May 1963 Vol.XX No.5 Fifty cents

TELEVISION

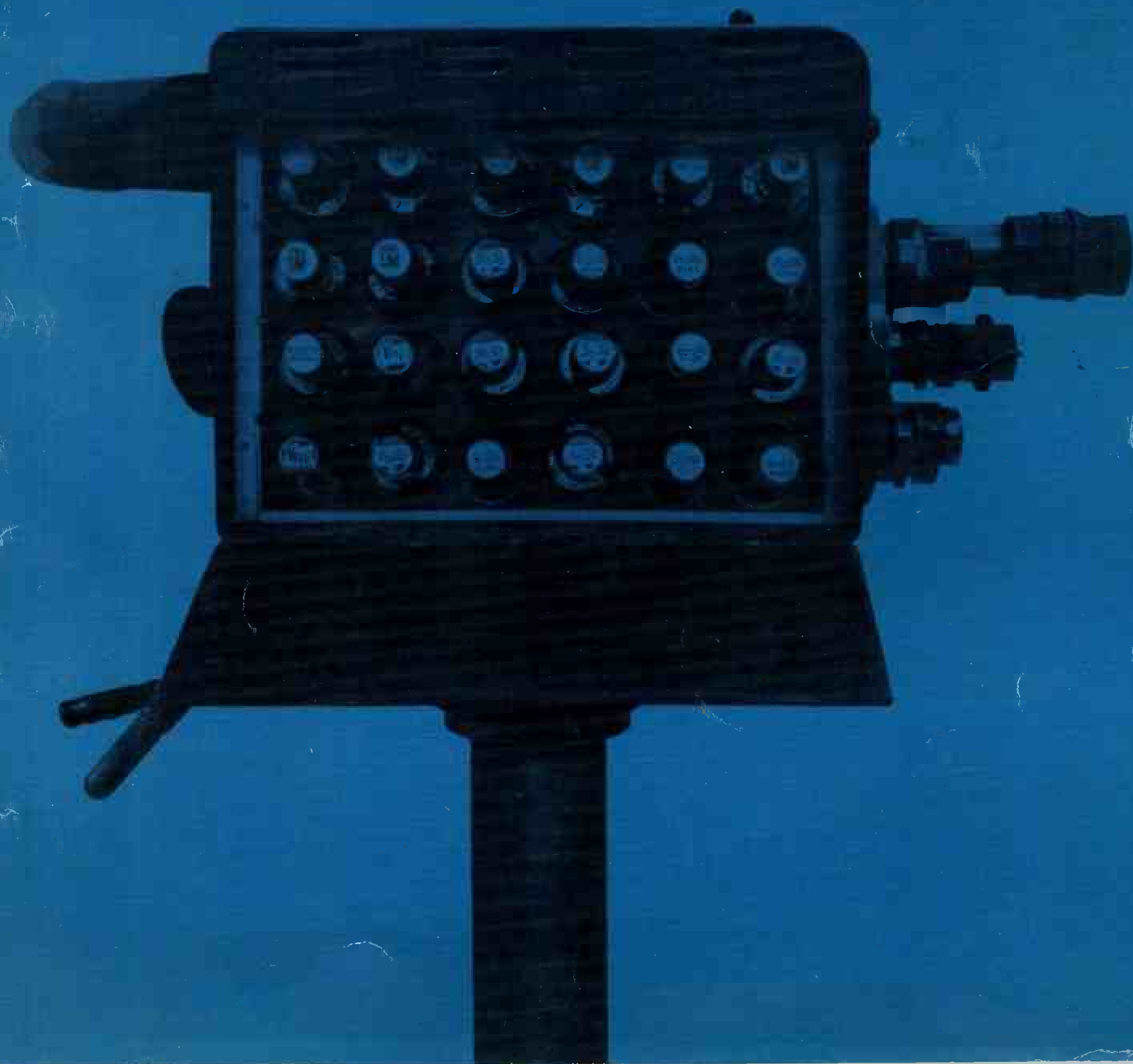
THE HILLBILLIES:
Why TV's No.1 show got that way

PAY TV-PART II:
The big gamble and who's making it

NEW YORK'S PRESS:
How much news equals a newspaper?

CLOSEUP:
Steve Frankfurt of Young & Rubicam

SOFT DRINKS AND TELEVISION
for those who think sales



FIRST-RUN MOVIES

Every Saturday Night 11 P.M. on the

"BIG MOVIE OF THE WEEK"

Burt Lancaster, Joan Rice, "HIS MAJESTY O'KEEFE"

Doris Day, John Raitt, Carol Haney, "THE PAJAMA GAME"

Marilyn Monroe, Laurence Olivier, "PRINCE AND THE SHOWGIRL"

Edward G. Robinson, Nina Foch, Hugh Marlowe, Jayne Mansfield, "ILLEGAL"

Andy Griffith, Nick Adams, "NO TIME FOR SERGEANTS"

Randolph Scott, David Brian, "FORT WORTH"

Vincent Price, Frank Lovejoy, Phyllis Kirk, "HOUSE OF WAX"

John Payne, Arleen Whelan, Dennis O'Keefe, "PASSAGE WEST"

Ronald Reagan, Rhonda Fleming, "THE LAST OUTPOST"

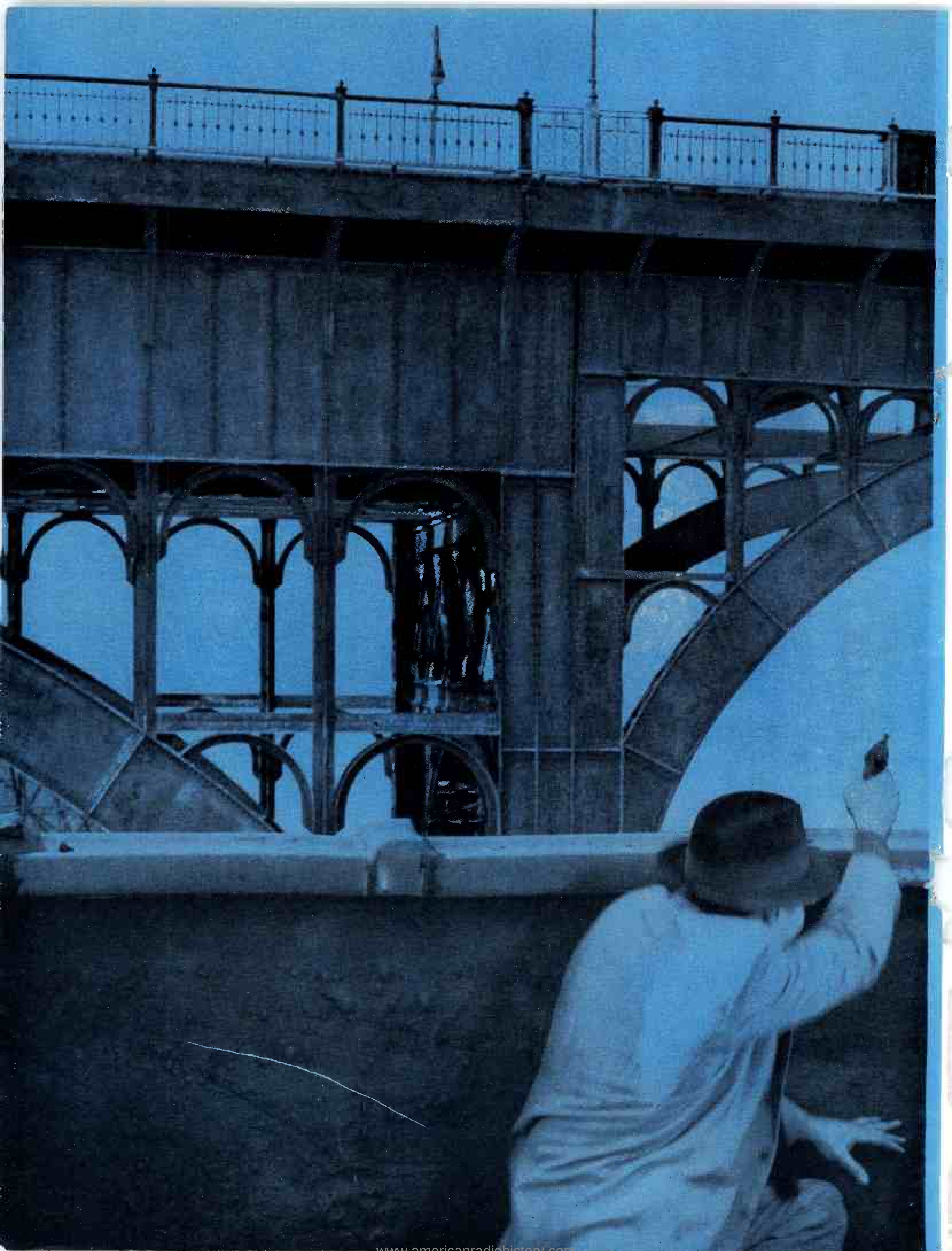
EXCLUSIVE IN BALTIMORE! WMAR-TV is the only station programming late movies 6 nights a week! (Mondays through Thursdays, "Channel Two Theatre", 11:20 P.M., Fridays, "Films of the 50's" 11:20 P.M.)

No Wonder—In Maryland Most People Watch

WMAR-TV

CBS

Channel 2 — Sunpapers Television — Baltimore 3, Md.
Represented Nationally by THE KATZ AGENCY, INC.



THE BIG ONE YOU'VE BEEN WAITING FOR!

'NAKED CITY'

99 HOURS AND 39 HALF-HOURS NOW AVAILABLE FOR FALL TELECASTING

STARRING
PAUL BURKE

CO-STARRING
HORACE McMAHON

"NAKED CITY" is one of the most talked-about, most acclaimed action series ever made—consistently delivers top audiences for leading advertisers. It's the series that Newsweek Magazine, in its March 4, 1963 issue, described as "the best and most stylish show on American television ..." It's the series that won three "Emmy" awards as well as two nominations.

"NAKED CITY" is the action series so unique in concept it can be played any hour of the broadcast day. And now its superb production ... its first-rate dramatic writing ... its big-name guest stars can be yours in your market on your station! Just offered ... it's just sold to WPIX New York, WGN-TV Chicago, KMSP-TV Minneapolis-St. Paul, WBAY-TV Green Bay and WNEP-TV Scranton—Wilkes-Barre.

For full details, contact
SCREEN GEMS, INC.

May 1963 • Established 1944, Volume XX, Number 5

TELEVISION

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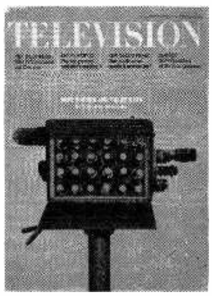
Cover • The curious who have always wondered what was inside a television camera need wonder no more: we've exposed one for all to see on this month's cover. And if the engineers scoff, the advertisers of soft drinks don't—their relationship with the television industry is just as close as the cover indicates. The full story begins on page 37.



COVER PHOTO BY BOB COX

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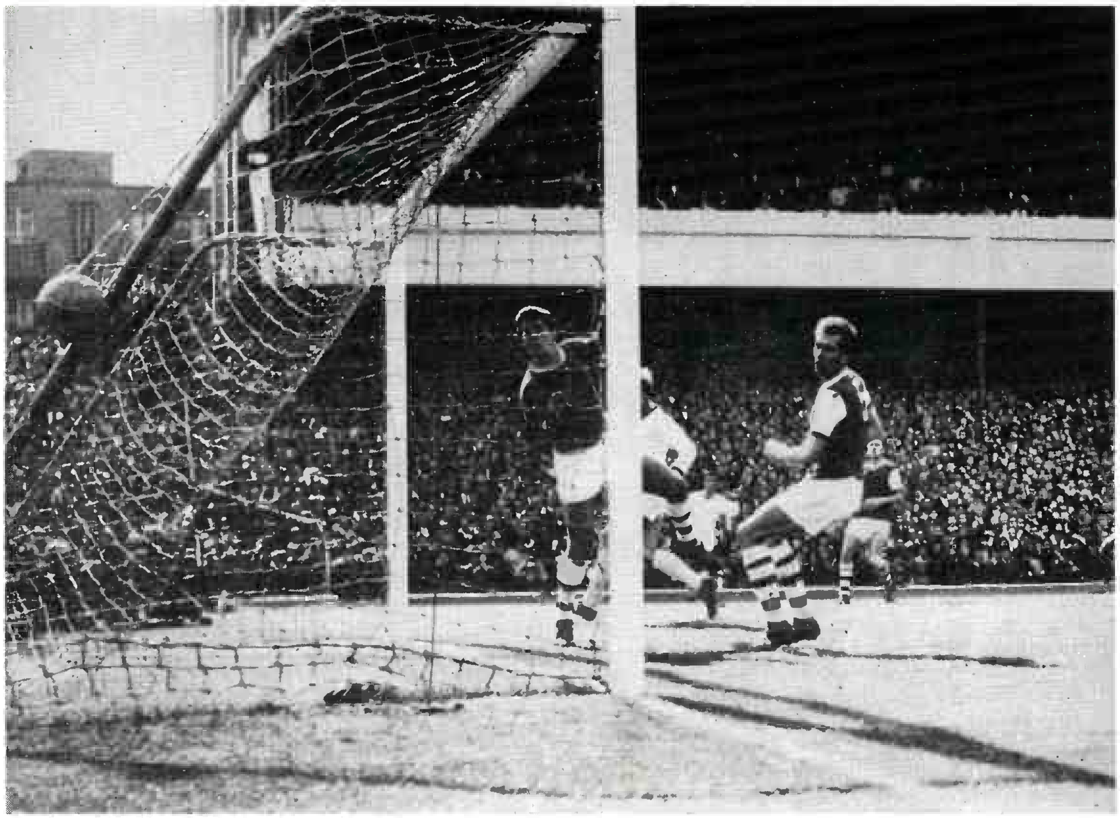
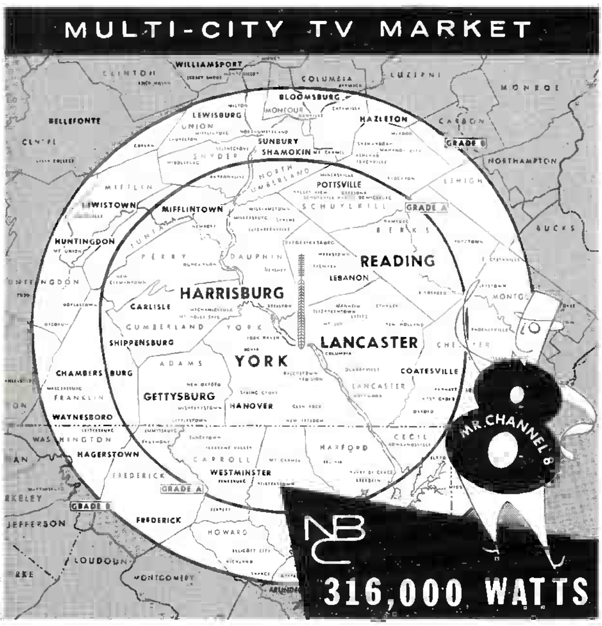
you always WIN when you use WGAL-TV





Only single medium assuring full sales power in the entire region . . . a multi-city market including the metropolitan areas of Lancaster, Harrisburg, York, and many other communities. And, area-wide, the Channel 8 viewing audience is unequaled by all other stations combined. This is full sales power. Use it to build sales and increase profits.

WGAL-TV

Channel 8
Lancaster, Pa.

STEINMAN STATION • Clair McCollough, Pres.

Representative: The MEEKER Company, Inc. • New York • Chicago • Los Angeles • San Francisco

What makes a great salesman?

With P. T. Barnum, you only had to look at his index finger. It was right on the public pulse, every time. "This is a trading world," Barnum asserted, "and men, women and children, who cannot live on gravity alone, need something to satisfy their gayer, lighter moods and hours." Yet the America of the 1830's considered theaters dens of iniquity, laughter a crime. Barnum captured the public's fancy, without offending its morals, by labeling his theater a "lecture room" and presenting only diversions and curiosities of unquestionable purity.

Great salesman Phineas Taylor Barnum did far more than just bring "respectability" to amusement, however. He gave America its first popular museum, zoo, aquarium and beauty contest. Barnum took disreputable tent carnivals, added three rings and created "the greatest show on earth." In his lifetime he made several fortunes with attractions such as Tom Thumb, Chang and Eng, Jumbo, and Jenny Lind—plus liberal amounts of (according to Robert Edmund Sherwood) "superlative imagination, indomitable pluck and artistic temperament."

But it was his instinctive understanding of what intrigued and thrilled the most people that really put Barnum's finger on the public pulse. Today, the Storer stations have that same pulse-finding capacity. The reasons? Popular, highly respected talent... programming individually keyed to each community's special preferences and needs... and the many other Storer extras. In New York, Storer's great salesman is WHN, an important station in an important market.

LOS ANGELES *KGBS*	PHILADELPHIA *WIBG*	CLEVELAND *WJW*	NEW YORK *WHN*	TOLEDO *WSPD*	DETROIT *WJBK*
MIAMI *WGBS*	MILWAUKEE *WITI-TV*	CLEVELAND *WJW-TV*	ATLANTA *WAGA-TV*	TOLEDO *WSPD-TV*	DETROIT *WJBK-TV*

STORER
BROADCASTING COMPANY


P.T. BARNUM'S
GREATEST SHOW ON EARTH

TV and shareholders find out who wins, who loses

Never mind what happens to young men's fancies. In spring stockholders by the thousands flock to corporate meetings. And annual and quarterly reports, rather than the robin's song, become the harbinger of the season. Of all the year-end reports submitted none, perhaps, contain as much sheer statistical information, as many insights into apparent and just-developing industry trends as does the ubiquitous Television Bureau of Advertising's always comprehensive annual statement. Some gems of information from TvB's 1962 report:

■ Total volume of television advertising last year amounted to $1,520,019,138, an increase of 11.25% (and a dollar increase of $153,748,138) over 1961's $1,366,271,000 total figure.

■ Advertisers invested an estimated $721,211,000 in national and regional spot television during 1962. (For network TV breakdown, see "Focus on Business," TELEVISION MAGAZINE, April 1963.) It was an increase of 16.8% over 1961's $617,398,000 spot TV expenditures.

■ Last year there were 1,275 advertisers who spent more than $20,000 in the spot TV medium, with only 147 of them having expenditures in the million dollar or better classification.

■ Of the spot activity, 30.6% occurred during prime nighttime with announcements (which include participations) the most important type of activity, accounting for 81.1% of all estimated spot television expenditures.

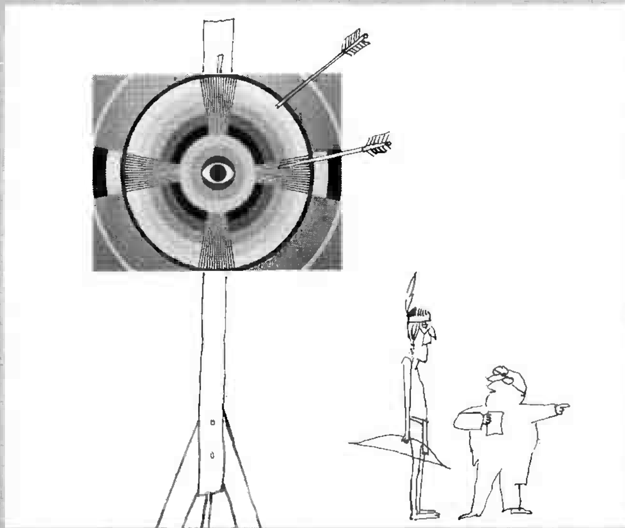
■ Food products led the product classification pack in spot TV advertising with estimated expenditures of $188.2 million, followed by cosmetics and toiletries, $74.6 million; household laundry products, $57.9 million; ale, beer and wine, $57.8 million, and confections and soft drinks, $53.4 million.

■ Procter & Gamble was again the top total spot and network advertiser jumping its overall TV expenditures some 3%, from $108.6 million in 1961 to some $112 million in 1962 (see chart).

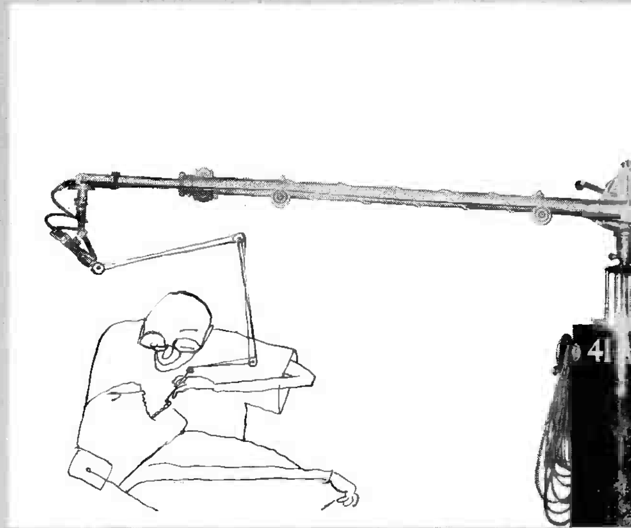
■ The largest TV dollar increases among the top 10 television advertisers (bearing out preliminary estimates made by TELEVISION MAGAZINE: see "Blue Chips For High Stakes," December 1962)

TELEVISION'S NEW TOP 10 ADVERTISERS

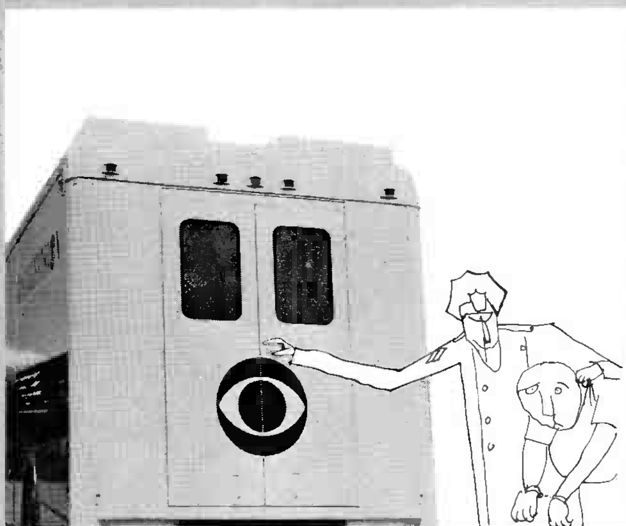
Rank	Company	1962 Total TV	Change From '61	Rank	Network	Change From '61	Rank	Spot	Change From '61
1	Procter & Gamble	$111,945,864	+ 3.1%	1	$51,700,004	− 0.4%	1	$60,245,860	+ 6.2%
2	Colgate-Palmolive	47,316,619	+29.6	6	24,538,799	+14.1	2	22,777,820	+ 52.0
3	Lever Brothers	45,852,873	− 3.9	3	26,222,433	− 8.8	4	19,630,440	+ 3.4
4	American Home Products	44,480,175	+ 4.4	2	33,051,425	− 2.5	8	11,428,750	+ 31.2
5	General Foods Corporation	41,357,044	+ 9.2	8	19,436,494	− 2.9	3	21,920,550	+ 22.8
6	Bristol-Myers Company	39,511,443	+59.8	4	24,867,463	+64.3	6	14,643,980	+ 52.8
7	R. J. Reynolds Tobacco Company	27,522,719	+14.5	5	24,644,839	+13.4	44	2,877,880	+ 25.1
8	General Motors	25,562,461	+ 1.6	7	24,480,201	+ 2.8	100+	1,082,260	− 20.2
9	Alberto-Culver Company	24,477,005	+75.3	11	13,322,015	+51.2	9	11,154,990	+116.6
10	P. Lorillard Company	22,920,380	+ 6.1	13	13,083,710	− 3.8	10	9,836,670	+ 22.9



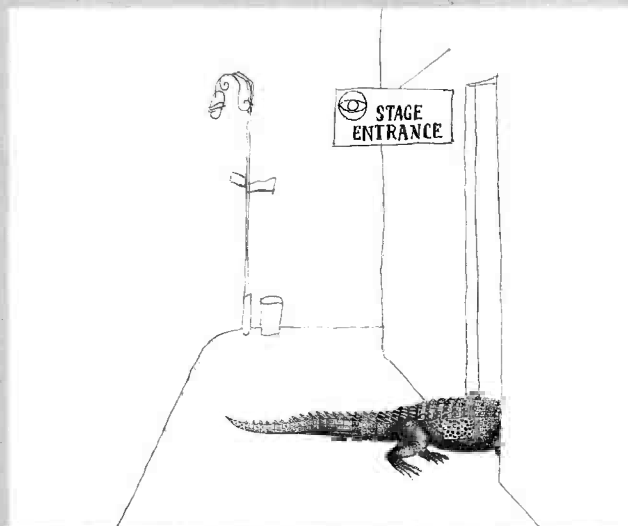
If you aim high...



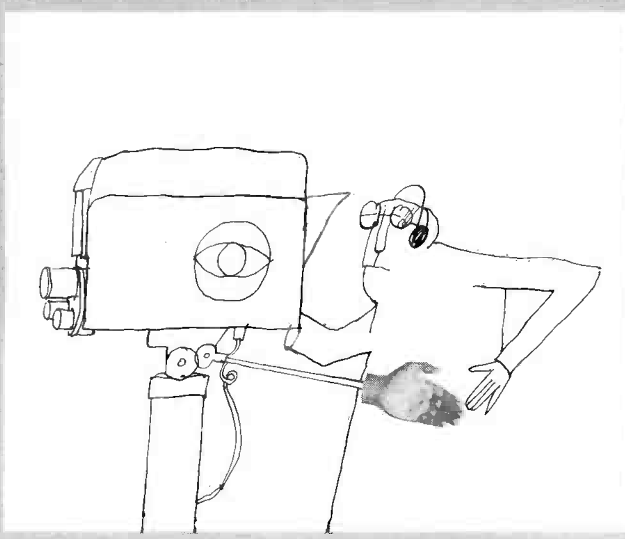
dig deep...



capture big names...



develop new ones...



add the best station line-up...

make advertisers happy...

BUSINESS *continued*

were registered by Colgate-Palmolive, Bristol-Myers and Alberto-Culver. All three added considerably to both spot and network expenditures to boost their TV outlays 29.6% ($10.8 million), 59.8% ($14.8 million) and 75.3% ($10.5 million), respectively. (TELEVISION MAGAZINE's exclusive predictions about these same three advertisers made six months ago: they would up their spending by 36%, 53% and 79%, respectively.)

■ Colgate-Palmolive climbed three notches from fifth place to second place among TV advertisers, while Alberto-Culver, executing the biggest jump, moved from seventeenth place to ninth. The Chicago toilet requisites firm increased its network spending by a substantial 51.2% and its spot expenditures by a whopping 116.6%. It was the only newcomer to the top 10 rankings, taking the place of General Mills which slipped from ninth place to eleventh among the leading TV advertisers last year.

■ Wrigley Chewing Gum was the most advertised brand on spot TV in 1962. Its gross time billings were $15 million, an increase of $4.9 million over the better than $11 million spent by the brand in 1961. Rounding out the top 10 national and regional spot TV advertisers: Coca-Cola, Post's dry cereals, Salvo detergent, Alka-Seltzer, Maxwell House coffee, Avon cosmetics, Pepsi-Cola, Folger's coffee and Ford cars. Continental Baking's Wonder Bread reduced its spot expenditures by about $2 million and dropped from number two spot TV advertised brand to thirteenth place.

■ Most easily discernible long-range trend: Spot and network TV are growing closer in size. Five of the top 10 TV advertisers decreased their network expenditures last year, but only one—General Motors—cut down on its spot spending. On an overall basis, spot, at $721.2 million, accounted for 47.5% of the all-advertiser $1,520 billion; network, at $798.8 million, accounted for 52.5%.

■ Most significant, less apparent trend: a revolution in new products (see lead story, TELEVISION MAGAZINE, February 1963) is spurring added TV expenditures.

TvB's report covered the broad spectrum of the television industry, but individual broadcasting, TV production and electronics companies also reported last month on their latest sales and earning figures.

Everything is coming up roses was the theme of the Columbia Broadcasting System at its annual stockholders meeting. Chairman William S. Paley announced record first quarter sales and earnings, estimating they'll be 25% higher than first-quarter earnings achieved last year, the best in the company's history. In 1962's first quarter $7,764,855 was earned. Sales also reached a new high, rising above last year's $131,967,000, but final figures were not available.

CBS President Frank Stanton also sounded a clarion call of optimism. The network, he reported, is currently broadcasting seven of the top 10 most popular programs, 15 of the top 20 and 23 of the top 40 nighttime shows. In daytime hours, he added, CBS broadcasts nine of the top 10 shows and 12 of the top 15. Dr. Stanton also noted that station division sales for the first quarter are running 10% above their performance during a like period last year. A first quarter cash dividend of 35 cents per share on common stock was declared.

The American Broadcasting Co. division of American Broadcasting Paramount Theatres Inc. also had good news for stockholders last month. ABC's income rose $20.2 million to $274.5 million last year, a record high. The network's profits, which were not disclosed, were also said to have reached a new peak.

Other significant financial returns: First-quarter earnings of RCA were the highest of any three months in company history. Profits rose 19% to $17.3 million, or 95 cents a common share. Sales rose 3% to $436 million vs. $425 million a year ago.

MCA Inc. and subsidiaries, for the year ending Dec. 31, 1962, grossed $188.2 million, up $15.9 million over 1961. MCA's net income hit $12.7 million, an increase of $1.8 million over the previous year.

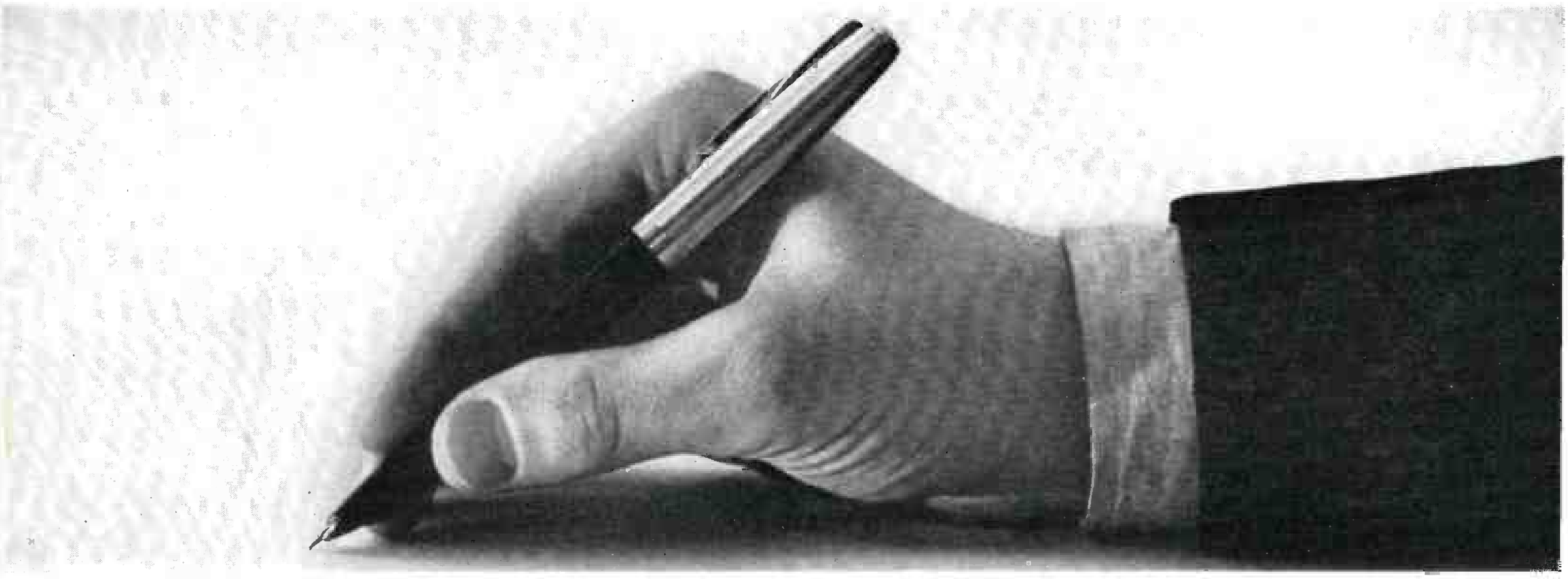
Twentieth Century-Fox Film Corp. reported a 1962 loss of $39.8 million. It's believed to be the largest corporate deficit in any year in motion picture history.

Metro-Goldwyn-Mayer also came up a loser. It disclosed losses of $8.7 million for the 28-week period ended March 15, 1963. During a like period last year the movie company showed a profit of $2.6 million.

Wometco Enterprises Inc., operator of one western and two southern TV stations, revealed a first quarter increase of 13% in gross revenues. Gross figures for the first 12 weeks of the year are approximately $5 million, compared to the $4.4 million achieved during a comparable period last year.

Desilu Productions Inc. said net income after taxes for the first nine months of the current fiscal year, ended January 27, 1963, amounted to $417,812 as against $293,416 earned during a like period last year. END

Chicagoans don't just sit there...



they do something!

The people of Chicago take an active interest in what they see on CBS Owned WBBM-TV. Which is just the way WBBM-TV wants it.

Recently, as part of a first-of-its-kind experiment in two-way communication—station to viewer, viewer to station—Television 2 broadcast "The Strangling City," a candid exploration of Chicago's commuter facilities. People were requested to fill in and mail back "ballots" (printed in all four Chicago metropolitan newspapers and widely distributed at central commuter points on the day of the broadcast) which probed attitudes toward public transportation...and which could only be completed by those tuned to the broadcast. Chicago viewers responded en masse, including more than 13,000 people who had some helpful suggestions to offer for improving present commuting facilities.

The two-way exchange of ideas—this is the true meaning of communication. Too, it is a prime example of one station's unceasing efforts to pioneer new ways to serve its community better. But then, Chicagoans expect no less from the television station that has been their consistent favorite year after year after year. **WBBM-TV**

When every emotion is exposed
When the laughs are close to the tears
When thrills come every minute...

you've got what P. T. Barnum called "The Greatest Show on Earth." The circus.

And you've also got a great new television series of hour-long dramas, in color, shot against the background of Ringling Bros. Barnum & Bailey Circus.

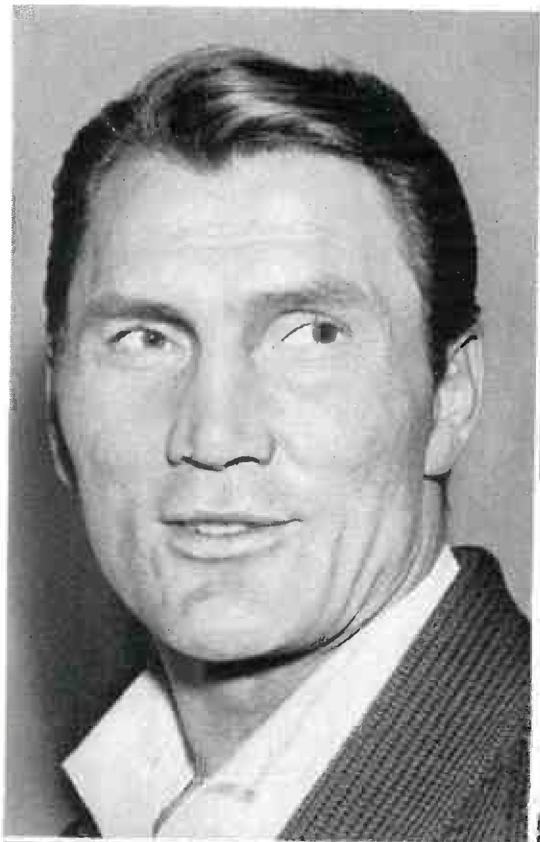
You've got stories that go beyond the spotlights. To the other side of the canvas wall where the make-up is removed and sweat...fear...laughter...and love paint the faces.

You've got award-winner Jack Palance as head ringmaster. Stuart Erwin as Treasurer. New guest stars—*great* guest stars. And Richard Rodgers' "March of the Clowns" as theme music.

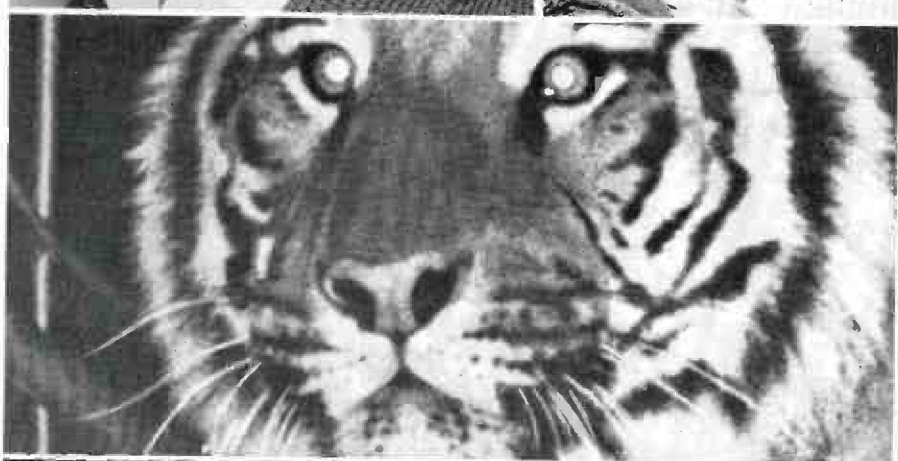
In short, ladies and gentlemen, you've got "The Greatest Show on Earth," one of the more than a dozen new shows coming to ABC this Fall.

All different. Imaginative. And with one quality in common. Entertainment. Fresh programming that attracts the younger, larger families that we—and you—want to reach.

"The Greatest Show on Earth" Tuesdays 9PM
One of the big new shows on ABC this Fall







SECRETS TOLD

KRNT Radio has the largest audience in Des Moines and has had for a long, long time. The audience is predominantly adult. Central Surveys study confirms that KRNT is the most believeable station here. Here's the way all this comes about:

1. **We feature one** of the great news outfits in the nation. Every newscast on KRNT outrates its competition by a country mile. We're rough, tough operators in the area of news. We have more reporters than some stations have total personnel! This is one of the great news stations in the nation.

2. **We feature highly publicized,** highly trained, highly accepted personalities. We have the advantage that all our people are **seen** on our television station; radio listeners really "know" the person that goes with the voice. This INTER-MEDIA MOTIVATION FACTOR is tremendously important to the effectiveness of advertising. There are more widely known personalities on KRNT than on all other local radio stations combined. With listeners, clients, and rating men, we're the station with the most popular, professional and persuasive personalities . . . again and again and again.

3. **We feature music with melody.** Old ones, new ones, golden records (million sellers), albums, pops, classical . . . all chosen with great care by a man who cares, programmed with care by people who care . . . introduced with understanding by people who care. In the area of music we've got a song in our heart.

4. **We feature service** to the community. Last year we broadcast some 20,450 announcements for eleemosynary organizations and 600 program hours. We spent countless hours meeting with committees, writing their copy, counseling them. We touch lots of lives this way. We're kind and gentle people in this area of operation.

5. **We publicize and advertise** our activities, our people, our aims and aspirations. In this area we make no little plans and we carry through what we start. People hereabouts know everything about all we do.

We honestly believe that it is a great opportunity to be able to advertise a good product on this station. We've been in business long enough (28 years) for any test of fire. We know now without doubt that advertisers don't test us . . . we test them. We test their product appeal, the copy they use, their prices, their merchandising setup.

If you have a good product, good copy, honest dealings, and fair prices, you can get rich advertising on this great station.

KRNT

"Total Radio" in Des Moines

REPRESENTED BY THE KATZ AGENCY

FOCUS ON NEWS

Cherry blossom time in Washington: the raters out on the limb and Congress the picking

For weeks it was the number one topic of conversation in the industry. It dominated the talk at the National Association of Broadcasters convention in Chicago. Congress, cloaked in self-righteousness, had made one of its periodic forays against the broadcasting rating services.

The last time it had swooped down on such prey, the pickings had been lean. The Madow Report of 1961 revealed that the broadcasting raters "are doing a reasonably good technical piece of work for the purposes to be served." The House Subcommittee on Investigations was disappointed. Affirmative opinions hardly ever make headlines. So back to the hunt went the subcommittee.

For it's always open season on the raters; traditionally they have been fair game for any load of verbal buckshot ready for the firing. The publicity potential of such attacks are nonpareil. Perhaps the one thing the print media relish more than a juicy love story is the opportunity to discredit its broadcasting nemesis.

And the newspapers and magazines had a field day with the House Interstate & Foreign Commerce Subcommittee's latest investigation. For more than a month the raters were accused, assailed and all but annihilated. Number one victim of the onslaught was the number one rater, A. C. Nielsen Co.

"Cheating" is common practice among men responsible for the workings of Nielsen meters; field employees are overworked and disgruntled, witnesses testified. Three former Nielsen Co. fieldmen said that anyone searching for the names of Nielsen's 1,200 sample television homes could find them within six months and for an investment of $25,000.

Rep. Paul Rogers (D-Fla.) said Nielsen procedures were shown to be "a sham."

The subcommittee chairman Oren Harris (D-Ark.) was not far behind. He described the testimony as "a revelation" and indicated that elements of the rating business are akin to payola and rigged quiz show problems uncovered in the 1959-60 hearings.

Warning the broadcasting industry, advertisers and rating services that they should reform or face federal action, Rep. Harris then said: "I wonder how long it is going to take . . . [them] . . . to realize that the American people are going to demand truth and honesty."

After reading the quote, one broadcasting industry observer was heard to remark that he remembered Jimmy Stewart saying the same thing in "Mr. Smith Goes to Washington."

Hollywood scenario material or not, Harris's remarks had their effect. The research committee of the NAB met in Washington to discuss the ratings situation—but took no definite action. Members were asked to compile reaction and analysis which will be used later as the basis for a comprehensive report. Part of the aftermath:

■ Four television stations owned by Triangle Publications Inc. cancelled their Nielsen program rating services. Company officials denied that the cancellation was spurred by the congressional hearings but acknowledged they were "discouraged" by the quality of Nielsen's service.

■ Cowles Magazines and Broadcasting Inc. joined the camp of the disenchanted, canceled Nielsen services covering its magazines *Look* and *Family Circle,* as well as its television station KRNT-TV Des Moines, Iowa. Said Marvin C. Whatmore, Cowles vice president and general manager: "serious questions as to the validity of the Nielsen ratings in the broadcast area" have been raised by the congressional investigations and hearing.

■ Also, obviously inspired by the congressional probe into rating services, American Research Bureau, second biggest television audience research company and itself under heavy governmental fire, indicated intentions to double the size of all samples used in its national and local reports. Explained James W. Seiler, director of ARB, "Of all the weaknesses pointed out at these hearings, this is one we can do something about now."

The Harris committee recessed on April 10 for Easter but was scheduled to meet in executive session later in the month. It's likely that its next order of business will concern remedial action. It can be expected to call on advertising agencies and broadcasting promotion groups for suggestions.

Yet there were also indications that the committee's disclosures contained a great deal of smoke and a minimum of fire. Its principal revelations—that radio ratings are completely inadequate and that their television counterparts contain some inaccuracies—but none that are likely to dispute that *The Beverly Hillbillies* is an overwhelmingly popular program and *CBS Reports* is not—contained little surprise for knowing broadcasters and agency executives (see "Standing on the Status Quo," TELEVISION MAGAZINE, April 1962).

Even some of the repercussions of the hearings seemingly are of less import than first believed.

In Chicago, Arthur C. Nielsen Jr., president of the research company, said Nielsen's recent surveys of *Look* maga-

1.
DUPONT SHOW OF THE WEEK— for Television Entertainment. Produced by NBC News Creative Projects, Irving Gitlin, executive producer; by The Directors Company in association with NBC Television, Franklin Schaffner and Fielder Cook, producers and directors; and by NBC Television, Lewis Freedman, executive producer.

2.
WALT DISNEY— for Television Youth and Children's Programs. Produced by Walt Disney Productions in association with NBC Television.

3.
CARNIVAL OF BOOKS, broadcast on NBC Owned Station, WMAQ Chicago—for Radio Youth and Children's Programs. Produced by WMAQ in cooperation with the American Library Association.

4.
THE ETERNAL LIGHT— for Radio Entertainment. Produced by NBC News under the auspices of The Jewish Theological Seminary of America.

5.
EXPLORING— for Television Youth and Children's Programs. Produced by NBC News, Craig Fisher, producer.

6.
WILLIAM R. McANDREW and **NBC NEWS—** a Special Award for News and Informational Programming. NBC News Division, William R. McAndrew, Executive Vice President.


1.


2.


3.


4.


5.

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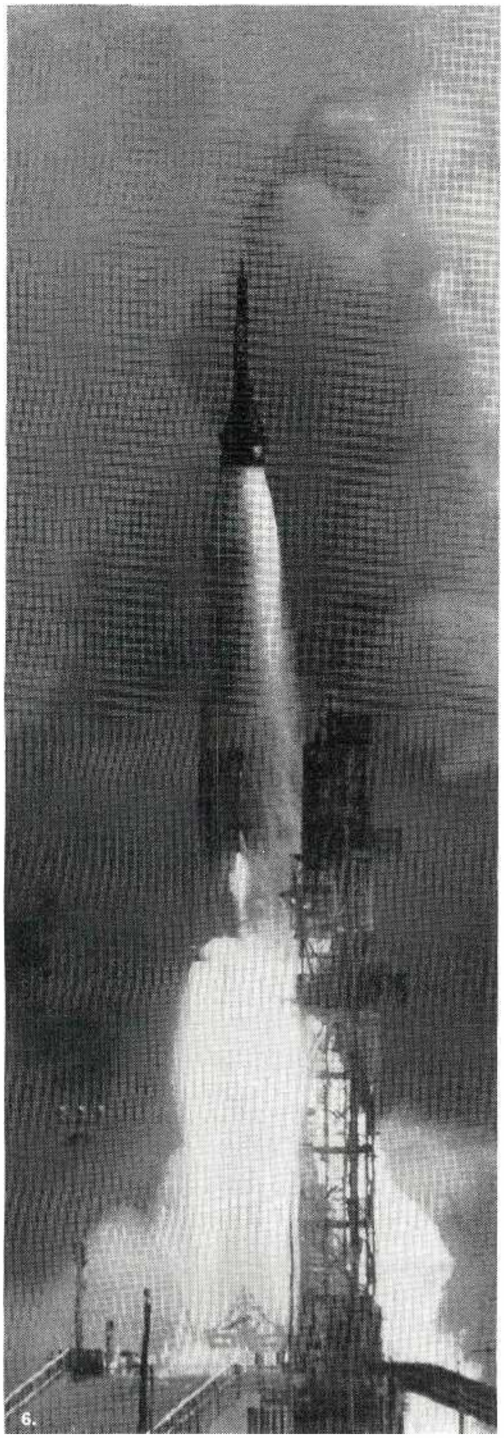


THE BEST IS YET TO BE

Winning six of the distinguished George Foster Peabody Awards for 1963—just after a public vote honored us with six of the season's eight TV Guide Awards—makes NBC feel extremely proud. We'd say it was pretty fair substantiation that a network's programming—if sufficiently versatile and creative—can be honored for excellence by a specialized panel of judges and also be prized by the mass of the nation's viewers. A mere glance at NBC's Peabody Award recipients pictured here will show how well the winners span the full range of broadcasting's news, information and entertainment. Our warmest thanks to all those talented men and women who had a part in preparing these prize-winning programs. And our very deep appreciation to the Peabody Awards Committee*, whose valued accolades—in both radio and television—have contributed so much through the years to broadcasting's excellence.

Now, our attention is turned to next season's programs, for at NBC we always feel that... "the best is yet to be."

Look to NBC for the best combination of news, information and entertainment.

(Representing Listening Posts) ☐ Terrence O'Flaherty, Radio-TV Editor, San Francisco Chronicle. ☐ Paul Porter, Radio-TV Attorney; Formerly Chairman, Federal Communications Commission. ☐ Dr. I. Keith Tyler, Director of Radio-TV Education, Ohio State University. ☐ Miss Harriet Van Horne, Radio-TV Editor, New York World Telegram and Sun. ☐ Edward Weeks, Editor, Atlantic Monthly. ☐ Larry Wolters, TV Editor, Chicago Tribune. ☐ Ex-Officio Members: Harmon W. Caldwell, Chancellor, University System of Georgia, Atlanta. John E. Drewry, Dean, Henry W. Grady School of Journalism, University of Georgia.

NEWS *continued*

zine's readership "are below the expectations of *Look's* management" and Cowles "has seized upon the recent Washington hearings as an excuse for breaking their contract."

At battle's termination last month, it seemed that the congressional rating attack stirred some unrest in the broadcasting and advertising industries, but it could not be termed an uprising. Commented one cynical broadcaster who's been through this kind of pogrom before: "The hate television venom has been restored, the papers got their digs in and Oren Harris basked in the publicity. All's right with the world in Washington. Now let's go back to earning a living."

■ And all over the industry life resumed as the rating hearing rippled into the past. On Wall Street last month a leading question was, "Got any Transcontinent stock?" News had broken that the Taft Broadcasting Co. was in negotiations to acquire Transcontinent Television Corp.—and was preparing to pay $21.20 a share for all TTC's 1,770,512 common shares, indicating a transaction totaling $37.5 million. It would be the largest sale ever in broadcast history.

Just prior to the negotiation news, TTC stock, traded over the counter, was quoted at $17.50 bid, $18 asked. A day later it was $18.50 bid, $19 asked as traders tried to get in on some hoped-for profits.

The deal, a highly complicated one involving both FCC and Internal Revenue Service rulings, has been okayed by TTC's board of directors, goes to stockholder vote at TTC's annual meeting in Buffalo, N.Y., corporate headquarters this month.

Taft owns three VHF TV stations, one UHF, three AM-FM radio outlets. TTC has four VHF TVs, one UHF, four AM-FMs. On the ownership checkerboard, Taft is open to acquire two more VHF stations, one more UHF, four more radio stations. (Exempted from the transaction is TTC's WKOK-AM-FM Cleveland. Purchased last year, it can't be disposed of until 1965.)

The Taft-TTC agreement may take from six months to a year for FCC approval, leaves buyers anxious for the stations Taft turns down a long time to bargain after them.

■ Back to Washington, governmental regulatory agencies, not about to let the Harris committee steal all the thunder, were busy getting their own licks in.

An FTC hearing examiner ruled that television advertising for Ideal Toy Co.'s "Robot Commando" and "Thumbelina" doll was deceptive.

The government examiner charged that in TV demonstrations during September, October and November 1961, it was made to appear that the "Robot Commando" toy obeyed voice commands. In truth, he explained, it's necessary to move a control lever to activate movements. Additionally, the commercials didn't indicate that batteries were needed for the robot toy and had to be bought separately.

The "Thumbelina" doll commercials made it appear that the doll can roll over from its back to its side without help. Not so, said the examiner.

While the examiner suggested that Ideal be ordered to stop misrepresentations which "exploit children," his is not a final order and may be reviewed by the commission.

■ The once off, now on-again NBC-Philco Philadelphia facilities fight (over WRCV-AM-TV) droned along last month in comparative hearings before the FCC. Thought settled under a "gentleman's agreement," the fight flared anew two months ago when the FCC refused to accept the arrangement, which had Philco bowing out of the contest in return for NBC reimbursement. Philco then did an about face and re-entered the battle, and it is battling.

NBC introduced eight programming exhibits intended to stand as representative of the kind of programming it has been doing on WRCV-TV. But Philco contended that the exhibits are contrary to FCC rules and undermine the principle of the proceeding.

According to Philco, the exhibits are based on WRCV-TV's operation after the expiration of its regular license on August 1, 1960. Philco said that filing this data violates FCC rules requiring that such information be taken from a station's operation during its last regular license period. NBC was expected to protest the Philco protest and the fight continues.

■ A fight of a different sort was on in New York last month. Educational station WNDT (TV), deep in financial trouble, fired its general manager in "the interest of economy." The protests were long and loud.

