Cherry Jr.—and in rather short order a deal was closed for \$6,500,000 cash. That's exactly same price being paid for Outlet Co.'s WJAR-TV (Ch. 10) with WJAR (Vol. 14:49-50) without the complexities of a parent dept. store's corporate structure, though Cherry & Webb also is identified as an old-line merchandising firm of that city.

Deal was finalized this week, when all stockholders agreed to sell, and transfer application will be filed with FCC Jan. 29. Disposing of stock are Cherry Bestg. Co., 31.444%; Mrs. C. Mason Gross, sister of Wm. Cherry, same amount; Greater Providence Bestg. Co., 18.127%; Charles W. Knowles, 7.023%; Robert T. Engles, 5.891%;

Complicated Ch. 12-13 situation in New Orleans brought these actions from FCC this week: (1) Granted WJMR-TV (Ch. 20), which has been operating Ch. 20 & Ch. 12 simultaneously, latter on experimental basis, authority to shift to Ch. 13 and operate on it until Jan. 31. Commission had to do this because Court of Appeals ordered it (Vol. 14:21,44) to take WJMR-TV off Ch. 12. (2) Directed the 3 applicants now competing for regular grant of Ch. 12—WJMR-TV, Okla. TV Corp. (KWTV, Oklahoma City), Coastal TV Co.—to apply for joint operation of Ch. 13 after Jan. 31. Ch. 13 operation will probably continue 1-2 years or more—because it needn't be discontinued until Ch. 13 is granted in Biloxi, where it's regularly assigned, and Biloxi applicants are embroiled in litigation.

Indianapolis Ch. 13 decision of Court of Appeals, which sent case back to FCC for rehearing (Vol. 14:39), was permitted to stand when U. S. Supreme Court declined to review lower court's decision this week. Appeals Court had reversed FCC, which had granted CP to Crosley's WLWI, on grounds that Comr. Craven voted without having heard oral argument. WLWI then obtained *en banc* review by all 9 Court of Appeals judges, argued that Craven's vote wasn't decisive, anyway; that 3 votes for Crosley would have been decisive if only 6 had voted. But Court of Appeals insisted that 4-vote majority is necessary, whether 6 or 7 vote. Craven hadn't wanted to vote, but Commission's general counsel told him it was his legal duty to break 3-3 deadlock.

Station channel changes: WKTV, Utica, N. Y. (Ch. 13) has set Jan. 1 target for shift to Ch. 2; WSIL-TV, Harrisburg, Ill. (Ch. 22), construction of 750-ft. Liberty tower delayed by bad weather, has changed target for shift to Ch. 3 to Jan. 5.

Call letter changes: WTRI, Albany, N. Y. changes to WTAS Jan. 1 when WLBR-TV, Lebanon, Pa. (Ch. 15) changes to WLYH-TV.

Second El Salvador station, YSU-TV, San Salvador (Ch. 4), began operating Dec. 11.

C. George Taylor, 5.891%—latter 2 onetime Washington radio announcers who had competed for Ch. 12 but joined with Cherry in getting grant in March, 1955.

* * * *

Agreement provides that gen. mgr. Arnold F. Schoen Jr. and staff of 92 will be retained. Cherry & Webb store interests are not involved. Cherry Bestg. Co. continues as licensee of WDBO-TV, Orlando, Fla. (Ch. 6) with WDBO; it's 85% owned by Bill Cherry, 10% by Wm. H. Goodman, 5% by Schoen. Cherry has been ailing lately, spends much of his time in Florida, heads group that owns the 150-suite deluxe Cherry Plaza in Orlando.

Buyer Capital Cities is offshoot of old Hudson Valley Bestg. Co., owns WTEN, Albany, N. Y. (Ch. 10) with satellite WCDC, Adams, Mass. (Ch. 19); radio WROW, Albany; WTV, Durham, N. C. (Ch. 11)—all reputedly profitable. It now has 600 stockholders, having been entered for trading over-the-counter last summer when it sold 52,000 shares of \$1 par stock at \$5.75 per share to retire loan (Vol. 14:35). Plan is to seek listing on American Stock Exchange next April.

Last balance sheet (Feb. 28, 1958) does not indicate enough surplus to swing Providence deal, but Smith states financing is all arranged, "several millions" to be borrowed from banks and an offer of convertible debentures to be made to present stockholders. Meanwhile, 19 of the largest

stockholders are underwriting the Providence deal. At last reports, largest stockholders were Lowell Thomas, holding 194,265 out of 1,049,988 issued shares; Frank Smith, 145,953; Wm. J. Casey, Roslyn Harbor, N. Y., 51,097; Alger B. Chapman, 50,909; John P. McGrath, 62,782. (For further list of stockholders, see *TV Factbook No. 27*, p. 180).

* * * *

The Bridgeport uhf & AM sale was also kept quiet while stockholders were rounded up to clinch it. WICC-TV & WICC pres. & gen. mgr. Philip Merryman's 1072 shares, out of 2000 issued, controls and he also votes most of the 344 shares held by Manning Slater, sales mgr. Together, they will be paid \$1,141,000 for their shares, plus \$275,000 for agreement not to compete in the same territory. Eighteen other stockholders, mostly local, will receive \$475 per share for their 584 shares, or \$277,400. Term payments are being arranged.

The Ch. 43 uhf has lost money since its founding in 1953, but the radio is a good earner—and the purchasers are essentially radiomen. Head of group and 50%-plus shareholder, Kenneth M. Cooper, who lives in Loudonville, N. Y., near Albany, sold radio WTRY, Troy, N. Y. for \$1,400,000 about 15 months ago to Victor Knauth, of So. Norwalk, Conn., who was publisher of *Bridgeport Times*, and Dan Kops, who also operate WAVZ, New Haven. Recently, Cooper has been acting as consultant to WPOP, Hartford & WBBF, Rochester. He said identity of his buying group will be revealed shortly, meanwhile revealing only that his ex-business mgr. at WTRY, John Metts, is one of them; also, Eric Siday, noted arranger for Fred Waring and partner in jingle-writing firm of Johnson & Siday.

* * * *

The fatal illness of Gov. Francis P. Murphy, 100% owner of WMUR-TV, Manchester, N. H. (Ch. 9) who died Dec. 19, held up finalization of that station's sale, but it's presumed deal will be carried through by his inheritors. It will represent Richard Eaton's first entry into TV, though he has long held CPs for uhf's in Wash-

ington (Ch. 14), Baltimore (Ch. 18), Newport News (Ch. 33). His radio properties are WOOK, Washington; WSID, Baltimore; WARK, Hagerstown, Md.; WINX, Rockville, Md.; WANT, Richmond; WYOU, Newport News; WJMO, Cleveland. This week, broker Allen Kander reported sale of the Cleveland station (1-kw D, 1540 kc) for \$250,000 to Preston Tuschman, son of the owner of Frank Steel Co., Toledo. But Eaton retains the WJMO call letters for WSRS, Cleveland Heights (250-U, 1490 kc), which he's buying for \$306,000 cash plus \$100,000 payments from S. R. Sague and George Bickford thru Blackburn & Co. Previously announced buyer was John W. Kluge, but he had to drop deal because of his recent purchase of 21% of stock of Metropolitan Broadcasting Co. (Vol. 14:49).

The Manchester station has long been on the block, though its strong management has kept it in the black most of the time. At one time Storer and then the former owners of what's now Westinghouse's WJZ-TV, Baltimore, the Cohen brothers, had options to acquire it for \$900,000. Recently, ex-Bangor telecaster Murray Carpenter indicated he had deal cooking to acquire it. The Eaton purchase deal was handled with utmost secrecy, and principals refuse to divulge price—except to indicate it's much less than the former asking price.



More Radio Station Sales: KTOW, Oklahoma City (250-D, 800 kc) has been sold for \$150,000 to group including Paul E. Taft, who recently sold to Corinthian his remaining 10% of KGUL-TV, Houston (Ch. 11), which he managed. He acquires 26.6%, other stockholders being Wm. D. Schueler, owner of KBRZ, Freeport, Tex., 20%; James M. Stewart, movie actor, 26.6%; F. Kirk Johnson, 26.6%. Taft also owns FM station KHGM, Houston; Schueler, Johnson & Stewart own 20% each of KJIM, Ft. Worth. This week, also, Edwin T. Elliot proposes selling WCUE, Akron, O. (1-kw D, 1150 kc) for \$600,000 to Ted Estabrook, ex-owner of WERI, Westerly, R. I. & WHOO, Orlando, Fla. and Jack Valdes, ex-BBDO; broker was Blackburn. [For details about these and other radio station sales this week, see *AM-FM Addenda YY*.]

Boston Ch. 5 "influence" hearing might benefit from participation of *Boston Globe*, FCC general counsel's office stated this week, recommending that Commission allow *Globe* into forthcoming hearing (Vol. 14:50). "It would appear to be clear," statement said, "that [*Globe*] has no absolute right to intervene in the special hearings in question either under a literal interpretation of the court's order of remand or Sec. 309 (b) of the Communications Act. However, the Office of the General Counsel is of the opinion that it should be permitted to intervene as a matter of Commission discretion on issue No. 1, having to do with the disqualification of one or more of the Commissioners . . . Whether it should be permitted full participation, it seems to us, is purely a matter of whether the Commission considers its proffer of assistance adequate under Sec. 1.104(d) of the Rules."

Station Representatives Assn. this week elected H. Preston Peters, pres. of Peters, Griffin, Woodward Inc., as 1959 pres., succeeding Frank M. Headley, H-R Television. John Blair was elected v.p., Eugene Katz re-elected treas., Richard O'Connell reelected secy., Adam Young elected to 3-year term on board. Foregoing with Joseph J. Weed and Lewis H. Avery compose board.

At least 113 stations are stereocasting, according to Dec. 15 *Billboard*, which surveyed field, carries roundup including directory of stations carrying stereo.

ADVERTISING AGENCIES: Bert Goldsmith, ex-pres. of Silberstein, Goldsmith Adv., is chairman of North Adv. in merger of 2 agencies; Don P. Nathanson continues as North pres.; Cyrus H. Nathan, as exec. v.p. . . . Sam M. Ballard, pres. of Geyer Adv., is pres. of new Geyer, Morey, Madden & Ballard, formed by merger with Morey, Humm & Warwick; Sylvester M. Morey is chairman; Edward D. Madden, onetime NBC v.p., resigns as pres. of ex-Keyes, Madden & Jones to become vice chairman . . . Robert C. Temple named v.p. in charge of merged Los Angeles offices of Harris-Harlan-Wood and Raymond R. Morgan, both divisions of Fletcher D. Richards Inc.; Ridge L. Harlan continues as v.p. of all Richard's West Coast operations . . . Thomas H. Calhoun, onetime WEEI, Boston, promoted to v.p. in charge of TV-radio program & production dept., N. W. Ayer . . . Carvel Nelson, mgr. of Compton Adv. Portland, Ore. office, promoted to v.p. . . . Gertrude Koehring elected v.p. of Hockaday Assoc., N. Y. . . . James R. Stewart resigns as mgr. of Memphis office of Noble-Dury & Assoc., Nashville, succeeded by Richard H. Jacobs . . . Michael Corcoran promoted to v.p. of Hal Stebbens Adv., Los Angeles.

NAB has asked for 60-day delay, from Jan. 19 to March 20, of deadline for industry comments on FCC's proposed changes in license renewal forms (Vol. 14:48). NAB has reprinted proposal, sent copies to members.

Television Digest

— THE ELECTRONICS REPORTS

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Personal Notes: Terry H. Lee, recently managing director of now off-air WVUE, Philadelphia (Ch. 12), ex-gen. mgr. of KOVR, Stockton, Cal. (Ch. 13), transferred by Storer to newly acquired WITI-TV, Milwaukee (Ch. 6), with Dean McCarthy becoming operations mgr. and Joseph W. Evans Jr., ex-KFJZ-TV, Ft. Worth, named gen. sales mgr. . . . Leonard H. Goldenson, pres. of AB-PT, awarded Sigma Alpha Mu certificate of merit for distinguished community and philanthropic endeavors at Founders Day dinner; he was initiated into fraternity while student at Harvard . . . Wm. H. Grumbles, ex-RKO Teleradio div. mgr. in charge of WHBQ-TV & WHBQ, Memphis, appointed v.p., working with all Teleradio stations and reporting to pres.-chairman Thomas F. O'Neil . . . John S. Hayes, pres. of WTOP-TV, Washington, & WJXT, Jacksonville, named a member of Federal City Council, civic organization for promoting urban renewal, cultural growth, etc. of nation's capital . . . John Hofen, NBC-TV & Ralph Santos, CBS News, elected to exec. board of White House News Photographers Assn., whose 1959 pres. will be UPI's Frank Cancellare, succeeding Ronald Weston, Telenews . . . Richard A. O'Leary promoted to asst. sales mgr. of KABC-TV, Los Angeles, succeeding Malcolm Klein, now gen. mgr. of WNTA-TV, N. Y. . . . Dr. Bertrand Klass, ex-Marketing Planning Corp. div. of McCann-Erickson, named v.p. & technical director of Forbes Marketing Research Inc., N. Y.; Dr. Edwin F. Leflowith, ex-Navy air intelligence, named study director in communications research for Market Planning Corp. . . . Jeffrey L. Miles, ex-CBC, named technical operations mgr. of educational WGBH-TV, Boston . . . Howard W. Coleman, ex-mgr. of radio WMAQ, Chicago, named administrative asst. to pres. Harold F. Gross of WJIM-TV & WJIM, Lansing, Mich. . . . James W. Evans named promotion mgr. of WTAR-TV, Norfolk; Wm. M. Scruggs Jr. succeeds him as promotion mgr. of WSOC-TV, Charlotte, N. C. . . . Douglas Davenport promoted to news director of WISN-TV, Milwaukee, succeeding Donald O'Connor, resigned . . . Neal Edwards, for 2 years mgr. of radio KABR, Aberdeen, S. D., promoted to mgr. of Boler's KXAB-TV there . . . Roger C. Kennedy, ex-NBC News, named information director of U. S. Dept. of Labor, succeeding George Lodge, now Asst. Secretary . . . Many Reiner resigns as v.p. in charge of foreign operations of Jack Wrather's Independent TV Corp. to become exec. v.p. of Galaxy Attractions, TV film firm formed by Milton A. Gordon, ex-head of TPA, recently sold to ITC . . . Donald Hyde, independent producer (*Lone Wolf, O. Henry Playhouse*), named exec. producer in charge of foreign production for Gross-Krasne-Sillerman . . . Thomas Carr, ex-NBC, former mgr. & part owner of WANN, Annapolis, recently exec. secy. of Gov. McKeldin (Md.), on Jan. 19 joins WBAL-TV & WBAL, Baltimore, in charge of public relations . . . Arthur A. Snowberger advances to partnership in Washington TV-radio consulting engineering firm of Page, Creutz, Steel & Waldschmitt Inc., recently moved to 1413 K St. NW.

Bob Sarnoff Named '59 Keynote: TV-radio broadcasters' own highest accolade, the NAB Keynote Award for Distinguished Service, will go to NBC chairman Robert W. Sarnoff at 1959 annual convention where he will deliver the keynote address March 16. He's 7th to be chosen in recognition of "a significant and lasting contribution to the American system of broadcasting by virtue of singular achievement or continuing service"—unanimously selected from field of 10 candidates by 5-man committee, ratified by 10-man convention committee, in recognition of his leadership of NBC, that network's leadership in color and its inaugural of *Continental Classroom*, and more particularly for his Syracuse U speech last June raising the question, "Are Newspapers Deliberately Derogating TV?" (Vol. 14:25, with full text in Special Supplement). Nominating committee comprised G. Richard Shafto, WIS-TV & WIS, Columbia, S. C. (NBC); Robert Mason, WMRN, Marion, O. (ABC); Howard Lane, KOIN-TV & KOIN, Portland, Ore (CBS); Frank Jarman, WNDC, Durham, N. C. (CBS); Harold Fellows, NAB. Previous winners: Frank Stanton, pres. of CBS, 1958; Herbert Hoover, 1957; Robert E. Kintner, then pres. of ABC, now pres. of NBC, 1956; Mark Ethridge, ex-NAB pres., publisher of *Louisville Courier-Journal* (WHAS-TV & WHAS), 1955; William S. Paley, chairman of CBS, 1954; David Sarnoff, RCA and ex-NBC board chairman, 1953.

John T. Wilner, Hearst stations' engineering v.p., was named this week to receive newly created annual NAB award honoring broadcast engineers making outstanding contributions to technical developments in TV-radio. He will be cited at NAB's 1959 convention broadcast engineering conference in Chicago March 18 for his work on the Image Orthicon Saver, a device to prolong life and prevent "sticking" of expensive TV camera tubes. Award committee was headed by A. Prose Walker, NAB mgr. of engineering. An ex-GE engineer who was with CBS from 1937-49, Wilner is 47, has been with Hearst since 1949, once led Harvard group investigating radar jamming in England.

