Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D C. • TELEPHONE STERLING 3-1755

Index to 1958 NEWSLETTERS and Supplements

Index to Television Digest, 1958: Volume 14

References are grouped into three major categories: General (pages 1-7), Manufacturers & Merchandisers (pages 7-8), Supplements (page 1). Index attempts to cover only items considered to be of more than passing interest. Reference numbers following each item designate issue and page of Newsletter in which item appeared.

General

Supplements and Special Reports Published During 1958

References are to issues of *Television Digest* with articles pertaining to documents

MANUFACTURERS AND MERCHANDISERS

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

Television Digest with ELECTRONICS REPORTS

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 1

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

A NEW SERVICE FOR OUR READERS: With this issue (p. 14) we begin a new service which we have determined many of our subscribers will welcome. Week's closing New York and American Stock Exchange and Over-the-Counter quotations on some 100 common stocks in our field of circulation -- i.e., TV-radio-hi-fi, amusements, electronics -- will be published along with highs & lows for year and dividends paid. Rudd, Brod & Co. will supply the figures off its wires after markets close. Since we go to press Friday nights, mail Saturdays, reach many subscribers Sundays (via special delivery), most of them Mondays, the tabulations should provide a ready reference -- especially for our readers in cities where newspapers don't carry very complete market listings. We are reporting only on stocks within the scope of our readership. This is the most complete (and, we believe, most accurate) such specialized tabulation available.

Note: Another new feature started last week -- "Do You Know That..." (p. 14) -- will carry on with stories about unusual backgrounds, achievements, hobbies, etc. of people in TV-radio and related communications and electronics fields. We already have quite a store of items we think will interest you no less than did our report that several score ex-FBI agents are now in these fields. Just to give you an idea: We've discovered quite a number of athletic greats, including football All-Americans, several war heroes, even some sleight-of-hand hobbyists who may now be co-workers or industry colleagues whose attainments you didn't know. As we publish these items, some ideas about others may occur to you; we'll welcome suggestions.

WHY THEY'RE SHOOTING THE WORKS: Now that the season for New Year prophecies is about over (see ours on p. 2), we'd like to hark back to a report carried in these columns just a bit over a decade ago under exactly the same foregoing caption (Vol. 3:46). It may bring a chuckle to the old-timers of the business and should be a revelatory bit of history to the younger generation of TV-radio executives.

It dates about month before an ardent and personable young New Dealer named Wayne Coy was chosen by President Truman to become chairman of the FCC to follow the highly successful term of Charles R. Denny, at the same time that chief engineer George E. Sterling was elevated to commissioner to succeed the popular Jack Jett. And at CBS, a young man named Frank Stanton had recently been moved up to president.

GE was announcing a super-dooper 10-in. table model TV with AM-FM for $465 plus $75 installation-warranty, and was seriously considering breaking away from RMA's 10-in. standard during 1948 and going to 12 & 15-in.

Big radio sponsor General Foods had probed TV, found it good, and released survey by Young & Rubicam's Bill Forbes and Peter Langhoff with Benton & Bowles' Walter Craig and Charles Pooler, which in essence found that TV reaches a selective, interested, higher-than-average income audience; provokes favorable reaction to commercials (68-84% sponsor identification on a one-shot program); affords opportunity to demonstrate products, "with attendant high impact of sight plus sound."

* * * *

At TV-crusading RCA-NBC it was ordered that, like any other business, telecasting must sooner or later stand on its own fiscal feet, and our story of Nov. 15, 1947 related that their "brain-trusters had worked out schedules of cost, income, depreciation, losses, break-even point, profit point -- all still a company secret [and] containing some astonishing figures..." The story continued:

"No. 1 man at NBC's TV operations, executive v.p. Frank E. Mullen, at New York seminar this week did venture a few observations worth recording: That the radio industry accounts today for $1.5 billion in the American economy. That 'within a short span of time' TV should run $6 billion, employ 250,000 more persons -- indeed may well be the 'shock absorber' for our national economy [shades of Wrede Petersmeyer; Vol. 13:47] in the coming years. That by end of 1949, there will be 2,000,000 sets in area 'above a line drawn on the map from Washington, D.C. to St. Louis.'

"Mullen's spoken and unspoken figures may rise one day to plague him; on the other hand, he may point to them with as much pride as Owen Young and David Sarnoff can point to predicted and unpredicted radio broadcasting revenue figures since NBC was established in 1926. All TV calculations could be upset by incalculables -- such as a depression or recession (anybody's guess); undue governmental interference (not yet manifest); failure of public to take to TV (unlikely); unwillingness to purchase receiving sets at present high prices (supply and demand about equal right now); venture capital discouraged over prospect of long-haul deficit operation of telecasting stations (possible though not probable, if NBC's estimates for its own stations turn out to be correct)."

Note: Since commercial TV began, something like $6 billion has been spent by advertisers for time, talent & production; about $9.2 billion has been spent by the public for nearly 56,000,000 TV sets, not counting service & repair. And at least $150,000,000 has been spent on station construction and plant. TV advertising ran about $1.3 billion in 1957, when some 6,500,000 sets were sold for about $1.2 billion and when 40 new stations were built at a cost of approximately $10,000,000.

THE DIGEST'S ANNUAL CRYSTAL-GAZING STINT: We hope you'll forgive us for being a mite tickled with our predictions of last year (Vol. 12:52), because our batting average was best yet in our many years of neck-sticking-out -- and many of the prognostications constituted some pretty precarious dangling on limb ends. At any rate, here goes another whirl at it for 1958, in major areas of interest (for our soothsaying in the area of manufacturing-distribution, see Trade Report, p. 11):

Federal Communications Commission: With Chairman Doerfer a real believer in letting industry fight own economic battles without FCC intervention, he'll push every technique for keeping Commission out of competitive squabbles. Matter of fact, Congress' Moulder subcommittee, instead of finding skeletons in Commission closet, may well end up helping FCC get rid of "economic protest" albatross. Moulder group won't find any sensations, any big payoffs, etc. -- but it will continue to be source of irritation as it explores FCC hotel bills paid by trade assns., etc.

Subscription TV: If on-air tests begin at all this year, they will be very small-scale, inconclusive, starting late in year. FCC will be reluctant to act on applications while issue is subject of Congressional scrutiny. More vocal opposition to fee TV will crystalize on Capitol Hill after Jan. 14-16 House Commerce Committee hearings (Vol. 13:52), which will get heavy newspaper publicity. Though more lawmakers will join Reps. Harris (D-Ark.) & Celler (D-N.Y.) and Sen. Thurmond (D-S.C.) in crusading against subscription TV, odds are against passage of "thou-shalt-not" legislation. Meanwhile, a few more theatre owners and community antenna operators will try wired pay-TV operations a la Bartlesville, without conclusive results in 1958. Baseball season will come and go without tollvision systems on either coast.

Network Practices: Changes in network regulations, either by FCC or Congress, are not likely this year -- though Barrow report will become even hotter battleground than it was last year. Best guess as to FCC timing: It will ask for comments on Barrow report proposals in Feb. or March, final deadline coming late summer or early fall. Commission will still be sifting through morass of paper at year's end. Appearing before Congressional committees, FCC most likely will beg off important legislative recommendations on network rules until comments have been studied. There will be unsuccessful efforts in Congress to enact legislation to carry out Barrow recommendations without waiting for Commission's opinions.

Networks and their affiliates will continue strong silent campaign against some Barrow recommendations -- particularly on option time and multiple ownership. In reappraising their own business practices, it's possible that CBS & NBC will voluntarily drop their spot sales organizations and modify "must buy" provisions -- but they'll put up unyielding fight to save option time. FCC's Office of Network Study won't issue its half-promised report on programming in 1958.

New TV Stations: 1957 saw exactly 40 station starters -- and it's quite gratifying to recall that in this column at the end of 1956 we stated, "We expect about 40 to start operating in 1957." This compared with 45 in 1956 and 59 in 1955. Canada had 10 starters during year. Of the 40 starters, 7 were uhf, 5 were satellites and 6 were educationals -- all listed on p. 7. List also includes 3 uhf that had previously quit the air but resumed operations; also listed are the 13 "fatalities" of 1957, all uhf. There won't be as many as 40 new station starters in 1958, albeit 191 CPs are outstanding (137 of them uhf) and 121 applications are pending (31 uhf). [For new stations due on air by spring, see story on p. 6.]

Justice Dept.: Possibility of major anti-trust action against networks can't be dismissed, particularly with Rep. Celler's Judiciary Committee keeping sharp eye on Dept.'s progress with its TV inquiries. Justice currently is studying Barrow report, has completed 3-year probe of network activities in programming field. This is most likely area for any govt. legal action, though there's no certainty that Justice Dept. will decide to file suit. Pending "block-booking" civil suit against feature film distributors to TV most likely will be settled in 1958, and there's good chance that Govt.'s patent-pool suit against RCA will never come to trial. Also in patent field, there may be indictments this year in alleged "world radio-electronics cartel."

Allocations: Good chance Govt. will see good sense in long-range study of entire spectrum, cooperate in start of a several-years project of tremendous importance. This would color FCC's consideration of all allocations proceedings -- TV, radio, microwave, everything -- very likely induce go-slow attitude toward final decisions. In TV, no substantial changes in 1958. By June 30, TASO will submit to FCC the finest collection of technical TV data yet assembled -- and FCC will study it.

Federal Trade Commission: No let-up in campaign by FTC's special monitoring unit against fraudulent TV-radio commercials. Number of formal complaints against advertisers will increase. Broadcast claims for medicinal preparations and toiletries will get increasing critical attention from FTC policemen. FTC had hoped that awareness that FTC unit was looking & listening would encourage offending advertisers to use more restraint on air -- but FTC says this isn't happening.

Educational TV: Addition of new non-commercial stations will continue same slow-&-steady pattern of last 4 years. To the 28 now on air will be added a maximum of 15 new ones -- more likely 10, which will still be record number to begin telecasting in single year. Last year saw 6 new educational starters. Stations will continue to increase programming hours, and educational TV's 12-15,000,000 audience will continue to grow as programming quality increases. Educational and public service programming on commercial outlets will again hit a new high in 1958.

Closed-circuit TV in education graduated from "experimental" stage in 1957, with about 200 schools and institutions now using it on regular basis. This year will see 100 more institutions adopt TV for teaching. Closed-circuit teaching will be extended to entire public school system of Washington County, Md., by next Sept., bringing picture-tube learning to 18,000 pupils in the 48 schools there.

Programs: Pendulum will swing again toward increase in live shows, more 60-min. film and live dramas, more "specials," with no let-up in filmed westerns for 1958-59. Critics will continue to moan, viewers will continue to watch in record numbers. Video tape will be put into widespread use by networks and stations, beginning in spring, completely replacing kines at networks and metropolitan stations. In almost all important standard time areas, daylight time differential will be wiped out this spring and summer via taped repeats.

Movies & TV Film: Relatively few post-1948 features will find their way to TV during 1958, movie producers choosing to wait at least another year to soothe ruffled exhibitors and to see which way the fee-TV dust settles. Pre-1948 backlogs will still be adequate for stations and will continue to be very popular fare. Movie majors will continue to step up their TV activities as trend to fewer and bigger film companies continues among the independents. As with theatrical film distributors, some TV film companies will be looking to foreign market as their profit margin.

Industrial TV: Though sales of closed-circuit equipment to industry, commerce and education will again double this year, major breakthrough is not in cards for '58. Equipment sales in 1957 totaled about $5,500,000 (more than double 1956 figure), and 1958 is expected to see somewhat less than $10,000,000 worth of equipment sold -- impressive in terms of percentage gain, but an indication that most potential users still must be sold on the almost limitless possibilities of non-broadcast TV.

Community Antennas: Continued modest increases in number of systems and in customers per system. Final FCC & court actions on unauthorized vhf boosters, likely this year, will have substantial effect. If such boosters were wiped out, CATV systems would burgeon. But some sort of booster seems bound to continue -- so little impact on CATV is expected. There's strong probability several large systems will become ready-made "Bartlesvilles" -- starting first-run movie distribution.

Subliminal advertising technique (Vol. 13:45 et seq.) will be demonstrated to FCC and members of Congress Jan. 13 in Washington by Subliminal Projection Co., N. Y., at request of Commission. Using closed-circuit facilities offered by WTOP-TV, demonstration for Commissioners & Congressmen will be held at 11 a.m., for local press at noon at WTOP-TV studios.

GPL's closed-circuit sales for 1957 were 5 times those of 1956, v.p. Blair Foulds reports. "Particularly pleasing," he states, "is the almost phenomenal growth of interest in the use of closed-circuit TV for teaching. We believe that it is assuming a vital role in the fight to expand education in the face of a teacher shortage."

Closed-circuit TV, part free, part fee, is proposed by Hallamore Electronics pres. Lloyd Hallamore, suggesting formation of regional pay-TV networks. Plan disclosed in interview with *Electronic News* would have local operators sending free TV, with commercials, during daytime—then cutting into central station at night for pay-TV first-run movies, fights, ball games, etc.

Westinghouse stations' second "Conference on Local Public Service Programming" will be held in Baltimore March 5-8 under direction of programming v.p. Richard M. Pack. Agenda is to include subjects not covered during last year's highly successful Boston session (Vol. 13:9); attendance of 200 is expected.

Personal Notes: George D. Matson promoted from NBC controller to v.p. & treas., replacing Earl Rettig, now pres. of Cal. National Productions Inc. (Vol. 13:50); Aaron Rubin advances to NBC controller . . . Harold C. Lang promoted from asst. treas. of CBS Inc. to controller . . . Leonard Kapner, from radio station WCAE, will be exec. v.p. of upcoming WTAE, McKeesport-Pittsburgh (Ch. 4), planning start next Sept.; Alan Trench, from WCAE, sales mgr.; David Murray, ex-KMGM-TV, Minneapolis, program mgr.; James H. Greenwood, WCAE, chief engineer; James Gormly, WCAE, business mgr. . . . John M. Outler, retiring as gen. mgr. of WSB-TV & WSB, Atlanta, after 25 years in broadcasting, honored at testimonial banquet by associates who presented him with 14-ft. cruiser . . . George Arnold, from radio KCBS, San Francisco, appointed sales development mgr. of CBS Radio Spot Sales . . . Jack Benson promoted to employment mgr. of ABC personnel dept. . . . Robert J. Reardon, from NBC Spot Sales, Chicago, named sales director of WNBC, New Britain-Hartford . . . Leonard C. Nachbar promoted to business mgr. of WTCN-TV & WTCN, Minneapolis-St. Paul . . . Burt Kleiner of Cantor, Fitzgerald & Co. (investments), and Wm. H. Hudson, independent oil producer, elected NTA directors to replace B. Gerald Cantor & Jack M. Ostrow, resigned . . . Pete Rodgers promoted to west coast sales mgr. of NTA . . . Thomas J. Dougherty, ex-Dow, Lohnes & Albertson, Washington law firm, named legal asst. to FCC Comr. Robert E. Lee, David C. Williams shifting to full time on Conelrad under Comr. Lee . . . Peter B. James, ex-Weed, ex-gen. mgr. of WJAS-TV, Providence, on Jan. 2 joined WRC-TV, Washington, as sales mgr., succeeding Charles M. DeLozier, resigned to open own adv. agency . . . Paul A. O'Bryan, partner of Dow, Lohnes & Albertson law firm, named to board of associates of Iowa Wesleyan College, Mt. Pleasant, Ia., headed by George Morrell, of Morrell Packing Co. . . . George H. Buschmann, ex-Covington & Burling, Washington law firm, joins Radio Cincinnati (Taft) home office, Cincinnati, as exec. asst. . . . Richard A. J. McKinney, ex-WTVN-TV, Columbus, named film director of KYW-TV, Cleveland . . . Louis R. Draughon, pres. of WSIX-TV, Nashville, back at work after recovering from auto crash at Nashville airport Aug. 1 in which he suffered multiple fractures and his Washington counsel, Stephen Tuhy Jr., was badly shaken up . . . Stanley Wilson promoted to v.p., Texas State Network, and gen. mgr. of KFJZ-TV, Ft. Worth, while v.p. Charles Jordan now heads radio KFJZ—both reporting to Gene L. Cagle . . . Edward R. Eadeh, consultant to FCC network study staff since 1955, joins rep Weed as research director . . . Robert Lambe, gen. sales mgr. of WTAR-TV, Norfolk, promoted to v.p. for sales; John C. Peffer, asst. gen. mgr., to v.p. for operations . . . Mary Warren promoted to program director of KCOP, Los Angeles . . . David Heilwell, TV-movie producer, joins MGM as asst. to Sam Marx, exec. producer of its TV div. . . . George Skinner joins rep Katz as full-time radio program consultant after many years as independent consultant & packager . . . Arthur C. Stringer, Chicago office mgr. of Blair TV Assoc., appointed a v.p.

Obituary

George C. Dawson, 67, program executive of CBS in early '30s, latterly a script writer and producer, died Dec. 28 in Veterans Hospital, N. Y.

RCA chairman David Sarnoff was member of high-dome panel on Rockefeller-underwritten report revealed this week, urging appointment of single Chief of Staff to the President and Secy. of Defense over Joint Chiefs of Staff; simplified system of unified command charged with carrying out clearly defined national strategic plans; increased expenditure of about $4 billion on defense and related matters, including education, in new budget. Gen. Lucius Clay is understood to have sparked report, one of series of 6 being prepared on major security, economic, political and social problems facing U. S. Among others on panel: Gordon Dean, ex-chairman, Atomic Energy Commission; John Cowles, publisher of *Minneapolis Star & Tribune* (WCCO-TV, WCCO, et al.); Henry Luce, publisher of *Time, Life, Fortune;* Oveta Culp Hobby, publisher of *Houston Post* (KPRC-TV & KPRC) and ex-Secy. of Health, Education & Welfare.

Federal Communications Bar Assn., which holds annual dinner Jan. 10 at Sheraton-Park Hotel, Washington, slates Wm. C. Koplovitz as new pres. to succeed George S. Smith. Other choices of nominating committee, tantamount to election: Leonard H. Marks, 1st v.p.; Frank U. Fletcher, 2nd v.p.; Arthur H. Schroeder, secy.; Kelley E. Griffith, treas.; Edwin R. Schneider, asst. secy. Norman E. Jorgensen, retiring secy., Thomas H. Wall & Ben C. Fisher are nominees for exec. committee. BMI is furnishing dinner entertainment.

Top ABC-TV executives meet with mgrs. of ABC o-&-o TV stations and board of governors of ABC Affiliates Assn. Jan. 7-9 in Balmoral Hotel, Miami Beach, in conference on 1958 network plans.

MGM-TV, MGM Records & MGM music publishing activities move N. Y. offices to Loew's Inc. home office at 1540 Broadway.

National TV Film Council nominating committee slates Robert Gross of American Film Producers for 1958 pres.; Wm. J. Reddick, W. J. German Inc., exec. v.p.; Bernie Haber, BBDO, exec. secy.; Sally Perle, Central Casting Corp., gen. secy.; Lou Feldman, DuArt Labs, treas.; Hal Seeger, Seeger Productions, production v.p.; Sydney A. Mayers, Guild Films, distribution v.p.; Don T. Widlund, J. Walter Thompson, agencies v.p.; Edward Hamilton, ABC, TV stations v.p.; Ralph Koch, K. & W. Film Service, technical services v.p.; Joseph T. Dougherty, duPont, membership v.p.

Slander-libel damages totaling nearly $70,000 will be paid 2 Los Angeles policemen to settle their $3,000,000 suits over statement made about them by ex-gambler Mickey Cohen on ABC-TV's *Mike Wallace Interviews* May 19 (Vol. 13:51). Police Chief Wm. H. Parker accepted $45,975 in settlement of his $2,000,000 claim against network, Wallace & sponsor Philip Morris. Capt. James Hamilton, who sued for $1,000,000, took $22,987. Cohen himself, also named in suits, did not participate in settlements and remains a defendant.

Among the Attorneys: Thomas M. Cooley II, partner of Weaver & Glassie law firm, graduate of U of Mich. '32, Harvard Law '35, on Jan. 1 formally became dean of U of Pittsburgh Law School; he once taught law at Western Reserve . . . Richard N. Beaty becomes member of Cahill, Gordon, Reindel & Ohl, continues in charge of Washington office . . . John P. Cole Jr., ex-FCC TV application branch, joins Smith & Pepper.

TV dictionary of technical terms & jargon is included in new handbook, *Television Production*, by Harry Wayne McMahan (Hastings House, New York 22, N. Y.; 231 pp.; $7.50). Veteran Chicago, N. Y. & Hollywood adman also is author of *The Television Commercial.*

1958 Prospects, 1957 Starters: New Year began with WMBD-TV, Peoria, Ill. (Ch. 31) and KXLJ-TV, Helena, Mont. (Ch. 12), satellite of KXLF-TV, Butte, Mont. (Ch. 4), as first starters on Jan. 1. KMOT, Minot, N. D. (Ch. 10) got program test authorization Dec. 31 for Jan. 6 start as satellite of parent KFYR-TV, Bismarck, N. D. (Ch. 5), which put first satellite KUMV-TV, Williston (Ch. 8) on air last Feb. On-air box score now totals 523 (90 uhf). Other starter reported this week is CJFB-TV, Swift Current, Sask. (Ch. 5), which began programming Dec. 23. Havana's new all-color Ch. 12 station (Vol. 13:52) has changed target to Feb. 24.

Due on air by early spring are at least a dozen more stations, nearly all vhf, of which 3 are to be satellites. Beyond these, we hesitate to predict despite fact 191 CPs (137 uhf, 25 educational) are outstanding and 121 applications (31 uhf) are pending—but we'll be surprised if year's crop equals the 40 of 1957.

On the opposite page, we tabulate all the stations which started in 1957, including the 3 that resumed after having left the air for awhile, the 6 educationals—and the Mexican-licensed XEM-TV, Mexicali (Ch. 3) which began in Oct. and which has its studios in El Centro, Cal. Also listed are year's 10 Canadian starters, and the 13 uhf stations that discontinued operations during the year.

Most of the impending new stations are vhf's and their on-air dates will be reported as quickly as they get official program authorizations. They are: KIRO-TV, Seattle (Ch. 7); WLOF-TV, Orlando, Fla. (Ch. 9); KTVU, Oakland-San Francisco (Ch. 2); WBPZ-TV, Lock Haven, Pa. (Ch. 32); KRSD-TV, Rapid City, S. D. (Ch. 7); KGHL-TV, Billings, Mont. (Ch. 8); WJCT, Jacksonville, Fla. (Ch. 7, educational); KUED, Salt Lake City (Ch. 7, educational)—plus the following satellites:

KGLD, Garden City, Kan. (Ch. 11), to be linked with KCKT, Great Bend, Kan. (Ch. 2); KXAB-TV, Aberdeen, S. D. (Ch. 9), to be linked with KXJB-TV, Valley City, N. D. (Ch. 4); KDUH-TV, Hay Springs, Neb. (Ch. 4), to be linked with KOTA-TV, Rapid City, S. D. (Ch. 3).

The 3 uhf's that had quit the air but held onto their CPs, then resumed broadcasting, are WLBR-TV, Lebanon, Pa. (Ch. 15), revived under new ownership (Triangle group); WKST-TV, New Castle, Pa.-Youngstown, O. (Ch. 45), given new transmitter site that enables it to throw signal into latter all-uhf city; WBLN, Bloomington, Ill. (Ch. 15), which actually quit the air twice this year but returned in Dec.

Note: All starters were previously reported on in detail in *Television Digest;* see issue nearest to starting date indicated. All CPs outstanding and pending applications are tabulated in *TV Factbook No. 25* with Addenda 25-A to 25-W to date.

* * * *

Details of the WMBD-TV operation were given last week (Vol. 13:52); following is report on week's other starters:

KXLJ-TV has 500-watt RCA transmitter and 2-bay antenna on 80-ft. Fisher tower. It's 46 mi. from parent KXLF-TV, Butte, Mont. Principal owner and stations' gen. mgr. is Ed Craney, with Barclay Craighead, from radio KXLJ, as KXLJ-TV resident mgr. KXLJ-TV is sold as bonus to KXLF-TV, which has $200 base hour. Rep is Walker.

KMOT has 5-kw DuMont transmitter and 400-ft. Ideco tower with 6-bay RCA antenna. It's getting live network by acting as additional step in 7-step microwave KFYR-TV built to reach satellite KUMV-TV, Williston (Ch. 8), near western border of state. Principal owner is Marietta Meyer Ekberg, whose husband Wm. Ekberg, is station's gen. mgr. Curt Sorbo, from KFYR-TV, is KMOT mgr. It will be sold only in combination with KFYR-TV & KUMV-TV, with $275 base hourly rate. Reps are Blair Television Assoc. and Harry Hyett (Minneapolis).

CJFB-TV has 5-kw Canadian GE transmitter and 325-ft. Utility Tower with 3-bay batwing antenna. Wm. D. Forst is pres.-gen. mgr. & technical director and Walter S. Buffam is sales mgr. Base hour is $120. Reps are Forjoe and TV Representatives Ltd.

Facilities changes: KTWO-TV, Casper, Wyo. (Ch. 2) planned Jan. 5 start with 28-kw from new site on Casper Mt.; KPAR-TV, Sweetwater-Abilene (Ch. 12) Jan. 9 opens new studios in downtown Abilene, increases power to 91-kw; WPST-TV, Miami (Ch. 10) Jan. 17, moves to new 2-story studio-office building at Biscayne Blvd. & 21st St.

RCA shipped 25-kw transmitter Dec. 31 to upcoming KTVU, Oakland-San Francisco (Ch. 2), due in March; 50-kw transmitter Dec. 30 to WTVC, Chattanooga (Ch. 9), due to resume soon, after move from Rome, Ga.; 18-bay superturnstile antenna Dec. 23 to WSAU-TV, Wausau, Wis. (Ch. 7), planning power boost and move to new site.

KSWO-TV, Lawton, Okla. (Ch. 7) was off air only 2½ hours when fire damaged studio Dec. 15 (Vol. 13:51), reports gen. mgr. Emmett Keough.

We erred last week in reporting KAFY-TV, Bakersfield, Cal. (Ch. 29) as off air. Rather, under call letters KBAK-TV, it has been one of most successful uhfs extant.

New TV-radio center for WAVE-TV & WAVE Louisville, will be built at Floyd & Jacob Sts., completion scheduled for 1959.

RCA shipped 3-V color film camera Dec. 26 to upcoming KTVU, Oakland-San Francisco (Ch. 2).

Translator starts: K72AN, Durango, Colo. began Dec. 19 repeating KOB-TV, Albuquerque.

Canadian video tape center at Calgary will be established by CBC about July 1, date of scheduled completion of Rocky Mountain microwave link connecting Pacific coast to CBC network. Network relay center initially will have 4 video tape recorders "which have been on order for some time," according to CBC gen. mgr. J. A. Ouimet, with "complete facilities" to be established in about 2 years. Repeat center—originally planned for Winnepeg but relocated at Calgary after cost study—will be used to delay telecasts to compensate for western time zone differences.

Deadline for comments on proposed "TV reference test signal" to be transmitted by stations during vertical blanking period (Vol. 13:12, 14-15, 17, 24) has been extended by FCC to June 13 from Jan. 15 at request of Electronic Industries Assn., which said it is testing proposed signals and will need more time to complete its work.

Record membership reported by NAB (formerly NARTB) at start of 1958: 1415 AM, 337 FM, 319 TV, 4 radio networks, 3 TV networks, 118 assoc. members, total 2196—70 higher than last year.

Stations Starting During 1957

With List of Those Which Left Air During Year

Listed in order of on-air and off-air dates.

STATIONS STARTING

Call Letters	City & State	Channel	Starting Date	AM Adjunct
[1]KUMV-TV	Williston, N. D.	8	Jan. 9	—
KONO-TV	San Antonio, Tex.	12	Jan. 14	KONO
WTWV	Tupelo, Miss.	9	Feb. 2	—
[2]KBAS-TV	Ephrata, Wash.	43	Feb. 15	—
KTWO-TV	Casper, Wyo.	2	March 1	—
†KLSE	Monroe, La.	13	March 9	—
†WYES-TV	New Orleans, La.	8	April 1	—
KHVH-TV	Honolulu, Hawaii	13	April 22	KHVH
WSOC-TV	Charlotte, N. C.	9	April 24	WSOC
*WLBR-TV	Lebanon, Pa.	15	May 2	—
KBTX-TV	Bryan, Tex.	3	May 22	—
WPSD-TV	Paducah, Ky.	6	May 28	—
[3]WRLP	Greenfield, Mass.	32	June 1	—
KGEZ-TV	Kalispell, Mont.	9	July 9	KGEZ
[4]KPLO-TV	Reliance, S. D.	6	July 14	—
KTVC	Ensign, Kan.	6	July 24	—
WPST-TV	Miami, Fla.	10	Aug. 3	—
KSPR-TV	Casper, Wyo.	6	Aug. 12	KSPR
WFGA-TV	Jacksonville, Fla.	12	Aug. 14	—
WIIC	Pittsburgh, Pa.	11	Sept. 1	WWSW
WAVY-TV	Portsmouth-Norfolk, Va.	10	Sept. 1	WAVY
†KTCA-TV	St. Paul-Minneapolis	2	Sept. 2	—
WWL-TV	New Orleans, La.	4	Sept. 7	WWL
†WHYY-TV	Philadelphia, Pa.	35	Sept. 16	WHYY(FM)
KETV	Omaha, Neb.	7	Sept. 17	—
WTIC-TV	Hartford, Conn.	3	Sept. 23	WTIC
WKXP-TV	Lexington, Ky.	27	Sept. 23	WLAP
WPTA	Roanoke-Ft. Wayne, Ind.	21	Sept. 28	—
XEM-TV	Mexicali-El Centro, Cal.	3	Oct. 1	—
†KOAC-TV	Corvallis, Ore.	7	Oct. 7	KOAC
KPAC-TV	Port Arthur-Beaumont	4	Oct. 22	KPAC
WOWL-TV	Florence, Ala.	15	Oct. 28	WOWL
†WMVS-TV	Milwaukee, Wis.	10	Oct. 28	—
WLWI	Indianapolis, Ind.	13	Oct. 30	—
*WKST-TV	New Castle, Pa.-Youngstown, O.	45	Oct. 30	WKST
WINR-TV	Binghamton, N. Y.	40	Nov. 1	WINR
KXGN-TV	Glendive, Mont.	5	Nov. 3	KXGN
[5]WEEQ-TV	La Salle, Ill.	35	Nov. 10	—
WBOY-TV	Clarksburg, W. Va.	12	Nov. 15	WBOY
WHDH-TV	Boston, Mass.	5	Nov. 26	WHDH
*WBLN	Bloomington, Ill.	15	Dec. 1	—
KWRB-TV	Riverton, Wyo.	10	Dec. 15	KWRL
KVII	Amarillo, Tex.	7	Dec. 21	—

† Educational, non-commercial outlet. * Resumed operation after being off air. [1] Satellite of KFYR-TV, Bismarck, N. D. [2] Satellite of KIMA-TV, Yakima, Wash. [3] Satellite of WWLP, Springfield, Mass. [4] Satellite of KELO-TV, Sioux Falls, S. D. [5] Satellite of WEEK-TV, Peoria, Ill.

U. S. STATIONS LEAVING AIR IN 1957

Call Letters	City & State	Channel	Date	AM Adjunct
WTVE	Elmira, N. Y.	24	Feb. 13	—
WCMB-TV	Harrisburg, Pa.	27	April 9	WCMB
WGBS-TV	Miami, Fla.	23	April 13	WGBS
*KPTV	Portland, Ore.	27	April 30	—
WTOB-TV	Winston-Salem, N. C.	26	May 11	WTOB
KCCC-TV	Sacramento, Cal.	40	May 31	KXOA
KVVG	Tulare-Fresno, Cal.	27	Aug. 6	—
WENS	Pittsburgh, Pa.	16	Aug. 31	—
WJHP-TV	Jacksonville, Fla.	36	Oct. 25	—
WGLV	Easton, Pa.	57	Nov. 1	WEEX
WCDB	Hagaman, N. Y.	29	Dec. 1	—
WPAG-TV	Ann Arbor, Mich.	20	Dec. 31	WPAG
WNAO-TV	Raleigh, N. C.	28	Dec. 31	—

* Call letters are now used by Ch. 12, Portland.

1957 CANADIAN STARTERS

Call Letters	City & State	Channel	Starting Date	AM Adjunct
CKMI-TV	Quebec City, Que.	5	March 5	—
CFCR-TV	Kamloops, B.C.	4	April 8	CFJC
[6]CJOX-TV	Argentia, Nfld.	10	May 30	—
CHAT-TV	Medicine Hat, Alta.	6	Sept. 14	CHAT
CHBC-TV	Kelowna, B.C.	2	Sept. 21	CKOV
[7]CHBC-TV-1	Penticton, B.C.	13	Oct. 12	CKOK
[7]CHBC-TV-2	Vernon, B.C.	7	Oct. 12	CJIB
[8]CKSO-TV-1	Elliot Lake, Ont.	3	Oct. 26	—
[9]CFCL-TV-1	Kapuskasing, Ont.	3	Dec. 15	—
CJFB-TV	Swift Current, Sask.	5	Dec. 23	—

[6] Satellite of CJON-TV, St. John's, Nfld. [7] Satellite of CHBC-TV, Kelowna, B. C. [8] Satellite of CKSO-TV, Sudbury, Ont. [9] Satellite of CFCL-TV, Timmins, Ont.

St. Louis station-sale deal was up in air again at week's end following Dec. 31 U. S. Court of Appeals stay of FCC order authorizing Ch. 11 CP transfer to 220 Television Inc. (Vol. 13:43, 44, 48). Stay was issued on request of St. Louis Amusement Co., one-time applicant for channel. Court gave no opinion in authorizing stay on 2-1 vote. Tied up with Ch. 11 deal is CBS purchase of KWK-TV (Ch. 4) which was not stayed by Appeals Court ruling, leaving CBS, as spokesman put it, "trying to find the best way of going ahead expeditiously as possible with both transactions." FCC spokesman said it had received no requests for action from principals, that it would have to "give thought" what action to take, if any. Action might include asking court to reconsider stay.

Rate increases: WHTN-TV, Huntington, W. Va. Jan. 1 adds Class AA hour (7:30-10:30 p.m., daily) at $800, min. at $160, Class A hour remaining $600. KMSO-TV, Missoula, Mont. Jan. 1 raised base hour from $150 to $200, min. $30 to $40. KOTA-TV, Rapid City, S. D. Jan. 1 raised hour from $150 to $200, min. $25 to $40. CKSO-TV, Sudbury, Ont. Jan. 1 raised hour from $240 to $270 and added new Class AA min. only rate (7:30-10:30 p.m. daily) at $75, Class A min. going from $48 to $60. CKGN-TV, North Bay, Ont. has raised hour from $160 to $180, min. $35 to $45. Correction: WGR-TV, Buffalo, Dec. 1 raised hour from $1025 to $1200, min. $190 to $225.

New WTVC call letters have been assigned Ch. 9, due to resume soon as Chattanooga outlet after move from Rome, Ga. where call was WROM-TV.

CP for KWSL, North Platte, Neb. (Ch. 2) has been sold by partners Ray J. Williams (who controls 60% of KRFC, Rocky Ford, Colo.), Franklin R. Stewart & Alvin E. Larsen Jr. for $5000 to North Platte TV Inc., which has 50 local businessmen as stockholders, headed by attorney Rush C. Clarke. Williams is to get $10,000 worth of stock in buying firm for expenses incurred and for consulting & technical services.

FCC finalized grant this week of Ch. 6, Greenwood, Miss. to WABG, granted these additional CPs to: (1) Board of Trustees, Louisville Free Public Library, for educational Ch. 15; (2) San Luis Valley TV Inc., Romeo, Colo., for Ch. 79 translator; (3) Jackson Hole Translator Inc., Jackson, Wyo. for Ch. 72 translator. [For details see *TV Addenda 25-W* herewith.]

Two applications for TV stations were filed with FCC this week, bringing total to 121 (31 uhf). Applications: For Yakima, Wash., Ch. 23, by Charles R. White, ex-gen. mgr. of KLEW-TV, Lewiston, Ida.; for Arecibo, Puerto Rico, Ch. 12, by WIMA there. No translator applications were filed this week. [For details, see *TV Addenda 25-W* herewith.]

One allocations change sought this week—Granite City Bcstg. Co., Mt. Airy, N. C. requesting addition of Ch. 8 to Mt. Airy, substitution of Ch. 11 for Ch. 8 in Charleston, W. Va.

New reps: KEYT, Santa Barbara, to Headley-Reed (from Hollingbery).

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

Vigorous defense of admen against indictments by Vance (*The Hidden Persuaders*) Packard is carried by Jan. *Atlantic* in rebuttal by Fairfax M. Cone of Foote, Cone & Belding to Packard article ("The Growing Power of Admen") in Sept. issue of magazine. "Advertising Is Not a Plot," Cone says, denying Packard charges that agencies dictate contents of TV & radio programs, manipulate consumer buying tastes, misuse motivational research. Cone concedes that some admen are "irresponsible"—just as "there are unscrupulous builders, manufacturers, retailers, and even doctors & lawyers." But he concludes: "What almost guarantees the honesty of advertising & advertising people is advertising itself. Punishment for sinning is swift & sure. It comes from a public that deeply resents being fooled and that will not buy any product again that has failed to live up to its original advertising promise."

"**Down Under" TV**: Growth of TV in Australia is included in Jan. 3 *Wall St. Journal* story of increasing interest of U. S. companies in growing Australian market. Admiral Australian subsidiary, article says, has capacity to produce 50,000 sets annually—equal to total number bought in country in 1956. It's producing 21-in. set, which despite lower labor costs sells for equivalent of $572 vs. $180-$240 for similar sets sold in U. S. (Vol. 13:36). Newspaper gives as reasons for higher costs: 25% tax on luxury goods, low production rate. Other sources list Aug. TV production at 23,485 vs. 4421 in Aug. 1956.

Sets aren't selling—that's "only thing wrong with color TV," Dec. *Television Magazine* says in special report by assoc. editor Barton Hickman. Reviewing "Color's 4th Year—and 230,000 Sets," article says "electronic bugs largely disappeared and the system was generally recognized as the most powerful advertisers' medium of the day." But "people aren't buying the sets." Big reason: price.

How to win kiddies—and families—on TV is market subject explored by Jan. 3 *Printers' Ink* in interview with pres. Eugene Gilbert of Eugene Gilbert & Co., author of *Advertising & Marketing to Young People*. Among 7 most effective techniques in commercials: "Include strong physical action . . . De-emphasize adult action."

Add baseball TV lineup: National Baseball Congress, representing 25,000 non-pro sandlot players, joined minor leagues this week to fight scheduled CBS-TV telecasts of major league Sunday games next season (Vol. 13:49-52). Asserting that as many as 10,000 Sunday sandlot games are played weekly, Congress pres. Ray Dumont said telecasts would reduce attendance at them even more than at minor clubs' games. Meanwhile, CBS sports director Wm. C. MacPhail issued formal statement to correct "misunderstanding" of agreements with 6 major clubs for rights to Sunday "game-of-the-week" telecasts. He pointed out that CBS-TV can't carry games "over any TV station in any city where a minor league team is playing an afternoon game, nor over any TV station located within 50-mi. of any other minor league game."

Mystery blast at transmitting tower of radio WEZB, Birmingham, caused $10,000 damage and put station off air Dec. 31, police reporting 8 sticks of dynamite were set off. They said station had been having labor trouble, but spokesman for IBEW with which WEZB has contract said "no dispute" exists between union & station.

Telecasting Notes: "Who should pay for tune-in advertising?" asks *Advertising Age* in Dec. 30 editorial on subject of ads which urge viewers to watch sponsor's program. Editorial expresses view that one of most powerful ways to plug a program is through TV itself—and it's free. In general, it concludes, advertiser foots bill for special publicity drives and tune-in advertising, but sums up: "Publicity is nice, if affordable, but there is a question whether the money might not be better spent adding stations or improving the quality of a program. It is to the interest of the network, station and producer to promote programs. It is not a basic responsibility of the advertiser who buys a program in good faith as a carrier for his commercials" . . . **First made-for-TV features** are included in Screen Gems' new 112-picture "Triple Crown" package, which has 52 Columbia features, 52 Universal features and 8 dramas produced by Screen Gems last season for CBS-TV's *Playhouse 90* . . . **Foreign markets**: TPA says foreign TV sales now represent 30% of its gross; Screen Gems says its product is now being unreeled in 34 major foreign TV markets . . . **No TV plugs allowed on CBS Radio**: Jan. 1 *Variety* reports CBS Radio turned down prospective order from U. S. Steel for saturation campaign plugging *U. S. Steel Hour* on CBS-TV . . . **NBC-TV now selling 15-min.** segments in daytime *Matinee Theatre*, dropping participating sales; each quarter-hour will have 3 one-min. commercials, minimum buy being 3 consecutive commercials . . . **Hollywood TV writers had good 1957**—and 1958 should be even better. Writers Guild of America reports they'll share $8,250,000 pot of original wages for scenarios produced last year plus about $350,000 in residuals, which paid $157,294 in 1955, $294,478 in 1956. Residuals alone this year may soar to $1,000,000 under 1956 contract providing 140% of original wages after first 5 film reruns . . . **First sponsor** for Fred A. Niles' new *Cross-Country*, weekly 30-min. noon-hour show aimed at farm homes, is Charles Pfizer & Co. (pharmaceuticals), which purchased total of 902 announcements over 26-week period. Beginning week of Jan. 27, show will be carried by 40 stations. Niles says new contract, now being negotiated, will expand number of stations to 80 . . . **Controversial subject of barter buys** will be discussed Jan. 21 by Matty Fox, head of C&C TV Corp. (& Skiatron TV) and Frank M. Headley, pres. of SRA & H-R Representatives, at RTES luncheon seminar at Hotel Shelton, N. Y. . . . **Add network shows going into syndication**: NBC-TV's *Medic*, syndicated by NBC's CNP; CBS-TV's *You Are There*, by CBS Film Sales . . . **Recording** of widely praised CBS-TV Dec. 30 *See It Now* documentary about Marian Anderson's Southeast Asia concert tour is being released by RCA Victor Records.