WNDT (still owing more than $1.8 million on the $6.2 million it paid for the channel 13 station in 1961) needs $350,000 to meet expenses under its budget for the fiscal year ending June 30.

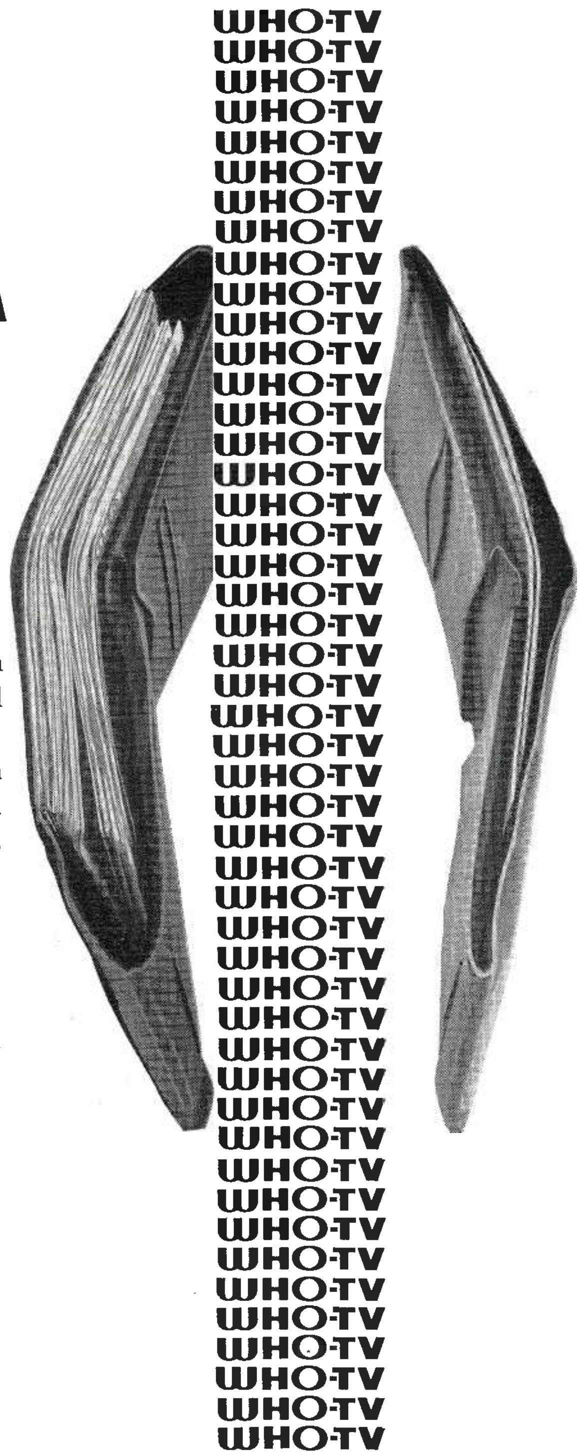
Commercial broadcasters, station benefactors from the start, have chipped in better than $212,000 toward the immediate goal ($100,000 each from CBS and NBC). But the problem lingers.

Coming out of the hole this year, WNDT announced a budget slash to ward off difficulty again in the coming fiscal year, cut $256,000 from a planned $2,956,000 outlay. And soon after this, Dr. Samuel B. Gould, president of Educational Broadcasting Corp., WNDT owner, announced the ouster of vice president and general manager Richard D. Heffner, purportedly to save on his $32,500 yearly salary.

The roar that followed from the academic community swept into long "shame, shame" columns in the New York press. Upwards of a dozen educators plus a score of men and women from the art and literary world, contributors and participants on the station, pulled out of WNDT appearances and a regular boycott took shape. "Take Heffner back or do without us" was the cry.

But Gould, two weeks ago, wasn't backing down. He defended the station's decision, was busy repeating that channel 13's schedule would suffer no cultural or quality decay, the attack line being used by WNDT's suddenly blooming band of critics. Educational TV, in New York at least, seems to be generating in extra-curricular affairs the excitement and headlines missing from its programming. END

WHICH IS THE IOWA FARMER'S ?



You think farm people are pretty much alike, all over the U.S. — or even in all "good farm states"?

Well, in Iowa, if you divide the farm population into gross farm income, you get $4,214 *per person.* In rich Indiana, it's $2,869. In rich Ohio, it's $2,402. And Iowa has a lot *more* farm people than either!

We're not boasting. It's just that Providence gave us more than our share of Grade A land. Then the Grade A *farmers* came naturally — and prosperity, too, of course.

WHO Radio has been an enormous factor in the lives of Iowa farm people for *generations* — and WHO-TV is now. We believe we rank first in their confidence. You ought to come out and check it at their agricultural meetings, the Iowa State Fair, etc. You'd get some new insights on "audience loyalty."

CHANNEL 13 • DES MOINES WHO-TV

PETERS, GRIFFIN, WOODWARD, INC.,
National Representatives

NBC AFFILIATE

FOCUS ON PEOPLE

THOMAS W. MOORE
President
ABC-TV

After a year's wait, **Thomas W. Moore**, ABC-TV's vice president in charge (following the departure of Oliver Treyz), finally got his captain's stripes. Leonard Goldenson, president of parent American Broadcasting-Paramount Theatres, last month announced the election of Moore as network president.

With ABC-TV since 1957, initially as vice president in charge of sales, in 1958 vp in charge of TV programming under Treyz, Moore has been, since March 1962, network chief in position though not in title. He entered TV in 1952 as an account executive with CBS-TV Film Sales on the West Coast, became general sales manager, with headquarters in New York in 1956.

Just prior to the Moore announcement, ABC promoted **Edward Bleier** to vice president and national sales manager for ABC-TV, also made **Yale Roe**, ABC-TV assistant daytime sales manager, director of TV daytime sales. Bleier has been eight years with ABC-TV and WABC-TV, Roe 12 years in various sales slots with o&o's in San Francisco, Chicago and New York.

ALAN D. COURTNEY
TV Production Head
MGM-TV

Alan D. Courtney, who resigned from CBS-TV with Hubbell Robinson two months ago, joined MGM-TV last month "in a major executive position." It amounts to his taking charge of TV production, a boom area right now with six network series in production for the fall, MGM's heaviest TV production load since the television subsidiary was formed.

Formerly vice president in charge of network programming at CBS (the No. 2 programming job now occupied by Oscar Katz), Courtney previously had been vice president of MCA-TV, did some work with Hub Robinson's independent production company. When Robinson went in as CBS-TV's program topper, he brought Courtney in with him. Before MCA, Courtney served 13 years with NBC-TV, five of them as vice president in charge of program administration.

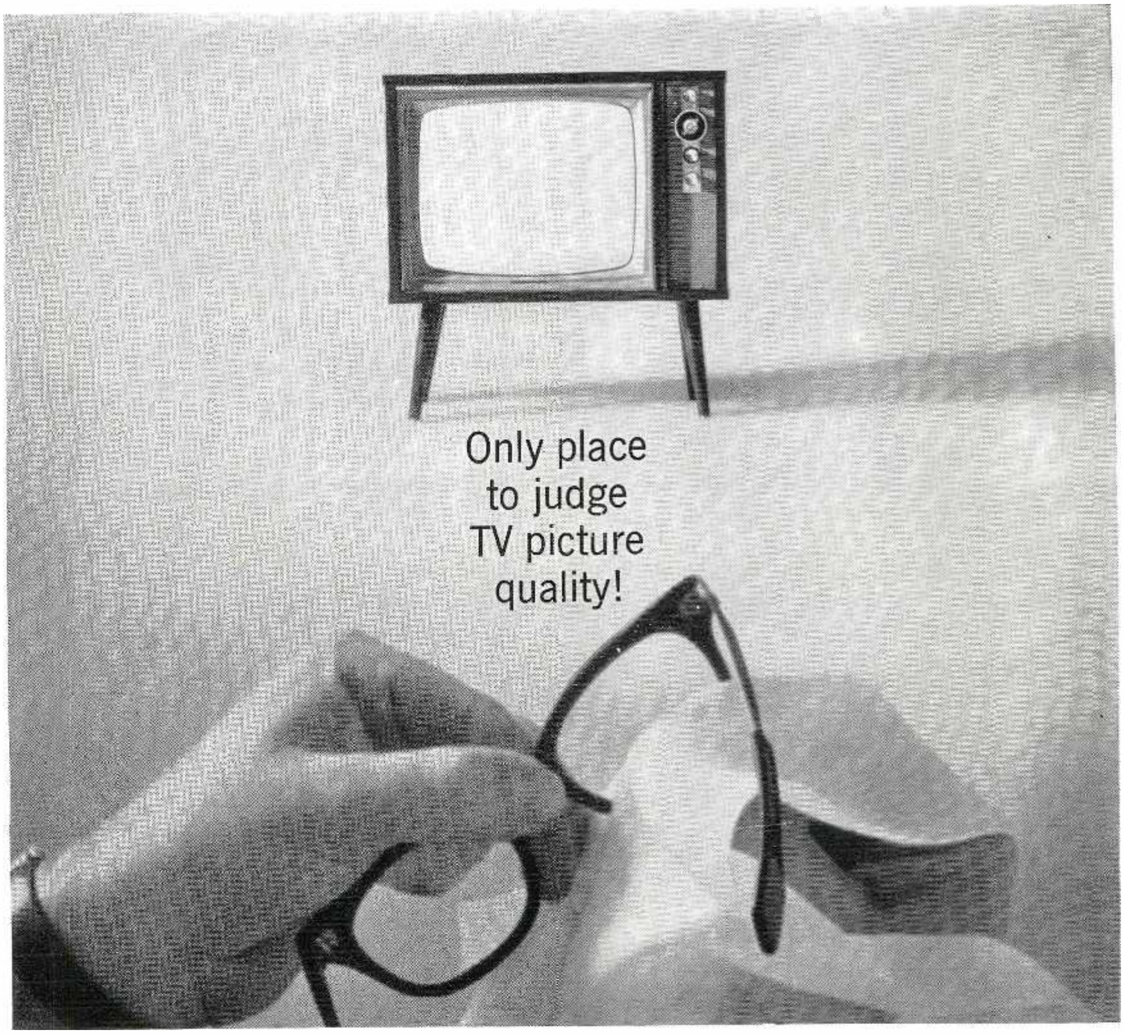
Robert M. Weitman, studio head at MGM and a former CBS-TV program man himself (also ABC-TV), joined MGM-TV in 1960 as production chief. In January 1962 he also took on the job of studio boss. With MGM's TV expansion, Weitman's dual role became too demanding. Courtney is in to back up. And as fate would have it, his first chore was pitching a show to CBS.

FRED SILVERMAN
Director Daytime Programs
CBS-TV

CBS-TV filled another programming berth last month in the aftermath of the executive shuffle that revolved around the exit of Hubbell Robinson and the rise of Mike Dann and Oscar Katz. **Fred Silverman**, a newcomer at CBS, was installed in Katz's old job as director of daytime programs.

Silverman, at 25, one of the youngest network programming men around, had been with WPIX (TV) New York as supervisor of live programming and as general program assistant to the executive vice president. Previously he was with WGN-TV Chicago as staff producer-writer, assistant to the program manager and director of program development.

Last month also: CBS named **Merritt H. Coleman,** CBS-TV Hollywood, to the new post of director of contracts, music and rights.



Judge it where tv viewers do... where today's best-selling pictures come from SCOTCH® BRAND Video Tape

Today's great American theatre is the living room—not the projection room. If you're viewing tv commercials or pilots on the conference room screen, remember: the only "screen" the tv audience sees is the face of the tube! When you view shows or commercials as you would a movie you're sitting in the dark all alone . . . no one you're trying to reach will see them that way!

The tube is the test every time! Put your commercial or show on "SCOTCH" BRAND Video Tape and view it on a tv monitor. Then you'll be looking at it with the same eyes as the customer. There are no optical-to-electronic translation problems. Every image is an electronic original completely compatible with the tv set in the home.

Picture-prove it! View a filmed and a video-taped production side by side on monitors. See the inimitable "here and now" quality that "SCOTCH" Video Tape offers agencies, advertisers, producers, syndicators. Extras are pushbutton ease in creating unlimited special effects, immediate playback, and no processing wait for either black-and-white or color. For a free brochure "Techniques of Editing Video Tape", write 3M Magnetic Products Division, Dept. MCS-53, St. Paul 19, Minn.

Magnetic Products Division 3M COMPANY

OLIVER TREYZ
Vice President
Revlon Inc.

Oliver Treyz, 45, one-time president of ABC-TV, first head of the Television Bureau of Advertising and for the last year vice president and world-wide sales manager of Warner Bros. TV division, last month moved into the world of the advertiser as a vice president with **Revlon Inc.**

Treyz, whose jet-like pace and effervescence earned him the title of the "Bromo Seltzer Kid" while he was pushing ABC's TV fortunes, was caught in Warner's recent television high command shakeup that saw Jack Webb replace William T. Orr as TV production head ("Focus on People," April). He resigned in the wake of the "New Look" program.

Treyz's assignment with Revlon (1962 TV spending: $4.2 million) includes special marketing projects and consultant work for the advertising and marketing division of Revlon-controlled Schick Inc. ($1.1 million in TV last year).

With a background spanning research, administration, salesmanship and showmanship, Treyz reportedly will be in on a Schick expansion beyond electric and safety razors into a line of men's toiletries and related male products.

CHARLES N. CAMPBELL
Supervisor
Network Broadcasting-Media
Campbell-Ewald

Campbell-Ewald Co., Detroit, billing about $21 million in network TV, last month brought in **Charles N. Campbell** as supervisor of network broadcasting media.

Campbell, a former C-E executive, had joined the agency's media department in 1950, spent the last 10 years with MacManus, John & Adams, recently as an account executive.

Much of Campbell's work will center on General Motor's broadcast activity, C-E having the fat Chevrolet account as well as some other GM divisions. GM's network spending last year, much of it on Chevrolet: $24.5 million (see "Focus on Business," page 9).

GM in 1962, while increasing TV billings 15% (from $25.2 million to $29 million), cut down on its spot spending—the only advertiser in the top 10 spending catagory to do so—perhaps signaling a new GM accent on network television.

JOHN T. MURPHY
President
Crosley Broadcasting Corp.

The Crosley Broadcasting Corp., without a president since the death last February of Robert Dunville, elected **John T. Murphy** to the presidential post last month. He had been Crosley's executive vice president.

Murphy, 50, a 13-year veteran with the Crosley group, entered radio in 1930 as a page boy with NBC New York, spent 18 years at the network, ending up in sales and TV station relations. He joined Crosley's WLWD (TV) Dayton in 1949 as general manager, moved to WLWT (TV) Cincinnati in the same capacity.

Murphy stepped higher into the Crosley executive corps in 1951 as vice president in charge of television, was made executive vice president last September. A wholly-owned subsidiary of Avco Corp., Crosley operates four TV stations.

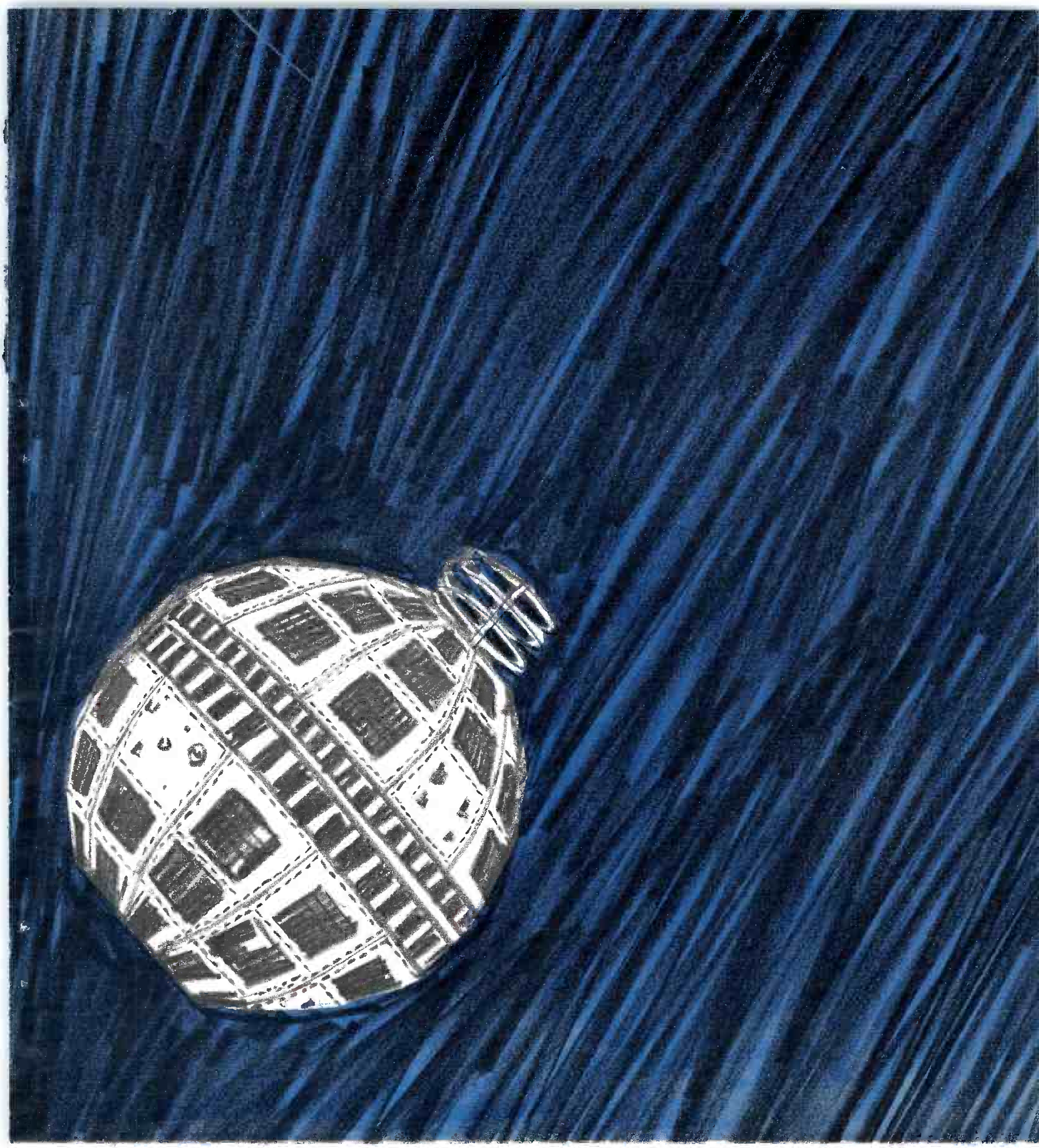
THOMAS M. DEHUFF
Partner
The Zakin Co.

Thomas M. DeHuff, one of the television administrators at Cunningham & Walsh, resigned as vice president and director of TV commercial production last month to become a partner in another New York ad agency, The Zakin Co.

In his new post, DeHuff will be responsible for account management and supervision of broadcast activities. His partners in the six-year-old Zakin agency are Alvin Zakin and Theodore Eisenberg.

With C&W since 1952, DeHuff had previously been with William H. Weintraub Co. (now Norman, Craig & Kummel) as director of live TV production. Earlier he served as a staff director for ABC-TV and a program director for ABC Radio.

The Zakin Co.'s billings fall in the $3 million range. DeHuff will probably aim at increasing TV activity.



PLAYBACK

PLAYBACK

A MONTHLY MEASURE OF COMMENT AND CRITICISM ABOUT TV

Newton N. Minow, chairman, Federal Communications Commission, addressing the National Association of Broadcasters, Chicago:

OUR staff has made a report on network policies and practices, which the Congress is printing and distributing. We now have a clearer picture of the functions, the power and the problems besetting television network operations.

The basic issue before us can be stated quickly: The networks are an indispensable part of television. Our three networks have furnished to the people of this nation informational and entertainment programming which could not otherwise have been achieved. Strong networks, and I hope one day there will be more than only three, are essential to successful television broadcasting. But when does strength become all-embracing dominance? . . . Power inevitably carries with it grave responsibility. We presently look to the stations, not the networks, while we know that it is generally the networks and not the stations which make the crucial decisions about what the public sees and hears. The responsibility for what goes out *over* the air cannot be left up *in* the air. And those who are making a buck from television must stop passing the buck.

Our problem is to maintain a free market for ideas in television, while preserving and encouraging essential services which only the networks currently provide. Frankly. I had hoped to be closer to a resolution of these issues than we are today. The ultimate solutions may rest with the Congress. Our staff's recommendations are under active study now by the Commission, and we intend to move. . . .

Another subject we should discuss is commercials, a matter of debate in broadcasting since 1922. It was in 1922 that Herbert Hoover, then responsible as Secretary of Commerce for the regulation of broadcasting, said, "It is inconceivable that we should allow so great a possibility for service, for news. for entertainment, for education and for vital commercial purposes to be drowned in advertising chatter."

Forty-one years later, the American public is drowning and calling for help. A television commercial is broadcast somewhere in the United States every 1.7 seconds. To figure out how often a radio commercial occurs would give a computer a nervous breakdown.

At the FCC, we have a policy against "over-commercialization." If you ask us what that means, we would have to confess that in all its years, the FCC has never established ground rules defining it. However, at the NAB, you have a Code of Broadcasting Practices. In the code is a specific and detailed provision for time to be devoted to commercials. The code was written by this industry and represents the thinking of responsible broadcasters about advertising practices. In your view, it establishes a fair standard under which "revenues from advertising" can support "the free, competitive American system of broadcasting" and at the same time "make available to the eyes and ears of the American people the finest programs of information, education, culture and entertainment." Those quotations are from the preamble to the code itself.

The trouble with that code provision is that it is not complied with and is not adequately enforced. According to your own Bob Swezey, the head of your Code Authority, "It is virtually impossible for us to maintain industry standards in any practical sense. The public is still being victimized by the poor programming and shoddy practices of a large element of the industry which has no interest in standards and no compulsion to observe them."

The NAB itself says that only 1750 radio stations subscribe to the code, approximately 38% of the radio stations on the air. In television, the figures are 405 subscribers, approximately 70% of the television stations.

And even those who subscribe to the codes do not always adhere to their provisions.

One trade magazine summed up the situation recently by saying "As things stand now, a broadcaster can keep the code barefoot and knock it around the house as long as nobody from the NAB's code authority is looking. Even if he gets caught, the neighbors aren't apt to hear of it" [TELEVISION, October 1962].

Last year, I quoted the head of your own Code Authority, Mr. Swezey, who said to you that the time had come "to put up or shut up about self-regulation."

I submit you have succeeded in doing neither.

In another field, the *Wall Street Journal* recently urged greater self-regulation by the stock exchanges and observed "that the way to keep any neighborhood from crawling with policemen is for the community to insist upon good behavior all along the street."

That is sound advice. Yet, as Mr. Swezey remarked only two weeks ago, the interest broadcasters have "in self-regulation is . . . in direct proportion to the threat of government regulation." Self-regulation is clearly the best regulation just as self-discipline is the best discipline. Yet, though you have established reasonable standards for yourselves, you have demonstrated neither the capacity nor the will to enforce them. You can no longer have it both ways. You cannot subscribe in principle and ignore it in practice. Self-regulation cannot become self-deception.

That is why a majority of the Commission is inviting public comment on how to solve this problem. One proposal we will consider is whether your own standards on commercials be adopted as commission standards.

I wish I could persuade you and my colleagues to go to the Congress together to urge that broadcasting legislation follow the principles of the Securities Exchange Act. I would urge that the law require that every broadcaster belong to the NAB, just as most brokers belong to the National Association of Securities Dealers. You should be professionals, a status which many in your ranks already deserve. But this demands that you maintain high standards and that you discipline those among you who repeatedly cut corners.

My friend and teacher, Bill Cary, chairman of the Securities & Exchange Commission, recently said this about the SEC: "This Commission is in no mood to expand, to seek growth for growth's sake. Government steps in to fill an evident public need; we urge, indeed, entreat, the industry to acknowledge this need and fulfill it." I say to you today the same things about the FCC.

I would personally urge that you have the lawful authority to enforce your own commercial standards, with an appeal to the FCC, just as is done in the securities field with the SEC. I cannot understand why you do not see the wisdom of taking such a course instead of requiring further action from the government. Those of you who live honorably by fair rules should insist now that your competitors adhere to them too.

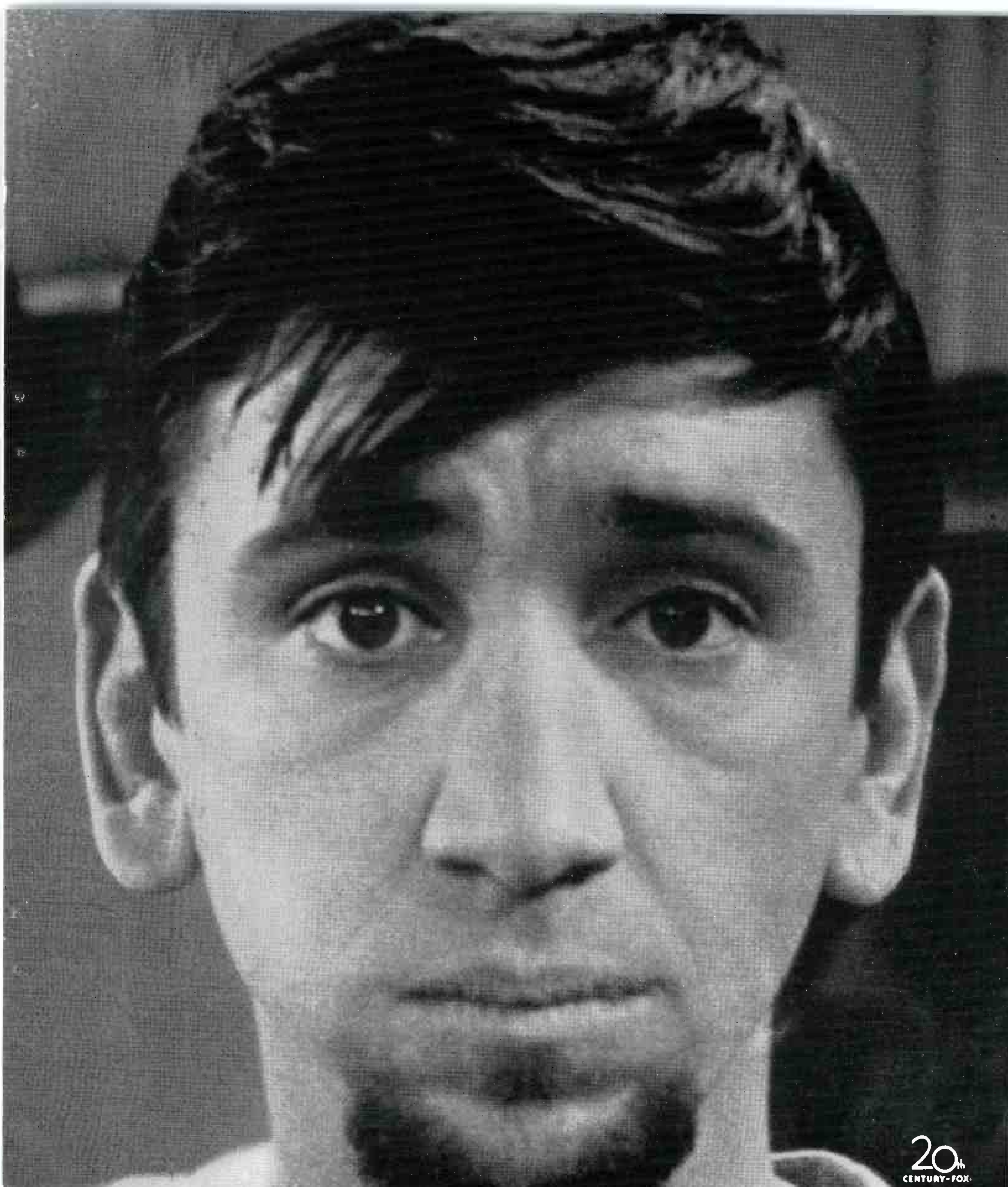
CREATIVE THINKING

Edward H. Weiss, chairman of the board, Edward H. Weiss & Company, addressing the National Premium Sales Executives Inc., Chicago, on "How Not To Be Creative":

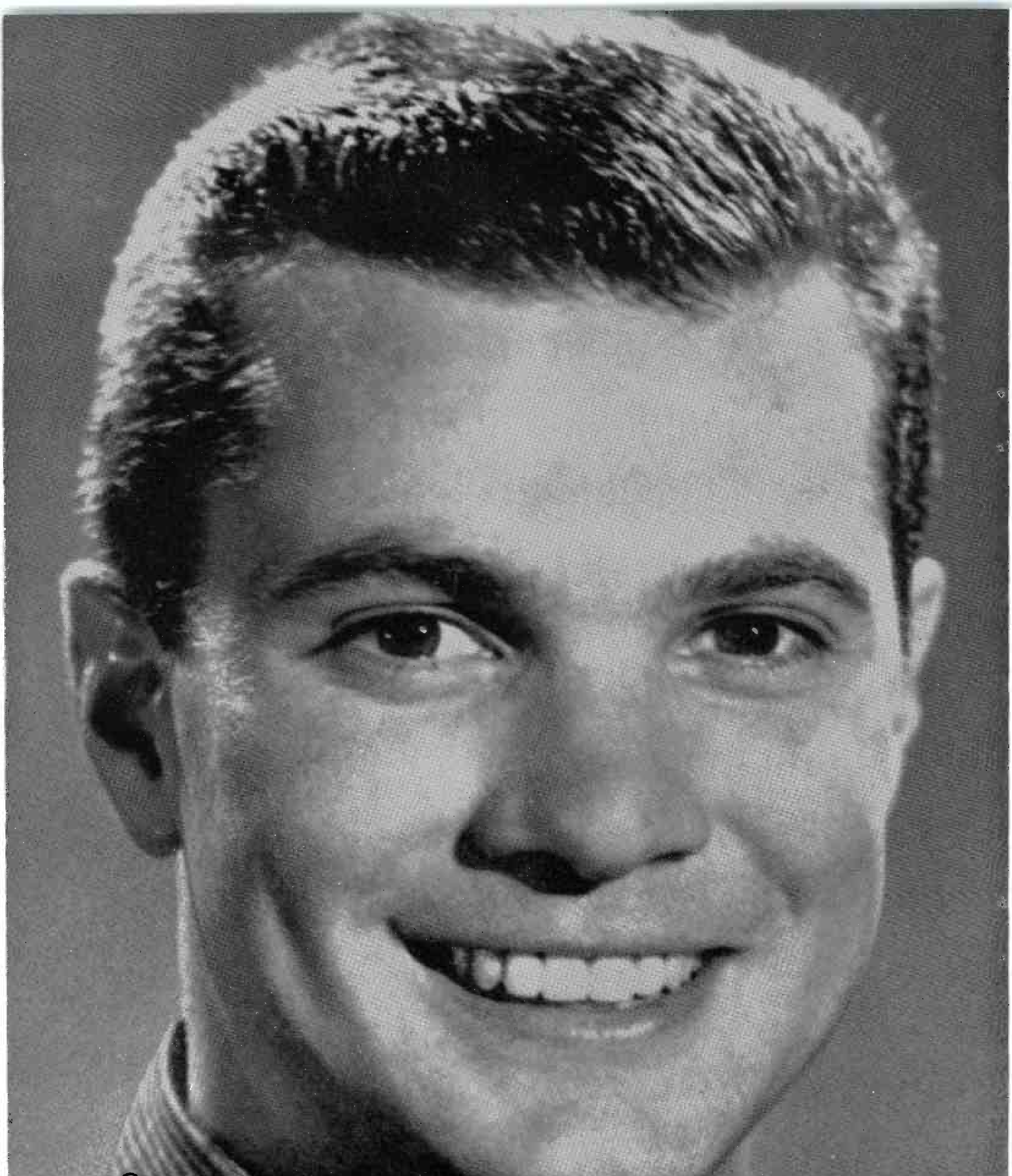
WHAT this country needs most of all today is creative thinking. And the way not to be creative is to be a specialist, and nothing more. It is only the generalist—the man who can relate one specialty to another—who can stop running long enough to find out if he is going in the right direction.

Now this paradox digs deep down into our roots—for the whole American educational system today is aimed at turning out specialists, and not generalists. These students are the ones, it must be admitted, who get the best jobs first. In terms of immediate employment opportunities, it is the technically trained graduate who is offered the plums.

But, as he begins to move up the escalator of corporate and business life, unless he is adaptable, unless he is flexible, unless he has a broad grasp of affairs he



"YOU RANG?"



NOW AVAILABLE!

For local sale – 147 half-hours-Dobie Gillis, Very hot – Give us a ring. 20th Century Fox TV, Inc. CO 5-3322

becomes less and less useful to the company. For in the upper echelons, what we desperately need are men who are not locked within a narrow specialty, who follow their instincts, who play their hunches, who are not even afraid to fail and make fools of themselves. . . . As President Butler of Columbia said, "A specialist is a man who learns more and more about less and less, until finally he knows everything about nothing."

What we need is a return to the whole man. . . . All the techniques of marketing research, of polls and statistics and surveys, are not worth the educated guess of a single man with his finger on the pulse of the times. The greatest danger in modern technology is not that the machines will begin to think like men, but that men will begin to think like machines. And machine-oriented thought is sterile, it cannot reproduce a single living organism. . . .

RELIANCE ON POLLS

For example, consider the advertiser and his agency's pathetic reliance on the television polls. We consider ourselves hard-headed realistic persons, but is it not the height of Utopian folly, of romanticism, to believe that these fractional polls can properly inform us about the influence and impact of our programming and our product?

The Ford Company, as you know, spent an enormous sum of money in "researching" the Edsel car. We all know what happened to that. The surveys simply did not gauge the temper and the felt needs of the motoring public. But, George Romney, a vital, creative man, with faith in his own intuitive knowledge, turned around the whole automobile industry with his concept of the Rambler compact car.

We are constantly trying to find out what the public likes. But the plain fact is that the public itself does not know what it likes, and never knows it until it gets it! Television has been much criticized because it is bad—but it is not so much bad as it is a bore. And it is a bore precisely because everyone is breaking his neck trying to anticipate public tastes, imitating last year's successes and trying to find some "scientific" formula that will please everybody—and that succeeds in pleasing nobody for very long.

The success of this nation was built on many factors, not the least of which was risk capital. Now the time has come for risk ideas. We have more capital formation than ever before; what we are lacking are the ideas that are risky, the confidence in our own judgment, the willingness to make mistakes—for nothing great can ever come about without mistakes. Management—and this includes advertising agencies more often than not—is often run by group action in which there is too much effort expended avoiding individual blame for anything that might go wrong.

It is only when we take the maximum risk of failure that we can achieve the maximum risk of success. If the American economy has become so constricted and so confined, that such risks will no longer be taken, then our society will be condemned to drift in a backwater. . . .

These, then, are the three paradoxes of American business today: first, that we are producing specialists when we need more generalists; second, that we are relying more and more on "science" to aid us when in actuality business is more of an art than ever before, and, third, that while we preach individualism we are being strangled by "corporate collectivism" and by our unwillingness to risk ideas as well as capital. END

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☐ 1 YEAR $5.00 ☐ 2 YEARS $9.00 ☐ 3 YEARS $12.00

Group Rates: $3.00 each for ten or more; $3.50 each for five or more

☐ Bill Co. ☐ Bill Me

Add 50¢ per year for Canada, $1.00 for foreign

Name ______

Company ______

Address ______

City ______ Zone ______ State ______

☐ Send to Home

Address ______

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LETTERS

FAN

I am delighted and impressed by your article ["Backstage: The Story of a TV Special," April 1963]. It is both accurate and interesting, and you certainly caught all the problems and the subtleties of our life here. GEORGE SCHAEFER *Compass Productions, New York.*

PAY TV IN DEMAND

How the hell do you do it—turning out those fabulous articles month after month? The latest, on pay TV, is a marvelous roundup. How can I get six copies? And I'll need six of the second part, too. KEN KLEIN *The Katz Agency, New York.*

Mr. Harnett would like to obtain 12 reprints of the article on pay TV appearing in your April issue and also the second part which will appear in your May issue as soon as they are available. JANE BREAKSTONE *Secretary to Joel Harnett, Vice President, Cowles Magazines & Broadcasting Inc., New York.*

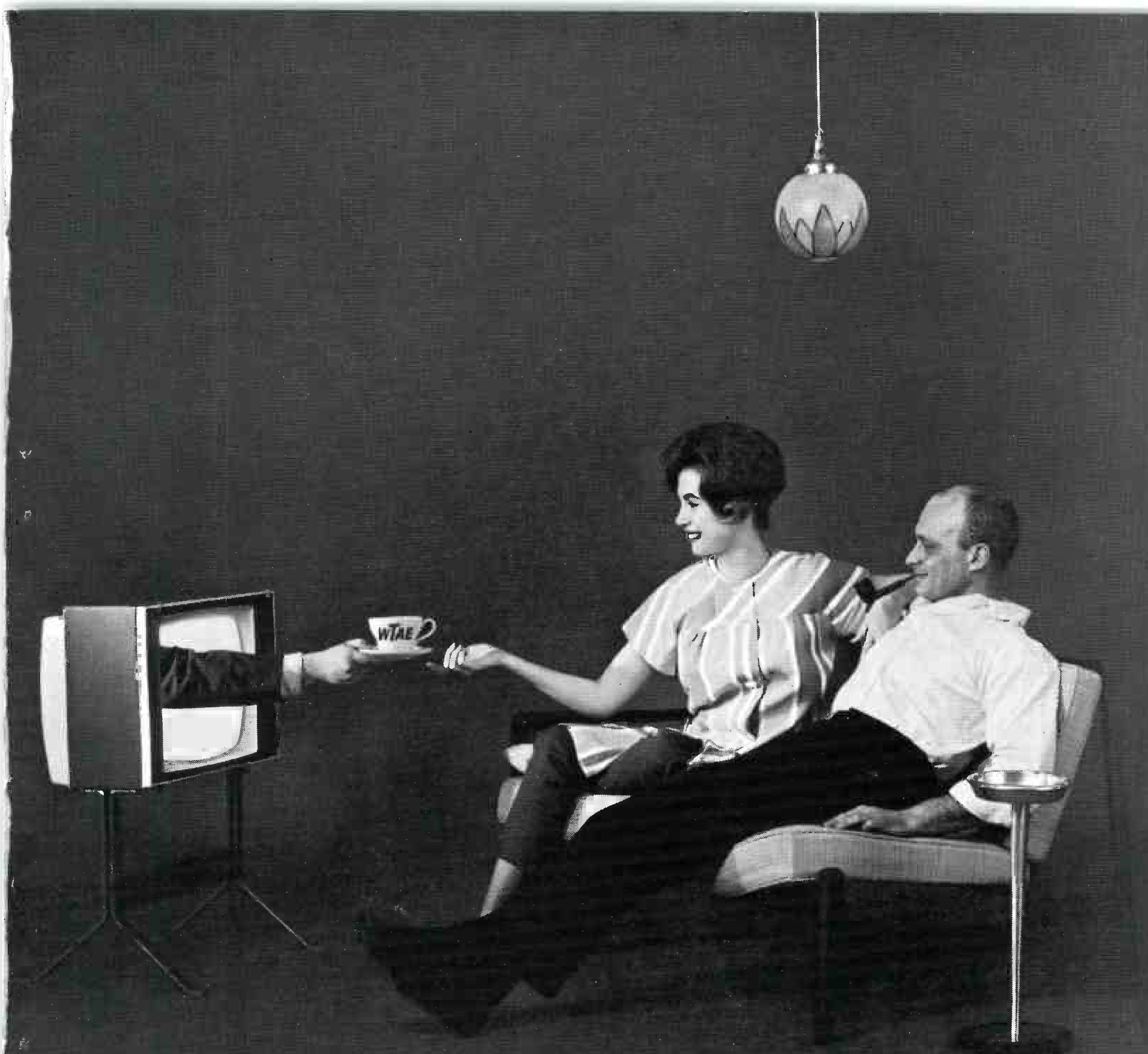
. . . three reprints of the article "Pay TV: So Near and Yet So Far Away" as published in the April 1963 issue of TELEVISION. ROBERT E. DRESSLER *Director, Radio-TV-Film, Field Enterprises Educational Corporation, Chicago.*

. . . 10 copies of the April 1963 TELEVISION. W. E. HUSSMAN *Palmer Media Group, Camden, Ark.*

. . . five copies of the April issue. Please forward immediately. G. R. MORRELL *Director, Midwest Video Corporation, Little Rock, Ark.*

Will you please send us 100 reprints of Part I of the article . . . concerning pay television. We would also like to enter our order for 100 copies of Part II. JOHN MCLENDON *McLendon Broadcasting Company, Jackson, Miss.*

[**Editor's Note:** Parts I and II of the pay TV series will be combined into a single reprint available at 50 cents per copy.]



Reach 'em with a SPOT OF TAE

(the "big movie" station in Pittsburgh)

Dyed-in-the-wool movie fans have one choice on Pittsburgh television. TAE. Because TAE has the choice movie library! Oh yes, we're also the only channel with a nightly 11:15 movie. And the only local channel to originate movies in color.

Current and choice: Million Dollar Movie (every night); Million Dollar Matinee (weekday afternoons); Pittsburgh Movie Special (Saturday nights at 7); Shirley Temple Theater (Saturday mornings); Family Movie Album (Sunday afternoons).

Take TAE and see

WTAE CHANNEL 4

abc Basic ABC in Pittsburgh

THE KATZ AGENCY

Reprint Checklist

These Reprints Still Available!

TELECAST MIDSEASON '63 ☐

3pp from February 1963 15¢ each

The 1962-63 network television season—its program lineup 7:30-11 across the weekly schedule—is clear at a glance in this pictorial guide. Shows, their sponsors and advertising agencies, plus programming changes into March are detailed.

THE MEDIA COMPETITION: RADIO ☐

16pp from January 1963 35¢ each

This study is focused on the elder statesman of broadcast media, radio. It's a medium that has lagged far behind in the national competition since its kid brother, television, came along to entice away its primary audience and its principal customers. Change was called for in radio, and change there's been. This special report recounts these changes in full.

TELEVISION'S FASTEST FIFTIES ☐

8pp from November 1962 25¢ each

The boom days aren't all behind in television. As the nation grows, and populations shift, so do TV's audience patterns change. Here's a report on those markets where things are changing both fastest and mostest. Complete with two charts: Fastest 50 in Numbers Gain and Fastest 50 in Percentage Gain.

THE FREEDOM OF TASTE ☐

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Victor M. Ratner's essay on the historic conflict between media and critics stands as the definitive statement on the side of allowing the people's taste to prevail. It deserves a place in the files of all persons seriously concerned about television and its future.

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TELEVISION MAGAZINE

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FOCUS ON TELEVISION

TO THE EDITORS:

Circled below are the programs I would select, along with the total I would spend, for pay TV viewing if given the two-week schedule you published:

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21	22	23	24	25

TOTAL ______

Name ______

Company ______

Position ______

PAGE 48 in this issue is followed immediately by page 51, a circumstance the reader would surely find strange were he not to read on.

In researching the exhaustive pay TV series (Part II of which appears with this issue) the editors came across a program schedule for a two-week period on the Telemeter pay TV system in Etobicoke, Ontario. We quickly found ourselves comparing notes on which shows we'd pay a dollar for, which we wouldn't pay a nickel for, which we'd already seen, etc. The thought occurred that readers might also like to check off their program preferences against an actual pay TV schedule, so we decided to provide the opportunity by printing a list of the 25 programs offered along with a three-channel schedule showing when they were available. Going beyond that, we wanted to know what, and how much, the readers picked. Hence the idea of binding into the book a business reply postcard on which readers could enter their viewing choices and total investment to be mailed back to TELEVISION. The results won't meet any scientific tests for sampling validity, but *we'll* find them interesting—and we think readers will, too.

So you'll know what to expect when you get to it, a replica of the card is printed above. And while we don't want you to pass up the many other stories this issue contains, we do urge you turn as quickly as possible to page 48, fill out the card and mail it back. The postage is on us.

Oh. Why is 48 followed by 51? Because the Post Office insists we count the card as pages 49 and 50.

NEW MILLION DOLLAR MOVIES *rivet audience attention to high-caliber stars in swift-moving stories. Norman Mailer's* *THE NAKED AND THE DEAD* *illustrates the color and action lavished on these late releases from six major companies. Jules Verne's FROM THE EARTH TO THE MOON, Bret Harte's TENNESSEE'S PARTNER James M. Cain's SLIGHTLY SCARLET and Zoe Akins' STAGE STRUCK add their luster to the list.*

do you have these NEW MILLION DOLLAR MOVIES?

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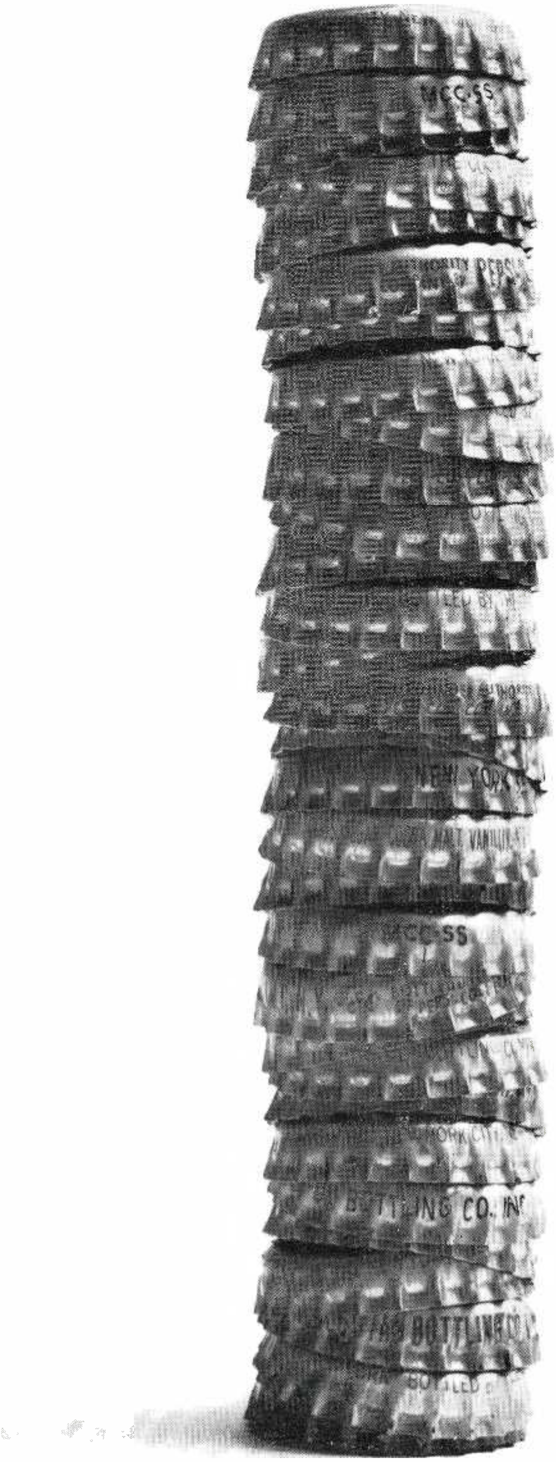
May 1963 Vol. XX No. 5

TELEVISION



Thirsty Americans last year uncapped better than two billion gallons of soda pop—and drenched the soft drink industry in record sales. Television has become the battleground on which Coke, Pepsi and their competitors battle to woo customers their way. This report tells why.

RISING TIDE: SOFT DRINKS AND TV

By Albert R. Kroeger

Moxie, Mission, Bubble Up, Squirt, Paw Paw, Yoo-Hoo, Coke, Pepsi, Seven-Up, Canada Dry, Royal Crown, Dr Pepper, No-Cal. The names, recognizable and obscure, seem endless. Statisticians say Americans drank 200 bottles of soda apiece last year on a per capita basis—that's 26 more than Mr. Average consumed 10 years ago, 68 more than he put away in 1946.

The big ($1.9 billion) soft drink industry grows bigger. America washes down better than two billion gallons of sweet, multi-colored, bubbly beverages a year. Sales are close to $3 billion at the retail level, some $400 million more across the counters of 150,000 soda fountains. America's thirst, the soda-pop men note gleefully, apparently knows no bounds. And, horror of horrors, if it should slacken, the U. S. soft drink business will surely promote it to a Sahara-parched peak again.

Hard sell or soft sell, the industry devotes about 11% of sales to advertising, spent an estimated $200 million last year alone. Television, taking close to $30.9 million in soft drink ad dollars in 1962, a 40% gain on the $22.1 million spent in 1961, now ranks as the soft drink makers' prime medium. Only the vast, unmeasured expenditure in point-of-purchase—the multitude of soft drink display material that dots the land—comes on stronger.

Promotion is a way of life in the soft drink industry. Canada Dry was astounded when a contest winner, digging into a pile of a quarter-million silver dollars, shoveled up $37,500, about twice as much as Canada Dry's budget makers had dreamed anyone could scoop up in the alloted five minutes. Dr Pepper once put up as a prize the royalties from 44 oil wells, last year offered a solid gold dinosaur and $10,000, this year offers a square stone wheel and two 1963 autos.

The stunts are typical of the hoopla being staged by today's highly competitive soft drink makers. Business is fizzing, profits are being gulped. The market, as a Pepsi-Cola representative puts it, "is everyone with a mouth." Or as a Coca-Cola man once saw it, "everybody who has graduated from Pablum and Gerber's."

While per capita consumption of coffee, tea and cocoa has remained relatively unchanged since the end of World War II, soft drink consumption jumped 51%. The highest pop-consuming age group (10-29) of the population has a lot of high-consumption years ahead of it. Population increase alone makes the fizz continue.

Behind the soft drink boom are some basic trends in American living. And where trends don't exist, soft drink makers promote them.

Consumption received a lift from the surge toward more leisure time and stepped-up home entertaining. Television has kept people at home. And serving soft drinks with snacks has intensified.

The industry has even moved beyond leisure time to seek sales at the dinner table, has often taken deliberate aim at coffee and tea producers by pushing for increased use of soda with meals. Some soft drink men have even plugged soda pop as a cooking ingredient.