Obituary

Ex-Gov. Francis P. Murphy of N. H., 81, who rose from barefoot farm boy to chief exec. of his State for 2 terms (1937-41) and who was only Catholic ever elected to that office, died Dec. 19 of cancer. He was millionaire pres. of J. F. McElwain Shoe Co. (Thom McCann shoes) who took a keen interest in radio, establishing radio WMUR, Manchester, in 1941 and Ch. 9 WMUR-TV in 1953. He sold the radio station in 1956, and was on verge of selling the TV station when stricken ill (p. 2). He is survived by one son, a physician, and 3 married daughters.

Bertrand H. Silen, 58, who founded and managed Manila's KZRH and was NBC's correspondent there, died Dec. 14 in Palo Alto, Cal. He gained wide fame when he came on the air, after 3-year internment by Japanese with remark, "As I was saying before I was so rudely interrupted . . ." He and his staff deliberately destroyed station to prevent its capture. Surviving are widow, daughter, 2 brothers.

George K. Rollins, 53, chief of FCC public safety & amateur div., died Dec. 17 in Washington of pneumonia following surgery for stomach ulcer. Surviving are widow, son. Commission adopted resolution lauding his "25 years of exemplary service."

Harry (Tim) Moore, 70, the "Kingfish" of *Amos 'n Andy* TV show, died Dec. 12 in Los Angeles.

TV's 10th YEAR TO BE POOREST SINCE 1949: Still recession-ridden, the TV industry will wind up year with lowest retail sales record since it went into full swing in 1949 with sales of 2,600,000 units. Despite a brief upswing in Sept. & Oct., which gave hope year's total might reach 5,000,000, a preliminary report on Nov. sales by EIA statisticians, released at weekend, showed an unexpected sharp decline of 8% in Nov. sales from Oct. and 18% from Nov. last year. Radio, too, lags substantially.

Year's total of 4,900,000 retail sales is now presaged. It now appears that Christmas sales, according to best "guesstimates," will run only about 750,000 sets or 200,000 below the 945,000 of Dec. last year. Nov. retail sales were 510,000 sets vs. 556,584 in Oct., 638,663 in Sept., year's peak. Retail sales in first 11 months of 1958 totaled 4,161,000 vs. 5,755,559 for same 1957 period.

We asked industry leaders for comment on unexpected Nov. decline, found most unaware of Nov. developments in the market, unwilling to be quoted.

However, Admiral pres. Ross Siragusa told us: "Bad network programming has contributed to decline in TV sales this fall. TV networks are offering the American people thimblefuls of program imagination, buckets of commercials on top."

Said Motorola exec. v.p. Edward R. Taylor: "Warm weather in Nov. is the only reason that I can see for industry-wide sales decline. Motorola's own experience is quite the opposite, as our retail movement was 30% ahead of Oct."

* * * *

Favorable inventory position is one bright spot in otherwise gloomy TV picture. Set makers have held production 60-70,000 sets below retail sales for last 2 months, indicating that inventories which stood at about 2,150,000 on Sept. 30 have been reduced to about 2,000,000 -- about the lowest in many years. TV production in Nov. was 439,904 vs. 495,617 in Oct., 574,646 in Nov. 1957. For first 11 months of this year, production was 4,507,710 sets vs. 5,825,804 in same 1957 period.

Retail radio sales picked up sharply in Nov., and were slightly better than same 1957 month. However, sales in first 11 months continued to lag 13% behind last year indicating that upturn in yearly radio sales which began in 1955 is almost certain to be interrupted. Nov. radio sales to consumers, not including radio-phonos combinations and auto radios, totaled 890,000 vs. 711,877 in Oct. and 837,821 in Nov. 1957. First 11 months radio sales were 6,312,133 vs. 7,209,791 in the same 1957 period. Radio production in Nov. totaled 960,383 sets vs. 922,508 in Oct., 993,491 in Nov. last year. Radio production in the first 11 months this year was 7,185,537 sets vs. 7,937,069 for same period last year -- decline of 9%.

IRS Slaps Tax on Co-op Ad Funds: Turning a deaf ear to protests by manufacturers and admen, Internal Revenue Service this week promulgated its long-pending rule to include cooperative advertising allowances in factory selling price and thus make them subject to excise taxes -- 10% in case of TV-radio-phonos. New ruling is T.D. 6340 published in the Dec. 16 Federal Register. (For details of negotiations leading up to the new tax levy, see Vol. 14:13-14,16,22.)

Rule still must be interpreted, leaves unanswered principal question whether Govt. will now try to collect back taxes on millions of dollars set aside for co-op advertising over many years. According to several tax lawyers with whom we talked, rule exempts from possible retroactive action only a few firms which already have "published" opinions that their method of setting aside co-op advertising is not taxable. That leaves majority of industry in twilight zone of possible IRS action, facing levies as far back as statute of limitations will allow.

Industry may seek Congress' help to upset IRS ruling. Already members of the

House Ways & Means Committee have been asked to hold hearings promptly to determine whether the ruling unfairly knocks out a long-standing Treasury Dept. policy, works an unfair hardship on historic advertising methods of most consumer durables.

TV-Radio Production: TV output was 97,172 week ended Dec. 13 vs. 103,539 the preceding week & 109,339 in same 1957 week. Year's 49th week brought total output to 4,708,421 sets vs. 6,050,364 for same period last year. Radio output was 318,844 (122,994 auto) vs. 358,987 (140,662 auto) preceding week and 387,597 (121,784 auto) same week last year. Radio production for 49 weeks was 11,020,706 (3,420,944 auto) vs. 13,553,737 (5,167,996 auto) in same 1957 period.

Trade Personals: Robert E. Lewis, Sylvania senior v.p., elected pres., succeeding Don G. Mitchell, who continues as chairman and is slated to become pres. of General Telephone & Electronics Corp. in projected merger of Sylvania & General Telephone (Vol. 14:45) . . . Clarence A. Novy promoted to asst. chief engineer of Motorola's communications & industrial electronics div. . . H. G. Blue named consumer products adv. mgr. of Motorola, succeeding Hugh H. Engleman, resigned . . . Arnold O. Wolf, v.p.-gen. mgr., Hamilton Beach Co., elected pres. of National Electrical Manufacturers Assn. housewares section, succeeding J. P. McIlhenny, v.p. of Dynamics Corp. of America Waring div. . . Matthew L. Bergin retires as RCA distribution administration mgr. after 46 years with RCA and Marconi . . . Charles Tierney promoted to accessory sales mgr. of John M. Otter Co. (Philco), Philadelphia, succeeding Herman Miller, who has resigned to establish own electronic distributing business . . . Irving Rose promoted to coordinator of hi-fi sales, Allied Radio Corp., succeeded as sound products marketing mgr. by Harold Schulman . . . Leo G. Rappoli, ex-GE, named controller of CBS-Hytron semiconductor operations . . . Samuel M. Mittleman, ex-Victor H. Meyer Distributors, N. Y., named sales mgr. of Sylvania's New Jersey branch, succeeding A. S. Ross, resigned . . . Col. Daniel B. White (USAF ret.) named asst. mgr. of Eastern operations, Packard-Bell . . . Norman Scott resigns as Sylvania district mgr., Charlotte, N. C. . . Nathaniel H. Sperber, ex-Chambers, Wiswell, Shattuck, Clifford & McMillan Adv., named Raytheon publicity mgr.

Industry contributions of \$155,000, obtained through efforts of Motorola's Paul Galvin and retired Powel Crosley Jr., have made possible memorial to late Zenith Radio founder-pres. Comdr. Eugene F. McDonald Jr.—a Laboratory for Exfoliative Cytology at the U of Chicago Medical Center.

Dr. Mervin J. Kelly, pres. of Bell Labs, named chairman of special National Academy of Science committee to study scientific programs of the Dept. of Commerce and recommend steps to gear them to changing needs of science & industry. John C. Green, director of Dept.'s Office of Technical Services, is exec. secy.

Sam Morris, pres.-chairman of Nuclear Corp. of America, has been appointed consultant to U. S. Dept. of Commerce electronics div. headed by Donald S. Parris, serving without compensation primarily on matters relating to electron tubes and nuclear-electronic apparatus.

E. Burke Wilford, an aeronautical engineer, heads new research & development div., Small Business Administration, set up "to pry more R&D work for small firms out of Defense Dept."

Donald G. Fink, Philco director of research, ex pres. of IRE, receives N. Y. Institute of Technology award for contributions improving technological training standards.

Skyrocketing stereo sales in 1959 were forecast by Admiral pres. Ross Siragusa addressing distributors in Chicago this week. He said high fidelity has "come into its own" as a home entertainment medium and is "one of the bright stars" for next year. Of TV, he said: "We have reached the high saturation point and have experienced the natural dip that follows. But, already we see the start of another climb, generated by replacements and second sets in the home. When a replacement market increases to the point where it offsets the decline caused by saturation, you begin to see a healthy increase in total unit sales." About 6,000,000 TV sets will be sold next year, Siragusa predicted, vs. 5,000,000 this year. Admiral introduced what is said to be the first TV portable with wireless remote control priced at \$220, and added one table model and 5 consoles to its 1959 line ranging in price from \$270 to \$310.

Zenith held the price line on a completely new series of TV and stereo phono models introduced to distributors in Chicago this week. Deciding not to follow the lead of other major set makers who have boosted prices from \$10 to \$25 (Vol. 14:47-48, 50), sales v.p. L. C. Truesdell said: "In the face of rising material and labor costs and the fact that a number of models in our line showed unsatisfactory profits this year, we would be justified in raising prices. However, we feel Zenith should take a stand to fight the inflationary trend in the TV field." The company's new 1959 line includes 34 basic TV models priced from \$140 to \$575, and 20 stereo models priced from \$150 to \$800. Exec. v.p. Joseph S. Wright told distributors that Zenith is now in first place in TV industry sales and that it will engage in a multi-million dollar expansion program next year.

CBS Inc. transfers its phono operations from Columbia Records to subsidiary CBS-Hytron, manufacturer of tubes, transistors & components, with H. C. Bonfig, CBS marketing service v.p., acting as marketing consultant to newly formed Columbia phonograph dept. in N. Y. This week, CBS added 9 models to its 1959 phono line, including 5 self-contained stereo portables, 3 stereo-equipped consoles, one self-contained stereo console, ranging in price from \$39.95 to \$399.95.

TV sales to dealers in Canada for 10 months ended Oct. 31 were 338,895 sets vs. 365,857 in same 1957 period, EIA of Canada reports.

Virgil H. Disney, mgr. of Armour Research Foundation electrical engineering dept., elected pres. of 1959 National Electronics Conference.

Senate Commerce Committee is one of first tenants of magnificent new Senate Office Bldg., having moved Dec. 11 from Capitol. Room No. is 5108, and that of communications counsel Nicholas Zapple & staff is 5202. Chairman Magnuson (D-Wash.) has offices at 5108, also retains present offices in 127 Old Senate Office Bldg.

Bell's Mobile-Phone Ideas: Pressure on FCC to take chunk of uhf TV spectrum and allocate it for a phone-in-your-car system (or other non-broadcast use) is based on this reasoning, as expressed by AT&T engineer F. M. Ryan (see p. 2):

"It has become evident that the TV problem in this country cannot be solved by the allocation of a large number of frequencies and that the present block of frequencies at the upper end of the 25 to 890 mc spectrum is being used only very inefficiently. This condition certainly is not going to exist for very long—there is too much pressure from many sources for that to happen. Time is running out and if a forward-looking step is not taken now the door may well be closed for many years—if not for generations."

Ryan said the desired 75 mc (Ch. 63-75) needn't be allocated immediately or for entire U.S. at one time—but that long-range plans should guarantee availability of the spectrum when needed so that telephone company "would not be heading up a blind alley."

Bell System certainly doesn't want to antagonize radio manufacturers, and Ryan spread before set makers a glowing vista of a new market: "A big part of this job would be the responsibility of the radio and automotive industries. It is obvious that the mobile radio units must do things that they do not do now and they must be considerably cheaper than they are now. However, given a huge potential market, the radio industry would certainly bring this about. As far as the Bell System is concerned we hope that the radio and the automobile industry and other industries will design, build, merchandise and service 2-way mobile radio units in the same way as they do for broadcast receivers or other optional features in automobiles."

* * * *

Market can't be predicted with precision, Ryan said—"but there are many clues that lead to the inescapable conclusion that the future market for mobile service is enormous—if the service is good." He then pointed to:

- (1) Move to suburbs—"core-city" population growing 5% in last 5 years while suburban grew 30%.
- (2) Existence of 11,000,000 trucks & buses and 55,000,000 cars traveling 600 billion miles annually (half of it for business purposes).
- (3) Vast growth of multi-lane highways.
- (4) Doubling of fixed phones in last 10 years, 4-fold increase in residence extension phones, increase of calls-per-person-per-year from 320 to 460.
- (5) Doubling of outdoor phones to 125,000 in last 3 years.
- (6) Prevalence of auto radios—90% of cars so equipped.
- (7) Readiness of public to buy optional car equipment—with 70% of 1957 cars having automatic transmission, 1/3 having power steering & power brakes.

"With a band such as that recommended and technical advances that are confidently expected," Ryan said, "1000 channels could be made available in a single metropolitan area. With each car having access to 7 channels, good service could then be given to around 30,000 mobile units in a single area; several hundred thousand in the whole country. This compares to a maximum of 25 channels with 1500 units in one area—and poor service today. As a first step, it is proposed to build a system having a capac-

Top 500 Research Firms: TV-radio makers and other electronics firms rank high on roster of 500 American companies receiving prime defense contracts for experimental, developmental & research work during fiscal year ended June 30. GE ranked first with awards totaling \$302,045,000, followed by North American Aviation with \$288,302,000, General Dynamics with \$256,093,000. The electronics firms included in Defense Dept. list, with total of contracts and rank:

| R & D Contracts (000 omitted) Rank | | | R & D Contracts (000 omitted) Rank | | |
|---|-----------|----|---|----------|-----|
| GE | \$302,045 | 1 | Hazeltine | \$ 3,701 | 73 |
| General Dynamics | 256,093 | 2 | Hughes Tool | 2,961 | 82 |
| Westinghouse | 163,447 | 7 | Texas Instruments | 2,645 | 89 |
| Sperry Rand | 136,849 | 8 | Admlral | 2,621 | 90 |
| Hughes Aircraft | 132,186 | 10 | Reeves Instrument | 2,600 | 91 |
| Western Electric | 116,736 | 13 | Farnsworth | 2,444 | 95 |
| Raytheon | 65,576 | 14 | Corning | 2,380 | 99 |
| RCA | 60,817 | 15 | DuMont Labs | 1,855 | 114 |
| Ramo Wooldridge | 44,515 | 19 | Clevite | 1,837 | 116 |
| Amer. Bosch Arma | 44,338 | 20 | Lenkurt Electric | 1,796 | 119 |
| Avco | 43,827 | 21 | Ampex | 1,422 | 130 |
| Bendix Aviation | 31,238 | 25 | Varian | 1,153 | 148 |
| IBM | 28,519 | 27 | Slegler Corp. | 1,139 | 150 |
| Burroughs | 22,949 | 28 | Gilfillan Bros. | 1,010 | 162 |
| Sylvania | 19,801 | 31 | Bulova | 934 | 166 |
| Mpls. Honeywell | 17,283 | 32 | Lear | 921 | 168 |
| Collins Radio | 17,013 | 33 | Litton Ind. of Md. | 849 | 175 |
| ITT | 16,040 | 34 | Zenith | 505 | 225 |
| Motorola | 14,659 | 37 | P. R. Mallory | 370 | 270 |
| Philco | 13,829 | 38 | Amphenol | 352 | 278 |
| Litton Ind. | 9,400 | 49 | Packard-Bell | 348 | 283 |
| Hallcrafters | 8,646 | 50 | Sklatron | | |
| Hoffman | 6,176 | 57 | Electronics | 264 | 334 |
| Emerson Radio | 5,001 | 62 | Lansdale Tube | 232 | 356 |
| Magnavox | 4,556 | 63 | Beckman Inst. | 220 | 373 |

ity of about 200 channels, to be located in the allocated band so as to permit orderly expansion.

"With further developments—and the economies which would be brought about by large production—in 15 or 20 years it should be possible to get several thousand channels which with improved control methods would permit good service to 100,000 to 200,000 or even more mobile units in a single area; several millions in the country. This might not be enough in 25 years from now but unless the spectrum is almost entirely blocked, ways can undoubtedly be found then to go ahead."