TV drama too real: Theresa Buccilli survived sinking of Andrea Doria in 1956 collision with Stockholm with no serious injury. But she collapsed and was hospitalized 4 months after she saw TV program based on sea disaster, her lawyer said this week in Cleveland, reporting $70,000 out-of-court settlement of her claims against operators of of 2 liners. Mental anguish & shock caused by TV reenactment 3 months following shipwreck were so severe that she has been unable to work since and is still under doctor's care, he said.

Glamor on BBC: Big New Year TV celebration on staid BBC featured vaudeville, ice shows, other acts—and 10 of Europe's most beautiful girls. They were "speakerines" (announcers) flown to London from Continent, where they are employed by Eurovision stations in Denmark, Austria, Italy, France, Luxembourg, Holland, Belgium, Switzerland, Germany.

FCC Documents Radio Earnings: Profitability of radio station operation in 1956—and the losses of radio networks—are shown clearly in FCC official data issued this week. Non-network owned stations showed 21.7% increase in profits to $48,800,000 in 1956, on revenues of $410,400,000—vs. $40,100,000 profit on $375,000,000 revenues in 1955. But the 4 national & 3 regional networks and their 19 owned stations (combined) showed mere $400,000 profit on revenues of $70,200,000—vs. $5,900,000 profit on $78,300,000 revenues in 1955. Since network-owned stations earned as well as stations generally, losses in network operations are clearly delineated. But 1957 figures—due at end of 1958—will tell a better story.

Gross time sales breakdown: $44,839,000 to national networks, $2,802,000 to regional, $783,000 miscellaneous, $145,461,000 to national & regional spot, $297,822,000 to local.

Notable in profitability picture of stations is fact 849 of the 2902 reporting (29.3%) showed loss for 1956—indicating that many of those with profits were profitable indeed. In 1955, 27.5% showed loss.

Included in report (Public Notice 54034, which we can get for you) are 8 tables—one covering statistics on each of the several hundred markets with 3 or more stations; figures are lumped in each case so that individual earnings can't be segregated.

Radio sets in use in world—excluding U. S. & Canada—total about 143,330,500, according to report by USIA Office of Research & Intelligence (there are about 153,000,000 radios in U. S.). Greatest expansion from Feb. to Dec. 1957 occurred in Communist Eastern European countries (4,500,000 new sets or 27% increase), followed by Western Europe (4,000,000 or 6%), Far East (2,700,000 or 14%), Near East, South Asia & Africa (1,000,000 or 13%), Latin America (600,000 or 3%). Report notes increase of more than 4,000,000 in number of wired speakers (to 28,918,800) took place almost exclusively in Iron Curtain countries.

FM relay network is planned by MBS which last week filed application with FCC for FM station in San Francisco, plans to ask for maximum of 6 other grants in unspecified locations. Use of multiplexing facilities, MBS pres. Paul Roberts said, would permit 80 FM affiliates in next 2 years to serve as carrier for network programming to AM affiliates now depending on Class C telephone lines "which have limited quality broadcast potentials." Roberts said cost of plan "will be large," but total not determined.

Reports of Radio Station Sales: KTYL, Mesa, Ariz. by Dwight Harkins for $150,000 to Sherwood R. Gordon, owner of WSAI, Cincinnati . . . KUNO, Corpus Christi, by KUNO Inc. for $136,600 to owners of KGBT-TV & KGBT, Harlingen, Tex. . . . KMLB, Monroe, La. by Liner's Bcstg. Station Inc. for $100,000 to WSTV Inc., owners of WSTV-TV, Steubenville, O. (Ch. 9) and other TV-radio properties . . . KBAM, Longview, Wash. by KBAM Inc. for $84,719 to Paul D. Wickre, Washington communications engineer.

Radio Station Sales Approved by FCC: KUSN, St. Joseph, Mo. by J. D. Spears for $50,000 to W. N. Schnepp and associates (Vol. 13:46) . . . KFDA, Amarillo, Tex. by Amarillo Bcstg. Co., full control to Charles B. Jordan in exchange for his 25% interest in KFDA-TV & KFDA and note for $112,000 (Vol. 13:51).

Canon 35 evades issue of public's right to public information, Sigma Delta Chi says in slashing attack on plan by American Bar Assn. to continue its ban on TV, radio & photographic coverage of courts (Vol. 13:44). Statement by professional journalistic fraternity's freedom of information committee asserts ABA fails to face up to question: "Will American courts maintain the principles of open justice, openly arrived at, by adapting themselves to the new communications media?" Challenging ABA's presumption that its canons should govern courtroom rules, Sigma Delta Chi says people themselves "will finally determine whether or not the press will print all details of court procedures, including photographs & TV recordings."

Ad tax machinery for collection of Baltimore's court-disputed 6% municipal assessments against advertisers and all media (Vol. 13:45-52) was set in motion Jan. 1, on schedule. Copies of new tax ordinances were sent to advertisers, agencies, TV & radio stations, newspapers—names & addresses picked from local telephone book. Deadline for payment of Jan. taxes (4% on all time or space bought in any media, 2% on media's gross receipts) is Feb. 25. Any collections will be held in escrow, however, pending disposition of nearly a score of state Circuit Court suits by media, agencies & retailers challenging constitutionality of taxes.

New AFTRA pension plan covering 18,000 TV & radio performers who work for networks, stations, agencies and other program producers under contract with union went into full effect Jan. 1. Negotiated in agreements over past 3 years, plan provides for 5% payroll contribution to AFTRA pension & welfare funds—2% for health & welfare, 3% for retirement program. Meanwhile NABET presented formal demands to NBC & ABC, including 4-day week (Vol. 13:49) and 15% raise in minimum pay scales, for contracts replacing those expiring Jan. 31. Negotiations between union & networks open in Boston next week.

Govt. probes of TV ban which prevented Detroit fans from viewing professional football Detroit Lions-Cleveland Browns championship game Dec. 29 was urged by Sen. Potter (R-Mich.). He asked Justice Dept. & FCC to look into "dictatorial & arbitrary" decision by National Football League comr. Bert Bell to continue 12-year-old policy which forbids telecasting of games within 75 mi. of fields. Echoing protests by Democratic Gov. G. Mennen Williams, Potter said public interest "is not always served when so much power is permitted in the hands of one man."

New Nielsen coverage service, Study No. 3, has been started because of "increasing requests" for TV measurements. Based on Spring measurements, complete reports will be available in late summer. Nielsen said it had already received contracts for survey from 90 stations, 35 agency-advertisers, one network. Survey will produce county-by-county data on TV set ownership, and Nielsen says it "anticipates working with the Advertising Research Foundation on this phase of NCS which provides basic ownership data for the entire industry."

Barter time deals between broadcasters & advertisers have been undertaken by only 16 of 234 members of Assn. of National Advertisers who responded to questionnaires on plan, ANA reported this week. Among 16 advertisers who've used barters, 9 said they got good exposure & identification over network TV for relatively little cost; 5 were dissatisfied, mainly because they thought they traded good merchandise for third-class air time. Others had no firm opinions.

Rep Blasts Barrow Report: Speaking as "a competitor of the TV networks," station sales rep Edward Petry in statement this week assailed proposals in FCC's network study staff report which he said "would hobble, if not destroy, the keystone of our great broadcasting system." His principal points: (1) Statement that networks' activities as spot reps have restrained competition between networking and national spot sales system is "completely fallacious." He said that lack of adequate competitive TV outlets has been main factor retarding competition. (2) Restriction or elimination of option time "would do a disservice to every person in the country now enjoying the wonders of TV." Option time, he said, is important to spot sales activities since "a strong station schedule with the proper allocation of time for network programs is the most valuable thing we have to sell to the national spot advertiser."

FCC's comments on "network practices" report by former Senate Commerce Committee counsel Kenneth Cox (Vol. 13:26) have been submitted to Committee, probably will be made public next week. Cox report, which was similar in some respects to Commission's own network study group report, was never officially approved by Committee—which voted to wait until 90 days after completion of FCC's network study before taking action. Same 90-day deadline was given FCC for its comments on Cox report. The 90 days now have passed, and presumably Commerce Committee will soon be ready to—in its own words—"issue its own report on network practices, with its recommendations as to possible legislation or further action on the part of the Commission and the Dept. [of Justice]."

Hidden microphone under referee John Donohue's shirt at New Year's Day Orange Bowl game in Miami brought TV audience closer than ever to football classic. Unknown to players and most of 76,000 spectators at Oklahoma-Duke game, microphone connected with batteries in referee's hip pockets carried his description of penalties to players and other comments to CBS-TV control room at field. "It was for the educational benefit of the TV viewers," CBS producer Hugh Beach said.

Regular colorcasting began this week in Japan, with Tokyo's non-commercial JOAK-TV and commercial JOAX-TV each programming one hour of color daily, using NTSC system. Effort is largely symbolic, since color sets are far beyond reach of average Japanese—reportedly priced at nearly 10 times cost of black-&-white sets. Govt. is said to have 100 U.S.-made color sets on order.

Armed Forces TV Service has purchased vhf translator from Adler Electronics Inc. for installation on Guam. It will repeat programs of commercial KUAM-TV (Ch. 8) on Ch. 10.

British TV magazine, *TV Times*, hit 2,500,000 paid circulation with Dec. 13, increase of 1,000,000 in year. Publication began in Sept. 1955 with introduction of commercial TV.

NTA moved this week into new quarters in Coliseum Tower, 10 Columbus Circle, N. Y.

Anti-Toll Activity: Efforts to block pay TV were stepped up on several fronts this week: (1) New west coast organization, tentatively called Citizens Committee Against Pay TV and backed by Southern Cal. Theatre Owners Assn., began collecting signatures on petition calling for referendum to overturn Los Angeles City Council's grant of wired toll-TV franchises to Skiatron and Telemeter-Fox West Coast Theatres (Vol. 13:51). Group's goal is to obtain the required 51,767 in time to halt franchises, which are scheduled to go into effect Jan. 22. (2) Movie exhibitors' Joint Committee on Toll TV began distributing literature to every theatre owner in nation, urging exhibitors to conduct local campaigns against fee TV, contact Congressmen, etc. (3) JCTT co-chairman Philip Harling wrote Senate Commerce Committee Chairman Magnuson (D-Wash.)—who favors fee-TV test—that broadcast trial "would cause irreparable damage," pointed to wired Bartlesville system as testing ground.

Seven teleplays produced in 1956-57 season, selected by committee of 20 university & college faculty members, are included in *Best Television Plays, 1957*, published recently by Harcourt, Brace & Co. They are "Requiem for a Heavyweight" by Rod Serling, "Cracker Money" by Steven Gethers, "The Five Dollar Bill" by Tad Mosel, "The Trial of Poznan" by Alvin Boretz, "Survival" by Alfred Brenner, "Lee at Gettysburg" by Alvin Sapinsley, "Thank You, Edmondo" by Mac Shoub. Anthology was edited by NBC sales representative Wm. I. Kaufman.

British viewers will be able to boo shows they don't like while telecasts are still on the screen, according to announcement by London commercial program contractor Associated Rediffusion, which says it will install 200 wired "backtalk" devices in cross-section of homes. Disgusted viewer will push button near his TV set and red "fireside critic's light" will flash in studio, accompanied—according to press report—by loud Bronx cheer. A-R says it will begin installations in about 2 months.

How to save movies: Italian TV made Tirano theatre owner Marco Soltoggio feel wretched, so he took steps to bring back movie customers who preferred staying home to watch sets. Police investigating sudden blackout at Tirano station of such nationally popular TV programs as *Lascia o Raddopio* (*Double or Quits*) reported that Soltoggio, helped by friend, had tried to restore theatre's popularity by cutting coaxial cable with axe.

Index to 1957 Newsletters

OUR ANNUAL INDEX to news stories is in the works, due off presses next week. The only such service in the industry, it goes to all subscribers, pin-pointing items which are extremely difficult to find otherwise. It may be used most conveniently with your file of 1957 Newsletters, Special Reports and Factbooks. We are now preparing bound volumes of the foregoing—can still take orders at $25 per copy.

Television Digest with Electronics Reports
WYATT BUILDING, WASHINGTON 5, D. C.

MARTIN CODEL, Editor and Publisher; ALBERT WARREN, Senior Editor; ROBERT CADEL, Business Manager; DAVID LACHENBRUCH, JAMES S. CANNON, JAMES J. CASSIDY, Associate Editors
Editorial Associates: Paul Stone, William J. McMahon Jr., Wilbur H. Baldinger

Published every Saturday, with TV Factbook Numbers (53rd and 54th issues) issued in February and August and AM-FM Directory (55th issue) published in January, by Radio News Bureau, Wyatt Bldg., Washington 5, D. C. Sterling 3-1755.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report
January 4, 1958

1958 TRADE OUTLOOK—DOWN, THEN UP: Aligning our view with more optimistic businessmen, we see general softness ending by midyear, followed by rise to new high ground. Thus, biggest impact of business dropoff will fall in TV's poorer half year -- leaving Sept.-Dec. heavy selling season to benefit from pendulum's upswing. All this adds up, in our estimate, to 6,500,000 TV production (including color), about 6,700,000 retail sales -- former holding about even with 1957, latter increasing slightly as inventories, at healthy year-end level of 2,250,000, are further whittled down.

Logical stimulus to TV sales should be increasing age of small-screen sets, concomitant higher cost of repairs. Latest sets-in-use statistics show about 15,500,000 sets smaller than 21-in. -- excluding portables -- are still being used, most of them 5-years-old or more. (We know a top Washington steel executive who's using 11-year-old set, is just getting around to look for new one.)

Second-set market also is fertile field for sales. Certainly industry has 2 potent sales weapons here: (1) New slim-line sets (with better sound, automatic tuning) to fit in with modern living room decor -- relegating old set to den or playroom. (2) Portables which can be moved easily to any room in house -- or even taken along for use on vacation.

Styling will continue to emphasize slim look, hastening obsolescence of older sets. We think industry will pretty much standardize on 110-degree tube in 1959 lines to be introduced about June. However, a few may still use short -- or short-short -- 90-degree, due to lower cost. There's little likelihood of move to wider deflection angle, or 1958 commercial application of flat tube or picture-on-wall.

Pricewise, we can't see any increase on current models in face of weakening market. However, drop-ins at Winter Market (see below) will reflect higher costs for added features. If business conditions are on upswing when 1959 lines are introduced in late spring, higher costs of labor & materials will be passed along.

Color TV will continue to gain, moving from estimated 1957 sales of 175,000 to about 225,000-275,000, due to greater public exposure, increasing color programming. Major stumbling block remains price -- and that will be alleviated somewhat by RCA's higher trade-in promotion on 11 sets, stepped up ad program (see p. 12). No cut in price based on technical developments is foreseen.

CHIPS ON FEATURES, NOT PRICE, FOR MID-YEAR TV: Except for usual Winter Market-priced specials, TV industry is putting promotion behind selling features to move drop-in models and stimulate first-half sales -- not on price. As it was last Jan., air of "sensibility" is in Chicago -- word is: don't look for dumps. Among features being shown are clues to what's coming later this year -- 1959 portable lines are but 3 months away from retail introduction.

In portables, Motorola anticipates 1960 with its not-for-sale, tubeless, truly portable-portable. Battery-driven set uses 31 "Motorola developed" transistors. Its 2 nickel-cadmium batteries are 5-in. cubes, supply 12 watts, operate 6 hours on one charge, recharge in 2 hours while set plays on house current, and take 2000 charge-recharge cycles. Weight of 14-in. set is 30 lbs. "Practical price" is 2 years off. Set's cabinet furnishes more immediate styling clue, however: one-piece, molded of fiber glass, picture tube & chassis removable from front.

Other portable & table model styling clues: (1) Tapered look -- front 2-in. wider than "finished" back -- of Philco table (Vol. 13:50). (2) So-called "flight flair" of GE's portables, which are vinyl-covered -- so are Admiral's -- and fitted with polarized plugs to cut further the multi-million-to-one chance of shock hazard.

Price isn't out of picture entirely. Emerson, though not at Market, adds new 17-in. portable at $128; 14-in. bracket still alive as GE & Zenith show 3 models each.

In consoles, for styling clues there are: (1) Sylvania with maximum slimness push, cutting cabinet back beyond face of tube & "ensemble-it-yourself" convertible lowboy & console line (Vol. 13:46, 50). (2) Stress on hi-fi sound in TV typified by Motorola with 2-speaker table model, 3 drop-in consoles featuring twin 8-in. speakers in one, twin 4-in. plus 12-in. in 2 others. Also pushing sound, though not showing at Market, new Hoffman TV audio system featuring 15-watt output & 3-4 speakers.

Production: TV set output was 96,647 week ended Dec. 20 vs. 116,296 the preceding week & 98,357 in 1956. Year's 51st week brought total to about 6,260,000 vs. 7,261,629 last year. Radio set production was 308,840 (97,119 auto) vs. 373,322 (118,284 auto) the preceding week & 335,011 (197,019) in 1956. For 51 weeks, sets produced totaled 15,061,000 (5,371,407) vs. 13,638,759 (4,889,338 auto) last year. With normal production in coming 52nd week, industry production of home radios could reach 10,000,000 sets, passing earlier predictions by 1,000,000, for 8-year high.

New Color TV Push: "Greatly increased" allowances on black-&-white sets traded in on any of 11 color sets and "extensive" co-op advertising in local newspapers, TV & radio will be utilized "for a limited period" in a market-by-market RCA color TV campaign starting immediately.

C. P. Baxter, v.p. & gen. mgr., says idea is to cash in on reaction of families who are seeing color for first time on the record number of sets sold in weeks just before Christmas—"highest in color TV's history." For sets which list from $495 to $895 (8 are $695 or above), "cash outlay will be close to what the customer would pay for a deluxe black-&-white console," Baxter said. Values won't be duplicated in months ahead, he asserted, since "color TV prices in the future will be higher than they are now."

Simultaneously, Raymond Rosen, RCA's Philadelphia distributor and heaviest color promoter, broke with first quarter campaign keyed to advertised list of $399-with-trade for low-end table model formerly listed at $495.

Meanwhile, *Home Furnishings Daily* was reporting that color sales in Detroit range from 5 to 30% of black-&-white; that unit sales of color vs. 1956 are ranging from slightly up to 20% up; that dollar sales per set & profit per set are higher than year ago. In Milwaukee, the trade paper reported, some big dealers will end year 15 to 25% ahead in color sales due to RCA's big spring promotion there, but that some pre-promotion pioneers are finding color selling rough now, that list is rare, profit difficult; that dealers are complaining about lack of daytime programming, but agreeing that color sales do rise with Mary Martin-type spectaculars.

Black-&-white promotion was launched by RCA this week too, again featuring the long trade on 4 high-end 800-series consoles.

Raytheon discontinues making TV picture tubes for initial market, blaming "slackened demand and high seasonal fluctuations," but continues production for replacement. Production stops at Quincy, Mass. plant, affecting 200 of plant's 7700 employes. Firm also announced $2,000,000 capital improvement program at Quincy, Newton and Brighton tube and semiconductor plants.

Zenith opens non-selling TV consumer showroom on ground floor corner of new Tishman Bldg., 53rd & 5th Ave., N. Y.

Trade Personals: Arthur A. Currie resigns as merchandising mgr. of Westinghouse TV div. . . . Joseph B. Elliott, onetime RCA v.p., later pres. of Schick and now v.p. of Raymond Rosen Co., Philadelphia RCA distributors, now devoting most time to Tele-Dynamics Inc., Rosen defense contract subsidiary . . . Paul D. Scaggs, ex-John J. MaCinnes dept. store, named controller of Admiral molded products div. . . . Frederick G. Reiter, ex-Md. Credit Finance Co., named v.p. & director of Philco Finance Corp. sharing functions of v.p. & director M. Bradley Young . . . Willard J. Russell promoted to adv. & promotion mgr. of Philco accessory div. . . . James W. Dougherty promoted to chief engineer of Philco automotive div. . . . Edward G. Reitz promoted to Motorola adv. administration mgr., succeeding Hugh H. Engleman, named TV adv. & sales promotion mgr. . . . C. B. Thorsen, Day-Brite Lighting district mgr., named pres. of Electric Assn. of Chicago, succeeding H. C. Moses Jr. of Thomas & Betts Co., who becomes director-at-large . . . Joshua Ginsparg promoted to chief industrial engineer of Shure Bros. . . . Wayne R. Smith, ex-*Electrical Dealer*, named promotion mgr. of *Electrical Merchandising*.

Milton R. Rackmil, pres. of Decca Records and of Universal Pictures, which Decca now controls, is subject of personality sketch titled "That Money Maker at Decca" in Dec. 29 *N. Y. Times*.

DISTRIBUTOR NOTES: Admiral names Leo Lisee to head new Philadelphia Admiral Distributors' branch, his Washington D. C. branch functions to be absorbed by Wm. Oppenheim, gen. mgr. of Baltimore branch . . . Graybar promotes Glen Moore to TV district sales mgr. in Atlanta succeeding Harry Giles who retires after 20 years . . . Luckenbach & Johnson, Allentown, Pa. (Philco), has been purchased from sole owner Ralph Luckenbach by 4 veteran employes: Stephen Demchyk, now pres.; A. W. Roberts, sales v.p.; Wm. C. Burgess, merchandising v.p.; Ralph Hill, secy.-treas. . . . Majestic International appoints Jack Harris, ex-Philco Distributors, N. Y., to new post of exec. mgr. of N. Y. branch . . . Bogen-Presto, divs. of Siegler Corp., name as reps: Fred B. Hill Co., Minneapolis, for Minn., N. D., S. D., western Wis.; Ralph Stevenson, Salt Lake City, for Rocky Mt. area; Forristal-Young Sales Co., Kansas City & St. Louis, for Neb., Ia., southern Ill. in addition to Kan. & Mo.; Charles L. Thompson Ltd., N. Vancouver, B. C., for western Canada.

Tape Recorder Convert: Olympic enters tape recorder business, showing at Winter Market a 3-model portable line including a stereo unit. Since only 2 other TV manufacturers (RCA & Philco) are in portable business which is touted as 600,000 units worth $100,000,000 at retail in 1957 and 700,000 worth $120,000,000 in 1958—and all others have stayed conspicuously out—we asked pres. Morris Sobin what brought him in. Two reasons: "Stereo is coming—both discs & tape—and we want to get our feet wet now." Second: "There is a demand for tape recorders in our distribution. Our outlets are selling other brands."

Sobin believes that stereo disc will be here in fall of 1958; that at least 4 manufacturers are working on a cartridge for fall; that Olympic will be in stereo record business as soon as cartridge is available. "If stereo discs don't happen in 1958, then they will surely in 1959. We want to be ready with stereo players for both discs and tape." Other tape activity:

(1) Stereo tape recorder, said to record & reproduce stereophonic sound from a single unit, was introduced by Superscope Inc., Los Angeles. "Sterecorder," with 2 matched microphones, 2 independent pre-amp & power amplification channels, each with own controls, sells for $549 list, works monaurally or binaurally.

(2) Packard-Bell comes into miniature recorder business with 4x6x11-in. 10-lb. model using tape magazine which can be changed in 5 seconds. Magazine has single reel of tape which winds continuously from inner diameter while it unwinds simultaneously onto outer diameter. Transistorized recorder is in P-B's technical products div., is designed primarily for military use at present.

Add Mid-Year Lines: In addition to 4 TVs, Admiral will show at Winter Market 6- & 8-transistor radios with dual speakers which play from front & back. Portables, which also play on AC-DC, will retail at $59.95 and $69.95. TV entries include 2 specially priced 17-in. vinyl-covered portables and 2 new TV-hi-fi consoles, to be specially priced. Also shown will be new "Italiana" line of radio-phono consoles, styled in Italy and using some German import components.

Westinghouse will show 2 manual control TVs, a table and a console, a new hi-fi consolette and a line of remote speaker and record storage cabinets to match hi-fi line introduced last fall.

GE will show 3 basic new TVs to Market, in 10 models —all without list prices. Drop-ins include three 14-in., four 17-in. portables and 3 lowboy consoles.

Emerson, though not at Market, introduced two 17-in. portables, two 21-in. consoles, a 24-in. console. Also in line was 21-in. TV-AM-FM console with 4 speakers, 3 console phonos and a portable, 8-transistor radio and an AM-FM table radio.

Hoffman showed to distributors in Chicago and on west coast, 11 basic TVs in 35 models including one 17-in. and one 24-in. Using 4 chassis, line includes 14 models listing from $349 to $445. Also shown were 2 new phonos, 3 new radio-phonos, $59.95 all-transistor portable radio and $99.95 solar-powered portable.

More **diversification**: RCA joins with Allis-Chalmers to form C Stellarator Associates, combining engineering staffs for design and construction of nuclear fission power device for Atomic Energy Commission; plant at Princeton is due for completion in 1960.

Electronics in 1958: Commerce Secy. Sinclair Weeks, estimating 1957 electronics production at $6.9 billion factory value, with 606,000 employes, predicts 1958 figure will advance to $7.35 billion. His breakdown:

(1) TV-radio and related consumer equipment to hit $1.47 billion vs. 1957's $1.44 billion, advance coming from "other than TV-radio"; TV production in first 6 months probably cut back as result of mounting inventories; radio at best approximating 1957 high level because of expected auto production decline.

(2) Other electronic equipment (no tubes or components) rising to $3.4 billion from 1957 preliminary total of $3.1 billion. Increased spending for military electronics to help, but major effect of stepped-up missile program may not be felt until year's end; commercial and industrial electronics, estimated at $1 billion in 1957, will continue growth—but at somewhat slower rate.

(3) Electron tubes reached preliminary total of $800,000,000 in 1957, estimated to go to $820,000,000 this year.

(4) Electronic components estimated at $1.66 billion for 1958 vs. $1.56 in 1957.

Vanguard director Dr. John P. Hagen speaks on "Satellite Instrumentation of the Future" at Jan. 6 meeting of IRE Washington section.

Sperry Rand's semiconductor div. is now producing transistors and diodes commercially—sales headed by Arthur M. Varnum.

New missile interceptor "Plato," being built for Army by Sylvania at Waltham, Mass. lab, is designed to halt IRBMs—further details barred by security.

Electronics Personals: R. E. Kirby promoted to mgr. of Westinghouse electronics operation in Baltimore; **J. M. Beggs** succeeds him as ordnance dept. mgr. . . . **John R. Booth** promoted to director of Philco TechRep div., **Samuel B. Webb** to gen. mgr. . . . **Dr. B. D. Thomas** named pres. of Battelle Memorial Institute, succeeding **Dr. Clyde Williams** who retires after 28 years as first pres. to form own consulting company . . . **S. G. Paterson**, ex-Rogers Majestic Electronics, named sales v.p. of Canadian Motorola Electronics Ltd., headed by **Reginald M. Brophy**, onetime NBC executive, ex-pres. Rogers Majestic Co., who also heads Philips Canadian Industrial Development Co., affiliated with big Philips Lamp Works, Eindhoven, Holland . . . **Theodore E. Jamro** promoted to new position of mgr. of Buffalo transistor plant & acting mgr. of Clyde, N. Y. semiconductor rectifier plant of GE semiconductor products dept.; **George F. Platts** promoted to mgr. of Syracuse semiconductor plant at Electronics Park, as reorganization of dept.'s management puts greater authority at plant level, abolishes position of mgr. of manufacturing . . . **Joseph B. Cejka**, ex-Brach Mfg., named electronics gen. sales mgr. of Gabriel Co. . . . **Lowell S. Palfrey** promoted to director of research & development of International Rectifier . . . **Dominick N. Salerno** promoted to controller of Circuit Instruments Inc., subsidiary of International Resistance Co.

Texas Instruments receives $4,691,884 contract for 14 CAA radar units, first to be installed in 2 years. Company is also making transistorized 7-lb. mine detector, ¼ weight of current standard model.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 3, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8 High	Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	Low	Stock and Div.	Close	Wk. Chnge
14⅞	6½	Admiral.......	7⅝	+⅞	50⅜	33	I-T-E CirB1⅝d.	40¾	+½
31⅜	19⅛	Aeroquip. 40b..	21	−½	10⅜	7⅛	List Indust ¼e.	7¾	+¼
27	16⅛	AmerBosch1.05g	20⅜	−⅛	56⅝	29½	Litton Ind.....	42¼	+1¾
24⅞	11⅝	Am. Bcstg-Para.1	13⅝	+2	22	11¼	Loew's	13⅞	.....
43¾	29⅛	AmMach&F 1.60	32⅞	+⅝	44	28⅛	Magnavox 1½b.	32	+2¾
179⅞	160	AT&T 9.......	169⅞	+4¼	50¼	23½	Mallory 1.40b..	27¾	+2¼
33⅞	19½	Amphenol 1.20.	24⅛	+2⅛	131	73½	Mpls. H'll 1.60a	82¼	−¼
36¼	28	Arvin 2........	29	+½	51¾	35¾	Motorola 1½...	41	+¼
7¾	4⅞	Avco .10g......	6	+¼	9½	7	Nat'l Thea ½..	7¾	+⅜
47¾	21	BeckmInst 1¼f	25¼	+1½	36⅞	28	Paramount 2...	31¼	+¼
66¾	42	Bendix Av 2.40.	47⅛	+1½	18⅜	11	Philco ⅝f.....	13¼	+¾
52⅜	27⅞	Burroughs 1...	30¼	+1⅜	40	27	RCA 1a........	31⅝	+1¾
25½	15⅛	Clevite 1.15g...	16½	+⅝	23¾	16⅜	Raytheon......	22⅜	+1⅜
36⅛	23½	CBS "A" 1b...	26	+1½	50⅞	30½	Rel Elec 1.80...	33	+2¼
35½	22⅜	CBS "B" 1b...	25⅝	+1½	8¼	4¾	Republic Pic...	5¼	.....
54¾	25⅛	Cons Elec .40a..	32¾	+1¾	18	12⅜	Siegler .80.....	14⅞	+1⅜
35½	18	Cons Electron..	21	+1¾	6¼	2½	Sparton.......	2⅞	+¼
27½	12½	Cor-Dub 1.20...	14¼	+1½	26⅛	17⅝	Sperry Rand .80	19¼	+1
47	27½	Daystrom 1.20..	34	+¾	9¾	5¾	Standard Coil..	6¾	+¾
19⅝	13⅜	Decca 1.......	14	+¼	18½	13⅜	Stanley-War 1..	14⅝	+⅝
15½	13	Disney .40b....	14⅛	+¼	41⅝	27¼	Stew Warner 2b	30¼	+1¾
115	81¾	East Ko 2.60a..	101	+3	29¼	18¾	StorerBcstg 1.80	22¼	+3
4¾	3⅛	El & Music .13e	4	+⅜	46¼	29¼	Sylvania 2.....	34½	+4½
34	22⅛	Emer Elec 1.60.	31¼	+2¼	31½	15⅞	Texas Instru...	29	+4
6⅞	3¾	Emerson Radio.	4⅛	+⅛	89¾	46	ThompProd 1.40	51⅛	+1⅜
68⅝	46¾	Gen Dynamics 2	61¾	+3⅝	37½	21¾	Tung-Sol 1.40b.	24¾	+2⅛
72⅜	52⅜	Gen Electric 2..	61	+1⅜	30¾	19⅝	20thC-Fox 1.60.	22¾	+2¾
8⅛	4	Gen Inst. .15g..	5⅛	+⅛	25⅜	15	United Art 1.40.	15¾	+½
47¼	30¼	GenPrEquip 2.40	36	+2⅞	30⅞	18¼	Univ. Pict 1a...	19	.....
25⅞	17¼	Hoffman Elec 1.	21½	+1¼	28⅞	16½	Warn Bros 1.20.	17½	.....
376½	270½	IBM 2.40b.....	306½	+4⅛	68⅝	52⅜	Westingh El 2..	63	+1⅝
37¾	25¾	IT&T 1.80.....	30¾	+1¾	140	91¼	Zenith 3a......	125⅛	−3⅝

AMERICAN STOCK EXCHANGE

High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
4½	2½	Allied Artists ..	3⅜	+¼	6⅛	3⅝	Int Resist .20...	3¾	−¼
21½	11	Amer Electro ½	14	.....	8¾	4	Lear..........	4¾	+½
12⅜	4⅞	Audio Dev .05d.	9⅝	−⅛	1⅝	⅜	Muntz TV......	7/16	+1/16
12¾	3⅞	BarCont B.....	4¾	+⅜	3⅞	2⅛	Muter Co. ¼t..	2⅝	.....
13⅝	6¼	Belock Inst ⅛t.	7 15/16	+3/16	9¾	5⅝	Nat'l Telefilm..	6½	+½
1¼	⅜	C & C TV......	½	+⅛	2⅞	1	Nat Union El...	1	.....
5	2½	Clarostat .15g..	3	+⅛	11¾	5¼	Norden-Ketay..	6⅜	+¾
6⅛	3	DuMont Lab...	3⅜	+¼	5	3	Oxford El......	3½	.....
7⅝	2½	Dynam Am....	3⅛	+½	3⅞	1⅞	Philips Sc.....	1¾	−⅛
12⅞	5½	Electronics Cp..	6½	+⅛	8	3¾	ServoCpAm....	4⅞	+⅝
3⅞	1½	El-Tronics.....	2	+⅜	12⅝	6⅛	Servomech .40.	7¾	+½
30	8¾	General Trans..	19	+3¼	9	3⅛	Skiatron.......	5¾	+⅜
28½	17	Globe Un 1.20b.	16½	−½	8¾	2⅞	Technicolor....	3¾	+⅞
4⅝	2½	Guild Films....	3	+⅜	5⅞	3⅝	Trans-Lux .20g.	3⅞	.....
44½	29¾	Hazeltine 1.40b.	32	+1⅞					

OVER THE COUNTER

	Bid	Asked		Bid	Asked
Aerovox..................	3⅛	3½	Leeds & Northrup .60b......	19½	20¼
Airborne Inst.............	34	37	Magna Theatre............	1½	1⅝
Altec Co .80..............	7½	8	Maxson (W. L.) .05..........	4⅝	5
AMP Inc .50..............	17¾	18½	Meredith Pub 1.80a.........	29½	30½
Ampex....................	44¼	44¾	National Co. (4% stk).......	10¼	11
Chesapeake Ind...........	1⅞	2½	Official Films .10...........	1 1/16	1 3/16
Cinerama Inc.............	⅞	1	ORRadio..................	14½	15¼
Cinerama Prod............	1	1½	Packard-Bell .50...........	10⅛	10½
Collins "A" .35...........	11¼	11¾	Philips Lamp (14% of par)...	30¼	30½
Collins "B" .35...........	10¼	10¾	Sprague Electric 1.20.......	23	23¾
Craig System .30b.........	3¾	4¼	Teleprompter.............	4	4½
DuMont Bcstg.............	7½	8	Telecomputing............	3⅛	3⅜
Eitel-McCullough (5% stk)...	20½	21½	Time Inc 3.75..............	52	52¾
Elec Assoc (stk)...........	34	35	Tracerlab.................	5½	5¾
Erie Resistor .40b.........	6⅜	6¾	Trav-Ler..................	1	1⅛
Gross Telecasting 1.60.......	14¾	15½	Unit Art Thea.............	3½	3¾
Hewlett-Packard...........	16¾	17	Varian Assoc..............	16⅜	16¾
Hycon....................	2 3/16	2⅜	Victoreen Inst.............	3⅝	3⅞
Indiana Steel Products 1.20a.	18⅛	18½	Webcor .25...............	11	11½
Jerrold....................	1⅝	1⅞	Wells-Gardner.............	5⅞	6¼

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Do You Know That . . .

EX-FBI AGENTS are prominent also in various other fields of communications and electronics besides those we listed in the broadcasting industry last week (Vol. 13:52). For example, AT&T's John J. McKenna is one of "J. Edgar Hoover's boys," as are Joseph F. Doherty, Bell Labs; Jerome F. Taylor and Sterling F. Tremayne, Illinois Bell; James F. Ryan, N. Y. Telephone Co.; David A. Lush and Raymond C. Sprow, IT&T; Robert E. Chasen, Federal Telephone & Radio Co.; Charles C. Houston Jr., Federal Telecommunications Lab; Howard R. Hawkins, RCA Communications; Thomas E. Myers, Free Europe Committee.

GE, Westinghouse and RCA show distinct predilection for FBI alumni. GE lists George M. Dalen, James A. Davis, George M. Hunsinger, E. Vernon Osborne, Stanley W. Ross, Harry E. Scott, Wm. J. Sheehy, John F. Simons, Joseph V. Sullivan, Russell E. White.

Westinghouse has Francis P. Cotter, Charles C. Bridwell, Leslie Grady, Fred J. Hook, Stanley R. Karnash, Walter R. Kretchman, Wm. H. McLaughlin, Robt. G. Pumphrey, F. M. Raisbeck, Samuel G. Riley, Wm. B. Thomas, Sherard E. Callahan.

At RCA are Herbert T. Brunn, Richard C. Gottier, Alan R. Hawley, Stephen T. Lawrence.

Bendix Aviation has James P. Fernan, Robert T. McIver, Angelo J. Meluso, Jewel A. Pope, Robert J. Quirk, Verro L. Ritter.

Others: Rollo V. Clark Jr. and Don W. Dodge, Collins Radio; Robert C. Love, Eitel-McCullough; C. W. Wall, Hughes Tool Co.; Rufus C. Coulter and Kenneth M. Piper, Motorola; Hervey W. Miller, Minnesota Mining & Mfg.; Wade H. Gans, Philco; John T. Williams, Raytheon; Dale D. Westermeyer, Western Electric.

Why CBS Pays $20,000,000: Earnings of WCAU-TV, Philadelphia (Ch. 12) with AM & FM adjuncts are shown in Nov. 30 unaudited statement of financial condition filed with request to transfer stations from *Philadelphia Bulletin* to CBS in $20,000,000 deal (Vol. 13:51). Statement shows $8,153,882 earned surplus and $1,598,524 profit from Dec. 30, 1956 to Nov. 30, 1957. It had $1,367,894 cash on hand and accounts receivable, $3,614,746 in other current assets, $3,256,748 in fixed assets, $3,181,506 in other investments (including $649,935 stock in WDAU-TV, Scranton); $216,954 current liabilities, $1,603,399 accruals.

Reaction to Arbitron instant rating system (Vol. 13:50-51) has been "fantastic," reports American Research Bureau director James Seiler. For example, he says, he expects all 7 N. Y. stations to sign for service—but is holding off until start of system. Planned Jan. 1 beginning was delayed because of phone company problems in balancing lines; 2 more weeks are needed before service begins. Some 200 of projected 300 homes in N. Y. have been hooked into 12 circuits. Seiler reports on system Jan. 7 in talk at RTES luncheon at Shelton Hotel, N. Y.

Thirty new Russian TV stations will start this year, according to Radio Moscow, which reports color will begin in Moscow, extend to other cities later. Lenin Electro-Technical Institute is said to be working on a color system using "scanning light beam principle" and simple camera.

Pay-TV engineering developments are scheduled for discussion at Feb. 2-7 AIEE meeting at N. Y.'s Statler and Sheraton-McAlpin Hotels.

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

Television Digest with ELECTRONICS REPORTS

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 2

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

RCA-NBC LEGAL VICTORY—PRECEDENT FOR FCC? In pulling rug out from under Justice Dept. anti-trust suit against RCA & NBC in Westinghouse "station-swap" case (Vol. 12:29 et seq), Philadelphia Federal Court Judge Kirkpatrick may have set stage for some far-reaching changes in FCC procedures & concepts and FCC-Justice Dept. relationships.

Paving way for dismissal of civil suit, Judge Kirkpatrick ruled, in effect, that FCC action can't be challenged by Justice Dept. on anti-trust grounds. And the corollary implication of Jan. 10 ruling is that Commission must take responsibility of enforcing anti-trust laws in its licensing procedure.

Justice Dept. had attached heavy importance to this case -- first anti-trust action involving network activity -- and then-Attorney General Brownell was personally responsible for filing of original suit Dec. 4, 1956. Appeal by Justice Dept. directly to U.S. Supreme Court is certain.

In this test case, RCA & NBC were named defendants in civil suit charging they violated Sherman Act and "coerced" Westinghouse Broadcasting Co. into agreeing to swap its Philadelphia TV-radio stations (now NBC's WRCV-TV & WRCV) for NBC's Cleveland outlets (now KYW-TV & KYW) plus $3,000,000.

RCA-NBC pinned principal defense to fact exchange of outlets was approved by FCC in Dec. 1955, claiming they were caught in the middle of a jurisdictional dispute between 2 govt. agencies and Justice had no right to challenge FCC ruling.

On basis of this "jurisdictional" argument by RCA-NBC, Judge Kirkpatrick threw case out of court. Anti-trust action, said he, was barred by "administrative finality" of FCC's approval of transfer. He noted that Justice Dept. had access to information on deal while it was pending before FCC and should have objected then.

* * * *

Ruling took both FCC & Justice Dept. by surprise. For years, Commission has maintained -- as have Congressional committees -- that it does not have final anti-trust authority and doesn't want it. House Judiciary Committee Chairman Celler (D-N.Y.) early in 1957 introduced bill (HR-2142) to specify that action by regulatory agencies doesn't "insulate" regulated companies from anti-trust laws (Vol. 13:2). This bill should take on more importance in current session of Congress as result of this week's court action.

If Kirkpatrick decision sticks -- is upheld by the Supreme Court -- it would effect changes in FCC activities by making Commission responsible for upholding the anti-trust laws in all of its decisions. One experienced ex-FCC attorney speculated that under such a condition "nobody could get a CP without a hearing" since it would be incumbent upon Justice Dept. to intervene in every single FCC case which might involve possible anti-trust problems -- for, once granted, licensees would have what could in some respects be described as immunity from anti-trust action.