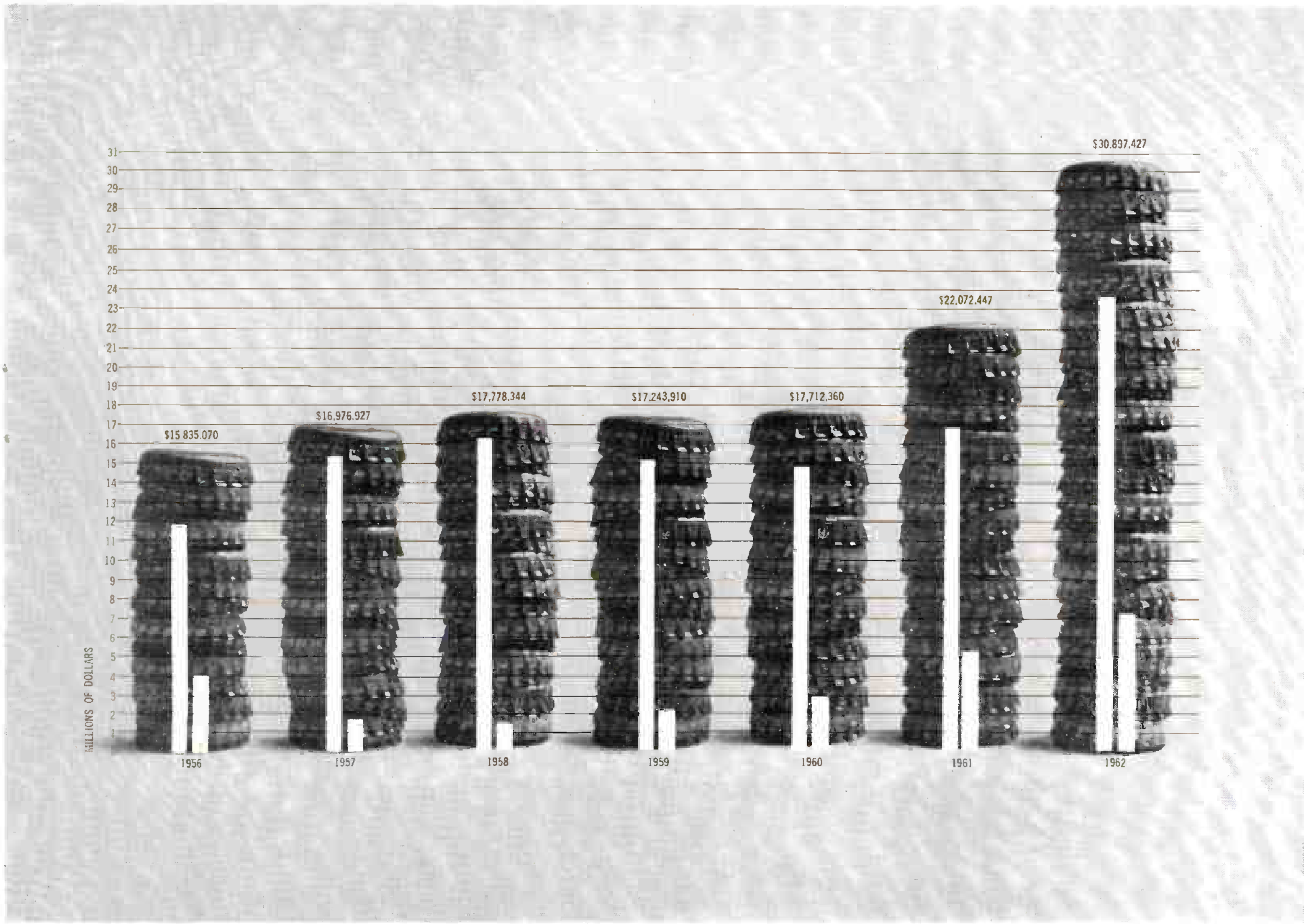
Because of increased in-home consumption, soft drinks have become a year-round thing. And the industry has been ridding itself of its seasonal nature (although the summer months still bring 40% of the sales and the peak advertising efforts).

It isn't all heavenly nectar, however. The industry is struggling with a plethora of new product and new packaging developments that drain profits, take years to make good on their own. Fierce competition has also helped undercut the industry—the number of U. S. bottlers has declined from 6,000 to 4,275 in 10 years. And there is a competitive threat mounting in soft drink substitutes—powders and tablets put out by the food product giants. There is also an internal battle in the rise of cans as soft drink packaging replacing bottles.

Today, 89 manufacturers have franchised soft drink brands of their own, sell their syrup or concentrate to 4,000 bottlers who market it to retail outlets. Little more than a score of trade name drinks are in national distribution. Hundreds of bottlers have brands of their own, give the industry its local or regional marketing structure—and a reliance on local media for advertising.

The bottler is the key man in soft drink marketing, and a company's national advertising helps the bottler distribute the company's product. The typical bottler is a small, independent operator who invests in his own business anywhere from $5,000 to $2 million (in the case of some Coke franchises). He employs his own salesmen, does his own advertising (usually following the lead and using the materials supplied by the national ad agency of the particular brand he handles). And he usually has a cooperative arrangement under which a third of his advertising expenses are borne by the national company on a matching fund basis.

Most of those matching cooperative outlays today are



HOW FAST THE TIDE'S BEEN RISING

This chart shows how dramatically the soft drink industry's investment in television has grown: the stacks are twice as high now as they were seven years ago. Within those TV budgets, the lion's share has long gone into spot spending (the taller of the two white bars on each column of caps), but network has begun increasing i s share rapidly. Coke and Pepsi ride the top of the spending tide.

going for television as bottlers, who moved gingerly into spot TV in the early 1950s, increasingly make it their prime medium in the 1960s. The top 10 soft drink companies themselves, according to the Television Bureau of Advertising, jumped to television as their major consumer medium in 1961 when their combined total measured media expenditure went 51.5% into TV, and it's still moving up.

Last year's total soft drink television expenditure of $30,897,427 broke down $23,687,400 to spot TV (a 41% jump over 1961), $7,210,027 to network (a 38% gain). Spot TV stands as the backbone of the industry's TV effort, network as the national umbrella under which local bottlers tie in for campaign themes—using their national brands' network styled commercials for local runs.

How the soft drink bottlers are spending their spot dollars is clear in the 1962 spot TV statistics. Out of the total spot expenditure of $23.7 million, $20 million went for announcements, $2.7 million for IDs, only $898,700 for time in local programs. (This was a swing to announcement commercials—minutes and 20s—from 1961 spot spending when IDs and programs were getting more dollars under a lighter spot expenditure.)

The time of day selected by bottlers for their TV activity is weighted heavily to prime time. In 1962 bottlers spent $11 million in prime time, $5.8 million in daytime, $4.8 million in early evening and $2.1 million late night. It was an increased swing to prime time over 1961 activity.

From this comes a clue to soft drinks' current TV strategy, at least among the leading makers. Coke, Pepsi and Canada Dry in 1962 were buying network participations, primarily prime-time, on a wide scatter of shows. (Caught up in the high cost economics of TV, the soft drink leaders, like many other TV advertisers of long standing, can no longer afford individual programs or even alternate week spon-

Coke rates as soft drink's ruling power

With McCann-Erickson since 1956, Coke is moving heavily into TV, boosted TV spending 88% last year. Its ancient theme of refreshment is still around ("Coca-Cola has that refreshing new feeling"). Commercials, featuring singer Anita Bryant, have a bubbly party flavor. But in advertising and spending, Coke is getting more aggressive.

Pepsi is fighting to gain ground

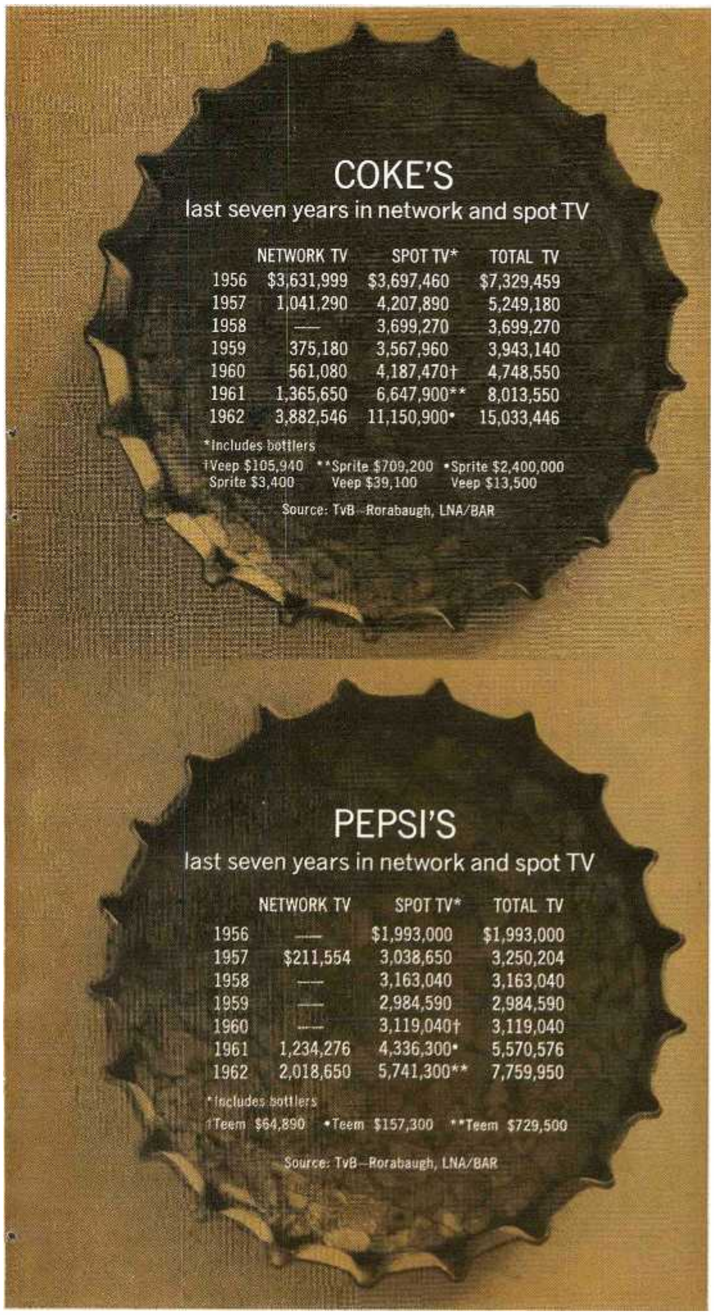
Pepsi, hot after sales gains in the 1960s to match its great record of the 1950s, is banking on a polished campaign out of BBDO, agency since 1960, called "Think Young." Its TV surge started in 1961 and last year it hiked spending in the medium 39%. Commercials are stylized and award-winning, accent youth, vitality. Pepsi hopes Coke is noticing.

sorships. Most spread their chips, buy announcements on a dozen or more shows, try for a large audience in a good C-P-M package deal.)

When notified that its supplier will have announcements in specific shows, a Coke, Pepsi or Canada Dry bottler will often try to buy time in these shows from carrying stations in his area—at the station break or cut-ins—and, importantly, at the local rate. Thus, when Pepsi, for example, has a spot in *Wagon Train,* hundreds of its local bottlers have a chance to ride the show with the parent or on a non-Pepsi night. Pepsi gets a minute in a national show, a Pepsi bottler gets a station break in the same show. The effect, better over a course of weeks, is doubled exposure and better Pepsi identification with a program, hard to get ordinarily on an in-and-out participation basis. This, in part, explains the bottler trend to prime-time announcements.

There is another factor working in the bottlers' increased use of spot TV. As many bottlers work with very small ad budgets, any extensive use of major market TV is impossible. And if a large bottler with another franchise and more dollars to spend is using TV in the same market, the small bottler has a headache.

Getting around this, many small bottlers handling the same brand have gone into cooperative efforts, pool their



COKE'S
last seven years in network and spot TV

	NETWORK TV	SPOT TV*	TOTAL TV
1956	$3,631,999	$3,697,460	$7,329,459
1957	1,041,290	4,207,890	5,249,180
1958	—	3,699,270	3,699,270
1959	375,180	3,567,960	3,943,140
1960	561,080	4,187,470†	4,748,550
1961	1,365,650	6,647,900**	8,013,550
1962	3,882,546	11,150,900•	15,033,446

*Includes bottlers
†Veep $105,940 Sprite $3,400 **Sprite $709,200 Veep $39,100 •Sprite $2,400,000 Veep $13,500

Source: TvB—Rorabaugh, LNA/BAR

PEPSI'S
last seven years in network and spot TV

	NETWORK TV	SPOT TV*	TOTAL TV
1956	—	$1,993,000	$1,993,000
1957	$211,554	3,038,650	3,250,204
1958	—	3,163,040	3,163,040
1959	—	2,984,590	2,984,590
1960	—	3,119,040†	3,119,040
1961	1,234,276	4,336,300•	5,570,576
1962	2,018,650	5,741,300**	7,759,950

*Includes bottlers
†Teem $64,890 •Teem $157,300 **Teem $729,500

Source: TvB—Rorabaugh, LNA/BAR

ad dollars within a given television station's signal range to sponsor a single program or spot campaign, a strategy frequently used by auto dealers in regional association activity. The strategy is steadily increasing TV spot activity.

And television is benefiting the most from the increased competition in the industry brought about by the introduction of many new soft drink brands and the launching of other competitive drinks. The soft drink industry, over a century old, really got its marketing merit badge only within the last 10 years.

Soft drinks have been around since about 1849, and only the depression years of the early 1930s and the supply-disrupted years of World War II have slowed their advance. But for all its growth, the industry remained static in its outlook and inflexible in its attitudes until certain realizations dawned on it in the early 1950s.

The big companies—Coca-Cola, Pepsi-Cola, Seven-Up, Canada Dry, Dr Pepper—built their business by aggressively pushing a single product. They did it well but the feeling grew that the business a single drink can produce is limited.

While cola drinks (represented nationally by Coke, Pepsi and Royal Crown) make up about 60% of total soft drink consumption, demand began increasing for tart and fruit-flavored beverages. People were becoming more individualistic in their tastes. Preferences were turning up on a regional basis. The West Coast became a stronghold for root beer, the north central states for orange drinks, New England for ginger ale. Then came the great American watch on calories, the diet kick and the move away from sweets.

In consequence, several firms that once dealt in a single flavor began adding other drinks to expand their markets, increase sales and to appease bottlers looking for ways to cut unit costs of handling and delivery.

Canada Dry, known for years as the number one maker of ginger ale and club soda, introduced its own line of fruit-flavored drinks in 1955—and later took diversification a drastic step further by branching out into hard liquor, now distributes Scotch, domestic straight whiskies, cordials and flavored brandies. The Charles E. Hires Co., a major regional which had sold only root beer, added a line of flavored beverages in 1957.

In 1959 cola rivals Coke and Pepsi, with an eye on the lemon-lime drink market (today about 18% of total industry sales and growing), brought out their own entries to compete with 7-Up, the lemon-lime leader. Coke's Sprite and Pepsi's Teem are now completing national distribution.

Coke, in December 1960, went a step further, merged with Minute Maid, leading producer of frozen orange concentrate. Coke in 1960 also established its Fanta Beverage division to produce and market fruit-flavored sodas. (Coke's new Tenco division produces instant coffee and tea for private label sales—diversification right over to the other side of the beverage fence.)

Pepsi, too, has added fruit-flavored beverages under its Patio label. Both colas today go neck and neck in new product development.

The battleground chosen by Coke and Pepsi for their flavor war is an obvious one: the nation's soft drink vending machines, now accounting for more than 20% of the national soft drink market and growing rapidly as more multi-drink machines go into plants, offices, schools, stadiums and other points of mass sale.

To earn its keep, every self-respecting vending machine has to carry at least a cola and a lemon-lime drink. Neither Coke nor Pepsi wants to be caught in the same machine with a competitor. If a soft drink major can offer its national network of franchised bottlers cola, lemon-lime and numerous other flavors, bottlers in turn can offer the package to vending machine operators. (Many Coke and Pepsi bottlers have been handling 7-Up just to offer lemon-lime.)

Coke seems to have the new flavor edge on competitor Pepsi because of its bottler strength. It can draw on 1,100 franchised bottlers to Pepsi's 530, says Fanta and Sprite broke into the black last year after only two years on the market. Pepsi, with Teem in 1959 and Patio flavors in 1960, says profits are still "two years away."

The newest push for the soft drink leaders is in dietetic

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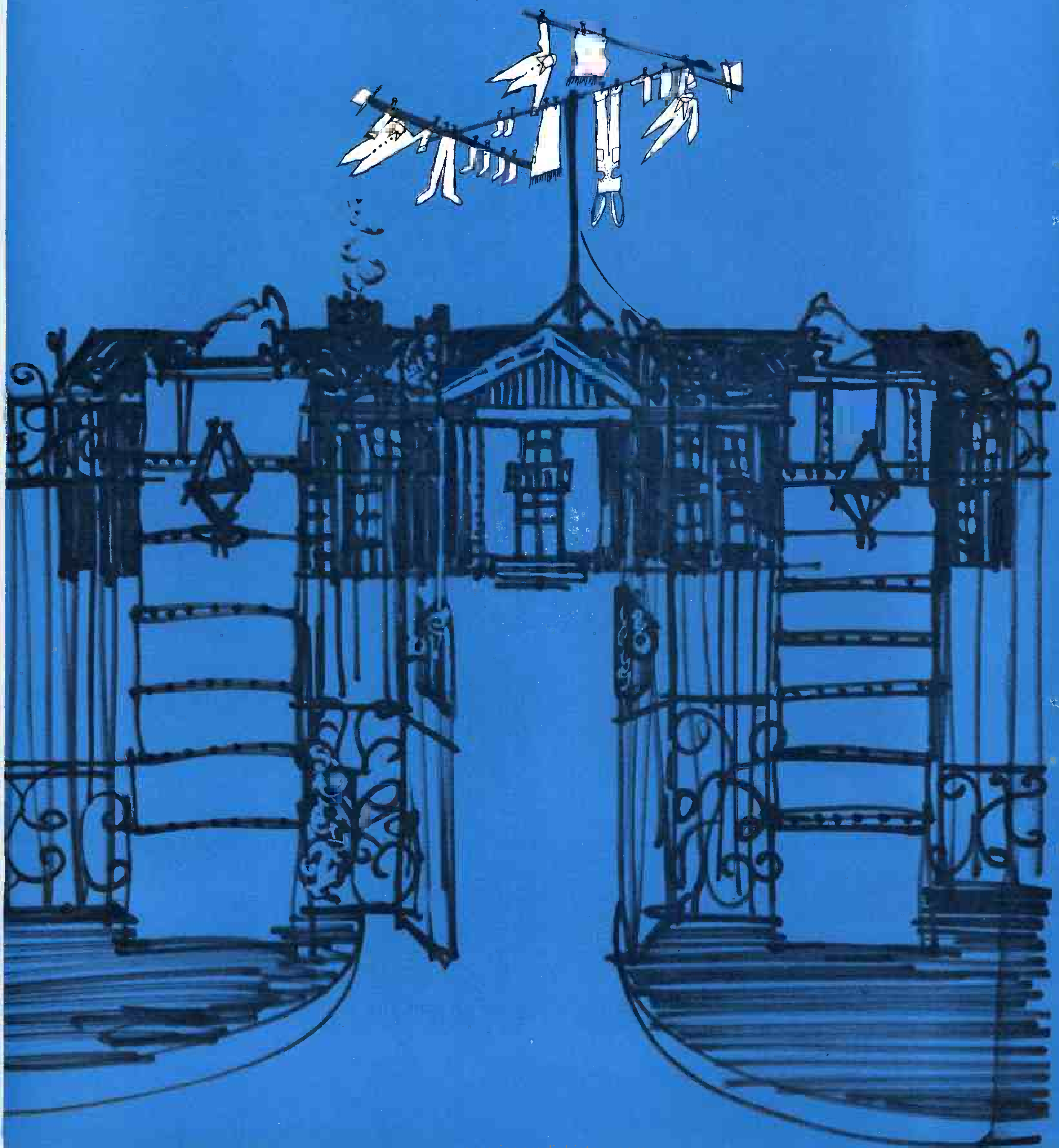

TELEVISION'S FIRST FAMILY

BY DEBORAH HABER

TAKING OVER • *The Clampetts look as though they're set to take over the country as they set out from their Beverly Hills mansion. According to the ratings, they already have: 49 million watch every week. Creator Paul Henning (left) and his associates may have to take over a bank to handle the proceeds.*

IT'S a fluke. "It's a fairy tale." "It's corn on the cob." Maybe so. But "it"—*The Beverly Hillbillies* — is the most popular show on television. By its third time out the comedy series on CBS was the Number 1 program in America. The ratings report that some 49 million viewers watch the antics of the Clampett clan every week. People in and out of television can spend hours in argument trying to figure out why.

The plot revolves around a backwoods family who find oil on their land, get $25 million for it and move to Beverly Hills. There's Jed Clampett, the grizzled patriarch of the family, played by veteran character actor Buddy Ebsen. A widower, Jed is trying to raise his daughter Elly May (Donna Douglas), a beauteous blonde in the tightest pair of Levis ever seen in prime time. To help with Elly May's upbringing there's actress Irene Ryan as Granny, the most vigorous old lady who ever swept a ratings period. Cousin Jethro (Max Baer Jr.) rounds out the basic cast. He's a simple youth with a gorgeous set of muscles that extend to the top of his 6'4" frame—brain and all. The Clampetts may have millions of dollars and live in a magnificent Beverly Hills mansion but they haven't changed a bit since the big move. They're the same unspoiled folks they were in the mountains—complete with animal collection, calico clothing, possum pie recipes and rifles. Their Beverly Hills neighbors loathe the rabble element in their midst.

Rival networks aren't crazy about them either. When the Clampetts moved into their new diggings on Wednesday nights at 9 o'clock, Perry Como had been going his casual way for four seasons in the Kraft sponsored *Perry Como Show* on NBC. At ABC, big movie draw Gene Kelly seemed a promising starter in *Going My Way,* from the Academy Award picture by the same name. The *Hillbillies* took aim and—Pow! Right in the ratings. *Going My Way* was mortally wounded; it goes off the air next season. Perry Como was only maimed; he'll be back on NBC next year but not as a regular and not in his old time slot.

The subject of *The Beverly Hillbillies* draws an icy "no comment" from Como show staffers. NBC programming chief Mort Werner insists the show's disappearance has nothing to do with Clampett competition. "Perry has wanted to do fewer shows for a long time," Werner explains. "He hasn't been sure he wanted to work that much, doing a show every week. It's just been a question of when he'd decide to ease up."

(Audiences may have anticipated Como's desire for relaxation. The McHugh & Hoffman study [TELEVISION MAGAZINE, April 1963] showed increasing viewer dissatisfaction with the show. They felt Como himself didn't

From the hills called Beverly to Plymouth Rock some 49 million Americans share

GRANNY

JED AND PEARL

JETHRO

GRANNY • *One of the most popular of the* Beverly Hillbillies *is peppery, volatile Granny, played by actress Irene Ryan. Creator Paul Henning pictures the wiry little spitfire character of Granny as "the last hold-out against modern life." No matter what society dictates, Granny will go on making her own soap, her own liquor, her own food, her own way. Nothing will change her and very little stops her. When a ferocious dog, fangs bared, bars her from the refrigerator—looking as she says, like he'd "like t' take me out n' bury me . . . an' then dig me up later"—Granny snarls right back at him and the critter, showing very good sense, turns tail between his legs and runs away.*

JED AND PEARL • *Played by veteran actor Buddy Ebsen, Jed Clampett is the "cornerstone" of the clan. Paul Henning calls Jed the undisputed head of the family—"When he talks even Granny listens." Pictured here in white tie and tails, Jed's usual apparel is something a little less elegant—old boots, battered hat and rifle. But if Jed lacks the social graces that come from formal education, Henning says he has "great wisdom, dignity and strength." Shown singing along with Jed is social climbing Aunt Pearl, actress Bea Benaderet. Miss Benaderet has what to sing about. She'll get her own series next season in another rural comedy by Paul Henning set for CBS.*

"seem to care very much" and was becoming so casual they felt it "difficult to become deeply involved" in the show.)

The National Broadcasting Company doesn't make official pronouncements on other network programming, including *The Beverly Hillbillies.* Mort Werner is willing to talk about the competition from a "purely personal" viewpoint, however. (Werner admits he doesn't watch the *Hillbillies* very often, commenting wryly that "It's too painful.") But from the times he has caught the Clampett's act, Werner has some theories concerning the show's tremendous success.

"First of all," he says, "it has an extraordinarily good producer and writer—Paul Henning. He's one of the fine brains in comedy writing." Chances are, Werner continues, "if you came waltzing into a programming guy's office with an idea for a show featuring some hillbillies who move to Beverly Hills, no one would pay very much attention to it. But when talent like Paul Henning talks, you listen."

The show's theme is nothing new as far as Werner is concerned. "It's the poor slobs against the world," he says. "It's been done before. Abbott and Costello did the same thing in another form for years. So did Ma & Pa Kettle."

Yet it's a theme with great audience appeal. Werner feels the *Hillbillies* show is popular with viewers because "It makes fun of the conventions we all rebel against." And Werner thinks it's the "intrinsic desire" of a human being to be against conventions. "The people who are for *The Beverly Hillbillies* are the same ones who are against having to wear dinner jackets."

As for the show sustaining its present phenomenal popularity, Werner says with a smile: "I can only hope it's like a rock 'n' roll record that's a smash hit one day and, a short time later, nobody remembers who wrote it, who sang it or what the name of it was. That's what I hope," he continues —"but I'm not sure I believe it."

"I wish we had them," says Julius Barnathan, vice president and general manager of ABC-TV, about *Beverly Hillbillies.* But he hesitates to call the success of the CBS show phenomenal. "You have to understand a little bit of the history of success with shows," he explains. "In 1954, *Disneyland* went to CBS and NBC, who would have nothing to do with it. But we went ahead with it and had a hit. Dodge was doing *Lawrence Welk* on the coast independently and kept pressuring for us to put it on network. We finally said 'O.K., put it on.' No lead-in, nothing going for it. People said that show would last 13 weeks. It's been on the air eight years. Take *International Showtime.* We turned that down, figuring that kind of programming was old hat. NBC took it and it's a success. Or take *Ben Casey,"* he continued. "When it first came out we had to practically give it away to sponsors. If we hadn't been convinced that it was an outstanding show and hadn't had the good relations we have with Bing Crosby, *Ben Casey* might have gone by the wayside. *Perry Mason* was a script lying around for two years before CBS bought it. No one would touch it—now it's a hit."

Barnathan concludes that the success of a show is a hard thing to determine. As he sees it there is nothing unusual about *The Beverly Hillbillies* as a success story. "The show," he says, "has substantial production values but they're not great. The humor is corn, but it strikes home. The show is a fluke that defies the regular rules of broadcasting," Barnathan goes on—"but so was *Ed Sullivan.* He had to run around for years holding the dealers' hands to keep them interested in the show."

Part of the *Hillbillies* appeal to viewers, in Barnathan's

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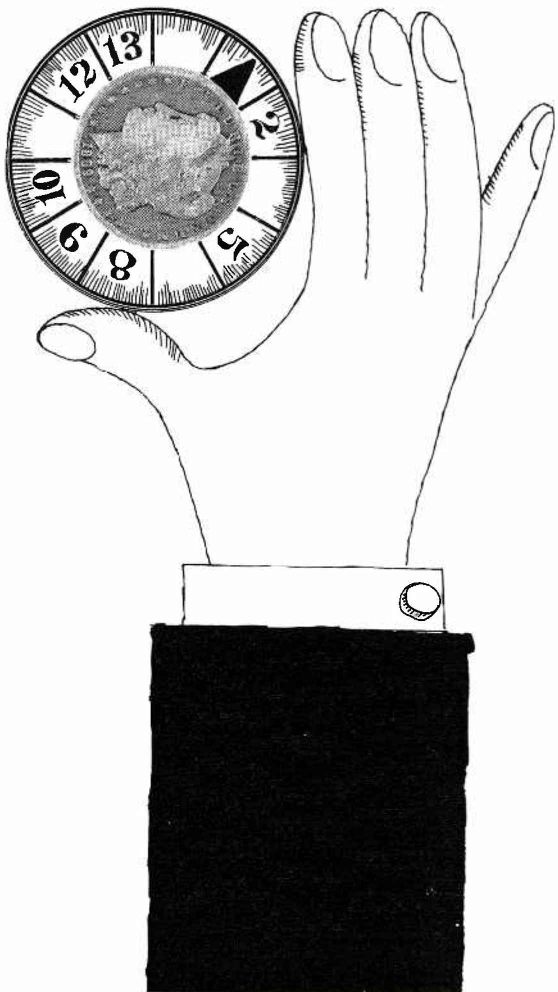
the Hillbillies' corn on CBS every week

ELLY MAY

ELLY MAY • *Blonde and beautiful Elly May is the fan mail queen of the Clampett clan. With actress Donna Douglas' measurements of 36-23-36 poured into television's tightest blouse and Levis, her appeal isn't hard to figure out. But no matter how sexy she looks, Elly May's prime-time behavior is beyond reproach. Producer-writer Henning calls her a "beautiful child of nature" and sees to it that in most of the scripts she's more interested in her pets than in men. Her love of animals may account for the many letters Miss Douglas gets from children. Henning is amazed at how many small fry stay up late to watch the* Hillbillies *and Miss Douglas.*

JETHRO • *When Cousin Jethro was told that the Clampetts were moving to Beverly Hills because "they don't have no snow in California," his innocent reply was "well, don't look at me, I didn't take it." Poor Jethro at six foot four and 200 pounds is strong as an ox with a brain to match. Of all the simple folk in the Clampett family Jethro is the simplest —he's still in the fifth grade. Acted by Max Baer Jr., Jethro fills the bill of the "big, good-natured hillbilly type of boy" in producer-writer Paul Henning's eye. Never mind his intellectual prowess, his kind heart and his fine build have won him quite a following, especially with teen-age girls.*

PART II



PAY TV SO NEAR

AND YET SO FAR AWAY

If pay TV does come, who will run it? If pioneering means anything, the companies described in this report have at least a head start. This is the second of two articles describing in full the past, the present and the prospects of what may become a major element of television's future.

BY MORRIS J. GELMAN

THE question of to pay or not to pay is a matter of paradoxical concern and skepticism in many quarters of the communications, advertising and entertainment industries. Most of the anti-pay TV forces say that the medium hasn't a chance of success, but that if it does succeed it will destroy them. Their attitude is somewhat akin to that of all-out-war doubters who say "Who's afraid of the atomic bomb? It will never come—but let's build shelters just in case."

At the commercial TV networks the avowed pay television policy is one of watchful disbelief. Perhaps reflecting the feeling at all the networks, an NBC spokesman said the other week: "We don't see pay TV as a viable business. It takes boatloads of money to set up a system. We don't think there's enough product to go around. There's a ceiling to all these things. Are there enough special events for pay TV to show? We don't believe there are. And nobody gives a thought to taxes. Are pay TV systems going to be taxed as coin-operated machines? Are they going to have a 10% admissions tax? Nobody knows and nobody talks much about it. All these things add up. Our studies indicate there's no possibility that pay TV will get off the ground."

But the network representative points out that broadcasting interests are still fearful that pay television might just cash in on its long-shot possibilities and in the process turn the world of ABC, CBS and NBC upside down. He tells the reasons why:

"If pay TV should be successful, it could change the network business substantially. It could be in a position to pay more than we could for talent. It could outbid us for any event. It could siphon away all our product.

"Of course," he adds, "if that should happen we would then expect to go into it ourselves."

Pay TV proponents, almost to a man, deny that their medium will eventually negate commercial networks' functions. Peaceful co-existence is their theme.

Perhaps business consultant Millard C. Faught laid down the policy line for all pay TV people back in 1950. Replying to charges by critics that pay systems would replace advertising-supported broadcasting, he said: "it is absurd for the simple reason that people could no more afford (nor would be disposed to buy) all of what radio and TV now gives them, than advertisers could (or would be disposed to) provide all of the specific kinds of entertainment and education that various groups would be willing to pay for. It seems only reasonable to expect that what would sell on box office TV, would supplement and complement what will be given away as sponsored programming."

It's a cogent argument but it cannot veil the certainty that a prospering pay TV medium will substantially affect commercial television's operation. Pay TV is sure to make its biggest impact between 8 p.m. and 10 p.m., primest of prime time. A viable pay TV operation, at the least, is bound to change commercial TV's prime-time periods. At the most, pay TV could do to free television what the latter did to radio in the early 50s. It would not destroy; it would dominate.

Pay TV's impact on motion picture theatres in this country could be a good deal more serious. Feature film product will be a strong and major portion of pay TV's operations; it should contribute at least 50% of all programming. The Theatre Owners of America organization says there already is a scarcity of product—about 250 pictures being made each year compared to more than 500 produced in the pre-TV era—and that one of the major problems plaguing theatre owners is finding enough outstanding attractions to draw large audiences.

Again the pay TV position here is mostly one of coexistence. Pay proponents counter-claim that there are hundreds of actors not now working and that producers and directors can easily do six pictures a year instead of two. Hollywood, they say, can substantially increase its output if so required.

There's truth to both arguments. Obviously if there's a demand for more product, more product will be produced. Yet an increase in product production would not, by itself, keep most motion picture theatres in business. The Teleglobe and Home Entertainment systems already say they are out after first-run Hollywood features. It's unlikely that the neighborhood theatres could prevail in a situation where they are tail-end entreprenuers. Even the first-run theatres could not be expected to vie on financial terms with pay TV systems. What's likely to develop? The motion picture theatre business might evolve into an industry consisting of relatively few, big, elaborate houses (such as Cinerama theatres), showing the relatively few, big, elaborate films (such as "Ben Hur" and "Cleopatra") produced each year.

Already some movie exhibitors are beginning to abandon their shaky industry ship. Stanley and Richard Durwood, operators of a motion picture chain in the Midwest, are stockholders in the International Telemter-aligned Home Theatres corporation. Paramount Picture's (owner of the Telemeter system) dream always has been to have old-time movie chain people become franchise-holders in its new enterprise. Teleglobe also is pushing hard towards similar ends. Recently the pay TV organization approached some 400 theatre owners around the country offering them first refusal for exclusive franchises in their own localities.

There's also evidence that many broadcasters are girding for a quick switch if necessary. Several have joined the CATV ranks, which offers a simple jump-off point to the pay television medium. RCA, it has long been rumored, has perfected its own pay TV system allowing broadcasting subsidiary NBC a speedy transition of roles if future events warrant such a move.

A growing pay TV medium is liable to affect more than just the television and motion picture industries. Its weight will be felt in many ways throughout the country. Charles Benesch, at the time a Young & Rubicam research executive, theorized in a 1961 speech to the American Marketing Association that "the effect that pay TV may have will probably be more felt in how people spend their time than in how they spend their money."

Other Benesch suppositions: Advertiser and agency competition will increase and so will the pressure for more creative advertising; pay TV will spur a growth of new products and agencies will have need of constant re-evaluation of the marketplace.

WHATEVER the scope of its ultimate role, it's apparent that pay television has a part to play in the future of the communications industry. How telling a part it plays depends a good deal on what's put into it now. Those interested in its welfare make up a varied and individualistic cast of characters. A precise cataloguing of their identities, alliances, team causes and strategies is in order.

By virtue of its profusion of battle scars collected in the pay TV conflict, if for nothing else, Paramount Pictures' International Telemeter Company deserves the opening spotlight. Telemeter's wasn't the first subscription system in action, but the company has invested the most money in testing its theories before the consumer public. First called Telemeter Corporation of America, it was organized early in 1950 by David Loew and Carl Leserman, two well-known motion picture distributors. Commercial television still was an infant industry, but its coming immense impact was easy to see and unavoidable. Far-sighted motion picture people could sense the danger ahead and the prudent ones searched for a profitable way out.

In 1951, International Telemeter was formed and Paramount Pictures bought a 50% interest in the new company. A number of patents were filed covering the basic concepts of the Telemeter system. (The question of patent rights is not an insignificant one. Conceivably the lack of ironclad rights to the technology of their systems may cause some pay TV companies extreme embarrassment in the future.)

In essence and at least on the surface, Telemeter has an attractive system. A cabled or wired operation, it comprises three basic sections: a complex of studios and transmission equipment, a cable distribution plant and a box-like tuning and coin-collecting attachment in the home. The attachment device is connected to the antenna terminals of the TV set. Telemeter's is the only system that literally works on a pay-as-you-see basis. (Semantics can be a touchy problem when speaking to pay system operators. Most favor "subscription TV" as terminology for their business. In a two-page section of "The Hungry Eye," a recently published book about the television industry, author Eugene Paul refers to the new medium by 14 different names, including "paysee" and "feevee." Pay TV, however, conjures up the surest image and seems by far the most preferable.) Its attachment device or cash box registers the price of programs, accepts coins from nickels to half-dollars, makes change, records credit and contains a tape apparatus which automatically identifies all programs purchased.

Since 1950, Telemeter, thanks to a hefty Paramount investment said to be in excess of $10 million, has modified and perfected its system considerably. As further funds were required, Paramount's financial interest in the company increased. In 1960, the film producer-distributor took

HOW MUCH WOULD PAY TV BE WORTH TO YOU?

If these 25 programs were available to you on pay TV, at the prices indicated, how many would you watch? Please look them over, check those you'd buy, total up your investment, enter the total on the card bound in at right and mail to the editors of TELEVISION. *(Also see "Focus on Television," page 34.)*

TOTAL HERE ☐

1	"Better than Ben Hur"	BARABBAS	Anthony Quinn, Silvana Mangano	Family Entertainment	$1.00 ☐
2	Paddy Chayefsky's	CATERED AFFAIR	Bette Davis · Ernest Borgnine, Barry Fitzgerald. All Academy Award Winners!	Family Entertainment	$1.00 ☐
3	Winner of 27 awards!	ROCCO AND HIS BROTHERS	Claudia Cardinale · Alain Delon	Restricted Entertainment	$1.00 ☐
4	Story of Arnold Rothstein	KING OF THE ROARING 20's	David Janssen · Dianne Foster	Adult Entertainment	$1.00 ☐
5	Exciting action drama!	DEADLY COMPANIONS	Maureen O'Hara · Brian Keith	Family Entertainment	$1.00 ☐
6	Filmed in Italy and France	PIRATE OF BLACK HAWK	Mijanou Bardot · Gerard Landry	Family Entertainment	$1.00 ☐
7	Africa's mightiest mystery	EAST OF KILIMANJARO	Marshall Thompson · Gaby Andre	Family Entertainment	$1.00 ☐
8	Action and speed!	HOCKEY	DIRECT FROM NEW YORK, TORONTO VS. RANGERS		$1.50 ☐
9	Ingmar Bergman's Academy Award Winning Film	VIRGIN SPRING	Max von Sydow, Birgitta Valberg	Restricted Entertainment	$1.00 ☐
10	Married to Murder!	BLUEBEARD'S 10 HONEYMOONS	George Sanders · Corinne Calvet	Adult Entertainment	$1.00 ☐
11	"A most impressive cast"	THE STORY OF THREE LOVES	Moira Shearer · Kirk Douglas	Family Entertainment	$1.00 ☐
12	Murder, Romance and Mystery	THE GAZEBO	Glenn Ford · Debbie Reynolds	Family Entertainment	$1.00 ☐
13	Lost treasure in Africa	FLIGHT OF THE LOST BALLOON	Marshall Thompson, Mala Powers	Family Entertainment	$1.00 ☐
14	Conflict and revenge!	ANATOMY OF A PSYCHO	Ronnie Burns · Pamela Lincoln	Adult Entertainment	$1.00 ☐
15	Classic beauty	SWAN LAKE BALLET	Maia Plisetskaya, Nikolai Fadeyechev	Family Entertainment	$1.00 ☐
16	A new joy comes to the screen	GIGOT	Jackie Gleason · Katherine Kath	Family Entertainment	$1.00 ☐
17	Tense, Taut Drama!	SECRET PARTNER	Stewart Granger · Haya Harareet	Family Entertainment	$1.00 ☐
18	Elia Kazan's production of William Inge's	SPLENDOR IN THE GRASS	Natalie Wood · Warren Beatty	Adult Entertainment	$1.00 ☐
19	Filmed in Capri! 12 great songs!	FOR THE FIRST TIME	Mario Lanza, Johanna von Koczian	Family Entertainment	$1.00 ☐
20	Directed by Jules Dassin	WHERE THE HOT WIND BLOWS	Gina Lollobrigida	Adult Entertainment	$1.00 ☐
21	Tennessee Williams'	ROMAN SPRING OF MRS. STONE	Vivien Leigh · Warren Beatty	Restricted Entertainment	$1.00 ☐
22	A drama set against the German occupation of Paris	FOUR HORSEMEN OF THE APOCALYPSE	Glenn Ford · Ingrid Thulin	Adult Entertainment	$1.00 ☐
23	Pageantry and action	THE MIGHTY CRUSADERS	Plus chapter 3 of "Riding with Buffalo Bill" and "Adventures of Capt. Kidd"	Children's Matinee	25¢ ☐
24	Best funny stuff ever	THE GOLDEN AGE OF COMEDY	Plus chapter 4 of "Riding with Buffalo Bill" and "Adventures of Capt. Kidd"	Children's Matinee	25¢ ☐
25	Thrills on the high seas!	RAYMIE	Plus chapter 5 of "Riding with Buffalo Bill" and "Adventures of Capt. Kidd"	Children's Matinee	25¢ ☐

PAY TV *continued*

over complete control of the pay TV organization, making it a company division.

With a telecast of the Notre Dame-U. of Southern California football game to some 200 Palm Springs, Calif., subscribers on Thanksgiving Day, 1953, Telemeter, which owned a CATV system in the area, began its first test under actual conditions. The community system formed the basis of the pay TV operation. Generally the experiment has been considered a complete failure. The verdict is harsh. At the time Telemeter had not yet developed a practical pay TV system. There was no possible way for the test to show an economic profit. The company had gone into Palm Springs for the explicit purpose of determining the public's willingness to pay cash on the spot for its entertainment.

Some of the things Telemeter discovered had nothing to do with programming. Most importantly the company found it still had a lot of perfecting to do. William C. Rubenstein, Telemeter's research development director, testified about this in the Midwest Video vs. Southwestern Bell Telephone Co. hearings before the Arkansas Public Service Commission in Little Rock two years ago: ". . . what we did," Rubenstein explained, "was thoroughly impractical on a large scale, but we weren't really interested in a practical thing on a large scale, but merely in testing something out on 150 or so people. We took the television sets of the people who were willing to participate in the experiment and we butchered them. . . It actually cost us well over $200 for every set. . . The coin box alone cost us $187 each and then we had a tube— a big thing we had to put on the back of every TV set. . . It cost us a great deal of money for every home to do this. I think by the beginning of June [1956] we had all the units out and we felt that the experiment had been successful."

Telemeter learned the hard way just how primitive its system was. It was taught, too, that it never pays to go inside a subscriber's receiver. For months after Palm Springs Telemeter had to service all sets used in the test,

TWO WEEKS OF PAY TV IN ETOBICOKE

This is the actual schedule of Telemeter's Etobicoke pay TV system for the two-week period from February 17 to March 2 this year. It shows how the 25 programs listed on the facing page were telecast on the three pay channels.

	5A	5B	5C
SUNDAY February 17		CHILDREN'S MATINEE The Mighty Crusaders	Perspective, 4:30 P.M. Hour of St. Francis
SUNDAY February 17	Barabbas	East of Kilimanjaro	Hockey—Leafs at New York
MONDAY February 18	Barabbas	East of Kilimanjaro	Secret Partner
TUESDAY February 19	Barabbas	The Virgin Spring	Secret Partner
WEDNESDAY February 20	Barabbas	The Virgin Spring	The Gazebo
THURSDAY February 21	Barabbas	Bluebeard's Ten Honeymoons	The Gazebo
FRIDAY February 22	Barabbas	Story of Three Loves	Splendor in the Grass
SATURDAY February 23	Barabbas	Story of Three Loves	Splendor in the Grass
SATURDAY February 23		CHILDREN'S MATINEE Golden Age of Comedy	
SUNDAY February 24		CHILDREN'S MATINEE Golden Age of Comedy	Perspective, 4:30 P.M. Hour of St. Francis
SUNDAY February 24	The Catered Affair	Flight of the Lost Balloon	For the First Time
MONDAY February 25	The Catered Affair	Anatomy of a Psycho	For the First Time
TUESDAY February 26	Rocco and His Brothers	Swan Lake Ballet	Where the Hot Wind Blows
WEDNESDAY February 27	Rocco and His Brothers	Swan Lake Ballet	Where the Hot Wind Blows
THURSDAY February 28	King of the Roaring 20's	Gigot	Roman Spring of Mrs. Stone
FRIDAY March 1	Deadly Companions	Gigot	Roman Spring of Mrs. Stone
SATURDAY March 2	Pirate of Black Hawk	Gigot	Four Horsemen of the Apocalypse
SATURDAY March 2		CHILDREN'S MATINEE Raymie	

which extended over three winter seasons — 1953-54-55.

Other than a few sports events, motion pictures constituted the only programming fare. Prices for these ranged from a low of 75 cents to a high of $1.35 for first-run product (some of the films played simultaneously at local Palm Springs theatres). Telemeter claimed that about 40% of its Palm Springs subscribers watched every current movie shown. This finding was enough, apparently, to offset the company's many dismal technical discoveries and encouraged it toward renewed efforts.

After almost seven years of researching, developing and promotion, it was ready to make another try. On Feb. 26, 1960, equipped with a far more sophisticated system, Paramount—through Famous Players Canadian Corporation, its largest foreign subsidiary (1961 net earnings in Canadian dollars: $2.4 million)—initiated a second pilot project, this one in Etobicoke, Canada, a western suburb of metropolitan Toronto.

Choosing an obscure Canadian community for the test was not a capricious move. The U. S. was embroiled in the pay TV controversy. By 1960, mention of pay TV was enough to send American theatre owners into a frenzy and some congressmen into a lynching mood. In Canada the issue caused hardly a stir of protest. Then, too, Paramount was still of the notion that it wanted to pay for answers.

The only persuasive test of public acceptance of a new medium," said Telemeter's then-president Lou Novins, "is under sufficiently severe conditions to impress the skeptics." Etobicoke met these requirements. When the test was initiated the community, with some duplication of network programming, was covered by six commercial TV channels—one from Toronto, three from Buffalo and one from Hamilton, Ont. (another Toronto station has since added its coverage). Other Etobicoke attributes: location in a fast-growing area whose 40,000 home-owners span a broad income range, about 96% of them TV viewers. The Etobicoke test was designed to cover only about 12,000 homes of the 40,000 in the area (with the recent Mimico suburb addition, this range has increased to include about 14,000 homes in Telemeter's wired sphere out of about a

To page 70

A TELEVISION APPRAISAL

MORE PAPER THAN NEWS

Some post-strike reflections on what New York missed when its newspapers were away—and what it didn't

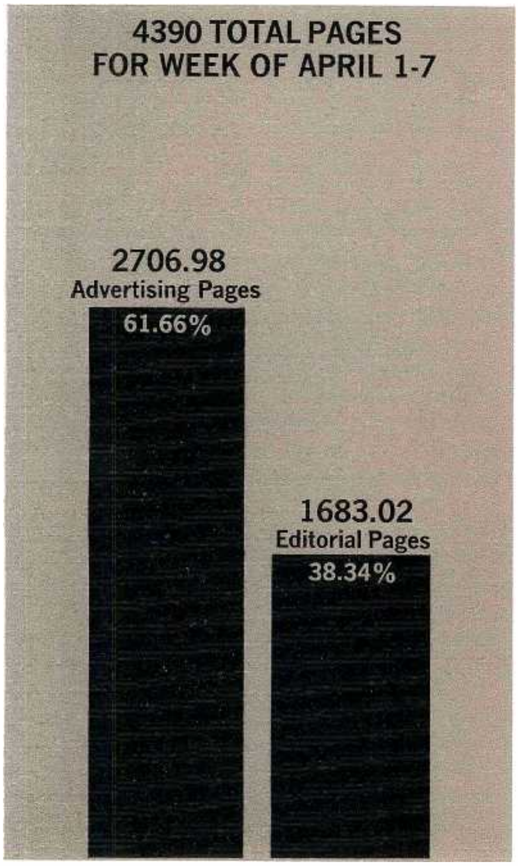
By Donald V. West

"One more day without the *Herald Tribune* and I'll scream," proclaimed the poster. "*You'll* scream," the poster muttered back to itself. Newspapers, you see, often talk to themselves. They say things like:

"There were other means of news distribution—radio, television and local newspapers that were not shut down—but the fact remains that if most of the people in this area were not forced to live in a blackout, they were forced to live in a fog" (editorial in the *New York Times*).

Or:

"Few people have ever been able to agree on what a newspaper should be, or even on what one is. But, just like that indefinable life force the old-time phrenologists used to put so much stock in, one thing is sure—in its absence you're



This chart shows the breakdown of New York's seven daily newspapers in terms of advertising and non-advertising pages for the first post-strike week.
A paper-by-paper analysis is on page 55.

dead" (Richard Starnes in the *New York World-Telegram*).

Or:

"Those interim dailies and the broadcasters made gargantuan efforts to fill the void. But both were pale shadows of the real thing" (Ben Gross in the *Daily News*).

Or:

"It was no contest; they had it all to themselves and managed only to prove that they couldn't do it . . . they blew it" (Jack O'Brian in the *Journal-American*).

The *Herald-Tribune*'s "one more day" had stretched to 114 before it and six other New York newspapers put down the various union insurrections which had kept them from their presses and their publics, and before the papers themselves could proclaim how badly the city had missed them. As indeed New York had—but not, necessarily, for the news. If New York newspapers could not recognize that fact, an outsider could. Said respected editor Ralph McGill in the *Atlanta Constitution:* "Restoration of the daily editions provided certain conclusions which are perhaps worth examination. One was that it was not news the people had so sorely missed. Both radio and television had done a masterful job. Both media had put on extra broadcasts and summoned the very best of an able lot to give news to the public in full measure with the cup running over. They performed with competency, adequacy and skill."

But if New York did not miss its newspapers for news, why not? And if not for news, for what?

One of the answers to that second question is demonstrated by what the newspapers did give their publics when they began publishing again: a lot of paper, most of it advertising. As shown by the chart on page 53, the seven New York dailies (the *Times, Herald Tribune, Daily News* and *Mirror* in the morning, the *Post, World-Telegram* and *Journal-American* in the afternoon) published a total 4,390 pages in the first week after the strike (April 1-7). 2,707 pages were advertising—61.7% of the week's budget. 1,683 pages were non-advertising—38.3% of the budget.

A second answer is hidden in that last statistic: Of the 1,683 non-advertising pages, a sizable portion was also non-news (this analysis refrains from stating that the majority was non-news because no item-by-item tabulation was made of all 47 editions, but a scanning of those papers gives the impression that the non-news may well account for a majority of non-advertising space).

The *New York Times* led the city's other papers in all categories that first week, as it does consistently (see chart page 55). It published the greatest total number of pages (1,264), the greatest number of editorial pages (325.6), the greatest number of ad pages (938.4) and had the most economically healthy advertising-to-editorial ratio—74.2% to 25.8%. (It is a comment on the *Times'* uniqueness that while it has the lowest news to advertising ratio, it also has the highest news to non-news ratio. But then, the *Times* has long been in a class to itself in U.S. journalism. Whenever newspapermen set out to claim a superiority for their medium over television or other media they invariably cite the *New York Times*—a case of the many assuming the mantle of a one and only.)

The Daily News, the nation's largest newspaper in circulation (over two million), was second to the *Times* in total pages that first week back (it was second to no paper, of course, in the depth of the news it provided news-starved New Yorkers, such as "Burton's Wife Here, Leaves Him to Liz" as it proclaimed in three banner lines across its April 3 final edition). It was followed in order by the *Herald Tribune,* the *Post,* the *Mirror,* the *Journal-American* and the *World-Telegram.* It was left to the *Journal-American* to post the highest editorial-to-advertising ratio—58.2% to 41.8%—a distinction it undoubtedly could live without.

The fact is that while many newspapers have ceased to be at all in recent years, those which remain have largely ceased to be *news*papers. More and more they have assumed quasi-entertainment functions as, more and more, the electronic media have assumed both news-imparting and news-interpreting functions. The difference is that newspapers, on the one hand, refuse to admit they've become primarily non-newspapers, and, on the other, radio and television have yet to admit to themselves that they have become, as reported in this magazine last January, "the first link between people and events ["Shining Hours for TV News," TELEVISION, January 1963]. As that story reported, television's expertise in news has extended to the point that the Associated Press Managing Editors Association "rcommends that the AP watch television carefully during such major stories as man-in-space shots and political conventions and make certain that news accounts are pegged to what the viewer sees at home."

An occurrence such as the 114-day newspaper strike in New York serves to emphasize both sides of this difference: how well a city served adequately by radio and television *can* get along without newspapers, and how adequately radio and television can serve the city. Both were proved by the New York strike.

The papers were missed, but for the wrong reasons. The public didn't complain about not knowing what was going on in the world: it complained about not knowing what was going on at the neighborhood theatre, at the department store, at the local social meeting. New Yorkers were not news-starved, they were scratch sheet-starved; not news-starved, but retail an dclassified ad-starved, sob sister-starved, promotional contest-starved, comic page-starved.