"Greatest year in our 50-year history" is anticipated in 1959 for Indiana Steel Products Co. by pres. Robert F. Smith, reporting sharp increase in business began at end of 3rd quarter, with Valparaiso, Ind. plant enjoying highest production month in its history in Oct. and payroll at all-time high. Net income after taxes for 10 months ended Oct. 31 was \$385,857 (\$1.32 per share) vs. \$688,653 (\$2.35) in same 1957 period. Big magnetic products firm reports sales at its Stearns div. in Milwaukee still below last year, and Canadian subsidiary showing small profit despite fact sales are 25% off previous high.

Radio Condenser Co., Camden, N. J. (tuners, instruments, meters, components) doubled its Aug.-thru-Oct. earnings over same period last year, will end year with profit despite first-half loss, reports pres. R. E. Cramer, who also foresees good 1959. In 1957, earnings were \$238,421 (55¢ per share) on sales of \$15,654,029—but 1958 figures will fall somewhat lower.

AT&T board voted 3-for-1 stock-split this week and 10% increase in annual dividend rate, subject to ratification at annual stockholders meeting April 15 by its more than 1,625,000 shareholders. Stock closed at 223 1/2 Dec. 19 after having attained all-time high of 227 1/2.

Ampex Corp., Videotape developer whose success story is one of broadcast equipment industry's phenomena (Vol. 14:40), will increase sales by 48%, earnings by 67% in fiscal year ending next April 30, pres. George I. Long Jr. told N. Y. Society of Security Analysts. Raising sights on earlier estimates for year, he said sales should approximate \$44,000,000 vs. \$30,100,000 last year, net profit should be around \$2,575,000 vs. \$1,540,000. For 6 fiscal months ended Oct. 31, sales were \$16,100,000, earnings \$665,000—about 36¢ per share after 2½-for-1 stock split in April (Vol. 14:17). Other points made by Long: (1) Within 5 years or less, Ampex sales should reach \$100,000,000. (2) Magnetic tape recorders, for which home market is increasing, share sales honors with Videotape recorders. (3) Company's export business is growing, sales heading toward \$7,350,000 in current fiscal year vs. \$2,700,000 year earlier. (4) Govt.-sponsored research is increasing, leading toward production contracts for airborne Videotape equipment.

TV replacement market of 11,500,000 sets annually by 1963 is foreseen by Packard-Bell pres. Robert S. Bell who told stockholders that "in five years there will be 55,000,000 homes in the nation needing new sets."

McCann-Erickson's San Francisco office named to handle advertising for instrumentation div., Ampex Corp., Redwood City, Cal.

Dividends: Motorola, 37½¢ payable Jan. 15 to stockholders of record Dec. 31 . . . Columbia Pictures, 2½% stock Jan. 30 to holders Dec. 26 . . . Electronic Assoc., 2% stock Dec. 31 to holders Dec. 23 . . . Daystrom, 30¢ Feb. 16 to holders Jan. 27 . . . Radio Condenser, 5¢ Dec. 22; Avco, 10¢ Feb. 20 to holders Jan. 16.

Recently formed Radio Press (18 E. 50th St., N. Y., Plaza 3-3822), feeding radio stations with world-wide news and "beeper-phone" reports, now has 19 station clients, having signed up following last week: Triangle stations' WFIL, Philadelphia; WFBG, Altoona; WNHC, New Haven; WBNF, Binghamton—and Air Trail group of WING, Dayton; WCOL, Columbus; WIZE, Springfield, Mass.; WKLO, Louisville. Radio Press pres. George Hamilton Combs, N. Y. attorney who was an ABC commentator in Europe during war, says he expects to have 200 stations signed by March 15. Organization has full-time staff in N. Y., London, Paris, Rome & Beirut, is served from Washington by News Associates Inc., claims 4126 stringers in 90 countries. Radio Press v.p.-gen. mgr. is Stewart Barthelmess, ex-ABC Radio v.p.

National Theatres Inc. consolidated earnings fell to \$1,302,000 (48¢ per share) in fiscal year ended Sept. 30 from \$2,666,000 (84¢) year earlier, pres. John B. Bertero reports in proxy statement to stockholders urging approval of plan to acquire National Telefilm Assoc. (Vol. 14:46). Shareholders of National (300 theatres; WDAF-TV & WDAF, Kansas City) meet Jan. 8 to vote on merger of NTA (TV film distribution; WNTA-TV & WNTA, Newark-N. Y.; KMSP-TV, Minneapolis).

ASCAP-radio fee fight will be carried to Federal court as result of breakdown in negotiations for new overall contract replacing one expiring Dec. 31 (Vol. 14:49). All-industry radio music licensing committee headed by Robert T. Mason (WMRN, Marion, O.) voted unanimously this week to petition District Court for So. N. Y. to fix broadcast license rates under 1950 ASCAP anti-trust consent decree, which provides that stations may continue using ASCAP music pending outcome of rate proceedings.

TV & Radio Shipments: TV shipments to dealers in Oct. declined from Sept. and continued to lag behind last year. EIA reports that Oct. shipments were 542,081 sets vs. 663,073 in Sept. and 624,044 in Oct. 1957. First 10-mo. shipments totaled 4,040,199 sets vs. 4,873,819 in same period last year. Radio shipments for first 43 weeks of this year ending Oct. 31 were 6,132,626 vs. 6,830,249 in same 1957 period. First 10-mo. TV & radio shipments by States:

| State | TV | Radio | State | TV | Radio |
|-------|---------|---------|-------------|-----------|-----------|
| Ala. | 53,775 | 75,197 | N. J. | 148,641 | 250,508 |
| Ariz. | 28,193 | 36,154 | N. M. | 17,014 | 16,913 |
| Ark. | 32,516 | 32,158 | N. Y. | 445,772 | 893,394 |
| Cal. | 403,044 | 475,428 | N. C. | 81,069 | 102,257 |
| Col. | 35,890 | 47,597 | N. D. | 11,895 | 18,995 |
| Conn. | 65,336 | 80,854 | Ohio | 216,974 | 347,204 |
| Del. | 11,078 | 13,587 | Okla. | 52,199 | 59,512 |
| D. C. | 44,781 | 71,340 | Ore. | 41,170 | 77,347 |
| Fla. | 141,996 | 157,793 | Pa. | 293,524 | 457,645 |
| Ga. | 77,949 | 111,704 | R. I. | 22,722 | 39,049 |
| Ida. | 12,852 | 20,845 | S. C. | 33,299 | 44,644 |
| Ill. | 238,947 | 482,339 | S. D. | 12,224 | 14,160 |
| Ind. | 102,402 | 113,189 | Tenn. | 63,909 | 83,912 |
| Ia. | 50,565 | 70,679 | Tex. | 198,438 | 286,177 |
| Kan. | 48,013 | 67,454 | Utah | 19,470 | 26,985 |
| Ky. | 61,204 | 74,831 | Vt. | 7,640 | 12,929 |
| La. | 66,070 | 77,886 | Va. | 69,167 | 98,307 |
| Me. | 20,925 | 35,996 | Wash. | 65,362 | 94,674 |
| Md. | 59,398 | 124,521 | W. Va. | 38,552 | 37,947 |
| Mass. | 138,704 | 224,721 | Wis. | 72,280 | 120,728 |
| Mich. | 146,143 | 221,886 | Wyo. | 9,979 | 8,159 |
| Minn. | 63,249 | 103,106 | | | |
| Miss. | 31,190 | 38,645 | U. S. TOTAL | 4,026,592 | 6,113,192 |
| Mo. | 99,438 | 175,128 | Alaska | 2,191 | 4,973 |
| Mont. | 17,606 | 18,844 | Hawaii | 11,416 | 14,461 |
| Neb. | 34,696 | 37,211 | | | |
| Nev. | 6,325 | 11,697 | GRAND | | |
| N. H. | 13,007 | 20,956 | TOTAL | 4,040,199 | 6,132,626 |

Arvin enters stereo hi-fi field with self-contained stereo phono listing at \$99.95 and dual speakers that may be placed 10 ft. apart.

Audio Engineering Society schedules 6th annual Western Convention at Hotel Biltmore, Los Angeles, Feb. 17-20.

Music Corp. of America, big show business combine whose MCA-TV subsidiary holds \$50,000,000 pre-1948 Paramount feature film package (Vol. 14:41), made another big move into TV this week, completing \$11,250,000 deal to buy Universal Pictures' Universal City, Cal. real estate & movie studios. MCA's Revue Productions, which now uses Republic Pictures studios for TV film production, is expected to move to Universal lot, which includes 150 buildings. Part of facilities are being leased back by Universal for theatrical production.

Weather radar system for TV stations, making it possible to telecast a picture of approaching storms as far as 150 mi. away, has been developed by RCA. Through use of studio vidicon film camera, radarscope presentations of storm may be transmitted to TV viewers, with radar picture superimposed on map. RCA announcement said station personnel can be trained quickly to identify type, size, other characteristics of storms, even determine extent of rainfall.

Storer handed permit for WVUE, Philadelphia (Ch. 12) back to FCC this week—and assignment, originally allocated to Wilmington, is presumably now open to all comers (Vol. 14:37,42,44). Only application yet filed is that of Rollins, with uhf WHYI-TV, Philadelphia (Ch. 35 educational) making pitch for channel with backing of Joint Council on Educational TV but filing no formal application as yet.

U. S. Information Agency (Voice of America) has openings for electronic, electrical, civil & mechanical engineers for work on its broadcasting facilities at home and abroad at salaries of \$7030 to \$11,355. Address inquiries to USIA Personnel Office, 1776 Pennsylvania Ave. NW, Washington.

New York's News Void & TV: It would take a research survey to explain why, but New Yorkers apparently aren't flocking in large numbers to their TV sets for news they can't get from the 9 dailies (total circ., 5,500,000) closed since Dec. 9 by strike of Newspaper & Mail Deliverers Union (Vol. 14:50).

All N. Y. television stations which regularly carry news programs (Metropolitan's WNEW-TV doesn't) stepped up their newscasts even more than they did at start of walkout, several claiming audience increase of at least 10% for them. Circulation of *TV Guide*—an index to interest in program listings—went up 77,000 in metropolitan area to 1,400,000.

But we asked American Research Bureau for overall Arbitron ratings for city's TV newscasts before strike started and also after it was under way. All 15-min. newscasts Dec. 2-8 averaged out to rating of 6.7% of total TV viewers. Rating for Dec. 9-15 was 6.6%.

CBS's WCBS-TV, which added 90 minutes of news daily, figured it gained as much as 20% in audience for some newscasts, with the Arbitron rating showing biggest increases for late news show. NBC's WRCA-TV saw no immediate indication of rise in news audience; ABC's WABC-TV had no report of increase. WOR-TV's news ratings were "fractionally up." *N. Y. News'* WPIX reported its news ratings were "all over the lot," but at times probably represented 10-15% rise in viewers.

* * * *

Listener estimates for radio newscasts weren't available, but stations presumably filled much of news void left by absent newspapers, *N. Y. Times'* WQXR doing particularly newsworthy job with help of newspaper's staff. *Times* staffers also joined with NBC News to put on special "Sunday Times of the Air" show, carried by WRCA-TV in N. Y. and WRC-TV in Washington.

In any event, any question as to whether TV can—or should—provide any real substitute for dailies in a newspaperless town is being answered again in N. Y.—as it has been in a half-dozen cities hit by big newspaper strikes in recent years. The answer: TV's role is stopgap

at most, and newspapers don't lose readers permanently to TV after strikes are over.

We put the question to TV network news chiefs, all of whom agreed that N. Y. stations were doing excellent job in strike emergency. Their comments: Sig Mickelson, CBS Inc. v.p. for news & public affairs—"Each of the media has functions to perform, and there are newspaper functions which TV can never perform, especially for special-interest readers." Wm. McAndrew, NBC-TV v.p. for news—"We've always looked on newspapers as complementary to TV—or the other way around. Neither is supplanting the other." John Daly, ABC v.p. for news & public affairs—"The 2 media are always supplementary, one to the other; that's as it should be."

There have been few research studies of newspaper strike and post-strike effects on TV. But TvB research director Dr. Leon Arons told us that TvB experience has shown that audience—and advertisers—which went over to TV during strikes almost invariably return to newspapers. And ANPA's Bureau of Advertising enthusiastically agreed, citing supporting evidence in such strike-hit cities as Detroit, Boston, St. Paul, Galveston, Philadelphia, Peoria, Lima, O., and Worcester, Mass.—and N. Y. itself in 1953.

Most recent survey of TV in a strike town was conducted in Peoria by Donald E. Brown & Marlow Froke of U of Ill. School of Journalism, after Newspaper Guild closed *Journal Star* for 2 months early this year, leaving news field to WTVH, owned by *Journal Star*, and to WMBD-TV & WEEK-TV, along with 4 radio stations.

Peoria survey, printed in Aug. *Bulletin* of Radio & TV News Directors Assn., concluded that while "radio & TV news coverage had been appreciated" by many in one-newspaper town, "Peorians missed their paper." Also: "The Peoria newspaper strike has confirmed the obvious fact that the newspaper is very much here to stay, and so are radio & TV."

Back in 1955, Market-Opinion Research Co. conducted random poll of 1000 Detroiters while *Free Press*, *News* and *Times* were struck. Survey showed 79.3% turned to TV for news, 62.2% to radio (Vol. 11:53). But at same time Nielsen poll indicated that 97% of Detroiters interviewed wanted to go back to reading same newspapers after strike was over.

CATV Copyright Suit: Community antenna in Helena, Mont. was sued again this week by Ed Craney's KXLF-TV, Butte (Ch. 4), in common law copyright action filed in state court in Helena. CATV system no longer distributes KXLF-TV signals but it does use those of KFBB-TV, Great Falls (Ch. 5), which in turn repeats some KXLF-TV programs. KXLF-TV had previously attacked CATV in Federal District Court, alleging infringement of FCC "rebroadcast" rules—but it dismissed appeal (Vol. 14:44). Meanwhile, NAB continued to prepare its own copyright suit against CATV (Vol. 14:50). CATV-microwave hassle in Helena was settled in favor of microwave grantee James G. Edmiston this week, as FCC granted him authority to go ahead with plans to feed 2 Spokane signals to CATV system in Helena (Vol. 14:50). Commission had held up permission for a week, on petition of Craney's KXLJ-TV, Helena (Ch. 12). Comrs. Hyde & Craven dissented, would have held up microwave service. Comr. Cross abstained, but issued statement displaying sympathy with Edmiston who has had grant for a year and spent \$72,784 in construction on strength of FCC's CP. If grant had just been made, he said, he'd favor a hearing on KXLJ-TV's complaint.

CBS radio affiliation of KTUL, Tulsa, will be cancelled Jan. 4, effective date of network's new PCP plan which also has led to disaffiliation of WJR, Detroit, and WSAN, Allentown, Pa. (Vol. 14:50). Confirming "painful" decision to leave CBS after 25 years, KTUL pres. James C. Leake said Griffin station will operate as independent, that it's "abundantly clear" no radio network now provides programming "that today's listener wants & needs." KTUL gen. mgr. James H. Schoonover termed PCP compensation proposals "wholly unacceptable [and] nothing more than a brokering arrangement." KTUL-TV is ABC-TV affiliate.

All-network-AFTRA agreement on new contract terms was reached at week's end by negotiators for union and CBS, NBC, ABC & Mutual—lifting threat of national TV-radio strike by 12,000 employes which had been hanging over industry since Nov. 15, when old contract expired (Vol. 14:47). Subject to membership approval at meetings next month, settlement included: (1) Raise in announcers' pay from \$10,000 to \$11,000 per year. (2) Pay for performers for first 8 repeats of taped shows instead of first 5. (3) Boosts in rehearsal pay scales. (4) Resilient floor coverings for dancers.

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SUMMARY-INDEX OF THE WEEK'S NEWS — December 27, 1958

THE OUTLOOK FOR 1959 as seen by *Digest* soothsayers, whose past prediction record has stood up well—with one notable 1958 exception (p. 1).

STUDY OF TV-RADIO CRITICS near completion for Fund for the Republic by newsman Patrick McGrady, who says "it's the attitude that counts" (p. 4).

36 STATIONS STARTED IN 1958, some in major markets as network basics; one of 13 that quit may be back. Notes on upcoming stations (p. 5).

LIST OF NEW 1958 TV STATIONS in U.S. and Canada—and 13 in U.S. that went off air during the year, including starting & quitting dates (p. 5).

TV NETWORK BILLINGS continue upward climb in Oct., rising 6.6% from Oct. 1957. Totals for 10 months are 10.1% ahead of same period last year (p. 6).

RADIO'S FINANCIAL IMPROVEMENT in 1957 documented by FCC. Receipts up 7.8% to \$517,900,000, profits up 11% to \$54,600,000 (p. 6).

TV & RADIO FAIL PUBLIC by sticking to straight news, shunning opinions by commentators on issues, says Civil Liberties Educational Foundation (p. 7).