FCC CALLS HEARINGS ON NETWORK PRACTICES: Acting with unusual dispatch, the FCC this week completed its briefing sessions on 1400-page Barrow network study staff report and announced open hearings covering entire report would start March 3.

Action was surprise to many interested parties, who had expected Commission to solicit written comment -- but there was general agreement now that final decisions on report's recommendations are unlikely while 85th Congress is still in session. Fact that Commission is now "doing something" about Barrow report is almost certain to forestall hasty Congressional action on recommendations in the document.

Industry spokesmen generally hailed the action as best possible chance to get their viewpoints across to Commissioners. On Capitol Hill, however, we heard the word, "stalling," used by 2 spokesmen. Feeling among some there who have followed the situation is that Commission should have initiated proceedings to adopt proposals recommended by Dean Barrow and his staff.

Rule-making proceedings may come -- but not for some time. FCC's timetable, as given in hearing notice (Doc. 12285, Public Notice 53721): Lists of witnesses, with brief outline of subject matter, due before Jan. 31; hearings to start 10 a.m. March 3. "Written statements will be accepted at this time only for the purpose of pointing out inaccuracies, if any, in factual data or statistics" in report.

How long the hearings will run depends entirely upon Commission, which could choose to hear every witness, or consolidate testimony of witnesses whose testimony is likely to be repetitious. Commission says it "wishes to conduct and conclude this hearing in as expeditious a manner as possible," that it hopes to cut down repetition. Best guess as to length of hearing is about 10 full days.

Commission must sort through mass of testimony before deciding what to do about the many recommendations in report. Then, it may or may not propose rule-making on various issues. If it does -- then the battle will really begin.

* * * *

On another front, FCC reassured Congress that it's wasting no time in taking actions on basis of Barrow report. In letter to Chairman Magnuson (D-Wash.) of Senate Commerce Committee, released by Committee this week, FCC Chairman Doerfer said "the materials which the network study staff states in its report as raising a question concerning possible infractions of the anti-trust laws are being referred to Dept. of Justice" and that "materials in the files of the network study staff bearing on possible infractions of existing Commission regulations have been made the subject of further investigation." Similar letter was sent to House anti-trust subcommittee.

Two principal areas of possible anti-trust violations raised in Barrow report concerned alleged consultation among networks on rates of shared affiliates and "cooperation" between network organizations and networks' own spot sales depts. to "equalize" national spot and network rates (Vol. 13:30).

Barrow report also recommended that Justice Dept. be consulted on subject of network "must-buy" lists and substitution of "minimum-buy" requirement, as well as subject of possible legislation to bring networks directly under FCC regulation.

As to study of possible infractions of FCC rules, Doerfer presumably referred to informal letters sent the 3 networks and large group of stations whose licenses come up for renewal in Jan. & Feb., inquiring about some practices alleged in Barrow report (Vol. 13:51). Letters didn't charge infractions, but asked information.

Network study report had asked inquiry into possible breaches of rules in these fields: (1) "One network's practice of requiring applicants for affiliation to serve as its primary outlets to the exclusion of other networks." (2) "Policies and practices of the networks with respect to holding discussions with existing affiliates concerning the granting of affiliation to other stations." (3) "The practice of the networks of discussing with affiliated stations the proposed placement of network programs on non-affiliated stations." (4) "Use of network rates to influence national spot rates of affiliated stations." (5) "Use of network rates to influence the stations' acceptance of programs from another network."

Commission's letters to both Congressional bodies declined comment on either Cox or Celler network practices report as "premature" until deliberations on Barrow report are completed, and added that FCC Office of Network Study is now preparing its supplemental report on programming although some data still hasn't been supplied.

OPENING TARGET OF MOULDER HEARINGS—FCC: Congressional investigating season opened this week, special House Commerce legislative oversight subcommittee taking lead by bringing FCC within its sights in hunt for irregular practices in 6 govt. agencies.

But Chairman Moulder (D-Mo.) told us that choice of FCC as lead-off agency in session-long hearings, expected to start by end of Jan., doesn't mean that it is ripest target for probers of possible malfeasance by govt. administrators.

"I want to emphasize that the FCC is not our No. 1 prime objective," Moulder said following 2½-hour closed meeting of subcommittee Jan. 8 -- first formal get-together since last Oct. 17 (Vol. 13:42). "We aren't singling out the FCC."

Moulder explained that subcommittee's staff under Dr. Bernard Schwartz, who submitted 30-page memo at executive session, had made more progress in preliminary examination of FCC procedures than at other agencies involved: CAB, SEC, FTC, FPC, ICC. Timetable for public hearings probably will be set next week.

"Considerable disturbance & unrest" have been aroused within agencies and subcommittee itself by "much misunderstanding" of his aims, Moulder told us. He said he wants his investigation to answer 2 main questions about the quasi-judicial agencies: (1) "Are they disregarding intentions of Congress in setting them up?" (2) "Are they violating their own rules and regulations?"

Wary eyes nevertheless are being kept on Moulder & Dr. Schwartz by agency officials and Republican members of subcommittee who see probe as Democratic scheme to embarrass Administration. They balked last fall at fishing expeditions for damaging evidence which were led into agencies by Dr. Schwartz, NYU law professor on leave as director & chief counsel. Conduct of investigation (started 10 months ago with $250,000 budget) has been noticeably more subdued since, although staff attorney Stephen Angland was installed in FCC offices on daily work schedule.

By subcommittee instructions, Dr. Schwartz still is denied access to filled-out questionnaires he sent to agency chiefs & personnel, asking details about income, expenses, etc. Questionnaires are kept locked in Moulder's office safe.

Nor does Moulder have blanket subpoena authority to seize agency records -- authority he was reported to have sought earlier from full House Commerce Committee, headed by Rep. Harris (D-Ark.). Both Moulder & Harris denied to us this week, however, that any dispute over subpoena powers has arisen. Harris said he'll sign any justified subpoena wanted by subcommittee, but none has been requested.

CONGRESS SUBSCRIPTION-TV FIGHT OPENS: Chairman Harris (D-Ark.), now an avowed opponent of pay TV (Vol. 13:52), opens hearings on toll TV Jan. 14 with testimony of FCC Commissioners before his House Commerce Committee, which is divided on subject. He promised speedy hearings lasting no longer than 10 days, though 50-60 witnesses, names and views undisclosed, have asked to be heard.

As Congressmen poured more anti-fee-TV bills into hopper, Harris told us the hearings are solely "to get information on the nature of subscription TV" and aren't "tied to any specific legislation."

First 2 days of hearing are set aside for FCC. Chairman Doerfer will have prepared statement; he and other Comrs. are sure to be questioned closely. Skiatron, Zenith, International Telemeter will be heard Jan. 16-17. Following these prime proponents of pay TV will be outspoken opponent NAB pres. Harold E. Fellows, expected to testify Jan. 17. Hearings will resume Jan. 21-22 with appearance of 3 network presidents. Balance of time will go to others who have asked to testify.

Committee had sent wires, at week's end, asking all potential witnesses if they were willing to submit written statements as time-saving device.

Three more Congressmen introduced anti-pay-TV bills Jan. 7. One (HR-9629), by Commerce Committee member Rep. Beamer (R-Ind.), would amend Communications Act to prohibit pay TV and spell out that "Commission may not authorize any person to engage in the broadcasting of any subscription television program." Other 2 Congressmen, Powell (D-N.Y.) and Madden (D-Ind.), sponsored identical measures (HR-9706, HR-9690) which would prevent Commission from permitting pay TV "until it is authorized to do so by a law enacted after the date of enactment of this section." In Senate, Sen. Langer (R-N.D.) introduced bill (S-2934) to ban fees on home TV, prohibit FCC from authorizing such fees without explicit Congressional authority.

No pay-TV hearings are scheduled on Senate side of Capitol, although Commerce Committee Chairman Magnuson (D-Wash.), who favors tests, has indicated Committee is to give "serious attention" to issue (Vol. 13:51).

ADVERTISING AGENCIES: F. Kenneth Beirn, ex-Erwin Wasey, Ruthrauff & Ryan, joins C. J. LaRoche as pres., succeeding James Webb, who becomes chairman . . . Werner Michel, TV-radio v.p., Reach, McClinton & Co., and pres. of its subsidiary RMC Productions, elected a director . . . Christian Valentine Jr. promoted to TV-radio commercial production director, McCann-Erickson . . . Michael Sasanoff, ex-N. W. Ayer, named TV-radio creative director of Lawrence C. Gumbinner . . . Samuel L. Frey, ex-Colgate-Palmolive, joins Ogilvy, Benson & Mather as a v.p. and media director . . . Paul Foley, McCann-Erickson v.p. and Detroit office mgr., elected a senior v.p. & director . . . H. H. Dobberteen, ex-Bryan Houston, joins Warwick & Legler as media v.p. . . . Alfred P. Berger promoted to a v.p. of Emil Mogul . . . Tom Batman elected a v.p. of Cunningham & Walsh and named creative dept. director . . . Stanley D. Canter, research director of Ogilvy, Benson & Mather, named a v.p. . . . Miss Isabel Beasley promoted to administrative v.p. of Wade Adv., Hollywood . . . Nan Marquand takes charge of TV talent for BBDO, replacing Stephen Kaplan, assigned to new TV programming . . . Miss Gladys York named chief timebuyer of Norman, Craig & Kummel.

New rep: KVAR, Mesa-Phoenix, to Avery-Knodel (from Raymer).

New high in total TV audience was established Christmas Day, according to Sindlinger & Co., Ridley Park, Pa., which reports that 93,600,000 people watched TV that day, as opposed to 84,500,000 Christmas 1956 and average daily TV audience of 84,600,000 for 7-day period ended Dec. 27, 1957. These totals are from new weekly Sindlinger service, "Activity," which summarizes company's other reports on "what America is doing." New service gives estimates of numbers of people who watched TV, listened to radio, rode automobiles, read magazines, etc. each week, plus "most talked about" items in various categories (e.g., 56.7% of adult population talked about TV during average day of sample week; "old movies" was most talked-about subject in TV category).

Video tape commercials will be offered by New York's big independent Telestudios Inc. (1841 Broadway) by April, pres. George K. Gould announced this week. Using Ampex recorders and 4 studio cameras, Telestudios plans to produce tape commercials in manner similar to live shows—by editing "electronically," with dissolves, wipes and other techniques used in live productions.

Canadian TV homes have increased to nearly 63% of estimated 4,055,000 households from 54% year ago, according to annual sample survey by Statistics Bureau in Ottawa. Report shows 2,536,000 homes are TV-equipped now. Home radio penetration in Canada is 96%.

Television Digest with Electronics Reports
WYATT BUILDING, WASHINGTON 5, D. C.
Weekly Newsletters Published Saturdays
Television Factbooks Published in February & August
AM-FM Directory Published in January
TV and AM-FM Addenda Published Weekly
MARTIN CODEL, Publisher
ROBERT CADEL, Bus. Mgr.
ALBERT WARREN, Senior Ed.
Associate Editors:
DAVID LACHENBRUCH
JAMES S. CANNON
JAMES J. CASSIDY
Editorial Associates:
Paul Stone, Wm. J. McMahon, Jr.
Wilbur H. Baldinger, Anne G. Bjarbu

Personal Notes: Selig J. Seligman, gen. mgr. of ABC's KABC-TV, Los Angeles, elected an ABC v.p. . . . **John Fitzgerald** promoted to ABC cost control unit administrator . . . **Harry Ackerman**, ex-CBS-TV, joins Screen Gems as production v.p., moving own Ticonderoga Productions into firm; he reports to **Irving Briskin** . . . **Richard L. Limkroum** appointed NBC-TV director of special program sales . . . **Harry Smart** promoted to midwest sales mgr., Blair TV . . . **Charles E. Brown, Howard D. Brundage, John P. Horgan Jr. & Fred M. van Eck** promoted to gen. partners of J. H. Whitney & Co., parent of Corinthian Bcstg. Corp. . . . **Robert A. Schmid**, ex-RKO Teleradio & MBS v.p., joins NTA Film Network as v.p. for station relations . . . **Bob Hanna** promoted to national sales mgr. of WPST-TV, Miami . . . **John Gilmour**, onetime station & program mgr., WRGB, Schenectady, later head of Army Signal Corps film activities and producer-director for Transfilm, Jam Handy, Screen Gems and Pathe, joins Robert Lawrence Productions, N. Y. . . . **Bernard E. Neary**, ex-Ziv, recently mgr. of WINZ, Miami, named managing director of Storer's radio WGBS, Miami . . . **C. Edward Little**, ex-WITV, Ft. Lauderdale uhf headed by onetime DuMont gen. mgr. **Mortimer Loewi**, named gen. mgr. of radio WGMA, Hollywood, Fla. . . . **Marcus Bartlett** promoted to gen. mgr. of WSB-TV, Atlanta; **Frank Gaither** to gen. mgr. of radio WSB, replacing **John Outler**, retired from both posts; **Don Elliott Heald** promoted to commercial mgr. of WSB-TV, **Lee Morris** to commercial mgr. of WSB . . . **Gil Martyn** returns to duties as director of public service & public affairs, KTLA, Los Angeles, following serious illness . . . **Joseph A. Oleske** named controller of CBS news div. . . . **Don Thompson** shifted from TV to mgr.-sales mgr. of radio KOLO, Reno, under **Harry Huey**, gen. mgr. of Donald W. Reynolds stations; **Don Thompson** becomes local sales director of KOLO-TV . . . **George E. Moynihan** promoted to public affairs director of WBZ-TV, Boston, succeeding **Chester F. Collier**, now public affairs director, Westinghouse stations . . . **James A. Schulke**, ex-Rosenberg-Coryell and Young & Rubicam, named v.p. & gen. mgr. of Paramount Sunset Studios, succeeding **Stanton Osgood** . . . **Eugene C. Gray**, ex-media director of Allmayer, Fox & Reshkin, Kansas City, named gen. sales mgr. of KTVH, Wichita . . . **Doug Wildfoerster**, ex-DuMont, named program director of upcoming KGHL-TV, Billings, Mont. (Ch. 8); **Wilber Myhre**, KGEZ-TV, Kalispell, to be chief engineer; **Warren Marshall**, TV commercial mgr., also continues as AM commercial mgr. . . . **George W. Hutchins** promoted from program to operation mgr., KVTV, Sioux City; **John L. Schambow**, ex-WKOW-TV, Madison, named promotion mgr. . . . **Keith Culverhouse** promoted to sales development director of TvB . . . **Warren J. Boorom** promoted to director of member service, Radio Advertising Bureau . . . **Charles R. Kinney & Arthur E. Muth** promoted to asst. sales mgrs. of rep Peters, Griffin, Woodward; **John R. Wright**, ex-NBC, and **Lewis C. Greist**, ex-CBS, named TV account executives . . . **Kenneth Silver** named N. Y. mgr. of Alexander Film International . . . **Robert M. Beckman**, 1956 U of Pa. graduate recently with Justice Dept., joins Washington law firm Koteen & Burt . . . **Earl B. Abrams** promoted to a senior editor of *Broadcasting*.

Obituary

Louis Talcott Stone, 43, director of CBS talent commitments, with network 7 years, died Jan. 2. Surviving are widow, son, 2 daughters.

ABN Affiliates Advisory Board elects Phil Hoffman, v.p. & gen. mgr. of WTCN-TV & WTCN, Minneapolis, to succeed Ben Laird, WDUZ, Green Bay. Others newly elected to 2-year terms, as announced Jan. 8 by ABN stations v.p. Edward J. DeGray: Simon Goldman, WJTN, Jamestown, N. Y.; C. B. Locke, KFDM, Beaumont, Tex.; James Wallace, KPQ, Wenatchee, Wash. Members whose terms expire Dec. 31: J. P. Williams, WING, Dayton; T. B. Lanford, KALB, Alexandria & KRMD, Shreveport; Wm. Grove, KFBC, Cheyenne; J. S. Younts, WEEB, Southern Pines, N. C.

■

TV needs more farm data, media director Frank E. Heaston of Gardner Adv., Salt Lake City, told National Assn. of TV & Radio Farm Directors convention in Chicago. Pointing out that national rating services concentrate on metropolitan areas, he said advertisers & agencies aren't getting sufficient information about rural viewing habits. Heaston urged extension of research, employment by stations of experienced farm directors.

Movie on motivation? Plans for comedy film adaptation of Vance Packard's *The Hidden Persuaders* have been announced by Gardner-Devine Productions, Hollywood. Firm was formed by Ed Gardner, who wrote, produced & starred in radio's *Duffy's Tavern*, and Jerry Devine, ex-J. Walter Thompson TV copy writer.

Lt. Col. M. E. (Mel) Williamson, chief of Radio & TV Branch, Office of Armed Forces Information & Education, a TV-radio-advertising industry veteran who organized Armed Forces TV Service, will be rotated Feb. 15 to Scott Air Force Base, Ill. where he'll be deputy to Information Service Officer. Radio & TV Branch engineering officer Maj. S. E. Rodby leaves in June for Air Force Command & Staff College. No successors have been named.

George H. Revercomb, son of Sen. Chapman Revercomb (R-W. Va.), has been appointed Comr. Ford's legal assistant, effective Jan. 16. He's native of W. Va., born at Charleston in 1929, was graduated from Princeton 1950, received LLB from U of Va. 1955, has been with Southern Railway legal dept. in Washington.

Dr. Irvin Stewart, 1934-37 member of FCC, now pres. of U of W. Va., has announced resignation from that post at end of this semester, will spend year traveling abroad, then return as professor of political science.

Motion Picture Industry Council elects producer Jerry Wald as 1958 pres., succeeding actor George Murphy. Other officers named Jan. 9: Ronald Reagan, 1st v.p.; Frank Nugent, 2nd v.p.; Hal Mohr, secy.; Steve Broidy, treas.

FCC examiner Herbert Sharfman is "progressing satisfactorily" following Jan. 7 gall bladder operation at George Washington U Hospital, Washington.

CBS Operation Washington: Timed to opening of a Congress which may keep broadcasters unusually busy in Washington, some 315 executives of 175 CBS-TV affiliates were to convene in Washington's Hotel Shoreham for their 4th annual General Conference, Mon. & Tue., Jan. 13-14. Meetings are designed to provide forum for views on current issues, notably pay TV and Barrow report (see pp. 4 & 2).

Jan 13 dinner at Sheraton-Park Hotel will be attended by some 700 govt. notables and wives, including members of Congress and FCC. Seating arrangement is on state-by-state basis, so that broadcasters will rub elbows with home-state Senators & Congressmen. Affiliates also are scheduling breakfast meetings and cocktail parties for respective Congressional delegations.

Speaking at open sessions: Jan. 13, 10 a.m.—Howard Lane, KOIN-TV, Portland, Ore.; Merle Jones, CBS-TV pres.; Frank Stanton, CBS pres.; Richard S. Salant, CBS v.p. Luncheon speaker is Vice President Richard Nixon. Jan. 13 p.m.—Wm. Lodge on engineering & station relations, Sig Mickelson on place for network news; Jack Cowden on promotion & publicity.

Jan. 14 a.m.—Hubbell Robinson Jr. on programming; Wm. H. Hylan on sales. At 11 a.m., affiliates will hold closed meeting with no network personnel present. Luncheon speaker is Senate Majority Leader Lyndon Johnson. Jan. 14 p.m.—Salant will discuss toll TV, followed by general panel discussion.

Innovation will be participation in all discussions by representative spokesmen to express affiliates' views. Representing affiliates at sessions: P. A. (Bud) Sugg, WTVT, Tampa-St. Petersburg; Jack Jett, WMAR-TV, Baltimore; W. D. (Dub) Rogers, KDUB-TV, Lubbock, Tex.; Norman Knight, WNAC-TV, Boston; Van Konynenburg, WCCO-TV, Minneapolis; Paul Adanti, WHEN-TV, Syracuse; Frank Fogarty, WOW-TV, Omaha; Tom Chauncey, KOOL-TV, Phoenix; John Hayes, WTOP-TV, Washington.

Entertainment for Jan. 13 dinner, expected to be attended by 1100-1200, includes MC Art Linkletter, Phil Silvers, Patti Page, Danny Thomas, June Taylor Dancers.

TvB estimates TV advertising expenditures, based on net time, talent and production, will amount to $1.416 billion in 1958 vs. $1.322 billion in 1957. Network share is pegged at $694,300,000 in 1958 & $661,200,000 in 1957; national and regional spot, $386,100,000 & $360,800,000; local spot, $336,000,000 & $300,000,000. TvB said its estimates were based on *Printers' Ink* figures.

Index to 1957 Newsletters

Included herewith, to all subscribers, is our annual Index to Contents of all 1957 Newsletters, Supplements & Special Reports—only such index published for the industry. It provides a handy guide for back reference to major events, trends, dates, etc. Indexed bound volumes of all 1957 Newsletters, Supplements, semi-annual TV Factbooks, Addenda still available at $25 per copy.

TV is a "medium of liquidation," says Albert E. Sindlinger, the Philadelphia TV-movie research specialist. As reported by *N. Y. Herald-Tribune* columnist Joseph Kaselow, he told N. Y. chapter of American Assn. of Newspaper Representatives Jan. 9: "Along with the liquidation of 6000 movie theatres, 2 N. Y. baseball teams, one Philadelphia baseball team, scores of its own personalities and story properties, it also has eliminated Jayne Mansfield as a personality. After her second appearance on the Ed Sullivan Show, her boxoffice potential dropped 75%." It's Sindlinger's claim that, considering cost of amortizing and servicing TV sets, it actually is cheaper to go to movies—though his statistical arguments seem to overlook basic facts that more than one person can watch one receiver.

Children's TV programs are hard to sell to advertisers because networks ignore "some simple economic facts," adv. & public relations director Melvin Helitzer of Ideal Toy Co. told N. Y. Sales Promotion Executives Club. Complaining that regular daytime rates are charged for children's programs, he said networks & stations should re-evaluate them since children don't have adults' purchasing power, no matter how popular programs may be. "In any rating system," Helitzer said, "the number of viewers may be the same, but advertisers get paid off on the basis of sales, not rating points."

Belated "year-end report" from NBC, for Jan. 13 release, states TV network had industry record of 210 advertisers during year; introduced 23 new night programs in fall with jump of 10% in average evening audience; became "leading daytime network" with 30% gain in average audience; ended year with 152 affiliates equipped to transmit network color, thus placing color within reach of 96.6% of all TV homes. Radio network gained 41% in sales, claims 37% increase in share of 10 a.m.-noon audience, 40% up in 2-3 p.m. Rest of 19-page report comprises departmental reviews.

"Telemat" library of 10,000 commercial slides will be available to all commercial stations on subscription basis early this year, Television Mat Service Corp. pres. Charles E. Woodruff announced this week. Company, with headquarters at 129 E. 18th St., N. Y., says telemats are for use in cooperative advertising and for local tie-ins with national ads, in same manner as mats are used by newspapers.

Best TV year yet is predicted for 1958 by sales v.p. A. W. Dannenbaum Jr. of Westinghouse Bcstg. Co. in statement this week, scoffing at reports of "softness of the TV industry that we hear in some quarters." He said WBC TV stations had "greatest year in history" in 1957 with 6.3% increase in gross billings over 1956, saw "an even more promising opportunity in 1958 than many are willing to estimate."

FTC dismissed complaint against Pepsi Cola Co. this week, conceding it lacked "potential proof" firm gave unlawful promotional allowances to favored customers indirectly through TV-radio network intermediaries. Commission adopted initial decision by examiner Abner E. Lipscomb that staff attorneys were unable to disprove Pepsi Cola's defense against complaint, filed July 15, 1956.

Confidence in ABC-TV progress "toward the No. 1 position in terms of network popularity" was voiced unanimously by ABC-TV Affiliates Assn. board at Miami Beach meeting with top executives of network this week. Board hailed "tremendous achievements" of ABC-TV in 1957.

Federal Aid to School TV: Govt. grants totaling as much as $48,000,000 to help states establish educational TV systems are proposed in bill (HR-9634) introduced by Rep. Boggs (D-La.) at opening of new session of Congress.

Referred to House Education & Labor Committee, Boggs measure would authorize Congressional appropriation specifically for educational TV. From these funds U. S. Comr. of Education could give up to $1,000,000 to any qualified state for purchase & installation of TV equipment.

To qualify for TV grants under bill, states would be required to obtain authorization—"directly or indirectly"—from FCC for systems operated by state agencies or by "nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational TV broadcasting." No federal funds would be available for "construction or repair of structures to house" TV equipment or for its actual operation.

Boggs bill to "expedite the utilization of TV facilities in our public schools & colleges, and in adult training programs" fits in with proposals by 16 states (including La.) affiliated with Southern Regional Educational Board for $22,500,000 regional educational TV network (Vol. 13:31).

Educational TV course in NYU's *Sunrise Semester* series on WCBS-TV, N. Y. (Vol. 13:39, 47), has been so popular with non-academic students that they'll be able to qualify for "second class scholarship" certificates next term, starting Jan. 27. First 6:30-7 a.m. TV class in comparative literature was intended primarily for 177 NYU students who paid $75 tuition fees to earn 3 college credits. But station survey indicated 120,000 other early-morning viewers enrolled themselves for *Sunrise Semester*. So NYU is offering home examinations, certificates of proficiency for cut-rate $35 fees to those who complete next course. Success of *Sunrise Semester* has led WABC-TV to plan 30-min. commercial book program (*Have You Read?*) for which sponsors will be sought.

New TV science series, intended to make public aware of urgent need for trained teachers, scientists & engineers, will be produced by Rossman Productions under auspices of Thomas Alva Edison Foundation. Negotiations with major midwest sponsor for 20 filmed 60-min. shows are under way, exec. director George Probst of Foundation said this week.

Pay TV could endanger football telecast programs of National Collegiate Athletic Assn., its TV committee warned this week at Philadelphia convention. Committee said 1957 NCAA TV plans worked out well, made no specific recommendations for changes in 1958 scheduling. Newly appointed TV committee was given free hand by convention to draw up this year's program.

Station-paid TV research for advertisers introducing new consumer products is offered by Blair-TV in test market plan (TMP) whereby Pulse conducts 500 home interviews before campaign, 500 at conclusion.

NBC-owned stations' "Know Your Schools" project will be subject of report to govt. officials, including FCC, at luncheon meeting in Washington's Sheraton-Carlton Hotel Jan. 16.

Fabulous publishing success story: *TV Guide's* 50 regional editions Jan. 4 went up to 6,078,723 circulation (4,910,203 newsstand, 1,383,456 subscriptions).

Construction of 1033-ft. TV tower has started in Leningrad, Moscow Radio announced.

Telecasting Notes: Landmark in TV journalism, CBS-TV's 90-min. essay *Where We Stand* Jan. 4 was precedent-setting example of how TV can fulfill its obligation to inform public without being either radio-with-pictures or newsreel-in-the-home. CBS news went all-out in making definitive survey of status of U. S. & Russia in scientific and military development—with no punches pulled. Picture was grim, and it was capped with perhaps the most extensive editorializing ever carried on network broadcast, as Howard K. Smith concluded with plea against complacency, warning of sacrifices and controls to come, and argument for meaningful disarmament negotiations. Though *Where We Stand* was presented early in year, it should be neither neglected nor forgotten early next year when 1958 awards are given out . . . Good show is worth repeating, and General Motors reportedly is exploring idea of live repeat of last Nov.'s 2-hour 50th anniversary colorcast late in March or early April . . . Latin American sales by Screen Gems during last 6 months of 1957 were more than double those of entire preceding 12 months, international operations director Wm. Fineshriber Jr. announced this week . . . "Hi-ho, Silver!" One of most durable adventure shows in broadcasting, *The Lone Ranger*, now owned by Jack Wrather, celebrates 25th anniversary Feb. 1 with special 60-min. show on CBS-TV 1-2 p.m. . . . "It's a little sad," mourns N. Y. Herald Tribune Syndicate's John Crosby in Jan. 5 column devoted to profile of top TV cameraman Harold Classen (CBS-TV). "The live cameramen have come so far in so little time—barely a decade—done such brilliant things and learned and pioneered so much. Yet already the signs are multiplying that they are a dying breed" . . . Strange things are happening: Movie theatres, in special screen messages, are urging patrons to stay home night of March 26 and watch TV! It's the night of Academy Awards telecast (NBC-TV), being sponsored this year by Motion Picture Assn. and independent producers. Some theatres even plan to close down for the evening.

"Although neither WATV nor KMGM-TV is presently a profitable operation," says recently released annual report of National Telefilm Associates Inc., "NTA is hopeful that, over a period of time, both stations may be placed on a profitable basis . . . the potential is encouraging." WATV is Newark Ch. 13 outlet, whose sale (with radio WAAM) for $3,500,000-plus to NTA pends FCC approval and is being opposed on behalf of regents of N. Y. State (Vol. 13:49, 50, 52); KMGM-TV, Minneapolis (Ch. 9) is 75% owned by NTA, having been purchased for $630,000 (Vol. 13:34, 47). NTA, traded on American Stock Exchange, shows $10,976,479 income from film rentals in year ended July 31, 1957 and net income of $1,094,031 vs. $3,818,627 & $441,877 in preceding year. Earned surplus last July 31 was $1,480,100; current assets $30,221,114, up from $12,964,914; current liabilities $18,414,178, up from $10,127,859; long-term debt $4,600,000; capital stock outstanding 1,017,850 shares.

TV is lifesaver for many of 10,000 members of Screen Actors Guild, union reports in releasing statistics showing their total 1957 income from theatrical films was less than $25,000,000 vs. $30-33,000,000 in pre-TV days. Drop in wages was more than compensated by wages from TV last year—$15,0000,000 for TV entertainment films, nearly $3,000,000 in residual payments (Vol. 13:47), $12-15,000,000 from appearances in filmed commercials.

New and Upcoming Stations: Two educational outlets can be counted on air this week, which brings operating station total to 525 (90 uhf)—30 educational stations now included in total. Long-awaited WIPR-TV, San Juan, P.R. (Ch. 6) began programming Jan. 6, and KUED, Salt Lake City (Ch. 7), which began test patterns week of Jan. 6, got program test authorization for Jan. 20 start.

WIPR-TV has 25-kw RCA transmitter and 6-bay antenna on 200-ft. Blaw-Knox near town of Aguas Buenas, 15 mi. S of San Juan. It has plant at suburban Hato Rey near offices of Dept. of Education. R. Delgado Marquez, ex-WKAQ, San Juan, is gen. mgr.; Leo S. Lavandero, ex-asst. professor, Yale Drama School, program mgr.; Rafael Rodriquez, ex-WKAQ-TV, chief engineer.

KUED, owned by U of Utah, has 5-kw RCA transmitter and 6-section superturnstile antenna on 140-ft. Ideco tower at site in Oquirrh Mts., 17 mi. from city. C. Richard Evans, ex-KGMB-TV, Honolulu, and onetime mgr. of KSL-TV & KSL, Salt Lake City, is mgr.; Keith M. Engar, program director; Herbert W. Holtshouser, ex-KUTV, Salt Lake City, chief engineer.

* * * *

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

WTAE, McKeesport-Pittsburgh, Pa. (Ch. 4) broke ground for new studio building Dec. 18, has transmitter house 25% completed, plans programming next Sept., reports exec. v.p. Leonard Kapner. Studios will be at Penn-Lincoln Parkway E. & Ardmore Blvd. in Wilkinsburg, Pa. It has ordered RCA transmitter, begins work on footings for 1060-ft. Blaw-Knox tower in 2 weeks. Owners are Hearst's radio WCAE and Television City Inc. (latter's principals being former owners of radio KQV). Rep will be Katz.

KTVU, Oakland-San Francisco (Ch. 2) has 25-kw RCA transmitter on hand, plans Feb. 15 test patterns, March 2 programming, reports Wm. D. Pabst, exec. v.p. & gen. mgr. Transmitter house is nearly ready, as is foundation for 100-ft. Ideco tower. Base hour will be $1000. Rep will be H-R Television.

KXAB-TV, Aberdeen, S. D. (Ch. 9) has ordered 5-kw DuMont transmitter for March 1 delivery, plans start April 1 as affiliate of parent KXJB-TV, Valley City-Fargo, N. D. (Ch. 4), reports pres.-gen. mgr. John W. Boler. It has asked for bids on studio-transmitter building. It will use RCA antenna on Stainless tower. Base hour will be $150. Rep will be Weed.

KTWX-TV, Sheridan, Wyo. (Ch. 9) has started construction of studio-transmitter building, expects to begin programming March 15 as satellite of KTWO-TV, Casper (Ch. 2), reports Burt I. Harris, pres. of Harriscope Inc., TV producer and packager, which owns ⅓ of stations. Transmitter hasn't been ordered, but March 1 delivery will be requested. KTWX-TV will be sold as bonus to KTWO-TV, which got interconnected with NBC-TV Dec. 21, has $150 hourly rate. Rep is Meeker.

KDUH-TV, Hay Springs, Neb. (Ch. 4) has 6-kw RCA transmitter and 25-kw Standard Electronics amplifier wired and ready, expects to start soon as satellite of parent KOTA-TV, Rapid City, S. D. (Ch. 3), reports Wm. F. Turner, business mgr. RCA 6-bay antenna has been installed on 500-ft. Ideco tower. It will be sold as bonus to KOTA-TV, which has $200 hour. Rep is Headley-Reed.

WGTE-TV, Toledo, O. (Ch. 30, educational) has been held up pending decision to change from proposed 300-watt ERP to higher power, reports program director Murray W. Stahl. GE helical antenna is on hand.

CFTM-TV, Trois Rivieres, Que. (Ch. 13) has ordered GE transmitter for delivery about Feb. 1, hopes to begin test patterns March 8, programming March 15 as CBC French Network affiliate, reports pres.-gen. mgr. Henri Audet. He's former CBC regional engineer and has moved from Quebec to Trois-Rivieres to supervise construction Buildings are to be ready by end of Jan. It has 300-ft. Wind Turbine tower due shortly. Base hour not set. Reps will be Weed, Jos. A. Hardy & Co. Ltd., John N. Hunt & Co.

CKBI-TV, Prince Albert, Sask. (Ch. 5) received 10-kw Standard Electronics transmitter Jan. 3, plans Jan. 15 programming, reports gen. mgr. E. A. Rawlinson. Studio-transmitter house is completed and Alford antenna has been installed on 600-ft. Wind Turbine tower. C. O. (Jerry) Johnson, recently with CKCK-TV, Regina, Sask., and long-time CKBI local sales mgr., will be sales mgr.; Jack J. Cennon, from CKBI, production mgr.; Tom Van Nes, CKBI, chief engineer. Base hour will be $175. Reps will be Weed and All Canada.

Control of KAVE-TV, Carlsbad, N. M. (Ch. 6) and KAVE is being transferred from Mrs. Nancy H. Battison. who is disposing of her 54.16% (2003 shares) for $43,500, it's revealed by transfer application filed with FCC. Edward P. Talbott, chief engineer of El Paso's KROD, is acquiring 1038 shares, which—with the 21.7% he now owns, plus an additional 325 currently unissued shares—will give him 51% ownership. Other new owner is El Paso architect-engineer Ralph V. Davis, who is acquiring 965 shares (26.1%). Combined TV-AM Nov. 30 balance sheet shows $19,294 deficit. Stations had $30,763 current assets, $121,268 fixed assets; $36,564 current liabilities, $77,672 long term debts.

Application for sale of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) with WMAM to Morgan Murphy interests (Vol. 13:52) includes Nov. 30 balance sheet showing TV had $1300 profit to date for year, radio $7191. It lists $45,058 current assets for TV, $435,333 fixed assets; $213,668 current liabilities, $136,847 other liabilities, $135,-389 advanced by radio WMAM.

Gannett Co.'s purchase of KOVR, Stockton, Cal. (Ch. 13) for $3,100,000 (Vol. 13:47) was approved by FCC. In taking over licensee Television Diablo, newspaper publisher pays majority owner H. Leslie Hoffman and associates $1,100,000 cash for capital stock and takes over $2,000,000 indebtedness. Terry H. Lee is to remain as gen. mgr. until next summer. Gannett newspaper chain owner also operates WHEC-TV, Rochester, N. Y. (Ch. 10), WINR-TV, Binghamton, N. Y. (Ch. 40); WDAN-TV, Danville, Ill. (Ch. 24).

Transfer of CP for WJMS-TV, Ironwood, Mich. (Ch. 12) by Wm. L. Johnson for $10,000 expenses to Frank J. Russell's WDMJ-TV, Marquette, Mich. (Ch. 6) to be satellite (Vol. 13:46) was approved by FCC this week. Russell also was granted CP for private relay to permit off-air pickup of parent programs by Ironwood outlet.

GE has shipped special 2-bay helical antenna to upcoming KIRO-TV, Seattle (Ch. 7), due in Feb.; 5-kw transmitter to WTVJ, Miami (Ch. 4); 12-kw used transmitter to KEPR-TV, Pasco, Wash. (Ch. 19), planning boost to 144-kw; film scanner to Ampex Corp., Redwood City, Cal.

Translator-Station Coexistence: FCC this week indicated it believes translators and stations can coexist in same town, when it granted Ch. 70 & 76 in Lewiston, Wash. to Orchards Community TV Assn.—denying request by local KLEW-TV, Lewiston (Ch. 3), to set the translator applications for hearing. In long-pending case—first one of its kind—KLEW-TV had argued that existence of translators in Lewiston-Clarkston area would impair or destroy ability of local station to serve the community.

In granting Orchards the right to relay programs of KREM-TV & KHQ-TV, Spokane, Commission expressed opinion that "TV service in that area would be improved, rather than jeopardized, by additional program outlets." Comr. Bartley dissented, favoring hearing.

In another phase of its fight against repeaters, KLEW-TV this week wired Commission that illegal vhf booster with 2 Ch. 6 yagi antennas on 85-ft. steel tower apparently was about to begin operation in Lewiston-Clarkston area. Commission told KLEW-TV it would investigate and take "appropriate action."

Also on the translator front, FCC extended for another year—until Jan. 1, 1959—its liberalized translator equipment rules as regards spurious emission and methods for measuring power output (Vol. 12:35), saying "no serious interference problems have been reported."

Commission this week asked Appeals Court to set aside stay of FCC order authorizing CBS to transfer its Ch. 11 CP in St. Louis to 220 Television Inc. (Vol. 14:1).

Path was finally cleared for license renewal of WMUR-TV, Manchester, N. H. (Ch. 9) this week, when TV for New Hampshire Inc. dropped its competing application for Ch. 9, which it filed when WMUR-TV proposed to move to point about 20 mi. from Boston (Vol. 13:12, 40).

In allocations atcions, FCC added Ch. 17 & 39 to Bakersfield, Cal., and started rule-making on proposed switch of Ch. 9 to Baton Rouge from Hattiesburg, Miss.

Petition to change FM rules to permit stations to use horizontal or vertical polarization was denied this week by FCC which held current rules now permit adding vertically polarized elements to existing horizontally polarized antenna system. Washington consulting engineer James C. McNary had filed petition on grounds vertical polarization would provide better auto FM radio reception (Vol. 13:18, 31). Comr. Bartley voted to make vertical polarization permissive; Comrs. Lee and Mack did not participate.

Translator starts: K76AG, Shelby, Mont. began Jan. 7 repeating CJLH-TV, Lethbridge, Alta.; K76AF, Eureka, Nev. began Jan. 3 with KSL-TV, Salt Lake City; K70AZ, Gallup, N. M. Dec. 13 with KOB-TV, Albuquerque; K76AD, Raymond, Wash. "early Dec." with KOMO-TV, Seattle; K78AG, Leadville, Colo. Nov. 30 with KOA-TV, Denver; K70AY, Nov. 25 with KOL-TV, Reno; K80AJ, San Saba, Tex. Nov. 16 with KRLD-TV, Dallas; K72AL, Grangeville, Ida. Oct. 26 with KREM-TV, Spokane.

FCC Bureau of Field Engineering under veteran director George S. Turner, with staff of 60, moves to new quarters week of Jan. 13 at 718 Jackson Place NW, Washington.

Warner Bros. dismissed 50 Hollywood employes this week in new economy move affecting nearly all depts.

Closed-Circuit Spectaculars? Movie industry ought to stage own "spectaculars," preferably monthly, and pipe them via closed-circuit TV into nation's theatres in order to compete with the "TV super-colossal spectaculars we get once a month." So says George Sidney, pres. of Screen Directors Guild, in letter to MPAA pres. Eric Johnston. Citing Chicago theatres' complaints that they did lowest Sun. night business night Frank Sinatra & Bing Crosby appeared on TV together, Sidney asserts success of TV shows is result of talent "amassed [from] show business, not TV personalities" and suggests this talent "should be working for show business." He would have theatres share part of expense on basis of pre-seat royalties.

"Closed-circuit TV communications industry" grossed about $3,200,000 in 1957, according to release by TNT Tele-Sessions pres. Nathan L. Halpern, whose figure is considerably above gross of $2,400,000 reported in our survey of "meeting TV" industry (which did not include theatre-TV sports events) last month (Vol. 13:52). Halpern said his company "provided closed-circuit services to 23 accounts, which produced gross revenues of $2,610,000, about 81% of the entire industry" last year. Largest closed-circuit telecast ever held, he said, was Robinson-Basilio championship fight, televised to 174 locations in U. S. and Canada. "Closed-circuit tele-sessions for business meetings cost as little as $3100 and as much as $250,000 during the year," citing Kleinert Rubber's Detroit-to-N. Y. telecast and AT&T Yellow Pages' 62-city event as opposite extremes. He predicted 1958 would be "an even bigger year" for closed-circuit telecasting.

Baseball TV curbs—and how they can be imposed by major leagues without risking anti-trust prosecution—will be explored in conference between Baseball Comr. Ford Frick and Chairman Celler (D-N. Y.) and Rep. Keating (R-N. Y.) of House Judiciary Committee. Sympathetic to protests by minor leagues that scheduled CBS-TV telecasts of major Sunday games this season will hurt gates of smaller clubs (Vol. 14:1), Frick will try to work out solution to problem in talks with legislators—probably next week. He has pointed out that any agreement by major clubs to limit telecasting of games probably would violate monopoly laws.