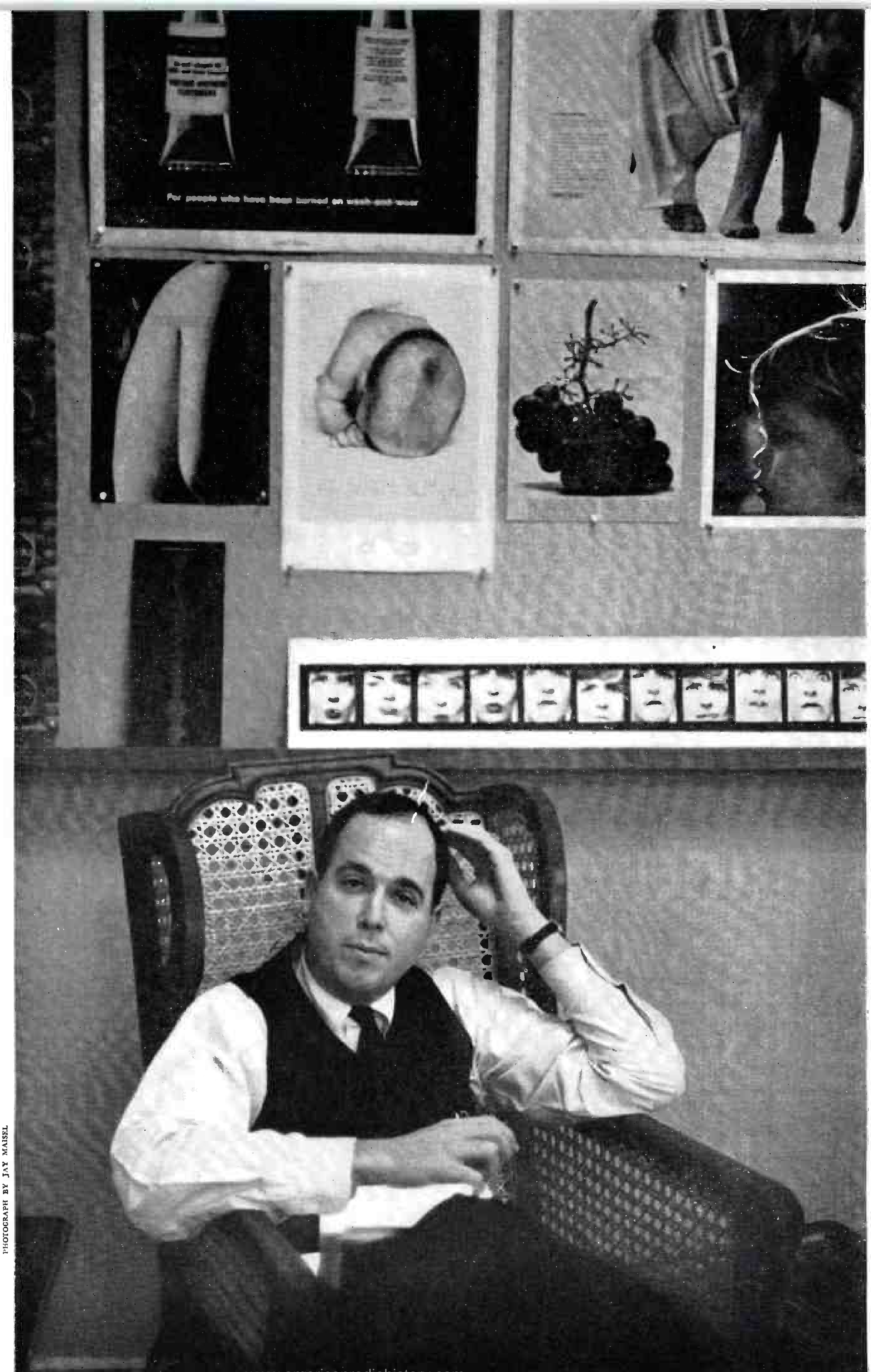
"Reporters and commentators of the air," wrote Gross in the *Daily News,* "are so limited in time that they can give you only the headlines, the poor skeleton of a story. The details, the living flesh and pulsating blood of well-written newspaper copy are missing." His point is debatable. It might take a paragraph of tightly and well-written copy to set a scene. Television does it with one picture. A quote in a newspaper can be flat and meaningless. On television, with the camera conveying the speaker's eyes as well as his words, the quote can be as significant as a 1,000-word profile. The point that Gross misses is that newspapers, with few exceptions, have been capsuling their stories into headline bones with bare skin around them. The shorter and shorter story is the rule today.

More importantly, the point the newspapers missed while welcoming themselves back is that the city got along surprisingly well without them. After the first few weeks the initial emptiness gave way to new routines—like watching the half-hour newscasts which have now become standard for many of the city's TV stations. Indeed, to many the world seemed in many ways a better place *without* newspapers: a frequent comment was that crises seemed neither so frequent nor so dangerous without those nightly scare headlines.

The television industry, too, had much to think about at strike's end—not the least being that the medium may have been selling itself short all these years in conceding too readily that newspapers are unbeatable in the news business. END

NEW YORK'S FIRST WEEK WITH NEWSPAPERS

Week of April 1-7	M	Tu	W	Th	F	S	Su	Total	
New York Times									
Editorial Pages	29.25	19.75	23.00	25.90	30.00	21.00	176.70	325.60	25.8%
Advertising Pages	50.75	76.25	73.00	70.10	66.00	27.00	575.30	938.40	74.2%
Total	80.00	96.00	96.00	96.00	96.00	48.00	752.00	1264.00	
Daily News									
Editorial Pages	27.75	31.30	29.55	31.20	29.05	27.15	142.55	318.55	39.8%
Advertising Pages	36.25	48.70	82.45	60.80	62.95	4.85	185.45	481.45	60.2%
Total	64.00	80.00	112.00	92.00	92.00	32.00	328.00	800.00	
Herald Tribune									
Editorial Pages	16.55	21.95	21.30	21.10	21.25	16.80	147.15	266.10	43.3%
Advertising Pages	39.45	26.05	22.70	22.90	20.75	7.20	182.85	321.90	54.7%
Total	56.00	48.00	44.00	44.00	42.00	24.00	330.00	588.00	
New York Post									
Editorial Pages	27.40	29.64	29.40	28.30	28.85		38.10	181.69	33.4%
Advertising Pages	68.60	82.36	74.60	55.70	75.15		5.90	362.31	66.6%
Total	96.00	112.00	104.00	84.00	104.00		44.00	544.00	
New York Mirror									
Editorial Pages	24.00	23.85	20.85	23.10	22.75	22.30	65.00	201.85	43.3%
Advertising Pages	16.00	24.15	43.15	24.90	33.25	33.70	89.00	264.15	56.7%
Total	40.00	48.00	64.00	48.00	56.00	56.00	154.00	466.00	
Journal American									
Editorial Pages	30.22	29.64	25.63	29.85	28.56	17.83	76.85	238.58	58.2%
Advertising Pages	25.78	22.36	30.37	22.15	23.44	6.17	41.15	171.42	41.8%
Total	56.00	52.00	56.00	52.00	52.00	24.00	118.00	410.00	
World-Telegram									
Editorial Pages	24.95	26.35	24.85	25.35	29.05	20.10		150.65	47.4%
Advertising Pages	27.05	29.65	49.15	22.65	32.95	5.90		167.35	52.6%
Total	52.00	56.00	74.00	48.00	62.00	26.00		318.00	



PHOTOGRAPH BY JAY MAISEL

CLOSEUP

STEVE FRANKFURT

ROOM AT THE TOP FOR ONE OF TV'S OWN

BY JUDITH DOLGINS

THERE were plenty of good print art directors at agencies in the late 1940s when the lifting of war-imposed restrictions on television had clients with record advertising budgets waiting on line to take a whack at the new medium. But could they cope as well with advertising that moved and sang and danced the jig? Many agencies frankly doubted it. For this was show biz, wasn't it? It meant production genius and a knack for dramatic timing. It took nothing less than a combination of Walt Disney and Cecil B. De Mille. But, neither being available, agencies started switching their more dramatically-inclined print art directors to television, recruiting as much new talent as they could from the ranks of animators and film producers and lumping them together into what was promptly proclaimed "The TV Art Department." Separated by towering walls, spiritual as well as plaster, was "The Print Art Department."

This arrangement was not always a roaring success, partly because it tended to produce different advertising approaches for television and print, vitiating the strength of the campaign. And partly because most of the dragooned animators and film producers had more of an instinct for lap dissolves and barndoor wipes than they did for selling.

Eventually young artists born of the television era started making the scene. And as time passed at several agencies the TV and print art departments were consolidated under the direction of one person. But whether separate or together, experienced leadership was required, so it was inevitably a print man—the veteran planner of advertising strategy—who supervised television art or served as creative director. It was therefore a print man who had ultimate authority over whether a commercial should be live, animated, humorous or what have you, a print man who passed judgment on whether a commercial was good or bad. While many did the job well, the mumblings grew louder, especially among the newer men whose grounding had been in TV alone.

Last March, Young & Rubicam appointed a 6'3" vice president and art supervisor named Stephen O. Frankfurt to the post of executive director of art—all art, print and TV. Except for some experimental print work as head of the agency's special products group, his experience had been in television and it was directly through TV that he had come up. Among television art directors a whoop went up; one of their own had made it, and in the nation's second largest agency at that.

At Y&R itself, as might be expected, the move was not viewed, officially at least, as a triumph of TV over print, for although 45% of its $287,580,000 billings last year was in television, compared to 29% in magazines and farm publications and 18% in newspapers and supplements, agency policy is always to use all media together "as a symphony." In fact, 11 years ago, to encourage objectivity and eliminate the possibility of media buyers favoring either TV or print, Y&R instituted a system under which they are trained to purchase all media rather than specializing in any one.

But what is undeniably significant in Frankfurt's appointment is the sign that television is maturing to a point

Frankfurt: a vice president at 28, a rare blend of the practical and the far-out

where it can produce people experienced enough to hold top decision-making jobs. What's particularly remarkable in Frankfurt's case is that it should have happened so fast.

When the FCC started the wheels of TV history moving by authorizing a commercial system in May 1941, Steve Frankfurt's main concern was what kind of report card he'd be getting at P.S. 26 in the Bronx. During television's post-war rebirth he was a student at Manhattan's highly-rated High School of Music & Art, but still totally unconcerned about advertising and TV—in fact, so unsure of what he wanted to do that he spent a semester studying nothing in particular at New York University before deciding on some kind of art and transferring to Pratt Institue. After that he served a six months apprenticeship at UPA Pictures Inc., did some free-lance promotional work and then was hired as a television art director by Y&R in 1955. He's been there ever since.

Frankfurt was promoted to TV art supervisor and TV producer two years later. In 1960, at age 28, he was made a vice president and director of the newly formed special projects group, an experiment in creative thinking that itself is a pet project of Y&R chairman George Gribbin. When he was appointed executive director of art last March he was also made a member of the agency's important creative review committee. He is now just 31 years old; his birthday was in December.

"He is too damn young to be so good," says Dermott McCarthy, vice president and creative director of the copy department (a job comparable to Frankfurt's in art) and, at 43, himself something of a youth in an agency where the average age of the principal executives is only 47. Indeed, Frankfurt is considered good enough to have won more than 25 awards for his work, including five from his critical peers in the New York Art Directors Club, who also threw in a special medal for his Johnson & Johnson commercials, citing them as "an outstanding contribution to the world of advertising."

VISUAL SECOND-SIGHT

What makes an art director "good"? One of Frankfurt's associates terms it "visual second-sight," a quality easier sensed than described. Jack Sidebotham, now vice president and creative director of the television department, hired Frankfurt as a TV art director eight years ago mainly on the strength of a book on toys he had done for the Museum of Modern Art while at Pratt. "He knew nothing about TV," Sidebotham says, "but he impressed me."

As for how those impressions worked out, Sidebotham says, "He is the worst artist in the business. Your little sister can draw better than he does." But never mind that; "Just as I sensed he has imagination and a wonderful talent for visualizing." Or as that talent is further pinned down by McCarthy, "It is a depth in graphics that seems to be infinite. He can spot the possibilities for advertising in everything he does."

To the casual observer Steve Frankfurt is relaxed, informal, gregarious and smart. His agency associates confirm he is all of these, plus a perfectionist who has a low boiling point for work that is mediocre or, worse, work that may look good but has been executed without being carefully thought out first. He is not an art for art's sake man, says McCarthy, but one who "starts from the product and its problems instead of all the extraneous objects around it."

Frankfurt speaks quickly, his mind going off in several directions simultaneously. He enjoys talking about his work and Y&R, which he thinks is the best agency in the business, but appears to get just as much of a charge out of something like the fact that since he entered the agency business his grandfather, a former garment manufacturer, has been subscribing to just about every advertising publication he can find. In other words, as one of his art directors puts it, "He's the kind of guy who just gets a kick out of life."

At the agency Frankfurt's chores are divided among running the art department, personally supervising the advertising of several clients, including Johnson & Johnson, Personal Products and Bristol-Myers, and heading up the special products group—a schedule that keeps him on the run and often finds him at work alone in his office by 8 a.m., before the meetings erupt and the phone starts ringing. He claims he thrives on the pace, and at his age, it is not surprising that he has the energy to meet it; although as one associate, bone-weary from chasing after him, quipped, "Steve just *looks* 31; he's really 15."

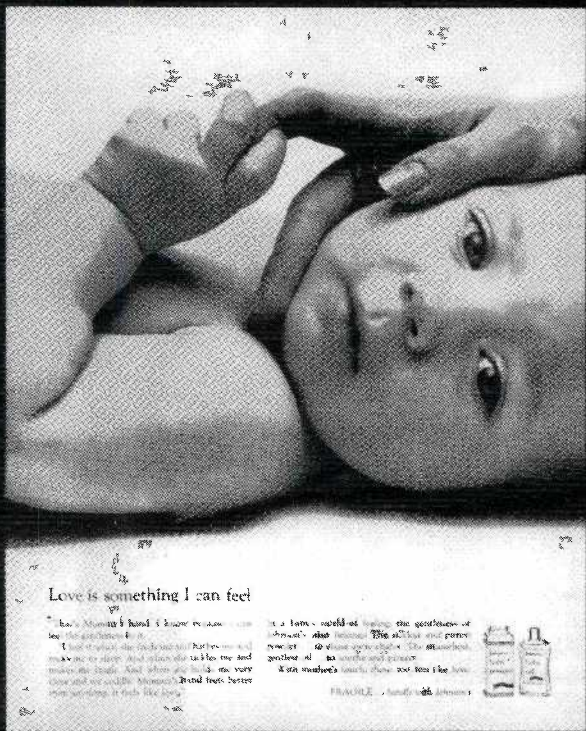
To sum Frankfurt up briefly, which is pretty difficult because he is quite a complex character: he is a fairly rare blend of the practical and the far-out. Always wearing the conservative vests he's been addicted to ever since he accidently bought a suit that came with one, he looks more like a Wall Streeter than the usual flamboyant image of the Madison Avenue art director. And his business judgment is apparently such that, along with equally business-oriented copy head McCarthy, he has participated with chairman Gribbin in several major new business presentations, including the one that landed Y&R the Chrysler account.

On the far-out side he has produced advertising that, as one of his colleagues puts it, "swings up to Cloud 9." Which is precisely where he means it to be. "People must be free to experiment," he says. "There is nothing to worry about if an ad seems far-fetched at first. It can always be modified, providing (and here his practical side is coming through) the basic selling idea is sound."

Frankfurt's viewpoint is, of course, pegged into the overall philosophy of Y&R, where "Resist the usual" is kind of an unofficial motto. As chairman Gribbin has expressed it, "We think highly of the attitude of not being afraid to make a fool of yourself. People don't try to horde ideas around here."

As a result of this kind of thinking the files in the art department are filled with ads and storyboards that have never been plated or filmed, but this doesn't bother Frankfurt or his superiors either. Some of the agency's most successful advertising, such as Bufferin's current "60-Second Modern Drug for Pain" campaign, synchronized to the beating of a heart or the ticking of a clock, started out as experiments and rested in the files for a while.

One campaign that's still resting is for Modess. As Frankfurt tells it, "No product like this had ever been advertised on television. So we made some commercials and ran tests in certain cities. They were very successful, but because the NAB code stations won't accept them, they are filed away for now. But you'll never know when we



TWO MEDIA, ONE IDEA • *The New togetherness in creative planning behind both TV and print campaigns is illustrated by these two ads for Johnson & Johnson baby powder, both developed under the supervision of Steve Frankfurt at Y&R. Such continuity of campaign planning across media borders is one of the major contributions being made to all advertising by the emerging TV art director.*

may be able to use them, or at least what we learned from producing them."

A recent project, almost literally on Cloud 9, involved photographing from a helicopter the movements of a child playing on the beach at Fire Island. Maybe it will see the light of the TV screen, maybe not. Alluding to Frankfurt's willingness to experiment like this, Y&R art director Arthur Kugelman says, "He thinks on a grand style, and this is good because it means he puts no limits on his people either. He is the kind of guy who would rent Radio City Music Hall if he felt it would be the best way to test a tuning fork."

As a matter of fact, Frankfurt did rent a movie theatre once. A year or so ago, Alan Pakula and Robert Mulligan, respectively producer and director of "To Kill a Mockingbird," asked him to design the titles. The first thing Frankfurt wanted was an authentic child's drawing of a bird, so he asked several elementary schools to have their pupils submit some. Sound easy? "We had to go through about 2,000 before we found one that didn't look like Japanese art of a Saul Bass design."

Then, after working nights and weekends on complicated techniques that included filming a batch of objects inside a cigar box, Frankfurt rented the Plaza, one of Manhattan's art movie houses, to see how it would all look on a big screen. "I had no idea how big to make the type," he says. "I kept running up to the screen with a piece of tracing paper. What a difference this was from TV."

The movie, of course, went on to win Oscars for star Gregory Peck and screenplay writer Horton Foote and might have got a third if awards were given in a titles category too. At least according to the critic for *Show* magazine, whose review opened not with the traditional remarks about the plot or acting but with the words, "The titles that adorn 'To Kill a Mockingbird' . . . are about as striking as anything the design boys have yet devised. . . ."

TO STIMULATE CREATIVE JUICES

Back at the agency, one of Frankfurt's jobs as executive director of art is providing the sort of atmosphere that makes the creative juices flow. Theoretically the TV art department is separate from print, but in practice many of the art directors work on both, and assignments are varied whenever possible or necessary. "After all," as Frankfurt points out, " a brilliant talent can be wasted working on advertising for a product that may not be his cup of tea. Or he may be working with the wrong writer—wrong for him. Sometimes it takes a rearranging of the elements several times over before the right combination is found."

Last month, to facilitate such rearranging, among other matters, he reorganized the art department. Previously there had been just he as executive director and right under him a group of supervisors, with the art directors under them. Now, between Frankfurt and the supervisors is an associate director (Robert Wall) and a manager (Andy Schmitt).

One big advantage of the new set-up is that the supervisors, formerly heavily involved in administrative details, now have time to do more work at the drawing board. Frankfurt is adamant in his feeling that all art people should

"The more you do and see and hear and say and write and move—the more you live..."

continue to do art—he himself is still a board man for the clients whose advertising he personally supervises. Nevertheless, he thinks, as do many creative people, that occasionally getting unglued from the drawing board or desk is the best way to come up with original advertising ideas.

As he said in a speech he made to a meeting of the American Association of Advertising Agencies this past November, "I try to encourage the creative people with whom I work to make the most of their non-working hours, to see unusual movies and plays, to read books, to get away on weekends, to go to art exhibits, to attend lectures, to get involved in politics or whatever strikes their fancy. The more you do and see and hear and say and write and move —the more you *live,* if you will, the greater depth will your work have and the easier it will come to you."

In his own after-hours life Frankfurt has written songs (he plays the piano by ear), photographed record album covers, attempted making a full-length spy thriller and collected antiques with his wife, who is an interior designer. For two years he taught advertising design at Pratt ("I used to sneak out for a two-hour class on Friday afternoons or sometimes taught it right here at the agency") and has lectured at New York University and the New School for Social Research. He currently serves as art director and design consultant to the 4As and on May 1 was to be a featured speaker at the Visual Communications Conference in New York, along with Otto Preminger and designer Charles Eames.

And this summer, anyone who happens to be in Moscow can see a 12-foot photograph of Steve Frankfurt at an exhibit on the graphic arts in America sponsored by the United States Information Agency. The exhibit will tie in with an article in *Amerika,* USIA's Russia-distributed magazine, featuring one version of a troika: Frankfurt, representing advertising art, Bernard Quint, art director of *Life,* giving the editorial viewpoint, and painter Leonard Baskin representing the fine arts.

MECCA ON MADISON AVENUE

Good as Steve Frankfurt obviously is, like any creative man he might very well wither in the wrong agency. As far as he's concerned, Y&R is completely right. For one thing, it is policy there to fight for its views as long as there seems to be any chance that the client can be brought around, and it is this willingness to do battle that has made Y&R a sort of Madison Avenue Mecca among advertising men who work for more gun-shy agencies.

It is also tradition at Y&R that no major piece of work is permitted to go to a client until it has been passed by the heads of the art and copy departments. If there is an argument between an account supervisor and an art director (or copywriter) about a piece of art (or copy), the arbiter is Frankfurt (or McCarthy if it's copy). For Y&R believes that an art director knows more about art and a copywriter about copy than a contact man does. Of course, when it's the depths of marketing that are being plumbed it's the contact man who rules.

It is this approach, in Frankfurt's opinion, that puts Y&R "on top of the best agencies anywhere." As for opinion on the outside, this past winter, half of a group of top advertising men asked to nominate the agency (other than their own) that had produced the best advertising during the year, named Y&R for its work on Goodyear snow tires, the Bufferin campaign, and commercials for Johnson & Johnson's Band-Aids, Micrin and baby products. Moreover, of the 60 commercials selected by the Museum of Modern Art for its current retrospective show, nine were out of Y&R (seven of them designed or supervised by Frankfurt).

Y&R may or may not be the "best" agency, but it is certainly one of the best liked. As goes a favorite Madison Avenue quip (soon to be outmoded now that the agency's offices are being extensively modernized): "I would work for Y&R even though it's not air conditioned."

GREATER CHALLENGE

There is no "Y&R style" of advertising, no special look such as that cultivated by some other agencies known for creative work. In fact, it is studiously avoided. "This makes it harder for us—there's nothing to copy, no pattern to follow," says Frankfurt, "but it also makes it far more of a challenge."

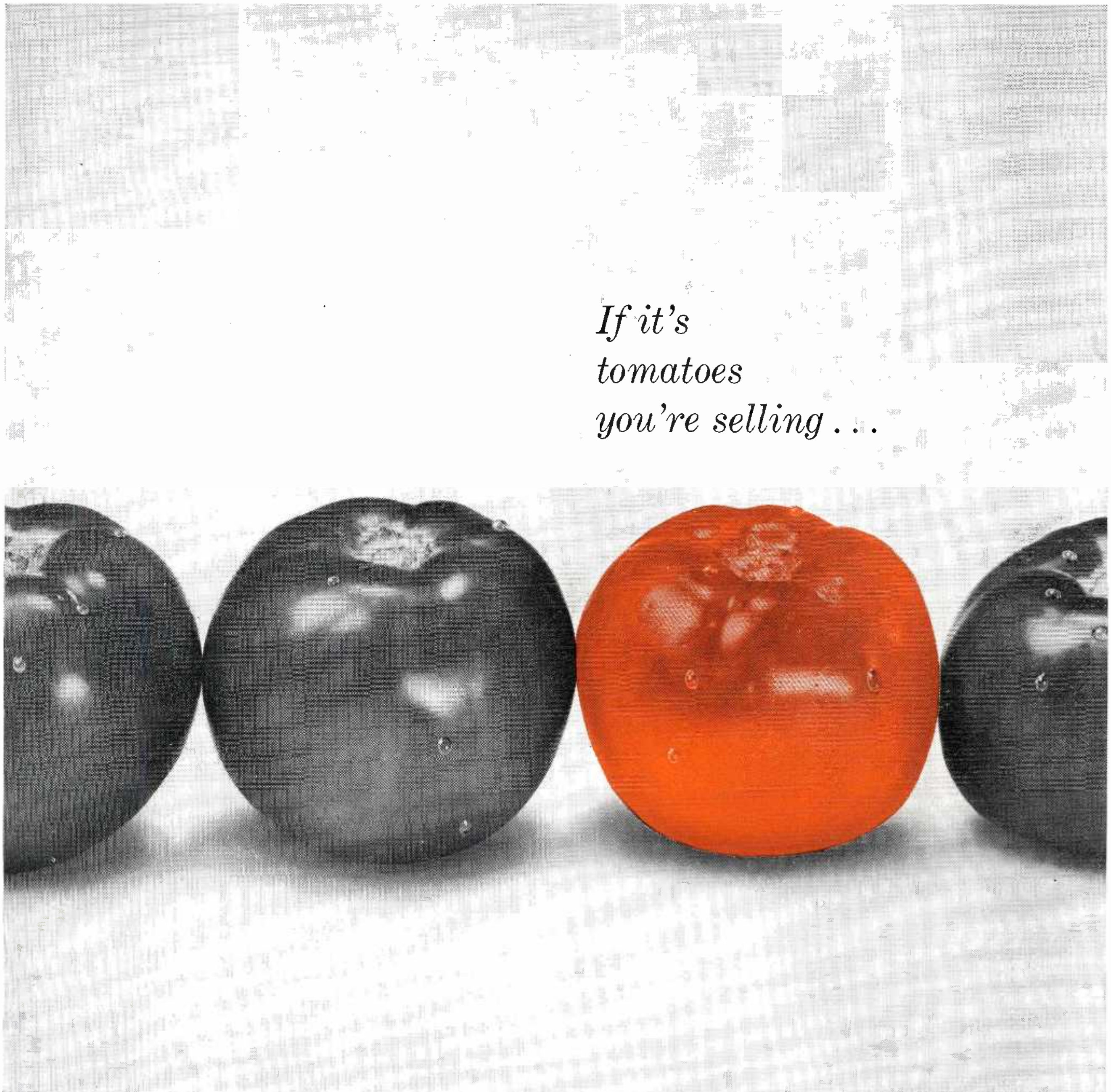
Y&R likes to pioneer, and a few years ago talked about buying a television station as a ready made vehicle for the testing of TV programs and commercials. It was the first agency to have a fully staffed research department, headed by Dr. George Gallup, whom Raymond Rubicam found on the journalism faculty at Northwestern, and among the first to set up a merchandising department. Y&R also claims it was the first agency to use comics in advertising, the first to use the reading and noting technique of measuring print advertising, first to employ specialized radio and TV commercial writers, first to use magazine gatefolds and first to insert samples of products in magazines.

Through the years Y&R has consistently forged ahead without much of the razzle-dazzle engendered by some of its more notorious competitors for new business. Some observers attribute its success to the legacy of its founders, John Orr Young and Raymond Rubicam, who introduced the "creative group" system to the agency business when they set up shop in 1923. Others credit the keen sense of organization generated by Sigurd Larmon, who joined the agency in 1929 as Rubicam's protege, came up to the presidency through contact and ran Y&R with a firm grip until he relinquished the presidency in 1958 and retired completely this past December.

Before Larmon gave up the presidency there was talk along Madison Avenue about a division within Y&R between those who wanted to see control returned to the creative departments (Rubicam had been a copywriter) and those who preferred to see it remain under the direction of a man from account management like Larmon—or even more so, since he had tried as much as possible to follow the principles established by Rubicam.

What happened, of course, was that George Gribbin became president and chief executive officer; he had come up through copy. When Larmon retired as chairman, Gribbin moved up to that job (remaining chief executive officer) and into the presidency stepped Edward L. Bond Jr.; he had come up through account management. So both bases are obviously covered.

Until recently all departments except control and traffic reported to Gribbin. Now under a new set-up, only copy



which tomato are you selling?

AIR YOUR PRODUCT IN COLOR the way your customers see it—remember it—buy it. Give your TV message the PLUS OF COLOR and you increase product-identity and brand-recognition—make your product one-of-a-kind.

Note: Your black-and-white commercials will be even better when filmed in color. Prints will come alive . . . shades and subtleties will stand out as never before.

For more information on this subject, write or phone: Motion Picture Film Department, **EASTMAN KODAK COMPANY, Rochester 4, N.Y.** Or—for the purchase of film: **W. J. German, Inc.,** Agents for the sale and distribution of EASTMAN Professional Film for Motion Pictures and Television, Fort Lee, N.J., Chicago, Ill., Hollywood, Calif.

FOR COLOR . . . EASTMAN FILM

It's not important where the ideas come from . . . even the elevator man can help

(Dermott McCarthy), art (Frankfurt) and TV-radio commercial production (Jack Sidebotham) do, with the rest accountable to William Colihan, chairman of the plans board and senior vice president in charge of media, research, merchandising and publicity.

The motive behind this change was purely to simplify lines of communication, not downgrade these functions, for at Y&R no one department is considered any less vital to the marketing soufflé than any other. Again, it is the legacy of Raymond Rubicam who, decrying the cult of personality, believed in amassing a cadre of superior, specialized advertising talent, then letting them develop in their own directions.

IDEAS FROM EVERYWHERE

As Frankfurt puts it, "It's not important where the basic idea comes from—it can come from the writer, the artist or the elevator operator." He waves something in his hand. "See this little thing I'm holding? It's a Band-Aid. A special kind of Band-Aid called Sheer-Strip. The patent for its development hangs in the office of one of our account executives. Who says contact men can't be creative?"

He cites as another example "Hi-Fidelity newspaper advertising done by a technique developed by Y&R's production department. And you know how many people think of a production department as a mechanical operation and a department that knows only what *can't* be done. Well, this advertising is the result of creative thinking in our production department and thanks to the development of Hi-Fi, we can now have magazine quality, full-color reproduction in newspapers."

Ideas can come from media departments as well, and Frankfurt is particularly enthusiastic about such experimental approaches to buying as Y&R's recent acquisition for an agency client of both the front and back covers of *Teen* magazine.

It wasn't too many years ago that he might have been a reader himself.

A depression baby, Stephen Owen Frankfurt was born on December 17, 1931, in the Bronx, where his parents still live. His father, a prominent attorney, is vice president of the Bronx County Bar Association and Director of Project Services for the New York City Middle Income Mitchell-Lama Housing Program.

Frankfurt never had any yen for law and his father never pushed it; though if he did have a secret desire for a chip off the old block he got it in his younger son Michael, 28, a member of a law firm that does a lot of its work in advertising. ("Michael's the smart one," Steve says.)

A talent for art showed up somewhere along the line at P.S. 26, and encouraged by his teachers Frankfurt took and passed the entrance exam for the High School of Music & Art. The emphasis there was on the fine rather than applied arts, and unsure of where in the art field he wanted to go from there, he took an aptitude test, which only confused the issue by placing him in the 99th percentile in music.

So he gathered his thoughts at NYU for one semester, then transferred to Pratt, studying mostly advertising design and some industrial design.

Television entered Steve Frankfurt's life, if only briefly, in his junior year when he got a part-time job as a page at CBS. "This was almost heresy; everyone else gets a job as a page at NBC." One day there, the *Faye Emerson Show* needed a page on screen and he found himself making an unexpected television debut.

The summer between his junior and senior years Frankfurt considered leaving school and, with Bill Falcone, a Pratt classmate, went off to Hollywood to set the design world ablaze. It was more like a Girl Scout campfire. Falcone (who now owns a successful design firm in New Jersey) wound up working as a stock boy for the Lerner Shops. Frankfurt, slightly more fortunate, picked up some design work from a fly-by-night greeting card firm. Meanwhile, he went up to see just about every advertising agency and studio in Hollywood, all of whom politely showed him to the front door.

Then his luck changed. At Pratt, he had come to admire work of Lou Dorfsman and the late William Golden at CBS, so on a dare he went up to KNXT, the company's Los Angeles TV station, and was hired as a free-lance promotion designer. "One of my assignments was to design a new trademark. I made thousands. None was ever used, but at least I was doing something."

Someone from KNXT showed his work to Steve Bostousow, head of UPA Pictures Inc. and the one studio Frankfurt had missed in his rounds earlier because it had been closed for vacation. "Two days later," he says, "they called me up and offered me a job as a designer. I almost collapsed."

In order to work there Frankfurt had to join a union, and while he was waiting for clearance he got a telegram from his parents saying that Pratt had awarded him a scholarship for his senior year. While he was mulling this, he and Bill Falcone met a man who wanted a Fleetwood Cadillac delivered to New York, so, "driving that crazy thing, we went home."

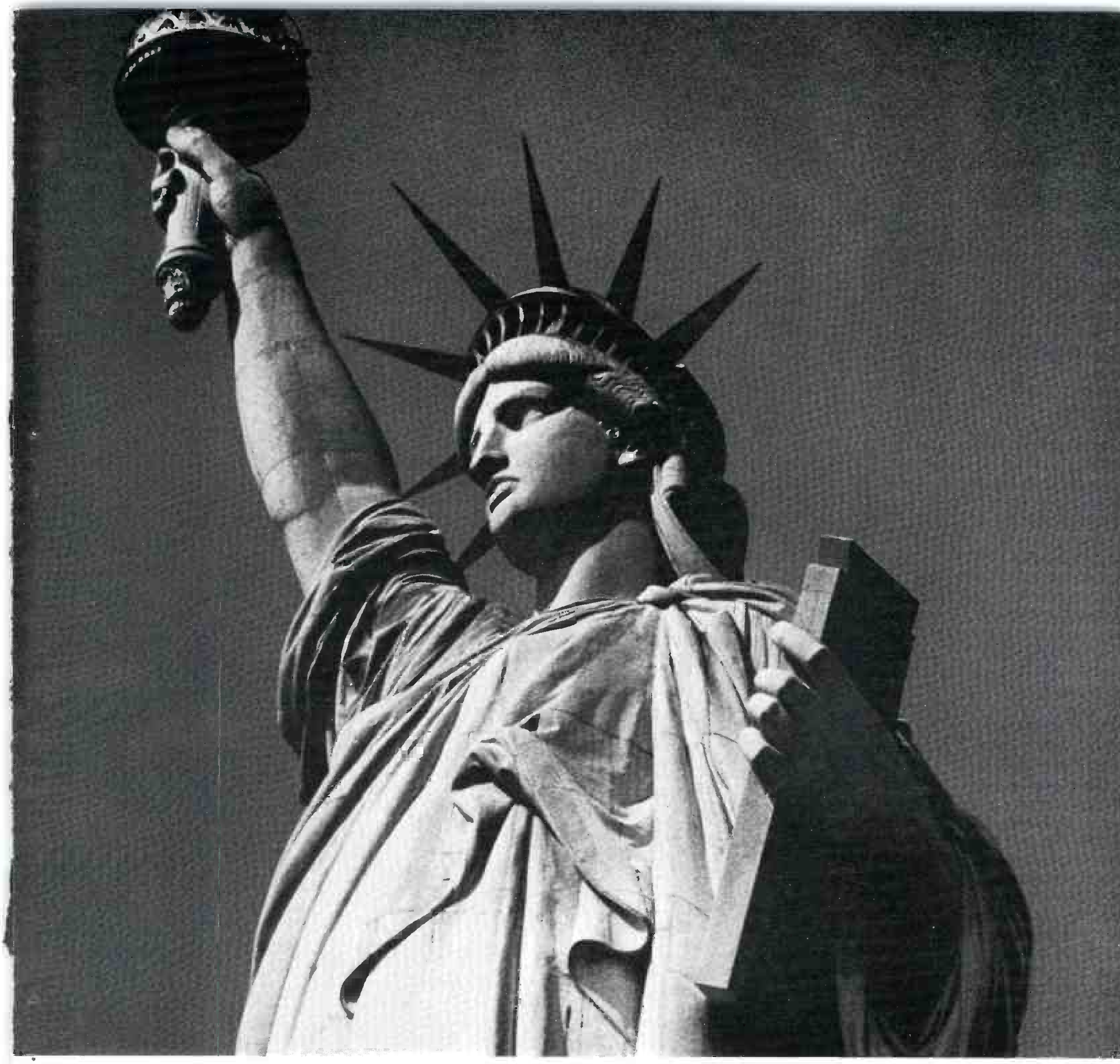
OUTSTANDING STUDENT

Named the outstanding student at Pratt in his senior year and listed in "Who's Who in American Colleges," Frankfurt graduated in 1954 and promptly called cold on Art Kane, the art director of *Seventeen* magazine (now executive director of art at the Irving Serwer agency), who offered him a job as his assistant.

At almost the very same moment, however, UPA in New York, alerted by its California office, offered him a job as an apprentice designer in its TV commercial department, which he took because he didn't know anything about film and wanted to learn. One UPA project happened to be the "Busy Day" Jell-O commercials for Y&R, but to Steve Frankfurt, it and the agency business as a whole were still outer space. "I was sent over there a few times to deliver films, and all I remember noticing was that everyone there was wearing suits; at UPA we worked in T-shirts."

UPA was extremely busy at the time, which, Frankfurt says, "was lucky for me because I learned more in a few months than I would ordinarily have learned in a year." But after six months UPA wanted him to transfer to its Hollywood studio, so he resigned.

"When I left I felt that the future of television was not in animation but in people, humanity," he says. "There was room for expansion here." Through a contact made at



See me in Washington, D.C.?

Not even on a clear morning. All markets have characteristic structures. And it takes monumental skill to adapt your own marketing strategy to their differences. That's where Spot TV shines.

Spot TV liberates you from oppressive advertising/marketing problems; helps in bolstering sagging sales; meeting the challenge of new competition; testing a program, a product; expanding into new markets; applying a limited advertising budget where it'll do the most good. No other media can hold a torch to Spot TV's versatility.

TvAR, representing a select list of major market TV stations, can show you how to get more out of your advertising dollars by buying on a spot-your-market basis. TvAR's "Television Spot Test" enables an advertiser to document the effectiveness of Spot TV. TvAR's "Brand Comparisons," give the exact status of over 500 leading brands in our eight represented markets.

Spot TV is the flexible advertising medium. TvAR is the personalized service. Why not take advantage of both?

TELEVISION ADVERTISING TvAR **REPRESENTATIVES, INC.**

REPRESENTING

WBTV **CHARLOTTE** *(JEFFERSON STANDARD BROADCASTING CO.)* • *WTOP-TV* **WASHINGTON** *AND WJXT* **JACKSONVILLE** *(POST-NEWSWEEK STATIONS)*
WBZ-TV **BOSTON,** *WJZ-TV* **BALTIMORE,** *KDKA-TV* **PITTSBURGH,** *KYW-TV* **CLEVELAND** *AND KPIX* **SAN FRANCISCO** *(WESTINGHOUSE BROADCASTING COMPANY)*

TvAR Offices in New York, Chicago, Detroit, San Francisco, Los Angeles and Atlanta

BROADCASTING PUBLICATIONS INC. PUBLISHERS OF BROADCASTING MAGAZINE, TELEVISION MAGAZINE AND BROADCASTING YEARBOOK

Momentum...

Pros and Cons
of Pre-emptible Spot
Exclusive Ranking of the
Top 100 Markets

The Food Broker:
TV's Neglected Persuader
Special Report:
The FCC Hearings

Hindsight '61-'62
Results of Network Ratings
Forecast '62-'63
Predictions of Network Ratings

Television and the
Booming Leisure Market
Community Antenna Television
Friend or Foe?

Local Programming:
The Many Worlds of Local TV
Television and Telstar—
What's Waiting in Space

PHOTO: JIM STEINHARDT

When TELEVISION rolls off the press, it really rolls. It makes big news not only in the issues it covers but in the broad cumulative coverage of each monthly issue. Note the accelerated force of TELEVISION reprints alone: nearly 1,000,000 pages in 1962!

THAT'S NOT ONLY MOMENTUM... IT'S MOMENTOUS!

We offer two excellent reasons why. TELEVISION features are imminently current, thorough and exactingly professional. And, secondly, many of them provide remarkable insight and foresight in the moods and methods shaping the future of the entire television industry.

Nobody appreciates these editorial attitudes more than the businessmen responsible for spending advertising dollars in the television medium.

To get your message to them, use the momentum of **TELEVISION**

444 Madison Avenue, New York 22, N.Y.

A trend was started to a most effective television ad technique — extreme close-up

UPA, he did some free-lance work for a film on mental health for a London-based studio, which then offered him a full-time job doing similar projects over there. Feeling that at least he would get a chance to work with people instead of cartoons, he accepted.

While waiting for the necessary work permit to come through he worked as a free-lance presentation designer in CBS's radio spot sales group, and while there Lou Dorfsman suggested he contact Jack Anthony, then associate head of Y&R's print art department, about some additional assignments. Instead, Anthony offered him a full-time job as an art director on print. "Aside from not wanting print," Frankfurt says, "I wasn't sure whether I wanted to work in an agency at all. But Anthony was nice enough to offer to send me to see Jack Sidebotham, who was then head of the TV art department, so I went." Sidebotham offered him a job as an art director on TV. "Well," Frankfurt says, "television seemed better than print, and as long as I had to wait for my work permit I decided to take it."

As it happened the job in England never did materialize, which was obviously all to the good anyway. Frankfurt's first Y&R assignment was on Remington electric shavers. Shortly after, he was also put to work on the Sanka account with copywriter Sumner Winebaum (who now heads Y&R's newly opened Milan office). It was his first inkling that Y&R might very well be just the kind of place for him to work.

AN EXPERIMENT

"We were told we could experiment, so we decided to do a commercial that featured not cartoons, not even ordinary humans, but parts—hands. I had just bought a 16 mm. camera and we decided to shoot it ourselves. We went to Adpix, a studio that is now big but in those days was just doing color corrections, and conned them into helping us. We used Sumner's wife's hands and talked Danny Seymour (now second-in-command at J. Walter Thompson) into doing the track. That's how we presented it to the client (General Foods) and they loved it. When we took the commercial to Hollywood to put it on the Lucille Ball show there was a special screening, and even the press people there applauded."

More important, the "Hands" commercial began a trend to one of TV advertising's most effective techniques—the extreme close-up. Frankfurt is a specialist in it now, using it particularly extensively for J&J baby products. "We look at the baby with the camera just as the mother looks at him," he explains. "This way we get empathy."

In 1957 Frankfurt was upped to TV art supervisor for Johnson & Johnson, General Foods, Bristol-Myers and Personal Products. At the same time he was also made a TV producer, putting him in the enviable position of being able to see his ideas clear through to the finish, a situation all art directors relish.

One memorable working relationship of this period was with Charles Feldman, then a copy chief (now a senior vice president and chairman of the creative review board). Feldman had two intriguing possessions. One was a bright secretary, Suzanne Allen, who shortly became Mrs. Steve Frankfurt. The other was a conviction that the TV advertising for Johnson & Johnson and Sanka could be considerably improved by tapping some of the varied sources of production talent that were available to those who looked outside the United States.

So off to France for three months went Frankfurt, armed with scripts and storyboards. The idea was to experiment, just see what might be done. Out of it came commercials that led directly to much of the advertising that J&J is doing today.

Frankfurt doesn't speak French, most of the crew didn't speak English so all of the work had to be done through an interpreter. "They saw me as a 'Madison Avenue man' and wanted to accommodate me with screaming commercials," Frankfurt says. "The hardest part was convincing them that that was exactly what I didn't want."

Once this was straightened out, Frankfurt and his French crew got to work. For Sanka they produced a color commercial that used a piece of string in stop motion as the spokesman or presenter. Later it won a Venice Film Festival award.

Most of the work in France was for J&J. Wanting to use authentic children's voices on the sound track, Frankfurt scoured the U.S. Army installations around Paris for American kids. For a Band-Aid commercial he innovated the stroboscopic technique, a series of recurring images or a double exposure many times over—something like the effect of Duchamp's famous painting, "Nude Descending a Staircase."

From the commercials produced in France sprang J&J's highly successful "Fragile Baby" campaign. For the first one, Frankfurt had a photograph of a baby and wanted to shoot a live butterfly landing on the tip of the child's finger. "To the crew this was like parting the Red Sea. They assigned a man to go to a section of Provence where butterflies are raised. He inspected all the cocoons and didn't come back until he found the perfect one. Over here we'd probably have someone go over to Times Square and buy one made of plastic."

Back in the U.S. Frankfurt was assigned to the Lincoln account. As a side line he designed some program openings for the *Danny Thomas Show* and *Scotland Yard,* both sponsored by Y&R clients, meanwhile still supervising the TV art for J&J and several General Foods products. He was also in on the beginnings of Bert and Harry Piel when copywriter Ed Graham created them, "but I am a lousy cartoonist and my contributions did anything but sell them. I got off it fast and Jack Sidebotham took over."

NEW SOURCES OF TALENT

Frankfurt's experiences in France prompted him to start tapping some new sources of talent in this country too. Among the people he brought into television is Tony Schwartz, the sound documentarian whose tracks of children's voices are on many of J&J's award-winning commercials. For J&J he also started using Irving Penn, the famed still photographer who had been largely ignored by TV, and for Simmons mattresses he discovered Alexander Hammid, a film director at the U.N.

In the summer of 1958 Frankfurt and his wife, Manhattan dwellers, rented a house in Westport to see how he would like commuting. He didn't; "It was dark in the morning when I left and dark in the evening when I came

WHAT IS THE MEASURE OF A BROADCASTING STATION?

The pleasant folks* pictured here are part of a local Connecticut television show . . . a show which, consistently, has bested nighttime network competition. Titled "What in the World," the program is basically a quiz . . . which insults neither intelligence nor credibility . . . on the geography, history and architecture of the world's interesting places . . . and the habits, customs and accomplishments of people. The prizes are modest . . . and they don't go to people but to institutions which have need.

Funny thing about the show! It has only one commercial, three minutes long, smack dab in the middle of the program, . . . and, usually, it is so interesting, it draws fan mail!

We'd like to take full credit for "What in the World" but must hasten to assert that it is the brainchild and production of Baker Advertising of Hartford. We do take credit, however, for recognizing its merit and charm a long time ago. In fact, "What in the World" has been on WTIC-TV as long as the station has been telecasting.

Sorry — but "What in the World" is not for sale. It is sponsored by the Electric Companies of Connecticut, as it has been since its very first broadcast.

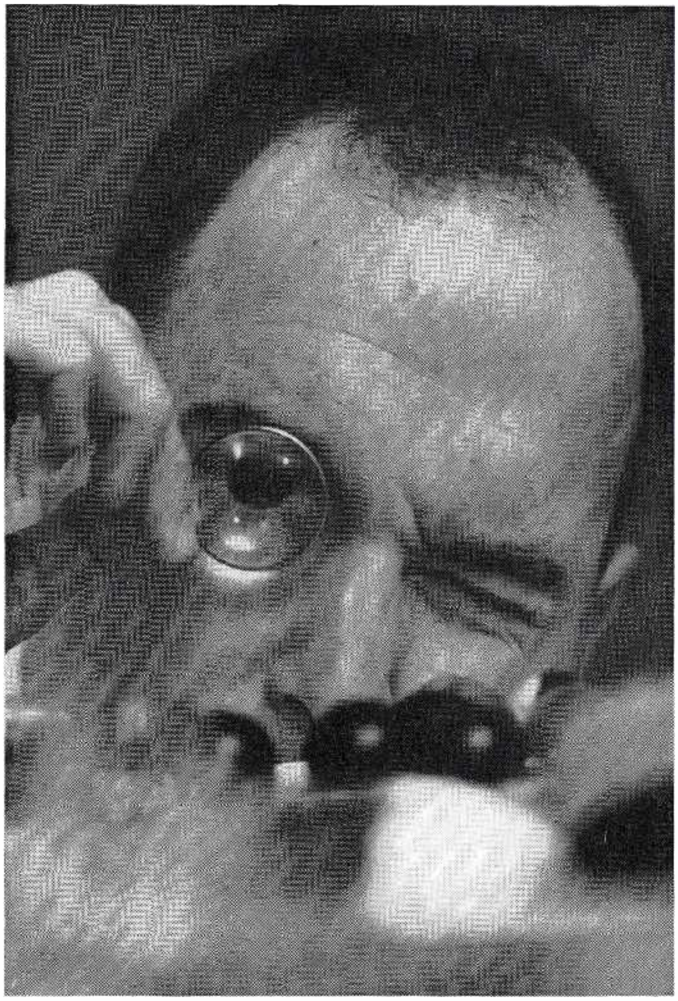
**Left to right: John F. Schereschewsky, Director of the Rumsey Hall School: Aline Saarinen, art critic: Charles C. Cunningham, Director of the Wadsworth Atheneum; James N. Egan, attorney; Ben Hawthorne, announcer; and Quizmaster John Dando, Associate Professor of English at Trinity College.*

WTIC TV3

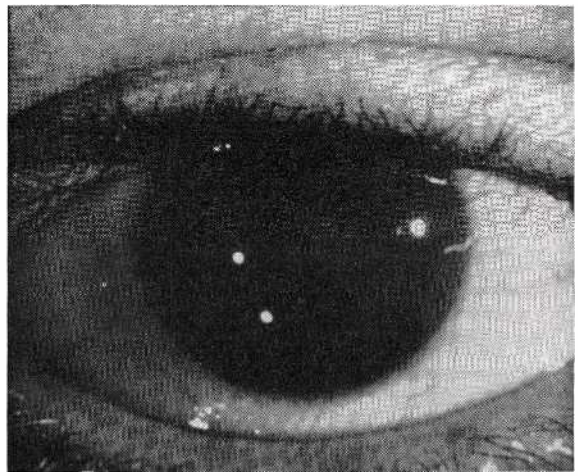
Broadcast House, 3 Constitution Plaza, Hartford 15, Connecticut

WTIC-TV is represented by Harrington, Righter & Parsons, Inc.

PHOTOGRAPH BY TONY KARP



As Frankfurt sees it— and vice versa



The extreme closeup in television commercials has become a standard in art direction—and Steve Frankfurt was one of the first to utilize it. In the large picture the photographer has caught Frankfurt getting close to his subject. The eyeball above is from a commercial for Bufferin.

home. I never saw the house." But on the train he ran into Art Kane, also summering in Westport, and the two of them decided to make a film. "It started as a short but ended as a full-length, murder-spy thriller. We wrote the script in two weeks by sitting up all night and talking into a tape recorder, and storyboarded it in another week. Then we rented equipment and also rented an alcoholic sanitarium for location shots and got the fire department to make a rain storm for us.

"The Actors Studio became interested in the film and some of their students volunteered to be performers. Screen tests were conducted in Central Park. We used a love scene. Kim Novak and Jack Lemmon were also making a movie in the park, but we drew bigger crowds." But the Novak-Lemmon enterprise met a better end, for, says Frankfurt, "Midway through, Art and I decided that the story was too weak, so we abandoned it."

In 1960 Frankfurt, still a TV art supervisor and producer, was made a vice president and appointed director of Y&R's newly formed special projects group. A blend of creative thinkers in art, copy, research and other departments, it is somewhat analagous to McCann-Erickson's Jack Tinker & Partners, though, unlike the latter, which has its own ivory tower away from agency premises, the Y&R group is always on the scene. And in a business where not too many years ago the art department was more or less low man on the agency status pole, it is significant that both Y&R's special projects group and McCann's Tinker & Partners should be headed by an art director.

At Y&R, the work of the special projects group includes package design, product ideas, programming concepts and new business development. Kaiser's house siding products came out of the group, as did what Frankfurt says was the first agency house ad ever run on television.

A SPECIAL THAT GOT NOWHERE

One project was a TV special starring Danny Kaye, based on his record album, "Mommy, Give me a Drink of Water." Frank Loesser composed the music, the script was written and the show designed, but then Kaye signed with General Motors and the bottom fell out. Y&R racks it up to good experience.

An endeavor that met a better fate came about when Saul Bass and the design firm of Wallace Ford & Associates came to the special products group with an idea for the 1964 World's Fair, hoping a Y&R client might be interested in tying-in. The special projects group thought it had greater possibilities than that, developed it into a full presentation, which the State Department will use as the basis for the U.S. exhibit at the fair next year.