NETWORK TV LEADS AGAIN in National Advertising Index for Oct. while newspapers, magazines, outdoor show first monthly 1958 gains over 1957 (p. 7).

JUSTICE DEPT. & FCC DISAGREE on Philco protest of NBC license renewal, in brief before Supreme Court. Justice claims FCC should give Philco a hearing (p. 8).

NECROLOGY, 1958: List of those in TV-radio, related arts & industries who died (p. 14).

Manufacturing-Distribution-Finance

TRADE PREDICTIONS FOR 1959 indicate modest first-half increase, bigger boost as year goes along. New TV-radio features planned for midyear (p. 11).

BREAKUP OF CANADIAN PATENT POOL no business of ours, says Toronto's influential *Financial Post*. Anti-trust action also is criticized at home (p. 13).

1959 OUTLOOK—THE DIGEST'S PREDICTIONS: Our batting average has been pretty high in this neck-sticking-out dept. in past years -- albeit we made one egregious goof in this column year ago (Vol. 14:1) when we predicted that the then Moulder committee "won't find any sensations" at the FCC. But, then, who among us ever dreamed 1958 would be a year of such tribulations for that always-harrassed agency?

Our soothsaying stood up rather well, otherwise -- and so we venture forth once again on subjects of most vital interest and importance to our readership. What follows is the gist of consultations with authorities in each field and of the best thinking of our own staff after numerous editorial conferences:

Allocations: Lots of study -- no final action. FCC will study the TASO technical findings. President's advisors and everyone else will study recommendations of Special Advisory Committee on Telecommunications. FCC & military will study the possibility of releasing military vhf frequencies for TV, will decide it's not feasible. FCC will study non-broadcast services demands for vhf TV spectrum. Senate Commerce Committee will blast Commission because it isn't making uhf work.

Network Practices: FCC will say must-buy must go -- and it will be gone, as NBC joins CBS & ABC in discontinuing the practice. FCC will say that option-time must stay -- and it will stay. But Justice Dept. will say it's illegal, will go to court to try to prove it -- and matter will dangle in courts balance of year. Commission will promulgate some minor changes recommended by its staff, won't buy the major ones such as lowering ceiling on multiple-station ownership.

Programming: TV schedules will go right on attracting large criticism -- and large audiences. News and special events will get more time in some quarters, due possibly to Murrow-type critiques (Vol. 14:48), the Magnuson query (Vol. 14:51) --

and, probably most important, the forecasts of a bull market for general business (Vol. 14:50), which would mean more spendable income for TV. No one foresees abatement of giddyap sagas. Specials -- the darlings of public, press & advertisers alike -- will continue strong. Live shows may make progress. ABC's idea for kicking off new shows in spring, to give them healthy rating momentum by time competitors get going in fall, may eventually prod others to follow -- which would end traditional viewer unhappiness about summer program doldrums. As to violence, nets plead not guilty; syndicates aren't talking; and the scriptwriters know that, as in radio's emotion-charged, quarrelsome soap-opera heyday, conflict is the audience-catching essential ingredient of their finished product -- and nothing is more tellingly "conflict" than a punch in the jaw.

20 New Stations—Maybe: "There won't be as many as 40 new station starters in 1958," we said in this column a year ago -- and the exact number turns out to be 36. We had predicted 40 for 1957, and hit it on the nose. That compared with 45 in 1956, 59 in 1955. Now, we're quite sure number won't exceed 20 in 1959, basing figure on number of CP holders who actually have equipment on hand or who have signed network affiliations. Total number of CPs outstanding is 188 -- but 135 are for uhf's which probably won't be built. Progressive decline in the number of new starters is readily explained: channel availabilities, economic limitations, hesitancy to venture into uhf. Of the 20 we predict for 1959, at least 9 will be educationals. Only 2 Canadian newcomers are presently slated for 1959 vs. 5 that started this year. Thirteen stations quit the air in 1958, all uhf's save 2; latter were in Kalispell, Mont. (Ch. 9), which returned to air in Oct. after 6 months of shutdown, and in Philadelphia-Wilmington (Ch. 12), closed down by Storer on Sept. 13. [For complete list of U.S. & Canadian stations starting & quitting in 1958, see p. 5.]

Federal Communications Commission: No "ripper" legislation to abolish FCC and establish a new agency. But Congress will adopt law making "influence" attempts a crime. Incumbent commissioners will hold up well under additional wild charges from Capitol Hill; some former members' troubles will continue and some Congressmen will be embarrassed by boomeranging allegations. Chairman Doerfer will continue to try mightily to cut red tape, speed decisions, probably in vain. Comr. Hyde will be renominated, confirmed rapidly. One member will resign to take good job.

Federal Trade Commission: Already under hot Congressional fire for not doing enough, FTC will bear down more heavily than ever on fraudulent TV & radio commercials. Tiny staff of special TV-radio monitoring unit will be expanded under new chief Charles A. Sweeny (Vol. 14:49). Tip: Advertised claims for drugs and cosmetic preparations have long been Sweeny's particular interest.

Subscription TV: More noise -- not much else. Rep. Harris' Commerce Committee will conduct hearings, provide fine forum for antagonists. Hearings will run in fits and starts -- for months & months. FCC will hold everything pending Congressional action, and no action will come next year. Meanwhile, there'll be big gushes of publicity about plans to wire up huge cities for closed-circuit pay-TV, outside FCC jurisdiction, while insiders mulct suckers via promises of fantastic future.

Educational TV: Eight more ETV stations having gone on the air in 1958 (making total of 35), and 9 scheduled to start in 1959, ETV's status still is a long way from GE's Paul Chamberlain's predicted "more educational than commercial stations within 10 years" (Vol. 14:39). But there would seem to be real substance to Chamberlain's thinking when you contemplate growing student populations, teacher shortages, demand for trained personnel, efficacy of TV as a teaching medium -- and, inevitably, the eventual channeling of public moneys into ETV. Commercial interests will continue expanding ETV shows, most notable of which is NBC's smash "Continental Classroom." Congressional supporters of Federal aid to ETV will pick up where they left off last session (Vol. 14:46) and push through legislation authorizing govt. grants to help schools buy equipment. Sen. Magnuson (D-Wash.) and Rep. Udall (D-Ariz.) will rein-

roduce bills for \$51,000,000 aid to ETV (\$1,000,000 for each State and Territory) and momentum from last Congress, when program was approved by Senate and by House committee, should be enough to bring enactment. President Eisenhower's budget-balancing barrier to new Federal expenditures will be a hurdle, but there's enough support to jump it. Meanwhile, Ford Foundation, supporting Joint Council on Educational TV and the Ann Arbor Center, continues lead in priming ETV pumps -- and projected new School of Communications at U of Pennsylvania (Vol. 14:51) is concrete evidence of great importance now attached to training of youth for TV-radio careers.

Community Antennas, Boosters, Etc.: Bills will be introduced to require FCC to regulate CATV; hearings will be conducted but bill won't pass next year. FCC will employ various devices to keep proposed CATV-microwaves from producing competition to small-town stations. CATV operators will provide more & more services to their subscribers -- more TV channels, AM, FM, even stereo. Number of CATV systems will increase slightly from today's, 600-odd, but number of subscribers will grow rapidly. Unauthorized boosters will be outlawed -- or firm engineering standards will be imposed, but booster operators will be given lots of time to go off air or to comply with new standards. Uhf translators will pop up like mushrooms in spring & summer -- tripling today's 146 -- and 100-watt operations will show surprising range, bringing good TV signals to more isolated hamlets.

Transfers of Stations: This was the most active year ever for station sales and transfers, TV-radio properties ranging in sales prices from the \$20,000,000 paid by CBS for Philadelphia Bulletin's WCAU & WCAU-TV (Ch. 10) -- \$12,600,000 being evaluation on the TV, \$3,000,000 on radio, \$4,000,000 on plant & real estate -- to low of \$50,000 in recent deal (Vol. 14:50) for debt-ridden KDRO-TV, Sedalia, Mo. (Ch. 6). It's anybody's guess whether there will be any more deals as big as the one in Philadelphia, which ranked ahead of the \$15,750,000 paid Bitner by Time Inc. for 3 TVs & 3 AMs, the \$10,000,000 by Storer for Herbert Mayer's Cleveland vhf & Portland uhf, the \$9,750,000 by Westinghouse for DuMont's pioneer Pittsburgh station (now KDKA-TV) and the \$8,500,000 it paid for Philco's WPTZ, Philadelphia (now WRCV-TV). But if more major stations are sold, it can be assumed the figures will run high. Though it would seem no more "bargains" are available among the 500-odd commercial stations, plenty of capital is seeking TV outlets -- including virtually every multiple owner who doesn't already have his full allowable quota of 5 vhf's & 2 uhf's. [For ownerships of all stations, see TV Factbook No. 27; for multiple ownerships, pp. 385-88.] As for AMs, hardly a week passes without reports of station sales, duly recorded in our weekly AM-FM Addenda, but few ever achieve 7-figure dimension.

Movies & TV: Hollywood dike against release of post-1948 features to TV -- already cracked by such big companies as Republic Pictures & United Artists -- will suffer further erosion in 1959. It may be broken wide open. New American Congress of Exhibitors will try to come up with save-the-theatres device to "hold the line at '49." But Theatre Owners of America proposal to buy up newer titles, thereby keeping them from TV screens, is getting nowhere. And pre-1948 backlogs won't last forever in a voracious TV market, which has been godsend to hard-pressed studios. They will be under increasing pressure from stockholders & banks to unloose their post-1948 libraries. At same time more & more movie-makers will go more & more into production for TV, concentrating on "blockbusters" for theatrical release. Note: One of last holdouts against TV, Sam Goldwyn, probably will make his backlog of top-hole features available soon for TV syndication; negotiations are under way.

Foreign TV: Year of greatest growth yet -- sets-in-use rising from 25,000,000 to 35,000,000, stations from 600 to about 800. Britain, Japan, Italy & Germany will continue to lead in TV penetration -- but some others will spurt suddenly, notably France and several Latin American countries. Clamor for commercialization will rise to point where some Govts. will give in, as in Britain -- after having resisted commercial radio since the start of broadcasting. Critics will deplore TV fare, public will love it -- as in U.S.

CRITIQUE OF CRITICS NEAR COMPLETION: Influence of TV-radio columnists on programs has long been an intriguing unknown, but the industry & public are hoping for some enlightenment soon -- from an exhaustive study-nearly concluded by newsman Patrick McGrady, under assignment from Ford-endowed Fund for the Republic (Vol. 14:33).

We checked with McGrady last week, found him in throes of writing, expecting to finish work momentarily. However, he said, it's up to the Fund whether his report sees light of day -- "whether they think it's any good."

McGrady went at job in workmanlike fashion, spent 2 months on the road, interviewing 44 critics on newspapers & magazines. He wouldn't scoop Fund on his conclusions, of course, but he said report goes not only into content of critics' columns but into "who-&-what" the critics are personally.

Most columnists come from other departments of their publications -- "quite a few from sports, even from obituaries," he said. He noted that Time Magazine's TV-radio specialist, Dick Seamon, recently went over from sports dept.

"Background of the writers is deceptive," McGrady said. "The 'ideal' isn't always ideal. For example, you might expect a former drama critic to be a natural. That isn't necessarily so. It's the attitude that counts."

McGrady spent at least 2 hours with each columnist, frequently up to 10-11 hours. He also interviewed station personnel, editors, advertising men, network executives -- "to determine their relationships with critics."

TV reviewers "work too hard" but "they're very well paid in metropolitan areas -- ranging from \$9-10,000 to \$65,000." Though he didn't identify the \$65,000 man, we'd guess that it's N.Y. Herald Tribune Syndicate's John Crosby.

McGrady is an experienced newsman, worked for AP, UP & Chicago Sun-Times, recently was exec. editor of NBC-TV's "Briefing Session." His study is part of the Fund's many-sided TV investigation which produced excellent report on TV journalism by N.Y. Times' Herbert Mitgang (Vol. 14:16). It also has following in the works:

Pay-TV Controversy, by Robert W. Horton, ex-information director of National Defense Advisory Commission. Censorship, by Charles Winick, of MIT's leisure time project. Audience Rating Systems, by J. E. Patterson, of Business Week Magazine.

Fund's technique of going about a study is to pick experienced man, keep hands off his operation, publish his report if it's considered competent.

Courtroom camera coverage by TV & press was authorized this week by Municipal Judge James Spencer in Jackson, Miss. despite American Bar Assn.'s Canon 35 ban on photographers at trials (Vol. 14:50). He told *Jackson Daily News* (WJTV) that "newspaper or any news media . . . has the right to show the public through photos, drawings & written reporting what their servants & court guardians are doing." Only restrictions he laid down were that cameramen musn't interfere with court proceedings, and judge must be notified of their plans before court opens. Earlier, Circuit Court Judge Stanton Hall, of Hattiesburg, Miss., also authorized "unobtrusive" photography at trials.

Marie Torre has court date with Federal Judge Sylvester J. Ryan Dec. 30 to tell him why she shouldn't go to jail for 10 days for refusing to divulge source of *N. Y. Herald Tribune* TV-radio column story about singer Judy Garland (Vol. 14:50). Show-cause order, opening way for Miss Torre's lawyers to file motions for delay in execution of sentence for contempt of court, was issued this week by N. Y. District Court judge after he received formal notice from Supreme Court that it wouldn't review case. Miss Torre was convicted for defying demand by court that she name CBS v.p. she quoted in column, which was cited by Miss Garland in \$1,393,333 libel-breach-of-contract suit against network.

USSR vs. U. S. Networks: Moscow broadcasts by NBC were banned this week by Soviet press office as "punishment" for evasion of censorship by correspondent Irving R. Levine in transmitting Dec. 2 interview with Sen. Humphrey (D-Minn.). Move against NBC followed expulsion from Russia of CBS's Paul Niven because network carried "The Plot to Kill Stalin" on *Playhouse 90* (Vol. 14:41,44). But unlike Niven, Levine was permitted to stay in Moscow and use cable & telephone facilities. While Levine was en route to N. Y. Dec. 23 for year-end NBC shows, his Moscow substitute, Edmund Stevens of *Time & Life*, was cut off in middle of broadcast being taped by NBC here, Russian censors making no explanation. But 30 hours later Stevens' broadcasting privileges were restored.

TV advances in 1958 despite recession are noted in year-end statement by NAB pres. Harold E. Fellows, who boasts: "The achievement of TV in not only holding its own but actually expanding during a slump demonstrates the acceptance TV has achieved in American life." He notes that: (1) TV advertising increased 10% over 1957 to new high of \$1.42 billion. (2) Operating stations totaled 512 vs. 495 year earlier [actual on-air total is 545, including 35 educationals]. (3) Sets-in-use grew from 44,500,000 to 48,300,000. (4) TV viewing increased 8% from 239,000,000 "home hours per day" to 259,000,000.

New & Upcoming Stations: Year draws to close with 36 brand-new starters, with possibility that one of the 13 that left the air during 1958—CBS's WHCT, Hartford (Ch. 18), sold to Edward Taddei group (Vol. 14:46, 49)—may get going again shortly after Jan. 1. Eight of the 1958 starters were educationals, 6 were satellites.

There were 7 new commercials in major markets: KIRO-TV, Seattle (Ch. 7), which began as basic CBS affiliate Feb. 8; KTVU, Oakland-San Francisco (Ch. 2), independent, March 2; WTAE, Pittsburgh (Ch. 4), ABC, Sept. 14; WJRT, Flint, Mich. (Ch. 12), ABC, Oct. 12; WKBW-TV, Buffalo (Ch. 7), ABC, Nov. 30; WTOL-TV, Toledo (Ch. 11), CBS & NBC, Dec. 5; independent KLOR-TV, Provo, Utah (Ch. 11), which overlaps into Salt Lake City.

For complete list of 1958 starters, with dates they went on air and AM affiliations, if any, including the 5 in Canada, see adjoining column.

* * * *

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

WQEX, Pittsburgh (Ch. 16) hasn't more specific target than Jan. or Feb. for start as city's 2nd educational outlet, reports gen. mgr. Wm. C. Dempsey for owners, also operators of Pittsburgh's WQED (Ch. 13, educational). GE 12-kw transmitter is on hand, and it will use repaired GE antenna on WQED's 500-ft. Blaw-Knox tower.

KDPS-TV, Des Moines (Ch. 11, educational) has postponed programming to latter Feb. or early March, reports station mgr. C. F. Schropp, also director of audio-visual education for grantee Des Moines School District. It has built 100-ft. of 300-ft. self-supporting tower on roof of 70-ft. high studio-transmitter house. It will use 5-kw RCA transmitter, 6-bay antenna. Ralph Joy will be program director; Fred Kelley, educational TV & radio director; Howard Andreasen, chief engineer.