British movie attendance is down 25% from 1956, bringing new layoffs by J. Arthur Rank Organization and Associated British Studios—but for once, TV isn't blamed for all decline. Survey of worsening theatre situation by *Times of London* shows that TV viewing is only one factor. Nevertheless, BBC is being criticized by Radio & TV Safeguards Committee for recent block purchases of U. S. films for TV. Group of 16 trade unions & professional organizations complains that film imports will be shown Saturday nights—"normally a peak cinema-going time," thereby placing "further severe burden on the struggling shoulders of the British film industry."

Power of radio, Soviet style, apparently was responsible for embarrassing "scoop" by AP this week to the effect that Russians had put manned rocket into outer space. Retraction by AP conceded that story was based on rumor, but other news services were quick to point out that Radio Moscow had broadcast Orson Welles type drama Jan. 5 based on the launching of a manned sputnik "in the future." The assumption was that AP's Moscow staff had heard reports from "usually reliable sources" which misinterpreted the dramatic broadcast as fact.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D C. • TELEPHONE STERLING 3-1755
Trade Report
January 11, 1958

AT THE MARKET—HIGH ENDS REACH HIGHER: All aspects of TV, radio, phono merchandising observed at Winter Market in Chicago this week seemed to be beamed at propagating the high-end push launched at Summer Market in June (Vol. 13:48). Most manufacturers were confident their step-up efforts were meeting with success. For example:

(1) In TV, console assortments were wider; leaned more heavily on variety of woods and cabinet styling; offered multiple speakers, out-front sound, higher wattage output; relied more than ever on quality-of-sound features. [Details, p. 12.]

(2) In radio, though drop-in models were few, transistor models got major share of selling effort. While transistors were said to be bringing profits back to radio, there was concern lest undue accent in this now 10,000,000-home-units-per-year business is being placed on numbers of transistors within tight price brackets. There's fear that this could drive customers to retreat again to lower price rather than to weigh manufacturer performance claims. [Details, p. 13.]

In hi-fi, high end was bolstered by new woods, new cabinet styling, rash of matching, extra-speaker units. All makers were smiling over excellent retail acceptance and buying during Dec. and prospects for ensuing months. [Details, p. 12.]

Confidence in high ends, absence of dumps, tightness of promotional specials were leading manufacturers to feel that -- in spite of talk about depression, recession or what-have-you -- a new "stability" and "sensibility" had at long last really taken hold in home electronics merchandising.

That high-end planning -- at least at production levels of TV -- had spread throughout the industry in recent months was further evidenced by Electronic Industries Assn. report this week on how model mixes have fluctuated over last 3 years. Portables have increased share of market, to be sure, but they have not "done away" with table models to degree some at markets seem to believe. And consoles have regained share lost last year. Examples: In 1955, portables started with 3% of unit production, jumped to 23.5% in 1956, did 29% in first 11 months of 1957. Table models represented 54% of production in 1955, went down to 42% in 1956, were 32% in 1957. Consoles finished 1955 at 43% of production, slipped to 34.5% in 1956 -- but after June Market were up again to 38%.

* * * *

1957 TV Production: Preliminary estimate of 600,000 TV production in 6-week Dec. brings total for 53-week year to about 6,421,000 vs. 627,000 in 5-week Dec. and 7,387,029 for full 1956. Distributor sales for Dec. were about 800,000, making 1957 total about 6,300,000 compared with 999,000 & 7,205,000 year ago.

Inventories at factory and distributor levels were estimated to be slightly less than the 1,391,000 at end of 1956. Preliminary retail inventories will not be available until next week, but if they maintained end of Nov. level, industry went into 1958 with about 100,000 less sets than Jan. 1, 1957's 2,476,000.

TV production was 61,824 in week ended Jan. 3 vs. 87,497 the preceding week, 89,319 in final 1956 week. Radio production was 127,890 (36,789 auto) vs. 210,493 (59,816 auto) preceding week and 269,410 (145,456 auto) last year. Total for 53 weeks is 15,400,000 -- 9,932,000 home (8-year high) and 5,568,000 auto units.

STEREO DISC HAS THEM TALKING: Coming of the stereophonic phonograph record -- and equipment to play it -- was much discussed in Winter Market booths this week. While all manufacturers of present hi-fi equipment were smiling over rising high-ticket sales curves, they were also somewhat concerned whether publicity about this next disc development was going to help or hinder current sales progress.

Ever mindful of what "wait-for-color" once did to high-end TV sales, there's now some fear lest "wait-for-stereo" could be even more damaging to 2 highest phono & radio-phono brackets which showed sharp rises in 1957 (Vol. 13:51).

While one group wants stereo discs to happen as soon as possible -- its attitude being that all new developments are good for business -- another group would prefer that stereo not even be talked about.

In face of confusing information from both record makers and component suppliers, makers of finished hi-fi goods are trying to anticipate any turn of events in their 1958 planning. Most hi-fi makers at Market felt that record developments would have to lead playing equipment developments. Consensus seemed to be that the record companies must first decide between the 2 record cutting systems now competing for approval as stereo standard, would then have to tool-up for production in volume. Once some direction in record marketing is pointed, playing equipment suppliers have to produce the vital stereo pickup cartridge at reasonable prices. Then -- finished goods makers can move with some semblance of order.

At least 4 suppliers are expected to have dual-track cartridges by fall, we were told by several phono manufacturers at the Market -- whether or not stereo discs are available in volume.

Cartridge is the bottleneck. But rather than sit idle until ticklish problem is solved, phono makers are planning around it. They're discussing availability of changers whose tone arms will be able to take the dual-track cartridge -- and its dual wiring -- without altering other standard dimensions. If so, stereo changer will take no more space in existing cabinets than current changer. If stereo hits big, no other revolutionary changes of equipment in factory lines or on plans boards are seen standing in the way. With cartridge in place, conversion at factory of in-production equipment -- or equipment already in homes -- means only doubling available components: another amplifier for second track; another speaker.

Most disturbing is insistence by respected authorities -- in conflict with more promotional elements in field -- that all current stereo developments are still "experimental." Warning is that despite Oct. & Dec. demonstrations of stereo record production -- and reproduction -- engineering has yet to iron out kinks, methods, costs, and that no package dare be dated.

Larger marketing imponderables exist, too. As we talked with them at the Market, manufacturers were wondering: Will the stereo disc and its playing equipment revolutionize the present business? Will it be mass market development or merely coexist as second dimension overlapping high end of one-dimension equipment? What about stereo tape -- will stereo records coexist with it, or is a survival battle coming? When will the fireworks really begin?

Trade Personals: Wm. L. Dunn, ex-Warwick, appointed Admiral v.p. & director of engineering . . . James F. Cooper promoted to mgr. industrial sales, RCA electron tube div., Lancaster, Pa. . . . Wm. L. Schubert promoted to coordinate engineering and facilities-planning programs for Philco appliance div., succeeded by Richard C. Connell as gen. mgr. of home laundry dept. . . . Robert W. Galvin, Motorola pres., received citation from Paraplegics Mfg. Co. for service resulting in 100,000 hours of work for physically handicapped . . . A. A. Ward elected pres. of Altec Companies . . . Myles S. Spector, ex-pres., Insuline Corp. of America, named sales mgr., American Geloso Electronics Inc., N. Y., No. American sales agency for Geloso Hi-Tone miniature tape recorder (Italian) . . . Wm. J. Turnbull elected pres. of GPE subsidiary National Theatre Supply Co., succeeding Walter E. Green, retired . . . Harold M. Johnson elected Sparton Corp. v.p., continuing as treas. . . . John E. Sheasgreen, Westinghouse Supply Co., elected pres. of Electric Institute of Boston . . . Robert T. Hood elected Gabriel Co. controller & treas. . . . James D. Grady Jr. promoted to mgr. of ORRadio's new instrumentation tape div.; Robert D. Browning named mgr. of new audio products div. . . . Wm. F. O'Boyle, director of Capitol Records phono dept., elected v.p. of subsidiary Capitol Records Distributing Corp. . . . W. D. Renner promoted to v.p. in charge of special services, Howard W. Sams & Co. . . . Edward Berman, ex-Geare Marston ad agency, rejoins DuMont as dealer development mgr.

Arnold Maxin, ex-Epic Records, appointed pres. of Loew's subsidiary MGM Records, succeeding Frank Walker who continues as v.p. & consultant.

Obituary

Dr. Willis R. Whitney, 89, pioneer in modern industrial research and founder of GE's research lab in Schenectady in 1900, died there Jan. 9 following heart attack. He directed lab 32 years, was a GE v.p. when he retired.

TV's New Sound Appeal: Single outstanding trend among drop-in TV models at Winter Market was stress on high fidelity sound features—to go with the picture, or to go with jacked-in record changer which could convert the TV into a bona fide hi-fi set. Sound was stealing all the thunder accorded automatic tuning and remote control features launched at Summer Market in June.

RCA introduced $450 TV with 15-watt output, 12-in. woofer & twin 3½-in. tweeters; $550 TV-phono with 12-in. woofer & four 3½-in. tweeters; and added hi-fi sound system to one $895 color console. DuMont, at $389, brought out lowboy with 6-in. woofers playing out either side & twin 3½-in. tweeters out front. Admiral showed 5 drop-in consolettes starting at $229 with 3 speakers in bases and 5-watt output.

Working directly toward use of TV sound system for record playing, Admiral also showed, perched atop & plugged into Seton model, its own label record changer in finished case. Promotion offered console TV, "$54.95 changer for $9.95 and free LP record with purchase of $369 TV."

[For other lines previously announced, see Vols. 14:1; 13:48-52.]

In portables, several competitors were unhappy with introduction of 3 new 14-in. portables each by GE & Zenith —expressing to us hope this would be year 14-in. portables would vanish.

Manufacturer attitudes toward portables produced other conflicts. Several makers are actively resisting trend to 110-degree tube in portables. One, firm in belief, says that price is fundamental concern in merchandising portables; that distributors still scream for price in that portion of mix; that use of 90-degree tubes permits marketing of set at $10-$20 lower than 110-degree sets.

Zenith admittedly beaming its design at preferences of servicemen, reverses all-industry use of vertical chassis in portables and offers horizontal chassis in both 14- & 17-in. models.

Sylvania, going against line-timing pattern in both portables & consoles, was claiming its Black Knight portables, convertible consoles & super-slim "Sylouette" (Vol. 13:46) are not drop-in models but complete new lines—"introduced because we feel the market is right for them regardless of what tradition dictates."

Reaction among competitors to Motorola's revelation of not-yet-ready-for-market battery-operated transistor portable (Vol. 14:1) varied from congratulations to sour grapes. Latter feeling came from makers who claim they're keeping own experimental models in the lab rather than risk "wait-for-transistor" resistance to current lines.

Lawrence color tube is reported focus of heavy expenditures in money and manpower at DuMont, but pres. David T. Schultz declines to give details or commercial targets, confining himself to: "Developmental progress to date is excellent." Hope is that tube will permit simpler and cheaper color set.

Olympic pres. Morris Sobin reports 25% increase in firm's first 9-mo. exports vs. 1956 period, noting continued expansion in Central and South America, addition of Dominican & Peru distributors for TV, radio, hi-fi, air conditioners.

Keeping Hi-Fi Hot: Phono assortments got their share of booster merchandising at the Winter Market—led by auxiliary speakers, new wood treatments and cabinet styling in consoles, extension of the portable push and 2 big break throughs at the high end.

Add-on merchandising brought out auxiliary, remote speakers—which match either new-at-this-show or existing phono models—from $39.95 (Admiral) to $200 (Magnavox, with own amplifier). Between the 2 were: Westinghouse at $64, Philco at $50, RCA at $69.95, Motorola with 2 at open lists approximating $50 and $80. Most remote units had more than a single speaker in them —and all had long furniture-type margins.

RCA went all out with add-ons offering 4-finish matching elements which build a single $169.95 consolette into $501.75 modular TV-hi-fi center on low bench, including auxiliary speaker, 21-in. TV, record storage rack.

Magnavox brought out its $1175 "Concert Grand" top-of-the-line 50-in. wide console with AM-FM tuner, 40-watt dual-channel amplifier, two 15-in. speakers & two 1000-cycle horns, stereo tape deck, clock which automatically records programs at pre-set time.

Wood styling left standard mahogany and blonde in minority in display booths. Walnut was most prominent "standard" wood and most makers also showed expanded assortments of solid, stained & limed fruitwoods, unusual veneers which create a whole new lexicon of descriptive copy—and Admiral drew rave notices for novel wood tones of its styled-in-Italy "Italiana" hi-fi line.

While most of high-end action was admittedly designed to make hi-fi a major family purchase for the living room, the younger "record party" set was not overlooked. Portables—EIA count showed 5 of 6 portable phono categories up sharply for this year (Vol. 13:51)—were added by most makers with accent at $49.95 to $89.95 in anticipation of Feb. & June graduation gift markets and vacation business.

DISTRIBUTOR NOTES: Emerson will set up factory branch in Philadelphia following resignation of Irving Witz, pres. & founder of Emerson Radio of Pa.; he will supervise Emerson Radio of Florida, Miami, which he also heads . . . Allied Appliance Co. (Motorola), Boston, elects Paul L. Bishop pres.; he's been v.p. & controller . . .Peirce-Phelps (Zenith), Philadelphia, appoints Richard Dyer, ex-Stuart F. Louchheim Co., to new post of field specialist in sales and major appliances; Jack Redmond, also ex-Louchheim, named district mgr. for Peirce-Phelps' Zenith sales in southern N. J. . . . Jos. M. Zamoiski (Whirlpool), Baltimore, names Norman L. Robinson mgr. of major appliance dept.; he's rejoining firm after heading own wholesale firm for about year . . . Hotpoint appoints John S. Hicok eastern regional mgr. (Boston-Buffalo-Washington, D. C.) . . . Pilot Radio names Allan C. Davey, ex-Kelvinator, district sales rep. for Ill. & eastern Wis. . . . Kelvinator appoints Russell L. Clark as mgr. of new major appliance zone office at 2nd St. & Erie Ave., Philadelphia . . . Rockbar Corp. (Collaro changers, Goodman speakers), Mamaroneck, N. Y. promotes Stanley Neufeld to new post of national jobber sales mgr., and names Thomas B. Aldrich, ex-Presto Recording, industrial sales mgr.

FM "Range Extender" is new Jerrold preamplifier for installation between antenna and FM tuner.

Financial Notes: Electronics & Electrical Equipment Shares group of Group Securities Inc., big Jersey City investment trust with total assets of $96,041,318 as of Nov. 30, 1957, had net assets of $2,919,335 at then market value, according to report to stockholders this week. Fiscal year's net income on these electronics-electrical common stockholdings amounted to $89,969: Allis-Chalmers, 5000 shares; Bendix, 3500; CBS "A", 7004; Cornell-Dubilier, 5500; Cutler-Hammer, 1500; GE, 6000; IBM, 200; IT&T, 7500; McGraw-Edison, 1500; Motorola, 4000; Norden-Ketay, 10,000; Philco, 5000; RCA, 5000; Raytheon, 1700; Sperry Rand, 8500; Square D, 3000; Sylvania, 5000; Westinghouse Electric, 3000; Zenith, 2500. Note: In Group Securities' Common Stock Fund were 2500 AT&T, 5000 GE; in its Capital Growth Fund, 1500 General Precision Equipment, 1000 Westinghouse, 8000 Norden-Ketay; in its Fully Administered Fund, 5000 Allis-Chalmers.

Sylvania had record sales but lower earnings in 1957, reports chairman-pres. Don G. Mitchell. Though final figures are not yet available, he says sales topped 1956 record of $332,000,000, while earnings will not equal 1956's $4.10 per share. Both 1956 figures were adjusted to include Argus Cameras Inc. which became a Sylvania div. Jan. 2, 1957. Mitchell predicted substantial increase in Sylvania's 1958 sales, "possibly by as much as 10%, depending upon the duration of the economic adjustment." He said 1957 Sylvania TV unit sales nearly doubled 1956 and cited "far greater stability of TV set industry, especially toward end of 1957" as a primary factor in company's sales gain. Other factors: strength of economy, rapid growth of electrical-electronics industry.

Clarostat pres. Victor Mucher reports 1957 earnings "should be about the same or a little higher" than last year's $227,924 (55¢ per share), sales about the same as $7,500,000 in 1956. He said emphasis had been shifted from mass production of TV-radio components to precision potentiometers, resulting in good year despite defense cutbacks and lower TV production.

Transistors Bolster Radio: Transistor types were getting most of radio promotional activity at Winter Market in Chicago this week, although radio drop-in activity was generally light.

Admiral showed transistor radio innovation with 2-speaker arrangement—one directed out front, other out back—priced $59 & $69, with 8 transistors, 2 diodes. For first time, Admiral was putting tone control on transistor models.

Motorola showed "Weatherama"—6-transistor, 3-diode, portable tunable to aircraft weather frequencies and beamed at plane & water sports enthusiasts for $79.95.

Zenith went up to 8 transistors in $75 bracket, brought in new portable-table model with "better speakers" at $69.95 and offered 7 transistors at $59.95.

Outside transistor area, RCA redesigned its clock radio, getting rid of knob-concept and switching to multi-position levers. Clock retails for $39.95, $42.95 with swivel.

GE repeated last year's low-end clock radio promotion and brought out price special at $19.95.

Although transistor merchandising is concentrated in $59.95 list area, helping industry raise its overall unit value, several manufacturers told us they feel the transistor has begun to slide to a lower average price and fear that this year may be one of last for the very high ($75) end of transistor line.

Cornell-Dubilier had poorest year for gross since 1950, for net since 1949, according to report for fiscal year ended Sept. 30, 1957, showing $32,494,378 sales (not counting those of 70%-owned Tobe Deutschmann Corp.) and $754,928 net income ($1.38 per share) vs. $33,107,016 & $1,085,047 ($2.01) in preceding year. Deutschmann revenues were not disclosed but it operated at $11,000 net loss in year; control of firm was acquired in Oct. 1956 for $250,000 cash, its liabilities amounting to about $500,000. Lower profits, said pres. Octave Blake, were "solely attributable to cost-price squeeze" in highly competitive market, with TV production down. But capacitor unit sales were up, antenna rotator sales are expected to maintain steady sale, color TV market is hopeful, while guided missiles, electronic computers & jet propulsion require capacitors of high dependability. Firm has developed long-life solid-dielectric tantalum electrolytic capacitor with ratings up to 35 volts and new mica units for aircraft and missile work. Proxy notice for Jan. 22 annual meeting discloses Blake's salary as $100,392, his stockholdings 37,512 shares out of 512,390 outstanding, including 3569 shares he holds in estate of I. O. Blake.

Reports and reviews available: On CBS, by Hayden, Stone & Co., 25 Broad St., N.Y. "Radar Round-Up" (Bendix, GPE, Hazeltine, IT&T, RCA), Jan. 1 Fitch Stock Summary, any broker. On Minneapolis-Honeywell, by Green, Ellis & Anderson, 61 Broadway, N.Y. On TV-radio receiver industry, in *Value Line*, Arnold Bernhard & Co., 55 E. 54th St., N.Y. Note: United Business Service, 210 Newbury St., Boston, in recent annual forecasts, foresees 1958 corporate earnings of TV-radio, electrical appliances, electrical equipment industries as whole about same or off moderately (to 10%). And Jan. 1 Forbes Investors Advisory Institute Inc. forecasts electronics prospects, good; TV-radio broadcasting and TV-radio manufacturing, average; motion pictures, not promising.

Walt Disney Productions reports record net income of $3,649,359 ($2.44 per share on 1,494,041 common shares) in fiscal year ended Sept. 28 vs. $2,623,541 ($2.01 on 1,305,680) in preceding year. Gross income was up to $35,778,242 from $27,565,394, increase for 12 months including $1,812,681 boost in TV revenues to all-time high of $8,810,571, film rentals totaling $15,574,260. Higher net & gross were due chiefly to operations of Disneyland Inc., now 65.52% owned by Disney, balance by AB-PT; it grossed $6,001,611 in 3 months following Disney acquisition of additional 31.04% of stock last June.

General Instrument Corp. earned $551,527 (40¢ per share) on sales of $25,271,168 in 9 months ended Nov. 30 vs. $337,146 (24¢) on $25,398,628 in 1956 period. In quarter ended Nov. 30, net income was $304,477 (22¢) on $10,070,998 sales vs. $301,585 (21¢) on $11,418,715 in 1956 quarter. Chairman Martin H. Benedek attributed better profit picture to expanding product lines, operating efficiencies, increasing TV component sales.

Cinerama Productions Corp., producing agency for Stanley-Warner's Cinerama div., earned $324,000 on gross of $440,000 in fiscal year ended Oct. 31 vs. $175,000 & $295,000 preceding year; firm's agreement with Warner Cinerama gives it participating profits in 15 theatres.

Electronic Communications Inc., formerly Air Associates Inc., earned $245,311 (88¢ per share) on sales of $16,980,451 in year ended Sept. 30, 1957, vs. $95,986 (25¢) on sales of $14,238,111 in 1956 fiscal year.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 10, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by
RUDD, BROD & CO.
Member New York Stock Exchange
734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8 High	Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	Low	Stock and Div.	Close	Wk. Chnge
14⅞	6½	Admiral	7⅝	.....	37¾	25¾	IT&T 1.80	30⅛	−⅝
27	16⅛	AmBosch1.05g	20¾	+⅜	50⅜	33	I-T-E CirB1⅝d	41	+¼
24⅞	11⅝	AmBcstg-Para.1	13⅝	.....	10⅜	7⅛	List Indust ¼e	7⅝	+⅛
43¾	29⅛	AmMach&F 1.60	33¼	+⅜	56⅝	29½	Litton Ind	42¾	+½
179⅞	160	AT&T 9	169	−⅞	22	11¼	Loew's	13⅞	.....
33⅞	19½	Amphenol 1.20	24¼	+⅛	44	28⅛	Magnavox 1½b	32⅜	+⅜
36¼	28	Arvin 2	29¼	+¼	50¼	23½	Mallory 1.40b	27⅝	−⅛
7¾	4⅞	Avco .10g	6⅝	+⅝	131	73½	Mpls. H'll 1.60a	78¾	−3½
47¾	21	Beckm Inst 1¼f	24¾	−½	51¾	35¾	Motorola 1½	39¾	−1¼
66¾	42	Bendix Av 2.40	50½	+3⅜	9½	7	Nat'l Thea ½	7⅞	+⅛
52⅜	27⅞	Burroughs 1	30⅝	+⅜	36⅞	28	Paramount 2	32¼	+1
25½	15⅛	Clevite 1.15g	16⅞	+⅜	18⅜	11	Philco ⅝f	13½	+¼
36⅛	23½	CBS "A" 1b	27	+1	40	27	RCA 1a	33¼	+1⅝
35½	22⅜	CBS "B" 1b	26	+⅜	23¾	16⅜	Raytheon	21⅞	−½
54¾	25⅛	Cons Elec .40a	31⅛	−1⅝	50⅞	30½	Rel Elec 1.80	32	−1
35½	18	Cons Electron	20½	−½	8¼	4¾	Republic Pic	6¼	−1
27½	12½	Cor-Dub 1.20	15¼	+1	39¾	29¼	Sang Elec 1.80	34	.....
106¼	57¼	Corning Glass 1a	78⅛	−4⅞	18	12⅜	Siegler .80	15	+⅛
6⅜	3⅛	Davega	3½	.....	6¼	2⅜	Sparton	2⅞	.....
47	27½	Daystrom 1.20	33½	−½	26⅛	17⅝	Sperry Rand .80	19⅜	+⅛
19⅝	13⅜	Decca 1	14¼	+¼	9⅜	5¾	Standard Coil	7⅛	+⅜
15⅞	13	Disney .40b	15⅜	+1¼	18½	13⅜	Stanley-War 1	14⅞	+¼
115	81¾	East Kod .90e	97¾	−3¼	41⅝	27¼	Stew Warner 2b	31¾	+1½
4¾	3⅛	El & Music .13e	3¾	−¼	29¼	18¾	StorerBcstg 1.80	22⅞	+⅝
34	22⅛	Emer Elec 1.60	29	−2¼	46¼	29¼	Sylvania 2	34⅝	+⅛
6⅞	3¾	Emerson Radio	4⅜	+¼	31½	15⅞	Texas Instru	27	−2
10¾	6¼	Gabriel .60	7½	+½	89¾	46	ThompProd 1.40	53	+1⅞
68⅝	46¾	Gen Dynamics 2	63⅜	+1⅝	37½	21¾	Tung-Sol 1.40b	24	−¾
72⅜	52⅜	Gen Electric 2	61⅜	+⅜	30¾	19⅝	20thC-Fox 1.60	23⅝	+⅞
8⅛	4	Gen Inst. .15g	5⅝	+½	25⅜	15	United Art 1.40	16¾	+1
47¼	30¼	GenPrEquip2.40	36⅞	+⅞	30⅞	18¼	Univ. Pict 1a	21	+2
30⅜	22⅛	General Tire .70	28½	+⅛	28⅞	16½	Warn Bros 1.20	17	−½
25⅞	17¼	Hoffman Elec 1	21½	.....	68⅝	52⅜	Westingh El 2	61⅝	−1⅜
376½	270½	IBM 2.40b	301¾	−4¾	140	91¼	Zenith 3a	122	−3⅛

AMERICAN STOCK EXCHANGE

1957-8 High	Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	Low	Stock and Div.	Close	Wk. Chnge
4½	2½	Allied Artists	3⅛	−¼	3⅛	2⅝	Her Radio .15g	2¾	.....
52½	19⅜	Allied Con 1a	41¼	−1¾	6⅛	3⅝	Int Resist .20	4	+¼
21½	11	Amer Electro ½	14½	+½	8¾	4	Lear	5⅞	+1⅛
12⅜	4⅞	Audio Dev .05d	8⅞	−¾	1⅝	⅜	Muntz TV	⅜	−1/16
13⅝	6¼	Belock Inst ⅛t	8¾	+13/16	3⅞	2⅛	Muter Co. ¼t	2⅞	+¼
1¼	⅜	C & C TV	7/16	−1/16	9¾	5⅝	Nat'l Telefilm	6¾	+¼
5	2½	Clarostat .15g	3	.....	2⅞	1	Nat Union El	1¼	+¼
6⅛	3	DuMont Lab	3¾	+⅜	11¾	5¼	Norden-Ketay	6⅜	.....
7⅝	2½	Dynam Am	3¼	+⅛	5	3	Oxford El .10d	3⅜	−⅛
12⅞	5½	Electronics Cp	6⅞	+⅜	20⅝	10¼	Philips El	11½	.....
27⅜	16	Fairch Cam ½g	22¼	−⅛	8	3¾	ServoCpAm	4⅝	−¼
30	8¾	General Trans	18½	−½	12⅝	6⅛	Servomech .40	7⅝	−⅛
28½	17	Globe Un 1.20b	16⅞	+⅜	9	3⅛	Skiatron	5⅝	−⅛
4⅝	2½	Guild Films	2⅞	−⅛	8¾	2⅞	Technicolor	3⅜	−⅜
44½	29¾	Hazeltine 1.40b	33¾	+1¾	5⅞	3½	Trans-Lux .20g	3¾	−⅛

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	1 3/16	2	Magna Theatre	1½	2
Aerovox	3¼	3⅝	Maxson (W. L.) .05	4⅞	5½
Airborne Inst	33	36	Meredith Pub 1.80a	29½	31½
Altec Co .80	8	8¾	National Co. (4% stk)	10	11¼
AMP Inc .50	17½	19	Official Films .10	1 1/16	1¼
Ampex	44½	46¼	ORRadio	15¼	16½
Chesapeake Ind	2⅛	2⅜	Packard-Bell .50	11¼	11¾
Cinerama Inc	1⅛	1⅜	Panellit	4⅜	4¾
Cinerama Prod	2 5/16	2⅝	Philips Lamp (14% of par)	31	33
Cohu Electronics	7⅞	9	Reeves Soundcraft (stock)	2½	2⅞
Collins "A" .35	13	14	Sprague Electric 1.20	26	28
Collins "B" .35	12¾	13¼	Taylor Instrument 1.20	29½	31
Craig Systems	4	4⅝	Tele-Broadcasters	2¾	3½
DuMont Bcstg	7⅝	8½	Telechrome .30	5⅝	6
Eitel-McCullough (5% stk)	22½	24½	Telecomputing	3⅝	4
Elec Assoc (stk)	34½	37	Teleprompter (stock)	5½	6¼
Erie Resistor .40b	6¾	7½	Time Inc. 3.75	56¼	58¼
Giannini, G. M.	14⅞	16	Topp Industries (stock)	10	10⅝
Gross Telecasting 1.60	14¾	16½	Tracerlab	5⅜	6
Hewlett-Packard	17¾	18¾	Trav-ler	1⅛	1½
Hycon	2	2½	United Artists	3⅜	3¾
Indiana Steel Products 1.20a	18¼	18¾	Varian Associates	17⅛	18
Jerrold	1⅞	2¼	Victoreen Inst	3⅝	4
Ling Indus	5⅝	6¼	Webcor .25g	11¾	13
Leeds & Northrup .60b	19½	21	Wells-Gardner	5⅞	6½
Machlett Labs .25g	11	11¾	WJR .50d	11½	12¾

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Do You Know That . . .

FRANK STANTON, though he sits on the boards of directors or trustees of some twoscore business, educational and philanthropic organizations, has spent all of his business life in the service of CBS? Except for youthful odd jobs and instructorships while doing postgraduate work at college, his entire career since leaving the academic cloisters (Ohio Wesleyan, B.A. '30; Ohio State, M.A. '32 and Ph.D. '35) has been centered in the company whose research staff he joined in 1935 and over which he now presides. And do you know that he ranks second only to Chairman Wm. S. Paley in number of CBS voting shares owned by any officer-director—108,266 "A" and 31,917 "B," at last report?

His Doctor of Philosophy thesis, unpublished, was titled "A Critique of Present Methods and a New Plan for Studying Radio Behavior." He was later to be first to develop and use an automatic recording device, placed in home radio sets, to obtain accurate records of radio set operation. He conducted early research in comparative measurement of "eye vs. ear," and his Master of Arts thesis, published in the *Journal of Psychology* Dec. 1935, was on "The Influence of Surface and Tint of Paper on the Speed of Reading." Another high-dome analysis he published in 1932 was a study of silent films, titled "Some Psychological Reactions to Emotional Stimuli."

While working on theses, he wrote several articles on penetration and effects of radio in certain Ohio counties at the behest of the then editor & publisher of *Broadcasting*, now publisher of this journal—and these brought him to the attention of CBS management, we were informed at the time by the late Paul Kesten, CBS exec. v.p. and himself an up-from-the-ranks advertising research man. Dr. Stanton (who uses the title seldom, and only to distinguish himself from a stock market letter tipster of the same name) came to CBS's research staff straight off the campus 23 years ago, became research director in 1938, adv. director 1941, v.p. & gen. mgr. 1945, president 1946.

A demon for concentrated work—his office lights are burning long after all others have left the executive suite—and a genius for leadership and decision key Frank Stanton's success. It's just plain modesty when he tells friends, "It's easy when you have a boss like Bill Paley." True, the CBS chairman, who shuns limelight and publicity, has given him his head; it was Stanton, for example, who negotiated and closed the record $20,000,000 Philadelphia WCAU stations deal last month. But that's only part of the story of the rise of the industry's most remarkable of younger executives from a 4-figure salary to $300,000 a year now—to say nothing of 39 directorships & trusteeships. These are in such diverse enterprises as New York Life Insurance Co., 244-254 West 52 Corp., American Heritage Foundation, Sigma Xi; and these do not include public services, such as his membership on the advisory panel of the Gaither Committee.

He's modest and retiring, withal, and his biography in the latest *Who's Who in America* consists of exactly 5 lines where it could run a column. It reveals he was born in Muskegon, Mich., March 20, 1908, which means he won't hit 50 for couple of months; he married Ruth Stephenson Dec. 31, 1931. And the only one of his multifarious extra-curricular activities he chose to record was his chairmanship of the board of the Center for Advanced Study of Behavioral Sciences.

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

Television Digest with ELECTRONICS REPORTS

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 3

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

ANTI-TOLL TV TIDE RISES IN CONGRESS: On basis of subscription-TV hearings this week -- with network presidents yet to take stand Jan. 21 to expound their arguments that fee and free can't coexist -- it now seems probable that House Commerce Committee will ask House action on bill to cancel FCC's proposed pay-TV tests and let Congress decide future of subscription TV.

That's our sizeup after attending 4 days of hearings at which the Committee questioned FCC closely and heard testimony of prime toll-TV proponents Zenith, Skiatron & Telemeter as well as opponents NAB & Rep. Celler (D-N.Y.). It's also based on our own discussions with Committee members.

Though half-dozen bills to ban pay TV are now in Congressional hopper, best bet is that Committee Chairman Harris (D-Ark.) will introduce own bill or resolution as soon as hearings are over -- and this is the one Committee will approve. Harris personally feels it will be impossible to call off tests, once started.

It's obvious Committee has already caucused on pay-TV issue, at least informally. One member told us he thinks that all except one of the Committee's 32 members are opposed to subscription TV -- though other members have indicated they are, at least officially, as yet "undecided." Some members are freely predicting that the "Harris bill" -- as yet unintroduced -- will easily be approved by Committee.

Climate on Capitol Hill with regard to pay TV thus has changed rather sharply between sessions of 85th Congress -- at least within the House Committee responsible for overseeing FCC -- from an almost studious avoidance of the issue to what now looks like rather fierce opposition. Factors obviously more important than current hearings are hard-hitting educational campaigns by networks & NAB, increasingly anti-pay grass-roots sentiments as expressed by public opinion polls and letters to lawmakers -- and strong position of AFL-CIO against on-air toll systems. Latter can't be ignored as significant factor, particularly in industrial Congressional districts.

Whether anti-toll bill will get through Congress is still up-in-the-air question, particularly in view of fact that the Senate counterpart of Rep. Harris' Committee is split wide open on the issue. Chairman Magnuson (D-Wash.) repeated his espousal of tests as recently as 4 weeks ago (Vol. 13:51).

* * * *

Commission's 3 days of testimony before Committee this week didn't give much aid & comfort to fee-TV proponents. Impression conveyed in their testimony was that majority was more-or-less forced to agree to tests by mere fact of Congressional inaction -- and that Commission wouldn't feel the least bit put-upon if fee-TV ball were suddenly intercepted on Capitol Hill.

Legality of Commission's tests was subject of heavy questioning, Doerfer conceding that court test was certain and that it was possible FCC would be overruled. This opened way for questioning by several Congressmen as to whether it wouldn't be better for Congress to legislate now, rather than leave issue to the courts.

Questioning by the 12-18 Congressmen present at most of the heavily-attended hearings was sharp, generally critical of subscription TV. From all witnesses -- including commissioners -- lawmakers demanded hard facts: How much would it cost the public? What will pay-TV use for programming? Why haven't there been large number of applications? Doerfer carefully avoided being maneuvered into position of defender of subscription TV, explaining Commission has merely indicated "a receptive disposition to authorize a controllable test of subscription TV under conditions in which it could enrich, but certainly not destroy" present TV programming.

Including commercials? Polled by Committee, commissioners were vague on this point -- Doerfer, Lee & Ford saying they opposed advertising during test, but preferring not to be committed in case of regular pay-TV authorization. Bartley & Hyde said they didn't want to commit themselves. Doerfer did add that FCC might have to consider requests to permit ads if it authorized regular fee-TV service.

Whether FCC would regulate toll-TV rates was another problem disturbing Committee. Doerfer said Commission would have power to insist that stations adhere to rate schedules submitted in application, since any variation would be "misrepresentation." As to direct rate control, he said FCC might have to ask Congress.

Zenith, Skiatron & International Telemeter -- represented by attorneys Theodore Pierson, James M. Landis & Paul Porter, respectively -- pinned their basic pro-toll-TV arguments to slogan, "Let the public decide." Of the 3, only Zenith said flatly and unequivocally that it plans to franchise its full quota of 3 on-air toll test applicants. Landis said Skiatron was "very much interested" in tests.

Telemeter believes wired system "holds the greatest hope for immediate progress," said Porter, and while it favors FCC's decision to conduct tests, it finds test conditions "complex and onerous." He said wired systems could later be integrated into on-air systems -- when and if full-scale toll-telecasting is authorized.

There was considerable fencing between the very savvy toll-TV attorneys and the Congressmen in search of hard facts -- but few, if any, previously undisclosed details came out. During entire session, tenor of Congressmen's questioning was openly dubious of idea of fee-TV tests -- particularly Chairman Harris and Reps. O'Brien (D-N.Y.), Alger (R-Tex.), Dollinger (D-N.Y.), Dingell (D-Mich.).

Hearings will resume Tue. Jan. 21 with 3 network presidents, and are scheduled to end next day when large number of witnesses are slated to be heard. [For tentative list of witnesses and other pay-TV news, see p. 5.]

Note: Network presidents will be on Capitol Hill again late next month or early in March. Senate Commerce Committee's communications subcommittee under Sen. Pastore (D-R.I.) hopes to open hearings last week in Feb. on bill by Sen. Smathers (D-Fla.) to bar broadcasters from music publishing or recording business (Vol.13:34).

AFFILIATES SOLIDLY BACK CBS-TV POLICIES: Everyone concerned with preserving a free TV system in a free economy will do well to pay special heed to 2 documents we publish as a Special Supplement to this edition of The Digest -- the high policy talks by CBS president Frank Stanton and by the man he calls "my good right arm," v.p. Richard S. Salant, before this week's CBS-TV affiliates conference in Washington.

They set forth so clearly and vigorously the mutual economic and political problems confronting the telecasting industry as a whole that we felt their words shouldn't be taken out of context and that a mere "digest" wouldn't do them full justice. Pity is that time, space and other news breaking this week -- mainly the pay-TV hearings on Capitol Hill (p. 1) -- do not permit similar textual treatment of other noteworthy talks, for there were some very important ones (see p. 4).

Over-all, the impression gained attending most of the sessions and in corridor talks with scores of affiliates was that they intensely admired the galaxy of keen young network leaders gathered around Stanton; that they stood four-square back of CBS policies in general; that their business was fairly good to good, for which they gave due credit to the network whose competitive zeal has contributed so much to the advancement of American TV; that they share with the network itself a self-confidence, almost a cockiness, that can best be expressed thus: "We know we're good." They continue to call theirs "The world's No. 1 network."

* * * *

If there's any doubt that the affiliates stand behind CBS in its vigorous opposition to the Barrow Report and to pay TV, it is allayed by the resolutions unanimously adopted at the convention's close. These called both contrary to the public interest, supported the Stanton-Salant thesis that there's "no public demand, no disease to cure" in the Barrow proposal to "fractionate" network operation.

It's reasonable to anticipate ABC, NBC and their affiliates will take very much the same position. The Salant rebuttal, while indeed self-serving to the network, struck a responsive chord among affiliates as its arguments demolished proposals for sweeping new govt. controls over business aspects of advertiser, station and network relationship. Said WTOP-TV's John Hayes, summarizing affiliates' views on the Barrow Report, "If affiliates, networks and the affiliate-network relationship are not to be weakened, to the ultimate detriment of the American public, we must act together to meet this attack head-on."

Our own belief is that, unless there's a hue and cry in Congress for the Barrow proposals, there isn't the proverbial Chinaman's chance of their adoption in anywhere near their present form, if at all. But the telecasters can't afford to sit back complacently, that's sure. That they have the ear of Congress as well as the eyes & ears of the populace goes without saying. And the "lobby" aspect of the first affiliates' conference in Washington, even as the pay-TV hearings were starting, was overt and candid -- and chances are more such meetings will be held here.

By far the vast majority of Senators and Congressmen, most with their wives, attended CBS's banquet and star-studded show, evidencing the importance they place on TV. As a prominent Congressman's wife remarked to ours, as they exchanged notes on the constant dining-out demanded of public officials here: "This is one we simply couldn't miss." We'd prefer to construe this remark as meaning they knew it would be a worthwhile and pleasurable evening with CBS as host -- though a cynic might say they turned out in such force because they wanted to cotton up to the network.

* * * *

It was a superb show -- with Art Linkletter, Danny Thomas, Patti Page, Phil Silvers troupe, big orchestra, bigger chorus-line, and even with Gunsmoke's Matt Dillon, big Jim Arness taking bow. And luncheon speeches by Vice President Nixon and Senate majority leader Lyndon Johnson made the press wires in a big way. But the important part of the convention, from the network & station executives' points of view, centered on the trade talks (more on p. 4).

Some Noteworthy Speechmaking: Highlighting the 4th annual CBS-TV affiliates conference in Washington Dec. 13-14 were the Stanton-Salant speeches (see Special Supplement herewith)—but there were also some important and noteworthy talks by others. Probably the most significant, from a high policy standpoint, were those of John Hayes, pres. of *Washington Post's* WTOP-TV, unequivocally opposing the Barrow Report and leading to the unanimous resolution to that effect; a second speech by v.p. Dick Salant tearing subscription TV apart, and the devastating indictment of tollvision by Tom Chauncey, mgr. of the Gene Autry stations in Arizona, who also distributed a mock "special Jan. 13, 1963 edition" of *Phoenix Sun* bannered "Pay-V Kills Free TV."

CBS-TV sales v.p. William H. Hylan's speech, indicating the easy-buck days are giving way to short-term contracts and month-to-month business uncertainties, was of a piece with corridor talk to the effect that the sales curve, while still rising, is going up much more slowly than before. Network TV generally amounts to about one-fourth of the average well-placed station's revenues, spot 50%, local 25%—and typical 1957 rises in over-all totals we heard about ranged from 3% to 6% over 1956, though one fortunate telecaster claimed 35%.

Program v.p. Hubbell Robinson Jr. defended present program efforts, admitting inadequacies and failures but suggesting the telecasters can "walk proudly, confident [their] contribution to American happiness, information and education is a substantial and enlarging one." He also conceded respected competition from ABC and NBC. Station relations-engineering v.p. William B. Lodge reviewed status of video tape, network circuits for DST, color (see below).