Back in television, meanwhile, Frankfurt started supervising Bristol-Myer's Bufferin, and with copy supervisor Sumner Winebaum and creative director Mary O'Meara, created Bufferin's "60-Second Modern Drug for Pain" campaign, "very low-keyed advertising compared to the screaming the other pain killers were doing then," he says. "To emphasize this, we introduced it on the telecast of the last Democratic nominating convention. The contrast between the hushed tones of the commercial and what was going on there on the floor couldn't have been more dramatic."

Some of the commercials are synchronized to the ticking of a watch, which is shown briefly on the screen; it's a collector's item, a World War I British army watch that Frankfurt's wife found in an antique store and gave him as a wedding gift. Ever since the commercials started appearing Bristol-Myers has been besieged by viewers who want to buy it. Meanwhile, druggists report that they are being besieged for Bufferin too, and, says Frankfurt, "You may have noticed that since we introduced these commercials ... killers have stopped their screaming."

...ative

...signed by Frankfurt's wife, to the interior offices, where the famous green walls (known as "Dartmouth green" because they unmistakenly match Sig Larmon's school color) are giving way to white.

At press time the art department was awaiting an imminent move from its eighth floor quarters, where the decor somewhat resembles the inside of an airplane hangar, down to the fifth, where the new look will be "kind of way-out modern," says Frankfurt, who with some of his art directors designed some of the new furniture.

He is occupying a large corner office, plus a smaller adjacent one where he'll do his board work. Going downstairs with him are his modern Eames chairs, his antique clocks and chairs, as well as a few prized possessions including an oil done by his grandmother (he started her painting) and a framed cashier's receipt from Food Fair ("We got it when we rented that house in Westport; it was the longest one I had ever seen").

The office move should be good practice because this June he and his wife and their two boys, Peter, 4, and Jamie, 2, will be moving from their large Central Park West apartment to a 4-story brownstone they recently bought on East 80th Street. He'll have a studio there, as will his wife, who ... Studio, her own design firm, and the ... Westport

PAY TV from page 51

PAY TV from page 51

total of 100,000 homes). The project began with about 800 subscribers, reached a peak of 5,800 by August 1960 and has since fallen off to its current level of approximately 5,000 homes. Telemeter has steadily maintained that it never made any concentrated attempt to extend its reach much beyond the 5,800 subscriber peak.

As with Palm Springs, the Etobicoke test is thought of by many pay TV friends and foes as a basic flop. The failure of growth and the failure to make money are the most often cited reasons. Again, these judgments have to be weighed against other facts. Paramount always clearly labeled its Canadian project, a test, an effort to learn about the economic and technical problems involved. The company never claimed it was going to make money in Etobicoke. Indeed, it was frank in anticipating losses—a year before the Etobicoke project was launched, in his 1959 annual report to stockholders, Paramount president Barney Balaban indicated that the pay TV test was going to be costly and then wrote: "We are accepting this condition as a natural outcome of pioneering and look upon it in the light of a challenge wherein the stakes are high and the rewards of success are correspondingly ...

Yet for ...

mile apart . . . studio equipment runs in the neighborhood of $150,000 . . . and the anticipated cost of the drop lines from the feeder cable to the individual homes is about $20 apiece." Maintenance costs, however, for the Bell-installed cable and Jerrold Electronics-equipped amplifiers have been surprisingly low.

But Telemeter has many other expenses in running its Etobicoke system. Each Telemeter coin box originally cost about $65 to manufacture and $90 (brokerage charges, import duties and sales taxes) by the time it's placed in the home (the company has since developed a simplified model which reportedly cuts manufacture costs to $45 a box and which also offers five- instead of three-channel service). In all, the pay TV organization put a capital investment of about $100 into each subscriber's home.

Another cost item on Telemeter's balance sheets is for coin collectors, who make their pick-ups about once every 60 days. The coin-collection operation is one of the most disputed features of Telemeter's system. Most subscribers, critics say, do not welcome intrusion into their homes and consequently service has to be adjusted to suit consumer convenience and availability ...

felt, coin coll...

Telemeter started a drive for 1,000 new subscribers in Mimico, a community adjoining Etobicoke. The new area was wired in hopes of strengthening the lower income level representation of the experiment. The population mix was achieved somewhat, but the circulation drive fell short of its goal.

But then circulation problems are, as in most cases, largely symptoms of product failings, and Telemeter's Etobicoke program offerings have not cracked up to be what they were promoted to be. As a result pay TV viewing in the Toronto suburb has never seemed to catch fire in any but brush-type proportions.

CHAMPION GUINEA PIG

In effect, the booming Ontario township of Etobicoke has become the champion guinea pig of the electronic '60s. During the three years of receiving Paramount's wired blend of coin box programming, harrassed customers have been studied, probed and interviewed into the ground.

"Do you like to buy what you could get free?" "Do you miss commercials?" "Is TV without commercials worth the cost?" "How much do you spend a week to watch TV?" "What kind of programs do you buy?" "If pay TV were taken away would you be happy with free TV?"

The questions, thousands of questions, loaded ones and strictly fact-finding ones, have been and are still being asked by cost-cutting surveyors, Madison Avenue agencies, advertisers, equipment manufacturers, broadcast interests—wondering what kind of business they'll be in 10 years from now—and by the networks whose future policies are somewhat guided by events in Etobicoke. (Most of Telemeter's own surveys are conducted by Canadian Facts Inc., a leading Canadian research organization.)

Research samples taken in Etobicoke range from a pathetic dozen or so to as high as 20% of homes served. Occasionally a stunned questioner gets a door slammed in his face with perhaps a blunt reference to his ancestry, but mostly Etobicokeans are polite in the soft, pleasant Canadian tradition. Some are frankly delighted at this sign of commercial recognition, but interviewers have to be constantly on the alert not be taken for a statistical ride by a practical joker of a respondent.

One study conducted as spring approached last year gives a good insight into the Etobicoke tune-in and household habits. It was the third such research sponsored by a major broadcast entity, one of the top corporations in the industry.

The survey showed an average expenditure per family of about 65 cents a week for programs. (This does not include the 29-cent weekly service fee all Etobicoke pay TV homes must now pay.) Helped, no doubt, by a series of exciting hockey telecasts shown during the four-week study period, the coin-box receipts were slightly higher than the company findings in early 1961, but still six cents under results obtained during the spring of 1960. One subscriber in five, the most recent research disclosed, reported no money spent at all during the entire four-week period of investigation. (Most observers feel that a great weekly average is $1.35 to $1.50 a home a week. A bad weekly average is 50 cents or less per subscriber.)

One family out of five voiced dissatisfaction over programming. They emphasized poor movies—too many repeats, dated films, over-sexed pictures and generally poor

Etobicoke: ... "an economic loss" ... "it can't make money" ... yet a "screaming success"

viewing fare for children—and high cost as the main reasons for their disenchantment.

According to the survey, subscribers indicated a desire for better quality and more recently produced motion pictures, fewer repeats of the films shown, more specials and live shows, more sports telecasts, more musicals and Broadway-type entertainment and far better children's programming. About one out of eight respondents were no longer subscribers, most claiming to have given up the service voluntarily, though some admitted their service had been canceled because it wasn't being used frequently enough.

From its inception, the three-channel TV service (Telemeter's cash box attachment feeds three signals into an open channel on a subscriber's receiver, channel 5 in Etobicoke) has relied heavily on recently-produced but not necessarily first-run feature-film programming. Most of the films are priced at $1 and movies are never shown if they have previously played on free TV. For sports fans this fare is often supplemented with telecasts of all away-from-home games of hockey's Toronto Maple Leafs, some virtually exclusive showings of championship fights and coverage of Canadian Football League games not available to the free channels.

FIRST-RUN TV

Sporadically Telemeter has given its subscribers some first-rate taped and filmed specials: a one-man show by comic Bob Newhart, a magnificent version of the Menotti opera, "The Consul," the off-Broadway production of "Hedda Gabler," "The Second City Revue" prior to its Broadway opening and an evening with singer Edith Piaf on film from Paris.

On Easter Sunday night, April 2, 1961, Telemeter made history when it presented "Show Girl," the first live telecast of a Broadway show to be shown on pay TV. The program made history, but it was rather inconclusive history. For "Show Girl," a low-budget production with a small cast that entailed a minimum of technical difficulties in televising, hardly gave pay TV proponents assurance that the presentation of live theatre is feasible programming material for their medium. Significantly, in the two years that have passed since the original telecast (the musical subsequently was shown several more times via video tape), Telemeter, whatever its reasons, has not followed it with another live-from-Broadway production.

Lack of sufficient special product offerings undoubtedly has kept the rate of Etobicoke's pay TV viewing down. "Psycho," Alfred Hitchcock's super motion picture thriller (such box-office smashes must be considered in the nature of specials since they attract an especially large audience), is Telemeter's point of pride. Presented to pay TV viewers late in 1960, two weeks after its local theatre run, the horror movie rang up a Telemeter gross of $2,550, some $300 more than the theatre's take. The significance of "Psycho's" pay TV performance and of returns from other major motion picture presentations, Telemeter claims, is "that there is a source of income to be obtained from a home audience, perhaps the lost one, which for any number of reasons may not be lured into a theatre."

Chain theatre owner and motion picture distributor, Walter Reade Jr., however, appearing as an intervenor during the 1961 Midwest Video vs. Southwestern Bell Telephone hearing in Little Rock, gave evidence that hardly indicated a bright future for subsequent-run feature-film offerings on pay television. The theatre executive testified that "Room at the Top," a smash box-office hit, was leased to Telemeter in Etobicoke by Continental Distributing Co. (Reade is chairman of the board) and played for two days grossing only $160.44. Continental Distributing, Reade said, received 30% film rental receipts or $48.13.

Some other film receipts disclosures made by Reade: "Swiss Family Robinson" played seven days, grossed $1,550; "Some Like It Hot," four days, $840; "Butterfield 8," seven days, $1,365; "Operation Eichmann," four days, $420, and "Village of the Damned," four days, $425."

(To be judged fairly, however, these grosses would have to be related to the grosses obtained by films playing the other two Telemeter channels during the same period. "Butterfield 8," for example, grossing $1,356 during a period when the other channels grossed $1,000 each would help add up to an impressive total, especially when projected into terms of hundreds of thousands of viewer homes.)

Currently Telemeter is providing some 40 hours a week —about half unduplicated—of three-channel service to its 5,000 subscribers. With the exception of the Maple Leaf hockey game telecasts, programming is almost exclusively devoted to feature films. In a sample week, Feb. 17-23, TELEVISION MAGAZINE counted 10 features of varying vintage, quality and taste levels. During that time, channel A was completely occupied with six showings of the biblical spectacular "Barabbas," while the other two channels were taken up with a generally good schedule of reasonably recent films. (See schedule, page 51).

Sports events are the big programming attractions in Etobicoke. Canadians are generally sports and particularly hockey mad. Telemeter says that pay TV tune-in for the 30-odd Maple Leaf telecasts ranges between 23% and 32% of all subscribers. Football does almost as well. Between 19% and 34% of Telemeter's clients watched each of the nine pay TV telecasts of the Canadian professional games last season. In all, sports are roughly estimated to provide about $90,000 of Telemeter's total $250,000 in annual gross receipts received from its 5,000-home wired pay TV system.

THE SIGNIFICANT FEATURE

The significant feature in this financial picture is the $15 service charge, or 29 cents-a-week fee per subscriber. Telemeter is convinced that this revenue can finance well over 50% of the weekly break-even figure per subscriber necessary to operate a moderate size system of 10,000 to 20,000 homes. This income, the company points out, covers installation and amortization, but excludes programming. Officials view the response to the service charge "particularly significant," in that it indicates no large-scale protest and defection movement on the part of subscribers. They say it reveals interest in and acceptance of the system's operation to date, and marks a major step in the evolution of pay television.

The dozens of research experts who have surveyed the Etobicoke system are having a field day with the $15 fee. Some have even had the giddy notion of applying the charge to all the TV homes in the U. S. Their incredible deduction: such a levy would produce a $757.8 million annual pay TV bonanza.

But Telemeter is still a long way from even million dollar receipts. As far as its current project is concerned, the company seemingly is a distance away even from mere growth.

"We haven't any immediate plans to enlarge our pay TV project in Etobicoke," says Eugene E. Fitzgibbons, executive director of the TV and Telemeter divisions of Famous Players Canadian, "but we'll continue it for several years at least. We started cautiously, we're still cautious and we're still learning.

"When we do move," Fitzgibbons emphasizes, "we'll move big."

PAVING THE WAY

Back in New York, International Telemeter's youthful-looking president Howard Minsky feels that the Canadian project has paved the way for a general pay TV expansion around the world.

"We spent several million dollars in Toronto to learn what we had to know," he points out. "Etobicoke is an economic loss. It can't make money, but for every other purpose—electronically, sociologically, program-wise, it's been a screaming success. We now know we could expand the pilot project to 25,000 subscribers and come into the United States earning profit.

"Now we're ready to go," he continues, "and are negotiating for Telemeter franchises with interests in the Midwest, South and Southwest.

"We'll go wire in the United States and Canada. In France we're negotiating for an over-the-air system and in England we have our British Telemeter Home Viewing Company. We're looking all over the Continent and we have talked with Japanese interests. Pay TV is going to be a global operation."

Yet the company's expansion plans, at least in the U. S., have been visibly hanging on the vine since 1961 and they still haven't ripened. After more than 12 years of heavy investment, extensive research and development, the sad truth about Telemeter: it doesn't have a single signed, sealed and delivered franchise holder in the world's best TV marketplace—the U. S.

Paramount-Telemeter's pay TV concept has never included a go-it-alone policy. Such strategy could only lead to economic disaster. The expense of setting up pay TV operations on a widespread scale is too enormous for all but the very biggest corporate giants to undertake.

"It would take Andrew Mellon to wire the whole city of New York," one pay TV advocate says.

Lacking an Andrew Mellon, Paramount, as do most pay system promoters, hopes to solve the financing problem by granting franchises to local operators who in turn would raise the money needed to set up studios and wire systems. Paramount would profit through royalty payments on its equipment and through the leasing of its films to its pay TV licensees.

For the past two years. Paramount, through International Telemeter, has been trying to plant this concept in Little Rock, Ark. Its instrument is Midwest Video Corporation, a CATV organization which numbers Winthrop Rockefeller among its stockholders. Midwest Video is not and has never been an actual Telemeter franchise holder. It merely has an option to become a Telemeter licensee.

In 1961, Midwest Video, which previously had a good deal of success in somewhat similar negotiations, requested cable service from Southwestern Bell Telephone, a company in the AT&T system, as a preliminary move, it said, to starting a Telemeter-type pay TV system in Little Rock. At first the telephone company was extremely cooperative, helping to engineer the proposed system and discussing requirements and problems. But Southwestern Bell was concerned about the pay TV controversy that had erupted all over the country and into the halls of Congress. It felt that the subject, particularly the question as to whether pay TV was in the public interest, should be thoroughly aired at an open hearing. The phone company wanted an official stamp of approval before it went ahead and serviced its controversial, prospective customer.

Thus, in a thoroughly amicable way, Midwest Video came to petition the Public Service Commission of Arkansas for an order compelling Southwestern Bell to furnish service. Not so amicable were the motion picture theatre owners who appeared as intervenors during the hearings, which were held in May and June of 1961.

The results of the hearings were a foregone conclusion. The telephone company was just looking for a green light, and the theatre people's position—that they didn't want to see their theatres closed by the competition and didn't want the public deprived of free TV—was largely unsupportable. On July 28, 1961, the Public Service Commission ruled that pay TV was in the public interest and that Southwestern Bell Telephone was the proper utility to provide the cables for the system. (This decision was later upheld by both the Arkansas Circuit Court and the Arkansas Supreme Court, where the theatre owners had taken it on appeal.)

A MAJOR ROADBLOCK IS CLEARED

The Little Rock decision was an important and necessary step ahead for Telemeter. It cleared a major roadblock—the governmental one—for the introduction of cable pay TV in the country. It was also the stage upon which, for the first time in the U.S., a telephone company submitted a proposed tariff for the operation of a wired pay TV system.

But since the 1961 decision was handed down, Telemeter-Midwest Video has gone nowhere in Little Rock. Throughout the hearings, Midwest Video remained silent on the matter of rates for its proposed system. The official policy was to do or say nothing that might tip the more essential blanket approval decision against the pay TV cause. Since that time, Midwest Video has had much to say about the phone company's rates, which include a 10-year termination charge of $68,000 (there's no termination clause in the Canadian Bell Telephone contract with Trans-Canada Telemeter) and a one-time tap-off construction charge of $20 each plus 35 cents a month each in service fees. It can't start wiring the 10,000 Little Rock homes it planned to start operations with, the company claims, because the telephone company's rates are not reasonable.

Said Midwest Video president C. Hamilton Moses the other week: "We're currently in negotiation with the telephone company over the matter of tariffs. We don't think their tariff is realistic. Rearrangements have to be made as to what facilities are going to be handled by the phone company. There's a possibility that we might take the matter into the courts and ask them to set a reasonable rate."

Yet Midwest Video doesn't seem to be in any hurry. The company hasn't signed a franchise contract with Telemeter as yet, Moses admits, but expects to begin operations in Little Rock by the spring of 1964.

Meanwhile, Midwest Video last year branched out to help form Home Theatres Inc., a corporation organized expressly to advance the development of Paramount's Telemeter system of pay TV in the southwestern area of the U.S. Home Theatres is affiliated with Midwest Video via interlocking officers and directors. Prominent figures of means, measured in the millions, people the new corporation. They include: John W. Allyn, important midwest broker and co-owner of the Chicago White Sox ball club, who's president of the new pay TV company; David Grundfest, board chairman of Sterling Stores, a chain of 90 department stores located in the South; E. O. Cartright, vice president, Merrill Lynch, Pierce, Fenner & Smith; Leonard Phillips of Sklar & Phillips, a Shreveport, La., oil firm, and president of Associated Chambers of Commerce of Louisiana; Lloyd B. Sands, an executive of Hunt Oil Company and son-in-law of the company's founder, oil tycoon H. L. Hunt; and motion picture star John Wayne. TV and film producer-actor Dick Powell also was a stockholder prior to his death earlier this year.

With the power of some of the nation's biggest bankrolls backing it up, Home Theatres, with the help of a future Telemeter franchise for the entire Southwest, has hopes of building itself into a major communications empire. Little Rock, of course, is on the drawing boards as the first jewel in the coming crown.

There's talk, too, of a 504-mile cable system to reach 50,000 homes in the Dallas-Ft. Worth area. Houston, Austin, Chicago, Boston and even parts of Florida are places bandied about by Telemeter and Home Theatres personnel in conversations about their future activities.

BEHIND THE SCENES

So far, however, in the six months of its existence, Home Theatres' accomplishments, if any, must have taken place behind the scenes. On the surface the corporation has done nothing concrete—not even signed any publicized contracts with Paramount-Telemeter—to advance its pay TV cause. It's inconceivable that so much financial power can remain unharnessed too much longer. The likely move for the organization to make is through its CATV tie-ins (Midwest Video and the Capital Cable Company, the latter of which was recently granted a community antenna franchise in Austin, Tex.).

Community antenna systems will play a key role in the introduction of pay television in the U.S., according to Telemeter president Minsky. He points out that the Telemeter laboratories in California have developed its system "to a degree where it can be used in conjunction with CATV."

Looking on anxiously, playing a holding action at this time, is Paramount Pictures. Financially, due to a series of flop, feature-film productions, the company is going through one of its worst periods. Last month the company reported an estimated net loss of $3,410,000 for the 1962 fiscal year. It was the first time in some 20 years that Paramount finished in the red. The magnitude of the loss can be adjudged when it's compared with the movie company's 1961 performance: a net income of $5,668,000.

THE PROBLEM: ECONOMICS

"Our problem at this time," admits International Telemeter president Howard Minsky, "is economics."

And while Paramount regroups and awaits the future, most TV industry eyes have shifted to Hartford, Conn., where Zenith Radio has finally put a conviction of more than 30 years duration to a comprehensive test.

If Paramount Pictures has been the leading pay TV proponent during the past decade, the Zenith Radio Corp. has easily been the most consistent. *Fortune* magazine, in a December 1960 profile of the company, said about the late Commander Eugene F. McDonald, Zenith's founder, that "when he committed himself to an idea it took a long time —and much persistent advice by his associates—to persuade him to drop it . . . and sometimes persuasion failed."

In 1931 McDonald, who died in 1958, committed himself to the idea that the American public would be buying Zenith television sets someday, and when they did they would demand programming that advertisers could not afford to sponsor. Though it's likely he received much persistent advice by his associates against the theory, McDonald never abandoned it. Instead, when radio was still a novelty, the Zenith laboratories were authorized to begin research and development work on a subscription television system. Sixteen years later they were still at it, giving the first public

BARTLESVILLE'S GHOST STILL HAUNTS PAY TV

Yes, but what about Bartlesville? It's a question that has haunted pay television promoters for the last six years, a cross they've had to bear and have still to overcome. Even the most inspired, documented sell for the new medium is likely to be embarrassed by the question of what happened in the oil-rich, northeastern Oklahoma city in 1957 and 1958.

What did happen in Bartlesville was the most crushing, unmitigated pay TV flop on record. It was not a sacrificial test, not a calculated costly search for answers, but rather a bona fide profit-seeking endeavor. It was to be the start of a revolution; it almost succeeded in being a requiem for an evolution.

Pay television started in Bartlesville on September 3, 1957. The first month was a test period, with commercial operation starting on October 1. Bartlesville, located 63 miles north of Tulsa and the home of the huge Phillips Petroleum Company, had 28,000 population at the time, some 500 of whom were charter pay TV subscribers. They paid a flat rate of $9.50 each month for the privilege of watching first-run and re-run movies in their homes. A daily choice of two movies, playing continuously on otherwise unused channel positions on TV sets, were offered, but the flat fee was charged no matter how many or few programs were watched. The films were transmitted from a $100,000 studio in downtown Bartlesville and fed to individual homes via coaxial cable attached to TV receiver antenna inputs. In all, 38 miles of coaxial cable were put up on telephone poles, for which the Southwestern Bell Telephone Company was paid cable and utility pole rental fees.

Sponsoring the Bartlesville project was Video Independent Theatres, a 200-house southwestern motion picture exhibitor with interests in two TV stations and a dozen community antenna TV systems. Henry Scherer Griffing, president of the movie chain, was a confirmed pay TV enthusiast. Even after his Bartlesville project was abandoned—along with it

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viewing fare for children—and high cost as the main reasons for their disenchantment.

According to the survey, subscribers indicated a desire for better quality and more recently produced motion pictures, fewer repeats of the films shown, more specials and live shows, more sports telecasts, more musicals and Broadway-type entertainment and far better children's programming. About one out of eight respondents were no longer subscribers, most claiming to have given up the service voluntarily, though some admitted their service had been canceled because it wasn't being used frequently enough.

From its inception, the three-channel TV service (Telemeter's cash box attachment feeds three signals into an open channel on a subscriber's receiver, channel 5 in Etobicoke) has relied heavily on recently-produced but not necessarily first-run feature-film programming. Most of the films are priced at $1 and movies are never shown if they have previously played on free TV. For sports fans this fare is often supplemented with telecasts of all away-from-home games of hockey's Toronto Maple Leafs, some virtually exclusive showings of championship fights and coverage of Canadian Football League games not available to the free channels.

FIRST-RUN TV

Sporadically Telemeter has given its subscribers some first-rate taped and filmed specials: a one-man show by comic Bob Newhart, a magnificent version of the Menotti opera, "The Consul," the off-Broadway production of "Hedda Gabler," "The Second City Revue" prior to its Broadway opening and an evening with singer Edith Piaf on film from Paris.

On Easter Sunday night, April 2, 1961, Telemeter made history when it presented "Show Girl," the first live telecast of a Broadway show to be shown on pay TV. The program made history, but it was rather inconclusive history. For "Show Girl," a low-budget production with a small cast that entailed a minimum of technical difficulties in televising, hardly gave pay TV proponents assurance that the presentation of live theatre is feasible programming material for their medium. Significantly, in the two years that have passed since the original telecast (the musical subsequently was shown several more times via video tape), Telemeter, whatever its reasons, has not followed it with another live-from-Broadway production.

Lack of sufficient special product offerings undoubtedly has kept the rate of Etobicoke's pay TV viewing down. "Psycho," Alfred Hitchcock's super motion picture thriller (such box-office smashes must be considered in the nature of specials since they attract an especially large audience), is Telemeter's point of pride. Presented to pay TV viewers late in 1960, two weeks after its local theatre run, the horror movie rang up a Telemeter gross of $2,550, some $300 more than the theatre's take. The significance of "Psycho's" pay TV performance and of returns from other major motion picture presentations, Telemeter claims, is "that there is a source of income to be obtained from a home audience, perhaps the lost one, which for any number of reasons may not be lured into a theatre."

Chain theatre owner and motion picture distributor, Walter Reade Jr., however, appearing as an intervenor during the 1961 Midwest Video vs. Southwestern Bell Telephone hearing in Little Rock, gave evidence that hardly indicated a bright future for subsequent-run feature-film offerings on pay television. The theatre executive testified that "Room at the Top," a smash box-office hit, was leased to Telemeter in Etobicoke by Continental Distributing Co. (Reade is chairman of the board) and played for two days grossing only $160.44. Continental Distributing, Reade said, received 30% film rental receipts or $48.13.

Some other film receipts disclosures made by Reade: "Swiss Family Robinson" played seven days, grossed $1,550; "Some Like It Hot," four days, $840; "Butterfield 8," seven days, $1,365; "Operation Eichmann," four days, $420, and "Village of the Damned," four days, $425."

(To be judged fairly, however, these grosses would have to be related to the grosses obtained by films playing the other two Telemeter channels during the same period. "Butterfield 8," for example, grossing $1,356 during a period when the other channels grossed $1,000 each would help add up to an impressive total, especially when projected into terms of hundreds of thousands of viewer homes.)

Currently Telemeter is providing some 40 hours a week —about half unduplicated—of three-channel service to its 5,000 subscribers. With the exception of the Maple Leaf hockey game telecasts, programming is almost exclusively devoted to feature films. In a sample week, Feb. 17-23, TELEVISION MAGAZINE counted 10 features of varying vintage, quality and taste levels. During that time, channel A was completely occupied with six showings of the biblical spectacular "Barabbas," while the other two channels were taken up with a generally good schedule of reasonably recent films. (See schedule, page 51).

Sports events are the big programming attractions in Etobicoke. Canadians are generally sports and particularly hockey mad. Telemeter says that pay TV tune-in for the 30-odd Maple Leaf telecasts ranges between 23% and 32% of all subscribers. Football does almost as well. Between 19% and 34% of Telemeter's clients watched each of the nine pay TV telecasts of the Canadian professional games last season. In all, sports are roughly estimated to provide about $90,000 of Telemeter's total $250,000 in annual gross receipts received from its 5,000-home wired pay TV system.

THE SIGNIFICANT FEATURE

The significant feature in this financial picture is the $15 service charge, or 29 cents-a-week fee per subscriber. Telemeter is convinced that this revenue can finance well over 50% of the weekly break-even figure per subscriber necessary to operate a moderate size system of 10,000 to 20,000 homes. This income, the company points out, covers installation and amortization, but excludes programming. Officials view the response to the service charge "particularly significant," in that it indicates no large-scale protest and defection movement on the part of subscribers. They say it reveals interest in and acceptance of the system's operation to date, and marks a major step in the evolution of pay television.

The dozens of research experts who have surveyed the Etobicoke system are having a field day with the $15 fee. Some have even had the giddy notion of applying the charge to all the TV homes in the U. S. Their incredible deduction: such a levy would produce a $757.8 million annual pay TV bonanza.

But Telemeter is still a long way from even million dollar receipts. As far as its current project is concerned, the company seemingly is a distance away even from mere growth.

"We haven't any immediate plans to enlarge our pay TV project in Etobicoke," says Eugene E. Fitzgibbons, executive director of the TV and Telemeter divisions of Famous Players Canadian, "but we'll continue it for several years at least. We started cautiously, we're still cautious and we're still learning.

"When we do move," Fitzgibbons emphasizes, "we'll move big."

PAVING THE WAY

Back in New York, International Telemeter's youthful-looking president Howard Minsky feels that the Canadian project has paved the way for a general pay TV expansion around the world.

"We spent several million dollars in Toronto to learn what we had to know," he points out. "Etobicoke is an economic loss. It can't make money, but for every other purpose—electronically, sociologically, program-wise, it's been a screaming success. We now know we could expand the pilot project to 25,000 subscribers and come into the United States earning profit.

"Now we're ready to go," he continues, "and are negotiating for Telemeter franchises with interests in the Midwest, South and Southwest.

"We'll go wire in the United States and Canada. In France we're negotiating for an over-the-air system and in England we have our British Telemeter Home Viewing Company. We're looking all over the Continent and we have talked with Japanese interests. Pay TV is going to be a global operation."

Yet the company's expansion plans, at least in the U. S., have been visibly hanging on the vine since 1961 and they still haven't ripened. After more than 12 years of heavy investment, extensive research and development, the sad truth about Telemeter: it doesn't have a single signed, sealed and delivered franchise holder in the world's best TV marketplace—the U. S.

Paramount-Telemeter's pay TV concept has never included a go-it-alone policy. Such strategy could only lead to economic disaster. The expense of setting up pay TV operations on a widespread scale is too enormous for all but the very biggest corporate giants to undertake.

"It would take Andrew Mellon to wire the whole city of New York," one pay TV advocate says.

Lacking an Andrew Mellon, Paramount, as do most pay system promoters, hopes to solve the financing problem by granting franchises to local operators who in turn would raise the money needed to set up studios and wire systems. Paramount would profit through royalty payments on its equipment and through the leasing of its films to its pay TV licensees.

For the past two years, Paramount, through International Telemeter, has been trying to plant this concept in Little Rock, Ark. Its instrument is Midwest Video Corporation, a CATV organization which numbers Winthrop Rockefeller among its stockholders. Midwest Video is not and has never been an actual Telemeter franchise holder. It merely has an option to become a Telemeter licensee.

In 1961, Midwest Video, which previously had a good deal of success in somewhat similar negotiations, requested cable service from Southwestern Bell Telephone, a company in the AT&T system, as a preliminary move, it said, to starting a Telemeter-type pay TV system in Little Rock. At first the telephone company was extremely cooperative, helping to engineer the proposed system and discussing requirements and problems. But Southwestern Bell was concerned about the pay TV controversy that had erupted all over the country and into the halls of Congress. It felt that the subject, particularly the question as to whether pay TV was in the public interest, should be thoroughly aired at an open hearing. The phone company wanted an official stamp of approval before it went ahead and serviced its controversial, prospective customer.

Thus, in a thoroughly amicable way, Midwest Video came to petition the Public Service Commission of Arkansas for an order compelling Southwestern Bell to furnish service. Not so amicable were the motion picture theatre owners who appeared as intervenors during the hearings, which were held in May and June of 1961.

The results of the hearings were a foregone conclusion. The telephone company was just looking for a green light, and the theatre people's position—that they didn't want to see their theatres closed by the competition and didn't want the public deprived of free TV—was largely unsupportable. On July 28, 1961, the Public Service Commission ruled that pay TV was in the public interest and that Southwestern Bell Telephone was the proper utility to provide the cables for the system. (This decision was later upheld by both the Arkansas Circuit Court and the Arkansas Supreme Court, where the theatre owners had taken it on appeal.)

A MAJOR ROADBLOCK IS CLEARED

The Little Rock decision was an important and necessary step ahead for Telemeter. It cleared a major roadblock—the governmental one—for the introduction of cable pay TV in the country. It was also the stage upon which, for the first time in the U.S., a telephone company submitted a proposed tariff for the operation of a wired pay TV system.

But since the 1961 decision was handed down, Telemeter-Midwest Video has gone nowhere in Little Rock. Throughout the hearings, Midwest Video remained silent on the matter of rates for its proposed system. The official policy was to do or say nothing that might tip the more essential blanket approval decision against the pay TV cause. Since that time, Midwest Video has had much to say about the phone company's rates, which include a 10-year termination charge of $68,000 (there's no termination clause in the Canadian Bell Telephone contract with Trans-Canada Telemeter) and a one-time tap-off construction charge of $20 each plus 35 cents a month each in service fees. It can't start wiring the 10,000 Little Rock homes it planned to start operations with, the company claims, because the telephone company's rates are not reasonable.

Said Midwest Video president C. Hamilton Moses the other week: "We're currently in negotiation with the telephone company over the matter of tariffs. We don't think their tariff is realistic. Rearrangements have to be made as to what facilities are going to be handled by the phone company. There's a possibility that we might take the matter into the courts and ask them to set a reasonable rate."

Yet Midwest Video doesn't seem to be in any hurry. The company hasn't signed a franchise contract with Telemeter as yet, Moses admits, but expects to begin operations in Little Rock by the spring of 1964.

Meanwhile, Midwest Video last year branched out to help form Home Theatres Inc., a corporation organized expressly to advance the development of Paramount's Telemeter system of pay TV in the southwestern area of the U.S. Home Theatres is affiliated with Midwest Video via interlocking officers and directors. Prominent figures of means, measured in the millions, people the new corporation. They include: John W. Allyn, important midwest broker and co-owner of the Chicago White Sox ball club, who's president of the new pay TV company; David Grundfest, board chairman of Sterling Stores, a chain of 90 department stores located in the South; E. O. Cartright, vice president, Merrill Lynch, Pierce, Fenner & Smith; Leonard Phillips of Sklar & Phillips, a Shreveport, La., oil firm, and president of Associated Chambers of Commerce of Louisiana; Lloyd B. Sands, an executive of Hunt Oil Company and son-in-law of the company's founder, oil tycoon H. L. Hunt; and motion picture star John Wayne. TV and film producer-actor Dick Powell also was a stockholder prior to his death earlier this year.

With the power of some of the nation's biggest bankrolls backing it up, Home Theatres, with the help of a future Telemeter franchise for the entire Southwest, has hopes of building itself into a major communications empire. Little Rock, of course, is on the drawing boards as the first jewel in the coming crown.

There's talk, too, of a 504-mile cable system to reach 50,000 homes in the Dallas-Ft. Worth area. Houston, Austin, Chicago, Boston and even parts of Florida are places bandied about by Telemeter and Home Theatres personnel in conversations about their future activities.

BEHIND THE SCENES

So far, however, in the six months of its existence, Home Theatres' accomplishments, if any, must have taken place behind the scenes. On the surface the corporation has done nothing concrete—not even signed any publicized contracts with Paramount-Telemeter—to advance its pay TV cause. It's inconceivable that so much financial power can remain unharnessed too much longer. The likely move for the organization to make is through its CATV tie-ins (Midwest Video and the Capital Cable Company, the latter of which was recently granted a community antenna franchise in Austin, Tex.).

Community antenna systems will play a key role in the introduction of pay television in the U.S., according to Telemeter president Minsky. He points out that the Telemeter laboratories in California have developed its system "to a degree where it can be used in conjunction with CATV."

Looking on anxiously, playing a holding action at this time, is Paramount Pictures. Financially, due to a series of flop, feature-film productions, the company is going through one of its worst periods. Last month the company reported an estimated net loss of $3,410,000 for the 1962 fiscal year. It was the first time in some 20 years that Paramount finished in the red. The magnitude of the loss can be adjudged when it's compared with the movie company's 1961 performance: a net income of $5,668,000.

THE PROBLEM: ECONOMICS

"Our problem at this time," admits International Telemeter president Howard Minsky, "is economics."

And while Paramount regroups and awaits the future, most TV industry eyes have shifted to Hartford, Conn., where Zenith Radio has finally put a conviction of more than 30 years duration to a comprehensive test.

If Paramount Pictures has been the leading pay TV proponent during the past decade, the Zenith Radio Corp. has easily been the most consistent. *Fortune* magazine, in a December 1960 profile of the company, said about the late Commander Eugene F. McDonald, Zenith's founder, that "when he committed himself to an idea it took a long time —and much persistent advice by his associates—to persuade him to drop it . . . and sometimes persuasion failed."

In 1931 McDonald, who died in 1958, committed himself to the idea that the American public would be buying Zenith television sets someday, and when they did they would demand programming that advertisers could not afford to sponsor. Though it's likely he received much persistent advice by his associates against the theory, McDonald never abandoned it. Instead, when radio was still a novelty, the Zenith laboratories were authorized to begin research and development work on a subscription television system. Sixteen years later they were still at it, giving the first public

BARTLESVILLE'S GHOST STILL HAUNTS PAY TV

Yes, but what about Bartlesville? It's a question that has haunted pay television promoters for the last six years, a cross they've had to bear and have still to overcome. Even the most inspired, documented sell for the new medium is likely to be embarrassed by the question of what happened in the oil-rich, northeastern Oklahoma city in 1957 and 1958.

What did happen in Bartlesville was the most crushing, unmitigated pay TV flop on record. It was not a sacrificial test, not a calculated costly search for answers, but rather a bona fide profit-seeking endeavor. It was to be the start of a revolution; it almost succeeded in being a requiem for an evolution.

Pay television started in Bartlesville on September 3, 1957. The first month was a test period, with commercial operation starting on October 1. Bartlesville, located 63 miles north of Tulsa and the home of the huge Phillips Petroleum Company, had 28,000 population at the time, some 500 of whom were charter pay TV subscribers. They paid a flat rate of $9.50 each month for the privilege of watching first-run and re-run movies in their homes. A daily choice of two movies, playing continuously on otherwise unused channel positions on TV sets, were offered, but the flat fee was charged no matter how many or few programs were watched. The films were transmitted from a $100,000 studio in downtown Bartlesville and fed to individual homes via coaxial cable attached to TV receiver antenna inputs. In all, 38 miles of coaxial cable were put up on telephone poles, for which the Southwestern Bell Telephone Company was paid cable and utility pole rental fees.

Sponsoring the Bartlesville project was Video Independent Theatres, a 200-house southwestern motion picture exhibitor with interests in two TV stations and a dozen community antenna TV systems. Henry Scherer Griffing, president of the movie chain, was a confirmed pay TV enthusiast. Even after his Bartlesville project was abandoned—along with it demonstration of their creation, Phonevision, in Chicago in 1947.

Phonevision, developed at a cost of several million dollars, got its name (now a misnomer) from its former relationship to the house telephone. In the early Phonevision technique (a dinosaurian forerunner to Zenith's present Phonevision system), the frequencies that make up a television picture were split. Key frequencies were transmitted from the TV station to the user's home by phone wires. The airways portion of the picture was received only as a confused blur. Subscribers could receive complete pictures only by calling telephone operators and requesting service.

Although Commander McDonald estimated, in 1947, that the new medium would be in operation in less than a year in major cities across the country, Zenith did not get a chance to give its development a practical test until four years had elapsed. Starting on Jan. 1, 1951, after first receiving authority from the FCC, Zenith conducted a 90-day pay TV test for 300 subscribers in the Lakeview district of Chicago. Programming for the test consisted solely of feature films, most of two-year vintage, at $1 per showing. Each family had a daily choice of three features, with a total of 90 different films shown during the test.

THE PUBLIC IS WILLING TO PAY

As in the Telemeter experiments, Zenith's experience in Chicago has loosely been termed a bust. But the electronic's manufacturer at least gathered enough evidence from the test to convince it that the public is willing to pay for good entertainment—the total Phonevision box office take for the 90-day experiment was $6,750, an average of $22.50 per family, or $1.73 per week—and that many people apparently are more willing to pay for it in the home than in the theatre.

Zenith, dropping a few more millions into the research and development hoppers, completely revised its system. In 1959, the company joined with RKO General, a wholly-owned subsidiary of the General Tire & Rubber Co., in an agreement to conduct a test of subscription TV in Hartford. The Connecticut capitol was chosen because it is one of the major test markets in the country, is located in a strategic area between Boston and New York, served by all the commercial TV networks, receives service from both UHF and VHF stations and has a sophisticated population which has shown a wide variety of tastes and interests. RKO General was probably picked as a partner in the experiment because the Hartford project figures to cost bushels of money and it's one of the largest independent broadcasting concerns, backed by the nation's 55th biggest corporate bankroll (Zenith, with consolidated earnings last year of $19.6 million, is ranked 187th). In the first fiscal quarter ending Feb. 28, 1963, General Tire & Rubber, manufacturers of automotive and airplane tires and tubes, tire recapping materials and repair accessories, had sales of $214.3 million and earnings of $5.6 million. RKO General, the tire company's broadcasting subsidiary (included are motion picture theatre and CATV interests), operates seven AM and five FM radio stations and five TV stations in five states and Canada. It had consolidated sales for its first fiscal half, ended March 31, of about 26.5 million and consolidated first-half earnings of $3.4 million. Broadcasting revenues represented about 75% of RKO General's income.

First steps in the new alliance were for RKO General to purchase a failing UHF station, WHCT (TV) in Hartford, as the broadcast outlet for the test and then petition the FCC for permission to conduct it for a three-year period. By that time the FCC had already issued its celebrated Third Report agreeing to accept pay TV applications on a trial basis—RKO General was the first such applicant—and after some stormy hearings, the federal regulatory body, on Feb. 23, 1961, authorized the test.

It took Zenith-RKO General 16 months to get ready. There were manufacturing and delivery problems in connection with decoding and encoding equipment (Zenith manufactures and sells Phonevision decoders and encoders to RKO General) and the lack of a definite programming schedule presented another roadblock.

In 1949, Zenith had licensed a Chicago firm, Teco Inc., to commercially promote Phonevision and develop programming for the system. Teco, in turn, hired Broadway, Hollywood and TV impresario Leland Hayward to produce Phonevision productions. The Hayward organization and Teco launched into a self-termed "exhaustive and comprehensive survey of program availabilities." Hayward himself made three trips through Europe in 1961 in a hunt for pay TV properties. He came back and presented Zenith

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an approximate $300,000 investment—Griffing remained convinced pay television was "the greatest innovation since the talking picture." Until his death in 1960 (as a result of an airplane crash), he frequently campaigned for pay television, saying he thought it in the best interests of producers and picture houses to develop and use it.

Griffing remained loyal to pay TV because he realized how distorted his efforts were in Bartlesville. Subscribers were charged a monthly fee and had no choice of programs. The programming offered was essentially confined to motion pictures. In the Bartlesville system, too, there was no way of determining how many people saw a given show.

Griffing's history in Bartlesville was rags-to-riches in reverse. He started with a roar of publicity and ambition. The former included a six-page spread in *Life* magazine and the latter encompassed expectations to wire 2,000 of Bartlesville's 8,000 TV sets within a year. But Griffing's Telemovies (as it was called) project began to crack at the seams some three months after it was initiated. By December 31, 1957, Telemovies was already sliding. It numbered 399 signed and paid subschribers, compared with a high of 531 subscribers on December 5.

Griffing, needing 2,000 subscribers to break even, retrenched and remedied. Instead of the $9.50 flat fee charge, he offered subscribers a package which cost $3.50 minimum and 65 cents for each movie viewed. But, though the number of subscribers rose to a new high of 800, the remedial measures came too late and in too small doses. Griffing's pay television concept was still unfeasible.

By May 1958, Telemovies was losing $10,000 a month and its death notice was on the wall. On June 6, after eight rocky months, the world's first profit-making-intended pay TV operation officially expired. So complete was its failure and disastrous its effect, that for two years—until Telemeter's Etobicoke operation—pay TV reeled in its wake. Yet pay television's forces learned from Griffing's mistakes. All systems now are based, at least in concept, on what Bartlesville neglected: subscribers are offered a variety of programs and select and pay only for those they desire with prices scaled down according to attraction.

What happened in Bartlesville? It was a case of an infant medium walking and falling before it learned how to crawl.

Says Teleglobe's Solomon Sagall: Denver "is the birth of a billion-dollar business"

with an approximate 50-page report, representing a schedule of 21 hours of programming a week over an entire year. Included were detailed suggestions for a weekly dramatic program; a world theatre program, which would include classics produced overseas; an experimental repertory theatre, with a permanent company of actors; a series of shows built around various of the world's festivals, such as the Shakespeare festival in Stratford-on-Avon and the Vienna Music festival in Austria, and weekly programs that would examine diverse methods of acting in different parts of the world. The Hayward report contained provisions for opera, ballet and Shakespeare. Its total cost for the initial hypothetical year of programming was about $11 million. Zenith-RKO General shelved the report because, it has been said, it was considered to be largely impractical and, consequently, last summer, the Hayward organization severed its association with the Hartford project.

When the Zenith-RKO General project finally was launched in Hartford on June 30, 1962, marking the country's first completely over-the-air subscription TV test, it opened, naturally, with a motion picture—"Sunrise at Campobello." RKO General had prepared for the influx of feature film telecasts by equipping UHF station WHCT (which it purchased from Capital Cities Broadcasting for $900,000) with $100,000 worth of RCA projection equipment to handle both 35 millimeter and 16 millimeter films (the larger size equipment enables the station, with some cutting, to show pictures made for wide-screen production).

On a mechanical basis the Hartford project is considerably different than the one Telemeter runs in Canada. In the Zenith system, to guarantee that only subscribers receive programs, visual and audio signals are transmitted over-the-air in a scrambled or garbled condition.

Broad images in the scrambled picture, which somebody once described as "looking like a busted zipper" can be identified, but details are lost. Programs can only be unscrambled with the aid of a decoder device in the home. The decoder, a metallic, rectangular (15 inches long and eight inches high) case located atop or adjacent to the TV set, is plugged into an adapter which is connected to the back of the receiver. To select a specific program, subscribers turn the TV dial to WHCT (channel 18), open a door in the decoder box, turn the decoder dial to the code number of the program as it is listed in the program guide (mailed to subscribers each week and listing program schedule, prices and codes), close the door, place the decoder switch in PV (Phonevision position), wait about 15 seconds and finally receive the decoded picture and sound on the TV screen. A sealed tape inside the decoder records the program by code number and price. At the end of each monthly period subscribers are sent a special number to dial on the program tuner. When the number is dialed and a special bar is activated, the billing door opens and subscribers remove and mail in, together with payments (including a $3.25 monthly equipment rental charge), the itemized billing tape to RKO General. As an anti-cheating measure, the decoders also contain a duplicate tape, not touched by subscribers, long enough to record everything seen in a year of pay TV viewing.

The Hartford test began with 300 subscribers, who paid $10 for installation of their decoders. By last October RKO General had about 1,000 customers still substantially behind the announced timetable of 1,500 subscribers by Labor Day and 4,000 by January 1963. The project ran into technical difficulties. Subscribers didn't know how to operate their decoders, RKO General wouldn't make installations in sets which were below par mechanically and the general decoder installation process was slow.

CIRCULATION BOOST

To spur circulation, RKO General gives subscribers a three-month free ride, after which they are charged 75 cents a week rental for decoders. A discount plan has also been instituted whereby a subscriber spending $8 or more in a monthly period is credited with $2 in the next period and given a $3 credit with a $10 or more charge.

Prices for the subscription TV programs in Hartford range from 25 cents for informational films, such as "Meet Your Federal Government," to $3.00 for very special programs like the Floyd Patterson-Sonny Liston heavyweight championship fight. Films are mostly priced at $1, while sports events usually cost $1.25. Many of the movies shown are day-and-date first subsequent runs, which normally means they are available for showing 17 days after the end of their first-run theatre presentation or when the films pass to the neighborhood theatre level. Movie availability has been disappointing, with 20th Century-Fox and Universal Pictures still holding their product back.

RKO General puts on some 30 to 40 hours of subscription TV programming a week (WHCT also has 30 hours a week of commercial broadcast, mostly in the afternoons). Starting at 6 p.m., three shows are presented nightly. Motion pictures are repeated as many as four or five times depending on their assumed popularity. Brightest programming spot so far was last year's Patterson-Liston fight which drew 85% of 950 homes at $3 per subscriber or some $2,500 in receipts. Other programs have varied in popularity from a high of 65% of all subscribers viewing the motion picture, "World of Suzie Wong," to an average low of 13% of subscribers tuning in to see a Boston-New York professional basketball game telecast.

According to the pay TV station's management, the Zenith-RKO General project had 2,100 subscribers as of March 1. Decoders are going into new subscriber homes at the rate of 75 a week, it's claimed, while a station receptionist says she averages another 75 calls of inquiry a day. As of the beginning of March, 14.2% of pay TV subscriber families in Hartford had incomes of under $3,999 a year, 28.6% were in the $7,000-$9,999 bracket and 23.5% were earning better than $10,000 annually. Largest proportion of subscriber families—33.7%—were in the middle income area of $4,000-$6,999.

A TELEVISION MAGAZINE study of the Zenith-RKO General test project conducted recently came up with the following findings: In a sample week of programming, from Saturday, Feb. 23 through Friday, March 1, RKO General presented a total of 39 hours and 40 minutes of subscription broadcast. Of that total, only 15 hours consisted of unduplicated programs. In all, 22 shows were shown, eight of them unduplicated. A breakdown of the unduplicated programs discloses them top-heavy with films: six pictures, totaling nine hours and 30 minutes, being shown, compared to one hockey game approximately two hours and 30 minutes long and one special program—a live performance of collegiate singing groups—of about three hours duration. If subscribers bought every one of the eight unduplicated programs presented that week they would have run up a bill of $8.75, excluding the 75 cents rental charge.

RKO General's programming problems and the broadcaster's heavy dependence on feature-film products are emphasized by another TELEVISION study, this one enlarged to cover an approximate three-month period from Dec, 15, 1962, through March 8, 1963. During that time the pay TV station in Hartford showed a total of 147 unduplicated programs, 105 of which were motion picture presentations, the rest including 16 telecasts of sporting events, 15 educational or informational films and 11 programs which offered special entertainment of some kind.

High points in RKO General's programming have been taped recitals by such performers as the Kingston Trio, Hildegarde and Flamenco guitarist Carlos Montoya. RKO General programming people have worked out some agreements with their Etobicoke counterparts and as a result have obtained some of the finer Telemeter productions such as "The Consul." The hope is that eventually there will be reciprocal programming practiced on a wide scale between the two pay TV projects.

RKO General and Zenith estimate that they will have spent about $10 million on the pay-to-see test by 1965. At this stage most of the money seems to be going into equipment and maintenance. A random sampling by TELEVISION of 10 pay TV homes in the Hartford area revealed that while only two of the 10 subscribers expressed hard-bitten dissatisfaction with their service—with one announcing that he was going to cancel—eight of the respondents complained that they were not getting the diversity of programming they had been promised.

RKO General's John Pinto (he operates out of the company's New York office) says that better programming and personnel changes are coming up for Hartford within the next six or seven months.

"You have to put the wheels on before the tires," is the way he explains Phonevision's slow rate of progress.

"We have to do first things first," he adds. "We've had some technical difficulties. We expected them and they slow up growth. There's a certain percentage of people that don't send in their bills. These are the bugs that have to be ironed out."

Actually, Mr. Pinto is not entirely defensive about the programming RKO General has presented in Hartford.

"Remember," he points out, "we were the first to tape for pay TV the Kingston Trio during a live performance. We're the first to think of putting on Carlos Montoya.

"Right now," Pinto says, "the company is more concerned about learning than breaking even. We want the answer to the question: should RKO General be in subscription TV?"

Zenith is taking a more positive, if not as realistic, a public stand. In its 1962 annual report to stockholders, distributed last month, the electronics manufacturer described the first six months of operations in Hartford as "gratifying." Among the significant highlights of the experiment to date cited by Zenith in the report: the efficient and reliable performance of Zenith-developed Phonevision equipment and the rate of subscriber expenditures exceeding what was anticipated. No dollar figures, however, were given to document the latter finding.

Still, if some pay TV operators wonder about the future of the new medium they are in, there are other systems' promoters who express far less doubt. Conservative talk is not in the nature of Solomon Sagall, the ebullient president of Teleglobe Pay-TV System Inc.

"This is the birth of a billion-dollar business," he predicts in discussing the three-year test of his Teleglobe system, scheduled to begin shortly.