WMUB-TV, Oxford, O. (Ch. 14, educational), with studio-transmitter building scheduled for completion in Feb., is keeping to March target, writes Stephen Hathaway, director of broadcasting for grantee Miami U. It has RCA 1-kw transmitter on hand and 6-section helical antenna has been installed on 320-ft. Truscon tower.

WENH, Durham, N. H. (Ch. 11, educational), changing equipment to 5-kw GE transmitter, has moved target to late Feb. or early March, reports Jere A. Chase, director of development for grantee U of New Hampshire. Transmitter house on Saddleback Mt. is ready and work on studios in Memorial Union Building has begun. Stainless 360-ft. guyed tower with 12-bay antenna will be used.

KVOG-TV, Ogden, Utah (Ch. 9) has changed target from March to Aug. 15, 1959, reports David B. Affleck, asst. mgr. of radio KVOG. Delivery date of RCA transmitter hasn't been set, although footings and foundation are in for 400-ft. Gates tower. Network affiliation hasn't been signed; base rate not set. Rep will be Grant Webb.

* * * *

CHAB-TV, Moose Jaw, Sask. (Ch. 4), due to receive 6-kw RCA transmitter soon, still hasn't more definite target than "early in 1959," reports mgr. Sid Boyling for owner J. D. Moffat. Studio-transmitter building is scheduled to be ready in 6 weeks and anchors are ready for 440-ft. Walcan tower furnished by Stainless. Base hour will be \$200. Rep will be Television Representatives.

CJDC-TV, Dawson Creek, B. C. (Ch. 5) has changed target to Jan. 15, reports pres. H. L. Michaud. It will use 200-watt GE transmitter, 70-ft. tower with Alford antenna. Base hour will be \$100. Reps will be Donald Cooke and TV Representatives.

Stations Starting During 1958

With List of Those Which Left Air During Year
List in order of on-air and off-air dates.

STATIONS STARTING

| Call Letters | City & State | Channel | Starting Date | AM Adjunct |
|------------------------|--------------------------|---------|---------------|------------|
| ¹ KXLJ-TV | Helena, Mont. | 12 | Jan. 1 | KXLJ |
| ² KMOT | Minot, N. D. | 10 | Jan. 1 | — |
| †WIPR-TV | San Juan, P. R. | 6 | Jan. 6 | WIPR |
| ‡KUED | Salt Lake City, Utah .. | 7 | Jan. 20 | — |
| KRSD-TV | Rapid City, S. D. | 7 | Jan. 17 | KRSD |
| ³ KTRX | Kennewick, Wash. | 31 | Jan. 28 | — |
| WLOF-TV | Orlando, Fla. | 9 | Feb. 1 | WLOF |
| KIRO-TV | Seattle, Wash. | 7 | Feb. 8 | — |
| ⁴ WTVC | Chattanooga, Tenn. ... | 9 | Feb. 11 | — |
| ⁵ WSUR-TV | Ponce, P. R. | 9 | Feb. 15 | — |
| †WETV | Atlanta, Ga. | 30 | Feb. 17 | — |
| ⁶ KDUH-TV | Hay Springs, Neb. | 4 | Feb. 20 | — |
| KTVU | Oakland-San Francisco .. | 2 | March 2 | — |
| WBPZ-TV | Lock Haven, Pa. | 32 | March 2 | WBPZ |
| KGHL-TV | Billings, Mont. | 8 | March 15 | KGHL |
| ⁷ KVIQ-TV | Eureka, Cal. | 6 | April 1 | — |
| †KNME-TV | Albuquerque, N. M. | 5 | May 1 | — |
| KRTV | Great Falls, Mont. | 3 | June 15 | — |
| KAYS-TV | Hays, Kans. | 7 | Sept. 2 | — |
| †WFPK-TV | Louisville, Ky. | 15 | Sept. 8 | — |
| †WJCT | Jacksonville, Fla. | 7 | Sept. 10 | — |
| KBLR-TV | Goodland, Kan. | 10 | Sept. 11 | KBLR |
| WTAE | Pittsburgh, Pa. | 4 | Sept. 14 | — |
| KTES | Nacogdoches, Tex. | 19 | Sept. 20 | — |
| KCMT | Alexandria, Minn. | 7 | Oct. 8 | — |
| WJRT | Flint, Mich. | 12 | Oct. 12 | WJR |
| ^{5*} KULR | Kallspell, Mont. | 9 | Oct. 17 | KGEZ |
| †WEDU | Tampa, Fla. | 3 | Oct. 27 | — |
| ⁹ KGLD | Garden City, Kan. | 11 | Nov. 5 | — |
| KCIX-TV | Nampa, Ida. | 6 | Nov. 9 | — |
| †WUFT | Gainesville, Fla. | 5 | Nov. 17 | WRUF |
| ¹⁰ KALA | Walluku, Maul. | 7 | Nov. 19 | — |
| KXAB-TV | Aberdeen, S. D. | 9 | Nov. 27 | — |
| WKBW-TV | Buffalo, N. Y. | 7 | Nov. 30 | WKBW |
| KVKM-TV | Monahans, Tex. | 9 | Dec. 1 | KVKM |
| ^{11*} WWOR-TV | Worcester, Mass. | 14 | Dec. 1 | — |
| WTOL-TV | Toledo, O. | 11 | Dec. 5 | WTOL |
| KNOP | North Platte, Neb. | 2 | Dec. 15 | — |
| KLOR-TV | Provo, Utah | 11 | Dec. 17 | — |

†Educational, non-commercial outlet. *Resumed operation after being off air. ²Satellite of KXLF-TV, Butte, Mont. ³Satellite of KFRY-TV, Bismarck, N. D. ⁴Quit air Nov. 5, 1958. ⁵Resumed operation as WTVC after move from Rome, Ga., where it used WROM-TV. ⁶Affiliated with WAPA-TV, San Juan, P. R. ⁷Satellite of KOTA-TV, Rapid City, S. D. ⁸Affiliated with KVIP-TV, Redding, Cal. ⁹Call letters changed from KGEZ-TV. ¹⁰Satellite of KCKT, Great Bend, Kan. ¹¹Satellite of KONA, Honolulu. ¹²Satellite of WWLP, Springfield, Mass.

U. S. STATIONS LEAVING AIR IN 1958

| Call Letters | City & State | Channel | Date | AM Adjunct |
|--------------|---------------------------|---------|----------|------------|
| *KGEZ-TV | Kallspell, Mont. | 9 | April 7 | KGEZ |
| WITV | Ft. Lauderdale, Fla. | 17 | May 11 | — |
| WFLB-TV | Fayetteville, N. C. | 18 | June 20 | WFLB |
| KSAN-TV | San Francisco, Cal. | 32 | June 21 | KSAN |
| †WKAR-TV | E. Lansing, Mich. | 60 | June 28 | WKAR |
| EFSA-TV | Ft. Smith, Ark. | 22 | Aug. 16 | KFSA |
| WNOW-TV | York, Pa. | 49 | May 31 | WNOW |
| WBLN | Bloomington, Ill. | 15 | June 5 | — |
| WVUE | Wilmington-Philadelphia | 12 | Sept. 13 | WIBG |
| **WILK-TV | Wilkes-Barre, Pa. | 34 | Sept. 10 | — |
| WBUF | Buffalo, N. Y. | 17 | Sept. 30 | — |
| WHCT | Hartford, Conn. | 18 | Nov. 15 | — |
| XTRX | Kennewick, Wash. | 31 | Nov. 5 | — |

*Returned to air Oct. 17 and call changed to KULR. **Taken off air when merger with WNEP-TV, Scranton-Wilkes-Barre (Ch. 16) was completed. †Educational, non-commercial outlet.

1958 CANADIAN STARTERS

| Call Letters | City & Province | Channel | Starting Date | AM Adjunct |
|--------------|---------------------------|---------|---------------|------------|
| CKBI-TV | Prince Albert, Sask. | 5 | Jan. 27 | CKBI |
| CKTM-TV | Trois-Rivieres, Que. | 13 | April 15 | — |
| CKOS-TV | Yorkton, Sask. | 3 | June 19 | — |
| *CFCL-TV-2 | Elk Lake, Ont. | 2 | July 1 | — |
| CKBL-TV | Matane, Que. | 9 | Aug. 19 | CKBL |

*Satellite of CFCL-TV, Timmins, Ont.

Network Television Billings

October 1958 and January-October 1958

(For Sept. report see *Television Digest*, Vol. 14:46)

NETWORK TV BILLINGS in Oct. continued their 1958 rise pattern, going 6.6% above Oct. 1957 for total of \$52,503,617, bringing 10-month total this year 10.1% ahead of same 1957 period—\$460,620,257 vs. \$418,461,087, according to TvB. CBS kept its long-standing volume leadership with \$21,878,506 billings in Oct., but slipped 2.4% under Oct. 1957, while ABC scored 23.1% increase and NBC went up 10.2%. Complete TvB report for Oct.:

NETWORK TELEVISION

| | Oct. 1958 | Oct. 1957 | % | Jan.-Oct. 1958 | Jan.-Oct. 1957 | % |
|--------------|---------------------|---------------------|-------------|----------------------|----------------------|--------------|
| | | | Change | | | Change |
| ABC | \$ 9,960,524 | \$ 8,093,724 | +23.1 | \$ 82,212,708 | \$ 66,376,706 | +23.9 |
| CBS | 21,878,506 | 22,421,673 | -2.4 | 203,070,337 | 195,897,167 | +3.7 |
| NBC | 20,664,587 | 18,752,891 | +10.2 | 175,337,212 | 156,187,214 | +12.3 |
| Total | \$52,503,617 | \$49,268,288 | +6.6 | \$460,620,257 | \$418,461,087 | +10.1 |

1958 NETWORK TELEVISION TOTALS BY MONTHS

| | ABC | CBS | NBC | Total |
|-----------|-------------|--------------|--------------|--------------|
| January | \$9,168,609 | \$22,094,015 | \$18,344,111 | \$49,606,735 |
| February | 8,441,988 | 19,410,741 | 16,785,315 | 44,638,044 |
| March | 9,402,407 | 21,211,070 | 18,874,597 | 49,488,074 |
| April | 8,739,456 | 20,628,511 | 18,283,379 | 47,651,346 |
| May | 8,477,755 | 20,970,022 | 18,470,368 | 47,918,145 |
| June | 7,387,586 | 19,733,057 | 16,648,462 | 43,769,105 |
| July | 7,083,555 | 18,322,925 | 15,702,029 | 41,118,509 |
| August | 6,923,735 | 19,383,736 | 15,202,021 | 41,509,492 |
| September | 6,627,093* | 19,427,754* | 16,362,343* | 42,417,190* |
| October | 9,960,524 | 21,878,506 | 20,664,587 | 52,503,617 |

* Figures revised as of Dec. 16, 1958.

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

B. T. Babbitt Inc., 123-year-old N. Y. manufacturer & marketer of cleansers & toilet products (agencies: Donahue & Coe and Doyle Dane Bernbach Inc.) has purchased for undisclosed cash price the assets, trademarks, etc. of Charles Antell Inc., Baltimore manufacturer of lanolin hair preparations, etc. (agencies: Joseph Katz Co. and Paul Venze Adv. Assoc.). Both have long been major TV-radio advertisers. A. N. LaBelle, recently sales director of Lambert-Hudnut, has been named Babbitt v.p. in charge of new Charles Antell Div.

"Do's & don'ts" of TV-radio managers visiting adv. agency timebuyers are set forth in report on *Visits by Station Management*, analyzing responses of 254 panelists surveyed in 173 agencies throughout the country, being made available on request from NBC Spot Sales, 30 Rockefeller Plaza, N. Y. NBC gen. sales exec. Tom McFadden says it's "required reading" for station executives, suggests "timebuyers will benefit, too, because future visits will be more concise, more informative and generally more meaningful."

WLW Promotions, Dayton, O., holding franchises on transportation advertising in 12 cities, has taken over Pittsburgh franchise formerly held by bankrupt National Transitads, ex-Transitads mgr. Harry Foster remaining in charge.

Another report on Negro radio audience (Vol. 14:39) appears in Nov. *U. S. Radio*, which states more than 550 stations now carry programs full or part time for this segment of American population (about 18,500,000).

New reps: KTVK, Phoenix, to Blair Television Assoc. Jan. 1 (from Weed); KRSD-TV, Rapid City, S. D., to Meeker (from Devney).

FCC Charts Radio Resurge: Precise figures on improvement of AM-FM radio's financial position in 1957 were released by FCC this week. Figures are a year old—necessarily so, because of collection & collation problems—but they're official and reliable (for digest of FCC's 1946-1956 figures, see *TV Factbook No. 27*, p. 22). FCC does not attempt even preliminary estimates for current year, but these are the salient figures for 1957:

(1) Total AM-FM revenues of networks & stations were \$517,900,000, up 7.8% from 1956's \$480,600,000; income (profit) before Federal income taxes was \$54,600,000, up 11% from \$49,200,000.

(2) The 4 nationwide networks and 3 regionals (Yankee, Don Lee, Texas State) and their 21 owned-&-operated stations had combined revenues of \$73,500,000, up 4.7% from 1956's \$70,200,000; but they lost \$64,000 in 1957, compared with slight profit of \$400,000 in 1956.

(3) Non-network-owned stations (3143 reporting in 1957, 2947 in 1956) had revenues of \$444,400,000, up 8.3% from 1956's \$410,400,000; income was \$54,600,000, up 11.9% from \$48,800,000.

(4) Breakdown of time sales for all networks & stations (excluding the 67 FM-only): \$51,660,000 network, up 6.7%; \$169,511,000 national & regional spot, up 16.5%; \$316,493,000 local, up 6.3%.

(5) Of 3084 stations reporting, 959 (31.1%) reported loss in 1957—vs. 849 losers (29.3%) out of 2902 reporting in 1956. Of the 67 FM-only stations, 44 suffered loss in 1957, compared with 36 out of 51 in 1956.

(6) In the 432 joint AM-FM operations, 319 reported no FM revenues while 113 reported receipts of \$1,100,000. The 67 FM-only had \$2,000,000 in revenues, lost \$500,000—vs. revenues of \$1,400,000, loss of \$400,000 by 51 FM-only in 1956.

* * * *

Included in FCC report is table comprising more than 200 cities with 3 or more stations, showing each market's aggregate sales, revenues & income—with time sales broken down into network, national & regional spot, local. Figures are lumped to avoid disclosure of any station's financial data.

Commission notes that TV in 1957 suffered 15.6% drop in profits from 1956—from \$189,600,000 to \$160,000,000—as reported earlier this year (Vol. 14:35), compared with radio's 1957 upsurge.

Combining TV & radio in 1957, FCC comes up with \$1.5 billion in receipts from sale of time, talent & program production, but it notes: "Excluded are \$204,000,000 in commissions paid to advertising agencies and station representatives and an estimated \$248,000,000 paid by advertisers for talent and production costs to organizations which do not operate networks or stations. Thus, total advertiser expenditures for radio & TV in 1956 are estimated at \$1.9 billion." [Editor's Note: This calculation is very close to that of McCann-Erickson researchers for the annual *Printers' Ink* Index; for breakdowns for 1957 and preceding years, see *TV Factbook No. 27*, p. 24.]

Report is Public Notice 67238, includes 8 tables elaborating on the foregoing. Copies may be obtained from the Commission—or if you're a subscriber, we'll get you one.

CBS radio affiliation of Meredith's KRMG, Tulsa, as of Jan. 5, replacing Griffin interests' KTUL, which is leaving network after 25 years in protest against new PCP plan (Vol. 14:51), was announced this week.

Do Networks Shun Opinions? American public can get plenty of straight news from TV & radio—and “networks provide extraordinary public service broadcasts on Sundays”—but broadcasters fall down badly in “free marketplace of thought” when it comes to day-by-day news analysis, commentary & debate.

These are conclusions of Asst. Prof. George N. Gordon of New York U's communications dept. in 37 pp. report, *Controversy on Radio & TV*, released this week by Civil Liberties Educational Foundation Inc. (15 W. 44th St., N. Y.). President of newly-organized, privately-financed Foundation, which has no official connection with American Civil Liberties Union, is UN mediator Dr. Frank P. Graham, ex-U. S. Senator & ex-pres. of the U of No. Carolina. Treasurer is John A. Thomas, ex-v.p., Benton & Bowles.

* * * *

On basis of March 23-April 30 monitoring of TV & radio network outlets in N. Y. during prime weekday hours (5-11 p.m.) by 4 NYU School of Education graduate students enlisted for Foundation's first pilot project, Gordon makes such findings as these:

(1) Despite “their massive influence and peculiar powers,” TV & radio do little to explore “significant issues of the day.”

(2) “In an effort to avoid controversy, to operate

safely as ‘industries,’ [TV & radio] shade the polarities of our political & social institutions . . . into the dull grey of neutrality . . .”