Programs also had an important spokesman in F. Van Konynenberg, exec. v.p. of WCCO-TV, Minneapolis, suggesting networks "scout" their stations more for program ideas. News was covered by CBS-TV v.p. Sig Mickelson and ex-FCC Comr. Jack Jett, now v.p. of *Baltimore Sun's* WMAR-TV, Baltimore. Promotion had spokesman in John Cowden, network's operation director, adv. & sales promotion; W. D. (Dub) Rogers, KDUB-TV, Lubbock, Tex.; Norman Knight, exec. v.p., WNAC-TV, Boston.

Most of the talks were whimsical, yet with underlying veins of seriousness, including those of Edmund C. Bunker, CBS-TV v.p. for station relations and Thomas K. Fisher, network's general attorney, treating otherwise very dry subjects. (Noteworthily present was the popular Herbert V. Akerberg, longtime CBS station relations v.p., and one of the real pioneer builders of the network; Pres. Stanton announced he had recently been released from long hospital siege and was back at work.)

Your trade press may carry adequate summaries or even texts—*Variety* this week had extraordinarily lengthy coverage and *Broadcasting* can be expected to provide coverage in depth. But if any particular talk is up your special alley, we suggest you write the principals, for most of them were prepared in advance and copies are available. This week's *Variety* carried the best headline on the convention story we've seen to date, one that tells a lot of story in itself: "Courtship on the Potomac; Statesmanship at Affil Meet." Author is the ubiquitous George Rosen.

Ultimate in Network Loyalty: Shares of stock in CBS comprised Christmas bonuses to employes of affiliates WCCO-TV & WCCO, Minneapolis, according to exec. v.p. F. Van Konynenburg, reporting to this week's affiliates conference. Gifts totaled 241 shares.

CBS on Color, Tape, DST: Availability of AT&T circuits for Standard Time repeats during Daylight Time this spring and summer is "reasonably certain," CBS-TV station relations & engineering v.p. Wm. B. Lodge told affiliates conference in Washington. He said that while snags could occur, AT&T executives "go so far as to say that the risk of a circuit shortage is so small that they think we are wise in putting a million dollars into a video tape center in New York City."

Tape center, he said, is currently under construction in Grand Central Terminal, and installation of equipment will begin Feb. 15, full operation due by start of DST April 27. CBS-TV now has 7 recorders on hand in Hollywood, 3 in N. Y., will receive 8 more by end of this month, 3 in Feb., 2 in April—for total of 23 units, 9 in Hollywood and 14 in N. Y. CBS engineers will examine Ampex color tape converter in few weeks and as soon as they "see a demonstration of satisfactory performance," CBS will order 2 kits.

Lodge indicated CBS will continue to follow its "middle-of-the-road, be-prepared policy" on color—producing moderate number of color shows but ready to shift to large-scale production "any time there is advertiser or public demand." He added: "Some day the public will agree with us [on advantages of color] and back up their agreement by large-scale purchase of receivers."

Texts of CBS *Years of Crisis* and NBC *Projection, 1958* were printed in Jan. 13 *Congressional Record* at request of Sen. Mansfield (D-Mont.).

Small Stations Petition AT&T: Lower line rates for TV stations in smaller communities are sought in resolution on behalf of CBS-TV's 35 Extended Market outlets and other smaller market outlets, presented at Washington conference this week by Harry C. Butcher, onetime CBS Washington v.p., wartime Naval aide to Gen. Eisenhower, now operator of KIVA, Yuma, Ariz. (Ch. 11) and of radio KIST, Santa Barbara, Cal. His committee includes Rex Howell, KFXJ-TV, Grand Junction, Colo. and F. E. Busby, WTVY, Dothan, Ala. It notes that AT&T and regional subsidiaries have "wide latitude of charges [which] often reflect an economically unsound assessment for services involving the use of inferior facilities" and asks readjustments so that small stations can afford to bring network service to their communities—particularly since FCC won't license stations' own intercity circuits if common carrier facilities are available.

Justice Dept.'s network probes are "far from complete," Deputy Attorney General Walsh advised Chairman Magnuson (D-Wash.) of Senate Commerce Committee, who asked last Aug. for interim progress reports on TV anti-trust investigations. Walsh indicated in letter that investigations of such network practices as "must buy" and "option time" would continue until next fall, at least.

TV for straphangers is part of formula offered by Transport Workers Union boss Michael J. Quill for luring millions of riders into New York's subways. As he outlined it at subway wage contract signing ceremony Jan. 15, every car would be equipped with TV sets, air conditioning and washroom facilities.

Scrambled Wire TV: While House Commerce Committee delved into broadcast pay-TV issues this week (see p. 1), Selectivision Inc. said it was proceeding to put first scrambled-picture closed-circuit toll-TV system in operation Jan. 31. Led by entrepreneur J. T. Hamilton, it proposes to use existing community & master apartment antennas, show 1957 movies in partnership with theatre owners, have systems hooked up by end of month in N. Y., Chicago, Wilkes-Barre, Bridgeport, Pittsfield, Mass., Sarasota, Fla. Service would be free until April 1, when telemetering devices would be used to collect 150% of single theatre ticket price from home user.

We asked Bernard L. Goldenberg, asst. to pres. Hamilton, whether Selectivision has agreement with movie producers. His reply: "Do you think we would spend $4,500,000 on this if we didn't?" Other toll-TV developments:

(1) Only operating wired toll-TV system—Bartlesville, Okla. project, which doesn't use scrambled picture—began trial of metered per-program charges as alternative to flat $9.50 monthly fee for home movie service. Video Independent Theatres offered prospective subscribers choice of flat charge for 30-odd movies on 2 channels or meter at $3.50 per month plus 65¢ for each film seen in excess of any 5 selected on either channel. Video pres. Henry S. Griffing said it would take "at least" several weeks to tell whether subscribers prefer meters.

(2) Televents Inc., which plans cable-theatre operations in many communities in Rocky Mt. states, won non-exclusive franchises for 2 Denver suburbs—Aurora & Littleton—and got initial approval for Edgewater, Colo.

(3) Hialeah officials were reported ready to refuse 30-year wired-TV franchise sought by Tele-Movies of Fla.

(4) Wireview Inc. came up in San Francisco with proposal for Chinese-language wired system for films & educational programs to serve 35,000 in city's Chinatown.

* * * *

Toll-TV Witnesses: At week's end, House Commerce Committee's pay-TV hearing (see p. 1) was behind schedule, appeared likely to run past Jan. 22 scheduled windup. The 3 network presidents are due to testify Jan. 21.

Jan. 22 has been set aside for others who have asked to testify. At Committee's request, some filed statements. The following asked to be heard: Joint Committee on Toll TV; Thomas F. O'Neil, RKO Teleradio; Lou Poller, WCAN-TV, Milwaukee (off air); Milton Shapp, Jerrold Electronics; Byron Bentley, *Theatre Arts Magazine;* Raymond Kohn, WFMZ-TV, Allentown, Pa. (off air); Irving Ferman, ACLU, Wilton Radford; Harvey Rosenberg, American Citizens TV Committee; George Kuyper, Chicago Symphony; Rep. Baldwin (R-Cal.).

Statements were being filed by Theodore Jones, WCRB, Boston; Frank Lyman, WTAO-TV, Cambridge-Boston (off air); Malcolm S. Knowles, Adult Education Assn. of USA; Harold Thomas, WATR-TV, Waterbury, Conn.; Harold Koplar, 220 TV Inc., St. Louis; C. C. Caveny, U of Ill.; Harry E. Franks, Trans-American TV Enterprises Inc., Boston; T. F. Flanagan, Harrison, N. Y.; Wilton E. Hall, WAIM-TV, Anderson, S. C.; J. R. H. Wilson, WMIT, Charlotte, N. C.; Bernard Weitzer, Jewish War Veterans; Fred Nahas, KXYZ, Houston.

About 16 others who originally asked to be heard have not responded to Committee request to file statement.

Network Television Billings

November 1957 and January-November 1957

(For Oct. report see *Television Digest*, Vol. 13:50)

ABC-TV BILLINGS LED again—percentagewise—in network figures for Nov. 1957, increasing 22.1% ($8,079,932 vs. $6,619,109) from Nov. 1956, according to Publishers Information Bureau. CBS-TV billings same month went up 8% ($21,449,468 vs. $19,866,463) from year earlier; NBC-TV, 5.2% ($18,511,686 vs. $17,593,056)—total nework gain averaging 9%. Cumulative 11-mo. 1957 gain by 3 networks over 1956 period was 5.2% to $466,502,173—CBS-TV increasing 7%, ABC-TV 6.3%, NBC-TV 2.6%. The complete PIB report for Nov.:

NETWORK TELEVISION

	Nov. 1957	Nov. 1956	% Change	Jan.-Nov. 1957	Jan.-Nov. 1956	% Change
CBS	$21,449,468	$19,866,463	+ 8.0	$217,346,635	$203,124,982	+7.0
NBC	18,511,686	17,593,056	+ 5.2	174,698,900	170,254,402	+2.6
ABC	8,079,932	6,619,109	+22.1	74,456,638	70,026,679	+6.3
Total	$48,041,086	$44,078,628	+ 9.0	$466,502,173	$443,406,063	+5.2

1957 NETWORK TELEVISION BY MONTHS

	ABC	CBS	NBC	Total
Jan.	$ 6,715,581	$ 20,231,474	$ 16,554,941	$ 43,501,996
Feb.	6,175,488	18,309,088	14,900,631	39,385,207
March	6,848,848	20,172,173	16,631,974	43,652,995
April	6,682,786	19,385,098	15,154,388	41,222,272
May	7,258,807	20,307,762	15,811,033	43,377,602
June	6,413,708	18,356,892	14,746,537	39,517,137
July	6,348,496	18,537,069	13,874,872	38,760,437
Aug.	6,134,380	18,240,823	14,473,677	38,848,880
Sept.	5,704,888	19,935,115	15,286,270	40,926,273
Oct.	8,093,724	22,421,673*	18,752,891*	49,268,288*
Nov.	8,079,932	21,449,468	18,511,686	48,041,086
Total	$74,456,638	$217,346,635	$174,698,900	$466,502,173

* Revised as of Jan. 14, 1958.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 25%. However, they're generally accepted in the trade as an index.

Largest closed-circuit hookup in history, comprising 250 theatres in 200 U.S. & Canadian cities, is predicted by Teleprompter for March 25 Basilio-Robinson title bout in Chicago. Event marks Teleprompter's debut in theatre-TV prizefight field, all previous bouts having been handled by Theatre Network TV, which was outbid for closed-circuit rights to this match. Teleprompter guaranteed International Boxing Club a seating capacity of at least 500,000 and minimum receipts of $275,000. Teleprompter will receive 50% of theatre receipts and will pay IBC 80¢ to $1.55 per seat, depending on price of seats (generally $3-$5). Home TV won't carry fight, nor will Chicago area theatres.

Assn. of Radio & TV News Analysts came out this week with *Preliminary Report on the Outlook for Public Service Broadcasts* which sees broadcast pay-TV as "virtually inevitable" and fears that news programs would suffer under system. Written by ex-CBS commentator Wm. Costello, report said FCC "has never been weaker nor more politically minded" than in handling issue, asserted networks' anti-pay-TV attitudes are "entirely tactical." In foreword, Assn. pres. Quincy Howe calls for Congressional appropriation for "comprehensive study" of news & public affairs programs by FCC.

Radio Free Europe needs $10,000,000 this year to continue Crusade for Freedom "truth broadcasts" to 5 Iron Curtain countries, said Westinghouse chairman Gwilym A. Price, new chairman of privately-financed organization.

Ratings—'Sermon on the Mount'? Watch for attacks on season's plethora of mystery, western and quiz shows—and the ratings which attest their popularity—during present session of Congress. Possibility of hearings by Pastore subcommittee of Senate Interstate Commerce Committee is also hinted by Sen. Monroney (D-Okla.), its ranking member, who is particularly hot under collar about ratings, says opinions sought from a miniscule segment of audience can't be right, thinks telecasters are inclined to regard them as "some sort of Sermon on the Mount."

"What about the public?" he asks. "It can't look at 2 TV sets at once, as on Sun. when we get top shows opposite each other. News handling is consistently good, as are the spectaculars, but there must be room for more shows like *Voice of Firestone* and *Telephone Hour*, instead of so much junk 5 nights a week, some of it so crowded together that there's nothing for it but to turn off your set. A certain amount of it may be all right, but I've taken my own polls in my state and they don't support the idea that whodunits, cowboys and giveaways should be so rampant on station schedules."

It's coincidence that a sort of refutation came at this week's CBS affiliates meeting by network's program v.p. Hubbell Robinson Jr., who observed:

"There are the bumblers and the babblers . . . any week's programming contains some peppermint candy drama, some comedy that lacks bite and point, some quiz shows distinguished largely by their frantic attempts to unload money in the easiest way possible, and some spectaculars that started out to be thunderbolts and wound up as short circuits.

"But let me also suggest to you that you examine this week's or this month's, or any week's or month's total TV schedule. I think you will find that during the evening hours which have been most severely attacked there is not a night when the public cannot find at least 2 hours of skilled, professional, high-level entertainment. It may not all be on one network—it probably won't be—but it is there, and it is there with an amazing consistency."

NAB agenda for **Jan. 22-24 board** meeting at Camelback Inn, Phoenix, includes: Jan. 24 (joint board)—Washington legislative-govt. status, ad taxes, budget, public relations expansion, membership campaign proposal, convention, news access. Jan. 23 (TV board)—pay TV, audit TV circulation study, TV allocations, TASO progress, proposed Congress probe of military spectrum use, music licensing. Jan. 22 (radio board)—committee reports on AM-FM radio, good practice standards, membership.

Broadcasters Promotion Assn., out to increase membership, names 1958 committee for drive: James Kiss, WPEN, Philadelphia; Ken McClure, WMBR-TV, Jacksonville; Marian Annenberg, WDSU-TV, New Orleans; Roy Pedersen, WDAY-TV, Fargo; Montez Tjaden, KWTV, Oklahoma City; Janet Byers, KYW-TV, Cleveland; James Barker, KBTV, Denver; Edward Morrissey, KIMA-TV, Yakima, Wash.; Harvey Clarke, CFPL-TV, London, Ont.

J. Elroy McCaw, owner of KTVW, Tacoma, 50% of KTVR, Denver, 25% of KONA, Honolulu and chief owner of radio WINS, N. Y., has sold his interest in Seattle Americans hockey team to local syndicate, is now working with group to bring big league baseball to Seattle.

FCC Probe Sidetracked: Badly split on own procedures, sleuthing House Commerce legislative oversight subcommittee headed by Rep. Moulder (D-Mo.) voted this week to open "general" hearings Jan. 27 on procedures & practices of 6 regulatory agencies, removing FCC as immediate target of investigation (Vol. 14:2).

In switch from earlier plan to open up on FCC, subcommittee agreed "unanimously" on broad survey of overall agency functions instead, said Moulder after all-day closed meeting. But subcommittee counsel Dr. Bernard Schwartz—supported by Moulder & other Democrats, angrily opposed by Republicans in 9-member group—wanted to delve at once into possible irregularities within FCC.

Schwartz said questioning of Commissioners would disclose, for instance, that manufacturers have "loaned" color TV sets to some of them for use in homes—fact which Chairman Doerfer readily acknowledged when questioned by reporters later. Doerfer said there was "nothing secretive, furtive or clandestine" about it.

No concrete evidence of illegalities or official misconduct within FCC was offered by Schwartz to subcommittee, Moulder conceded. And Rep. O'Hara (R-Minn.), ranking minority member who argued against singling out FCC for attack, said allegations he'd heard so far were "bloodless."

As finally approved by subcommittee, agenda for long-delayed public hearings calls for: (1) Inquiries into any inadequacies of enabling statutes setting up agencies. (2) "General discussion" of licensing and other quasi-judicial functions of agencies. (3) Study of relations of FCC, CAB, SEC, FTC, FPC, ICC with legislative, executive & judicial branches of Govt.

"Anything might develop at the hearings," Moulder observed, however. He said FCC "will be called up as the other agencies will be called up," adding: "The idea that there is any attempt to conceal—there is no foundation for that whatsoever."

House Commerce Committee Chairman Harris (D-Ark.), who sat in on subcommittee's executive session, was known to have counseled more restrained approach to public probe than that advocated by Moulder & Schwartz.

Speaker Rayburn (D-Tex.), who last spring sponsored bill authorizing investigation, also favored "general" probe in hearings. "This is no pin-pricking outfit," he said of subcommittee. Rayburn told reporters its assignment is to find out whether these agencies operate as Congress intended—not just to expose an official "who sold himself for a lunch."

Argentina's lone TV station finally appears due to come under private ownership as Govt. seeks to pull plug which has blocked development of commercial TV there. Provisional Govt. has called for bids on Buenos Aires' LR3-TV (Ch. 7)—inherited from Peron regime—and announced it will accept applications for 3 more commercial stations in Buenos Aires and 6 in interior. At the same time, Govt. asked bids for 55 federally-owned radio stations.

Damage suit for $800,000 against NBC and sponsor Mennen Co. was filed in Los Angeles Federal court this week by Navy Comdr. Kenneth D. Strickler, alleging "One Minute to Ditch" on *Robert Montgomery Presents* last March 25 portrayed him as "dull, boorish & rude." TV drama was based on 1956 ditching of Pan American stratocruiser on which Strickler was passenger. He said he gave no clearances permitting portrayal.

Television Digest with Electronics Reports
WYATT BUILDING, WASHINGTON 5, D. C.

MARTIN CODEL, Publisher
ROBERT CADEL, Bus. Mgr.
ALBERT WARREN, Senior Ed.
Associate Editors:
DAVID LACHENBRUCH
JAMES S. CANNON
JAMES J. CASSIDY
Editorial Associates:
Paul Stone, Wm. J. McMahon, Jr.
Wilbur H. Baldinger, Anne G. Bjarbu

Weekly Newsletters Published Saturdays
Television Factbooks Published in February & August
AM-FM Directory Published in January
TV and AM-FM Addenda Published Weekly

Personal Notes: Walter D. Scott appointed NBC-TV v.p., network sales, succeeding v.p. Wm. R. Goodheart Jr., resigned, who goes to Phoenix to handle personal business; Don Durgin succeeds Scott as v.p., national sales mgr., with Dean Shaffner, now director of sales planning, taking over Durgin's current duties ... Davidson Taylor, NBC-TV v.p., public affairs, also onetime CBS v.p., resigns Feb. 1, plans new activity to be announced . . . Jerome B. Golden promoted to secy. & gen. counsel of AB-PT, succeeding Herbert B. Lazarus, resigned (Vol. 13:50) . . . Emanuel (Manie) Sacks, NBC & RCA v.p., seriously ill in Einstein Medical Center, Philadelphia . . . Robt. E. Kintner, NBC exec. v.p., and Arthur Hull Hayes, pres. of CBS Radio, appointed TV-radio chairmen, respectively, for Brotherhood Week of National Conference of Christians & Jews . . . Arthur Hamilton, mgr. of radio WRCA, N. Y., appointed TV-radio div. chairman of 1958 Boy Scout fund campaign . . . Miss Alice Stamatis promoted to sales service director of ABC-TV . . . James Z. Gladstone, ex-NBC, named MBS controller; Murray Grabhorn, network and rep veteran, joins MBS Jan. 20 and Eugene Fitts rejoins as station services director . . . Ronald J. Pollock named sales development supervisor of WPIX, N. Y. . . . R. Morris Pierce, managing director and founder of Corinthian's WANE-TV & WANE, Ft. Wayne, named v.p. & gen. mgr., with radio mgr. Reid G. Chapman reporting to him . . . Raymond E. Carow promoted from sales mgr. to gen. mgr. of WALB-TV, Albany, Ga. . . . Dick Drummy Jr. promoted to national sales mgr. of WFAA-TV, Dallas; Bob King to local & regional sales mgr., Tom Palmer to program & production mgr. . . . John Portfield resigns from WJMR-TV, New Orleans . . . Prof. Garnet R. Garrison, U of Mich. director of TV, named director of broadcasting in university's now-integrated TV-radio operations; he continues also as professor of speech . . . John S. (Jack) Allen, ex-WTVJ, Miami, joins WPST-TV there as retail sales mgr.; Jack Barry promoted to WPST-TV operations mgr., George Booker to production mgr., Bob Hanna to national sales mgr. . . . Steve Halpern named asst. adv. & promotion mgr. of KYW-TV, Cleveland, succeeded as publicity director by Charlie L. Getz Jr., ex-Giants baseball club . . . William H. Hansher promoted to special asst. to Hulbert Taft Jr.; Raymond E. Owen succeeds him as gen. engineering supervisor of WTVN-TV, Columbus . . . John M. Bushnell Jr. promoted to director of engineering, KVOO-TV, Tulsa; John Barth succeeds him as chief engineer . . . Ole Orson named chief engineer of KMOT, Minot, N. D.; Oscar Halvorson promoted to chief engineer of KUMV-TV, Williston, N. D., succeeding Orson . . . George Jelinek, ex-chief engineer of KHOL-TV, Kearney-Holdrege, Neb., named chief engineer of upcoming KDUH-TV, Hay Springs, Neb. (Ch. 4), due to start soon as satellite of KOTA-TV, Rapid City, S. D. . . . Jeanette F. Sytsma, ex-Young & Rubicam, named exec. asst. to coordinate media activities with Stephen A. Mann at Intercontinental Services Ltd. rep firm . . . Howard Strickling promoted from director of MGM studio publicity & adv. to adv., publicity & exploitation director of parent Loew's Inc., succeeding Howard Dietz, who continues as consultant . . . Arthur E. Breider, ex-Ziv, appointed central div. sales mgr. of MGM-TV . . . J. R. von Maur named pres. of Depicto Films, N. Y. . . . Herb Rosenthal and Berle Adams, MCA TV Ltd. v.p.'s, named directors . . . Edward Reveaux named exec. producer for Teleprompter group communications div. . . . Robert Ross Tortorich replaces Frank Frost, now in charge of new Des Moines office, in Chicago office of Pearson rep firm . . . Bernard G. Bechhoefer, ex-State Dept. foreign officer and authority on atomic energy, joins brother-in-law Arthur W. Scharfeld as associate counsel with Scharfeld & Baron . . . Mrs. Nancy M. Salkin promoted to color coordinator, NBC-TV sales planning . . . Jack Ward Mitchell, ex-ABN, joins CBS Radio as daytime program supervisor.

ADVERTISING AGENCIES: Henry Mayers, head of Los Angeles adv. agency bearing his name, now Mayers div., Cunningham & Walsh, receives annual award of Western States Adv. Assn. at annual banquet Jan. 20 . . . Edward C. Fleri named by BBDO to newly-created post of supervisor, spot TV-radio buying, will also assist in media planning . . Don Tennant and Jack Hirschboeck promoted to v.p.'s in TV commercial dept., Leo Burnett Co., which adds Chet Glassley and Robt. Wickersham, both ex-Hollywood . . . Dan Packard, ex-Kelvinator, ex-McCann-Erickson, named v.p.-marketing director of Geyer Detroit office . . . Robert Gibbons, TV-radio mgr. of McCann-Erickson, named v.p.-marketing director of Geyer Detroit group account head . . . Joseph H. Newman promoted to media director of O. S. Tyson . . . Harry D. Way, ex-Warwick & Legler, joins Erwin Wasey, Ruthrauff & Ryan as v.p., media director & plans board member . . . Theodore O. Tostlebe, ex-KWWL-TV & KWWL, Waterloo-Cedar Rapids, named TV-radio director of Wesley Day & Co., Des Moines . . . Al Smedley, ex-RCA, joins Arndt, Preston, Chapin, Lamb & Keen Inc., Philadelphia . . . Curtis Berrien, senior v.p., named creative director, Al Goodman copy chief, Reach, McClinton.

New president of Radio-TV Correspondents' Assn.—broadcasters accredited to Congressional galleries—is Edward P. Morgan, ABC, who succeeds Robert F. Hurleigh, MBS. Other officers: Julian Goodman, NBC, v.p.; Lewis Shollenberger, CBS, secy.; Ann Corrick, treas. Members at large: Arthur F. Barriault, NBC; Edward P. Ryan, WTOP, Washington; Jack A. Gertz, MBS. New officers will be installed at March 29 annual dinner in Statler Hotel, Washington.

Gilmore N. Nunn, ex-operator of WLAP, Lexington, Ky., still 30% owner of WBIR-TV, Knoxville (Ch. 10), and one-third owner of CP for WCNS, Baton Rouge (Ch. 40), again will attend Inter-American Assn. of Broadcasters convention (this time in Montevideo, Uruguay, March 10-16) as NAB delegate; Harold Fellows, NAB pres., is alternate delegate.

Leonard H. Goldenson, pres. of ABC-Paramount, elected to board of directors of Western Union, with which AB-PT's associated in ownership of Microwave Associates Inc. and Technical Operations Inc. (Vol. 13:51).

Honorary Doctor of Laws degree will be awarded pres. J. W. West of *Augusta* (Ga.) *Chronicle* and *Herald* (WRDW-TV & WRDW) by Augusta Law School Feb. 1.

VHF Booster Comments: Unlicensed boosters are ruining TV reception in many parts of Pacific Northwest, and legalization of on-channel vhf boosters "could result in substantial impairment if not a complete breakdown of the allocations plan." So said National Community TV Assn. in presenting to FCC engineering studies of illegal booster operations in 2 northwestern states as part of final flurry of comments on Commission's proposal to license on-channel vhf & uhf boosters under strict engineering safeguards (Vol. 13:31-32). Rule-making had been proposed—and deadline extended twice—at request of Gov. McNichols of Colorado.

Assn. of Maximum Service Telecasters felt Commission's proposed safeguards were inadequate, said if such service were authorized public must be guaranteed present TV service wouldn't be impaired. AMST proposed these conditions:

(1) Repeaters should be specifically restricted to areas remote from TV stations. (2) They should be limited to 1-watt ERP and .1-watt RF output power. (3) They should be licensed as broadcast services. (4) FCC rules must insure that repeaters won't cause interference.

AMST also recommended that each applicant be required to present statement of consent by station whose programs are to be retransmitted as well as statement by each co-channel and adjacent-channel station within the minimum mileage separations from proposed transmitter site, stating that repeater won't cause objectionable interference. Statements would be re-filed once each year.

Sylvania, which has been experimenting for years with uhf repeaters in Emporium, Pa., called proposal "a step in the right direction," but asked that higher transmitter powers be permitted—1 watt for Ch. 2-6, 3 watts for 7-13 and 10 watts for uhf. Triangle Publications (WFIL-TV, Philadelphia et al) asked same powers, also proposed that licensee of "mother" station be given 6 months to establish own repeaters before others are allowed to apply.

Also filing in favor of booster proposal—but with some proposed modifications—were KEYT, Santa Barbara, Cal.; KLZ-TV, Denver; KTVT & KSL-TV, Salt Lake City.

National Assn. of Educational Broadcasters said proposal "might severely inhibit the future expansion of educational TV service," since it's first time Commission has indicated willingness to deviate from mileage separations in allocation plan. "If the Commission authorizes such a service, it should be severely restricted in scope in order to prevent degradation of TV service generally," said NAEB, and FCC "should restrict vhf boosters to those situations where a clear showing can be made that no other method can obtain the desired objective."

NCTA's filing included engineering surveys of illegal boosters in Washington state by engineer George M. Freese of Wenatchee, Wash., and in Montana by engineer Archer S. Taylor of Missoula. Freese's statement cites specific areas where boosters have ruined reception from licensed TV stations. He argues that uhf translator service is far superior—in cost and performance—to both present unlicensed and FCC's proposed vhf booster service. Says Freese:

"There exists currently an alarming amount of interference created by illegal reflector systems, which is not only of academic interest for this report, but is resulting in severe economic injury and loss to many people in the Pacific Northwest, as well as in Canada."

Taylor's survey lists 47 illegal boosters in Montana, with individual reports and appraisals of 24 of them. While he found only a few cases of interference in Montana, he states: "The number of unauthorized TV repeaters is increasing rapidly; these transmitters are not properly identified, operated or installed."

On basis of the 2 engineering surveys, AMST urges that FCC reject vhf booster proposal and require all unauthorized booster services to apply for uhf translators or cease operation.

Two Strikes on TV Battlers: Minor league baseball officials got sympathy—but nothing more—from Congress & Justice Dept. this week in seeking govt. intervention to halt scheduled telecasts of Sunday major league games, which they claim will ruin smaller clubs (Vol. 14:2).

Spokesmen for minors first asked Chairman Celler (D-N. Y.) and Rep. Keating (R-N. Y.) of House Judiciary Committee for legislative help against CBS-TV agreements with 6 major clubs for Sun. "game-of-the-week" programming next season. Both said they were "deeply sympathetic," wanted to "be as helpful as possible." But nobody came up with any proposals for specific Congressional action.

Similar "sympathetic hearing"—and no legal remedy for minors' complaints—was given by Justice Dept. Delegation from minors asked anti-trust div. if anything could be done to revise 1951 ruling that agreements between majors to restrict telecasting of games are forbidden by monopoly laws. No relaxation of rule was offered.

Failures by minor clubs to get to first base in their fight against big-league TV, which they blame for precipitous drop in minor-league gates over past 10 years, were underscored meanwhile by:

(1) Signing of biggest single big-league TV deal yet. N. Y. Yankees sold TV rights to all 77 home games and at least 63 road games to Ballantine (with R. J. Reynolds Tobacco Co. as partic. sponsor) for reported $1,000,000-plus, to be carred by WPIX, N. Y. Yankees' announcement called this the largest block of time ever purchased for "a single TV property."

(2) TV invasion of big-club territory by another big club. Phillies announced 77 of their games will be telecast by WOR-TV, N. Y. No sponsors were announced, but 2 or more are expected to pick up tab in excess of $500,000.

(3) Opening of investigation by Justice Dept. into TV restrictions involving another sport. Attorney General Rogers ordered anti-trust div. to look into TV blackout of Detroit imposed by pro football Comr. Bert Bell for Detroit Lions-Cleveland Browns title game.

Translator starts: K80AK, La Grande, Ore. began Jan. 10 repeating KREM-TV, Spokane; K72AO, Jackson, Wyo., Jan. 8 with KID-TV, Idaho Falls; K79AD, Romeo-La Jara-Manassa, Colo., Jan. 15 with KOB-TV, Albuquerque; K78AH, Joplin, Mont. begins Jan. 19 with CJLH-TV, Lethbridge, Alta.

Do You Know That . . .

SOME OF FOOTBALL'S great names are identified with the TV-radio industry—and not all of them as sportscasters, either?

Best known, of course, are the All-Americans who became TV-radio sportscasters and commentators—like Illinois' Red Grange, Columbia's Marty Glickman, Michigan's Tom Harmon, Northwestern's Otto Graham, Vanderbilt's Pete Gracey, Notre Dame's Frank Carideo, Joe Boland, Al Coupee. Gracey is with WSM, Nashville, Joe Boland with WSBT, South Bend. Most often and widely heard probably is Southern Methodist's Doak Walker, who does the Vitalis commercials.

Intra-industry, we find several authentic gridiron greats of yesteryear: **Lloyd E. Yoder**, NBC v.p. in charge of its Philadelphia stations, played tackle 4 years at Carnegie Tech, where he was Walter Camp's selection for All-America, captained team in 1926, wound up with letters also for track (discus, hammer, shotput). He's now on the board of regents of his alma mater.

Bob Reynolds, part owner (with Gene Autry) and gen. mgr. of KMPC, Hollywood, was All-American tackle at Stanford in '35. Gil Berry, v.p.-sales mgr. of WIBC, Indianapolis, was All-American halfback at Illinois in '30 & '32; he was Big Ten choice all 3 years, was recently picked by *Sports Illustrated* for its 25-year All-America Roster of ex-athletes outstanding for successful career combined with community service.

Leslie Arries Sr., ex-DuMont, was also a Walter Camp All-American lineman at Northwestern a generation ago; his son, Leslie Jr., now heads TV operations of WHDH-TV, Boston.

Jim Crowley, of Notre Dame's Four Horsemen, was one of owners of now-inactive uhf WTVU, Scranton, is presently chairman of Pennsylvania Athletic Commission. At KIFI, Idaho Falls, is owner-mgr. Jim Brady who preceded Frank Carideo as Notre Dame quarterback in 1929; he was All-American choice of *New York Sun*, later coached at Harvard while taking law degree. In Washington, attorney Bailey Walsh quarterbacked the 1923 Notre Dame freshman team that scrimmaged against Crowley and Miller, which may be why he soon gave up football.

ABC's Tom Harrison was a standout halfback at Florida, 1939-41. Joe Elliott, ex-RCA v.p., later pres. of Schick Inc., now v.p. of Tele-Dynamics div. of Raymond Rosen & Co., RCA Philadelphia distribtuor, was star lineman at Georgia Tech, Class of '25, got some all-star mentions, later played pro football.

Among the Washington attorneys, Morton Wilner, Penn '30, got All-American mentions during his 3 years of varsity quarterbacking, and captained the championship baseball teams of '29 & '30. Seymour (Sy) Krieger, Amherst '34, was varsity center. Parker (Bud) Hancock, Indiana '37, was varsity fullback.

There probably are a lot of others, and we'd like to hear from you about them. Meanwhile, we've gathered dope on prowess of industry people in other sports—and we think we have some surprises in store. Just to give you an idea: Do you know that Henry Clay, who commutes in own plane between his KTHV, Little Rock and KWKH, Shreveport, a '41 cum laude Vanderbilt graduate, won the Southern Golden Gloves lightweight championship while at college, where he also taught boxing and tumbling? Or that Bob Rawson, in charge of FCC hearing div., was Golden Gloves welterweight champ of the District of Columbia in 1935?

Then there's Charles S. Rhyne, pres. of American Bar Assn., whose firm is identified with TV-radio practice in Washington and who while at Duke ('37) was a hot boxer; he later did some professional boxing and was rated high.

And did you know that **Mrs. Vincent Welch**, wife of the Washington attorney, while a physical education student at Sargent School, Boston, '39, played on a women's lacrosse team and was rated All-American? She also was a hockey star at Mt. Holyoke, and her husband "Vinnie," Bowdoin '38, 7-letter man in football, swimming & track, captained the Navy boxing team in 1943 while at communications training school in Cambridge.

We'll report on others later.

Telecasting Notes: Even as first big package of post-1948 movies became TV property this week, movie industry groups stepped up campaign to keep recent features from home screens. This week's items: (1) Allied States Theatre Owners Assn. pres. Julius Gordon told press conference that feature showings on TV have everybody in film industry "bleeding to death," and proposed that all film distributors declare 3-year moratorium on all sales to TV. (2) Screen Producers' Guild invited representatives of all factions of movie industry to meeting in Hollywood to map strategy to block TV release of features. (3) Stanley Warner Theatres pres. S. H. Fabian told stockholders meeting that policy of studios trending toward releasing post-1948 films to TV is crucial to future of entire picture business . . . Big post-1948 feature deal formally closed this week was Republic's sale of its 218 films (140 features, 65 westerns, 15 serials) to 6 NBC-owned stations (all of NBC's o-&-o's except Chicago) for a reported $2,000,000 (Vol. 13:52). There's report that new corporation, Video Artists Inc. (Sig Shore, gen. mgr.; Peter Jaeger, national sales mgr.), is being set up to handle sales of package to other stations . . . Movie exhibitors' group has dropped efforts to raise $40,000,000 to buy Paramount pre-1948 backlog to keep it from TV . . . No more bulk sales: Whether it was prompted by Justice Dept. "block-booking" anti-trust suit, by sales saturation or just good business sense, AAP (whose sale to United Artists awaits court ruling) has withdrawn from sale 200 of its 750 Warner Bros. features, and is breaking remainder up into 52-film packages to be released at intervals over next few years . . . Only 11 of 78 film productions now shooting in Hollywood are for theatres—remainder are for TV—reports Jan. 11 *N. Y. Times* . . . Syndication rights to 103 episodes of *Lassie* have been acquired by TPA from Jack Wrather . . . Success story: NBC-TV changing name of *Tonight* to *Jack Paar Show.*

St. Louis' KWK got national publicity over AP wires this week when pres. Robert T. Convey gave order to play each rock 'n' roll record in library just once, then smash it so audience can hear. He and his disc jockeys were agreed, he's quoted as saying, that rock 'n' roll "has dominated the music field long enough," estimated they'd exhaust supply of platters in week.

Some 1300 new public relations films, available free to TV stations—along with about 2500 old ones—are listed in new *TV Directory of Free Film*, just published by Broadcast Information Bureau, 535 Fifth Ave., N. Y.

Is Subliminal Criminal? Congressmen, FCC and FTC members saw with their own eyes—or subconsciouses—a demonstration of subliminal advertising (Vol. 13:47) this week, and after it was all over there were no more fixed opinions about it than before it started. In their comments to us later, however, there seemed to be less inclination to fear hidden advertising as a possibly lethal weapon in a war of ideas and a feeling that considerably more research is necessary before such advertising should be used.

Certainly there seemed no disposition to legislate or make rules against "hidden sell" techniques —now.

Demonstration was conducted by Subliminal Projection Co. Inc. at studios of WTOP-TV, Washington, before more than 300 spectators, utilizing closed-circuit equipment. FCC had requested station's cooperation. Except for fact that TV system was used instead of movie projection screen, demonstration was similar to the one we described last Nov. (Vol. 13:47).

Subliminal v.p. and system developer James M. Vicary explained demonstration was run in same manner as his company expects subliminal ads to be used on air. Program used for demonstration purposes was *Grey Ghost* TV film series. At start, announcer made pitch for sponsor, the mythical "Popcorn Industry Assn.," then told viewers they would be subjected to subliminal advertisements but no further commercial interruptions.

White-on-black slide with message, "Eat Popcorn" was projected and identified as slide which would be flashed at 5-sec. intervals (duration 1/20 sec., brightness about 2% of picture highlight). About 4 min. of film was shown. Nobody in audience raised hand when asked later to indicate if subliminal message had been seen. Message was later changed to "Fight Polio," and again no one could say he'd seen it or been "stimulated" by it.

With no picture on screen or with picture masked from half of screen, dim message could be seen flashing on and off.

Lawmakers viewing demonstration were Sen. Potter (R-Mich.) and Reps. Dawson (R-Utah), Frelinghuysen (R-N. J.), Friedel (D-Md.)—all of whom have in the past expressed alarm about potential of subliminal advertising. All FCC commissioners except Mack attended showing, along with top staff members, as did FTC Chairman Gwynne and staffers.

Allowing several days for subliminal messages to "sink in" (Vicary said they sometimes showed up in dreams in 2 days), we queried some observers on their opinions and the impact that the messages had upon them.

Said Sen. Potter: "Either my antenna wasn't up or it wasn't working very well. From what I've seen, it doesn't have much effect. If it has effect, it ought to be regulated."

Rep. Dawson said he was "disappointed" in demonstration, which he called "completely inconclusive in determining whether this is a valid process." He reflected views of others when he said he knew no more about it than before demonstration but that "if it works it ought to be regulated."

Rep. Frelinghuysen saw "obvious potentials for evil as well as good—if it works." He agreed that use of system should be regulated, but expressed disappointment that viewers at demonstration were not "tested as to its effectiveness." He saw in system a potentially painless way of eliminating visual commercials on TV.

Said Rep. Friedel: "It left me with nothing. I didn't react to it. I didn't dream about it. I just didn't get it."

FCC considers its informal investigation of subliminal TV closed for time being, has given system neither red nor green light. Feeling is that nobody has made case for outlawing it, and nobody's using it on air anyway—so currently there's no issue. But Chairman Doerfer told House Commerce Committee during this week's toll-TV hearings that Commission intends to keep an eye on developments in this field.

"I'm not in a position to say if it is effective or if it has the power its promoters claim," Doerfer said at hearing. We asked other commissioners for their comments. Comr. Ford said it was impossible to form opinion about technique on basis of demonstration, that far more testing is necessary. "It didn't seem to me they know too much about its effects; at this point in its development, I don't think it warrants a conclusion."

Commented Comr. Bartley: "The whole thing reminds me of Coué and his 'Every day in every way I'm getting better and better.'" Comr. Hyde said invisible popcorn pitch hadn't altered his eating habits and he hasn't "given much attention to it."

Comr. Lee said he was "singularly unimpressed."

Radio Station Sales Reported: WIRL, Peoria, Ill. by Illinois Valley Bcstg. Co. for $325,000 to Robert W. Frudeger, owner of KLIN, Lincoln, Neb. . . . WPON, Pontiac, Mich. by Gerity Bcstg. Co. for $275,000 to Chief Pontiac Bcstg. Co., 35% owned by Edward E. Wilson, son of ex-Secy. of Defense Wilson . . . WOSA, Wausau and WLIN (FM), Merrill, both Wis., by Rep. O'Konski (R-Wis.) for $225,000 to owners of WSAU-TV, Wausau (Ch. 7) . . . WABB, Mobile, Ala. by *Mobile Press Register* for $150,000 to Cy Blumenthal (WARL, Arlington & WCMS, Norfolk, both Va. and KCKN, Kansas City) . . . WBOP, Pensacola, by WBOP Bcstg. (Vern L. Bessler, partner-gen. mgr.) for $65,000 to E. O. Roden, owner of Miss. & Tex. AMs (broker Paul H. Chapman Co.) . . . WGGG, Gainesville, Fla. by Thompson K. Cassel, with interest in off-air WTVE, Elmira, N. Y. for $116,000 to Ed C. Wright and Harry R. Playford, who have interest in Suncoast Cities Bcstg., Ch. 10 applicant for St. Petersburg (Paul H. Chapman) . . . WLOS, Asheville, N. C. by owners of WLOS-TV (Ch. 13) for $105,000 to C. W. Hogan, ex-mgr. & part owner of WLBG, Laurens, S. C. (Paul H. Chapman) . . . WFOR, Hattiesburg, Miss. by Forrest Bcstg. Co. Inc. for $72,800 to rancher R. W. Curry Jr. & wife . . . KWIQ, Moses Lake, Wash. by Robert S. McCaw and Warren J. Durham for $14,726 to owners of KIMA-TV, Yakima (Ch. 29).