Teleglobe, through KTVR Denver (now changed to KCTO) was the second applicant for FCC permission to try out a pay TV system on an over-the-air basis. Permission was granted Oct. 3, 1962, and Sagall and his associates have been working feverishly ever since, hoping to get the test underway before this coming summer.

The organizational details of the test are involved enough to qualify for Washington bureaucracy's hall of fame.

KCTO, nee KTVR, Denver's oldest TV station and not affiliated with a network, was sold last year by J. Elroy McCaw to Bill Daniels, Denver community antenna entrepreneur, for $2 million. The station will telecast the pay programs in conjunction with Teleglobe franchise-holder Macfadden Teleglobe Denver Corp., which is two-thirds owned by Macfadden-Bartell Corp., New York (publisher, radio broadcaster and publications distributor), and one-third owned by Sagall's Teleglobe Pay-TV System Inc., also New York. To further complicate matters, Macfadden-Bartell has a 6.2% interest in the Teleglobe pay TV system parent company.

Under terms of the various contracts involved, Macfadden Teleglobe is to pay 5% of the gross receipts of the test to Teleglobe Pay-TV System. KCTO is to get a minimum of $1,500 weekly—equivalent to its former one-time national rate for the time—from Macfadden Teleglobe and also is insured 20% of the company's net receipts before taxes. In effect KCTO is selling its time to Teleglobe. During regular commercial broadcast time, the station will air promotional messages for the subscription programming.

Macfadden Teleglobe has a 49-year franchise from Teleglobe Pay-TV System and Macfadden-Bartell has committed itself to spending at least $350,000 on the Denver project. Denver was chosen as the site for the test because of the competition of three network affiliates in the area and its location many miles from any other major TV center.

Subscribers will be served only within an area covering approximately one-fourth of metropolitan Denver, said to have a top potential of 400,000 TV homes. The trial will get underway only after the first 2,000 customers have signed up for service (the hoped-for target date: June).

SIMPLICITY IS STRESSED

Teleglobe stresses the simplicity of its system, which calls for the separation at the TV station of the video signals from the audio signals. The video signals are radiated unscrambled, the same way a commercial TV station would normally broadcast, but audio signals are routed into the home via telephone lines. Subscribers tune in on the sound through a specially installed speaker. There is no physical connection between the speaker and the subscriber's receiver. In effect any TV set owner can receive Teleglobe's programs, but only subscribers can get the associated sound. When subscribers throw the switch which brings in sound on the separate loudspeaker, it also triggers an automated IBM billing apparatus which electronically records at a central office. During off-pay TV-programming hours, the speaker will provide a continuous schedule of recorded music.

Customers receive a monthly bill. At first it was an-

Lee Bartell's claim: "Those silent television pictures (in Denver) will drive you crazy"

nounced that this bill would include a minimum monthly charge of $3.25, a fee which would substantially cover the monthly amount the telephone company (Mountain States Telephone & Telegraph Co.) charges—$12 a month if there are four subscribers on a single line--for use of its facilities on a party basis. Last month, however, the Teleglobe system revised its policy with respect to line charges. It decided to withdraw the 75 cents a week or $3.25 a month line charges. Macfadden-Teleglobe president Gerald Bartell explained that "enthusiastic response" from subscribers prompted the company to pass along the line-charge saving to charter subscribers, who will now pay only for programs actually watched.

New Teleglobe subscribers also will pay a one-time $10 installation charge. Again this is to cover the normal telephone company charge for a phone hookup. During the test KCTO will broadcast pay programs from a minimum of 14 hours a week—between 6 p.m. and midnight—up to a maximum of 40 hours a week. To begin with the station is certain to stick to the minimum programming schedule, carrying pay TV shows two hours nightly, 9:30 to 11:30 p.m. It's expected that the programs will cost from 25 cents to $3.50, with most in the $1 to $2 bracket.

Teleglobe claims that its system is the lowest cost one available since it consists only of leased lines, speaker-amplifiers, central office scanners and rented standard IBM equipment. The company estimates costs as follows: the speaker-amplifier units and centralized scanning and recording equipment approximately $25 per subscriber, the IBM billing technique approximately $1 per subscriber per year, the telephone line charges are pro-rated among subscribers on each party line.

As April flashed along towards May, however, there were increasing signs that economical or not, the Teleglobe system was having difficulty getting started in Denver. Under terms of the FCC authorization granted last fall, KCTO was scheduled to begin broadcasting its subscription TV programs by April 3. Then the inauguration date was pushed up to mid-May and now the station has asked for and received permission from the Commission for a three-month extension. This could make the starting date for pay TV in Denver as far away as July 3.

STARTING DIFFICULTIES

There were strong signs that much of Macfadden Teleglobe's starting difficulties were based on its inability to get enough significant programming material to launch a worthwhile pay TV operation. One glaring indication of this situation was CBS-TV's purchase last month of two filmed performances by Britain's Royal Ballet starring Dame Margot Fonteyn and Russian star Rudolf Nureyev.

The films were made especially for pay television by British Home Entertainment Ltd. Last March Teleglobe was hopeful of procuring the films possibly as a blockbuster opener for its Denver system. Company president Sol Sagall made a trip to England in an attempt to buy the package, but he and other pay TV factions were outbid by CBS-TV. The network, it's been said, spent "in excess of $200,000" for the ballets (and will offer them to viewers as a one-hour telecast later this spring or early in the summer).

Michael H. Dann, vice president of programs for CBS-TV, denies that the network bought the films mainly to keep them out of pay TV's grasp, but it's clear that Teleglobe with its limited current budget and scope, is in no position at this time to compete with such a major rival for product.

Consequently, Teleglobe has taken a more economical approach to its product sources. As of April 1, Macfadden-Bartell has appointed Charles Michelson Inc. as program acquisition agent for its Denver pay TV project. The Michelson Co., which represents several foreign TV stations, including TCN Sydney, Australia, is in the business of buying television films for worldwide distribution.

As first move in its new pay TV programming capacity, the Michelson Co. is arranging for the purchase of various concerts on films. Reportedly the concerts were performed in foreign countries by such notable artists as Jose Iturbi, Jascha Heifetz and Andres Segovia and filmed for television.

Says company president Charles Michelson: "We'll certainly have enough source to draw from—we'll draw from the world."

But lack of product is not the only shortage in Teleglobe's Denver project; circulation seems to be at a premium, too. As of the third week in April, Macfadden Teleglobe officials reported that more than 600 persons have subscribed for the pay TV service, with more than 5,500 people having requested information. While these figures are released with some pride by Macfadden Teleglobe, they hardly seem impressive at this juncture. The company is on the record as saying it would not begin operations in Denver until it had a minimum of 2,000 subscribers signed for service. There's every reason to believe that Denver viewers have not been wildly enthusiastic over the prospect of paying for TV programs. The pay TV company's cancellation of the $3.25 monthly line charge apparently is nothing more than a circulation move.

Teleglobe's Sol Sagall is a man of many words, all of them confident. "Every pay TV system," he says, "is in fact a compromise between technical complications, the economics and the burden placed on the subscriber." Teleglobe has the best solution to this compromise, he feels, because "it's a simple system, only a low investment is necessary per subscriber, we don't tamper with the set, we don't impose the coin box burden on the subscriber and we don't have to wait a month for the results of our programming."

He estimates the break-even point in Denver to be 10,000 subscriber homes and does not think 30,000 subscribers are too far off. Expansion is very much in his thoughts and he points out that he has granted Macfadden-Bartell an option for franchises in any two additional markets outside the top three markets in the country.

Asked about the effects on revenues if viewers watch the silent pictures without subscribing for the sound portions, Sagall replies: "A picture without sound is very tantalizing. We feel we will lose very little audience which will just want to watch. Whatever loss there is will be more than counterbalanced by the economies of the system."

Teleglobe has taken two approaches to the problem, seemingly the system's outstanding drawback. The philosophical approach reasons that only with sports events will some people be tempted to watch their monitors without the benefit of sound, and that because cameras would not be trained on the scoreboard, etc., most would decide that the comfort of knowing what is happening is worth the small price of the service. Teleglobe's second approach to the problem is a mechanical one. The company says it has perfected both a video device which, would encode the picture, and a video decoding device, which would function between the antenna and the TV receiver. The encoder-decoder equipment could be installed in time of need, Teleglobe says, at a minimal cost.

But Teleglobe thinks the whole see-without-pay-and-hear problem has been overplayed.

Says Macfadden-Bartell's executive vice president Lee Bartell: "Those silent TV pictures will drive you crazy. They'll be our best salesmen."

Good salesmen, too, are the men of Home Entertainment Company of Los Angeles, which, as the franchise holder of Home Entertainment Company of America Inc., is also readying for an active entry into the pay TV field. After 10 years of planning, the company hopes to start a wired pay TV system in Santa Monica, Calif., a seaside city of 86,000 people located just outside Los Angeles, by April of next year. Former National Theatres & Television vice president Oliver A. Unger, now chief executive officer of Home Entertainment Company of Los Angeles and board chairman of the parent company, has charted a mercurial course over the past two years.

Home Entertainment's pay TV concept was developed during the '50s by a young Ohio-born electronics expert named H. W. (Bill) Sargent Jr. (he's now Home Entertainment's vice president, technical operations). The first that most of the communications world heard of the system was on April 5, 1961, when it was given a public demonstration in Hollywood. Some two months later another public showing of the system was held, this one in San Francisco.

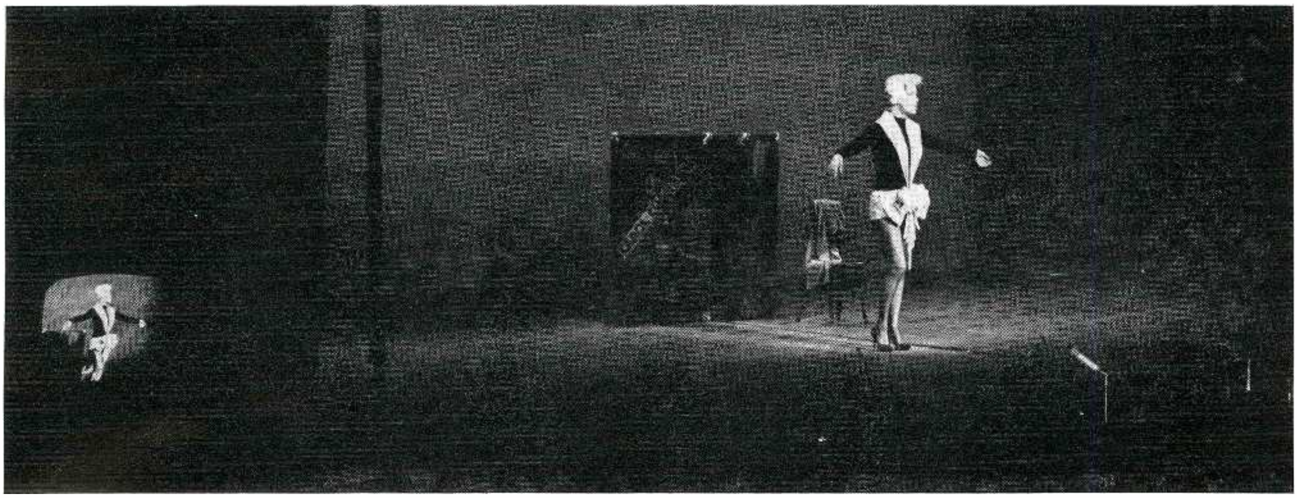
By the next July, the company was able to announce completion of negotiations with the General Telephone Company (not part of the Bell system) to install a cable system in the Santa Monica area. The contract calls for the laying of a coaxial cable to serve up to a million homes, with the telephone company providing circuit facilities and drop wires to subscribers over a 10-year period. The plan also calls for the utilization of an unused channel for transmission of three different-type programs simultaneously.

Last December, Home Entertainment held a gala preview of its system for some 500 Hollywood executives, stars and newsmen in Santa Monica. Simultaneously it was announced that the well-known motion picture and TV actor, Wendell Corey, had been elected president of the company.

Currently Home Entertainment of Los Angeles is trying to float a stock issue for $2.7 million in an effort to underwrite the cost of setting-up its Santa Monica system. An issue of common stock-purchase warrants has been filed with the Securities & Exchange Commission and is now awaiting approval. In its application the pay TV company says it proposes to develop a 20,000-home system in Santa Monica with the stock sale proceeds (estimated at $1.9 million) financing pre-operating expenses to April 1964 and providing working capital.

Like Telemeter's operation in Etobicoke, Home Entertainment's system consists basically of three major units: a studio control center, a coaxial cable network and a home installation. Unlike Telemeter, however, it does not rely on the cash box method for charging subscribers for programs.

Attached to the outside of a subscriber's home is a meter which contains a circular punch card. The meter is connected to a telephone-type jack inside the house. Three different programs are sent out from the studio center and received on an unused channel in the subscriber's set. One of the three program channels provides advance program information with no fee for its use, the other two channels carry subscription programs. When subscribers switch to one of these pay channels, they electrically activate a switch that punches a hole in the meter card. A meter-man collects the cards monthly, returning them to the control center where a computer translates the punched holes into billing and programming information. Subscribers are then billed on a monthly basis through the mails.



History is made on pay TV, as Carol Channing performs from a Broadway stage for Telemeter's Etobicoke subscribers.

Home Entertainment plans to impose a one-time $10 installation charge on new subscribers and will also ask for a monthly $1 service fee. Officials of the company say there are some 43,000 TV homes in Santa Monica and that they hope to get 50% of them—or at least 20,000—by the time the system goes into operation.

Explained a spokesman for the company last month:

Home Entertainment: . . . "no experiment" . . . "out to make money right from the start"

"The other systems go in with a few hundred or 1,000 homes. We're going to start with 20,000. We'll be the largest theatre in the world. We're going to wire the whole city; whoever has the use of a telephone will be hooked up. There'll be some 40,000 such hookups when we start. When somebody wants to subscribe we don't have to put in the wiring; we just tap off his phone.

"This is no experiment," the spokesman emphasized. "We're not so much interested in finding answers—we're out to make money right from the start."

The Home Entertainment forces plan to pursue a multiple-pricing policy, with odd amounts charged for programs if desirable. Once a specific piece of programming is seen by subscribers they will be able to see it again as many times as they wish at no additional charge. The operator's investment per subscriber, for equipment and installation, is estimated between $30 and $40. Wiring of the 40,000 plus homes in Santa Monica was scheduled to start last month.

"We think," says the company's spokesman, "that we're going to be the first fully operational system in the country."

Whether or not Home Entertainment can beat Teleglobe, Zenith-RKO General and Telemeter to the fully operational stage is questionable, but it certainly has a head start on the five other announced pay TV competitors in this country.

TelePrompTer Corporation, New York, one of the largest group owners of CATV properties, is probably the best-known among the second-rank of pay TV promoters. (TelePrompTer also says it is, in effect, the largest supplier of pay television programs through its activities as a producer and distributor of large-screen theatre TV or closed-circuit events such as heavyweight championship fights.) In 1960, the company developed and demonstrated Key TV, a subscriber-participation type of pay TV. Basically Key TV is a system for cable distribution designed to utilize the coaxial line already serving community antenna homes. The TelePrompTer pay TV operation requires the addition of a low-voltage auxiliary control cable to run parallel to the coaxial line and designed to share the latter's poles, underground conduits and hardware. Programs are transmitted on a standard unused channel directly to the subscriber's receiver. Heart of the system is a miniature TV receiver-like control unit box designed to be held comfortably in the hand. To buy programs an "accept" button is pushed signaling for delivery. The button sends impulses to the central station via another small control box mounted on a wall outside the home. This second control box filters out pay TV reception until the "accept" button is pressed. Acceptance is permanently recorded on a five-hole punched tape, which can be fed through a computer for billing and other record purposes.

The most unusual feature of the system is that the inside control box includes two response buttons. During the course of a program questions can be addressed to subscribers who in turn may answer by pressing A button for yes and B button for no. By the same method, it's proposed, merchandise and service can be shown and viewers could purchase them via the response buttons.

So far TelePrompTer has been busy working the kinks out of its system. Western Union, a minority stockholder in the company, has participated in several tests. Now the system is ready to go, company officials say, but it lacks financing. It's been estimated that Key TV's investment per subscriber home would amount to "substantially less than" $100. As presently constituted, the system obviously is geared to tie in with the nation's 1.25 million CATV homes and thousands of apartment buildings with master antenna installations. But the transition to non-CATV homes, TelePrompTer claims, would be a simple step.

Assures company board chairman and president Irving B. Kahn: "You think commercial TV snowballed? Wait till pay TV gets rolling."

The PayVision system, developed by Marconi's Wireless Telegraph Company Ltd., England, is a relative newcomer to the subscription television sweepstakes. PayVision Ltd., operator of the system, is one of four known pay TV groups seeking franchises to operate in the United Kingdom (the others: Choiceview, a wired system which is a joint development of the J. Arthur Rank and Rediffusion Television companies, British Telemeter and British Home Entertainments Ltd.).

Rights to PayVision in the U. S. are held by International PayVision, which is headed by Hannah Weinstein Fisher and John Fisher, TV producers. Filmways Inc., film program and commercials producer, is known to be interested in the system and last year tried to get U. S. and Canadian rights to it. International PayVision is expected to make an announcement shortly concerning expansion plans.

The Marconi development is a wired system offering a choice of three TV and two audio channels brought in on non-standard bandwidths. Pay programs are piped into the home by way of a small control box, which plugs into the TV receiver's aerial socket. Programs are selected by pushing the appropriate button on the pay box and turning a key at the side of the unit. Charges and audience ratings are electronically computed at a central billing office and subscribers are billed once a month.

Skiatron Electronics & Television Corp., Baldwin, N. Y., one of the first drumbeaters in the pay TV field, has been inactive the past few years. Its history has been a stormy one full of court hearings, stop orders and unfulfilled programming agreements. As far back as 1951, the company proposed a scrambled over-the-air system called SubscriberVision, but was never successful in obtaining FCC approval for a test of the operation.

Skiatron then switched to a wire system and entered into several programming agreements, the most notable being with international impresario Sol Hurok and with the San Francisco Giants baseball team.

FINANCIAL WOES

From its start in the pay TV field, Skiatron Electronics & Television had a full share of financial problems and, in an effort to solve them, entered into contracts with Skiatron of America, run by Hollywood movie executive Matthew Fox. Skiatron of America was made the exclusive licensee of the SubscriberVision system throughout the world. In 1959, the organization's own financial woes came to a boil when the Securities & Exchange Commission suspended trading on Skiatron common stock on grounds that the company's registration statement was misleading and inaccurate. During the seven months of hearings that ensued it was revealed that Fox and his Skiatron of America company had total liabilities of more than $4.6 million, while Skiatron Television & Electronics, the organization which had developed the two pay TV systems, had spent over $1 million on their creation and promotion without realizing any return. In the summer of 1960, Fox changed the name of the system for which he was the franchise holder from SubscriberVision to Tolvision and that's just about how and where it remains today: alive but dormant.

DARK HORSE

Real dark horse in the pay TV competition is Blonder-Tongue Labs, Newark, N.J. The electronics equipment manufacturer has a television multiplexing system on the drawing boards and already has demonstrated picture multiplexing in its laboratories. Chairman of the board I. S. Blonder says experimental work also has been done on both over-the-air and cable pay TV systems. The company's Bi-Tran system, which can carry two TV signals (one pay and one free) on one channel, is still in the development stage. Later this year, Blonder-Tongue hopes to demonstrate new equipment that will permit conversion of CATV systems to pay TV at a reported installation-equipment cost of $10 per home, with patents for the equipment in the works. This development is in keeping with chief executive Blonder's philosophy that an economical system is essential to make TV really pay.

Out of the complete blue, last month, came still another pay TV contender. The FCC was asked to approve a three-year pay TV test over KVUE Sacramento, Calif., a UHF station which has been dark since March 1960. The request was filed by Capitol TV Co., licensee of the station and Melco Pay TV Co. Both firms are headed by Melvyn E. Lucas, developer of the system proposed for the test. The Melco system has two variations. In both the video portion is broadcast normally. Under one variation, however, the sound is sent via a subcarrier directly from the TV transmitter. Under the other method, the sound is carried by telephone line to an FM station, and then multiplexed. In both systems special equipment is required to receive the sound. Melco is hoping for prompt approval of the test to permit "early reactivation" of the station.

In pay TV's intensifyingly competitive world, rivalry doesn't end at the dark horse level. There's room, too, for the also-rans, the still-to-runs and the run-silent, run-deep boys.

Entron Inc., Silver Spring, Md., developer of a remote billing system for CATV installations, is among the still-to-run breed. Its patented development, which has strong application to pay television, is still in a state of refinement. It is not intended to be a pay TV operation per se, rather it's designed to be used with an existing or new cable system. Entron's concept is pegged on the theory that CATV systems are easily adapted for pay TV distribution.

Among the advantages of the system, according to Entron's general sales manager Edward Shafer, are its ability, for the most part, to use "only equipment which is readily commercially available," and its basic design allowing it to be used "where many different programs are to be shown and where it is desirable to measure and record the programs viewed in homes at various times."

Angel Toll Vision is another pay TV concept that never has been formally tested. Self-defined as "a public service pre-subscription clearing exchange network," it was developed by Halvick Industries, Mill Valley, Calif., and registered with the FCC—under whose jurisdiction it would fall, on April 1, 1958. Owner-manager Hal H. Schwartz says the system is compatible with existing television stations.

Under the Schwartz concept TV stations would be franchised to participate in the Angel Toll Vision operation. They also would be licensed by the FCC to use a standardized and strictly regulated Angel Toll Vision Credit System.

Subscription would be voluntary, with Toll Vision members kept informed as to future programs and their specific costs. If enough members subscribe to a program to cover costs, the program would be presented as scheduled. Failing sufficient subscriber revenues, the program would be cancelled and an alternate advertiser sponsored program broadcast in its place.

A 1961 report relative to pay television made by the Assembly Interim Committee on Public Utilities and Corporations to the California Legislature found that with Angel Toll Vision, "existing television broadcast facilities, network and subscriber sets would be used without any change or modification." The committee also indicated that "generally subscriptions would be made through banks, oil companies and other credit cards" systems.

Explains owner Schwartz: "Angel Toll Vision is totally unlike subscription membership to radio and TV stations that depend on grants and government subsidies." With these memberships, he points out, "the subscriber actually pays for all programs whether of interest or not. Angel Toll Vision members subscribe to and pay only for the programs or series of programs they want to see that are beyond the budget of advertising sponsors. The vast majority of the TV programs will continue to be sponsor paid."

Currently American Pay TV Co., Beverly Hills, is a run-silent, run-deep operation. It's running secret-service kind of silent and, perhaps, bottom-of-the-ocean deep. None of the other pay TV promoters seem to know much about the company's activities. Calls to its Beverly Hills, Calif., offices are received only by office help. Requests for company executives to call back are shunned.

What is known about American Pay TV indicates anything, however, but a fly-by-night operation. It's headed by Richard A. Moore and Paul MacNamara. Both are sagacious broadcast and entertainment operators. For almost a decade, until less than two years ago, Moore was first general manager and then president of KTTV, the Times-Mirror Co. station in Los Angeles. During that time KTTV was one of the most profitable and efficiently-run independent stations in the country.

MacNamara was for many years, also until recently, a vice president of International Telemeter Co. He was in on the pay TV operation almost from start to present and, undoubtedly, has absorbed all the difficult and important answers Paramount Pictures has spent so much time and money to discover.

Obviously American Pay TV is deep in preparations for entrance into pay TV business. Moore is known to be close to Los Angeles Dodgers owner Walter O'Malley and rumor has it that a long-discussed plan—once proposed by Skiatron's Matthew Fox—to wire-up Los Angeles and San Francisco for major sports programming on a subscription basis is in the works. Another rumor hints that Moore and McNamara are developing programs and cultivating product sources for pay television.

Says one television executive who worked closely with

". . . the nickelodeon types have taken over . . . they are out to make the quick, big buck"

Moore in former days: "Dick is not a guy to go into something half-cocked. He left KTTV voluntarily to get into this. He must know what he's doing. With him involved you can bet that whatever it is, it has the promise of something substantial."

Golden West Broadcasters, owner-operator of four major west coast market radio stations plus a majority interest in the Los Angeles Angels baseball team, doesn't as yet have a patent on a pay TV system but is acknowledged to be on the verge of making the plunge into the new medium. Late last year the broadcaster publicly announced its intentions with the appointment of Norman Boggs (formerly president of KGIL San Fernando, Calif.) as general manager in charge of pay TV activities. Boggs since has been scrutinizing pay TV history, systems, developments and equipment, preparatory to making extensive recommendations to Golden West Broadcasters for its own subscription television operation.

Like other pay TV aspirants, Golden West must answer four basic questions: what kind of system, where to locate, what kind of program service to offer and what are feasible economics for the operation? The company's executive vice president Loyd Sigmon (Robert O. Reynolds is president and cowboy star Gene Autry is chairman) favors an over-the-air type of operation but emphasized that "we don't intend to close our minds to wire or any other method which may turn out to be more feasible."

So far, without even a system to call its own, Golden West's programming plans are extremely nebulous. Sports programming, however, will undoubtedly play a vital role.

"One reason for our interest in pay TV," points out Sigmon, "is to protect our investment in the Angels."

Golden West already has another big foot in the sports door. The broadcasting company stations KMPC Los Angeles and KSFO San Francisco (others are KEX Portland, Ore.; KVI Seattle; Gene Autry's stations, KOOL-AM-FM-TV Phoenix, and KOLB-AM-TV Tucson, both Arizona) now feed play-by-play broadcasts of baseball's Angels and San Francisco Giants as well as professional football's Los Angeles Rams and San Francisco 49ers to special radio sports networks. A conversion to subscription TV telecasts is not difficult to contemplate.

Golden West, through Autry-Sigmon Communications, a microwave relay carrier system designed to serve Pacific coast community antenna operators, also has a made-to-order entree into CATV homes. Conjecture has it that the broadcaster could supply closed circuit video coverage of baseball and football contests to CATV operators as an introduction of sports programming into the community antenna homes along the West Coast.

But as solid as its background appears and as bright as its pay TV prospects loom, Golden West Broadcasters is not rushing into the new medium. One indication of how long it may be before the company takes some tangible action: Norman Boggs has been given a two-year period in which to conclude his research and prepare his report.

National General Corp., Beverly Hills, Calif., a diversified company with extensive real estate, vending machine, popcorn production, community antenna systems and motion picture theatre chain operations (net earnings last year: $2.9 million) boasts of a unique pay TV plan. The company believes that the theatre is the proper place to nurture pay television.

Last March, in a joint announcement, National General and General Electric Co. revealed development of a color television projector, called Talaria, that can throw a color TV image on a full-size, 25-by-33-foot screen. Previous theatre TV systems have used only black-and-white projection.

Eugene V. Klein, president and chairman of National General, says that his company will use the General Electric-developed equipment in a nationwide theatre TV network. Programming will begin by early 1964, Klein indicates, in a minimum of 100 of the 220 movie theatres, National General operates across the nation. He says that the company will develop its own programs for the network as well as presenting events provided by Broadway. Live legitimate plays, educational programs, sports events, public-service events and children's shows are all included in his programming plans.

"This new network makes pay TV a fact of today rather than a complex dream of tomorrow," Klein says. "It puts major entertainment events where they belong and can achieve their greatest effect—in the theatre."

A MAJOR DRAWBACK

National General's president thinks that one of the major drawbacks of more conventional pay TV systems is their restriction to the home.

"Our present theatre operations show," he points out, "that the American public wants to get out of the home to be entertained. The type of entertainment now planned will prove this beyond a doubt."

But Dynamic Films Inc., National General's predecessor in theatre television, tried its luck at wooing viewers with out-of-the-home presentations in 1962 with disappointing results. A year ago last March, the company, producer of industrial, educational and medical films, through a specifically-formed division, Dynamic Theatre Networks Inc., transmitted five live performances of the Broadway show, "Gideon," from the stage of New York's Plymouth Theatre to the Auditorium Theatre in Rochester, N. Y. The closed-circuit telecasts were projected onto a 20-by-15-foot screen. In all 5,200 persons paid $9,533—at prices ranging from $1.50 to $3—for the five performances. At capacity, the 2,500-seat theatre in Rochester could have grossed $27,-000 for all the performances.

At the time, Dynamic announced plans to go into 20 cities that coming fall, presenting a subscription series of four plays, one each week. The plans never materialized. Despite disclaimers by Dynamic officials there was every indication that its theatre experiment was a financial failure. Before it was launched the project had been delayed and generally hindered by union difficulties of the same character that are likely to interfere with any pay TV marriage with the theatre. First Actors Equity and the American Federation of Television & Radio Artists argued over which would have jurisdiction over the telecasts (AFTRA eventually won). Negotiations over a mutually acceptable formula for the payment of the cast of "Gideon" also created a stormy dispute before it was worked out satisfactorily.

Although the Dynamic Theatre Network project was a test in closed-circuit television as opposed to a strict pay TV operation, it did expose some of the operational and financial thorns sure to harass National General and the more conventional pay TV promoters' efforts in the future.

The makers of communications equipment and component hardware have shown a lively interest in who and what wins in the pay TV competition. Almost every big name company in the electronics manufacturing field has exhibited some CATV and pay TV equipment or at least has plans for such development.

Jerrold Corp., Philadelphia, pioneer developer of CATV systems, built the amplifiers used in the Telemeter operation in Etobicoke and is one of the leading equipment manufacturers in the pay TV field. The company built the cable system used in the Bartlesville, Okla., wired pay test of the mid-50s (see box, pages 74, 75). More recently Jerrold has developed the cable theatre for pay TV, a cable distribution system incorporating a metering technique, similar to telephone billing, using one cable channel. The technique permits a continuous count of subscriber usage from a central recording facility. Jerrold officials predict that the company's cable theatre will become the technical link in the development of a national pay TV service.

Theatre Network Television Inc., New York, is distributor of the Eidophor theatre projection system in the U.S. and Canada. Trans-Canada Telemeter uses the large-screen (15-by-40-foot) Eidophor screen to close-circuit into theatres the same away-from-home Toronto Maple Leaf hockey games it transmits to its pay TV subscribers in Etobicoke. Three Toronto theatres—the College, Beach and Century—currently are equipped with Eidophor screens and carry the hockey telecasts at $1.25 to $2.50 admission prices. (Actually, Telemeter was able to donate the Patterson-Liston championship fight to its pay TV subscribers because the telecast was more than paid for by the 10,000 people who watched it via large-screen television in the spacious Maple Leaf Gardens auditorium.

In 1961, Theatre Network Television supervised the telecast of "Show Girl" to Telemeter's Etobicoke subscribers. Among the problems TNT faced in the assignment was deciding on camera positions, lighting, audio details and necessary costume and makeup changes to satisfy the in-person as well as the pay TV audience.

Late last year the closed-circuit television company set up the 70-city network for a National Cultural Center telecast from Washington, D. C. A tape of the program was subsequently shown to Zenith-RKO General pay TV subscribers in Hartford.

Like National General, Theatre Network Television has developed a color projection system (Eidophor is black-and-white). At present, however, the company has no plans to use the system in a theatre-pay TV operation.

Western Union, a 13% stockholder in TelePrompTer, has participated in many of the latter's Key TV experiments. It will have a coast-to-coast microwave system in operation late this year and also has interconnection contracts with AT&T covering many types of service.

The various systems and their technology are, of course, important, but they don't rule pay TV's life. Preoccupation with the merits and demerits of the medium's mechanics has always obscured more fundamental problems. Questions of which systems ultimately survive and prosper are of essential interest to individual entrepreneurs and investors, but they are not of absolute essence.

"The future of pay television," says Jerrold Electronics' assistant general manager Daniel Aaron, "hinges not onto the technology of providing this service to subscribers but the availability of programmed material. Thus," he adds, "the success of pay television will be decided by the entertainment industry."

An important member of that industry, television producer, personality and chief executive officer of Talent Associates-Paramount Ltd., David Susskind, also is convinced that pay TV's future ultimately will rise and fall on the wings of the talent and product it is able to secure.

"I see a big future for pay TV," he told TELEVISION MAGAZINE in an exclusive interview, "but I am kind of pessimistic about when it is coming, because the efforts thus far in our country have been, first, so thwarted by the powers that don't want it—theatre owners, advertising agencies, networks—that their pressure in Washington has been a rather formidable pressure. That slowed it," Susskind pointed out. "But even more of a slowing factor," he explained, "has been the ineptitude of the pay TV companies, because while they quarrel about is it best to bill through the phone company monthly or through the slots, they have thought about everything except the programming.

"The thing that will trigger the advent of pay TV," the executive of the TV production division of Paramount Pictures believes, "is some excitement in programming terms. This is available to you in pay TV. Willie Wyler has made this picture for pay TV. We will have Nehru debate Barry Goldwater, but only on pay TV. Pay TV will be a miracle, not for the frustrated independent producer but for a public who wants a new horizon of entertainment and information, and for the producer who is frustrated by the economics.

"I have," he continued, "dreams that would cost one million dollars to do. Well, television can't afford one million dollars. But pay TV will afford one million dollars quite easily. Secondly, I would like to enlist talents who have thus far said 'no' to commercial television—Willie Wyler, Elia Kazan, George Stevens, John Huston, Fred Zinnemann, Josh Logan. These talents will probably not dabble in commercial television as we know it, but they will quickly jump into pay television. And talent," Susskind stressed, "is everything, not only in pay television, but in publishing, in broadcasting, in accounting, law and medicine."

Yet, whatever the pay TV medium becomes, whatever it will do, its destiny already has greatly been shaped by what it has been and what it is now.

HAS TIME RUN OUT?

Comments a prominent broadcaster: "The time for pay TV to have made it big was in the old days. It would have had much greater chance of success then. As time goes on everything is working against pay TV. The incentive for it is dwindling."

Adds a research executive for one of the nation's largest business organizations: "There was a time when pay TV really had a chance to be of service, when it was really serious about providing good programming. Lou Novins [former president of International Telemeter] represented the kind of thinking I mean. He was more public-minded than most. But the nickelodeon types have taken over. The economics of the thing have worked against them for many years. Now they are out to make the quick, big buck and then get out. Unless they can solve the problem of better product and cheaper installations, I don't think they can make it."

The opinion represents a growing conviction about pay TV operators: that they are in the medium solely for the biggest possible profit they can make.

Or as one agency official put it: "Gresham's law will operate in pay TV. The relatively bad product will drive out the good. Pay TV people will drop Ibsen and buy Hollywood."

Richard A. R. Pinkham, Ted Bates' senior vice president in charge of media and programming operations, throws another curve in pay TV's road to riches.

"I think," he says, "that pay television is strictly a transient electronic development. What really will take over is cartridge TV [the process, as Pinkham explains it, whereby special programs are stored on video tape, sold over-the-counter to the public and played by viewers at their convenience on home monitors]—it's invented now, it's just too big to handle. This is all part of the terrific evolutionary progress of science and technology. It's the real solution to pay TV."

New York Times radio and television critic Jack Gould registers another forecast. He suggests that pay television "may have a role as a sort of wired extension of the neighborhood movie house" and that it "could have more immediate value . . . in the field of adult educational programming."

A consensus of opinion solicited by TELEVISION MAGAZINE has it that pay television is coming, but not soon. The prevailing feeling seems to be that people are fairly well satisfied with the programming they're getting on free television. There's a widespread belief that when pay television does arrive—maybe as much as 10 years hence—it will be a regional operation, at least at first.

What's really holding pay television back? The evidence shows that those interested in its welfare have devoted more time to its physical being than to its intrinsic values and appeal. What's called for is some sacrifice—mostly financial—today, for what could be tomorrow.

Says Marshall Jamison, a producer with Leland Hayward Productions: "Getting a pay television operation started is like taking a dip in a pool in the morning. You have to get into it and it's difficult to make that first plunge."

Pay television's promoters to date have waded into the medium, but none has been willing to take that first big financial plunge into the product pool. Without such a commitment pay TV is likely to continue to just make ripples in the entertainment-communications seas. With it, this immensely promising medium could make waves. END

SOFT DRINKS *from page 41*

(low-calorie) beverages, about 3% of overall soft drink volume last year, predicted to climb to 5% by the end of 1963. Some 650 bottlers are now marketing dietetic drinks and the total grows.

Dietetic soda, of course, isn't new. Kirsch Beverages, Brooklyn, N. Y., introduced its No-Cal line in 1952 as a sugar-free soft drink for diabetics. Diet-conscious Americans were eager to try it and No-Cal became a 10-flavor, nationally-handled line, billing $1 million a year, top-selling brand in the relatively small ($18 million) low-calorie market. But No-Cal now has big league competition.

Taking a look at the sales gains in dietetic beverages (a 66% increase last year over 1961), Coke, Pepsi, Royal Crown, Dr Pepper, Canada Dry, Cott, Hoffman, White Rock, Double-Cola, Dad's Root Beer and many others are now out with low-calorie lines.

Coke's Fanta division has low-calorie Tab in Springfield, Mass. test marketing. Pepsi's Patio Diet Cola is now in several areas (featuring print ads using TV exercise girl Debbie Drake, an eye-popping natural for eventual spot TV). Royal Crown's Diet-Rite expects 50% nation-wide distribution by the end of this year, and the company expects its new line to account for 5-10% of total R-C sales by year's end—indication of the potential the soft drink majors see in even the "light" end of their market.

For the invigorated soft drink industry, it hasn't been all concentration on new product. The marketing wars have centered increasingly on packaging, the shape and size of soft drink containers.

The Coca-Cola bottle has been called by some industrial designers "the most perfectly designed package" ever to hit the crowded U.S. marketplace. But, even for mighty Coca-Cola, getting as much identity out of its distinctive bottle as the U.S. gets out of its Uncle Sam characterization, it hasn't been enough in the marketing frenzy of the last decade.

Clear to the soft drink men, most riding with one or two bottle sizes (6, 8 or 12 ounces), was the fact that the U.S. consumer, being urged to more home consumption of soft drinks, would jump at a merchandising standard—the "large, economy size." Royal Crown Cola was the first out with a 16-ounce bottle. Others followed, right up to 26 ounces. Pepsi today, a long way from its 12-ounce days, has six sizes—6½, 8, 10, 12, 16 and 26 ounces. Coke has five bottle sizes (all but the eight-ounce). Says a Coke sales executive: "You've got to have a variety of sizes to offer. The more packages you have, the better off you are."

And the packaging war, which has also gotten into the "non-returnable" bottle, is now off on a new tangent, and a hot one—soft drinks in cans. At stake is division of the $400 million soft drink container business, an area dominated by glass bottlers but one in which can's share, though small, has gained significantly in a comparatively short time. Steel-makers and can companies hope to duplicate in soft drinks the incursion they made into the beer container business (a 37% share of the market).

Canned soft drinks, practically unheard of before 1953, hit 1.7 billion units last year, 5% of the total market. All of the major brands today feature their products in cans as well as bottles. And while there is no big advertising push by the soft drink majors for their product in cans, the shiny metal containers are more and more obvious in TV commercials as bottlers here and there boom them on an individual market basis. (Retailers, of course, with the long-time headache of bottle returns, are well-disposed to the new trend.)

Bottlers, getting up to 20-time reuse on glass containers, and thus low unit costs, are reluctant to switch to cans, but the big steel and can suppliers are determined, and TV is getting much of their promotional spending.

U.S. Steel, via BBDO, last year used the *U. S. Steel Hour* for 13 commercials on eight programs during the summer season to push soft drinks in cans. This summer, in "the biggest consumer program ever put on by the steel industry," the American Iron & Steel Institute, also via BBDO (agency, incidentally, for Pepsi-Cola), will pour a $1.5 million budget into an all-media campaign for canned carbonated beverages.

The long-term outlook for canned soft drinks? Can marketers will continue their heavy advertising and promotional support, are optimistic that by 1965 they will have 10% of the soft drink market, 15% by 1970. (Promoting the opposite way, the Glass Container Manufacturers Institute—which so far has never put any of its $1.5 million annual budget in TV—will continue to push the advantages of traditional glass bottles.)

For years the soft drink industry has retained the same competitive structure, the same sales leaders. Undisputed king of the industry is Coca-Cola, which enjoys about 30% of the entire soft drink market. Following is the number two man, Pepsi-Cola. Seven-Up, sometimes changing position with Canada Dry, usually ranks in number three position. Royal Crown Cola and Dr Pepper bring up the fifth and sixth spots. All are national names, national advertisers. (Some of the big semi-national and regional names include Hires, Squirt, Nesbitt, Cott, Kirsch, Hoffman, Orange Crush.)

The big story in the soft drink industry in recent years has been the Coke-Pepsi battle: little Pepsi chasing the giant from Atlanta.

Of the 200 companies in the cola business, Coke and Pepsi are the oldest and the biggest. For years Pepsi wasn't even worth Coke's attention. And it is still known by some Coke men, with injured dignity, as "our imitator," although "competitor" more and more applies.

Pepsi last year recorded the highest sales and earnings in its history. Net sales hit $191.6 million, up 10.2% from 1961's $173.9. Net income rose from $14.4 million to $15.4 million. Per share dividends rose from $2.21 in 1961 to $2.36 last year. It all compares with sales of $40.2 million, income of $1.6 million and per share earnings of 28 cents in 1950. It's a good record. But Coke isn't resting on its laurels.

RECORD SALES

Coke last year racked up its own record high: sales of $567.7 million vs. $502 million in 1961, a 6% gain. Its profit hit $46.7 million or $3.38 per share. This compares with $42.5 million or $3.08 per share in 1961. Even in 1950 Coke was ahead of Pepsi's standing today. Its sales were $215.2 million with income of $31.8 million, per share earnings of $7.41. (A 1960 stock issue, which more than tripled Coke stock, has lowered per share earnings.)

Still, Coke's market share has been dwindling for years, with Pepsi trying to take over the lost ground. Since 1961 Coke's financial figures have become beclouded by the addition of Minute Maid, but it is estimated to command 52% of the cola market, down from 69% a decade ago.

Pepsi speaks of the competition in martial language; it "invades" Coke's markets, develops new sales "weapons," turns its salesmen into "shock troops." Coke prefers to remain silent on the war (which is international, Coke deriving 40% of its sales from abroad, Pepsi about 30% of its volume), hints that its domestic market share is growing.

Both companies have been steadily boosting their advertising appropriations. Pepsi and its bottlers spent an estimated $35 million last year on advertising and promotion of all kinds. Coke and its franchise people put up about $50 million (and were the nation's largest users of broadcast media for a single product).

Coke is aware that it outspends Pepsi—it has dominated soft drink TV every year since 1953—but it certainly knows that Pepsi's new (since 1961) ad theme, "Now it's Pepsi, for those who think young," is a powerful attention getter for its rival. Coke last year upped its TV spending a whopping 88%, from $8 million in 1961 to $15 million. Clearly, Coke saw Pepsi's TV weight in 1961 ($5.6 million) coming too close to its own. In 1962, when Pepsi's TV spending increased 39% (to $7.8 million), Coke almost doubled its own television activity.

And there are other signs of Coke's awareness of the competition. The giant last year spent some $2 million promoting a Tour the World Sweepstakes, a rare (for Coke) foray into contests, long a staple of other soft drink producers. To put even more zing into sales, Coke last year threw an extra $1.5 million sweetener into its TV and magazine advertising ($1 million in network TV participations) to be concentrated in the thirsty months of June, July and August.

Coke ad themes, too, which for 75 years have centered around the word and the idea of "refreshment," last year reflected a new vitality and awareness of competition with use of the word "zing," "refreshing *new* feeling" and even a note of urgency in the summer attack, "ice-cold Coke *right now!*"

In 1963 both Coke and Pepsi are stepping up their ad spending (splitting outlays pretty much down the middle with their bottlers) and again increasing TV activity. Pepsi's up-from-hunger struggle is bitter and its marketing moves, as BBDO president Charles Brower once put it for the client, are aimed at knocking Pepsi's "fatheaded competitor off his undeserved pedestal forever."

But Coke today is no "fathead." It's fighting back. The Atlanta company, dulled with security, once moved like a snail. It could afford to let competitors do the pioneering work on a new flavor or a new package, wait to see how the public liked it, and if it did, Coke would come out with its own version—and with its massive distribution system could corner the market before the competition broke even.

It takes time for a company like Coca-Cola to change, but it has been changing. For years the firm resisted acknowledging that there was something on the market named "coke," the shortened, generic term for the leading cola. While Pepsi-Cola cozied up to the contraction "Pepsi," the word "coke" fought for recognition. Now it's Coke, capital "C" and trademarked. The highest tribute: Coca-Cola's last annual report has on its cover a facsimile of a bottle cap. It has the familiar, script-lettered logo "Coca-Cola" and below it "Coke" in modern face. A legend says, "Ask for it either way."

ATLANTA ANCESTRY

An Atlanta apothecary named John S. Pemberton alchemized Coca-Cola in 1886, sold 25 gallons of Coke syrup and spent $46 for advertising that first year. It took Coke until 1944 to sell its first billion gallons of syrup. It sold its second billion gallons by 1953, accomplishing in nine years what had previously taken 56.

As the soft drink industry's fat and happy top dog, Coke always moved slowly but it did show the industry that merchandising counts, and the company's advertising, shining from the back covers of hundreds of magazines, made Coke an American institution. Its famous "Thirst knows no season" slogan, coined in 1922, did much to make soft drinks a year-round beverage.

But as famous as they were, Coke's ads were blandly non-competitive, played infinite variations on the theme of *refreshment,* the word descriptive of what Coke saw people wanting out of a soft drink. Coke advertising was generally in keeping with the company's domination of the fountain, vending and home market. As the 1950s rolled on, competitors hammered hard on the themes of calories, sophistication, modern living. Coke was beginning to look outdated.

With a bottler corps that resisted change (and a segment of it that demanded it), Coke had problems, not the least of which was Pepsi-Cola, beginning to churn up the advertising-marketing winds under the leadership of Alfred N. Steele, a former Coke ad agency man (D'Arcy Advertising), Coke executive (vice president in charge of bottle sales) and, since 1950, was president of Pepsi.

In 1955 Coke began to move. A new president, William E. Robinson, formerly head of Robinson-Hannagan Associates, Coke's public relations agency, took over. He had some strong ideas about advertising and one of them was doing something about the uninspired campaigns coming out of D'Arcy since the 1951 death of agency chairman Archie Lee, long the chief architect of Coke's ad policy. Robinson did some scouting, and shifted the Coke account, after 49 years with D'Arcy, over to McCann-Erickson.

McCann had been handling some of Coke's overseas advertising, got to work in 1957, at Robinson's urging, on a cam-

Coke has dominated network TV in dollar spending six out of the last eleven years

paign that heralded Coke's ubiquity, its world-wide distribution. Sophisticated-looking people were shown quaffing Coke from the Taj Mahal to the Doge's palace in Venice. The campaign was different, but it flopped. Pepsi sales in 1957 had their biggest jump of any year since 1950.

In 1958 Bill Robinson was elevated out of the presidency to become chairman and Lee Talley, a Coke veteran of 35 years, was installed as president. Talley, painfully but at last, took Coke out to meet the competition. Coke's 1959 ad campaign used the slogan "Be really refreshed," a hint that there actually were other refreshments but that Coke was the genuine article. In 1960 Coke got even more explicit with "No wonder Coke refreshes best." Today the slogan is "Refreshing new feeling."

Coke has come on days of comparatives and superlatives, allusions to competition. Its era of aloofness has ended.

Pepsi-Cola, 10 years younger than Coke, was formulated in 1896 by New Bern, N.C. druggist Caleb Bradham. Its 67-year battle under the shadow of Coca-Cola has been uphill all the way. Its ad agency history, indicative of the ups and downs, has been anything but stable.

Pepsi really didn't get out of the drugstore until 1903 when formulator Bradham first began advertising. He listed his ad costs for the year at $1,888.78. Bradham was mildly successful but, hit by wild gyrations of the sugar market in 1920, he had to declare Pepsi bankrupt. Various holding companies and individuals attempted to make a go of the Pepsi operation, but with little success.

It wasn't until Charles G. Guth decided to offer a 12-ounce bottle, instead of the usual six-ounce size, that Pepsi, in 1933, took a turn upward. Guth, president of Loft candy, had bought Pepsi following a disagreement over discounts with Coca-Cola, which had been supplying syrup for Loft's retail outlets. Guth subsequently left Loft to go full time with the soft drink.

Although Guth held most of the Pepsi stock in his own name, Loft sued to get control on the ground that Guth used Loft money to obtain Pepsi and make it go. Loft won the now-famous case and took control of the company, later merging with it and changing its own name to the Pepsi-Cola Co.

Under Guth, who wrote all the Pepsi advertising—the agency did little more than place the ads, and for 2% instead of the usual 15% commission—the company started out to become something of a bouncing ball tossed among ad agencies whenever its fortunes took a dip.

For most of the 1930s, Metropolitan Advertising Co. and Brown Advertising Agency, both New York, handled the account. Under new management, Walter S. Mack Jr., Pepsi president, named the old Newell-Emett agency in 1939. N-E held the account until the old Biow Co. (later Biow-Beirn-Toigo) took over in 1948. Kenyon & Eckhardt got the account in 1956, and in 1960 Pepsi named its current agency, BBDO.

The big change at Pepsi came in 1950 with the entry of Alfred Steele. Steele, a rambunctious showman, rubbed the sedate Coca-Cola high command the wrong way during his five years with Coke. Getting the deep freeze treatment in Atlanta, Steele bounced up to New York to join Pepsi, then in the midst of profound crisis. Its profits in 1946 had been $6.3 million. By 1949 they had shrunk to $2.1 million and were still going down. Demoralized Pepsi bottlers blamed president Walter Mack.

Mack picked up Steele as a vice president. Within four months—by going to the Pepsi board of directors and threatening to resign unless given complete control of the company—Steele had Mack's job. Moving up to chairman, Mack retired a few months later.

Steele first tackled Pepsi's real problem: its image.

Charles Guth's brainstorm, the 12-ounce bottle, had been Pepsi's making. But in 1950 it was a handicap. Starting in 1939, Pepsi's famous radio jingle, "Twice as much for a nickel too . . ." summed up the essence of its sales approach. It was a philosophy born in the great depression when consumers anxiously counted every penny. For its time the economy message was effective. But in the prosperous post-war era the old sales appeal to thrift lost its effectiveness.

INFERIOR BRAND IMAGE

Because Pepsi had harped so heavily on quantity, it had developed its sales gains primarily in the low income groups, and it found itself with an inferior brand image. Housewives, it has been said, ashamed to serve Pepsi in the living room, poured it in the kitchen, discarded the bottles, and served it as if it were Coke.

The economy appeal began to look a little foolish anyway. With the cost of raw materials rising, Pepsi began selling to the consumer for six and seven cents a bottle. Pepsi was no longer a bargain and its advertising was obsolete.

Steele saw the situation clearly. With Herbert Barnet, a new man at Pepsi, Steele began changing the Pepsi formula by reducing the amount of sugar in it. They redesigned the bottles, got bottlers to standardize their packaging and signs, singled out 25 cities for "push markets," pumping in more company ad funds for local advertising. The efforts paid off. Bottlers regained confidence. Sales rose.

The next step was a complete overhaul of Pepsi's creaking marketing strategy. Steele lured an old friend, John Toigo, away from D'Arcy, installed him in Pepsi's agency, Biow Co. The order to Toigo: "Take Pepsi out of the kitchen."

Pepsi knew it couldn't fight Coke on all fronts so it singled out the "take home" market, its strongest area, for attack. Toigo designed a campaign to upgrade the Pepsi image, aimed it at the housewife. Ads showed elegant young women and slim young men in high-income surroundings. For a theme, Toigo leaned on Steele's desweetening of the product. "The light refreshment" became the slogan, "reduced in calories" the backup.