(3) “Instead of the elementary, obvious & exciting means of inducing opposing ideas to grapple in the free marketplace of thought, a host of devices for sparing the sensibilities of the audience and the spokesmen have been evolved: the panel discussion, with its moderator who is less a referee to a debate than a peacemaker; the interview program, with its loaded questions, rehearsed inquiries, and (now) expurgated video tape; and the carefully edited ‘report’ programs . . .”

(4) “It also appears that the more powerful & wealthy the network, the less likely it is to veer from the middle of the road in the selection of commentators. MBS, the largest but most loosely knit and least formidable of the 4 networks, has the greatest number [John T. Flynn, Fulton Lewis Jr., Gabriel Heatter] of commentators away from center. ABC, the next wealthiest organization, has 2 [George Sokolsky, John W. Vandercook]. CBS & NBC—the oldest, richest, fattest & most influential of the networks—have none at all.”

(5) “[Networks] are afraid of controversy. The airing of controversial issues, the presentation of a partisan or radical point of view (even if it is followed by rebuttal), is sure to offend a segment of the audience . . . And since they feel that their financial welfare is dependent on offending as few potential customers of consumer goods & services as possible, they have recourse only to silence, or, at best, to token displays . . .”

Upturn in Ad Index: Network TV and direct mail have lost distinction of being only ad media to show gains in 1958 over 1957, according to Dec. 26 *Printers' Ink* National Advertising Index. Newspapers, magazines & outdoor joined select circle in Oct., first 2 going 3% over Oct. 1957, outdoor edging up 1%—while network TV continued to show the way with 5% boost. Network radio was down 19%, business papers down 9%. Result was that cumulative drop for all media (excluding TV & radio spot, which aren't estimated) in first 10 months this year was reduced to 2%. These are the *PI* Index figures for Oct. & Jan.-Oct.:

| | Index | | % change from | | % |
|--------------------|-----------|-----------|---------------|------------|-------------------|
| | Oct. 1958 | Oct. 1957 | 1 month ago | 1 year ago | cumulative change |
| Medium | 1958 | 1957 | | | |
| General Index | 212 | 212 | + 8 | 0 | - 2 |
| Total Magazines | 164 | 159 | +13 | + 3 | - 6 |
| Weekly | 189 | 176 | +16 | + 7 | - 6 |
| Women's | 116 | 132 | + 8 | -12 | - 8 |
| General Monthly | 191 | 181 | + 9 | + 6 | - 3 |
| Farm | 92 | 111 | + 6 | -17 | -19 |
| Newspapers | 204 | 199 | +12 | + 3 | - 9 |
| Network Television | 429 | 407 | + 8 | + 5 | +10 |
| Network Radio | 26 | 32 | - 4 | -19 | - 8 |
| Business Papers | 198 | 217 | - 1 | - 9 | - 7 |
| Outdoor | 150 | 148 | 0 | + 1 | - 1 |

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. “Cumulative change” in the last column refers to the change, from the same period last year, of the index average from Jan. through Oct. 1958. Direct mail is not included in the general index, as data usually lag.

NBC-TV daytime promotion contest in which 80 affiliates participated was won this week by promotion mgr. Dean Faulkner of KOA-TV, Denver, for best job by basic station, and by sales promotion mgr. Peggy Cooper of WITN, Washington, N. C. for campaign by optional station. Each receives \$5000 cash. Prize contest produced more than 30,000 local spots and more than 100,000 lines of newspaper advertising plugging NBC-TV daytime shows.

Rate increases: KTLA, Los Angeles, Jan. 1 raises base hour from \$1500 to \$2000, min. remaining \$300; WFBG-TV, Altoona, Jan. 1 raises base hour from \$750 to \$800, min. \$170 to \$180. KREM-TV, Spokane, Jan. 1 raises hour from \$600 to \$625, min. \$120 to \$160. KOLO-TV, Reno, Jan. 1 adds class AA hour (7-10 p.m. daily) at \$400, min. at \$80, Class A hour going from \$300 to \$340. KSYD-TV, Wichita Falls, Jan. 1 raises hour from \$350 to \$400, min. \$80 to \$100. KMID-TV, Midland, Tex., Feb. 1 raises hour \$300 to \$350, min. \$60 to \$80. WORA-TV, Mayaguez, P. R. Jan. 1 adds class AA hour (6:30-9 p.m. daily) at \$200, min. at \$40, Class A hour going from \$173 to \$180. Spot increases: KTTV, Los Angeles, Dec. 1 raised base min. from \$600 to \$700. WEWS, Cleveland, Nov. 16 raised min. from \$475 to \$525. WISN-TV, Milwaukee, has raised min. from \$240 to \$265. KVOO-TV, Tulsa, raised min. from \$175 to \$192.50.

Grocery gimmick: ABC-TV's daytime shows will be promoted by blurbs printed on supermarket grocery sacks in new campaign throughout East & Midwest covering 8000 stores. Supermarket Affiliates Corp., which arranged participation of A&P, Safeway, Kroger, First National, Food Fair, Grand Union, Stop & Shop, ACF-Wrigley, Jewel Tea, Dilberts stores, in campaign, estimates ABC-TV program messages will be carried on 12,000,000 housewife shopping tours.

Network TV audience increased 7% nighttime, 5% daytime, in first 11 months of 1958 over same 1957 period, setting new record highs, according to TvB. Average number of homes reached for evening programs increased by 556,000; for weekday daytime programs, 140,000 more homes were reached.

Shift from uhf to vhf by WAST (formerly WTRI), Albany—which goes from Ch. 35 to Ch. 13 about Jan. 1—produces coincidental rate increase. Base hour goes from \$500 to \$800, min. \$100 to \$160.

FCC & Justice Dept. Disagree: Most unusual conflict in legal opinion has developed between FCC and Justice Dept. in connection with Philco's protest of renewal of NBC's WRCV, Philadelphia (Vol. 14:46). In a brief before U. S. Supreme Court this week, Solicitor General J. Lee Rankin said he agrees with Court of Appeals—that Commission should have given Philco a hearing on its protest, which alleged that Philco was injured by RCA promotion on the station. FCC general counsel John L. FitzGerald and staff argued that Philco's allegations of injury are "vague & insubstantial." Rankin stated: "Since the FCC, in the absence of objection, may take final administrative action authorizing construction of a broadcasting facility without conducting a hearing, hospitable consideration of a claim of standing serves the public interest, in our view, because it enables the agency and the reviewing court to consider and weigh substantial factual or legal objections which otherwise might not be presented & developed." FitzGerald asserted that Philco's claims of injury were "remote & speculative" but, even more important: "Indiscriminate extension of standing to force a hearing under Sec. 309(c) can thus have a grave effect upon the Commission's ability to control its docket and allocate its energies and attention to the problems whose merits are most deserving." Case is before Supreme Court because of NBC's appeal from lower court's decision. Curiously, neither Justice Dept. nor FCC stated whether or not Supreme Court should grant NBC's petition for writ of certiorari and review case.

Boston & Miami "influence" case developments: (1) Petition of *Boston Globe* to intervene in case with new evidence (Vol. 14:51) was opposed by Ch. 5 operator WHDH-TV, and FCC chief examiner James D. Cunningham bucked decision on intervention to full FCC. Justice Dept., as in Miami Ch. 10 case, informed Commission it will participate as *amicus curiae*. (2) Miami Ch. 10 applicant North Dade Video asked FCC to change procedure in case. Instead of ruling only on the "influence" angles considered by examiner Horace Stern (Vol. 14:49), it suggested that Commission consider the 4 original applicants on comparative basis at same time, determine which, if any, should get CP. North Dade stated that this would speed final disposition of case at FCC and in court.

FCC stood pat on its decisions in several allocations cases this week, by denying petitions for reconsideration of the following: (1) April 23 decision denying shift of Ch. 12 from Erie to Akron or Cleveland, Ch. 12 from Flint to Saginaw-Bay City-Flint. (2) March 21 decision denying deletion of Ch. 3 from Champaign-Urbana, Ill. (3) March 3 decision denying reclassification of Ch. 9, San Antonio, from educational to commercial. (4) Sept. 9, 1957 decision which added Ch. 13 to Albany, N. Y. area; FCC said it's still studying whether to add Ch. 13 to Rochester as well as to Albany. (5) April 7 decision denying shift of Ch. 10 from Terre Haute to Lafayette, Ind.

Indianapolis' Ch. 13, now occupied by Crosley's WLWI, should be given to educators, says Indiana Central College in petition filed with FCC this week. Commission has set Jan. 23 as date for oral argument over the channel, following orders of Court of Appeals, which had ruled that WLWI's CP was defective because Comr. Craven had voted without having heard oral argument (Vol. 14:50).

Translator CPs: Ch. 71, Seaside, Ore., to Seaside Video Club, to repeat KGW-TV, Portland; Ch. 72, Verdi, Nev., to repeat KOLO-TV, Reno.

Functional Music Questions: FCC is keeping tight control of FM stations pending litigation over definition of "broadcasting"—this week deferring approval of renewals of WFMF, Chicago, & WEAW-FM, Evanston, Ill. Commission had ordered FM stations which offer functional music and similar subsidiary services to switch to multiplexing from simplexing, but stations persuaded Court of Appeals to reverse Commission (Vol. 14:45). FCC is asking Court to reconsider ruling, stating that Court has "misconception" of simplexing. In letters to the stations, Commission says there are "serious questions" as to whether planned music and storecasting schedules and techniques constitute an "abdication of your responsibility as a licensee to retain control over your programming and to remain free to alter your program service as the needs of the public in your area may require." FCC also questions whether stations are violating rules on sponsor and station identification.

Bound and Indexed

We will index and bind, between embossed hard book covers, a limited quantity of all 1958 issues of the Television Digest Weekly Newsletters, plus the semi-annual TV Factbook with all Addenda, plus all Supplements and Special Reports. This volume will provide a handy and handsome permanent reference for your own or your company library. Orders will be taken until Jan. 9. Price: \$25 per volume.

Owners of WATO, Oak Ridge, Tenn. (250-U, 1490 kc) are buying out town's other radio, WOKE (1-kw-D, 500-N, 1290 kc), from Arthur D. Smith Jr. & Carter M. Parham for payment of \$30,000 liabilities. Buying group comprises Frank E. Pellegrin, 25% owner & v.p.-secy. of reps H-R Television and H-R Representatives Inc. and 13% owner of WLAJ, LaFollete, Tenn.; Carlin S. French, ex-rep, 90% owner of WDXB, Chattanooga & 8.7% of WLAJ; Samuel P. Thrower, WATO pres.-gen. mgr. This week, also, FCC got application for transfer of KUEQ, Phoenix, from Frank Bark Jr., George Sorensen & Jack Caviness to Dynamics Inc. (Walter Hall & Carson Cowherd, Kansas City realtors) under 20-year lease deal with option to buy for \$295,000; Allen Kander was broker. [For news about other radio station transfers, see *AM-FM Addenda ZZ*.]

FCC's CATV-microwave freeze (Vol. 14:42) was upheld by Court of Appeals this week, as Judges Prettyman, Washington & Bazelon issued brief unanimous decision stating, in essence, that Commission has authority to hold up microwave grants while it studies impact of community antennas on small-town TV stations. Court said delay involved isn't so great as to warrant its intervention. Suit to force grants from FCC had been instituted by Mesa Microwave, which seeks to serve CATV systems in Laredo, Tex., and Ft. Myers & Tallahassee, Fla.

WREC Broadcasting Service Inc., newly formed by 100% owner Hoyt Wooten coincident with decision not to go through with sale of his WREC-TV (Ch. 3) with radio WREC, Memphis, to Cowles for \$6,000,000 cash (Vol. 14:50), is disclosed in FCC transfer papers last week as having total assets of \$365,779 (\$312,183 allocated to TV operations), current assets of \$21,826, current liabilities of \$100,000, net worth of \$165,779. Before incorporation, total assets were put at \$914,920, current assets \$576,390, current liabilities \$205,661, net worth \$609,256. Before-tax profit for 9 months ended Sept. 30, 1958 was \$358,770, profit after taxes \$68,421.

Television Digest

with ELECTRONICS REPORTS

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Personal Notes: Barry Wood, ex-NBC v.p. in charge of *Wide Wide World*, etc., who resigned earlier this year to join CBS, quits *Jimmy Dean Show* to produce pilot of night variety musical to be titled *A Song a Minute*; he's the one-time *Hit Parade* singer . . . Edward S. Friendly Jr., since early 1957 CBS-TV daytime program director, ex-ABC national director of sales, returns to producing by taking over *Jimmy Dean Show* . . . Charles C. (Bud) Barry, Loew's Inc. v.p. in charge of MGM-TV, an ex-NBC v.p., reported to have submitted resignation over policy differences, though contract hasn't yet expired . . . Frank M. Russell, ex-NBC v.p., now its Washington consultant, named to Advisory Council of Mass Communications History Center, Wisconsin State Historical Society . . . Guy Herbert retires as v.p. & managing director of All-Canada Radio & Television Ltd., Toronto, succeeded by gen. mgr. Stuart MackKay . . . Charlie Stone resigns as v.p. of WJXT, Jacksonville, his duties to be assumed by pres. Glenn Marshall; he plans own consulting firm, with *Washington Post* broadcast div. among clients . . . Frank Fitzsimonds resigns as v.p. & mgr. of KBMB-TV, Bismarck, N. D., planning to acquire radio property to be announced later; Constance Blackstead, ex-KXJB-TV, Valley City, N. D., named program mgr., succeeding Tom Starkle, resigned . . . Reed Miller, handling TV-radio matters with Paul A. Porter, elevated to partner in Washington law firm of Arnold, Fortas & Porter . . . Fred Rowe and Aloysius B. McCabe promoted as of Jan. 1 to partners in Kirkland, Ellis, Hodson, Chaffetz & Masters, Washington counsel for various

ADVERTISING AGENCIES: Marion Harper Jr. promoted to chairman of McCann-Erickson, succeeding Harrison King McCann, now honorary chairman . . . John A. H. Rehm, pres. of Paris & Peart, becomes vice chairman of Gardner Adv. in merger of Paris & Peart into Gardner Jan. 1; Elmer G. Marshutz continues as chairman; Charles E. Claggett, as pres. . . Howard A. Jones promoted to pres. of Keyes, Madden & Jones, succeeding Edward D. Madden, who becomes vice chairman of Geyer, Morey, Madden & Ballard Jan. 1 . . . Robert H. Powell, pres. of Powell Adv., Detroit, becomes v.p. of new Detroit office of Cunningham & Walsh, in merger of Powell into that agency . . . Edwin Van Brunt is v.p. of new Media Promotion Organization div. of Van Brunt Adv., N. Y. . . Thomas A. Wright Jr. promoted to v.p. of Leo Burnett.

The late Ralph W. Hardy, ex-NAB v.p., then CBS Washington v.p., who died in July, 1957, at age 41, will be honored by an undergraduate scholarship in his name at his alma mater, U of Utah, being underwritten by friends.

Dr. George Town, exec. director of TV Allocations Study Organization (TASO), promoted to dean of engineering, Iowa State College.

CBS Paris bureau chief David Schoenbrun elected pres. of Anglo-American Press Assn., succeeding *London Daily Mail's* Geoffrey Myers.

TV-radio-communications interests . . . Thomas S. Carr, administrative asst. of Md. Gov. Theodore R. McKeldin (R), returns to WBAL-TV & WBAL, Baltimore, Jan. 19 as director of public relations . . . John M. McElroy, administrative asst. to defeated Sen. Bricker (R-O.), replaces Bertram O. Wissman as asst. (minority) clerk of Senate Commerce Committee, Wissman continuing as member of staff . . . James E. Szabo, from ABC-TV sales dept., named sales mgr. of WABC-TV, N. Y. . . James Osborn, ex-WCBS-TV, N. Y., named gen. sales mgr. of CBS's WXIX, Milwaukee . . . Kenneth J. Hanni promoted to asst. to pres. G. Bennett Larson of KTVT & KDYL, Salt Lake City . . . Murray V. Tesser, ex-WJAR-TV, Providence, named asst. mgr. of WHYN-TV, Springfield, Mass. . . . Norman Cissna, ex-midwest sales mgr. for NTA stations, ex-gen. mgr. of WTTV, Bloomington-Indianapolis, later with Meeker, joins CBS's KMOX-TV, St. Louis . . . Bob Gilbert, ex-WCKT, Miami, named production mgr. of WSUN-TV, St. Petersburg . . . Boone Nevin promoted to gen. mgr. of radio WHBQ from sales mgr. of WHBQ-TV, Memphis . . . John A. Bunning, ex-INS, named NAB station relations field representative for Northeast . . . Frank Hovore promoted to adv. & promotion mgr. of KRCA, Los Angeles, succeeding John C. Kenaston, now program mgr. . . . Samuel Gang promoted to foreign sales mgr. of NTA . . . Lee Cannon promoted to central div. mgr. of syndicated sales for Jack Wrather's ITC, succeeding v.p. Art Spirt . . . Hugh D. LaCrosse promoted to chief engineer of WKRC-TV & WKRC, Cincinnati, succeeding Ralph Alaska, assigned to home office of Radio Cincinnati Inc. . . . Henry P. Long, ex-v.p. of MCA film syndication and Robert Lang, ex-BBDO asst. TV-radio director, will staff new NTA San Francisco office (Russ Bldg.).