Radio Station Sales Approved by FCC: KXOA, Sacramento, by Lincoln Dellar for $500,000 to Cal-Val Radio (Riley R. Gibson, pres.) . . . KOFE, Pullman. Wash. by J. Ronald Bayton & Maynard F. Hicks for $60,000 to KOFE Inc. (Herbert E. Everitt, pres.) . . . KASI, Ames, Ia. by Wm. Rupe (publisher of *Ames Tribune*), Hollis Nordyke & Arthur Skinner for $57,000 to Bill Evans, ex-WIND, Chicago, announcer . . . WRFW, Eau Claire, Wis. by Chippewa Valley Radio & TV Corp. for $30,000 to owners of KDAL-TV & KDAL, Duluth, Minn.

Power boosts: KTWO-TV, Casper, Wyo. (Ch. 2) went to 28.5-kw Jan. 13; WSAU-TV, Wausau, Wis. (Ch. 7) plans start Feb. 15 with 316-kw at new site.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

Miami's TV wonderland: N. Y. Herald Tribune Syndicate travel columnist Horace S. Sutton is preoccupied in Jan. 12 column with these new uses of TV in Florida's newest fun-palaces: (1) New 301-room Beau Rivage Motel has 21-in. set in each room, with one channel connected to closed-circuit switchboard. When new guest checks in, he's requested to turn on his set to view "welcome" film, introducing dept. heads and providing stationary tour around motel. At other times, live camera roams motel's grounds and public rooms. Electronic baby-sitting is also provided; cameras are brought into rooms where baby-sitters are requested and single sitter in monitor room "sits" with as many as a dozen at once. (2) Carillon Hotel advertises that 91% of its 620 rooms have ocean view; "for the viewless 9% there will be televised views of the ocean." (3) DuPont Tarleton Hotel has TV set in each room tilted toward bed, with controls on night table; it will have 8x12-ft. projection TV screen in dining room and master TV antenna connections for yachtsmen tying up at its piers. And in Cuba, Sutton reports, new $12,000,000 Havana Riviera is installing closed-circuit cameras in gaming room, so that guests will be able to bet from bed.

TV time & talent costs are climbing to point of diminishing audience returns to advertisers, according to TV-radio v.p. Philip L. McHugh of Campbell-Ewald Co. Joseph Kaselow, ad columnist for *N. Y. Herald Tribune* quotes McHugh: "Demands for increases, based on increased viewer audiences, soon may be answered, 'What increases?' " Executive of agency which spends more than $20,000,000 in broadcast media for clients points out that TV already has reached 82% home saturation point. "The irony of the problem is that the annual increases in viewer audiences have lessened with each passing year." In rebuttal, TvB pres. Norman Cash promptly cited Dec. 1 Nielsen report to show TV audience increases for all top 10 TV shows vs. year earlier. "The growth in both TV homes and in time spent viewing per TV home combine to increase TV's total audience," Cash said.

Worldwide TV via tinfoil: Economical method of transmitting TV over oceans is expounded by Federal Telecommunication Labs pres. Henri Busignies in interview in Jan. 13 *Electronic News*. He's quoted as proposing shooting into space 1,000,000 or less thin strips of aluminum "chaff" to orbit about earth, forming continuous circle. This would provide metallic layer from which signals could be reflected, requiring far less power than present scatter communications systems now need. To put strips into orbit, he visualizes loading them into satellite, which, when orbiting around earth, would automatically eject them with proper spacing between strips. He estimates total weight of required strips would be less than a ton. "I feel certain the military is already considering this," he is quoted.

Drop in demand for engineers, notably in electronic and aircraft categories under $15,000, accompanied gradual softening of economy during last 6 months of 1957, says *Executrend*, monthly barometer of executive job opportunities. However, demand for personnel, finance, marketing and general administrative executives (at $25,000 and above) held up relatively well.

NBC-owned stations' *Know Your School* project won accolade of top govt. educational experts at Washington luncheon Jan. 16 staged by v.p. Tom McFadden and attended by about 150, including Secretary Marion B. Folsom, Dept. of Health, Education & Welfare. They were told that 200 hours of programming costing about $1,000,000 have already been shown. FCC Chairman Doerfer urged expansion to include sub-professional schools, Chairman Barden (D-N. C.) of House Education & Labor Committee urged more attention to vocational schools. Special section of *Radio Daily* same day was devoted to series, which has public service angles well worth adapting at other stations.

Pilot TV station for N. Y. state educational system is again proposed by Gov. Harriman's administration, which has had little success in advocating earlier TV school projects (Vol. 13:3 et seq). Introduced in first week of 1958 session of Republican-controlled legislature in Albany, Democratic-sponsored bill asks $500,000 for construction of educational station. Location would be determined by board of regents, which in another move has asked FCC to convert Newark's Ch. 13 to education in N. Y. metropolitan area instead of permitting sale of WATV to National Telefilm Associates (Vol. 13:49 et seq).

U of Texas board of regents this week voted to participate with San Antonio schools and other educational institutions in central Texas in application for educational outlet on San Antonio's Ch. 9, with studios in San Antonio & Austin. University will seek funds from private sources.

On-job TV training for educational station personnel will be provided by Educational TV & Radio Center, Ann Arbor, in 6-mo. program financed by Ford Foundation's Fund for Adult Education. Director of project is gen. mgr. Jack McBride of KUON-TV, Lincoln, Neb.

Dallas Area Educational TV Foundation reports it has raised about half of $890,000 needed to establish station and operate for 2 years. Foundation says it hopes to apply to FCC for Ch. 13 this year.

Educational TV station directory for 1958 has been published by Joint Council on Educational TV, 1785 Massachusetts Ave. NW, Washington 6, D. C.

Two applications for new TV stations were filed with FCC this week, bringing total to 121 (31 uhf). Applications: For Eugene, Ore., Ch. 9, by KEED, Springfield, Ore., headed by Glen Stadler and including NBC news analyst Alex Dreier. For Walla Walla, Wash., Ch. 5, by group including Warren L. Gray & Wm. F. Barclay, engineers at KLAC and KNXT, Los Angeles, respectively. No translator applications were filed this week. [For details, see *TV Addenda 25-Y* herewith.]

Allocations changes requested in petitions to FCC: (1) By KJEO, Fresno (Ch. 47) to add Ch. 2, 5 & 7 (educational) to Fresno by removing Ch. 5 from Goldfield, Nev. (2) By WJMX, Florence, S. C., to add Ch. 13 to Florence by removing educational Ch. 13 from Charleston and replacing it with Ch. 7. (3) By Central Minn. TV Co., Alexandria, Minn. CP-holder & Bemidji applicant, to move Ch. 12 from Brainerd to Walker, Minn.

First station equipped for color tape recording and playback will be WGN-TV, Chicago, Ampex Corp. announced this week. Station has ordered prototype color conversion kit for black-&-white recorder; delivery will be made in June. Meanwhile, RCA this week demonstrated its color tape recorder to group of telecasters in Camden as kick-off in color recorder sales campaign.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report
January 18, 1958

TV INVENTORIES IN GOOD SHAPE AT YEAR END: Industry managed to trim TV set inventory down to 2,200,000 units by end of 1957, according to preliminary trade estimates. This compares with 2,476,000 at end of 1956.

TV retail sales in Dec. hit 970,000 vs. 978,000 in Dec. 1956, bringing year's total to 6,725,000 -- off about 4% from 6,979,000 (including exports) of year ago.

Radio set sales at retail zoomed to 2,000,000 home units in Dec., highest month since 1948. Big month brought total home radio set sales for 1957 to 8-year high of 9,990,000, up 16% from the 8,602,000 of 1956.

Production: TV set production totaled 114,392 week ended Jan. 10 -- first week of 1958 since 53-week 1957 production year ended Jan. 3. Total was 61,824 preceding week, 75,919 year ago. Radio production for week totaled 216,924 (86,570 auto) vs. 127,890 (36,789 auto) preceding week & 189,840 (102,516 auto) year ago.

DEALERS MANIFESTING A NEW MATURITY: Ranting against discount houses, back-door selling, builder sales practices -- these no longer were the hot podium topics at this week's Chicago convention of National Appliance-TV Dealers Assn. Nor was carnival promotion-for-promotion's-sake dominant as in past meetings.

Heart-of-matter business practices, instead, were themes. Speeches were peppered with terms like: professional management, cost-cutting, reduction of overhead, turnover, return on investment, dollars-not-percentages, undercapitalization, human relations, labor unionism, diversification. At this year's sessions, how-to-make-a-profit upstaged how-to-run-72-hour-marathons.

Top-management subject like "Inventory Control, Sales Budgeting and Expense Reduction" would have been entirely unlikely a few years ago. Yet, on opening day, 400 dealers took the hour-long treatise from NARDA economist Dick Snyder as Saturday night revelers take scorching Sunday sermons on sobriety. They were too self-conscious to be bored, too guilty to resent.

No longer just salesmen in business, today's average NARDA dealer has grown in stature as a businessman, aware of industry conditions which control him -- and encouraged by the wisdom and experience of dealers like their pres.-emeritus Harry Price Jr. of Norfolk, one of NARDA's more inspiring sages.

Maturity theme of 4-day meeting was underscored when Price told dealers that by concentrating on volume, expense & margins in 1958, they'd have more opportunity to control their own businesses than at any time since the war. He lashed out at manufacturer-inflicted conditions which have threatened that control.

Manufacturers have forced retailers into an "era of 'realistic' pricing," he said bitterly, by "over-producing, over-franchising, over-estimating markets... They've pegged our costs, removed our price umbrella, have told the customer not to believe the little independent... What have they done to earn our loyalty?... What have they done to stop our biggest competitor -- Sears?"

With proper control of variables in their own businesses, he continued, dealers could survive regardless of manufacturer-forced ills, recessions, tides of national economy. It is ultimately the public, he stressed, which actually determines how the individual business must be run:

"The public is demanding ever-increasing efficiencies in our distribution -- and we've got to face up to them...

"This philosophy of low margin retailing is 'supposed' to obsolete all other methods -- but, don't you believe it. Give the lowest prices. But give them with the services that the public will pay for. Functions cost money and they must be covered in the margins you get."

[For further digests of important NARDA speeches, see below.]

Note to manufacturers who missed this convention and/or NARDA's Institute of Management courses at American U in Washington: During his speech, Price observed that there were 36 GE sales trainers at the meeting -- "here to learn from us."

Education of the Dealer: If school-of-hard-knocks factory men have the idea that school-of-hard-knocks retailers always pooh-pooh "the academic stuff," their misconception was sharply exposed at this week's Chicago NARDA Convention. While past conventions consisted mainly of veteran promoters telling neophyte promoters their special secrets, at this meeting only one of 36 speakers talked on promotional techniques in detail.

Instead, both dealer and manufacturer speakers talked on a management level previously untouched in appliance retailing. Some of the merchandising principles discussed were on a stratospheric plane usually associated only with major dept. stores and chain stores. The dealer is getting educated. With help from the academic world, appliance retailing is being upgraded and seems to be heading for the day when dealers will be equipped to apply the highest principles of scientific retail merchandising.

In planning this convention, NARDA leaders relied heavily on subjects discussed at their 3 past Management Institutes held annually at American U in Washington. Two of the Institute's faculty addressed meeting: Dean Nathan Baily of American U's School of Business Administration discussed the functions of the professional manager; Prof. Wm. Davidson, Ohio State, discussed coming marketing concepts which will affect appliance distribution.

Others chose academic subjects, too. Dealer Dick Finch, of Medford, Ore.—who will soon address the American Bankers Assn. convention on appliance industry financing practices—discussed the appliance marketing revolution and its effect on the small town. He used extensive parallels from supermarket and chain merchandising. NARDA economist Dick Snyder repeated the chart & graph presentation on sales budgeting and forecasting he gave at the Institute last summer. Carl Bixby, marketing mgr. of Canadian GE's appliance-TV dept., talked on profit by innovation, warning dealers to watch not just sales but also turnover and profit on dollar invested. Dealer Hardy Rickbeil, Worthington, Minn., who feels appliance stores will be infiltrated by labor unions within 5 years, told how he handled union problem in his store.

Significant trend in all this high-dome activity is this: If such rich fare is what the dealer wants—or should have —in form of factory advice tomorrow, manufacturing and distribution dealer contact men will have to be armed with more than just another promotion to compete.

Significant, too, is fact that GE had 36 sales training directors in attendance at the convention—and has had as many as 6 trainers enrolled as fulltime Institute students.

In his convention speech, Willard Sahloff, GE v.p. & gen. mgr. of electric housewares & radio div., served notice that GE is already operating at fairly high merchandising levels. The Merchandising Management Accounting study he introduced to dealers makes selling as complicated as accounting. Though its principles probably went over the heads even of some of NARDA's most sophisticated dealers, the study is a key start in proving that dollars-not-percentage concept of moving goods in volume, regardless of margins, is the modern way of selling small appliances. And Sahloff pointed out that the principles work for majors, too.

Climate of appliance dealer level is probably ready for such high-dome factory advice. In his sometimes-scathing speech, NARDA's Harry Price, father of the Management Institute, reminded dealers that although factories were unapproachable last year ("They were fat and lazy"), conditions have changed and that in 1958 "you should use your factories—they can save you time and money."

Question is: Are factories ready to compete in this new retailing stratosphere or are they still geared to the old promotional days?

Note: Next Management Institute is set for American U in Washington July 13-19, tuition $130, manufacturer & distributor personnel as well as dealers invited. Also, GE Merchandising Management Accounting study is available for the asking from electric housewares & radio div., 1285 Boston Ave., Bridgeport, Conn. And Dick Snyder's "Inventory Control, Sales Budgeting and Expense Reduction" presentation is available in booklet form for $10 by writing him at 11 S. LaSalle St., Chicago 3.

NARDA elects as 1958 pres. Joseph Fleischaker, Will Sales Appliance Store, Louisville, replacing retiring Ken Stucky, Stucky Bros., Ft. Wayne. New v.p.'s: Steve Feinstein, Magee's Boston; Harold Witham, Witham's, Bakersfield, Cal.; George Johnston, Johnston's, Minneapolis. Remainder of slate: Mort Farr, Upper Darby, Pa., board chairman; Harry B. Price, Jr., Norfolk, exec. committee chairman; John K. Mooney, Broyles Electric, Marion, Ind., secy.; Victor Joerndt, Joerndt & Ventura, Kenosha, Wis., treas.; Al Bernsohn, exec.-secy.

New editor of IRE for 1958, succeeding Donald G. Fink, who becomes pres. (Vol. 13:47), is John D. Ryder, dean of engineering, Mich. State U. Newly appointed IRE directors are D. B. Sinclair, General Radio Corp., and Ernst Weber, pres. of Brooklyn Polytechnic Institute. Reappointed directors were Dr. W. R. G. Baker, recently retired GE electronics v.p., now IRE treas. & Syracuse U research v.p.; Haraden Pratt, serving 16th term as IRE secy.; Alfred N. Goldsmith, consulting engineer & editor emeritus.

Creative Retail Salesman of Year prize of $500 awarded Tom Sanders, Innes Co., Wichita, by *Ladies Home Journal*-NARDA annual contest committee; runner-up, TV-radio div. winner, was A. A. Bardin, Clark-Dunbar, Alexandria, La., who won $125. Salesman of Year named by Flint, Mich. chapter, National Sales Executives Club, is Gene Thorpe, Greenley's.

Dwight R. Anneaux promoted to gen. mgr. of newly-formed Whirlpool utility div. Promoted to his staff were: Robert M. Marberry, gen. sales mgr. for gas utilities; C. R. Armstrong, gen. sales mgr., electric utilities; John W. Benson, adv. & promotion mgr.

Trade Personals: John W. Bjorkman named military marketing mgr., DuMont Labs . . . Col. Frank J. Shannon (USAF ret.) appointed Packard-Bell technical field service mgr. . . . Michael J. Ranalli resigns as field sales mgr. of Westinghouse TV-radio div.; no successor to be named . . . Dan R. McKennon, ex-Emerson, appointed Olympic Radio regional sales mgr. for north central states, replacing Jerry Allen, resigned . . . Sam Jenkins & Harold Ashbach named Wilcox-Gay v.p.'s, former adding duties of gen. sales mgr., Majestic International sales, and continuing as sales coordinator, latter continuing as west coast rep for both . . . Robert J. Criddle promoted to gen. sales mgr., contract & builder sales div., RCA Whirlpool; Wayne Wolford succeeds him as sales mgr., contract sales . . . Col. Webster F. Soules, mgr. of radio mfg. div., Electro-Voice Inc., cited as "operator of the month" by 5th Army for contributions of his A8HCW to military affiliate radio system (MARS) . . . Merrill F. Chapin, onetime part owner of WSAU, Wausau & WMAM, Marinette, Wis., named mgr. of 8-state GE regional sales office at St. Louis for 2-way radio equipment . . . George M. Arisman Jr. named pres. & gen. mgr. of Mallory Battery Co., div. of P. R. Mallory & Co. . . . Roger G. Hall named national sales mgr of Angel Records, now merged with Capitol (Vol. 13:49) . . . Charles Harper, ex-Kierulff, Los Angeles (Webcor), named national sales mgr. of Bel-Canto Magnetic Recording Tape Co. . . . John Woodford, ex-Angel Records, named to new post of classical albums product mgr., Columbia Records . . . Herbert J. Oslow appointed adv. mgr. of *HiFi & Music Review*, new Ziff-Davis magazine.

DISTRIBUTOR NOTES: Peirce-Phelps, Philadelphia (Zenith) names Frank Louchheim, ex-v.p. of now defunct Stuart F. Louchheim, to Zenith div. under mgr. Richard Waltemate . . . Victor H. Meyer Distributing Corp., N. Y. (Sylvania), promotes Victor J. Meyer to v.p.-gen. mgr.; Michael Lombardo to controller . . . GE names W. R. Jones sales planning mgr. of new expanded Memphis district of appliance-TV div.; C. H. Middleton named TV sales mgr. . . . Handwerg Distributing Co., Tampa (Motorola), promotes John Bumpus to gen. sales mgr. . . . Emerson names Edward Adis v.p., Lawrence H. Carr v.p.-treas. of new factory branch in Philadelphia; they were respectively sales mgr. & controller of Emerson of Pa., independent distributorship recently converted to branch on resignation of founder Irving Witz (Vol. 14:2). Branch retains firm name . . . Samuel Jacobs Distributors Inc., Philadelphia (Steelman, Bell & Howell, Blaupunkt, Ampro), names Ben Freedman service & parts mgr.; moves to larger quarters at 2208 Market St. . . . IT&T components div. appoints Jack Goss Co., 99 Highland Ave., Somerville, Mass. New England sales rep for Federal selenium rectifiers . . . Sylvania appoints The Shield Co. Inc. (Mrs. W. W. Slaughter, pres.), 1010 Macon St., Ft. Worth, for TV-radio-hi-fi in Ft. Worth-Dallas area . . . Decca Distributing Corp., San Francisco, promotes Irving Stimler to branch mgr. succeeding Wm. Bisbam, resigned . . . Alliance Mfg. Co. names Collins Havercamp, Kansas City, rep for Tenna-Rotor in Ia., Neb., Kan., Mo.

Motorola and its N. Y. distributor Warren-Connolly Co. "have decided to sever relations," says Edward R. Taylor, Motorola exec. v.p.-consumer products. Group of Motorola executives will take over temporarily at Warren-Connolly location.

TV should more than double in dollar volume between now and 1965 and should be a highly profitable business—spurred by color. So said RCA executive committee chairman Frank M. Folsom in Dec. 16 talk before San Francisco Society of Security Analysts. About color, he said: "This past year we feel we found the key to the successful mass promotion of color. We went into 26 major cities and 27 secondary markets with an intensive promotional campaign keyed to one purpose—exposure of the public to color. In most cases the results were good, in some they were excellent, and in some they were spectacular." [For Folsom's comment on other aspects of electronics and related defense and consumer industries, see p. 15.]

Venezuela imported 35,000 TV sets in 1956, about 12% from Netherlands and most of remainder from U. S., according to new govt. statistics. In 1955, approximately 19,000 units were imported. Venezuela now has 120-125,000 TV sets in use and 10 TV stations, including satellites. In 1956, Germany became biggest supplier of radios to Venezuela, with U. S. participation declining from 40% in 1955 to 28% in 1956, while Germany rose from 27% to 32%, Netherlands from 18% to 25%. Radio imports totaled about 100,000 in each of the 2 years.

Australian Broadcasting Commission, seeking bids for equipment for new govt.-owned TV stations in Brisbane, Adelaide, Perth & Hobart (Vol. 13:40), placed 2-in. ad in Jan. 12 *N. Y. Times* announcing March 20 deadline for bids and availability of forms and specifications from Commission office at 630 Fifth Ave., N. Y. Govt. stations in those cities are due to be in operation in 1959; permits for competitive privately-owned outlets in same city have been promised by March.

Pye Ltd., big British TV-radio-electronics manufacturer, is exporting enough radios, hi-fis, recorders and other equipment to U. S. to justify appointing Van Brunt & Co., new ad agency at 230 Park Ave., which starts national campaign in March. Pye distributor is Ram Electronic Sales Co.

DuMont diversification into auto tune-up and test equipment field is detailed in Jan. 13 *Electronic Week*, which reports firm claims 98% of $10-20,000,000 yearly auto tune-up oscilloscope market. Aimed at smaller service stations and garages is "low-priced" $495 IgnitionScope.

First FM auto radio to be distributed by American auto manufacturer is new Bendix-made tuner being offered as optional equipment on 1958 Lincoln. As yet unpromoted, tuner carries suggested list price of $120 added to $163 price of AM radio.

Retail household appliance-radio store sales totaled $3.536 billion in first 11 months of 1957 vs. $3.617 in 1956 period, reports Census Bureau. Nov. sales were $348,000,000, down $21,000,000 from Nov. 1956.

Pre-registrations are being urged by gen. mgr. Kenneth C. Prince for 1958 Electronics Parts Distributors Show at Chicago's Conrad Hilton Hotel, May 19-21.

Corning Glass has laid off about 150 in pressware plant because of adequate inventories of color TV bulbs; black-&-white continues on normal schedule.

The 1958 edition of *RCA Reference Book*—updating information on tubes, test equipment, batteries, transistors, semiconductor diodes—is now available from distributors.

Enthusiastic report on color—ease of installation, tuning, improved programming—is contained in Dec. *Cosmopolitan* article by contributing editor Jon Whitcomb.

Electronics Reports: Even as trade and financial circles buzzed with unverifiable rumors that RCA has won one of biggest Air Force contracts yet, the chairman of RCA's executive committee, ex-pres. Frank M. Folsom, was telling San Francisco Society of Security Analysts that the American electronics industry would jump from present $12 billion volume to $22.5 billion by 1965.

Growth, said he, would center on national defense, which would attain $6.5 billion by 1965, and on such areas as color TV (see p. 14) and industrial electronics such as microwave and other radio communication, closed circuit TV, broadcasting equipment, data processing systems. TV as whole should more than double its volume, he said, along with huge surges in components such as tubes, transistors, parts and in installation & servicing.

RCA would not comment on any new defense contracts, even to correct rumors that they may aggregate as much as $500,000,000. Air Force information spokesman would only say he found "no such contract has been awarded."

* * * *

In widely publicized testimony before Senate Preparedness Subcommittee Jan. 13, RCA chairman David Sarnoff supported Rockefeller Report (Vol. 14:1); urged greater emphasis on basic research and speedup in development of anti-missile missiles; said survival must be "overwhelming factor" in considering cost; again advanced his proposal of 2 years ago to establish a "national educational reserve" with private industry providing paid science teachers for nearby high schools. Note: Gen. Sarnoff this week was elected chairman of board of trustees of American Heritage Foundation, currently co-sponsoring movement with Advertising Council to step up citizen participation in Congressional and gubernatorial elections.

Tax concessions to spur privately-financed research were urged in testimony before House Ways & Means Committee Jan. 14 by Whirlpool Corp. pres. Elisha Gray II and Westinghouse general tax counsel Leonard A. Kust. Gray proposed taxpayers be given income tax credit of 90¢ for each dollar they contribute to universities and colleges for basic scientific research. Kust urged private firms be granted tax concessions for enlarging private research.

Radio Moscow reports Lenin Electro-Technical Institute working on color system using "scanning light beam principle" and simple camera.

Electronic Highways: Completely electronic highway system which could practically eliminate accidents was pictured to some 1000 highway engineers and administrators at annual meeting of Highway Research Board in Washington last week—as engineers discussed possibility of incorporating system in 4100-mi. 15-year Federal highway program. RCA honorary v.p. Dr. V. K. Zworykin explained his electronic highway control system, which was demonstrated last Oct. on 320-ft. stretch of highway in Neb. (Vol. 13:42), and urged cooperation among highway engineers, auto manufacturers and electronics industry in completing development. He pleaded for construction of enlarged test facility at least 2 miles long to permit testing at full scale and at normal speeds. RCA system consists basically of series of electronic detector units buried in and along highway, and guidance cable buried in center of traffic lane along length of road. Using system, cars eventually can be steered, stopped and their speed governed automatically so as to make accidents nearly impossible.

Electronics Personals: Edwin A. Speakman, ex-pres.-gen. mgr. of Fairchild guided missile div., onetime vice chairman of Defense Dept. Research & Development Board, named to new post of mgr. of planning, RCA defense electronic products . . . Herbert H. Schenck, ex-v.p. & director of Standard Electric S.A. and recently managing director of Companhia Radio Internacional do Brazil, both IT&T subsidiaries in Rio de Janeiro, March 1 becomes director of engineering of Page Communications Engineers Inc., major world-wide telecommunications system contractor headed by veteran Easterly C. Page; Ross Bateman resumes fulltime duties as director of research & development . . . Harvey W. Fletcher, ex-Bell Labs, now heads acoustics courses in dept. of speech at Brigham Young U, Provo, Utah, whose present president in Ernest Wilkinson, ex-Washington attorney . . . Richard G. Jones named Motorola western district mgr. for microwave and industrial control products . . . Bernard Cohen promoted to v.p. & director, General Transistor engineering dept. . . . Terry A. Halpern promoted to sales mgr. of International Resistance Co. Asheville, N. C. plant . . . Henry A. Correa, ex-Bendix Aviation, elected v.p. for foreign operations, ACF Industries . . . James A. Nottingham, ex-Sperry, named v.p.-manufacturing, Reeves Instrument Corp., succeeded as Sperry gen. mfg. mgr. by Ed Wall . . . Jack Pyle promoted to sales engineer for Sylvania semiconductor div.; Al White continues as tube sales engineer . . . S. A. Standing appointed asst. to N. B. Krim, Raytheon v.p. & gen. mgr. of receiving tube and semiconductor operation . . . Curtis Kelly, ex-Raytheon, named National Co. sales mgr. for consumer products . . . Douglas Thatcher named sales mgr. of Centralab international div. . . . James F. Conolly Jr., ex-Consolidated Electrodynamics, named adv. administrator, electronics div., Stromberg-Carlson . . . Richard P. Gifford promoted to engineering mgr. of GE communication products dept., succeeding C. M. Heiden who joins GE research lab . . . Murray Kanes promoted to engineering director, Friez Instrument div., Bendix Aviation . . . Theodore F. Talmage elected v.p.-administration of Perkin-Elmer Corp., Norwalk, Conn.

Rear Adm. Henry C. Bruton, currently director of Naval Communications, is being assigned June 23 as Director, Communications-Electronics, Joint Staff, Commander-in-Chief, European Command. He will be succeeded by Rear Adm. Frank Virden, now on U. S. European Command Joint Staff.

George C. Neuschaefer of U. S. Naval Material Labs, Brooklyn, N. Y. is winner of first annual National Reliability Award for paper on "Standard Parts—They Can Be Versatile" presented Jan. 7 at Symposium on Reliability and Quality Control in Electronics in Washington.

Veteran Wireless Operators Assn. reelects all officers, including Wm. J. McGonigle, N. Y. Telephone Co., pres.; Arthur J. Costigan, RCA Communications, 1st v.p.; E. C. Cochran, retired FCC marine inspector, 2nd v.p.; Raymond Guy, NBC, named a director.

Gustaf A. Wallenstrom named by GE technical products dept. to newly-established post of consulting engineer on antenna system structures, reporting to Lloyd Krause, mgr. of antenna and TV relay engineering.

Obituary

Wm. Hosford, 75, retired Western Electric director & operations v.p., died Jan. 15 in Chilton Memorial Hospital, Pompton Plains, N. J.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 17, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by
RUDD, BROD & CO.
Member New York Stock Exchange
734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8 High	Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	Low	Stock and Div.	Close	Wk. Chnge
14⅞	6½	Admiral	7¾	+⅛	37¾	25¾	IT&T 1.80	30⅞	+¾
27	16⅛	AmBosch1.05g.	21⅛	+⅜	50⅜	33	I-T-E CirB1⅝d.	40⅛	−⅞
24⅞	11⅝	Am Bcstg-Para.1	14⅜	+¾	10⅜	7⅛	List Indust ¼e.	7½	−⅛
43¾	29⅛	AmMach&F 1.60	33⅞	+⅝	56⅝	29½	Litton Ind	43	+¼
179⅞	160	AT&T 9	170¾	+1¾	22	11¼	Loew's	13⅞	....
33⅞	19½	Amphenol 1.20.	24½	+¼	44	28⅛	Magnavox 1½b.	32½	+⅛
36¼	28	Arvin 2	29½	+¼	50¼	23½	Mallory 1.40b	26¾	−⅞
7¾	4⅞	Avco .10g	6¾	+⅛	131	73½	Mpls. H'll 1.60a	77	−1¾
47¾	21	Beckm Inst 1¼f	24¾	....	51¾	35¾	Motorola 1½	40	+¼
66¾	42	Bendix Av 2.40.	50¾	+¼	9½	7	Nat'l Thea ½	8⅛	+¼
52⅜	27⅞	Burroughs 1	30⅛	+½	36⅞	28	Paramount 2	34	+1¾
25½	15⅛	Clevite 1.15g	18	+1⅛	18⅜	11	Philco ⅝f	13⅞	+⅜
36⅛	23½	CBS "A" 1b	27¼	+¼	40	27	RCA 1a	34	+¾
35½	22⅜	CBS "B" 1b	26½	+½	23¾	16⅜	Raytheon	22⅞	+1
54¾	25⅛	Cons Elec .40a	31⅞	+¾	50⅞	30½	Rel Elec 1.80	33	+1
35½	18	Cons Electron	21¾	+1¼	8¼	4¾	Republic Pic	6	−¼
27½	12½	Cor-Dub 1.20	15⅝	+⅜	39¾	29¼	Sang Elec 1.80.	34	....
106¼	57¼	Corning Glass 1a	75½	−2⅝	18	12⅜	Siegler .80	15¼	+¼
6⅜	3⅛	Davega	....	....	6¼	2⅜	Sparton	3	+⅛
47	27½	Daystrom 1.20	32¾	−¾	26⅛	17⅝	Sperry Rand .80	19⅞	+½
19⅝	13⅜	Decca 1	14⅞	+⅝	9⅜	5¾	Standard Coil	7⅝	+½
15⅞	13	Disney .40b	15½	+⅛	18½	13⅜	Stanley-War 1	15⅛	+¼
115	81¾	East Kod .90e	99	+1¼	41⅝	27¼	Stew Warner 2b	29⅝	−2⅛
4¾	3⅛	El & Music .13e	3⅞	+⅛	29¼	18¾	StorerBcstg 1.80	24⅛	+1¼
34	22⅛	Emer Elec 1.60.	31¾	+2¾	46¼	29¼	Sylvania 2	34¾	+⅛
6⅞	3¾	Emerson Radio.	4⅝	+¼	31½	15⅞	Texas Instru	27½	+½
10¾	6¼	Gabriel .60	7⅜	−⅛	89¾	46	ThompProd 1.40	49	−4
68⅝	46¾	Gen Dynamics 2	63⅜	....	37½	21¾	Tung-Sol 1.40b.	23¾	−⅛
72⅜	52⅜	Gen Electric 2	62⅛	+¾	30¾	19⅝	20thC-Fox 1.60.	24	+⅜
8⅛	4	Gen Inst. .15g	5¾	+⅛	25⅜	15	United Art 1.40.	16⅝	−⅛
47¼	30¼	GenPrEquip2.40	40¼	+3⅜	30⅞	18¼	Univ. Pict 1a	20½	−½
30⅜	22⅛	General Tire .70	28¾	+¼	28⅞	16½	Warn Bros 1.20.	17⅛	+⅛
25⅞	17¼	Hoffman Elec 1.	23⅜	+1⅞	68⅝	52⅜	Westingh El 2	63½	+1¾
376½	270½	IBM 2.40b	301¼	−½	140	91¼	Zenith 3a	121¾	−¼

AMERICAN STOCK EXCHANGE

1957-8 High	Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	Low	Stock and Div.	Close	Wk. Chnge
4½	2½	Allied Artists	3⅛	....	44½	29¼	Hazeltine 1.40b.	35	+1¼
52½	19⅜	Allied Con 1a	43	+1¾	3⅛	2⅝	Her Radio .15g.	2⅝	−⅛
21½	11	Amer Electro½	14⅜	−⅛	6⅛	3⅝	Int Resist .20	4½	+½
12⅜	4⅞	Audio Dev .05d.	9	+⅛	8¾	4	Lear	5⅝	−¼
13⅝	6¼	Belock Inst ⅛t.	8¾	....	1⅝	⅜	Muntz TV	½	+⅛
1¼	⅜	C & C TV	½	+1/16	3⅞	2⅛	Muter Co. ¼t	3	+⅛
5	2½	Clarostat .15g	3⅛	+⅛	9¾	5⅝	Nat'l Telefilm	6¾	....
6⅛	3	DuMont Lab	4	+⅞	2⅞	1	Nat Union El	1⅜	+⅛
7⅝	2½	Dynam Am	4⅛	+⅞	11¾	5¼	Norden-Ketay	5⅝	−¾
12⅞	8	Electronic Com.	12	+⅝	5	3	Oxford El .10d	3⅜	....
12⅞	5½	Electronics Cp	7¼	+⅜	20⅝	10¼	Philips El	11¾	−¼
27⅜	16	Fairch Cam ½g.	24⅛	+1⅞	12⅝	6⅛	Servomech .40.	8½	+⅞
30	8¾	General Trans	20¼	+1¾	9	3⅛	Skiatron	5⅜	−¼
28½	17	Globe Un 1.20b.	17¼	+⅜	8¾	2⅞	Technicolor	3½	+⅛
4⅝	2½	Guild Films	2⅞	....	5⅞	3½	Trans-Lux .20g.	3¼	....

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	1⅞	2¼	Magna Theatre	2¼	2¾
Aerovox	3¼	3¾	Maxson (W. L.) .05	5⅜	5¾
Airborne Inst	36	39	Meredith Pub 1.80a	20½	23
Altec Co .80	7¼	8¼	National Co. (4% stk)	10¼	12
AMP Inc .50	18½	20	Oak Mfg. 1.40	14¾	16
Ampex	50½	53	Official Films .10	1 3/16	1⅜
Baird Atomic	10¾	12½	ORRadio	17	19
Cinerama Inc	1 1/16	1 5/16	Pacific Mercury TV	5⅛	5⅞
Cinerama Prod	2⅛	2⅜	Packard-Bell .50	11⅜	12
Cohu Electronics	7⅝	8	Panellit	5⅜	6
Collins "A" .35	14	15	Perkin-Elmer	22	23
Collins "B" .35	13½	14½	Philips Lamp (14% of par)	30½	32½
Cook Elec. .40d	21	23	Reeves Soundcraft (stock)	2 3/16	3
Craig Systems	4⅝	5	Sprague Electric 1.20	26¼	27½
DuMont Bcstg	7¾	8⅛	Taylor Instrument 1.20	29½	31
Eitel-McCullough (5% stk)	25½	27	Tele-Broadcasters	2¾	3½
Elec Assoc (stk)	39	42	Telechrome .30	5⅝	6½
Erie Resistor .40b	7⅛	7⅝	Telecomputing	4⅛	4½
Friden Ind. 1.00	41	45	Teleprompter (stock)	5¾	6½
Giannini, G. M	14¾	15¾	Time Inc. 3.75	59	62
Gross Telecasting 1.60	15	16½	Topp Industries (stock)	10⅛	10⅝
Hewlett-Packard	19	20	Tracerlab	5¼	5¾
High Voltage .10g	24½	26	Trav-Ler	1	1⅜
Hycon	2	2⅜	United Artists	4	4½
Indiana Steel Products 1.20a.	18¼	18¾	Varian Associates	16⅞	17⅝
Jerrold	1⅞	2¼	Victoreen Inst	4⅛	4½
Ling Indus	6	6½	Webcor .25g	12¼	12½
Leeds & Northrup .60b	20	22	Wells-Gardner	6	6½
Machlett Labs .25g	11	12½	WJR .50d	12	12⅜

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Sylvania TV Awards: For "outstanding" 1957 network programs: dramatic series, *Hallmark Hall of Fame* (CBS); new series, *20th Century* (CBS); documentary series, *See It Now* (CBS); news, NBC News; public service series, *UN in Action* (CBS); variety series, *Steve Allen Show* (NBC); comedy series, *Tonight* (NBC); daytime series, *Matinee Theatre* (NBC); light musical series, *Chevy Show* (NBC); light musical program, "Annie Get Your Gun" (NBC); children's series, *Let's Take a Trip* (CBS); religious series, *Look Up & Live* (CBS); educational series, *Omnibus* (NBC). Individual "outstanding" awards: original teleplay, Wm. Gibson, "The Miracle Worker," *Playhouse 90* (CBS); adaptation, James Lee, "The Life of Samuel Johnson, *Omnibus* (NBC); actor, Lee J. Cobb, "No Deadly Medicine," *Studio One* (CBS); actress, Kim Stanley, "Traveling Lady," *Studio One* (CBS); supporting actor, Torin Thatcher, "Beyond This Place," *DuPont Show of the Month* (CBS); supporting actress, Patty McCormack, "The Miracle Worker," *Playhouse 90* (CBS). Special awards: Marian Anderson, "The Lady from Philadelphia," *See It Now* (CBS); Nikita Khrushchev interview, *Face the Nation* (CBS); *NBC Opera; Wide, Wide World* (NBC); NBC educational series; Educational TV & Radio Center, Ann Arbor. "Outstanding" local awards: public service series, *The One Inside*, WSPD-TV, Toledo; news & special events, "Disaster, Dallas," WFAA-TV, Dallas; children's educational series, *Discovery*, WGBH-TV, Boston. "Exceptional merit" citation: Coverage of Senate labor-management rackets probe, DuMont's WTTG, Washington & WABD, N. Y.

Budgets Held Down: Govt.'s broadcasting-connected activities got once-over-lightly treatment in $73.9 billion 1959 fiscal budget proposed by President Eisenhower to Congress this week. For FCC, he asked $8,950,000 for year starting July 1, 1958 vs. $8,300,000 appropriated for fiscal 1958, requested increase of $650,000 distributed to broadcast activities, salaries, etc., with no big step-ups. FCC averaged 1084 employes in fiscal 1957, estimated 1106 for 1958, 1156 for 1959. To run FTC, he requested $6,025,000 vs. $5,950,000 appropriated for fiscal 1958, leaving funds for deceptive advertising investigation & litigation (including TV-radio monitoring) virtually unchanged at $1,277,000. For USIA, request was $105,000,000 vs. $95,100,000, with $19,924,300 earmarked for broadcast service vs. $20,280,883 spent in fiscal 1957, estimated $17,429,021 for 1958. USIA plans boost in TV-radio activities in 1958.

Proposed 350,000-share offering of Hal Roach Productions Inc. at $3 (Vol. 13:51) has been dropped because of market conditions. Yet Roach states "1958-59 TV season looms as the most successful in [our] operation" and points "ambitious motion picture production schedule."

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Special Supplement
January 18, 1958

Industry Crises—1958 Vintage

TV Today: The Dangers of Opportunity Denied

Emergencies Facing Nation and Its Handmaiden TV Networks and Stations

By FRANK STANTON
President, Columbia Broadcasting System Inc.

and

A Report on the FCC Network Study Staff Report

Stanton's Top Aide Explains Potential Impact of Barrow Report Proposals Regarding Option Time, Multiple Ownership, Direct Regulation of Programs, Advertising, Rates, Etc.

By RICHARD S. SALANT
Vice President, Columbia Broadcasting System Inc.

Texts of Addresses Before 4th General Conference of CBS-TV Affiliates, Washington, D. C., Dec. 13, 1958

Television Today: The Dangers of Opportunity Denied

By FRANK STANTON

THE NEEDS AND DEMANDS of our free society imperatively place more and deeper responsibilities on us in television broadcasting than ever before. Paradoxically, TV's ability to meet those responsibilities is more seriously threatened than ever before. The immediate period ahead is a period of crisis for all of us equally as part of the free world. We can pass successfully through that crisis—indeed we can survive as the free world—only through bold and active leadership responding to, and responded to by, an informed nation of citizens.

To provide this link of communication and information, TV can, and must, play a crucial role; it can serve as an instrument of strength, perhaps even of survival. Not only our own economic stakes as broadcasters, then, compel us to resist the sapping away of our ability to meet the new demands thrust upon us. So also, and more importantly, do our obligations as citizens of the free world, as part of its economic force and as part of its free press.

I am sure that it was in recognition of these transcendent facts that, at the Colorado Springs meeting of your Affiliates Advisory Board last summer, Clyde Rembert [KRLD-TV, Dallas] proposed, and the board unanimously agreed, to depart from past custom by accelerating the date of this 4th General CBS Television Network Affiliates Conference, and for the first time, choosing Washington, D. C. as its meeting place. It is fitting that you have chosen this time and place. For the free world's focal point today is this city of Washington, just as it is our focal point today as broadcasters. Our future lies right here in this city.