To some, the cocktail party atmosphere of a soft drink ad looked pretty silly, but it worked. By the end of 1955 Pepsi's volume was up 131% over 1950. And Coke's bottlers, getting edgy over the new competition, really worried when they learned that Pepsi was coming out with 6½, 8 and 10-ounce bottles for use in vending machines and retail outlets, plus a 26-ounce bottle to backstop gains in the take home trade.

But in 1955 all was not well between Steele and John Toigo. Steele claimed the agency was using its Pepsi account group to work for other clients, many of whose ads looked disconcertingly similar to Pepsi's own. Steele yanked the account and transferred it over to Kenyon & Eckhardt.

K&E kept the good-looking men and women and tony atmosphere of the Toigo campaign and introduced a new slogan, "Be sociable." It was a less specific, perhaps less aggressive attack. If it was relaxation, it came at a bad period. By the time the campaign was in full swing in 1958, Coke had changed agencies, was on the road to more competitive advertising. The old complacent Coke bottler was awakened and armed with a full line of bottle sizes. (Coke's 1959 sales shot up 10.4% over 1958, greatest spurt in more than a decade.) Pepsi was still gaining in sales and profits, but a two-way fight was now on.

Pepsi advertising going into 1959 took a slightly different twist. It sighted in on a group called "The Sociables"—a remote lot who went fox hunting and yachting. Pepsi was out of the kitchen, too far out. But the big blow of 1959 came in April. Al Steele, at 58, died of a heart attack.

Control of Pepsi went to Herb Barnet, the man Steele depended most upon during his seven-year reign. Barnet had been Pepsi president since Steele's appointment as chairman in 1955.

Things were quiet at Pepsi for about a year, then came the expected—a new ad agency was chosen, BBDO getting the plum.

The campaign BBDO developed was based on some intensive investigation of the soft drink industry. Most interesting were consumer attitudes toward the cola rivals. Pepsi, BBDO found, was thought of as a drink growing in popularity, Coke as an old-fashioned drink. On the basis of this, the agency set out to create an ad campaign that "designates our giant rival—Coca-Cola—as a drink for people who are out of step, out of touch, out of date." BBDO wanted to sell Pepsi, unsell Coke.

THE YOUNG THINKERS

Taking this approach, and adding the marketing fact that the 10 to 29 age group has the highest per capita consumption rate for soft drinks—and was the group Pepsi made its greatest advances in since 1956—BBDO's slogan for Pepsi became "Now it's Pepsi for those who think young!" It has been clicking now for two and a half years.

Pepsi was first in television in 1950 with a network show featuring Faye Emerson. Coke came in "experimentally" in 1952 (spending $21,285), went big in 1953 with a show that lasted four years—*Coke Time* featuring singer Eddie Fisher, one of a long line of singers the soft drink companies have associated with over the years to belt out their sales jingles. (Coke in recent years has used the McGuire Sisters, currently has pop singer Anita Bryant under contract. Pepsi has used Polly Bergen, and since the "think young" campaign stated, uses the voice of Joanie Sommers.)

Since Coke began network TV, it has dominated the medium in dollar spending six out of the last 11 years. (For a complete history of the soft drink leaders on network TV, see box pages 88-89.) Pepsi was only dominant in 1950 and 1952. (With its mighty bottler force to share costs, Coke, of course, has been the spending leader in spot TV since spot figures first became available in 1956.)

While Coke and Pepsi battled on various network shows in the early and mid-1950s, both did little in the period between 1958-1960. Pepsi went without network in 1956, spent only $211,554 in 1957, dropped out of the medium completely in 1958, 1959 and 1960. Coke, after the end of *Coke Time* in 1957, except for a few promotional specials didn't start coming back until 1960.

But the competitors' network battle is now a live one. It started with Pepsi's new agency (BBDO) and the "think young" campaign.

BBDO took the old song "Makin' Whoopee" and put "think young" lyrics to it—the old tune was recognizable and BBDO thought it would erase the "be sociable" song (from the previous Pepsi campaign) quickly.

For the commercials BBDO had in mind, it wanted to stay away from the situation type cliche prevalent in beer and cigarette advertising—the boy and girl in idyllic situations—wanted to get the idea over that Pepsi belongs everywhere, suggest a young, active life. The agency found a look of reality and art in the work of top still photographer Irving Penn, made him co-director on the new Pepsi commercials.

The result has been stylized photography, contrasts in light and dark, blurred and clear; close-ups of young people (some of the most lovely-looking girls ever captured for a continuing commercial series) in Pepsi-drinking situations. Music by Mitchell Ayres and the smoky voice of Joanie Sommers on the theme song rounded out the project.

BBDO then went to work getting the commercials exposed. In addition to an expanded spot schedule, it took eight participating network shows in 1961, plus part of the *Miss America Pageant* and a Jane Powell special, "Young at Heart," to introduce the new campaign. It rode 20 network spot vehicles last year, will probably have as many in 1963, with Pepsi bottlers tying in with the shows on the local level.

EXTRA-HIGH EXPENDITURE

Coke, not letting the Pepsi TV push overwhelm it, pushed its own network TV spending up 143% in 1961 (to $1.4 million) and its spot budget up 59% (to $6.6 million). Last year, moving to network participation advertising itself (18 shows with *Perry Mason* and *Rawhide* as key vehicles), Coke again socked an extra high expenditure into TV. Its network spending was up 184%, its spot outlay up 68%, a combined outlay of $11,150,900 (to Pepsi's $7,759,950). Coke clearly is putting both feet in TV.

Coke's commercials, hitting the theme song "Coca-Cola gives you that refreshing new feeling," features Miss America runner-up and pop singer Anita Bryant in about 50% of the spot activity. She goes competitor Joanie Sommers one better by going on camera for the sell. (Sommers is strictly off camera voice.)

The commercials are not as stylized as the Pepsi efforts, stress general home and out-of-home use for Coke—beach parties, boat rides, social gatherings. Noting a growing reliance on some very pretty girls close-up in some of the commercials, many in the industry—especially at Pepsi and BBDO—feel Coke is trying to copy Pepsi. Coke, of course, denies this.

(BBDO, fond of researching its subject, has found that 81% of teen-agers and 46% of young adults—soft drinks' prime market—know the Pepsi theme. And that "two of three persons questioned believe Pepsi advertised more" in TV and radio despite Coke's better spending record. The "think young" theme is identified with Pepsi by 60% of those interviewed; commercials have scored three times higher than the standard "good" score. Even Coke grants the "memorability" of the Pepsi campaign, but with a "so what" attitude common to those in dominant positions.)

Neil Gilliatt, senior vice president and management service director of all advertising for Coca-Cola at McCann-Erickson, says that Coke does not intend to be a major network advertiser. "It wants," says Gilliatt, "prime nighttime minutes and some basic year-round TV advertising to hold continuity over the entire U.S. Spot programs locally are the background of our effort."

Some 400 people at McCann put in time slips on the Coke account during the average month. Beyond this, there are 10 account executives assigned to bottler accounts by Coke sales region. And there is a McCann media buyer (primarily radio-TV) in six regions.

McCann places some bottler business from its New York headquarters but bottlers usually try to take advantage of their local rates. TV is by far the heaviest used bottler medium. (McCann serves any bottler that wants its services in an arrangement with Coke, has used computers for several years to pick broadcast outlets by county and region.)

A number of Coke participation buys in 1961-62 and 1962-63 (such as *Ben Casey, 77 Sunset Strip, Hawaiian Eye, Surfside Six* and ABC's *Sunday Night Movie*) also carried Pepsi-Cola commercials. To Gilliatt this is a problem, but as long as decent separation exists between the competitors, it can be lived with. Says the McCann executive, "We try to avoid cross-over in shows with competitors but package buying makes this difficult. Participations, however, are in-and-out and we don't feel any sponsor identification with a show."

(This isn't the Pepsi feeling, however. Pepsi says it is trying to build show identity by having bottlers tie-in with its buys locally. To the second-ranked cola, participation cross-over with Coke is more of a problem, although both are concerned primarily with reaching the most audience possible per message. The program and its content are secondary.)

REFRESHMENT THEME

On Coke's two-year-old line, "refreshing new feeling," and its world-wide slogan, "Coke refreshes you best," Gilliatt explains the enchantment with the basic theme of refreshment. "Coke," he says, "has tried to build its own business in its own way for its own purposes rather than put the soft drink business in a soap company rat race where you are always attempting to beat somebody out.

"We use only certain words," Gilliatt continues, "We do not want to be cute. We want to communicate the essential idea of refreshment. Pepsi's 'think young' theme is for playback, memorability. This isn't our attempt."

Coke's rigidity reflects itself in many ways. It is so well known people take it for granted. It has no new story to tell yet its advertising must create interest. It's a tough road to travel with the limitations the Atlanta high command imposes. But one segment of Coca-Cola is different.

The Coca-Cola Bottling Co. of New York, largest franchised bottler of Coke (1962 sales: about $37 million), has shown unbecoming (for Coca-Cola) aggressiveness. It wanted to represent a lemon-lime drink so, in 1959, before Coke came out with Sprite, it began marketing its own, Veep. Its account is with a first rate agency, McCann-Marschalk (also handling Fanta Beverages, Sprite and low-calorie Tab under the wing of parent McCann-Erickson), and its advertising in the New York area which it serves is sometimes pretty strong.

A recent Coke radio commercial by the bottler has lines like, "Coke . . . the *real* thing," and "not just a carbonated copy." Beyond this plunge into competitiveness, Veep is a real thorn in the

NETWORK BILLINGS COMING ON STRONG

NEVER the stronghold of the soft drink industry, network television—which ran up a $7.2 million time tab last year vs. a $23.7 million spot TV deluge—nevertheless has been the "umbrella" under which Coke, Pepsi, Seven-Up and Canada Dry have attempted to whip up the thirst of every American old enough to raise a 6 oz. bottle.

The Big Four have dominated the network medium, each taking turns as spending leader—with Coke plunking down the most dollars, six out of the last 11 years. The Squirt Co. and Clicquot Club (of early network radio sponsorship fame) were brief users of the medium. Dr Pepper, just come of age with national distribution, entered network for the first time in 1961-62, looks to stay around as another regular.

Like most network advertisers of long standing, the soft drink leaders have felt the pinch of TV economics, have come from sole sponsorships to a scatter of participations. Seven-Up, the industry exception, has been putting all its money into one vehicle, *International Showtime*.

Today the soft drink companies spread themselves around, enter any type program so long as it gives them a big audience at the lowest possible C-P-M. The philosophy: "Anyone with a mouth is a customer." Generally, the soft drink men try for the so-called "all family" audience. The teen-age consumer (and younger) is sometimes singled out, as are housewives through daytime programs.

Back in 1950, when Americans were putting away only 158 bottles of pop per person per year, Pepsi-Cola was the first to enter network TV. Networks weren't very big in 1950, but Pepsi took up with Faye Emerson, one of the biggest TV names around.

Pepsi went into 1951 on the *Faye Emerson Show*, 15 minutes three times a week on a 40-station CBS lineup. The year cost Pepsi $523,770 in gross time. Canada Dry joined Pepsi on the networks in 1951, but it chose a $637,897 romp with the kids on *Super Circus*, an ABC hit. Clicquot Club, a radio pioneer, came in on ABC with *The Frances Langford-Don Ameche Show*. It was a $45,540 crack for Clicquot, its first and last network outing. The three-way 1951 time expenditure: $1,107,207.

In 1952 Pepsi and Canada Dry had the networks to themselves, Canada Dry remaining on *Super Circus*, Pepsi getting more ambitious. It concluded the *Faye Emerson Show* but stayed with Faye into a CBS talk show which was called *All Around the Town*. Pepsi also sponsored some general films on CBS, went on NBC with anthology-drama, its prime TV direction for several years to come, with *Short, Short Stories*. The 1952 network time tab: $1,146,998.

Coca-Cola, never hasty in its marketing or advertising decisions, decided network TV might be all right. It moved in 1953—and came on big. A curly-haired singer of some popular acclaim got an Army discharge and returned to civilian life. Coke was there waiting with a contract and a TV show, and *Coke Time with Eddie Fisher* began a four-year run on NBC. Between April 1953 and April 1957, Coke laid out close to $10 million in time costs for the show. It started in 1953 as a twice-a-week, 15-minute variety show, later expanded to a weekly half hour.

While Coke identified with a personality, Pepsi went the dramatic route, started *Pepsi-Cola Playhouse* on ABC, continued *Short, Short Stories* on NBC. Canada Dry bowed out of network activities in 1953, and didn't return until 1958. Time cost Coke and Pepsi $2,165,303 in 1953.

In 1954 it was still a two-company race with *Coke Time* and *Pepsi-Cola Playhouse*. Time costs were higher, however, at $3,531,675.

Coke expanded its network activity in 1955, added the kid-appeal *Mickey Mouse Club* on ABC. Pepsi wound up its run on *Playhouse* and Seven-Up became a network advertiser for the first time with the daytime *Bob Crosby Show* on CBS and participations in NBC's *Today* and *Tonight* duo. Coke's bill was $3,012,362 out of the $3,673,029 spent in 1955.

Pepsi, buried under the weight of competitor Coke's TV momentum, dropped out of network TV in 1956. Coke continued with the same shows. And Seven-Up began the strategy of spreading its network chips over the board, taking pieces of eight shows: *It Could Be You, Modern Romances* and *Matinee Theater* on NBC daytime; *Comedy Time* and *Tonight* on NBC nighttime. On CBS it continued *Bob Crosby*, added *Our Miss Brooks*. On ABC it had *Circus Time*: the whole package for $318,478.

Also in 1956, The Squirt Co. (California producer of a grapefruit soft drink mix) took a network one-shot, used the *Today* show for a $75,693, 84-station TV push. Network time spending in 1956 hit a record $4,025,070 (but soft drink spot TV, measured for the first time in 1956, was already far ahead at $11,810,000—and Coke was the spot leader, biggest spender in the spot medium every year to date).

1957 was a down year for soft drinks and network television. The expenditure was only $1,766,927, lowest since 1952. Coke concluded its big plunge on *Coke Time* and also ended *Mickey Mouse Club*. Pepsi was back with a new strategy, two lavish specials—*Cinderella* on CBS and *Annie Get Your Gun* on NBC. Time cost $211,554 (production added $394,100 more). Seven-Up had only one night on *Sugarfoot* and *Wagon Train*, continued participations in *Tonight*. It main effort was on ABC's *American Bandstand* and *Zorro*.

Coke and Pepsi were out of network TV entirely in 1958 and the network expenditure showed it: $1,564,344. Seven-Up was the leader taking *Zorro* as its sole vehicle at a time cost of $1,368,282. Canada Dry was back with participations in the *Today* show.

side of Coke. The New York bottler has put $158,440 in spot TV alone behind Veep over the last three years. Where does this leave lemon-lime Sprite, now making its way into national distribution? Locked out of New York, that's where.

Coca-Cola New York has in Veep an established brand, an investment in bottles and trademark alone of many thousands of dollars. It can't drop Veep easily. And Coke won't get Sprite into competition against its biggest bottler. The problem is unresolved.

Sprite, introduced by Coke in March 1961 as a "specialty drink," is already the No. 3 soft drink in TV spending. Spot television has been getting nearly 80% of its media advertising, $2.4 million last year. Its theme has been "tasty, tart & tingling Sprite." Pushed as both a mix and a soft drink, the beverage has been aimed at an adult, somewhat sophisticated consumer. Sprite's distribution includes about 45% of the population.

The Fanta flavor line was introduced by Coke about two years ago. It includes orange, root beer, strawberry, grape and club soda, is moving slowly into national distribution, so far has gotten little TV support.

Coca-Cola has adopted TV as its prime medium, obvious in its spending last year. It considers television the worst offender in spiraling ad costs but also considers it the most effective and the

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Coke in 1959 took a page out of Pepsi's 1957 book and put up $1,374,150 (time and talent) for two promotional specials: *American Pauses for Springtime* on CBS and followed up with *America Pauses for the Merry Month of May* on NBC. Canada Dry selected *Walt Disney Presents* on ABC for its vehicle and Seven-Up was back to spreading its chips. It laid out $1,419,930 for buys on seven ABC shows, most heavily in *Zorro* and *The Untouchables*. Pepsi was still off network but, at $2,122,910, spending was rising again.

In 1960 Coke was back on a regular program basis starting a run on the *Adventures of Ozzie & Harriet*. It also put on a *Coke Time* special. Canada Dry was the spending leader ($1,311,430) with 33 *Walt Disney* shows. Seven-Up made *The Alaskans* and *Guestward Ho!* its prime participation shows, also appeared on *The Untouchables* and *Adventures in Paradise*. And all the 1960 spending ($2,963,360) was on ABC, the network apparently offering the soft drink men the best C-P-M deals.

What Seven-Up had started in 1956—participations in many shows for broad audience reach—Pepsi, newly returned to the network battle, took up in earnest in 1961. With a new agency (BBDO) and a new campaign theme ("think young"), Pepsi plowed $1,234,276 into seven series shows, a special and two special events.

The Pepsi spread went heavily into action shows, *Asphalt Jungle, The Islanders* and *Cheyenne* on ABC; *Laramie* and *The Outlaws* on NBC; *Malibu Run* on CBS. But its prime show had a humor format, *Steve Allen* on ABC. And its special, *Young at Heart,* a Jane Powell outing on NBC; the *Miss American Pageant* on CBS, and a CBS public affairs special, *First Man Into Space,* were indications of the broad range of audience Pepsi wanted to reach.

Coke spent more than Pepsi in 1961 ($1,365,650) but it was directed into 19 *Ozzie & Harriet* shows on ABC and a *Marineland Circus* special on NBC. Canada Dry stayed with *Walt Disney* for 36 shows, and Seven-Up, concluding a 1960-61 run on *Guestward Ho!,* went all out on a new single vehicle, *International Showtime* starting up on NBC. Dr Pepper, achieving national distribution, also started up national advertising with an ABC daytime programs buy. Its modest investment of $271,800 helped shoot the total soft drink network expenditure to a record $5,226,647, a 76% increase over 1960.

Last year the trend to participation buying intensified. Pepsi expanded its buys, Coke and Canada Dry joined in with broad spreads of their own. And the network expenditure hit $7,210,027, a 38% gain over 1961.

Coke led the spenders with an investment of $3,882,546, a 184% hike over 1961. About $1 million of this was a special summer participation barrage to capitalize on warm weather soda consumption and, clearly, to fight an advancing Pepsi sales surge drummed up by the popular "think young" campaign.

Coke had room in 18 shows plus the CBS Morning Minute Plan. It had three CBS daytime soap operas, nighttime shows ranged in variety from *Hawaiian Eye* to *Password* to *Ben Casey*. Its major effort was on *Perry Mason* and *Rawhide* (26 shows each) plus 11 entries in ABC's *Sunday Night Movie*.

Pepsi spent $2,018,650 on the networks last year, a 64% jump from its 1961 spending. It was in 20 shows, and like Coke's spread, the appeal was wide, from *Mr. Ed* to *Twilight Zone*. Its major push was on *Target: The Corruptors* and *Leave it to Beaver*. Pepsi also took the *Miss America Pageant* for the second year.

Canada Dry in 1962, also going the participation route, was in 11 shows plus the CBS Morning Minute Plan and *NBC News Specials*. Like Coke and Pepsi its variety was notable, from *CBS Reports* to *Captain Kangaroo* and *National Velvet,* the latter two typical of Canada Dry's continuing effort to reach a young audience. It spent $573,656.

Seven-Up put all of its 1962 network investment in *International Showtime,* second only to Coke in spending at $2,252,611. Dr Pepper went on the CBS Morning Minute Plan and ABC's *American Bandstand,* staying with the daytime audience. It spent $292,564.

The soft drink leaders today are buying audience, not programs. Their paths often cross on the same shows. Canada Dry and Pepsi were both in *Alfred Hitchcock, Checkmate, Frontier Circus* and *Laramie* last year. Coke and Pepsi were both in *Ben Casey, 77 Sunset Strip, Hawaiian Eye, Surfside Six* and *Leave it to Beaver*. The package deals are flexible and so long as there is decent separation between the competitive commercials, the soft drink men don't much care. Their buys are too brief to gain them show identification.

In 1963 the soft drink men seem certain to maintain a high network spending rate. Their fall plans are still being ironed out. And as a competitive group they will not reveal their decisions until the last minute.

Coke, which last year increased its network and spot billings a combined 88%, has been cutting down its newspaper and magazine investment in order to concentrate the fire more effectively in television. TV this year should get even more Coke ad dollars, and another healthy scatter of shows. Its continuity on *Perry Mason* and *Rawhide* runs through August.

Pepsi, too, will hold to participations in a score of primetime shows, again pick up the *Miss America Pageant*. Canada Dry says it will increase its participation weight. Dr Pepper is planning to stay on *American Bandstand,* the CBS Morning Plan, and *Make Room for Daddy* repeats on NBC daytime. The question mark is Seven-Up, bowing out of *International Showtime* in June. Where it will jump to in the fall isn't certain.

Since 1951 the soft drink industry has plowed a total of $36.5 million into network TV. It has put better than three times as much ($113.6 million) in spot TV since 1956, but the network activity has been important as the standard bottlers try to measure up to in local efforts, the big banner under which the major soft drink families group.

Coke's revenue picture gives feeling that Pepsi thinks young, Coke thinks big

most dramatic ad medium, will increase its TV spending 5% a year "just to stand still," as one Coke executive put it.

Coke wants its bottlers to dominate a market and for years the bottlers have used four or five media to do it. With Coke's new thinking on costs, it sees domination coming from the concentration of more and more funds in fewer and fewer media. The winner is TV and to a lesser extent outdoor poster advertising. The big loser is newspapers.

Coke matches its bottlers 50 cents on the dollar in advertising under a 60-year-old co-op ad plan and both sides feel (as does McCann-Erickson, known as an "electronic" agency) that TV by night and radio by day is the right advertising formula, plus special broadcast pushes in warm weather months. Coke indicates its TV spending this year will be considerably more than in 1962.

Helping boost Coke's local TV activity the last several years has been its strong field organization. Some 800 of the company's 1,100 bottlers have formed into what Coke calls "regional TV networks." The plan: McCann-Erickson's media buyers in Coke's sales regions select dominant stations that put their signals out over an entire state or region. Coke bottlers in the coverage area pool their ad funds, get in the same bed for a cooperative campaign. Cost to the individual bottler is pro-rated by the coverage received. Coke calls the results highly successful.

HEAVIER DOLLAR OUTLAYS

Coke's heavier TV spending doesn't seem to bother Pepsi vice president and director of advertising Philip B. Hinerfeld. "Coke's dollar outlays are heavy," he says, "but in advertising it's not so much the dollars that count. The important thing is using them effectively." Hinerfeld feels that with "think young" Pepsi is getting a lot for its money.

"Sure, I'd like more money to circulate our commercials," says the Pepsi ad boss, "but as long as our bottlers keep doing more and more work on the "think young" campaign I'm happy. It's not a question of spot or network being better for us either. The public doesn't know the difference between them. A commercial is a commercial."

Hinerfeld says Pepsi's 1963 TV activity will consist of "more of the same thing," network participation buys. He calls it "total nighttime TV."

Pepsi would like a show of its own but costs don't permit this. It can't get sponsor identity or exclusivity so it settles for rotation with other sponsors. But it gets its bottlers to buy into the same shows locally to give the impression of sponsorship and heightened identity with a show.

Pepsi, of course, will be staying with "think young" for a long time, throws kudos to BBDO for its genius with every new earnings statement.

The newest thing with the nation's second cola is a redesigned logo. Pepsi-Cola's well known script lettering is giving way to modern block letters as the company keeps on the track of (literally) thinking young. While the change shows up immediately in advertising, it will be a long evolutionary process before the changeover is completed down to signs at the corner candy store.

At BBDO, John E. Doble, vice president and management supervisor on Pepsi, says the cola's fall network buys are not firm yet but that "at least 20 shows will be entered."

Of Pepsi's score of buys last year, 14 ABC-TV shows were used. It wasn't intentional, says Doble, "flights are just horse trading, looking around for the best deal. The ABC deal was just the most opportunistic." (Coke also was heaviest last year on ABC shows but its spending favored CBS.)

The coincidence of Coke and Pepsi riding some of the same spot carriers last year doesn't worry Doble "as long as there's enough space to separate us. We never buy a show until six or eight weeks after the competition is off it. We've had no protection problem so far and our 13 branch offices are always checking on product protection in their areas."

BBDO handles 37 Pepsi bottling accounts itself, like McCann-Erickson for Coke supplies any bottler wanting in on the parent campaign—and with the success of "think young," all of them do. BBDO has about 60 people working full time on the Pepsi account, 10 more with the bottlers.

While the Pepsi campaign has aimed at all segments of the soft drink market, bottlers are running more commercials aimed at the fountain trade, still Pepsi's weak area. Pepsi aims overall at the all-family audience, trys to appeal heaviest to everyone under 30. The stylized commercials will change little this year and BBDO's biggest problem seemingly is "searching for models with interesting expressions and looks."

Pepsi's lemon-lime drink, Teem, is now marketing to about 60% of the population, slightly ahead of Coke's Sprite. Pepsi bottlers have put close to $1 million in spot TV behind the beverage since it was introduced in 1960, $729,500 of it last year. The theme: "Taste what's happened to lemon and lime . . . Go Teem every tingling time."

Pepsi's Patio flavor line is getting less attention than Teem but has been moving locally to franchises serving perhaps 40% of the nation. And another line of flavors called Mirinda is also starting up. Pepsi's low-calorie entry, Patio Diet cola, is now in three test markets.

Out of the contest between Coke and Pepsi comes the obvious question: Will Pepsi ever catch up?

Although the industry's second man has grown at a faster rate than Coke over the last decade, Coke holds such a dominant position it seems certain to stay on top for decades yet to come. And there is a reason for its wealth.

Both companies, although they do some bottling and distributing of their products, are primarily in the business of selling flavor base to franchised bottlers. Coke sells as a syrup, Pepsi as a concentrate. Syrup is more costly than concentrate so Coke gets more revenue. It also sells its product to twice as many bottlers. Pepsi may think young, but Coke thinks big.

RUNNER-UP

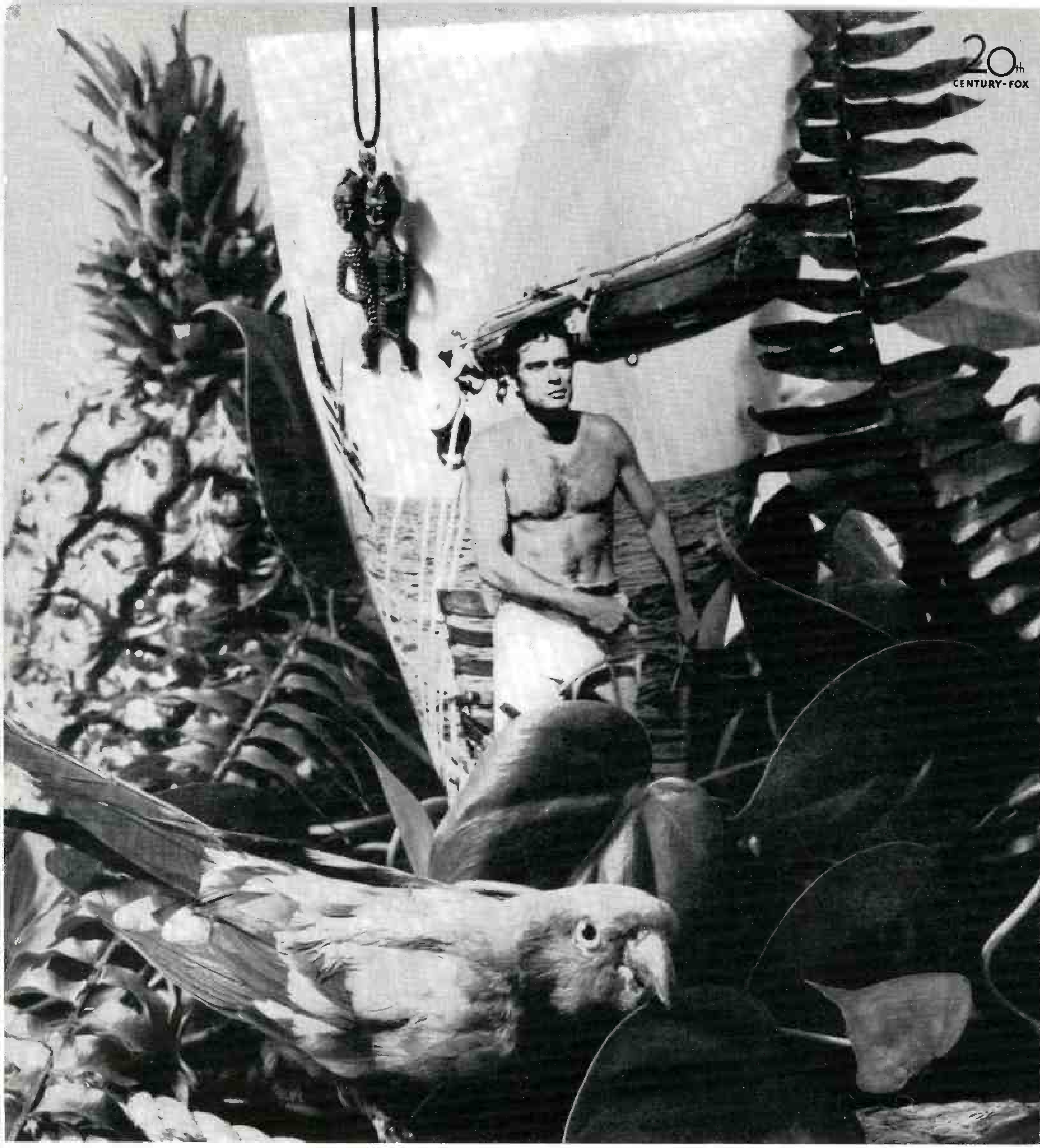
Watching the two top dogs battle it out is St. Louis' Seven-Up Co., national soft drink third man. And today the battle has more meaning for the private, family-owned company than ever before. Some of the shots are flying its way.

While 7-Up is firmly perched atop the lemon-lime drink market (fastest growing segment of the industry with about 18% of total sales vs. 10% a decade ago), Coke's Sprite and Pepsi's Teem are new competition. Seven-Up believes the new drinks (it has always had some lemon-lime competition but never by the likes of Coke and Pepsi) will help increase the market rather than cut into 7-Up's share. And according to market reports, this has been happening. Seven-Up just hopes it will continue, even "convert cola users to our product."

With its one drink, 7-Up commands an estimated 14% of the total pop market. (Once known as the Howdy Company, 7-Up still makes the basic ingredient for Howdy flavors, sells the concentrate to bottlers.) It is the number one brand in many middle west and western markets. And it cannot afford to relax. Ad spending rose from $9.8 million in 1961 to $10.3 million last year. Its 1962 TV spending hit an all-time high of $2.9 million, with network activity up 32%.

Seven-Up has been using television since 1955 and since 1958 it has been a heavy investor in network time, led network soft drink spending in 1958, 1960 and 1961. Its spot activity usually runs around the half-million dollar mark.

Weighting its TV spending to network instead of spot, 7-Up goes an op-



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Seven-Up's ad manager, Joe M. Thul, explains the company TV strategy. "We have felt," he says, "that a network program is the best use of television for our purposes." Thul likes "the merchandising possibilities of a show," feels that with scattered participation buys "you lose the opportunity to 'own' a show."

Seven-Up in 1955 and 1956 took pieces of a lot of programs, heavily in daytime. In 1957 it became sole sponsor of *Zorro*, an adventure western with high youngster appeal, continued on the show in 1958 and 1959. In the fall of '59 and into 1960 it went back to participations. In 1961 7-Up went all out on one show. *International Showtime*, and has stayed with it to date. It will discontinue the program next month, will say little of its fall plans.

PERMANENT SLOGAN

Advertising via J. Walter Thompson, Chicago, 7-Up has used the same slogan since it started in business some 30 years ago—"Fresh up with 7-Up." It seems to be as permanent as Coke's refreshment theme.

While 7-Up has no co-op ad program, JWT makes commercials available to 7-Up bottling companies, called "developers" by the parent. The commercials have been the same for several years—clever use of old silent movie clips that humorously relate slightly zany situations to suburban living, commuting, office life, etc., the point being made that "any time is 7-Up time." Another commercial series sometimes backs up—drawings by cartoonist George Clark. In both, the appeal is strongly to teen-agers and young adults.

Canada Dry, No. 4 man in the industry, saw its soft drink and mixer sales top $80 million last year, an estimated sales gain of 8%. In addition to its carbonated beverages, the New York-based company has a growing wine and liquor business. It all brought the Canada Dry sales total for the fiscal year ended last September 30 to $113.7 million, up $3.7 million from fiscal 1960-61.

The company, once known as Canada Dry Ginger Ale Co. as befitted its big-selling lead drink, moved strongly into flavors in 1955. Through its "The face is America, the taste is Canada Dry" campaign in 1959-61, it attempted to establish a national umbrella over its line and, according to beverage division ad manager F. E. Benson, "extend the widespread acceptance of our mixers to include our flavor line."

The current "Special Sparkle" campaign, via J. M. Mathes, is designed to further translate Canada Dry's image for quality carbonation to its flavor line. The company says it is up "substantially" in its share of the flavor market. But it, too, must look up Park Avenue to Pepsi headquarters and down to Coke's Atlanta stronghold to see how the marketing winds are blowing—Fanta and Patio flavors figure as new competition.

Canada Dry was in TV early. It dominated the network medium in 1951 and again in 1959. Its TV spending last year hit $1.2 million, up 5% from 1961 ($573,656 in network, $632,900 in spot). The company ad budget is running about $7 million.

Like 7-Up, Canada Dry has tried to tie up with one program. It had *Walt Disney* on ABC from 1959 through 1961. Last year, in order to gain more "flexibility," it bought into 10 nighttime shows, urged its 181 bottlers to match up with spot buys on the shows in their markets. Ad manager Benson says Canada Dry's 1963-64 network plan is for buys on "more shows under an increased national TV budget." He estimates 65% of the company's measured media spending now goes to TV "and is increasing."

With flavors, popular with youngsters, Canada Dry is very much aware of the kid audience, but it has been trying primarily to reach mothers on daytime TV. It has gone heavy on *Captain Kangaroo* and into CBS's Morning Minute Plan, also heavy with daytime schedules on both ABC Radio and CBS Radio. And its bottlers have been heaviest in local daytime TV following up on the "catch-the-mother-catch-the-kid" approach. (With 1962 time in *CBS Reports*, *NBC New Specials* and the *Tonight Show*, Canada Dry has been trying to complete what it started in the morning with final messages aimed at the husband and wife. Commercials show people enjoying themselves in common situations.)

The Royal Crown Cola Co., Columbus, Ga., ranks fifth in the soft drink industry with sales last year of about $27 million, up from $23.4 million in 1961. Royal Crown is third in cola sales, claims first place in the fruit-flavor field with its Nehi line.

The first to market cola in 16-ounce bottles ("they knocked the daylights out of the market," says a Coke executive admiringly), R-C has gone aggressively into cans (10% of its sales), and is now having a big success with the introduction of its Diet-Rite line.

R-C has had three ad agencies in the last decade; BBDO in the early 1950s, then Compton for three years, and in the fall of 1958, D'Arcy. Fired by Coca-Cola in 1955, D'Arcy brought a lot of soft drink know-how to smaller R-C, undoubtedly has helped it move up.

The first thing D'Arcy did with its new account was urge it to change its name (to eliminate confusion) from Nehi Corp. to Royal Crown, the name of its larger selling brand. (It also has been marketing a lemon-lime drink, Upper 10, for about 15 years.) But D'Arcy, largely a print-oriented agency, also pulled R-C back from television.

With Compton, R-C in 1956 joined its bottlers in sinking $1.6 million in spot TV. This shot to nearly $2.2 million in 1957, a still formidable $1.7 million in 1958. In came D'Arcy and spot spending in 1959 plunged to $512,410. It picked up to $860,760 in 1960, dipped to $611,200 in 1961. Last year, however, R-C's 500 bottlers began getting behind spot TV in a major way, helped rocket spending 83% to $1,127,000.

R-C ad man Bob Hydrick says the company itself allocates no funds to TV, but much of R-C's co-op ad money is being used there. Hydrick estimates that in many areas R-C bottlers are turning 60-65% of their ad dollars to local TV.

The cola's current TV commercials carry the theme: "The goingest people in the world go fresher with Royal Crown." It's a testimonial type message featuring action types—a surf board champion, a test pilot—at "work." The commercial spokesman is Art Linkletter (conveniently a member of the R-C board of directors).

R-C has long accented the word "fresher" because of its production process on the drink. Bottlers get R-C concentrate, add sugar at their own plants. R-C says this makes the beverage "fresher tasting" than either Coke or Pepsi.

While a national brand, R-C gets its best sales in the Southeast. It has never cracked the lush New York market but it may this year. Diet-Rite cola is about to move in and it probably will carry big brother Royal Crown cola along with it.

MOST PROMOTIONAL MINDED

Dr Pepper (sales last year: about $17 million) is the smallest of the national soft drink leaders and one of the most promotional minded. It puts on a contest at the drop of a bottle cap and has even pushed its fruit-flavored beverage as a winter drink served hot. It has been in national distribution (about 45 states, every major metropolitan center except Boston and Pittsburgh) for only two years, ranks sixth in the industry. Its total ad budget is approaching $5 million, including co-op.

The 77-year old Dallas company, advertising out of Grant Advertising, Dallas, went into network TV for the first time in 1961 because, as Dr Pepper advertising vice president John C. Simmons puts it, "we arrived of age as a national product." The soft drink has had some healthy spot TV years (better than $1 million in 1957 and 1958) but looks like it will feed an increasing amount of dollars into network time.

Last year Dr Pepper put $292,564 into the CBS Morning Minute Plan and *American Bandstand* on ABC. It and its bottler force (410 franchises) put up another $573,900 in spot TV. Both categories were up slightly over 1961.

This year, according to Simmons, Dr Pepper will stay with the same daytime formula—*American Bandstand; Calendar, Lucy, Pete & Gladys* and the *Real McCoys* in the CBS package; *Make Room for Daddy* on NBC. TV will be getting the highest proportion of Dr Pepper's national budget.

Dr Pepper throws a zany national promotion every spring, has given away a diamond door knob, a solid gold dinosaur, an island in the Bahamas. This year Dr Pepper consumers will have the opportunity to win a square stone wheel (plus a station wagon or sports car). Dr Pepper isn't crazy. It wants to be different. And being different is just good business as the company sees it.

Dr Pepper considers its soft drink different from anything else on the market. The current slogan goes along—"It's different . . . I like it!" Print ads and TV commercials feature cave men—pre-historic characters especially unearthed for the job of selling by cartoonist Johnny Hart, creator of the syndicated strip, "B.C."

Dr Pepper wants zany salesmen "because the stereotyped boy-girl concept just doesn't provide the company with the necessary difference to be adequately noticed on an ad-by-ad basis," according to ad boss Simmons. And he adds that Dr Pepper would still be floundering around in the boy-girl soft drink arena "looking like everyone else" if it stuck to the usual kind of advertising.

Dr Pepper began scouting around for the "different" approach three years ago with advertising poking fun at other companies and their "holy cow" of secret soft drink formulas. The attack seems to be paying off.

Soft drinks racked up a record year in 1962 in sales, ad spending and increased reliance on television. This year is bound to see more of the same. There are new products, packaging variety, market expansion, diversified distribution. There's also more competition as Pepsi-Cola puts the heat on Coke and the leader counters. The future looks bubbly, the consumer thirsty. END

TV'S FIRST FAMILY *from page 45*

opinion, stems from the Beverly Hills location. "That's a magic name in itself," he explains. Additionally, Barnathan notes that this season's competition wasn't the strongest. "*Perry Como* was slipping and *Going My Way* didn't do as well as another 'bread and butter' show might have done." He also points out that *The Beverly Hillbillies* were innovators and innovators are usually "big hits" or "big bombs." In Barnathan's view, innovators are usually successful, unless, he says, "it's a show that's riding on somebody else's glory train."

Both Werner and Barnathan honestly admit that if they had the opportunity to buy the *Hillbillies*, not knowing anything about it, they don't know whether they would or not. As it turned out, neither of them had an opportunity to buy the program last season. This particular bane in their existence was offered exclusively to CBS.

SECRET INGREDIENT

Filmways (which also puts out *Mr. Ed*, the story of a talking horse) had long been after Paul Henning to do a show. When Henning told Filmway's chairman of the board, Martin Ransohoff, the plot for what later became *The Beverly Hillbillies*, Ransohoff committed $100,000 to the project on the basis of the idea alone: and, Ransohoff explains today, "on the basis of Paul's ingenuity." Ransohoff calls Henning "the secret ingredient" in *The Beverly Hillbillies*. "You can have a good basic idea, good elements," he says, "but he's the additional ingredient." While Ransohoff claims he "loved" the idea the moment he heard it and thought it would be a success, he never suspected it would be the smash hit it has become. Yet, he says, "with Paul Henning's tremendous creative skill, you at least have a shot at success."

When Ransohoff brought *The Beverly Hillbillies* plot to CBS-TV, president James Aubrey and programming vice president Oscar Katz shared his enthusiasm. On the collateral of the idea and a "handshake" Aubrey agreed to take over financing of *The Beverly Hillbillies* pilot. It was as smash a hit with the CBS advisory board as its successors were to be with the TV audience.

Katz was a strong supporter of *Hillbillies* from the beginning. At a pre-season meeting to show a prospective sponsor the CBS program lineup, Katz said when he came to *The Beverly Hillbillies*: "In my opinion, this will be the big hit of the season." Now when he's asked what it was about the show that led him to that conclusion, Katz can't quite pin his foresight down, except for a vague "Something deep down inside tells you."

Katz says it's difficult to pin down the psychological reasons for the success of CBS's big hit. Perhaps, he guesses, the audience is in a mood for its conventions to be kidded. Or it may be reaction against other types of situation comedies. It could be because the show is something brand new and different—that the audience is in the mood for wilder comedy. Katz is not sure which of these theories—if any—is the reason for the success of the nation's Number 1 hit. But he is convinced of one thing. "When you have a project and you use the creative guy, who has the pride of authorship and a high level of creativity, you have a much better chance of success. The odds are on your side when you go with the pros."

Katz sees the basic philosophy that's working for *The Beverly Hillbillies* as working for the whole CBS lineup. "There's a high level of creativity," Katz says, "that pervades most of the CBS shows. Top creative people from writers, directors, producers right through to talent."

"Look at a show like *77 Sunset Strip*," one executive told TELEVISION. "Warner Brothers get an idea: 'Let's do a show about a couple of private eyes, so we can use our contract players.' Then they farm the idea out to a couple of writers, who are doing the script for nothing except the bucks. They move the camera around to give the show a little 'movement.' The end," he continues, "has to be a schlock result. Would *The Defenders*," he asks rhetorically, "have been as good a show if somebody had gotten the idea for a father and son lawyer team and had farmed out the script? *The Defenders* flows from the creative mind of Reginald Rose. It is this kind of creativeness that is the important lesson to be learned from the entire CBS schedule."

The creative "secret weapon" of *The Beverly Hillbillies* is a soft-spoken, unassuming fellow in his 40s named Paul Henning. His writing credits go back to 1937 and Chicago, where he wrote radio's *Fibber McGee and Molly*. Next, a big move to California and *The Rudy Vallee Show*, in writing company with sophisticates Abe Burrows, Norman Panama, Mel Frank, Jess Oppenheimer and Charles Issacs. Henning's next stint lasted 10 years, writing the *Burns and Allen Show*, first in radio and later in television. Then Henning, together with another *Burns and Allen* writer, Stanley Shapiro, left to do a year of live TV for Dennis Day. During this time they introduced the lovable Charlie Weaver, played by Cliff Arquette, to the world. *The Bob Cummings Show*, still in syndication, was Henning's next writing and creating hit. At the end of the series' network run, Henning teamed again

The strong family feeling among the Hillbillies helps make the show strike home

with Stanley Shapiro to write the original story and screen play, "Lover Come Back," a sophisticated sex comedy featuring Doris Day and Rock Hudson, which won its authors a 1962 Academy Award nomination. The locale and dialogue of "Lover Come Back" are a far cry from those of *The Beverly Hillbillies*. But the laughs they provoke are the same.

GOLDEN CORN

How did a sophisticated Hollywood writer like Paul Henning write the golden corn that is *The Beverly Hillbillies*? The seed was planted long ago. As a child Henning attended Boy Scout camp in the Ozark Mountains outside his native Independence, Mo. Scout hikes took him into isolated hillbilly country where he met the "natives" and became fascinated with them. Additionally, Henning says he's always loved hillbilly humor—"Bob Burns used to have me rolling on the floor." Henning feels that hillbilly humor is the only native American humor, sprung from our pioneers. "All other comedy," he says, "comes from another country."

Henning says he's been kicking the idea of something rural around for a long time. He was anxious to do an uninhibited kind of comedy as a relief from the sophisticated comedy he'd been doing in the Shapiro screen play and in the *Bob Cummings Show*. "I told Marty Ransohoff and Al Simon (president of Filmways TV Productions Inc.) about my idea for the *Hillbillies* and they gave me the go-ahead."

Strangely enough, the setting of *The Beverly Hillbillies* was not always Beverly Hills in Henning's mind. He just considered a back country locale, but then decided that a hillbilly set on TV would tend to get dull. "There would be a lot of poverty, squalor and the physical sight would be very low key." To avoid this Henning took his hillbillies out of the hills and into the lush, plush community of Beverly Hills, California.

After Henning wrote his first script for the pilot, he went into the casting. He feels his primary casting advantage was in having enough time to find the people as he had written them. Henning's principal characters are drawn thusly: "Jed is the cornerstone of the family. He's the undisputed head of the clan and he's really the head—not an inept idiot of a father that the situation comedy shows usually paint him to be. He has dignity, strength and wisdom." Henning points out that Jed may be short on education but he's long on common sense. "He may be untutored in the ways of high society but he has great integrity and strength of character," Henning continues. He feels that Buddy Ebsen is perfect in the part; Henning never thought of anyone else in the role.

"Granny is pretty fiery," says Henning, "but when Jed talks she listens. She's the holdout against modern life. Hers is an attitude of 'I don't give a damn what everybody else does, I make my own soap, my own booze and I make 'em my way—the way I've been doing it for years.' "

Henning has drawn Elly May as "a beautiful child of nature." He admits that she's "something for the boys" but emphasizes in the same breath that "little kids just love her." Elly May gets the most fan mail —"she's about a ton behind in answering it now"—but a great deal of it, Henning says, is from children. "I guess that shows," he laughs, "that little boys fall in love with big girls."

Jethro is the "big good natured hillbilly type of boy." Henning says he's a Mr. America type with a big teenage following.

If many people see sexy overtones in the *Hillbillies'* gag lines, Henning insists it's unintentional. But he says "There's nothing finer than sex—as long as it's clean and doesn't hurt anybody." While everything is strictly on the harmless side (if the Clampetts are carrying on it's definitely not between 9 and 9:30 on Wednesday nights) there's a liberal sprinkling of well-stacked young ladies who make guest appearances, not to mention Elly May, who's there straining her blue jeans and buttons all the time. And it's not too hard to find jokes that mix corn and love life. Like the time Jed was being vamped by a young gold digger, much to the concern of Granny and Aunt Pearl. Pearl says: "They's no fool like a old fool." Granny replies: "Jed ain't old." But Pearl punches home with "He's old enough . . . But he ain't too old an' there's where th' danger is." When Granny reckons Jed's a man "kin keep his feet on th' ground," Pearl says, "Once he puts his arms 'round that girl it won't much matter where he keeps his feet."

JUST PLAIN FUN

Even with his track record for hits, Henning had no idea that *The Beverly Hillbillies* would develop into the great success that it did. Yet as he told Buddy Ebsen in the beginning, "I think the time is right for just plain fun. People want to sit down and have a good laugh. They want to forget their troubles. They don't want any violence. No psychological messages. No unpleasant problems. Just fun." Today he says the mail he gets from viewers seems to bear his theory out.

If there is a formula for success to be learned from *The Beverly Hillbillies*, Paul Henning isn't sure what it is. "You work hard and try your best," he says. Yet he admits that there are times when one works hard and has a flop. "It all has to fall together," he reasons. "The right combination of hard work and good fortune. I guess somebody up there likes us."

It appears that a lot of somebodies down here like the *Hillbillies* too. The show had a mid-season rating of 39 here in the States, and the first episode shown in England got a 42 rating with a 72% share of audience. The series has been shown in Canada since early fall and is currently in fifth place of all television shows and the highest rated half-hour program.

The appeal of *Hillbillies* doesn't seem to be limited to Anglo-Saxon audiences, either. The show recently began in Japan and got a rating of 14.6—called the top yet scored by an American comedy series there.

Henning's theories about the *Hillbillies* are amplified by Alex Gochfeld, vice president of the Institute for Motivational Research in Croton-on-Hudson, New York. Gochfeld, a regular viewer of the *Hillbillies* program, finds it an "exceptionally well-written and produced show." He feels there's a sense of skill about the productions that come through in the presentation. But Gochfeld also sees strong psychological motivation for the program's great audience appeal. "It plays back the original rags to riches story in an easily palatable and comprehensive way."

Gochfeld sees *Hillbillies* as a reaffirmation of what Americans think of their heritage. The Clampetts epitomize the old values—the things that were cherished in the beginning of our society. "So many people have been faced with the rise in society. They feel guilty about having to change, to give in more and more to the pressures of society. With the Clampetts they see a family which is faced with sudden wealth but which doesn't change, refuses to conform. They keep the same clothes, car, speech they had before they got $25 million."

Most Americans are proud of achievement in society by people of humble origins. Gochfeld says this is especially true today, when it seems that more and more frequently people have to be born into wealth to succeed. This being the case, Gochfeld says the folks at home find it nice to remember the success stories of Grant, Lincoln and Jackson — all of humble origins who made good and didn't change.

The motivational research expert says the show deals strongly with a basic American conflict. "It takes in the whole problem of snobbism. On one hand we buy foreign cars, wear foreign clothes—we do lots of things for snob appeal. Yet on the other hand, there's nothing worse than being a snob. In Europe, the upper classes are trained to be snobs. They're proud of it. Yet we in America do the same things the Europeans do and here it's the worst insult imaginable to be called a snob."

Gochfeld also sees the program as "the epitome of satire," something he feels there's very little of on television or in the other art forms. This may be at the core of the audience appreciation, he says. "Comedy as we know it is usually burlesque—one gag that's told at the dinner table and then forgotten. But *The Beverly Hillbillies* is satire. It's based on a situation that's built and continues to be developed."

Martin Ransohoff feels that audiences identify strongly with the Clampetts. Gochfeld feels that it's more realistically a viewer "sympathy." "If the Clampetts make gauche mistakes, the audience doesn't think how stupid. They're painfully embarrassed for them." He sees the audience psychologically supporting the *Hillbillies*. If viewers identify with them, it's in a broad sense. "They see the Clampetts as the 'Inner Joneses' rather than the 'Outer Joneses.' "

FAMILY FEELING

There is a strong family feeling in the *Hillbillies* that Gochfeld feels helps the show strike home—for example, "the two attractive youngsters who do exactly as they're told. Parents sit at home, in an atmosphere of rebellious youth, look at them and say 'I wish mine were like that.' " And if the Clampetts with their guns and folkways are ridiculous, their family situations are not. Gochfeld points out the constant bickering that goes on between Aunt Pearl, whom he sees as a sort of mother-in-law image, an outsider, and Granny, the insider, is the same basic conflict faced by many in the audience at home.

Most important, Gochfeld feels, is the overall wholesomeness of the program. "There's no violence, a strong family situation, a love of home that's stressed. People are tired," says Gochfeld, "of the psychotic, the twisted, the shows with psychological overtones. In the old days, Americans had an answer for everything. Now the problems of the world, constantly pressing in on them, are things like Cuba, Russia, the hydrogen bomb, automation. These are problems that have no glib answers. People rebel against them. They turn away from them. *The Beverly Hillbillies* allows them to forget their problems. They can watch it, laugh at it and then forget it."