Obituary

Betty Hudson Sherrod, 50, wife of Robert Sherrod, managing editor, *Saturday Evening Post*, died of cancer Dec. 21 in Philadelphia. She was a former newscaster and fashion commentator for CBS's old WJSV, Washington (now WTOP). Besides her husband, 2 sons survive, both college students.

Federal Communications Bar Assn., holding annual meeting and banquet in Washington's Sheraton Park Hotel Jan. 9, will elect following uncontested nominees for 1959: Leonard H. Marks, pres., succeeding Wm. C. Koplovitz; Frank U. Fletcher, first v.p.; Robert M. Booth Jr., 2nd v.p.; Edward F. Kenehan, secy.; E. Stratford Smith, asst. secy.; John H. Midlen, treas.; Theodore Baron & Arthur H. Schroeder, 3-year terms on exec. committee; Donald C. Beelar, 1-year term, succeeding late Verne R. Young. Koplovitz was designated delegate to the American Bar Assn. conventions of 1959-61.

A. R. (Hoppy) Hopkins, veteran RCA broadcast equipment sales executive, retires Jan. 1 to establish management consulting practice, working from home, 100 Volan St., Merchantville, N. J. (Normandy 3-3533). He plans shortly to announce part-time tieup with manufacturer in broadcast field. He's 56, would have completed 30 years with RCA Jan. 14, was head of broadcast equipment sales 1946-56, retires from position as gen. sales mgr. of electronic data processing div.

Henry Ushijima, v.p. of John Colburn Assoc., film studio, elected pres. of Chicago Unlimited, civic group formed to promote city as TV production city. ABC's Don McNeill is v.p.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

"Soft-cover books are the only non-high-pressure mass entertainment medium. Millions are printed and people simply buy the ones they want. The western series will continue as hot as they are now for the next 3 or 4 seasons and then the mystery series, which already are showing up, will take over . . . The last of the comics will fall this season."—Frank Gruber, western writer, author of *Wells Fargo* and *The Texan* series on TV, whose books have sold some 20,000,000 paperback editions, quoted in *Variety* which makes point that "the best barometer of public taste, both for movies and TV, is sale of soft-bound books." Its headline: "Paperbacks Piggybacking Into TV; Crystal-Ball Whodunits as Next Trend."

"This year, 28 gory Westerns, numerous equally gory detective thrillers and many 'tougher-than-life' dramas are pouring out of the TV screens. But we think we can best use TV to build a liking for our company and products by offering special treatments of stories that people have proved they love. We're betting on sentiment over violence not on moral grounds but on its value as entertainment and as a friendship builder."—G. P. Karle, adv. mgr. of Schaeffer Pen Co. in *Television Magazine*.

"To public clamor in some quarters for better offerings it must be pointed out that TV viewers today negatively & positively exercise much influence. As long as considerable numbers of us find nepenthe in quiz shows, Westerns & mysteries, owners & directors of existing popular channels will continue to supply them. When public interest begins to wane, as indicated by reliable ratings, when by virtue of educational stimuli adults in considerable numbers reject the trivial and demand the qualitative, TV pioneering & resourcefulness will be encouraged."— "Topics" in *N. Y. Times*.

John Hay (Jock) Whitney, Ambassador to Great Britain and senior partner of firm owning Corinthian group of TV-radio stations, added another upstate N. Y. outlet to his string this week with purchase, for approximately \$70,000, of WSKN, Saugerties (1-kw-D, 920 kc) by his wholly-owned Plymouth Rock Publications Inc. Deal is wholly separate from Corinthian operations, same buyer having recently (Vol. 14:50) purchased 50% interest in WNRC, New Rochelle, N. Y. (500-w, 1460 kc) and WVIP, Mt. Kisco, N. Y. (1-kw, 1310 kc).

Purchase of stock from News Publishing Co. and Block family by brothers Albert, Raymond, Robert & Gordon Dix, Ohio newspaper publishers, giving them control of WTRF-TV, Wheeling, W. Va. (Ch. 7) in deal involving \$1,856,000 (Vol. 14:46, 48), was approved by FCC this week. Held up was sale of KXII, formerly KVSO-TV, Ardmore, Okla. (Ch. 12) to Bill Hoover, pres.-gen. mgr. of KTEN, Ada, Okla. (Ch. 10) for \$160,000 (Vol. 14:40), FCC stating coverage overlap of stations indicates necessity of hearing.

Videotape recorder shipments: one each to WTTG, Washington; WGAL-TV, Lancaster, Pa.; ABC TV Ltd., London; Associated TV Ltd., London; Rank Cintel, London; Cadena TV del Norte S. A. (XHNL-TV), Monterrey, Mexico; TV de Chihuahua S. A. (XERA-TV), Chihuahua, Mexico; Tyne Tees TV Ltd., London.

"TV has taken away a sizable part of the motion picture audience and the remaining picture audience has become more discriminating. As a result, picture makers have concentrated on making one picture at a time [with] notable improvement [in] quality. Hollywood should have been feet first in TV after the war, instead of trying to pretend it did not exist. TV has developed some fine people and some fine programs but, like the picture industry, it must now take stock of itself [and] can improve with time. I am very tired of hearing theatre owners complain that the sale of pictures to TV has hurt their business. If some of our producing companies had not sold their backlog of pictures to TV, their studios would be shut down. Pay TV is not here yet, but when it comes it will be here to stay. I used to say Hollywood and TV were going steady; now they've gotten married. TV on film has not yet reached the limit of its expansion."—Samuel Goldwyn, replying to questions by columnist Joe Hyams.

"I think that the movies will fail utterly as a major enterprise in a few years. The decline of the movies is one of the most striking stories in the history of modern American industry. To own a movie company today is like owning a buggywhip factory. The bewildered tycoons find that only 2 kinds of movies have any hope of success these days. You can make an inexpensive—\$150,000 to \$200,000—horror like 'I Was a Teen-Age Frankenstein's Daughter' for the young people who will sit & neck and say 'Eeeee!' Or you can spend 5 or 6 million on an adaptation of a major play or novel. There's nothing in between. TV has inherited from the movies the curse of the star system, and Madison Ave. is now the target for much of the abuse that used to be leveled at the Hollywood moguls."—Robert Carson, veteran Hollywood script writer, author of best seller *The Magic Lantern*, interviewed for Book Review section, by *N. Y. Herald Tribune*.

"One TV show can do more for an artist than 100 radio programs. Radio can still sell merchandise but its power is waning. TV is the medium today."—Rudy Vallee, interviewed by Joyce Davidson on CBC's *Tabloid* show.

Tiny TV camera for surgical use—2x3x5-in., 16-oz.—has been developed by 3 scientists in Dept. of Surgery at Melbourne U, Australia. Developers are Dr. George Berci and engineers Leslie Kont & Jurgen Davids; first 2 escaped from Hungary after 1956 revolution; Davids is from Germany. Details of how camera would be used aren't clear from AP dispatch, which says that camera "can magnify body tissues and organs 30 to 40 times"; that "surgeons could manipulate at will inside the body a foot-long tube at the end of the camera and the camera lens itself." Patent rights have been given to Anti-Cancer Council of Victoria, which has granted Dr. Berci \$78,400 to continue

Sale of 51% of KNAC-TV, Ft. Smith, Ark. (Ch. 5) for \$565,000 by Harry Pollock (Vol. 14:36) to publisher-broadcaster Donald W. Reynolds, who previously had purchased 49% (Vol. 14:34), has been held up by FCC, which advises that hearing will be required.

Translator starts: K75AL, Spirit Lake & K77AL, Spencer, both Ia. began Dec. 15, both repeating KTIV, Sioux City; W83AA, Palmerton, Pa., also serving Slatington & Slatedale, began Dec. 13 with WNEP-TV, Scranton area.

Distribution of TV monitors produced by Conrac Inc., Glendora, Cal., will be handled exclusively by Visual Electronics Corp., 342 W. 40th St., N. Y. starting Jan. 1; agreement covers only broadcast use of monitors, not closed-circuit applications.

THE 1959 TRADE OUTLOOK—MODEST UPTURN: In line with the general pattern of business upturn, we're inclined to go along with the more conservative leaders of TV-radio and related electronic amusement industries in foreseeing a shade better business during the first half of next year -- followed by substantial improvement in the last 6 months. With monthly TV-radio production and sales consistently behind 1957 during entire year of 1958, we see no immediate reason or prospect for any sudden upsurge. There are some who think perhaps a 2% increase over 1958 is in the cards until midyear, perhaps as much as 10% for the year as a whole.

Raft of new features and engineering developments, to be introduced in new 1960 lines in June, will be counted on by industry to give selling a big shot in the arm next autumn. Already in works to tickle public fancy, make current models obsolete, are improved remote control devices, especially for portables, and Corning's new contoured twin-panel, 23-in., square-cornered picture tube (Vol. 14:49).

This bigger tube wasn't expected to be ready for 1959 sets, but we now hear that designers for several major set makers, enthusiastic about it, will urge its use in some fall models. A fully transistorized TV portable is also in the works (Vol. 14:50) -- but it won't be on market next year.

Logical stimulus to TV sales should be increasing age of small-screen sets, together with higher costs of repairs. Latest sets-in-use figures show there are still about 14,500,000 sets in use with smaller than 21-in. picture tubes -- not including portables. And there are several million 21-in. sets over 5 years old.

Second-set market likewise is fertile field for new sales. It is estimated less than 10% of TV homes have 2 sets; some think this should go to 12-14% in 1959.

* * * *

EIA pres. David R. Hull of Raytheon, in year-end statement, foresees factory sales of home entertainment products returning to their 1957 peak of \$1.7 billion after a drop to \$1.5 billion this year. He said: "The growing popularity of stereo and hi-fi equipment for the home, the increasing number of TV sets in the home as well as obsolescence of present receivers, and the normal rise in total homes in the nation are factors to support this optimism."

All this adds up in our estimation to 5,800,000 TV production and retail sales in 1959 -- or about 10% more than 1958. Inventories, now at lowest level in recent history -- about 2,000,000 units -- will be kept low because of better industry-wide management of the flow of sets into distribution channels.

TV price pendulum swung upward late in 1958 and looks like it will continue to rise through 1959, or until gap between continually rising costs has narrowed. Some other prognostications in related electronics fields:

Radio: More than half of all radios produced in 1959 will be transistorized and it may be last year for tube radios in the home market. Transistorized radios accounted for 44% of all made in 1958. They're mounting rapidly in popularity.

Stereo: Industry-wide enthusiasm for stereo as a stimulant to hi-fi sales bodes well for the phono business in 1959. Best estimate is that sales of packaged stereo units will soar from 750,000 sold in 1958 to about 3,000,000 in 1959. In the meantime, EIA's National Stereophonic Radio Committee (Vol. 14:49) will study pros and cons of various stereo transmission systems with view to recommending standards to FCC. They're expected to be on the job all year.

Electronics: Production of military electronic equipment passed \$4 billion mark in 1958 -- well over half of total electronic industry dollar volume and a new

record. Expenditures in 1959 for defense electronics are expected to rise to about \$4.4 billion, particularly in view of the increased emphasis now being placed on electronic guidance and communications systems for missiles and aircraft.

TV-Radio Production: EIA didn't compile TV-radio production figures for week ended Dec. 20, statistical dept. explaining that too few companies reported output due to the upcoming holiday week. Note: An error in transmission resulted in an inadvertent understatement of the preliminary EIA estimate of Jan.-Nov. retail sales in this column last week (Vol. 14:51). Total TV retail sales for first 11 months of 1958 were approximately 4,670,000 sets, presaging total for year of about 5,300,000.

Trade Personals: Conway P. Coe, since 1945 RCA v.p. for patents, onetime U. S. Commissioner of Patents (1934-45), resigns to resume patent law practice in Washington, continuing as RCA consultant . . . Charles H. Belzer, ex-Motorola, named sales development mgr. of Sylvania's electronics div. . . Richard E. Seifert, ex-Philco, named sales planning mgr. of Raytheon's semiconductor div. . . George W. DeSousa, ex-mgr. of GE receiving tube sales, named marketing v.p. of Hoffman semiconductor div., Chicago . . . Cecil Dotson, ex-operations mgr. of Texas Instruments semiconductor div., named chairman of subsidiary Texas Instruments Ltd., Bedford, England . . . Alan Williams, ex-Motorola gen. sales mgr., named mgr. of Chicago factory branch . . . Joseph L. Nathan, ex-Abelson's (N. Y. jewelry chain), named gen. field supervisor of Admiral's metropolitan div.

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ELECTRONICS PERSONALS: Dr. James B. Fisk, exec. v.p. of Bell Labs, elected pres., succeeding Dr. Mervin J. Kelly, now chairman . . . Dr. Herbert F. York, veteran Defense Dept. scientist, named to new post of director of research & engineering . . . John Thomas Naylor promoted to v.p. & director of ITT's telephone and communications companies, succeeding Eugene LeBaron, now v.p. in executive dept. . . Dr. Jack A. Kyger promoted to v.p. of Avco's research & advanced development div. . . John M. Pearce, ex-v.p. & gen. mgr. of Hoover Electronics, named mgr. of electronics requirements, Martin Co., Baltimore . . . Matthew Katz, ex-Minitronics, named head of Astron Corp. tantalum operation at East Newark, N. J.

Electronic All-Americans: For its Silver All-Americans, football stars of 25 years ago who have achieved distinctions in their respective fields since 1933, Dec. 22 *Sports Illustrated* picks these among its 25 award men: Hewlett-Packard Co.'s co-founder, David Packard, who was an All-America guard at Stanford and a Phi Beta Kappa, and is today chairman of the Stanford board of trustees; Henry W. Harding, pres. of Laboratory for Electronics Inc., Boston, one of Hamilton College's greatest halfbacks, who went with GE after graduation; James F. Kelly, v.p. & creative supervisor, Ellington & Co., N. Y. ad agency, onetime Swarthmore halfback, much in the news lately for his novel of the Madison Avenue milieu, *The Insider* (Vol. 14:41). Kelly thinks college football has value on Madison Ave., because "one of the main things you learn in football is footwork, how to fall loose, how to keep on plugging."

Herman Lehman, gen. mgr. of GM's Frigidaire div., is keynote speaker for National Appliance & Radio-TV Dealers Assn. annual convention Jan. 11-13 at Merchandise Mart, Chicago. Other speakers include: Gov. Frank G. Clement of Tennessee, Motorola pres. Robert W. Galvin, RCA Victor record div. v.p. George Marek, Zenith adv. v.p. Erik Isgrig.

"Project SCORE" satellite relay system (Vol. 14:51) continued with "near perfect" results this week, Army Signal Corps reported. Last week, President Eisenhower's Christmas message, recorded before Atlas launching, was triggered by earth transmitter, received at earth stations. This week, several voice & teletype messages were sent from Ft. Monmouth, N. J., recorded in satellite, triggered & received by station at Ft. Sam Houston, Tex., received also at stations in Cal., Ariz., & Ga. Major Signal Corps contractor RCA this week listed equipment it supplied for satellite, some directly, some through subcontractors: 2 ten-oz. receivers; 2 eight-watt, 2½-lb. transmitters; two ¾-lb. control units; two ¾-lb. beacon transmitters. In addition, RCA built ground-based equipment for each of 5 mobile units: 1-kw and 250-watt transmitters, 2 receivers and a control unit. Stated Dr. Elmer W. Engstrom, RCA senior exec. v.p.: "The success of this experiment opens up the early prospect of revolutionary communications techniques, such as international TV and microwave voice & code services on a global basis, using satellite relays capable of spanning the oceans."

Iowans Lukewarm on Color: Color TV doesn't excite Iowans, according to Dr. Forest L. Whan, Kansas State College, in his 21st annual survey of TV-radio. On basis of 9236 interviews and use of 1415 diaries this year, he concluded 1.4% of set owners plan to buy color within a year, compared with 17.5% who planned to buy when queried in 1956. Dr. Whan reports that 27.9% of Des Moines adults have seen color, about double the percentage of 1956. Balance of his survey was devoted to documentation of TV-radio set ownership and viewing-listening, broken down into urban & rural. Copies of study are available from Dr. Whan.

Completely transistorized general purpose electronic data system, announced by RCA, is said by pres. John L. Burns to bridge "the gap between electro-mechanical accounting machines and giant electronic computers." New Model 501 fits into 15x20-ft. room, uses half the space and ½ the air-conditioning & electric power required by non-transistorized units. Burns said unit "brings full-scale data-processing within reach of the average company, as well as the large corporation."