"Our National Survival Is Involved"

Let me get directly at the situation that confronts us as we meet here today. This industry faces an immediate and pressing opportunity for service that it cannot fumble. Not only our national welfare but our national survival is involved. Either we are going to be equal to the job or there is going to be no second chance. Paradoxically, that opportunity and obligation come to us when we face the most serious and most direct threats to our strength as an industry.

I want to discuss both these matters. I am going to talk candidly and explicitly.

There can be no doubt that the nature of our existence as an industry and our larger existence as a nation has changed drastically since our last meeting. In the wake of the unarguable facts of Russian technological advances, awesomely dramatized by the space satellites, this nation has made the sobering discoveries that it cannot take its own strength for granted and that time is not always on its side.

We have made the painful discoveries. We have yet to cope with them. We *cannot* cope with them unless they become the first business for all of us in the nation.

Democracy's Need for Speed and Immediacy

Here we in the TV industry have a primary responsibility. It is nothing short of providential that TV has had a decade of constant growth to bring us to a position where we have a real chance of meeting that responsibility. It will be nothing short of tragic if, through our own fault we muff it, or through the faults of others, we are kept from meeting it. In the simplest way that I can put it to you, that responsibility is to use TV as fully and as effectively as we know how to help take up the slack that is characteristic of democracies between the time of a need for action and the time of action itself. In the age of the ICBM, only by taking up that slack can a democracy match a dictatorship without imitating it.

For a basic difference between the processes of a dictatorship and those of a democracy is that the dictatorship can move fast, without either the approval of the people or even an explanation to them. In a dictatorship, the role of the people is simply to follow orders. In a democracy, on the other hand, the people are directly involved in, and must frequently spark, the decision-making procedure. Without a continuous two-way flow of information, ideas and convictions from the people to its leaders and from the leaders to the people, these democratic processes are frustrated.

Yet information and the exchange of ideas take time. In the past we have always had the time, in the face of emergencies, to mobilize in a way that ultimately assured victory. In the age of missiles—when time is reckoned not in months or weeks or even days but in minutes—we do not have the luxury of time. Today there is a new urgency.

Our first and vital job is to speed up and improve the dissemination of the information that is the primary step in the decision-making process; for if there is a failure at that step, the whole democratic scheme will have failed. And these new demands for speed, for reaching all the people simultaneously, for immediacy, are put squarely up to us in TV.

In the past year we have made important beginnings in gearing ourselves up to meet these demands. Today, CBS News, upon which devolves the primary responsibilities in these areas, has more than 600 correspondents located in 263 cities around the world. It has fully staffed bureaus in 5 cities in Europe, one in the Far East and 4 in the United States. The Washington bureau alone has a staff of 63, including editors, correspondents, public affairs specialists and camera crews.

CBS-TV News Cost $11,000,000 in 1957

Today, each of the CBS-TV Network's regularly scheduled programs of hard news can involve the services of over 800 people: The word and picture reports and the live pick-ups of 615 correspondents and cameramen; 147 film crew members; 37 administrative staff members; and 16 studio staff members. The net TV costs, after deducting all revenues, of this CBS News organization and its operations exceeded $11,000,000 in 1957.

In recent months we have quickened our pace in these areas in direct response to the new demands of this world in crisis. We have tried to bring the American people a deeper understanding of the world and its issues both through hard news programs and through special reports, so that the people can see and make up their own minds about the problems of the world.

We have brought programs on the Hungarian and Suez crises; on the West Germany economic recovery; on *Algeria Aflame;* on the rebels of Sierra Maestre; on SAC, on civil defense. Through *Twentieth Century*, we have tried to create wider understanding of entire areas of our national life and world activity; through *Conquest*, and the special *See It Now* programs, we have tried to emphasize the new importance of science. We have brought to the American people the faces and words of world leaders —Nasser, Adenauer, Tito, Nehru, Krushchev. We have brought them reports and discussions from their own officials, including the President and the members of his Cabinet, Senators and Congressmen, military leaders and administrators.

In explicit response to these new demands of this urgent ICBM Age, we presented, just eight days ago, *Where We Stand*, the most comprehensive special program in the news field ever undertaken by broadcasting.

I am convinced that we have the ability and capacity to move ahead with even more effectiveness. At the same time, our increased responsibilities require harder concentration and greater emphasis.

Network and Local Responsibilities

The task of meeting these responsibilities must fall primarily on the network end of the business. It is only a network which can provide the essentials of immediacy and simultaneity. It is only a network which can reach the people on a *national* scale and gather the news on an *international* scale.

While the responsibilities fall, as I say, primarily on us at the network level, you at the station level have vital coordinate responsibilities. Each of you as stations do, and must continue to do, an important job on your *local* level. Most certainly I am aware of the creative ingenuity and enterprise of the newsmen in your stations throughout the country.

We need not stop now to parcel out the responsibility of each of us. The overriding need is for all of us to do more. We must inform more people, faster, more effectively, more fully—day in and day out. This is your job, it is our job, it is the job of everyone in the industry. If we fail in this responsibility, the decision-making start that dictatorships have over democracies may be an advantage which is decisive—and fatal.

Up to now, I have been speaking of direct and to some extent special responsibilities of our industry. I want to move on to a more general and continuing responsibility that we both *share* with all industries in a free economy and at the same time *owe* to all other industries. That is to contribute more and more energetically to the economic welfare of the entire nation.

No amount of dedication is going to make this country strong before the world if at home we are under the mental and material stress of an ailing economy. The economic health of the nation can very well be a determining factor in seeing us through this critical phase of world history.

No one could be in this industry without knowing very well that the prosperity of this nation rests upon the increasingly effective distribution of goods and services to more and more people. As our economic frontier one and two generations ago was the mass production of goods, our economic frontier of today and tomorrow—unless circumstances should force us temporarily into a controlled economy—is the mass distribution of goods.

TV's Role in the Expanding Economy

Television has come to maturity at a time when the dynamics of our total social scene point with increasing sharpness at what Marion Harper, Jr. calls "The Coming Crisis in Distribution." Mr. Harper reminds us that, while we can expect new population increases and proportionate expansions in goods and services, the labor forces to supply manpower for distribution will not increase commensurately.

It is my view that television, and particularly network television, can, and must, play a major part in the resolution of this distribution crisis. For historically, TV has proven its value as an instrument of marketing, and hence of distribution.

Let us just take a quick backward glance to the period—only a little more than a decade ago—immediately following World War II. We as a nation were concerned then with the "inflationary gap"—the gap between the large supply of dollars and the short supply of goods.

One of the great modern economic miracles occurred at this point. Comparatively speaking, the nation turned on a dime. Peacetime production resumed—and resumed with remarkable rapidity. Our gross national product rose from $209.2 billion in 1946 to $257.3 billion in 1949 to $363.2 billion in 1953 and to an estimated $434.4 billion in 1957.

That was only half the miracle. The other half was the nation's ability to digest this enormous increase in the gross national product. Personal consumption expenditures rose from $146.6 billion in 1946 to $180.6 billion in 1949 to $230.5 billion in 1953 to an estimated $280.5 billion in 1957. Remarkable progress in distribution during this period achieved the extraordinary result of keeping in step the sharply increasing ability not only to *produce*, but also to *consume*.

TV Advertising—From Zero to $1.3 Billion

TV, especially network TV, played a substantial role in achieving this economic miracle through helping to market the tremendous output of this country's postwar productive facilities. For this same period was the period of TV's explosive entry on the American scene. It is more than coincidence that this rise in output and in consumption came with the rise of TV from a force of virtually zero at the end of World War II to a force embracing over 5 hours a day of the time of 42,000,000 families in the United States today.

Indeed, the role of TV in this dramatic economic rise has been recognized by the producers and distributors of our goods and services in the most concrete form possible—through their investment in TV advertising. These are hard-headed industrialists who want value received; and the total of the dollars they spent in TV increased from almost nothing in 1946 to $57,800,000 in 1949 to $1 billion in 1955 and to an estimated $1.3 billion this past year.

American industry itself has established that TV is an extraordinarily effective force of marketing and distribution. The record leaves little doubt that it has played a vital role in our expanding economy of the last decade. And—again, unless we go into a temporary controlled economy because of defense requirements—the demands upon television to contribute even more to the maintenance and expansion of our economy will be greater than ever in the immediate years ahead.

We have been looking thus far at the challenges facing us as an industry right now. We know that the survival of our society can be importantly affected by the ability and determination with which we carry out our social responsibility as an instrument of information, discussion and action in a democracy. We know that we can make unique and determining contributions to the national economy as an instrument of marketing and distribution.

Now let us look at how we stand so far as our prospects for carrying out these functions go.

Dangers in Pay-TV and Barrow Report

This industry is entering a time of decision revolving about proposals that would disrupt and seriously weaken the present role of TV in our society. These proposals come when the industry faces unprecedented responsibilities.

There are two threats to the vitality of our industry. One is pay television, whose official beginnings in the use of the air waves are less than two months away, unless Congress intervenes. The other is the FCC's Study Staff Report [the Barrow Report] . . . let me state some general principles which, I believe, should govern your consideration of these issues.

First, let me state my deep conviction that no matter how vital the role of a TV network may be, it is entitled to no immunity from competition or from the normal operation of existing laws or the ethics of our society. We ask for no such immunity.

At the same time the stake of all the public, all society, is so large that we ask those who consider these changes to take a searching look at what we are doing and what they are proposing. Let them examine closely and fairly—not in grudging "yes but" sentences scattered in isolation among 1,400 pages of prose, but comprehensively—what networks have done, what they are doing, and what they can do. Let them make a fair appraisal not only of abstract theories of the public interest but of the actual interst of the public in network TV. Let them focus on the public itself—what the public wants and what the public has a right to expect from us, and from them. Let them weigh carefully—far more carefully than they have done so far—whether the service to the public will be strengthened or weakened by their proposals.

And above all, let them not guess. The risks are far too great for them to shrug their shoulders and say, "We're not sure—but let's try and see what happens." Too much is at stake for that kind of theoretical guesswork and experimentation. If they concede that they have doubts about whether their medicine is remedy or poison, considerations of the public interest and the national welfare flatly reject any attempt to find out by forcing the patient to take it.

For the risks are real. Network TV has grown so fast and has proven so lusty that our critics and reformers tend to overlook the complexity and delicacy of the mechanism. With the rate of growth of the last years, it may give the illusion of invulnerability and indestrucability. I wish I could say that pay TV and the Study Staff Report are nothing more than irksome, that they will hurt us only a little, that we can roll with the double punch and come back stronger than ever. I have searched these issues carefully and as conscientiously as I know how: I cannot say these things, because I do not believe them. I do not believe that we can brush these threats off—or that they are not of the utmost seriousness.

Let me try to explain why as briefly as I can—not because you do not know the facts but because others so often ignore them.

You are familiar with the enormous and complex mechanism—in terms of men, money, facilities, energies and organization—which is a TV network; of the tremendous risks which must be taken, the long and expensive planning not only for the next half-hour and the half-hour tomorrow, but for next year and the year after, of the twin characteristics of the double liability and the violent economic swing which are the special hallmarks of TV networking.

No Built-in Guarantee of Profits

I take your time to remind you of these things because there seems to be a tendency on the part of others to assume that, on the basis of the past 4 years, there is some built-in guarantee of onward and upward profit in networking. The growth *has* been enormous—since 1952, TV networking has been profitable for us. But it was not always thus. The year 1957 has reminded us that the maintenance of the level of profits is not automatic. CBS, Inc. showed increased profits in 1957 over 1956 only because 1956 saw the liquidation of our unprofitable receiver manufacturing division. And although the CBS-TV Network had a record year in 1957 in terms of revenues, the increased costs of doing business resulted in an actual decline in the Network's 1957 profits as compared to 1956.

There is a softness in the national economy. We begin this year 1958 optimistic, but realistically aware that this softness may well be felt in TV networking. We shall have to work, and work hard.

We must never forget—although outsiders overlook it—how significantly the loss of a single half-hour in prime time can affect network profits. Loss of half an hour a week for a year can cost a network almost $3,000,000: $1,300,000 in time revenues—out of which the network must support all its entire organization, its programming, its news and public affairs and other activities—and $1,600,000 that it must—except perhaps in marginal time—spend in order to maintain its overall schedule and its service to affiliates.

It is plain that it would take only a relatively small amount of sponsorship loss to wipe out a network's profits.

The Profits Are in the Stations

This instability of network profits is in sharp contrast with the comparative stability of station profits. When a network sponsor is lost, the station loses only a relatively small amount; and it can either sell the time period itself, thus making up the loss of station payments, or, at worst, it can take the network service, thus saving itself the cost of programming.

Even in years of maximum network profits, the profits of a network's handful of owned stations come close to matching those of the network. Year in and year out, the full quota of stations which a network can own yields a larger profit than the network. The same is true of non-network owned stations. In 1954, the total net profits of the 7 largest CBS-TV non-owned affiliates exceeded the total net profit of the Network. Although in 1955 and 1956, it took about 12 affiliates' total profits to equal the Network's, by 1957, according to our rough estimate, the total net profits of as few as 8 or 9 of our largest affiliates again exceeded the total net profits of the Network.

The significance of this elementary arithmetic in TV broadcasting is clear. As a matter of plain economics, chipping away at the current structure of TV networking is bound adversely to affect the service which the network can provide to its affiliates and to the public.

This is why pay television and the proposals of the Study Staff Report pose such ominous threats to the continued maintenance and expansion of the functions which the times today so urgently call upon TV networks to perform. Let us look at the facts as to each of these threats.

Pay TV Would Drain Free Network TV

First, if, as pay TV's proponents claim, it should prove commercially successful, it seems clear that it would drain the vitality from free network TV. Over-the-air pay TV would necessarily black out free TV from a channel while it is broadcasting the scrambled signal; a station cannot simultaneously broadcast a pay signal and a free signal. As programs and audience are drawn away from free TV, circumstances may well force affiliates, as a matter of self-protection, to turn to pay TV. As this occurs, the stations would, of course, be unavailable as outlets for free network broadcasting. And without a nationwide aggregate of outlets, there is no network.

The effects of the black-out are further compounded by the siphoning effects of pay TV. It takes the quarters and half-dollars of only a small minority of the audience to provide the pay TV promoters with a war chest large enough to attract away the talent—the performers, the producers, the writers, the creative people who provide programming for network TV.

Thus the audience is fragmented; free TV's coverage is fatally narrowed; and at the very moment of greatest need, its programming creativeness on which network TV is so heavily dependent, is drawn away.

In these circumstances, network TV as we know it today, cannot survive if pay TV is successful. The American economy is deprived of an important instrument of marketing. A source of entertainment and of information is hijacked from the American public. This is not a matter of lack of confidence in the strength and resilience of free network TV. It is just a matter of economic and electronic facts which are inescapable.

Threat of the Barrow Report

The Study Staff Report poses threats from a different direction but of, perhaps, even greater gravity.

Barrow Texts Available

EXTRA COPIES of this Supplement are obtainable from us at $1 each. Text of summary & recommendations (Chapter XV) of FCC Network Study Staff [Barrow] Report was published by us in this same handy looseleaf format as a Special Report Oct. 5, 1957 (Vol. 13:20) and copies are available at $1 each while supply lasts. Full text of Barrow Report is being printed in 6x9-in. format by House Committee on Interstate Commerce; 750-p. document is to be available in about 2 weeks at $2 from Govt. Printing Office, Washington, under title *Network Broadcasting*.

I do not believe its authors *intend* to cripple TV networks. I do not believe that every one of its suggestions and recommendations involves a matter of life or death for us. I do not even contend that if all of its proposals were adopted tomorrow, we would have to shut up shop the next day or a year from now.

But I do believe that the very nature of this business of TV networking—the delicacy, the vulnerability of its profit structure which I have just described—is such that the combination of such proposals as the unlimited regulation of networks, the reduced ceiling on network ownership of stations, and the elimination of option time, would critically hobble TV networking as it is today, and stunt any possible growth.

This conclusion is inescapable. The Report itself concedes, at least implicitly, and sometimes explicitly, that its intention is to constrict networks. We must assume that these proposals have some meaning, and are intended to have some consequences. Those intended consequences appear clearly from the Report.

Where Govt. Could Hurt

Let us take, for example, the proposal broadly to regulate networks—in their relations with affiliates and advertisers and in programming. Unlimited regulation of the essential business judgments which a network must make will inevitably deprive TV networking of that mobility, flexibility and efficiency which it needs to serve as an effective and competitive advertising medium. The responsibility for the delicate and exacting task of putting together the most efficient network unit in terms of affiliates and program structure would, under the Report's proposal, be divided between the network and the Federal Government.

This can only mean a less effective advertising medium. And that means less income. And less income means less programming service—in quantity and in quality.

The elimination of option time would have the same effect. The Report expressly contemplates that less clearance will result. It says it does not know how much less clearance there will be and concedes it might become excessive to the point of having to restore option time in order to preserve networking.

This is a dangerous game to play. We know, on the basis of the elementary economics of TV networking, that not very much non-clearance can well be too much. It does not take many half-hours per week, as we have seen, to wipe out the network profits altogether. And every loss of a half-hour compels us, as prudent businessmen, to review our plans to see where we can and must cut our service.

Option Time and Station Ownership

That is why it is impractical to consider a so-called compromise of cutting nighttime option time down from 3 hours a night to, let us say, 2½ hours or 2 hours. I must assume that such a proposal means what it appears to mean—the ultimate loss of sufficient clearances to attract network advertisers during 3½ to 7 hours of prime time a week. And if network service is to continue during those periods to satisfy the demands of the great majority of affiliates, 3½ to 7 hours a week translates to a loss of $10,500,000 to $21,000,000 a year.

We can afford no such loss—not if we are to maintain and improve network service, not if we are to meet the demands of our society.

The same considerations apply as well to the question of limitation on ownership of stations. There, too, it is simply a matter of economics. If our major source of stable income is taken away, or significantly reduced, we would have to do what any sensible businessman would do: pull in our belts. The boldness, the planning, the risk-taking, the huge investment in news and public affairs—these would become the immediate victims of any such proposal.

All these proposals are deeply serious. Either pay TV or the proposals of the Study Staff Report—whatever their intent—could so weaken networking that it would be economically impossible to sustain our activities, and particularly our informational activities, at their present level, let alone respond with vigor to the new demands of this missile age.

To run this risk, it seems to me, is the blindest folly. If any industry has had a direct stamp of public approval, TV, with its 42,000,000 families viewing over 5 hours a day, has had such approval. If any industry developed at the right time and the right place to respond to the emergent demands of this ICBM Age, it is the TV industry. The stimulus for this growth, the backbone for the public acceptance, and the means by which the industry can fulfill its urgent new responsibilities are primarily network TV.

No Public Demand, No Disease to Cure

In these circumstances, these insistent moves for experimentation seem almost inexplicable. They do not find their roots in any public demand. They are not justified by any disease which calls for such drastic cures.

There are times when an ounce of prevention ought to be worth a pound of cure. At the very least, those who would tamper with the structure ought to meet the burden of proof that there is need for these proposals—and that they will constitute a cure and not a fatal dose. They have not begun to meet such a burden of proof. The Commission's own decisions in respect to pay TV, as well as the Study Staff's own explicit admissions in respect of most of its proposals for network reform, establish an uncertainty about the results of what is suggested.

With all that is at stake, this is, indeed, a dangerous road to travel.

And so I ask you to decide for yourselves where we of the industry should go from here. Concededly, the TV networks are the first target—or the first victim. But can you reasonably conclude that you are unaffected? Can you reasonably conclude that the public is unaffected?

If you decide that the dangers are real, and that we have something to preserve, I ask you to permit us at the network to join with you in meeting those dangers.

If we present the facts together, I am confident that I can come back another year and talk in a far different way—not, as today, with such deep concern about our future, but with deeper pride that TV is fully meeting its responsibilities in this perilous age.

A Report on the FCC Network Study [Barrow] Staff Report

By RICHARD S. SALANT

I—INTRODUCTORY

MY ASSIGNMENT—to tell you something about the FCC Network Study Staff Report as we at CBS see it—is a challenging one. The very dimension of the Report is a basic reason for the problems I face. It is, as you know, a ponderous report . . . and I regretfully remind you that the books are not yet closed. Still to come in the near future is the Study Staff's report on programming which the Staff was unable to complete for inclusion in the present document.

One preliminary point before I get to the Report itself. No summary can, in the time allotted, do the Report complete justice. Its full import and flavor cannot be accurately reflected except by a careful reading not only of its final Chapter 15, the "Summary and Recommendations" [for full text, see *Television Digest* Supplement of Oct. 15, 1957], but of all of its preceding 14 chapters. Only then does its underlying reasoning and its basic philosophy and approach to our business of broadcasting become clear. Far more important to the broadcasters' long-range future than the bare specific proposals is the reasoning embodied in the Report and the clear reflection of the potential—the things to come. For many purposes, the "near misses" in the Report—the suggestions of new FCC *power* to act, without recommendation that it act now—are of the gravest significance.

Hearings Scheduled to Start March 3

In any event, the enormous size of the Report requires that any summary analysis of it must necessarily involve a process of rather drastic selection, simplification and omission. Each of us—if we had the opportunity to pore over it—would doubtless find something different on which to focus and emphasize. In these circumstances, I would hope that some time soon you have the opportunity to read all of the Report for yourself. And I would remind you that all of us will have the opportunity to address ourselves formally and directly to the full Commission, which under a notice issued last Thursday, announced hearings beginning March 3 at which all interested persons may testify to their views on this Report. We at CBS shall certainly do so—and some or all of you may wish to testify, too. It may be a chance to lay this dangerous thing to rest once and for all.

Let me turn now directly to the Study Report itself. I would like to take it in two bites: first, a discussion of some *general* aspects of the Report, and second, comments on a few of the specific proposals which I hope will serve to illustrate and illuminate these general aspects. I should emphasize, however, that in discussing some of the Report's proposals, no inference should be drawn from my not referring to the rest. The omission does not necessarily indicate a lack of deep concern. Rather, I have sought to select just a few of the important proposals to illustrate the nature of the Report, its reasoning, and its reach.

II—THE NATURE OF THE REPORT

Its Philosophy, Basic Approach and Techniques. Over the years, through its comparative hearings and its actions on license applications and renewals, the FCC has undoubtedly accumulated in its files and as part of its expertise a knowledge of the business of broadcasting and the end product of all of that business—programming—the service to the public. Yet despite this undoubted accumulation of facts, the conclusions of the Report depend on a series of theoretical assumptions which, so far as the Report shows, are never checked out against those facts.

For instance, underlying the entire Report, and molding many of its conclusions, is the assumption that the greater fractionation—the smaller and weaker the business unit—the better off will the industry and the public be.

This curious compulsion to split the industry by making each unit as weak and uncertain as possible is illustrated by the contradictory results the Report reaches on two different subjects: On the one hand, its stated reasoning underlying its proposals to supervise a network's affiliation determinations—a subject to which I shall come back a little later—is to "equalize" stations' bargaining power with the network. Yet the Report rejects out of hand the one clearest and most immediate means to provide affiliates with strength and stability: The extension of station licenses—and hence the possibility of network affiliation—to 5 years, which, as you know, the FCC has itself recommended. The authors of the Report base the rejection of this proposal on the ground that the FCC should not take action—and this is the Report's own quote—"to allay a lingering insecurity in the minds of affiliates." The Report states that stations should be subject to the "risk" (their word, not mine) of affiliation changes.

Philosophy of "Break 'Em Up"

No clearer proof is possible of the Report's underlying philosophy that strength and stability are in themselves *contrary* to the public interest, and weakness and insecurity *advance* the public interest. I can't reconcile the conclusions on these two issues any other way.

I use these two conclusions—concerning affiliation determinations and license period—only as examples of this "break 'em up" philosophy which is so apparent throughout the Report. If you reject this philosophy, I think you must reject much of the Report.

Compounding this philosophy, however, is a remarkable progression of reasoning which becomes apparent as the Report is analyzed. I should say, in all fairness to the Report, that it has a sweep about it that carries you along, from one point in the stream to the next, until you are over the waterfall. If you stop and think, however, you wonder what you are doing in the stream in the first place. But the Report has a surface air of objective academic diagnosis, weighing the pros and cons. If I may change to a dry image, it is like some of the pro football games we have seen recently: First one team gets the ball and scores, then the other team does the same. By some strange chance, even though our team makes a lot of touchdowns, the winning touchdown always seems to be scored at the last minute—*against* us. It is not very consoling to realize how close we came.

Hocus-Pocus and Legerdemain

I think it is fair to say, too, that there is more than a little legerdemain—a touch of hocus-pocus—in the way the game always winds up with the industry on the short end. That legerdemain consists of a sharp departure from the usual rules of justice and logic; and curiously, what the Report does is just exactly opposite from the rules which it sets for itself. For the Report repeatedly emphasizes the importance of networking and its contributions to the industry and the public. It says, quite clearly, that networking is in the public interest—we are grateful for that—and that networking is essential to a good nation-wide well-balanced program service. And it says that the present rules under which this has been accomplished *should not be tampered with in the absence of a conviction based on comprehensive study, that the result will improve rather than deteriorate the situation.*

If there ever was a guiding principle that was nicely and emphatically stated, and then—not ignored—but turned around 180 degrees, that one surely is it. Time and time again, the Report gets to its conclusions not by application of this principle but instead by doing just the opposite—by shifting the burden of proof—of justification—to the networks and the industry. The Report does that in its discussion of almost every business practice it examines. Repeatedly, the Report raises questions about a particular practice, weighs the considerations on both sides, and then in effect, concludes that the practice, no matter how remote from the public and how rooted in sensible and legal business principles, must nevertheless satisfy some vague and subjective standard of "the public interest" in order to win Federal permission.

It is not even enough that the practice be neutral—that is, that it *not* harm the public interest. Instead, the Report requires that the industry *prove* that the practice makes some *positive* advance to the achievement of the public interest. But "proof" in the sense that would satisfy the Report is not possible: One can probably prove to a reasonable mind that a particular rate or a decision not to affiliate is sensible business, and not illegal or evil. But one cannot *prove* that a $375 rate—rather than $400—or a particular affiliation or non-affiliation affirmatively *advances* the "public interest."

I cannot over-emphasize this line of reasoning that's so basic to the Report—because without this approach, the whole Report and its proposals collapse. For what the Report really does to get to its final scores is to set up a new rule of the game: That when we of the industry come up to bat, we not only start with 2 strikes against us, but *we're out unless we hit a home run.* That's a hard game to win.

The Implications of the Report—Its Long Range Effect on the Industry as a Whole. It is natural, human tendency to examine a Report like the Study Staff Report with the primary question in mind: "Does it directly affect and hurt me—or does it just hurt the other fellow?" If we decide it is mainly aimed at someone else, we will leave it to him to fight out. This is normally just a matter of discretion and wise conservation of energies. Why fight somebody else's fight?

But when the Report is read in its entirety, it is clear that little can safely be allocated to one group or another, and ignored by the rest. This is so not only because of the basic truism that affiliates depend for their service on an economically sound and strong network, and a network depends in turn on economically sound and strong affiliates. It is also true—and even more importantly—because the Report would radically alter the concept of American broadcasting as we know it. It would shift sharply from minimum, or at least moderate, Government regulation of, and interference with, American broadcasting. It would impose a new and over-riding Federal supervision and regulation. It's true that, on some items, the Report concludes "not yet." There is a "but"—a proposal to intervene *eventually, but to acquire the power now.* I'll come back to that shortly. Under the guise of requiring every business act affirmatively to vindicate some vague standard of public interest—not only to meet it, but to advance it—the Report would place the Government in the position of exploring and reviewing the most intimate business practices of our industry.

All Segments of the Industry Affected

Purporting to act in the name of free competitive enterprise, the Report instead would substitute a sweeping Government control in which the business decisions of advertisers, stations, and networks would be potentially subject to supervision, review, and regulation by the Federal Government. I think that this will become clear as I go along this morning.

Superficially, the Report's focus is largely on networks. But networks' relationships with, and service to, stations and advertisers are necessarily involved.

In any event, political history makes it clear that regulation very rarely stops with one segment, for no segment is an island. It took just 10 years for labor's Wagner Act *protecting* labor to be followed by the Taft-Hartley Act *regulating* labor. Perfect balance is rarely possible; when the Government steps into balance the scales according to its own lights, it must never be forgotten that there are two sides to the scales; when they start putting on and taking off weights on one side, they usually wind up weighting—or lightening—the other side too. That's why I don't believe that *any* segment of the industry can rest secure that in the long run it can or will escape the reach of the Report.

III—SOME OF THE REPORT'S PROPOSALS

Now let me review, as briefly as possible, some of the Report's proposals. I believe they will illustrate what I have just been saying. Let me take up the proposals dealing with four areas: (1) affiliation practices; (2) option time; (3) multiple ownership; (4) regulation of networks.

1. Review of Affiliation Practices. The report concludes that in exercising their power to select affiliates, the networks "have in some respects served the public interest, but in other respects *may* have acted contrary to the public interest" [*italics mine*]. It then proposes that:

(a) Networks be required to file with the FCC a full and detailed statement of the criteria governing their affiliation and dis-affiliation policies;

(b) Networks be required to file with the FCC reports on all *changes* in affiliation, the *basis* for each change, and all requests for affiliation, the disposition of such requests, and the *reasons* for the disposition;

(c) Networks be prohibited from using as a basis for affiliation the fact that the licensee is a multiple owner.

Preliminarily, I think two points are worth noting. First, These proposals are not based on a finding that networks' affiliation practices *have* contravened the public interest, but only that they "may have." Here we have a clear illustration of this process of shifting the burden of proof which I have mentioned.

Where's the Abuse? Why the Hostility?

One would normally expect that if there could be any justification at all for Federal intervention into affiliation determinations, it would be fitting to establish that there has been some widespread and serious abuse. But this, precisely, is what the Report does not do. It carefully limits itself to a statement that in some respects we *may* have acted contrary to the public interest. Here we have a clear illustration of this process of shifting the burden of proof which I've mentioned. You would normally expect that if there could be any justification at all for Federal intervention into affiliation determinations, it would be fitting to establish that there has been some widespread and serious abuse but this precisely is what the Report does *not* do. It carefully limits itself to a statement that in some respects we *may* have acted contrary to the public interest. Whatever "public interest" means in that context—and I'm not sure what it does mean—the significant thing is that the Report did not conclude that in any respect have we *in fact* acted contrary to the public interest.

The second preliminary point on this question of regulation of affiliation is this: Lengthy and detailed as the Report is, it buries the fact that the CBS-TV Network has in fact long since furnished to affiliates and other interested persons its affiliation criteria. I wonder whether the omission of that well-known and easily ascertainable fact, which would appear to be so relevant to the Report's treatment of these issues, isn't significant of the Report's hostile approach.

But let's dig a little deeper into these proposals relating to affiliation and see what they really may mean. The Report gives them a great deal more content than appears at first glance from a mere listing of the proposals. I could hardly stand here and claim that if the full limits of Federal supervision of this area were just the filing with the FCC of our criteria and reasons for action, and the prohibition of multiple ownership as a criterion, our world would come to an end, or even that we would be seriously affected. We are not ashamed of our affiliation criteria or our affiliation determinations. We have nothing to hide; that is why we have published them. And we do not, nor do we want to, affiliate with any station merely because it's multiply owned.

But there is more—much more—to it than that if the Report is read carefully. The Report does *not* confine the FCC's power to veto criteria just to the one criterion of multiple ownership. It expressly proposes to empower the FCC to prohibit "the application of criteria"—*any* criteria—which it might find are contrary to the public interest. And that means more than just prohibition. Any of us who remembers the old game of "eeny, meeny, miny, moe" knows that elimination also means affirmative *selection.*

Should FCC Intervene on Affiliations?

Let's just take an example to illustrate the potential reach of these proposals. Our affiliation criteria include maximum unduplicated circulation and the most efficient coverage of major markets. This leads to our choice, quite often, of VHF stations in the larger cities. The FCC may say—as the Report in its earlier chapters indicates—that there is an affirmative public interest in encouraging the growth of UHF stations and VHF stations in smaller overshadowed markets. Under the power which the Report proposes to vest in the FCC, the FCC could well emphasize *that* aspect of the public interest and veto our basic criteria of maximum unduplicated circulation and coverage of major markets and force us, instead, to affiliate with UHF stations in any market or VHF stations in smaller overshadowed markets. We might not want to use two stations to serve an area which could be well served by one. You probably would find it distasteful to share your audience with a next-door-neighbor affiliate. Yet that could be the result in a number of cities.

I am not being unduly alarmist. Lest there be any doubt that just this kind of Federal supervision is contemplated, I would remind you that the Report suggests that the FCC be empowered to review whether, in its affiliation decisions, a network uses "appropriate measures of over-shadowing" or gives "undue attention to protecting the service areas of basic stations."

Now, I submit that any realistic appraisal of this agregate of proposals compels the conclusion that the Commission would be forced—whether it wanted to or not—to get deep into the very "direction of the affiliation process" which the Report denies. The reservation of the right on the part of the FCC to disapprove criteria, together with the requirement that the networks explain to the FCC each affiliation and disaffiliation action, can inevitably lead to intervention by the Commission with respect at least to those actions which give rise to complaints by stations, local citizens, legislators and other officials. After all, we at the network have learned the hard way how severe the outside pressures on affiliation matters can be. The FCC can insulate itself from such pressures now—it has no power to intervene—but once it has the broad reservoir of powers, it is hard to be optimistic about its ability to resist the pressures on it to intervene in affiliation decisions. With the machinery thus created and the power vested with the FCC, it would soon become the forum for making the affiliation determinations and reviewing the business judgment of the networks and of the stations.

The process of making affiliation decisions involves an area of difficult and delicate business judgments on which networks depend for their competitive success not only as against each other, but as against all competing media. It may be conceded that we have no monopoly on wisdom, and that not every affiliation decision of CBS Television has been "correct" (assuming there can be a right or a wrong decision). But certainly the substitution of Federal decision, based not on sound business policies but on unspecified "public interest," with all the inevitable pressures and lack of intimate knowledge, provides no assurance of greater protection to the stations or to the public. On the contrary, long standing relationships between stations and networks will be jeopardized by Federal intervention, and, even worse the strength of the medium itself will be weakened and made more vulnerable to attacks by competing media which are left free to conduct business on the basis of sound and sensible economics.

The Option Time Issue

2. Elimination of Option Time — As Frank Stanton pointed out, the Report proposes to eliminate option time entirely. The issue has been discussed in detail elsewhere—in Frank Stanton's testimony and the testimony of affiliates before the Senate Interstate and Foreign Commerce Committee, and in the CBS "Network Practices Memorandum." This morning, Frank Stanton emphasized the gravity of the danger to network service which the proposal to eliminate option time involves.

I need not stop here to review the merits of the issue of option time and the effects of the proposal: It is enough to recall that option time is the means by which we can provide network advertisers with some reasonable assurance that they will get what they seek to purchase: that is, simultaneous nation-wide circulation. Without option time or some similar device, a network has nothing on the shelf to sell. Without option time, a handful of stations in key markets can make a time period unsaleable for the *entire* lineup of stations; and by the process of checkerboarding different half-hours, the process of erosion can set in throughout the entire schedule. And without option time, once a network time period becomes unsponsored, the period may be lost forever to networking simply because there is no practicable means for reentry as long as the local or national spot time sales contracts for the period terminates at different dates on different stations.

It isn't necessary to go through that in detail now—what I would like to emphasize today is just how the Report reaches its conclusion on this issue and on what basis it turns its back on the overwhelming weight of informed judgment that option time is the foundation which *makes* a network and protects it against erosion. The Report concedes that the erosion process which we envisage "is not so improbable that it can be discarded out of hand." It concedes that "there might be some loss of network clearances;" it does *not* conclude that the loss would be minimal; it goes no further than to conjecture that this loss "would probably not"—that's all, "would probably not"—"reach a point that would seriously impair the network service." Then in its summary on this issue, the Report concludes that

> "No one can state with certainty whether or not option time is essential to networking. There is a definite possibility that some erosion of station clearances would take place without option time. . . . On balance it *seems* improbable that the loss of clearances, if it occurred, would reach a magnitude that would endanger network operations. . . .
>
> "If it should appear that the network system was being endangered, it would then be possible quickly to take remedial action." [Italics mine.]

Doubt-Ridden Objections to Option Time

A more hedging, dubious and uncertain approach can hardly be imagined. This is certainly a remarkable way to handle such a vital matter as option time. In effect, the Report concedes that there may be fatal erosion. It concedes its uncertainty as to whether option time is or is not essential; it concedes it so explicitly that it states that if it is wrong about option time, the Commission can always quickly restore it. Some consolation! It resolves the issue—and endangers the whole structure of broadcasting—by the hocus-pocus of which I spoke a little earlier—the process of shifting the burden of proof to us. But of course that burden is, literally, impossible to meet to the Report's satisfaction; it is a burden of proving what will happen in the future.

Certainly in the light of the Report's own doubts, in the light of its concessions that option time has not been abused, and in the light of its repeated findings of (a) the importance of networks to the public, and (b) (in connection with its approval of first call) the danger of "fractionation" which might "tend to undermine the continuance of nationwide network organizations," it is wholly improper thus radically to alter so vital a current practice on such doubt-ridden and tentative grounds. It would seem to be obvious logic, as well as elementary justice, not only to the networks and their affiliates, but to the public, that those who want to make such a drastic change should themselves assume the burden of proving it would be beneficial. And they haven't done that.

In sum, it is not even necessary to go outside the Report itself to compel the conclusion that option time should be preserved. The Report emphasizes the importance of networks. It states that their vitality should not be endangered. And the Report clearly is uncertain whether elimination of option time might not present precisely that danger. So the Report itself has not satisfied that degree of proof which must be met before there can be justification for the Government's prohibition of this vital element of voluntary network-affiliate relationships.

The Attack on Multiple Ownership

3. Multiple Ownership—The Report includes a series of proposals concerning multiple ownership, including (1) no one may own more than 3 VHF stations in the top 25 markets; (2) it proposes an extraordinarily strong and perhaps over-riding presumption that a local owner, or one who owns no other station "will serve the local community better;" (3) it proposes repeal of the MacFarland Amendment and restoration of the AVCO rule, so that station transfers, which would be required to be on a cash only basis, would be subject to comparative hearings among all matching bidders; (4) it proposes to apply to these comparative hearings in transfer cases the strong presumptions favoring single-station and local ownership; and (5) it proposes "appropriate" but not over-riding weight to be given to the factors of local ownership and diversity of ownership factors in connection with competing applicants on renewal—with the renewal process to be utilized to "weed out" broadcasters who are "performing a marginal service."

Further, under a proposed rule applicable only to networks, networks which must divest themselves because of the limitation of 3 in the top 25 are, in effect, debarred from acquiring the remainder of the permissible quota in any other market, regardless of size.

The Report frankly concedes that the ultimate and specific objective of these cumulative proposals is to achieve "a pattern of ownership which approaches one-to-a-customer as closely as these circumstances permit."

Single-Station Owner Jeopardized, Too

These proposals provide a vivid illustration of how far the Report goes down the road once it gets up momentum. While at first glance, these rules wouldn't appear to be of particular concern to most stations—or at least to those not involved, currently or potentially, in multiple ownership—their sweep is much greater. In fact, they affect *all* stations, both directly and indirectly. They involve not only a few multiple owners but they restrict single-station owners on the terms and conditions on which single-station owners can dispose of their stations; they jeopardize single-station owners on renewal. And there are fundamental principles involved which none of us can afford to ignore because they affect the structure of our entire industry.

First as to basic principles—these rules pose a problem to any station interested in maintaining the greatest degree of participation for itself, and for all broadcasters, in our traditional concepts of free competitive enterprise. Note that the Report specifically disclaims, as it must, any finding that present stations' holdings involve any concentration of control as would violate any *existing* law. It goes beyond existing law. It would deny to broadcasters, alone among American business men, the opportunity for the successful entrepreneur to grow and expand, which is one of the great American traditions and one of the very cornerstones of the incentive which provides the driving force to our American business system. The rules turn that system topsy-turvy. The Report states that the one factor which the Commission must *not* consider in its licensing—whether in original applications, or on transfers, or on renewals—is the applicant's successful broadcasting record anywhere else. The newcomer, without experience, without contribution to the industry or to the public, is *by that very factor alone*, to be given preference—almost absolute in the case of original applications and transfers, relative in the case of renewals.

No station, I submit, whether singly or multiply owned, can, if it is concerned with maintaining strength and freedom for the industry, view without concern, so radical a notion as this.

Structure of the Industry Threatened

And more than principle is involved. The *structure* of the industry, and its service to the public, is threatened by these multiple ownership proposals. The Commission has itself recognized that a multiple owner "may" better serve the public than an inexperienced newcomer. For example, in some rather well-known comparative hearings, the FCC has found on the basis not of assumptions and theories but actual facts presented in sworn testimony, that a multiple owner should get the grant precisely because of the public interest. The proposed rules would prevent such a conclusion. By definition, in cases like those comparative hearings, the rules would require the selection of a licensee less able to provide the better service.

The application of such a doctrine would deteriorate the whole structure of television, would make it a less attractive medium for the public and the advertiser, for it would substitute the weak and the inexperienced for those with demonstrated records of service. The ultimate threat to the whole of the industry and the public inherent in such a process—robbing broadcasters of incentive to grow, preferring the inferior to the superior—must be obvious.

As for the effect which these proposed limitations would have on both the quantity and the quality of service which a network can provide its affiliates, Frank Stanton covered that; I need not repeat it here. As he has emphasized, it is station ownership which permits the network to continue to supply a full service without constant contraction of quantity and quality with each sponsor loss. As a simple matter of sound business judgment and obligation to stockholders, the risks and losses inherent in full network service—including the vital areas of news and public affairs—would be unjustifiable without the stability and cushion of owned-station profits.

It is hardly comforting to suggest, as the Report does, that we can make up for the loss of station revenues either by borrowing or by entering into some non-broadcasting business. Here the Report indulges in a let-'em-eat-cake philosophy. Almost everybody knows that borrowing costs money—and is itself dependent on a sound record of profits. Nor is going into some other line of business a very comforting answer for us—we still remember, if the Report doesn't, the history of CBS's entry into the set manufacturing business.