N. W. Ayer program analyst James H. Cornell hasn't forgotten *The Beverly Hillbillies* since he saw the show's pilot. As far back as the October issue of TELEVISION, Cornell had picked *The Hillbillies* as perhaps "the runaway hit of the season."

When it was screened Cornell recalls that everyone who saw the show "rolled with laughter." But while it got great yocks every place many agency men thought it was a one-joke show, that it would never last and that as soon as the novelty wore off, *The Beverly Hillbillies* would have had it.

PURPOSE OF HUMOR

Cornell says it's possible that some of the show's success can be traced to a change in direction of program types. A few years ago there was an upsurge of programs that focused on warm, natural humor—the kind that rises out of family relationships—but Cornell sees them as having worn out. To his way of thinking, the purpose of humor is to make people laugh—"shows that only make you smile," he says, "don't get ratings."

Speaking about the competitive situation, Cornell points out that on NBC, the audience that had been built up by *The Virginian* was all wrong for the *Perry Como Show*. Como, Cornell says, is strongest with women over 50. *Virginian* fans switched over to the *Hillbillies*, giving CBS added audience.

Whatever the reasons for the rise of *The Beverly Hillbillies*, they will have changed the face of Wednesday nights at 9 p.m. next season.

ABC has moved its biggest gun, *Ben Casey*, from its Monday slot at 10 to oppose the *Hillbillies* with its first half hour. Julius Barnathan says the move was made because Wednesday night at 9 showed an increase of sets in use and *Casey* could get by even with 15 share points less in that spot than it gets now on Monday night. ABC also is counting on NBC being so weak that *Casey* will only be up against one formidable foe. Barnathan feels that hour shows usually win out against half-hour shows anyway and, beyond that, that viewers will watch the second half of an hour show even if they miss the first half.

ABC is counting on *Casey* to shore up Wednesday night. They'd rather have him—"a strong show with its own momentum"—than be forced to put a new show without any momentum against the popular *Hillbillies*. More than that, if *Casey* does win big on Wednesday at 9 he'll feed a big lead-in audience to ABC's 10 p.m. period. On Monday night they lose all that lead-in at 11. Barnathan sees Wednesday night at 9 next fall as a two-network economy, with *Casey* and *Hillbillies* both successful.

But Barnathan doesn't minimize the risk of changing what was a successful time period for *Casey*. "Any time you move," he says, "you jeopardize a situation. It's part of the risk we have to take." He goes on to say that "You weigh both sides of the coin, use your best judgments of the facts at the time and try not to regret making the decision. You have a hot potato by the handle and you try to handle it the best way you know how."

Mort Werner refuses to acknowledge that next fall's Wednesday at 9 will be a CBS and ABC fight with NBC out in the cold. He admits that it's no easy matter to be faced with two of the top shows in television as your competition. "We could have dogged it," Werner says —"filled in with anything and said to hell with it since the odds against being Number 1 in the time period are very limited." But Werner says NBC plans to run a show with exactly the "ingenuity, brains and necessary dollars to back up a show in that time period."

Espionage is the NBC entry into the Wednesday night sweepstakes. The network has made a deal with Herbert Brodkin to produce a hard-hitting spy series. "With Brodkin in the driver's seat," says Werner, "and the best talent, writing and the necessary funds, we hope to do a show of the finest first-rate quality." The series will be based on spy stories from the present and the recent past, with the "best actors we can get." There will be no host or continuing characters. (As yet there is no full sponsorship, either. Buick Motors is the first volunteer participant but there are still openings for "brave" sponsors.)

NBC's basic problem with *Espionage* will be to get people to sample the show. "It's like having the best hot dogs in town, while people are going to the restaurant across the street," says Werner. But all hope is not gone. *Ben Casey* is in his third year on television and may have reached his peak. *The Virginian*, which provides the lead-in for the 9 o'clock show, is continuing to grow and build its audience. It could well provide the right lead-in audience to stay with *Espionage*. Werner adds that "we see 9 to 10 o'clock Wednesday night as an interesting opportunity."

The success of *The Beverly Hillbillies* is perhaps summed up best by Julius Barnathan. "You have to guess what's going to be a hit. It's not easy to define. Some shows have great scripts, great casts, great time periods and they don't go. The chemistry doesn't work." As Barnathan sees it, *The Beverly Hillbillies* is a hit because the public liked it. In the end they are the only programming experts. END

TELESTATUS

Exclusive estimates computed by Television Magazine's research department for all markets, updated each month from projections for each U.S. county

MAY TELEVISION HOMES

TV HOMES in each market are derived in part from TELEVISION MAGAZINE's county-by-county projections of television penetration and the measurement of total households made by the Bureau of the Census in 1960, plus various industry interim reports.

The coverage area of a television market is defined by TELEVISION MAGAZINE's research department. Antenna height, power and terrain determine the physical contour of a station's coverage and the probable quality of reception.

Other factors, however, may well rule out any incidence of viewing despite the quality of the signal. Network affiliations, programming and the number of stations in the service area must all be taken into consideration. The influence of these factors is reflected in the various industry audience measurement surveys made on a county-by-county basis which are accepted by the magazine for determination of viewing levels in individual television markets.

After testing various formulae, TELEVISION MAGAZINE adopted a method which utilizes a flexible cut-off point of 25%. *Television homes in a county generally will be credited to a market if one-quarter of these homes view the dominant station in the market at least one night a week.*

Penetration figures in markets with both VHF and UHF facilities refer to VHF only.

The television penetration potential varies by sections of the country. Many areas in New England have achieved a saturation level above 90%. Other areas—sections of the South, for example—have reached a rather lower plateau. Future increases from either level can be expected to be distributed over a longer period of time than was characterized by the early stages of television growth.

In a number of markets, therefore, the TV homes count is at a temporary plateau. These markets will be held for an indefinite period of time. The factor chiefly responsible for this situation is that penetration increases are often offset by current trends of population movement which for some regions have shown at least a temporary decline.

In some markets it has been impossible to evaluate the available and sometimes contradictory data. These areas are under surveillance by this magazine's research department and new figures will be reported as soon as a sound estimate can be made.

In many regions individual markets have been combined in a dual-market listing. This has been done whenever there is almost complete duplication of the television coverage area and no substantial difference in television homes. Furthermore, the decision to combine markets is based upon advertiser use and common marketing practice.

The coverage picture is constantly shifting. Conditions are altered by the emergence of new stations and by changes in power, antenna, channel and network affiliation. For this reason our research department is continuously reexamining markets and revising TV homes figures accordingly where updated survey data becomes available. For a complete explanation of the various symbols used in this section, refer to the "footnote" key at the bottom of each page.

MAY 1963

TOTAL U.S. TV HOMES 50,707,000

TOTAL U.S. HOUSEHOLDS 55,670,000

U.S. TV PENETRATION 91%

Unlike other published coverage figures, these are neither station nor network estimates. They are copyrighted and may not be reproduced without permission. Listed below are all commercial stations on the air.

Market & Stations—% Penetration	TV Homes
ABERDEEN, S. D.—83 KXAB-TV (N,C,A)	25,500
ABILENE, Tex.—86 KRBC-TV (N) (KRBC-TV operates satellite KACB-TV San Angelo, Tex.)	***81,600
ADA, Okla.—82 KTEN (A,C,N)	83,300
AGANA, Guam KUAM-TV (C,N,A)	††
AKRON, Ohio—45 WAKR-TV† (A)	†71,700
ALBANY, Ga.—80 WALB-TV (A,N)	164,000
ALBANY-SCHENECTADY-TROY, N. Y.—93 WTEN (C); WAST (A); WRGB (N) (WTEN operates satellite WCDC, Adams, Mass.)	**427,400
ALBUQUERQUE, N. M.—84 KGGM-TV (C); KOAT-TV (A); KOB-TV (N)	166,400
ALEXANDRIA, La.—80 KALB-TV (A,C,N)	107,300
ALEXANDRIA, Minn.—81 KCMT (N,A)	103,900
ALPINE, Tex. KVLF-TV (A)	†††
ALTOONA, Pa.—89 WFBG-TV (A,C)	309,100
AMARILLO, Tex.—88 KFDA-TV (C); KGNC-TV (N); KVII-TV (A)	123,500
AMES, Iowa—91 WOI-TV (A)	286,200
ANCHORAGE, Alaska—93 KENI-TV (A,N); KTVA (C)	23,200
ANDERSON, S. C. WAIM-TV (A,C)	††
ARDMORE, Okla—81 KXII (N)	78,000
ASHEVILLE, N. C., GREENVILLE-SPARTANBURG, S. C.—85 WISE-TV† (C,N); WLOS-TV (A); WFBC-TV (N); WSPA-TV (C)	447,800 ††
ATLANTA, Ga.—88 WAGA-TV (C); WAII-TV (A); WSB-TV (N)	595,400
AUGUSTA, Ga.—82 WJBF-TV (A,N); WRDW-TV (C)	201,900
AUSTIN, Minn.—89 KMMT (A)	182,300
AUSTIN, Tex.—84 KTBC-TV (A,C,N)	145,800
BAKERSFIELD, Calif.—93 KBAK-TV† (C); KERO-TV (N); KLYD-TV† (A)	142,800 †68,600
BALTIMORE, Md.—93 WJZ-TV (A); WBAL-TV (N); WMAR-TV (C)	783,700
BANGOR, Me.—88 WABI-TV (A,C); WLBZ-TV (N,A) (Includes CATV Homes)	102,300
BATON ROUGE, La.—85 WAFB-TV (C,A); WBRZ (N,A)	291,700
BAY CITY-SAGINAW-FLINT, Mich.—93 WNEM-TV (N); WKNX-TV† (C), WJRT (A)	397,200 †61,600
BEAUMONT-PORT ARTHUR, Tex.—88 KFDM-TV (C); KPAC-TV (N); KBMT-TV (A)	167,600
BELLINGHAM, Wash.—89 KVOS-TV (C)	*49,200
BIG SPRING, Tex.—87 KWAB-TV (A,C)	20,700
BILLINGS, Mont.—83 KOOK-TV (A,C); KULR-TV (N)	60,400
BILOXI, Miss. WLOX-TV (A)	†††
BINGHAMTON, N. Y.—90 WNBF-TV (C); WINR-TV† (N); WBJA-TV† (A)	236,300 †49,500
BIRMINGHAM, Ala.—79 WAPI-TV (N); WBRC-TV (A,C)	442,800
BISMARCK, N. D.—83 KXMB-TV (A,C); KFYR-TV (N,A) (KFYR-TV operates satellites KUMV-TV, Williston, N. D., and KMOT, Minot, N. D.)	**46,800
BLOOMINGTON, Ind.—90 WTTV (See also Indianapolis, Ind.)	671,600
BLUEFIELD, W. Va.—82 WHIS-TV (N,A)	139,100
BOISE, Idaho—88 KBOI-TV (C); KTVB (A,N)	82,000
BOSTON, Mass.—94 WBZ-TV (N); WNAC-TV (A,C); WHDH-TV (C,N)	1,815,900
BOWLING GREEN, Ky. WLTV	†††
BRISTOL, Va.-JOHNSON CITY-KINGSPORT, Tenn.—78 WCYB-TV (A,N); WJHL-TV (A,C)	190,500
BRYAN, Tex.—80 KBTX-TV (A,C)	45,300
BUFFALO, N. Y.—94 WBEN-TV (C); WGR-TV (N); WKBW-TV (A)	*583,900
BURLINGTON, Vt.—88 WCAX-TV (C)	*162,500
BUTTE, Mont.—82 KXLF-TV (A,C,N)	55,600
CADILLAC, Mich.—88 WWTV (A,C) (Operates satellite WWUP-TV, Sault Ste. Marie, Mich.)	***115,800
CAGUAS, P.R. WKBM-TV	††
CAPE GIRARDEAU, Mo.—80 KFVS-TV (C)	239,100
CARLSBAD, N. M.—87 KAVE-TV (A,C)	12,900
CARTHAGE-WATERTOWN, N. Y.—91 WCNY-TV (A,C) (Includes CATV Homes)	*92,100
CASPER, Wyo.—83 KTWO-TV (A,N,C)	44,000
CEDAR RAPIDS-WATERLOO, Iowa—91 KCRG-TV (A); WMT-TV (C); KWWL-TV (N)	307,100
CHAMPAIGN, ILL.—89 WCIA (C); WCHU† (N)1 (1See Springfield listing)	328,200
CHARLESTON, S. C.—82 WCSC-TV (C); WUSN-TV (A); WCIV-TV (N)	143,800
CHARLESTON-HUNTINGTON, W. Va.—83 WCHS-TV (C); WHTN-TV (A); WSAZ-TV (N)	428,400
CHARLOTTE, N. C.—86 WBTV (C,A); WSOC-TV (N,A)	612,400
CHATTANOOGA, Tenn.—83 WDEF-TV (A,C); WRCB-TV (N); WTVC (A)	210,200
CHEBOYGAN, Mich.—85 WTOM-TV (N,A) (See also Traverse City)	36,500
CHEYENNE, Wyo.—85 KFBC-TV (A,C,N) (Operates satellite KSTF, Scottsbluff, Neb.)	**90,400

■ Major facility change in market subsequent to latest county survey measurement date.
• Market's coverage area being re-evaluated.
† U.H.F.
†† Incomplete data.
††† New station; coverage study not completed.
* U.S. Coverage only.
** Includes circulation of satellite (or booster).
*** Does not include circulation of satellite.

Market & Stations—% Penetration	TV Homes
CHICAGO, Ill.—95 WBBM-TV (C); WBKB (A), WGN-TV; WNBQ (N)	2,311,300
CHICO, Calif.—87 KHSL-TV (A,C)	129,900
CINCINNATI, Ohio—91 WCPO-TV (C); WKRC-TV (A); WLWT (N)	■756,600
CLARKSBURG, W. Va.—85 WBOY-TV (A,C,N)	95,000
CLEVELAND, Ohio—94 WEWS (A); KYW-TV (N), WJW-TV (C)	1,307,200
CLOVIS, N. M.—83 KICA-TV (A,C)	19,900
COLORADO SPRINGS-PUEBLO, Colo.—87 KKTV (C); KRDO-TV (A); KOAA-TV (N)	99,200
COLUMBIA-JEFFERSON CITY, Mo.—84 KOMU-TV (A,N); KRCG-TV (A,C) (KRCG-TV operates satellite KMOS-TV, Sedalia, Mo.)	**130,200
COLUMBIA, S. C.—82 WIS-TV (N); WNOK-TV† (C); WCCA-TV† (A)	228,400 ■†39,100
COLUMBUS, Ga.—80 WTVM (A,N), WRBL-TV (C)	■187,300
COLUMBUS, Miss.—79 WCBI-TV (C,N,A)	76,200
COLUMBUS, Ohio—92 WBNS-TV (C); WLWC (N); WTVN-TV (A)	487,100
COOS BAY, Ore.—79 KCBY-TV (N)	13,700
CORPUS CHRISTI, Tex.—87 KRIS-TV (N); KZTV (C,A)	112,000

Market & Stations—% Penetration	TV Homes
DALLAS-FT. WORTH, Tex.—90 KRLD-TV (C); WFAA-TV (A); KTVT; WBAP-TV (N)	771,500
DAVENPORT, Iowa-ROCK ISLAND, Ill.—92 WOC-TV (N); WHBF-TV (A,C)	333,000
DAYTON, Ohio—93 WHIO-TV (C); WLWD (A,N)	506,400
DAYTONA BEACH-ORLANDO, Fla.—92 WESH-TV (N); WDBO-TV (C); WFTV (A)	335,200
DECATUR, Ala.—49 WMSL-TV† (C,N)	†41,600
DECATUR, Ill.—83 WMSI-TV† (C,N)	†126,500
DENVER, Colo.—91 KBTV (A); KLZ-TV (C); KOA-TV (N); KCTO	377,700
DES MOINES, Iowa—91 KRNT-TV (C); WHO-TV (N)	267,700
DETROIT, Mich.—96 WJBK-TV (C); WWJ-TV (N); WXYZ (A); WJMY-TV†	*1,608,800 †††
DICKINSON, N. D.—81 KDIX-TV (C)	18,500
DOTHAN, Ala.—78 WTVY (A,C)	114,600
DULUTH, Minn.-SUPERIOR, Wis.—88 KDAL-TV (C), WDSM-TV (A,N)	161,600
DURHAM-RALEIGH, N. C.—85 WTVD (C,N); WRAL-TV (A,N)	354,700
EAU CLAIRE, Wis.—86 WEAU-TV (A,C,N)	88,800
EL DORADO, Ark.-MONROE, La.—80 KTVE (A,N); KNOE-TV (A,C)	169,300
ELK CITY, Okla. KSWB-TV	†††
ELKHART-SOUTH BEND, Ind.—66 WSJV-TV† (A); WSBT-TV† (C); WNDU-TV† (N)	■†143,900
EL PASO, Tex.—88 KELP-TV (A); KROD-TV (C); KTSM-TV (N)	*110,100
ENID, Okla. (See Oklahoma City)	
ENSIGN, Kan.—83 KTVC (C)	37,400
ERIE, PA.—91 WICU-TV (A); WSFE-TV† (C,N) (Includes CATV Homes)	173,000 †61,300
EUGENE, Ore.—88 KVAL-TV (N); KEZI-TV (A) (KVAL operates satellite KPIC-TV, Roseburg, Ore.)	**104,400
EUREKA, Calif.—86 KIEM-TV (A,C); KVIQ-TV (A,N)	55,500
EVANSVILLE, Ind.-HENDERSON, Ky.—83 WFIE-TV† (N); WTVW (A); WEHT-TV† (C)	217,500 †116,000
FAIRBANKS, Alaska—85 KFAR-TV (A,N); KTVF (C)	10,800
FARGO, N. D.—84 WDAY-TV (N); KXGO-TV (A) (See also Valley City, N. D.)	151,600
FLINT-BAY CITY-SAGINAW, Mich.—93 WJRT (A); WNEM (N); WKNX-TV† (C)	397,200 †61,600
FLORENCE, Ala.—70 WOWL-TV† (C,N,A)	†21,800
FLORENCE, S. C.—80 WBTW (A,C,N)	157,100

Market & Stations—% Penetration	TV Homes
FT. DODGE, Iowa—64 KQTV† (N)	†29,500
FT. MYERS, Fla.—91 WINK-TV (A,C)	35,100
FT. SMITH, Ark.—76 KFSA-TV (C,N,A)	68,300
FT. WAYNE, Ind.—80 WANE-TV† (C); WKJG-TV† (N); WPTA-TV† (A)	†168,600
FT. WORTH-DALLAS, Tex.—90 KTVT; WBAP-TV (N); KRLD-TV (C); WFAA-TV (A)	771,500
FRESNO, Calif.—73 KFRE-TV† (C); KJEO-TV† (A); KMJ-TV† (N); KAIL-TV†; KICU-TV† (Visalia)	■†195,500
GLENDIVE, Mont.—83 KXGN-TV (C,A)	3,900
GRAND FORKS, N. D.—88 KNOX-TV (A,N)	38,200
GRAND JUNCTION, Colo.—82 KREX-TV (A,C,N) (Operates satellite KREY-TV, Montrose, Colo.)	**28,400
GRAND RAPIDS-KALAMAZOO, Mich.—92 WOOD-TV (N); WKZO-TV (C); WZZM-TV (A)	■558,900
GREAT FALLS, Mont.—85 KFBB-TV (A,C,N); KRTV (Includes CATV Homes)	57,500
GREEN BAY, Wis.—90 WBAY-TV (C); WFRV (N); WLUK-TV (A)	312,600
GREENSBORO-WINSTON-SALEM, N. C.—87 WFMY-TV (A,C); WSJS-TV (N)	395,800
GREENVILLE-SPARTANBURG, S.C., ASHEVILLE, N. C. WFBC-TV (N), WSPA-TV (C); WLOS-TV (A); WISE-TV† (C,N)	447,800 ††
GREENVILLE-WASHINGTON, N. C.—84 WNCT (A,C); WITN (N)	■218,900
GREENWOOD, Miss.—78 WABG-TV (C)	77,500
HANNIBAL, Mo.-QUINCY, Ill.—87 KHQA (C,A); WGEM-TV (A,C)	160,400
HARLINGEN-WESLACO, Tex.—81 KGBT-TV (A,C); KRGV-TV (A,N)	*70,700
HARRISBURG, Ill.—81 WSIL-TV (A) (WSIL-TV operates satellite KPOB-TV†, Poplar Bluff, Mo.)	***192,800
HARRISBURG, Pa.—83 WHP-TV† (C); WTPA† (A)	†130,000
HARRISONBURG, Va.—78 WSVA-TV (A,C,N)	69,200
HARTFORD-NEW HAVEN-NEW BRITAIN, Conn.—95 WTIC-TV (C); WNHC-TV (A); WHNB-TV† (N); WHCT†	730,100 †336,300
HASTINGS, Neb.—86 KHAS-TV (N)	103,400
HATTIESBURG, MISS.—87 WDAM-TV (A,N)	56,800
HAYS, Kan.—80 KAYS-TV (C) (Operates satellite KLOE-TV, Goodland, Kan.)	**60,600

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Market & Stations—% Penetration	TV Homes
HELENA, Mont.—85 KBLL-TV (C,N)	7,700
HENDERSON, Ky.-EVANSVILLE, Ind.—83 WEHT-TV† (C); WFIE-TV† (N); WTVW (A)	217,500 †116,000
HENDERSON-LAS VEGAS, Nev.—92 KORK-TV (N); KLAS-TV (C); KSHO-TV (A)	54,000
HOLYOKE-SPRINGFIELD, Mass.—91 WWLP† (N); WHYN-TV† (A,C) (WWLP operates satellite WRLP†, Greenfield, Mass.)	**†181,600
HONOLULU, Hawaii—88 KGMB-TV (C); KONA-TV (N); KHVH-TV (A); KTRG-TV (Satellites: KHBC-TV, Hilo and KMAU-TV, Wailuku to KGMB-TV. KMVI-TV, Wailuku and KHJK-TV, Hilo to KHVH; KALA, Wailuku to KONA-TV)	**143,500
HOT SPRINGS, Ark.—82 KFOY-TV	13,700
HOUSTON, Tex.—89 KPRC-TV (N); KTRK-TV (A); KHOU-TV (C)	519,300
HUNTINGTON-CHARLESTON, W. Va.—83 WHTN-TV (A); WSAZ-TV (N); WCHS-TV (C)	428,400
HUNTSVILLE, Ala.—43 WAFG-TV† (A)	†18,900
HUTCHINSON-WICHITA, Kan.—87 KTVH (C); KAKE-TV (A); KARD-TV (N) (KGLD-TV, Garden City, KCKT-TV, Great Bend, and KOMC-TV, Oberlin-McCook, satellites of KARD-TV)	■**352,700
IDAHO FALLS, Idaho—88 KID-TV (A,C); KIFI-TV (N)	65,400
INDIANAPOLIS, Ind.—91 WFBM-TV (N); WISH-TV (C); WLWI (A) (See also Bloomington, Ind.)	694,100
JACKSON, Miss.—84 WJTV (C); WLBT (A,N)	■274,800
JACKSON, Tenn.—76 WDXI-TV (A,C)	64,200
JACKSONVILLE, Fla.—87 WJXT (C,A); WFGA-TV (N,A)	270,300
JEFFERSON CITY-COLUMBIA, Mo.—84 KRCG-TV (A,C); KOMU-TV (A,N) (KRCG-TV operates satellite KMOS-TV, Sedalia, Mo.)	**130,200
JOHNSON CITY-KINGSPORT, Tenn.-BRISTOL, Va.—78 WJHL-TV (A,C); WCYB-TV (A,N)	190,500
JOHNSTOWN, Pa.—91 WARD-TV† (A,C); WJAC-TV (N,A)	579,600 ††
JOPLIN, Mo.-PITTSBURG, Kan.—82 KODE-TV (A,C); KOAM-TV (A,N)	144,600
JUNEAU, Alaska—69 KINY-TV (C)	2,400
KALAMAZOO-GRAND RAPIDS, Mich.—92 WKZO-TV (C); WOOD-TV (N); WZZM-TV (A)	■558,900
KANSAS CITY, Mo.—90 KCMO-TV (C); KMBC-TV (A); WDAF-TV (N)	613,900
KEARNEY, Neb.—86 KHOL-TV (A) (Operates satellite KHPL-TV, Hayes Center, Neb.)	■**101,200
KLAMATH FALLS, Ore.—88 KOTI-TV (A,C,N)	26,900
KNOXVILLE, Tenn.—77 WATE-TV (N); WBIR-TV (C), WTVK† (A)	247,700 †44,000
LA CROSSE, Wis.—87 WKBT (A,C,N)	110,500
LAFAYETTE, La.—83 KLFY-TV (C) (Includes CATV Homes)	■120,500
LAKE CHARLES, La.—83 KPLC-TV (N)	104,800

Market & Stations—% Penetration	TV Homes
LANCASTER-LEBANON, Pa.—89 WGAL-TV (N); WLYH-TV† (C)	572,100 †117,500
LANSING, Mich.—93 WJIM-TV (C,A); WILX-TV (N) (Onondaga)	370,100
LAREDO, Tex.—80 KGNS-TV (A,C,N)	14,500
LA SALLE, Ill. (See Peoria, Ill.)	
LAS VEGAS-HENDERSON, Nev.—92 KLAS-TV (C); KSHO-TV (A); KORK-TV (N)	54,000
LAWTON, Okla. (See Wichita Falls, Tex.)	
LEBANON, Pa. (See Lancaster, Pa.)	
LEXINGTON, Ky.—56 WLEX-TV† (N); WKYT† (A,C)	†72,200
LIMA, Ohio—68 WIMA-TV† (A,C,N)	†45,800
LINCOLN, Neb.—87 KOLN-TV (C) (Operates satellite KGIN-TV, Grand Island, Neb.)	**208,300
LITTLE ROCK, Ark.—80 KARK-TV (N); KTHV (C); KATV (A)	238,700
LOS ANGELES, Calif.—97 KABC-TV (A); KCOP; KHJ-TV; KTLA; KNXT (C); KNBC (N); KTTV; KMEX-TV†	3,090,800 †††
LOUISVILLE, Ky.—84 WAVE-TV (N); WHAS-TV (C); WLKY-TV† (A)	422,300 †††
LUBBOCK, Tex.—88 KCBD-TV (N); KLBK-TV (C,A)	123,300

Market & Stations—% Penetration	TV Homes
LUFKIN, Tex.—80 KTRE-TV (N,C,A)	58,800
LYNCHBURG, Va.—85 WLVA-TV (A)	174,900
MACON GA.—83 WMAZ-TV (A,C,N)	119,800
MADISON, Wis.—88 WISC-TV (C); WKOW-TV† (A), WMTV† (N)	250,300 †109,800
MANCHESTER, N. H.—90 WMUR-TV (A)	152,300
MANKATO, Minn.—85 KEYC-TV (C)	110,400
MARINETTE, Wis. (See Green Bay)	
MARION, Ind. WTAF-TV†	†††
MARQUETTE, Mich.—88 WLUC-TV (C,N,A)	60,300
MASON CITY, Iowa—89 KGLO-TV (C)	167,100

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Market & Stations—% Penetration	TV Homes
MAYAGUEZ, P. R. WORA-TV	††
MEDFORD, Ore.—89 KBES-TV (A,C); KMED-TV (N)	43,800
MEMPHIS, Tenn.—81 WHBQ-TV (A); WMCT (N); WREC-TV (C)	498,600
MERIDIAN, Miss.—82 WTOK-TV (A,C,N)	131,100
MESA-PHOENIX, Ariz.—89 KTAR-TV (N); KTVK (A); KPHO-TV; KOOL-TV (C)	255,500
MIAMI, Fla.—95 WCKT (N); WLBW-TV (A); WTVJ (C)	667,100
MIDLAND-ODESSA, Tex.—91 KMID-TV (A,N); KOSA-TV (C); KDCD-TV†	108,200 ††
MILWAUKEE, Wis.—95 WISN-TV (C); WITI-TV (A); WTMJ-TV (N); WUHF-TV†	649,900 †172,300
MINNEAPOLIS-ST. PAUL, Minn.—92 KMSP-TV (A); KSTP-TV (N); WCCO-TV (C); WTCN-TV	756,000
MINOT, N. D.—82 KXMC-TV (A,C); KMOT-TV (A,N)	*38,500
MISSOULA, Mont.—84 KMSO-TV (A,C)	58,000
MITCHELL, S. D.—84 KORN-TV (A,N)	31,500
MOBILE, Ala.—84 WALA-TV (N); WKRG-TV (C); WEAR-TV (A) (Pensacola)	282,500

Market & Stations—% Penetration	TV Homes
MONAHANS, Tex.—88 KVKM-TV (A)	■33,200
MONROE, La.-EL DORADO, Ark.—80 KNOE-TV (A,C); KTVE (A,N)	169,300
MONTEREY-SALINAS, Calif. (See Salinas)	
MONTGOMERY, Ala.—75 WCOV-TV† (C); WSFA-TV (N,A); WCCB-TV† (A)	166,100 †46,600
MUNCIE, Ind.—59 WLBC-TV† (A,C,N)	†23,000
NASHVILLE, Tenn.—80 WLAC-TV (C); WSIX-TV (A); WSM-TV (N)	446,300
NEW HAVEN-NEW BRITAIN-HARTFORD, Conn.—95 WNHC-TV (A); WTIC-TV (C); WHNB-TV† (N); WHCT†	730,100 †336,300
NEW ORLEANS, La.—89 WDSU-TV (N); WVUE-TV (A); WWL-TV (C)	438,700
NEW YORK, N. Y.—95 WABC-TV (A); WNEW-TV; WCBS-TV (C); WOR-TV; WPIX; WNBC-TV (N)	5,538,900
NORFOLK, Va.—86 WAVY (N); WTAR-TV (C); WVEC-TV (A)	314,000
NORTH PLATTE, Neb.—86 KNOP-TV (N)	26,200
OAK HILL, W. Va.—81 WOAY-TV (A,C)	89,500
OAKLAND-SAN FRANCISCO, Calif.—93 KTVU; KRON-TV (N); KPIX (C); KGO-TV (A)	1,417,300
ODESSA-MIDLAND, Tex.—91 KOSA-TV (C); KMID-TV (A,N); KDCD-TV†	108,200
OKLAHOMA CITY, Okla.—88 KWTV (C); WKY-TV (N); KOCO-TV (A) (Enid)	350,000
OMAHA, Neb.—91 KMTV (N); WOW-TV (C); KETV (A)	325,300
ORLANDO-DAYTONA BEACH, Fla.—92 WDBO-TV (C); WFTV (A); WESH-TV (N)	335,200
OTTUMWA, Iowa—87 KTVO (C,N,A)	103,200
PADUCAH, Ky.—80 WPSD-TV (N)	■193,200
PANAMA CITY, Fla.—83 WJHG-TV (A,N)	■29,600
PARKERSBURG, W. Va.—54 WTAP† (A,C,N)	†22,700
PEMBINA, N. D.—82 KCND-TV (A)	*14,700
PEORIA, Ill.—77 WEEK-TV† (N); WMBD-TV† (C); WTVH† (A) (WEEK-TV† operates WEEQ-TV†, La Salle, Ill.)	**†168,600
PHILADELPHIA, Pa.—95 WCAU-TV (C); WFIL-TV (A); WRCV-TV (N)	2,096,500
PHOENIX-MESA, Ariz.—89 KOOL-TV (C); KPHO-TV; KTVK (A); KTAR-TV (N)	255,500
PITTSBURG, Kan.-JOPLIN, Mo.—82 KOAM-TV (A,N); KODE-TV (A,C)	144,600
PITTSBURGH, Pa.—93 KDKA-TV (C); WIIC (N); WTAE (A)	1,250,500
PLATTSBURG, N. Y.—89 WPTZ (A,N)	■*125,100
POLAND SPRING, Me.—90 WMTW-TV (A) (Mt. Washington, N. H.)	330,400

Market & Stations—% Penetration	TV Homes
PONCE, P. R. WSUR-TV; WRIK-TV	††
PORT ARTHUR-BEAUMONT, Tex.—88 KBMT-TV (A); KPAC-TV (N); KFDM-TV (C)	167,600
PORTLAND, Me.—91 WCSH-TV (N); WGAN-TV (C)	230,700
PORTLAND, Ore.—91 KGW-TV (N); KOIN-TV (C); KPTV (A); KATU-TV	477,400
PRESQUE, ISLE, Me.—87 WAGM-TV (A,C,N)	23,000
PROVIDENCE, R. I.—95 WJAR-TV (N); WPRO-TV (C); WTEV (A) (New Bedford, Mass.)	711,800
PUEBLO-COLORADO SPRINGS, Colo.—87 KOAA-TV (N); KKTV (C); KRDO-TV (A)	99,200
QUINCY, Ill.-HANNIBAL, Mo.—87 WGEM-TV (A,N); KHQA-TV (C,A)	160,400
RALEIGH-DURHAM, N. C.—85 WRAL-TV (A,N); WTVD (C,N)	354,700
RAPID CITY, S. D.—86 KOTA-TV (A,C); KRSD-TV (N) (KOTA-TV operates satellite KDUH-TV, Hay Springs, Neb.) (KRSD-TV operates satellite KDSJ-TV, Deadwood, S. D.)	**56,900
REDDING, Calif.—87 KVIP-TV (A,N)	83,700
RENO, Nev.—90 KOLO-TV (A,C); KCRL (N)	49,700
RICHMOND, Va.—87 WRVA-TV (A); WTVR (C); WXEX-TV (N) (Petersburg, Va.)	303,500
RIVERTON, Wyo.—83 KWRB-TV (C,N,A)	12,700
ROANOKE, Va.—85 WDBJ-TV (C); WSLS-TV (A,N)	326,400
ROCHESTER, Minn.—89 KROC-TV (N)	146,000
ROCHESTER, N. Y.—94 WROC-TV (N); WHEC-TV (C); WOKR (A)	330,500
ROCKFORD, Ill.—92 WREX-TV (A,C); WTVO† (N)	211,300 †106,400
ROCK ISLAND, Ill.-DAVENPORT, Iowa—92 WHBF-TV (A,C); WOC-TV (N)	333,000
ROME-UTICA, N. Y. (See Utica)	
ROSWELL, N. M.—88 KSWS-TV (A,C,N)	■15,500
SACRAMENTO-STOCKTON, Calif.—93 KXTV (C); KCRA-TV (N); KOVR (A)	602,000
SAGINAW-BAY CITY-FLINT, Mich.—93 WKNX-TV† (C); WNEM-TV (N); WJRT (A)	397,200 †61,600
ST. JOSEPH, Mo.—85 KFEQ-TV (C,A)	143,600

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Market & Stations—% Penetration — TV Homes

ST. LOUIS, Mo.—91 — 847,900
KSD-TV (N); KTVI (A); KMOX-TV (C); KPLR-TV

ST. PAUL-MINNEAPOLIS, Minn.—92 — 756,000
WTCN-TV; WCCO-TV (C), KSTP (N); KMSP-TV (A)

ST. PETERSBURG-TAMPA, Fla.—92 — 482,500 / †301,000
WSUN-TV† (A); WFLA-TV (N); WTVT (C)

ST. THOMAS, V. I. — ††
WBNB-TV (C,N,A)

SALINA, Kan. — †††
KSLN-TV† (A)

SALINAS-MONTEREY, Calif.—89 — **231,700
KSBW-TV (A,C,N)
(See also San Jose, Calif.)
(Includes circulation of optional satellite, KSBY-TV, San Luis Obispo)

SALISBURY, Md.—68 — †34,300
WBOC-TV† (A,C)

SALT LAKE CITY, Utah—91 — 267,900
KSL-TV (C); KCPX (A); KUTV (N)

SAN ANGELO, Tex.—84 — 29,500
KCTV (A,C,N)

SAN ANTONIO, Tex.—86 — ■347,100 / ††
KENS-TV (C); KONO (A); WOAI-TV (N); KWEX-TV†

SAN BERNARDINO, Calif. — †††
KCHU-TV†

SAN DIEGO, Calif.—98 — *340,600
KFMB-TV (C); KOGO-TV (N); XETV (A) (Tijuana)

SAN FRANCISCO-OAKLAND, Calif.—93 — 1,417,300
KGO-TV (A); KPIX (C); KRON-TV (N); KTVU

SAN JOSE, Calif.—95 — 324,300
KNTV (A,C,N)
(See also Salinas-Monterey, Calif.)

SAN JUAN, P. R. — ††
WAPA-TV (A,N); WKAQ-TV (C)

SAN LUIS OBISPO, Calif. (See Salinas-Monterey)

SANTA BARBARA, Calif.—90 — 77,500
KEYT (A,C,N)

SAVANNAH, Ga.—84 — 118,500
WSAV-TV (N,A); WTOC-TV (C,A)

SCHENECTADY-ALBANY-TROY, N. Y.—93 — **427,400
WRGB (N); WTEN (C); WAST (A)
(WTEN operates satellite WCDC, Adams, Mass.)

SCRANTON-WILKES-BARRE, Pa.—81 — †292,800
WDAU† (C); WBRE-TV† (N); WNEP-TV† (A)
(Includes CATV Homes)

SEATTLE-TACOMA, Wash.—93 — *597,300
KING-TV (N); KOMO-TV (A); KTNT-TV; KTVW-TV; KIRO-TV (C)

SELMA, Ala.—74 — 13,800
WSLA-TV

SHREVEPORT, La.—84 — ■298,800
KSLA (C); KTBS-TV (A); KTAL-TV (N) (Texarkana, Tex.)

SIOUX CITY, Iowa—89 — 165,500
KTIV (A,N) KVTV (A,C)

SIOUX FALLS, S. D.—86 — **224,900
KELO-TV (C,A); KSOO-TV (N,A)
(KELO-TV operates boosters KDLO-TV, Florence, S. D. and KPLO-TV, Reliance, S. D.)

SOUTH BEND-ELKHART, Ind.—66 — ■†143,900
WNDU-TV† (N); WSBT-TV† (C); WSJV-TV† (A)

SPARTANBURG-GREENVILLE, S. C.-ASHEVILLE, N. C.—85 — 447,800 / ††
WSPA-TV (C); WFBC-TV (N); WLOS-TV (A); WISE-TV†

SPOKANE, Wash.—87 — 265,000
KHQ-TV (N); KREM-TV (A); KXLY-TV (C)

SPRINGFIELD, Ill.—75 — **†167,700
WICS† (N)
(Operates satellites WCHU†, Champaign, and WICD-TV†, Danville, Ill.)

SPRINGFIELD-HOLYOKE, Mass.—91 — **†181,600
WHYN-TV† (A,C); WWLP† (N)
(WWLP† operates satellite WRLP†, Greenfield, Mass.)

SPRINGFIELD, Mo.—78 — ■128,700
KTTS-TV (C); KYTV (A,N)

STEUBENVILLE, Ohio—90 — 451,000
WSTV-TV (A,C)

STOCKTON-SACRAMENTO, Calif.—93 — 602,000
KOVR (A); KCRA (N); KXTV (C)

SUPERIOR, Wis.-DULUTH, Minn.—88 — 161,600
WDSM-TV (N,A); KDAL-TV (C)

SWEETWATER, Tex.—89 — 57,400
KPAR-TV (A,C)

SYRACUSE, N. Y.—93 — **469,200
WHEN-TV (C); WSYR-TV (N); WNYS-TV (A)
(WSYR-TV operates satellite WSYE-TV, Elmira, N. Y.)

TACOMA-SEATTLE, Wash.—93 — *597,300
KTNT-TV; KTVW-TV; KING-TV (N); KOMO-TV (A); KIRO-TV (C)

TALLAHASSEE, Fla.-THOMASVILLE, Ga.—81 — 184,500
WCTV (C)

TAMPA-ST. PETERSBURG, Fla.—92 — 482,500 / †301,000
WFLA-TV (N); WTVT (C); WSUN-TV† (A)

TEMPLE-WACO, Tex.—85 — ■***140,200
KCEN-TV (N); KWTX-TV (A,C)
(KWTX-TV operates satellite KBTX-TV, Bryan, Tex.)

TERRE HAUTE, Ind.—87 — 184,000
WTHI-TV (A,C)

TEXARKANA, Tex. (See Shreveport)

THOMASVILLE, Ga.-TALLAHASSEE, Fla. (See Tallahassee)

TOLEDO, Ohio—92 — 393,600
WSPD-TV (A,N); WTOL-TV (C,N)

TOPEKA, Kan.—87 — 129,900
WIBW-TV (C,A,N)

TRAVERSE CITY, Mich.—88 — ■***41,200
WPBN-TV (N,A)
(WPBN-TV operates S-2 satellite WTOM-TV, Cheboygan)

TROY-ALBANY-SCHENECTADY, N. Y.—93 — **427,400
WRGB (N); WTEN (C); WAST (A)
WTEN operates satellite WCDC, Adams, Mass.)

TUCSON, Ariz.—88 — 111,400
KGUN-TV (A); KOLD-TV (C); KVOA-TV (N)

TULSA, Okla.—86 — 327,600
KOTV (C); KVOO-TV (N); KTUL-TV (A)

TUPELO, Miss.—80 — 62,700
WTWV (N)

TWIN FALLS, Idaho—88 — 30,600
KLIX-TV (A,C,N)

TYLER, Tex.—83 — 136,600
KLTV (A,C,N)

UTICA-ROME, N. Y.—94 — 162,800
WKTV (A,C,N)

VALLEY CITY, N. D.—84 — 152,500
KXJB-TV (C)
(See also Fargo, N. D.)

WACO-TEMPLE, Tex.—85 — ■***140,200
KWTX-TV (A,C); KCEN-TV (N)
(KWTX-TV operates satellite KBTX-TV, Bryan, Tex.)

WASHINGTON, D. C.—91 — 910,300
WMAL-TV (A); WRC-TV (N); WTOP-TV (C); WTTG

WASHINGTON-GREENVILLE, N. C.—84 — ■218,900
WITN (N); WNCT (A,C)

WATERBURY, Conn. — ††
WATR-TV† (A)

WATERLOO-CEDAR RAPIDS, Iowa—91 — 307,100
KWWL-TV (N); KCRG-TV (A); WMT-TV (C)

WATERTOWN-CARTHAGE, N. Y. (See Carthage)

WAUSAU, Wis.—87 — 133,000
WSAU-TV (A,C,N)

WESLACO-HARLINGEN, Tex.—81 — *70,700
KRGV-TV (N,A); KGBT-TV (A,C)

WEST PALM BEACH, Fla.—91 — 115,100
WEAT-TV (A), WPTV (N)

WESTON, W. Va.—84 — 98,800
WJPB-TV (A)

WHEELING, W. Va.—89 — 312,600
WTRF-TV (A,N)

WICHITA-HUTCHINSON, Kan.—87 — ■**352,700
KAKE-TV (A); KARD-TV (N); KTVH (C)
(KGLD-TV, Garden City, KCKT-TV, Great Bend, and KOMC-TV, Oberlin-McCook, satellites of KARD-TV)

WICHITA FALLS, Tex.—87 — 144,300
KFDX-TV (N); KSYD-TV (C); KSWO-TV (A) (Lawton)

WILKES-BARRE-SCRANTON, Pa.—81 — †292,800
WBRE-TV† (N); WNEP-TV† (A); WDAU-TV† (C)
(Includes CATV Homes)

WILLISTON, N. D.—81 — 30,500
KUMV-TV (N,A)

WILMINGTON, N. C.—83 — 127,400
WECT (A,N,C)

WINSTON-SALEM-GREENSBORO, N. C.—87 — 395,800
WSJS-TV (N); WFMY-TV (A,C)

WORCESTER, MASS. — ††
WWOR† (N)

YAKIMA, Wash.—73 — **†93,600
KIMA-TV† (C,N); KNDO-TV† (A)
(KIMA-TV† operates satellites KLEW-TV, Lewiston, Idaho; KEPR-TV†, Pasco, Wash.; KNDO-TV† operates satellite KNDU-TV†, Richland, Wash.)

YORK, Pa.—58 — †44,100
WSBA-TV† (A)

YOUNGSTOWN, Ohio—68 — †176,300
WFMJ-TV†; WKBN-TV† (C); WKST-TV† (A)
(Includes CATV Homes)

YUMA, Ariz.—83 — 27,200
KIVA (C,N,A)

ZANESVILLE, Ohio—51 — †19,400
WHIZ-TV† (A,C,N)

■ Major facility change in market subsequent to latest county survey measurement date.
• Market's coverage area being re-evaluated.
† U.H.F.
†† Incomplete data.
††† New station; coverage study not completed.
* U.S. Coverage only.
** Includes circulation of satellite (or booster).
*** Does not include circulation of satellite.

TV MARKETS

1—channel markets	167
2—channel markets	60
3—channel markets	66
4—(or more)—channel markets	18
Total U.S. Markets	311
Commercial stations U.S. & possessions	577

EDITORIAL

FROM HAMMOCK TO SWEATBOX IN ONE LEAP

THE television business tends to swing between crisis and complacency, with seldom a pause at any point between. Right now it is in a state of crisis over the revelation that ratings lack precision. But until Oren Harris opened his hearings a month or so ago, the traders in television advertising were using ratings with the confidence of a diamond merchant using jeweler's scales.

A crisis over another matter may also be predicted, although television broadcasters, advertisers and agencies are, in general, doing little to prevent it. The Federal Communications Commission is maneuvering toward an investigation of commercials—which some commissioners and influential members of the FCC staff think are too numerous and too loud. There is doubt that some broadcasters are thinking about commercials at all—except to count the revenue derived from them.

In response to the crisis over ratings there is talk of formation of an industry bureau to audit the various services that measure audiences. The notion of a tripartite auditing system, representing broadcasters, advertisers and agencies, has attractive features. If the raters were under the surveillance of a central agency, there would be less chance for shoddy research to gain acceptance. The general level of statistical reliability would be almost certain to improve.

Group action, as exemplified in the proposal for a ratings audit system, is usually the response of television to times of trial. If the crisis in commercial practices develops, group action is bound to be talked up. There is reason to suggest that group action on commercials ought to be started now—before it is forced by government action.

Of the two problems, ratings and commercials, the latter is the more perplexing.

The establishment of standards for measuring audiences can be done on the basis of existing information. Ratings are arithmetical and are therefore susceptible to the application of explicit formulas.

Commercials, however, are something else. There is evidence that they are causing considerable annoyance if not revulsion, but little is known about the reasons that they are having that effect. Years ago, on the assumption that the number and length of commercials ought to be controlled, the National Association of Broadcasters adopted advertising time restrictions in its television code. It has become obvious that time is perhaps the least important element in determining whether a commercial is effective or ineffective, whether it is good or bad. A message of 10 seconds duration may antagonize more viewers than another that is three minutes long. It may now be assumed that the content of commercials and their placement in relation to one another and to programs are the critical factors in audience response.

While broadcasters, advertisers and agencies are jointly working on the problem of measuring the audience, they could profitably consider ways to find out why the audience is irritated by television advertising. To postpone consideration of that problem is to hasten government action which will do nothing to reduce the public's irritation but may do quite a bit to reduce television revenue.

PAY TV: A STUDY IN SLOW EVOLUTION

IT would have been more satisfying to the journalistic instincts of TELEVISION's editors if a grabber headline could have been written for this magazine's extensive study of pay TV.

Something like "Bet Your Roll on Pay TV" or "Goodbye, Free TV."

The editors had to settle for something more descriptive of the situation: "Pay TV: So Near and Yet So Far."

At this point of pay TV development it would be rash to predict how long it will take pay TV to become an important force in American communications. No one can forecast with certainty which of the systems now in use or in the laboratory will attain commercial success, whether distribution will be by wire or by air, whether pay TV's future lies in home delivery or in the theater or both.

It can be said with some certainty, however, that in some form there will be pay TV and it will change the U. S. television system.

The ultimate test of pay TV will be whether it can add significantly to the programming that is made available to the American public. It will grow only as it develops programs of its own. That will be quite a trick, considering the volume and diversity of fare that the present system is able to offer.

STOP

HENNESEY SAILS TO

100

SALES

New York .... WABC-TV
Washington, D.C. ...... WRC-TV
Chicago .... WGN-TV
Detroit .... WJBK-TV
Orlando .... WDBO-TV
Portland, Ore. .... KPTV
Youngstown .... WFMJ-TV
Jackson, Miss. .... WLBT
Boston .... WHDH-TV
Los Angeles .... KNBC
Lancaster .... WGAL-TV
San Diego .... KOGO-TV
Wilkes Barre .... WBRE-TV
Pensacola .... WEAR-TV
Portland, Me. .... WCSH-TV
New Haven .... WNHC-TV
Minneapolis .... KSTP-TV
Dayton .... WHIO-TV
Denver .... KLZ-TV
Buffalo .... WBEN-TV
Indianapolis .... WLW-I
Pueblo .... KOAA-TV
Sherman .... KXII-TV
Greenville, S.C. .... WFBC-TV
Seattle .... KING-TV

Flint .... WJRT-TV
Norfolk-Portsmouth-
Newport News ...... WAVY-TV
Sioux Falls .... KELO-TV
Yuma .... KIVA
Albuquerque .... KOB-TV
San Antonio .... KONO-TV
Reno .... KOLO-TV
Las Vegas .... KORK-TV
Fresno .... KMJ-TV
Sacramento .... KCRA-TV
Billings .... KOOK-TV
Butte .... KXLF-TV
Great Falls .... KFBB-TV
Idaho Falls .... KID-TV
Twin Falls .... KLIX-TV
Montgomery .... WSFA-TV
Atlanta .... WSB-TV
Houston .... KHOU-TV
El Paso .... KTSM-TV
Pittsburgh, Kan. .... KOAM-TV
Jacksonville .... WJXT
Salinas .... KSBW-TV
Rapid City .... KOTA-TV
Wichita Falls .... KFDX-TV

Tampa-
St. Petersburg .... WFLA
San Francisco .... KRON-TV
Lubbock .... KCBD-TV
Boise .... KTVB
Syracuse .... WNYS-TV
Salt Lake City .... KSL-TV
Miami .... WCKT
Charlotte .... WBTV
Missoula .... KMSO-TV
Baltimore .... WMAR-TV
Abilene-
Sweetwater .... KBRC-TV
Erie .... WICU-TV
Dallas .... WFAA-TV
Johnstown .... WJAC-TV
Milwaukee .... WITI-TV
Tucson .... KVOA-TV
Eugene .... KVAL-TV
Columbus, Ga. .... WTVM
Amarillo .... KFDA-TV
Roswell .... KSWS-TV
Knoxville .... WATE-TV
Rockford .... WREX-TV
Madison .... WKOW-TV

Shreveport .... KSLA-TV
Phoenix .... KTVK
Sioux City .... KVTV
Grand Rapids .... WOOD-TV
Odessa-
Midland .... KMID-TV
Alexandria .... KCMT
Green Bay .... WFRV
Cleveland .... WEWS
Bangor .... WLBZ-TV
Binghamton .... WBJA-TV
Spokane .... KXLY-TV
Lexington .... WKYT
Valley City .... KXJB-TV
Columbia, S.C. .... WIS-TV
Cape Girardeau .... KFVS-TV
Burlington .... WCAX-TV
Eau Claire .... WEAU-TV
St. Louis .... KSD-TV
Jefferson City .... KRCG-TV
Rock Island .... WHBF-TV
Des Moines .... WHO-TV
Harrisburg, Ill. .... WSIL-TV
Brownsville, Harlingen-
Weslaco .... KRGV-TV

AND ALL IN ONE SHORT SELLING PERIOD! 100 SALES IN MAJOR MARKETS ACROSS THE COUNTRY. 100 DECISIONS BY TOP STATIONS, WHICH ARE BEING PROVED 100 PER CENT RIGHT BY TIME-PERIOD –LEADING RATING REPORTS. COME ON BOARD WITH NBC FILMS.