Gain of 4% in major appliance shipments next year is foreseen by National Electrical Manufacturers Assn., which predicts these individual changes: refrigerators 3,200,000, up 4.9%; free-standing ranges 850,000, up 6.3%; built-in ranges 600,000, up 12.1%; water heaters 840,000, up 2.4%; freezers 1,100,000, no change; food waste disposers 700,000, up 12.9%; dishwashers 450,000, up 12.5%; dehumidifiers 225,000, up 7.1%; room air conditioners 1,500,000, down 6.3%.

J. K. Gannett, one of first in industrial building field to recognize great potential of construction for electronics and leader in design & layout of TV studios, retires Jan. 1 as engineering & research v.p., Austin Co., Cleveland.

What Business of Ours? That's gist of editorial comment from both sides of the border on recent anti-trust suit filed by U. S. Dept. of Justice to break up Canadian electronic patent pool (Vol. 14:48). Suit said GE, Westinghouse and big Dutch N. V. Philips Gloeilampenfabrieken manipulated their Canadian subsidiaries and Canadian Radio Patents Ltd. in such fashion as to prevent export of radios & TVs from U. S. into rich Canadian market.

It's evident now that suit further ruffled the economic feathers of Canadians already bitterly protesting efforts of Americans to dominate the Canadian business scene. Said the influential *Toronto Financial Post*: "This action unblushingly asserts U. S. extraterritorial jurisdiction over Canadian affairs." It continues by saying the suit "gives the lie" to President Eisenhower's declaration in Ottawa last summer that "the U. S. Govt. does not place goods in Canada as part of a state-directed program."

Dec. 23 *Washington Post* titles editorial blasting the suit, "How to Lose Friends." It states: "To make a case under the Sherman Act, the Govt. must of course show that the alleged conspiracy is an American one. But this position would hardly be compromised by conceding the legitimacy of Canadian interest. The subsidiaries are, after all, organized under Canadian law and operating in the Canadian economy, and their activities concern a sensitive area of Canadian public policy . . . the result [of the suit] may be to destroy much of the good work Mr. Eisenhower did earlier this year in allaying Canadian fear of American economic penetration."

General Instrument Corp.—whose TV-radio components divs. include Radio Receptor, Micamold, F. W. Sickles—anticipates record sales & increased earnings for 3rd quarter ended Nov. 30 and year ending Feb. 28, carrying on first-half gains (Vol. 14:42). Teaming up for rosy reports to N. Y. Society of Security Analysts, chairman Martin H. Benedek, pres. Monte Cohen & exec. v.p. Monty Shapiro said sales for quarter should exceed \$15,000,000 vs. \$10,070,998 year earlier, while earnings should double 1957 quarter's 22¢ per share. For full year, sales were estimated at \$47,000,000, up 20% from previous year's record \$39,000,000, with earnings double the 74¢ of fiscal 1957. Company's business now is 60% entertainment electronics, 40% govt. & industrial. In entertainment field, GI is developing these devices, according to Cohen: (1) Components for "first truly portable" transistorized TV sets. (2) Wider angle deflection system for picture tubes. (3) Miniaturized resonant frequency ceramic device. (4) Improved version of Mark VI tuner.

Add mergers: Texas Instruments and Metals & Controls Corp., Attleboro, Mass. manufacturer of clad metal products for electrical, nuclear & other industries, will merge early in 1959 under stock exchange plan (¾ share of Texas Instruments for each Metals & Controls share) announced this week. Meanwhile, General Transistor and Barnes Engineering Co., Stamford, Conn. maker of infrared systems and military & industrial instruments, reported merger talks were "near conclusion."

Sales of recording tape should reach \$35,000,000 next year, according to ORRadio pres. J. Herbert Orr. He estimated 1958 sales at \$21,000,000, said boom in stereo will be "important factor" in boosting annual tape sales to \$115,000,000 by 1963.

Stromberg-Carlson will market auto radios, now being produced for Ford, Plymouth & Chevrolet, through national distribution system.

Financial Reports:

National Theatres Inc. stockholders, in proxy statement released with notice of Jan. 8 meeting in Los Angeles to vote on acquisition of National Telefilm Associates Inc. (Vol. 14:46), are informed of details of exchange-of-stock deal and advised of these new directors to be elected: Ely A. Landau, NTA chairman, holder of 5000 shares of NTI stock as of Dec. 3, 1958; Oliver A. Unger, NTA pres., 10,000 shares; Burt Kleiner, exec. v.p., Cantor, Fitzgerald & Co., investment bankers, 10,000; Wm. H. Hudson, v.p., Three States Natural Gas Co., 20,000. NTI officers-directors earning more than \$30,000 during fiscal year ended Sept. 30, 1958: Elmer C. Rhoden, retiring pres., \$65,000 (owns 26,800 shares, wife owns 5000, corporations in which he is stockholder own 21,675); F. H. Ricketson Jr., v.p.-director (resigned), \$65,000; John B. Bertero, ex-v.p., now pres.-elect, \$52,000 (owns 2700 shares); Charles L. Glett, v.p. & pres. of subsidiary National Television Investments Inc., \$40,000 (holds options on 30,000 shares at \$7.96); Alan May, v.p.-treas., \$39,000 (owns 1000 shares, has options on 8000 at \$8.67, 5000 at \$7.96). In addition, Mr. Bertero holds options on 15,000 shares at \$10.57, 7000 at \$7.96, 28,000 at \$8.79; Mr. Cantor on 30,000 at \$8.79; Mr. Rhoden, whose retirement benefit payments are \$24,669 per year, 60,000 at \$8.67, 9000 at \$7.96.

Joint ownership of NTA Film Network by National Telefilm Assoc. and 20th Century-Fox must be dissolved before Govt. can approve proposed merger of NTA into National Theatres (Vol. 14:46), Justice Dept. told U. S. District Court Judge Edmund L. Palmieri in N. Y. hearing on anti-trust aspects of plan. Maurice Silverman, anti-trust div. attorney, suggested that govt. objections to one-company control of movie production & exhibition could be met by sale of NTA's 50% in NTA Film Network to 20th Century-Fox, or vice versa—or by sale of both holdings to new company. NTA chose second alternative.

CBS Inc. stockholders at special meeting in N. Y. this week approved directors' proposal to change all Class A & B stock into one class of non-cumulative voting stock (Vol. 14:46)—77% of 7,881,400 shares outstanding being voted in favor. New class of stock—intended to simplify voting procedures—will have \$2.50 per share par value, same as old Class A & B.

Admiral Corp., which recovered from first-half loss of \$407,180 to report 9-mo. earnings of \$947,254 vs. \$665,264 year earlier (Vol. 14:43), expects 4th quarter net of about \$1,200,000 (50¢ per share) vs. \$299,803 (13¢) in same 1957 quarter, pres. Ross D. Siragusa said this week. He told *Wall St. Journal* that results of final quarter should bring 1958 net to about \$2,100,000 (\$1) vs. \$965,067 (41¢) last year, with sales approximating \$172,700,000 in 1957. As for 1959, Siragusa predicted "sharply increased sales [with] earnings 2½-3 times 1958 figures."

Reports & comments available: On RCA, appraisal by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N. Y. . . . General Precision Equipment, review by Ira Haupt & Co., 111 Broadway, N. Y. . . . Cleveite, brief by Hirsch & Co., 25 Broad St., N. Y. . . . Philips Lamp Works, analysis by Fahnstock & Co., 65 Broadway, N. Y.

Standard Coil Products Co. pres. James O. Burke estimates last 1958 quarter sales will exceed \$19,000,000, with profit of about \$1,500,000, or \$1 per share; based on predicted upswing of TV set sales and new business, he forecast increased sales & profits in 1959.

Necrology, 1958

AS WE TAKE STOCK of the waning year, the time is fitting for thought and prayer for associates and friends in the industry who went to their rewards during 1958. These are the folk from all branches of TV-radio and electronics arts & industries whose deaths we chronicled during the year:

| | | |
|-----------------------|----------------------|-----------------------|
| Adams, Ira J. | Goodwin, Bill | Mortimer, Charles |
| Agnew, Neil | Gordon, Watson M. | Ward |
| Anderson, Ed M. | Greenleaf, Comdr. | Motenko, |
| Andrada, Marco | Sydney A. | Alexander B. |
| Aurelio | Greenwell, D. A. | Muller, John S. |
| Arnold, Frank A. | Griffin, Wm. J. Jr. | Murphy, Francis P. |
| Arnson, Ludwig | Gross, Adolph L. | Nelson, M. L. |
| Baer, Dr. William | Gustafson, Gilbert | Nussbaum, Col. |
| Bush | Hallberg, Henry E. | Howard L. |
| Barkley, William J. | Harper, Harvey W. | O'Brien, William V. |
| Bonner, David | Harrison, Gilmore R. | Peace, Charlie |
| Thomas | Hawkins, Dr. | Pearson, Charles E. |
| Brennan, Joseph | Laurence A. | Peay, Larry W. |
| Barry | Hayes, Sam | Phipps, John S. |
| Broekman, David | Hearst, John | Presbrey, Charles |
| Hendriens | Randolph | Reynolds, Frank J. |
| Bulova, Arde | Hennessey, Mrs. | Rockwell, Thomas C. |
| Burke, Harold C. | Philip J. Jr. | Rollins, George K. |
| Butterfield, | Henri, William B. | Ruppel, Louis |
| Charles E. | Hessinger, Paul W. | Rutherford, Mrs. |
| Carney, Edward R. | Hight, Robert | Raymond H. |
| Carrington, Elaine | Hofman, Otto H. | Sacks, Emanuel |
| Sterne | Holiner, Mann | (Manie) |
| Cashman, John H. | Hudders, James B. | Salomon, Henry |
| Cheeseman, Frank E. | Hughes, Charles P. | Sammatt, Julian M. |
| Christian, Charles D. | Ingle, Edward T. | Sterling, Sir George |
| Clark, Dr. Frances | Jacobs, Joel F. | Sauter, James E. |
| Elliott | Jefferson, John P. | Schaub, Robert C. |
| Clay, John H. | Johnson, Glenn | Schroeder, Elroy |
| Cohn, Harry | Wilson | Scott, John W. |
| Cook, Philip D. | Jones, Ralph D. | Scott, Milton C. |
| Corson, Bernard | Joyce, Joseph | Sheets, George |
| Crutcher, Jack R. | Reinhard | Sherrod, Betty H. |
| Dancer, H. M. | Katz, Joseph | Shouse, Mrs. |
| Davis, Elmer | Kearney, Frank A. | Katherine Fox |
| Davis, Harold | Kelly, Donald M. Jr. | Siegel, Abraham H. |
| Davison, Dr. | Kenyon, Aiden H. | Silen, Bertrand H. |
| Clinton J. | Lark-Horovitz, | Simons, W. A. |
| Dawson, George C. | Dr. Karl | Skewes, James H. |
| Deakins, Frank R. | Lawrence, Dr. | Simpson, William E. |
| Durgin, Louis A. | Ernest O. | Smalley, Robert |
| Edwards, Mitchell W. | Lee, W. Arthur | Allan |
| Egelston, Charles | Lennon, Edmund S. | Spence, Harry R. |
| Einstein, Harry | Le Van, Harry | Spingold, Nate B. |
| (Parkyakarkus) | Levitt, Robert D. | Steinke, William |
| Elliott, Albert M. | Light, Herman H. | Stone, Louis Talcott |
| Ewing, Frank | Lightman, M. A. | Stuart, Charles T. |
| Fedrick, Jack R. | Lowenberg, Sydney | Tallents, Sir Stephen |
| Feigenbaum, Harry | Long, Edward | Taylor, Dr. Wm. C. |
| Fink, Louis J. | Harvey | Taylor, William H. |
| Fitch, Irving H. | Long, George A. | Terry, Dr. Ernest |
| Fletcher, Edwin L. | McCarthy, James E. | Alden Jr. |
| Ford, Mrs. | McDonald, Eugene | Thomas, Phillips |
| Frederick W. | F. Jr. | Torrans, William H. |
| Frank, Yasha | McKim, Kenneth | Troup, Frederick H. |
| (Nathaniel) | Walter | Tuhy, Stephen Jr. |
| Fuller, Wesley | Marnell, Margaret | Turnbull, Ray W. |
| Gass, Florian P. | Marshall, Henry I. | Van Allen, Judge |
| Gassenheimer, | Mayborn, Ward C. | John W. |
| Walter Tenbroeck | Miller, Donald | Wall, Charles A. |
| Gercke, George J. | Mims, G. L. | Whitney, Dr. |
| Giguere, Edmour | Moore, Harry (Tim) | Willis R. |
| Frederic | Morgan, Raymond | Whittier, Robert J. |
| Gilman, John R. | R. Sr. | Winfield, William R. |
| Goodman, Dr. | Morse, Elwood K. | Wooten, S. D. |
| Frank C. | | Wright, Montgomery |
| | | Young, Verne R. |

Single TV application filed this week was for Ch. 12, Pembina, N. D., by owners of KNOX & KNOX-TV, Grand Forks (Ch. 10). Total applications pending are now 88 (21 uhf). [For details, see *TV Addenda 27-Q*.]

Marquis-Who's Who Inc., Chicago, publisher of *Who's Who in America*, has just issued first biennial *Who's Who of American Women* (1480pp., 20,000 biographies).

Impact of Newspaper Strike: Despite the newspaper strike, almost 4 out of 5 New Yorkers had heard the news of the new American satellite when TV-radio rep's Blair Co. quizzed 1000 people Dec. 19 throughout New York's 5 boroughs. TV had been their informant, said 53.8% of those who knew of the successful launching. Radio was source for 52.4%. Newspapers remained source for 19.5%, who were apparently consulting out-of-city, suburban & foreign language newspapers not on strike. To "Has the strike inconvenienced you?" 35% answered no. By those who were inconvenienced, main reasons given were: (1) miss ads about the sales; (2) miss the news. Asked which newspaper feature they missed most, only 4.1% named TV-radio section, 43.2% said news events, 18.5% advertising, 13.1% editorials, 11.3% sports, 10.4% "everything." [For previous roundup on impact of strike, see Vol. 14:51.]

Armed Forces TV stations, now numbering 29 in U. S. & overseas (see *TV Factbook No. 27*, p. 307), will be augmented within month by following: (1) Midway Island Naval Station, KMTH-TV (Ch. 8), 200 watts. (2) Korea, Camp Kaiser, AFKN-TV (Ch. 12), 500 watts. (3) Iran, Teheran, AFTV (Ch. 8), 500 watts. (4) Korea, St. Barbara, AFKN-TV (Ch. 3), 50-watt repeater. (5) Alaska, Wildwood Station, AFTV (Ch. 8), 200 watts. Also authorized, due next June: Puerto Rico, Roosevelt Roads Naval Station, AFTV (Ch. 22), 150 watts; Crete, Iraklion Air Base, AFTV (Ch. 8), 200 watts.

Are westerns educational? Many adult viewers in Madison, Wis. think so—and they also classify adventure series, family dramas & quizzes as ETV programming, according to Prof. Bruce H. Westley, TV lab research coordinator at U of Wisconsin. Financed by Educational TV & Radio Center, Ann Arbor, he polled 799 Madison residents on attitudes toward ETV, found them "strongly favorable [with no] widespread evaluation of ETV as dull & monotonous." But "quite a number" had misconceptions of what constitute educational shows.

Unique color equipment, most compact yet devised, will be used by NBC for helicopter pickups of Tournament of Roses parade in Pasadena New Year's Day, noon-1:30 p.m. EST. Completely transistorized, it comprises 2 units—20-lb. camera using three ½-in. vidicons, 45-lb. control & monitor. System has 300 transistors, sole vacuum tubes being vidicons and black-&-white CR monitor. It was developed at RCA Princeton Labs by team of J. W. Morgan, W. S. Pike & L. A. Boyer under the supervision of L. E. Flory and RCA honorary v.p. Dr. Vladimir K. Zworykin.

ETV in Europe: Report on govt. uses of TV & radio for education in Italy, France & Denmark is being prepared for House Commerce Committee by Rep. Moulder (D-Mo.) and counsel Kurt Borchardt following quick 2-week trip to Rome, Paris & Copenhagen. They collected mass of statistics for use by Committee as background material when bills for Federal grants for ETV equipment (Vol. 14:46) come up again next session.

Broadcast management seminar will be conducted by NAB at Harvard Graduate School of Business Administration next July 6-17, enrollment limited to 60 TV & radio executives who will be charged \$500 tuition for 2-week course. Registration forms will be mailed by NAB to members in Jan.

Sign of The TV Times in Britain: J. Arthur Rank Organization goes out of newsreel business at year's end in favor of new weekly newsmagazine, *Look at Life*, first edition due Feb. 2.