To sum up on multiple ownership: The adoption of these proposals relating to—and going beyond—multiple ownership would have an adverse effect on *all* affiliates, on the public, and on the whole of television as an effective advertising and social force.

4. **Direct Regulation of Networks**—The Report proposes that the Communications Act be amended so that the Commission "be expressly authorized to apply the pertinent parts of its rules and regulations directly to networks."

On its face, and read without the context that the remainder of the Report provides, this proposal would appear to present no very formidable problems. In fact, in proceedings before the House Antitrust Subcommittee in 1956, CBS took the position that it had no objection to an amendment to the law which would permit the Commission to do directly what it now does indirectly—that is, apply the existing network regulations directly to networks, rather than indirectly, and sometimes awkwardly and unfairly, to you as station licensees. CBS adheres to this position, and would not oppose the Report's recommendation on this score if that were as far as it went.

But it is frighteningly plain from a reading of the whole Report that the proposal has an infinitely wider scope than the mere procedural shift concerning to whom the present network rules would apply. The only standard for potential network regulations would be, as the Report states, the Commission's "public interest objectives." The potential range of network regulation would seem to be virtually limitless for, according to the Report:

> "Whether effectuation of Commission policy requires a rule in a particular public interest area depends upon the circumstances in the industry, which undergo continual change. Hence, *it is not possible to predict the complete range of potential future regulation.*" [Italics mine.]

The Report itself, however, provides some clear clues to the kinds of areas, heretofore left to free competitive enterprise, in which the Commission would be empowered to intervene. They include (a) network programming; (b) relations with advertisers; and (c) affiliation practices and decisions, rates, and compensation. Let me go into each of these briefly.

Power Over Programs and Advertising

(a) *Programming:* What minimal power the Commission now has over stations arises from the fact that the licensee uses the airwaves. A network, like any other program supplier, does not itself use the airwaves. Nevertheless, the Report expressly states that the power to regulate a network "in the public interest" shall include the power to regulate network programming. In fact, the Report bases its proposed authority to regulate networks on the ground, among others, that such authority would validate "*any*" rule—and I stress that frightening 3-letter word—"*any*" rule which might be proposed, as the result of a subsequent study of programming, in connection with the national public interest served by networks.

(b) *Relations With Advertisers:* The Report suggests that power to regulate networks is necessary in order to prohibit "must buy." Elsewhere, the Report also proposes for consideration a rule which would require networks and advertisers to permit programs to be carried, with commercials deleted, by *non-ordered* stations "upon reasonable payment by the stations to the network and the advertiser." Clearly, no such rules are currently within the Commission's power; they could be effectuated only by the proposed broad power to regulate networks. And if they can do these two things, there is an infinite number of other things they can do in respect of our relationships and dealings with advertisers.

(c) *Affiliation Practices and Decisions; Rates; Compensation:* As I have already noted, the Report also contemplates that, under the broad power to regulate networks, the FCC would be able to review and veto affiliation criteria, and intervene in those affiliation and disaffiliations decisions which it believes do not meet its own notion of "public interest." In respect of network rates and station compensations, at one point the Report specifically denies that it proposes to permit FCC regulation. But at another point, the Report does in fact assume an FCC right, under the proposed authority to regulate networks, actually to *review* "individual or general network decisions," although it does not recommend such review "at this time"—ominous words, "at this time." Similarly in respect of compensation arrangements between networks and stations, the Report urges the Commission to "make a regular and continuous study," although it is conceded that "the present compensation practices of the networks do not require the adoption of a more specific rule at this time"—those ominous words again. But the point is that the power to issue rules governing compensation is clearly contemplated.

"Pervasive Powers" Over All

These are but some of the indications of the pervasive power over networks, and, just as important, over all who deal with networks including stations and advertisers, which the Report contemplates would be granted to the FCC. And recall, if you will, that although the Report is discussing networks, *your* affiliation, *your* network rate, and *your* network payments would be determined by the FCC.

It is not clear that any general programming decisions, any business practice, or any other action of a network would have immunity from review and control of the FCC under this proposed power. For the standard of the "public interest," at least as it is used by the authors of the Report, provides no clear limitations.

The difficulty is that the Report, in seeking to impose a "public interest" standard on networks, moves into virgin territory. The public interest standards as to *station licensees* has been given shape over the years of FCC decisions by virtue of the basic factor which gave rise to the licensing power—that is, the conflicting claims to the use of the airwaves, which gives public interest a primary context of allocation, assignment and use of such airwaves. In general, however, business practices have not become subject to the FCC unless they involve other laws—such as the antitrust laws, the observance of which becomes a part of the public interest and goes to licensee qualifications.

But, the regulation of networks under a broad "public interest" standard lacks the basic derivation of use of the airwaves. The Report makes it clear that many areas of programming and business decisions would thus come within at least the potential *power* of the FCC. There would be an enormous residual power of Federal intervention into the day-to-day programming and business details of all aspects of networking. And, if the philosophy of the Report were to be adopted, no decision, no action, no policy of the network which the network could not affirmatively establish is a positive contribution to the then current FCC notion of what is in the public interest, would be free of Federal control. The ultimate judgment would be the Federal Government's.

Power to "Hobble the Business"

That concept is dangerously close to public utility regulation of networks. If the Report cannot predict the complete range of potential future regulation—and as we have seen, it expressly says it cannot predict it—surely I am equally helpless. But clearly, the danger would be present because the virtually unlimited power is there.

If the broad power proposed to be granted to the FCC is not to be used by it, the power should not be granted. If it is to be limited, let them come forward and define the limitations. But if the power is to be undefined, and if it is to be used, its grant and exercise would inevitably hobble the business. The basic concept of free competitive enterprise for the industry would be abandoned. A new and alien system would take its place.

The interests of the public itself, as well as all stations which rely on nationwide networks for service, would seem clearly to be staked on a far more limited and defined power to regulate networks than the Report proposes. The alternative—for *all* the industry—appears to be a CBC at best, and a Government-controlled and operated television system at worst. It seems to me that the Report poses major issues for all of us, on which your future, our future, and the future of service to the public, hang in the balance. We'll know more about how that balance swings starting March 3.

■ ■ ■

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

Television Digest with ELECTRONICS REPORTS

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 4

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

CRUCIAL WEEK FOR PAY TV's FUTURE: Swift action on toll TV was promised by Chairman Harris (D-Ark.) after his House Commerce Committee on Jan. 23 wound up 2 weeks of whirlwind hearings. Consensus of experienced Washington observers is that FCC's fee-TV test proposal could be nipped in the bud next week by action of the Committee alone -- without necessity of reporting any bill to House floor.

Committee will act -- or decide not to act -- next week, probably Jan. 30, Harris told newsmen. He gave no clue to what that action might be, except to point out -- in answer to a question -- that there is precedent for simple request by Committee that FCC hold up action until issue is further explored by Congress.

This course of action looks like best bet now. There's little time for full-scale Congressional consideration of this admittedly "hot potato" issue -- and not too much inclination on part of lawmakers to get heavily involved in voting on the subject during this election year. Also, any such legislation would almost certainly run into a roadblock in Sen. Magnuson's Commerce Committee.

Magnuson indicated his Committee wouldn't touch pay-TV issue again with the proverbial 10-ft. pole, after its down-the-middle split last year (Vol. 13:9). He told reporters that "the Commission has acted and given its opinion that it has authority in this field"; therefore, subject is none of Congress' business now.

There's growing belief that FCC would be responsive to simple House Commerce Committee resolution or request for hold-up on all toll-TV action -- particularly since Commission should be in no mood to defy Committee on issue of subscription TV while it has its hands full with the battle-of-the-headlines staff report of same Committee's Moulder legislative oversight subcommittee (see pp. 3 & 4).

Committee members still seem to lean predominantly against pay-TV -- but the questions they asked at this week's sessions indicated that they take their responsibility extremely seriously, and some "antis" might be persuaded to refrain from voting on any resolution which could be interpreted as blocking experimentation with a new TV development or as usurping legal functions of FCC.

* * * *

Star attractions at this week's hearings were Messrs. Goldenson, Stanton & Robert Sarnoff, who reiterated so concisely all of the classic arguments against coexistence of fee and free TV that we have printed in full their prepared testimony and enclose it herewith as a Special Supplement for your reference.

Questioning of network chieftains was of surprisingly deep and probing nature, but lacked chip-on-shoulder attitude of last week's grilling of FCC (Vol. 14:3). Congressmen were particularly interested in whether networks believed Commission had legal power to authorize fee-TV test -- and whether this issue belonged in Congress or courts. All 3 network heads urged quick action to block test.

Indicative of still-mounting Congressional opposition to subscription TV was fact that both Democratic & Republican House whips -- deputy party leaders Reps. Albert (D-Okla.) and Arends (R-Ill.) -- submitted testimony to Committee to effect that fee TV is overwhelmingly opposed in their own home districts. Also appearing or submitting statements against toll-TV were Reps. Radwan (R-N.Y.), Ayers (R-O.), Baldwin (R-Cal.). On Senate side, Sen. Bridges (R-N.H.) inserted Frank Stanton's testimony in Congressional Record, adding his own personal endorsement.

Witnesses at hearings this week were about evenly divided numerically, pro & con -- but except for network presidents and Jerrold Electronics pres. Milton Shapp they received only perfunctory hearing or were asked to submit written statements by a Committee anxious to keep hearing from running into another week.

Shapp startled some Committee members by announcing he was opposed to broadcast pay TV, but favored a trial -- on grounds that whole idea would fall flat on its face if proponents were forced to put up or shut up. He urged Committee not to take any action which would ban wired pay TV.

Only large station operator to come out in favor of subscription TV -- RKO Teleradio pres. Thomas F. O'Neil -- reiterated his stand in brief appearance before Committee, but shed no further light on when he plans to apply or which system he intends to use. Actually, there are no pay-TV test applications now before FCC -- Commission regarding petition by Philadelphia uhf CP-holder WSES-TV (Vol. 13:52) as "declaration of intent" to apply. It's believed prospective applicants have been holding off until conclusion of House hearings.

Pros & antis, mostly repeating now-familiar arguments in their testimony and written statements (in addition to those already mentioned), were divided this way:

Pro -- Teleglobe Pay-TV System (Sol Sagall, pres.); KSAN-TV, San Francisco (Ch. 32); WATR-TV, Waterbury, Conn. (Ch. 53); WAIM-TV, Anderson, S.C. (Ch. 40); off-air WNET, Providence (Ch. 16); off-air WFMZ-TV, Allentown (Ch. 67); off-air WTAO-TV, Cambridge, Mass. (Ch. 56); onetime uhf operator Lou Poller. Also, Hollywood AFL Film Council, American Civil Liberties Union, Theatre Arts Magazine, Chicago Symphony.

Anti -- AFL-CIO, VFW, Amvets; Reserve Officers Assn. of U.S., Committee on Toll TV (theatre owners). Also, General Federation of Women's Clubs, American Mothers' Committee, National Federation of Music Clubs, American Citizens TV Committee.

Recent rash of pro-pay-TV editorials in large newspapers led some opponents to sniff out a "plot" on part of big publishers to try to "black out" TV as a competitor for advertising dollar. Among newspapers taking vociferous stand in favor of subscription-TV trials in recent week are N.Y. Herald Tribune, Chicago Sun-Times and Scripps-Howard chain (latter owner of 3 TV, 2 radio stations).

'THE GREAT FCC CORRUPTION STORY': Moulder subcommittee staff's alleged evidence of alleged "corruption" at the FCC, in memo report which majority of the 9 Congressmen refused to "buy" but which inevitably leaked, turned out to be rather dull, stale and far from sensational -- but the end is not yet.

Tentatively fixed for Wed. Jan. 29 is hearing at which commissioners are to be asked -- as are those of other independent regulatory agencies like ICC, FTC, FPC, SEC, CAB during week -- about administrative procedure matters. That's main purpose of probe by House Commerce Committee's legislative oversight subcommittee. But there is possibility FCC may get closed hearing ahead of open session in view of leak.

Cries of "whitewash" had been raised when all but Chairman Moulder (D-Mo.) and Rep. Moss (D-Cal.) voted to bypass FCC as prime target of probe and proceeded to pigeonhole confidential memo prepared by its staff director and counsel Dr. Bernard Schwartz, 34-year-old New York U law professor, and its chief investigator Baron Shacklett, alumnus of 5-percenter probes during Truman Administration.

But the memo leaked to reporters anyway (see p. 4), first to columnist Drew Pearson, who attributed probe's stifling to Speaker Sam Rayburn because his nephew, Robert Bartley, is a member of the FCC. However played up, it provided the newspapers with far fewer sensations than had been rumored.

Nearest thing to deep freezers uncovered was that color TVs have been provided on loan basis by RCA for homes of some commissioners. (Sets are "working tools" which FCC hasn't money to buy, replied Chairman Doerfer.) Nearest things to mink coats were receipted hotel bills for wives accompanying FCC members to trade conventions. (Doerfer recalled that in 1954 he accepted $300 fee from NARTB [now NAB] as extra expenses when wife traveled with him to Spokane conference.) Worst allegation seemed to be that some commissioners not only had expenses paid to conventions or speaking engagements but also collected govt. per diems on such junkets.

* * * *

After memo leaked, first to Pearson, then to N.Y. Times which gave it nearly page of space, then to UP, Moulder called emergency 4½-hour session of his subcommittee. He raised question whether memo should be released officially in view of leak, whether schedule of "general" hearings covering 6 agencies and starting Jan. 27 with CAB should now be revised to put FCC on stand first.

Subcommittee refused to "ratify" Schwartz report by recognizing it to extent of releasing it publicly. Some members were known to resent leak, obviously by one of their own or by one of staff; some felt young Dr. Schwartz wanted to launch upon a "headline binge" instead of devoting himself to administrative procedures. He got headlines, all right, but whether Congress and public will be outraged by allegations covering old-hat procedures and conditions, some long resolved, was doubtful.

No names are named, but Schwartz's staff also indicts commissioners for the alleged use of govt. telephones for personal calls; for "ex parte relationships" and "fraternization" with litigants before FCC; for "inconsistent" applications of licensing standards, thus sometimes favoring big interests, sometimes little ones, with no straight-line policies; for failure to recognize anti-trust charges against some license applicants; for favoritism to RCA by failing to adopt any firm policy on patents, thus giving RCA the breaks on black-&-white and color TV standards.

Where there's smoke there's fire and -- except that memo lacks specifics, smacks of "fishing expedition" by committee not set up for that purpose, goes off half-cocked on highly legal & technical subjects, leaves it to Columnist Pearson et al to amplify innuendoes -- it has merit of pointing up long-festering sore in TV-radio regulations. That sore starts with hack appointments to FCC, for which Truman & Roosevelt Administrations are no less to blame than Eisenhower. It festers with the lobbying activities of special interests -- notably with Senators and Congressmen themselves exerting covert behind-the-scenes influence.

It remained for Jack Gould, N.Y. Times specialist, who takes a perhaps more objective view than most of us here on the spot, to point up one facet of Washington control not even hinted by young Dr. Schwartz, namely, the personal interests in TV-radio stations by top legislators of both parties, on whom we'll report later.

"If the lid ever came off the sundry affairs of the Commission," wrote Gould, "it could lead to a rather varied spectacular." But the smallish pickings of the Moulder subcommittee didn't impress him, and he thought the outlook for "a really searching inquiry into the whole matter of TV licensing is probably rather slim unless Congress unexpectedly displays a relish for talking over family matters."

[For news about other Congressional activities affecting TV-radio, see p. 5.]

'Secret' Memo on FCC Conduct: Inevitable leaks in closed doors of House Commerce legislative oversight (Moulder) subcommittee widened this week—despite official secrecy imposed by it on staff report charging irregularities in FCC operations (see above).

Excerpts from 30-page confidential memo submitted to subcommittee by director & chief counsel Dr. Bernard Schwartz (Vol. 14:1), urging—unsuccessfully—that investigation of 6 regulatory agencies be centered on FCC, first began appearing in Drew Pearson's column. UP obtained copy, *N. Y. Times* printed text of sections Jan. 23.

Following is abstract of pertinent FCC portions of still-unreleased Schwartz report to subcommittee which so far is no more than staff working paper:

On industry-paid expenses: "Members of the Commission have had their room, board, and other expenses (e.g., cafe, valet, golf fees, etc.) paid by the industry while attending conventions [and] have claimed & received per diem from the Govt. for living expenses incurred by them in attending the same convention . . . [They] have had their wives' expenses paid for by the industry . . .

"Members of the Commission engage in constant fraternization with individuals & corporations who appear as litigants . . . This includes such things as payments [of] commissioners' entertainment, travel, payment of hotel bills, and the like."

Free color TV sets: "Members of the Commission have received for their personal use color TV sets and other communication equipment. [They] have received free service contracts for their personal TV, radio & hi-fi sets from a company which appears as a litigant . . . These free contracts involve savings of up to several hundreds of dollars per year . . ."

Telephones: "Members of the Commission have used Commission telephones (at govt. expense) to make purely personal telephone calls."

What the law says: "If a govt. official seeks reimbursement from the Govt. for travel and/or living expenses which he has not actually incurred, it is at least questionable whether he has not filed a 'false, fictitious or fraudulent' claim against the United States.

"It is important to note that the Comptroller General of the United States, in ruling on Dec. 24, 1957, addressed to [subcommittee chairman] Morgan M. Moulder, has taken a strong position on the propriety of [such] practices [by stating] 'it is our view that the above statute (i.e., 18 U. S. C. 1914) prohibits an officer or employe of an agency of the United States from receiving per diem & traveling expenses from the Govt. and, in addition, having any part of his expenses paid either directly or indirectly by an individual, association, or corporation, subject to the agency's regulatory authority . . .

"'While we hesitate to say that the acceptance of gifts by officers of the regulatory agencies offends the sense of propriety in every instance, certainly the acceptance of the more expensive gifts, the payment of hotel bills & traveling expenses by outside agencies, gives rise to serious doubts as to their propriety. In our opinion, such practice is not [what] the public demands of govt. officials and should be terminated, thus avoiding any appearance of favoritism whatsoever.' . . .

"It is certainly at least questionable . . . whether [FCC members] have lived up to the judicial standard in their relationships with litigants . . . Nor can it be said in justification of their conduct that other govt. officials have engaged in similar practices [which] strike at the very heart of the scheme of administrative regulation set up by the Congress. If those chosen to be the 'judges' of the communications industry are themselves lacking in the integrity & uprightness of the judge, the regulation itself must fail in its basic essentials.

"It is to be hoped that a public hearing on this matter will help to restore the proper ethical standard and regain for the administrative process the essential integrity which the Congress intended it to have."

On "fraternization": "Members of the Federal Communications Commission have discussed cases pending before the agency with litigants. Such discussion was had ex parte off the public record [and] in at least some instances, referred to the merits of the pending cases.

"It is almost self-evident that ex parte relationships of this type between a quasi-judicial officer and a litigant are wholly improper . . .

"The basic theory of administrative adjudication [is] that the agency decision be based only upon materials contained in the public record . . .

"If the agency members have constant social and other relationships with members of the industry, it may be setting them an all but impossible standard to expect them to cease such contacts where pending matters are concerned. This is particularly true where the industry habitually confers gifts and favors upon the agency concerned . . ."

Licensing standards: "Some 60 TV cases involving comparative hearings of mutually exclusive applications have been decided . . . These cases have been analyzed in detail [indicating] a most disturbing inconsistency on the part of the Commission [which] has, in effect, enabled the commissioners to act in individual cases on the basis more of whim and caprice than that of the application of settled law to the facts of the case.

"At times [FCC] appears to have made decisions which are diametrically opposed both to the standards [local ownership, integration of management & ownership, past performance, broadcast experience, programming & policies, diversification of mass media control] which it itself has developed and to its own decisions in other contemporaneous cases.

"In addition, there has been observed a tendency [toward] diminishing the importance of criteria such as local ownership [and] magnifying the weight given to the criterion of broadcast experience (which tends to favor the large established company, with extensive existing broadcast interests) . . .

"Even more disquieting, perhaps [is] the fact that the Commission has not been consistent . . . Thus alongside the decisions [which] appear unduly to favor the large applicant with extensive broadcast interests, there are other cases [in which FCC] has continued to give a preponderant weight to those standards [which] favor the small local applicant . . . Such inconsistency [may enable FCC] to reach the result in a given case toward which it is predisposed . . .

"Another aspect [that appears disturbing] are the so-called 'quickie grants' and 'pay offs.' . . . The 'quickie grant' procedure may lend itself to abuses. [FCC] has in a number of recent cases approved substantial 'pay-offs' without any evidence that such payments [by applicants to drop-outs] amounted to no more than out-of-pocket expenses.

"One of the perturbing factors [is] the practice of decision within the Commission itself. The Commissioners themselves do not hear the evidence . . . They are not required to read the record. They do not write the opinions . . . Indeed, the only concrete obligation imposed upon them is that of voting . . ."

FCC & anti-trust policy: "In a number of cases the Commission has refused to consider possible anti-trust violations on the part of applicants . . . The subcommittee should publicly explore the question of whether the Commission's approach in these cases is justified . . .

"Federal Communications Commission decisions of the type referred to bear a close relationship to the Commission's tendency [favoring] the growth of concentration of ownership & control in the field of broadcasting . . ."

FCC & patent policy: "[The] patent situation in the field of radio & TV broadcasting has been completely dominated by the patent position of the Radio Corp. of America . . . During the past 20 years the patent staff of the Commission has constantly pointed out to the Commission in various internal reports [patent offenses] of the RCA. The Commission has, nevertheless, invariably failed to take any action . . .

"In the TV field particularly, the FCC's action [in adopting black-&-white standards in 1945, color standards in 1950] has definitely helped the attainment of its present position of predominance by the RCA . . ."

Busy Congress for TV-Radio: Upcoming hearings before Congressional Committees, announced this week, presage busiest session yet for FCC and the broadcasting industry—quite aside from Moulder subcommittee "exposes" (p. 3). Here's what's ahead on other Capitol Hill fronts:

(1) Sen. Bricker's long-pending bill (S-376) to bring networks under direct FCC control (Vol. 13:2) is due for hearing at date yet unselected by Senate Commerce Committee under Chairman Magnuson (D-Wash.). With Barrow Report overtones (since it is similar to one of FCC Network Study Report's recommendations), the inquiry threatens to demand personal attention at highest network management level.

(2) Bill to divorce broadcasters from music publishing and recording business (S-2834)—introduced by Sen. Smathers (D-Fla.)—is due for hearings by Commerce communications subcommittee under Sen. Pastore (D-R.I.). Measure is aimed by its sponsor at alleged "monopolistic practices" of BMI (Vol. 13:34).

(3) Sniffing monopolistic practices in ASCAP, Chairman Roosevelt (D-Cal.) of House Small Business subcommittee at week's end announced early Feb. hearings on "complaints of small music composers and publishers alleging that a small clique [of] representatives of the large publishing houses has gained control of ASCAP." Justice Dept. anti-trust topkicks and ASCAP officials have been invited to testify.

(4) Perennial bill to bar beer & liquor advertising in interstate commerce—Sen. Langer's S-582—is due for hearing by Magnuson Committee within 30 days.

Toll-TV Vote Looms: Issue of wired fee TV seemed headed for test on June 3 primary election ballot in Los Angeles, as crazy-mixed-up battle of petitions came to climax this week. Movie exhibitor-led Citizens Committee Against Pay TV this week filed petitions containing 100,000 signatures requesting that award of cable-TV franchises to Skiatron TV and Fox West Coast Theatres-International Telemeter (Vol. 13:51) be held up and issue be placed on referendum ballot. To obtain referendum, total of 51,767 valid signatures is required by law. Meanwhile, Skiatron v.p. Jerome L. Doff was spearheading movement urging signers of petition to sign new document withdrawing their names from referendum petition. In press conference, Doff accused Citizens Committee of spreading "lies" about wired TV.

Rep. Oren Harris (D-Ark.) has disposed of his interest in his hometown KRBB, El Dorado (Ch. 10), selling his 50 shares for total of $5000—same price he paid—to other 3 owners. He told us this week he is selling because he had achieved his original purposes—to keep station in hands of local enterprise. Only 200 shares of station's stock have been issued, but remaining 1300 shares of unissued stock will be sold to local people, he said. His small interest wasn't worth keeping, he added, especially since it had evoked critical comment in the press—his House Commerce Committee being responsible for TV-radio legislation.

Damages of $700,000 for alleged misappropriation of program format for NBC-TV's *What's It For?* are demanded in Los Angeles court suit by Don L. Davis against network, Entertainment Productions Inc., Pharmaceuticals Inc. and Parkson Agency. Davis charges that NBC-TV show, now off air, used format of his 1946-55 *Guess the Gadget, Gadget Jury* and *What Is It?* programs carried by west coast TV & radio stations.

Hollywood in Crisis: "What a prize bunch of fools we've been! We've got to keep the post-1948 movies off TV if we want to stay in business." This comment by an unidentified exhibitor, quoted in *New York Times* following last week end's all-industry meeting on problem of movie releases to TV (Vol. 14:3) was labeled as characteristic of the feelings expressed by those attending meeting.

Unusual Hollywood session marked first meeting of representatives of all movie talent groups —Screen Producers Guild, Screen Actors Guild, Screen Directors Guild, Writers Guild of America —with executives of leading theatre groups to map fight against movies on TV. It was understood that no concrete approach was agreed upon in the closed-door meeting.

Only one major producer-distributor has promised exhibitors a "clearance period" between theatrical and TV exhibition of features—20th Century-Fox, which is guaranteeing that its films will be withheld from TV for at least 5 years after initial release. In Boston, Loew's theatres are using their own technique to meet problem. In ¾-p. newspaper ads plugging "Legend of the Lost" (UA release), theatres are telling public: "Important! Will not be shown on TV for years to come! See it while it's new—on the big, big theatre screen—as it should be seen."

Theatre Owners of America has sent to all movie distributors a report by researcher Sindlinger & Co. which warns that "new post-1948 product, if released to TV within the next year, would certainly be a death blow to movie theatres and to production." And special survey of 5021 persons by Opinion Research Corp., Princeton, N. J., for Motion Picture Assn., found that TV was biggest reason why people are seeing fewer movies in theatres than they did 3 or 4 years ago—22% saying they prefer to stay home and watch TV.

The one movie major releasing its post-1948 features to TV—Republic Pictures, which last week announced sale of 218-film backlog to NBC-owned stations (Vol. 14:3) —immediately ran afoul of the Hollywood talent guilds. Screen Actors Guild and Writers Guild of America announced that they would serve 60-day notices of "cancellation of contract" on Republic and its subsidiary Studio City TV Productions, for releasing post-1948 films to TV without negotiating extra-payment agreements with the guilds. In effect, this action would shut down any production by Republic—but company currently isn't producing theatrical or TV films.

Inevitable consequences: Industry flight from Baltimore's new 6% taxes on advertising started this week, 2 printing firms announcing they were moving away to escape 4% levy on sales, 2% on media receipts (Vol. 14:1). Earlier, 11 other firms left Baltimore because of special municipal taxes on inventory & equipment, imposed last year (Vol. 13:50). Meanwhile court hearing on suits by broadcasters, publishers & retailers challenging constitutionality of 1958 ad tax was scheduled tentatively for March 1. NAB plans to enter case as friend of court. At same time possibility of further spread of tax scheme, already proposed in St. Louis & Norfolk, arose in Woonsocket, R. I., where councilman drafted ordinance for 3¾% levy on gross sales by media including radios WNRI & WWON. But majority of council was reported opposed to measure.

Hidden Messages on TV: FCC and NAB reacted quickly to letters from Paramount's KTLA, Los Angeles, which informed them that it is planning to send subliminal messages into viewers' homes. Commission fired off letter to KTLA asking for complete report, to be included in its staff-level investigation of the invisible advertising technique (Vol. 14:3). NAB's TV board, without specifically indicating that its action was in any way related to KTLA's announcement, backed up code board's earlier condemnation of use of the process (Vol. 13:46) at its semi-annual meeting this week in Phoenix, cautioning members that "experimentation or use of the process should not be permitted on the TV broadcasting medium pending [code board's] review and consideration." KTLA is member of NAB and subscriber to code.

KTLA v.p.-gen. mgr. Lew Arnold said earlier this week that his station planned to use equipment of Precon Process & Equipment Corp., New Orleans, understood to be conducting subliminal tests now in Los Angeles theatres, and proposes to begin sending subliminal messages "within the next 90 days." He said messages initially would be confined to public service material and viewers would be notified that subliminal technique was being used. If public accepts technique, he said, advertising messages also would be used.

He saw no conflict between subliminal advertising and FCC rules. But if either Commission or NAB raised objections, he said, plans would be abandoned.

Aroused by what it called this "eerie development," Jan. 23 *N. Y. Times* editorial cautioned: "Subliminal advertising is potentially dangerous to the degree that it is successful; and the Los Angeles TV station that says it's about to employ this technique is certainly playing with fire." Meanwhile, N. Y. state legislature received resolutions by Assemblyman Bentley Kassal (D-N.Y.C.) memorializing Congress to investigate subliminal advertising and to forbid its use on TV & radio in the meantime.

Dailies in Trouble: Unhappy 1958 for newspaper advertising is predicted by Jan. 17 *Printers' Ink*—and similar sombre warnings were voiced this week at annual meeting of Newspaper Advertising Executives Assn. in Chicago. Famed trade journal sees dailies "in trouble" from TV competition and other factors despite record-high 1957 advertising revenue of $3.3 billion, up $65,000,000 from 1956. At NAEA convention pres. Gilbert B. Swanson boasted that advertisers spent more money in newspapers last year than in TV, radio, magazines & billboards combined, but he warned that dailies' "proportion of the total pie will shrink" unless they do better job of selling their medium vs. TV. *Printers' Ink* points out that actual linage shrank 2.9% in 11 months of 1957 and newspapers' share of total advertising dollar dropped to 31.4% from 33.6% in 1955. Along with further inroads by TV, it noted rising costs and labor troubles among this year's major threats to dailies. But one note of cheer for newspapers was sounded at Chicago meeting by exec. v.p. J. James Gediman, Hearst Adv. Service; he thought advertisers are starting "return to reality" from high-cost TV time to newspaper space, trading "fever chart of TV for the flow chart of newspapers."

TV spot cost & coverage study of 75 top markets by Nielsen is being distributed by CBS-TV to 4500 advertisers, timebuyers, other agency personnel, with specially-designed sliderule called "Cume-Rule" showing data for 12 daytime, 3 nighttime announcements per week.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING, WASHINGTON 5, D. C.

MARTIN CODEL, Publisher
ROBERT CADEL, Bus. Mgr.
ALBERT WARREN, Senior Ed.
Associate Editors:
DAVID LACHENBRUCH
JAMES S. CANNON
JAMES J. CASSIDY
Editorial Associates:
Paul Stone, Wm. J. McMahon, Jr.
Wilbur H. Baldinger, Anne G. Bjarbu

Weekly Newsletters Published Saturdays
Television Factbooks Published in February & August
AM-FM Directory Published in January
TV and AM-FM Addenda Published Weekly

Personal Notes: H. Leslie Johnson, v.p.-gen. mgr. of WHBF-TV, Rock Island, has returned to his desk part time after long illness, is due to return to Mayo Clinic shortly for another checkup . . . **Stuart T. Martin**, v.p.-gen. mgr. since its inception, succeeds C. P. Hasbrook as pres. of WCAX-TV, Burlington, Vt., latter becoming chairman . . . **Larry Lazarus**, business mgr., KNXT and CBS-TV Pacific Network, appointed to faculty of L.A. div., Columbia College, teaching business organization & management one night weekly . . . **Charles Kelly**, operations mgr. of WCKT, Miami, promoted to mgr., **James M. LeGate** returning to *Miami News* as director of public relations & promotion; Kelly reports to pres.-gen. mgr. Niles Trammell . . . **Edward Stanley** promoted to NBC-TV public affairs director following resignation of v.p. Davidson Taylor . . . **Stephen Labunski** resigns as ABN programming v.p. . . . **Mort Silverman**, ex-gen. mgr. of recently sold radios WMRY, New Orleans, and KCIJ, Shreveport, named gen. mgr. of WJMR-TV & WJMR, New Orleans . . . **Carl Gadd** promoted to program director of KWTV, Oklahoma City, replacing Perry Dickey, resigned . . . **Ben K. West** promoted from sales to station mgr. of WTVP, Decatur, Ill. . . . **Irwin C. Cowper**, sales mgr. of WTIC-TV, Hartford, elected sales v.p. . . . **Peter Theg**, ex-mgr. of WMTV, Madison, named mgr. of radio WILD, Boston . . . **Daniel D. Calibraro** promoted to asst. to Ward L. Quaal, v.p.-gen. mgr., WGN-TV & WGN, Chicago . . . **Robert Lee Miller**, ex-KVTV, Des Moines, joins WTCN-TV, Minneapolis as a director . . . **Thomas B. Jones Jr.** promoted to chief engineer, WSVA-TV, Harrisonburg, Va., succeeding Warren L. Braun . . . **Carroll Bagley**, ex-sales v.p., U. S. Production Co. (industrial films) and ex-WNEW, N. Y., joins Screen Gems . . . **Joseph M. Brandel**, director of European operations, International TV Programs Inc., Ziv's overseas distributor, elected v.p. . . . **Pete Cooper**, ex-UPA, joins Robert Lawrence Productions as gen. mgr. of animation div., succeeded at UPA by Ken Drake as commercial animation production mgr. . . . **Richard Campbell**, ex-KNAC-TV, Fort Smith, Ark., joins Screen Gems.

Andrew G. Haley, senior partner of Haley, Wollenberg & Kenehan, veteran radio attorneys, is author of article titled "Can Russia Claim the Moon?" in Jan. 19 *American Weekly;* he's gen. counsel of American Rocket Society, pres. of International Astronautical Federation.

Robert L. Hammett, the San Francisco consulting TV-radio engineer, has formed firm of Hammett & Edison with Edward Edison; new offices are on Bayshore Highway, new mailing address Box 68, International Airport, San Francisco (phone, Diamond 2-5208).

New broadcasters' advisory committee on U. S. savings bond is headed by pres. & gen. mgr. Thomas Chauncey of KOOL-TV & KOOL, Phoenix, who also is managing director of KOLD-TV & KOLD, Tucson.

ADVERTISING AGENCIES: **Thomas C. Butcher**, ex-Lennen & Newell, joins Carl S. Brown Co. as pres., agency changing name to Brown & Butcher Inc., Carl S. Brown becoming chairman . . . **J. H. S. Ellis** resigns as Kudner pres., sells all his stock, succeeded by **C. M. Rohrabaugh**; Charles R. Hook Jr. promoted to treas., **J. W. Millard** to secy. . . . **Robert Mathe**, ex-McCann-Erickson, named TV-radio exec. producer of Doherty, Clifford, Steers & Shenfield . . . **Arthur Decker**, ex-Buchen, Chicago, joins Donahue & Coe there as a senior v.p. & gen. mgr.; agency also named Paul Kelly & Wm. Lavicka as v.p.'s . . . **Gene Novak** promoted to TV-radio copy supervisor of Baldwin, Bowers & Strachan div. of Rumrill Co. . . . **Marvin Richfield**, ex-Warwick & Legler, named media director of Product Services Inc. . . . **Robert R. Riemenschneider** appointed media director of Gardner Adv., St. Louis . . . **Edward H. Armsby**, ex-ABN mgr. of radio sales development, joins Ketchum, MacLeod & Grove, N. Y., assigned to Westinghouse Bcstg. Co. account . . . **J. Howard Allison & Co.**, Atlanta, which has home appliance & furnishings accounts, becomes Adams-Allison div. of Burke Dowling Adams Inc. there . . . **Robert E. Britton**, ex-General Mills, joins MacManus, John & Adams as marketing & research v.p. . . . **Franklin Bruck**, recently chairman of Parkson Adv. Agency, formerly pres. of agency bearing his name, named v.p. in charge of new business acquisitions for Pharmaceuticals Inc. (Geritol, Sominex, Kreml, Skol, etc.).

Joseph Hershey McGillvra's rep operations have been taken over by E. J. Devney, who has managed them over last year. First TV to sign under new Devney Inc. banner is upcoming WPBZ-TV, Lock Haven, Pa. (Ch. 32), due in Feb. McGillvra is reported devoting his time to his radio WCHI, Chillicothe, O. & WBIW, Bedford, Ind.

Obituary

Dr. Wm. Bush Baer, 55, senior dean of NYU who started *Our Goodly Heritage* Sun. series on Biblical literature in 1952 on WCBS-TV, N. Y., had appeared on educational program regularly since, died Jan. 21 in Bronx home. He was one of first academic members of AFTRA, helped launch highly-successful *Sunrise Semester* on WCBS-TV last fall.

Robert C. Schaub, 53, director of Lindsay-Schaub Newspapers Inc., publisher of 5 downstate Ill. newspapers and owner of 20% of WCIA, Champaign, through its radio WSOY, Decatur, also owner of radio WVLN, Olney, Ill. died Jan. 17 in St. Louis. He was v.p. & gen. mgr. of *Decatur Herald* and *Review*. Surviving are widow, daughter, son, brother.

Louis Ruppel, 54, dynamic former Hearst news star, for a time CBS news director, later managing editor of *Chicago Times* and 1949-52 editor of *Chicago Herald-American*, died of a stroke Jan. 24 in N. Y. He was lately an associate editor of *American Weekly*.

Harold Davis, 52, CBS Radio spot sales executive, died Jan. 16 in N. Y. He joined CBS in 1932, was program director and asst. commercial mgr. before joining spot sales in 1949. Surviving are mother, sister.

G. L. Mims, 68, v.p.-treas. of *Houston Chronicle*, who had hand in getting it into TV via its 70%-owned radio KTRH, which in turn owns 32% of KTRH-TV, died in Houston Jan. 21.

Edwin L. Fletcher, 38, research director, Keyes, Madden & Jones, Chicago agency, died suddenly of cerebral attack Jan. 21. Surviving are widow, 2 children.

New and Upcoming Stations: TV station total rose to 526 (90 of them uhf, 30 educational) with last week's start of KRSD-TV, Rapid City, S. D. (Ch. 7) as NBC-TV outlet in area served until now by KOTA-TV (Ch. 3). Due on air within next 2 weeks are 4 more stations—in Orlando, Fla.; Lock Haven, Pa.; Seattle; Kennewick, Wash.

Canadian total is now 50, with recent start of CKRN-TV, Rouyn, Que. (Ch. 4) as CBC French Network outlet and with CKBI-TV, Prince Albert, Sask. (Ch. 5) due to start Jan. 27.

KRSD-TV has a 5-kw DuMont transmitter and 6-bay RCA antenna on 370-ft. Ideco tower in new Skyline Dr. plant housing both TV and radio KRSD. Co-equal owners are ex-coal mine operator John Daniels and sons Eli and Harry—Eli being gen. & sales mgr. as well as chief engineer. They also operate radio KDSJ, Deadwood, S. D., hold CP for satellite KDSJ-TV (Ch. 5). Base hour is $147.75.

CKRN-TV has 35-kw Canadian GE transmitter and 4-bay antenna on 760-ft. Wind Turbine tower. Control is held by J. J. Gourd, chairman, and David A. Gourd, pres.-gen. mgr., who also operate Quebec radios CKRN, CKVD, Val d'Or; CHAD, Amos; CKLS, La Sarre. George A. Chartrand, from CKRN, is station & program mgr.; Jean-Guy Langevin, CKRN, technical director. Base hour is $160. Reps are Weed and Joseph Hardy.

CKBI-TV has 10-kw Standard Electronics transmitter and Alford antenna on 600-ft. Wind Turbine tower. E. A. Rawlinson is pres.-gen. mgr.; G. O. (Jerry) Johnson, sales mgr.; Jack J. Cennon, CKBI, program mgr. Base hour is $175. Reps are Weed and All-Canada.

* * * *

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

WLOF-TV, Orlando, Fla. (Ch. 9) plans Feb. 1 start with ABC-TV, using 20-kw GE transmitter and 550-ft. Stainless tower with 5-section Alford antenna near Orlovista, Fla. It's city's second vhf, WDBO-TV (Ch. 6) having started in June 1954. Principals are Joseph L. Brechner and John W. Kluge. Donn R. Colee, v.p. & 5% owner, is gen. mgr. Base hour will be $400. Rep will be Young Television.

WBPZ-TV, Lock Haven, Pa. (Ch. 32) has changed to Feb. 2 target for start with ABC-TV, reports gen. mgr. Harris Lipez. It has 1-kw RCA transmitter, 24-gain antenna on 100-ft. Stainless tower on Sugar Lusk Mt., will pick programs off air from WILK-TV, Wilkes-Barre (Ch. 34), 80 mi. away. Base hour will be $100. Rep is Devney.

KIRO-TV, Seattle, Wash. (Ch. 7) has 50-kw GE transmitter wired, plans Feb. 8 start with CBS-TV, writes v.p. Lincoln W. Miller. It will be 5th commercial outlet in Seattle-Tacoma area. Principals include Saul Haas, Sen. Magnuson and U. N. Banks. Truscon 500-ft. tower is nearly ready and 2-bay helical antenna is to be installed in about week. Base hour will be $1100. Rep will be Peters, Griffin, Woodward Inc.

KTRX, Kennewick, Wash. (Ch. 31) has RCA transmitter and 2-bay GE helical antenna, plans Jan. 28 programming as independent, reports pres.-gen. mgr. Stuart Nathanson, ex-freelance TV producer. It will be second area outlet, KEPR-TV, Pasco (Ch. 19), across river, having started in Dec. 1954 as satellite of KIMA-TV, Yakima (Ch. 29). It has 185-ft. Fisher tower at site near Black Angus Motel. Clyde Olsen, ex-KORD, Pasco, will be sales mgr. Base hour will be $240. Rep will be Forjoe.

NAB Conventions Revamped: NAB board, meeting this week at Phoenix, unanimously approved concept of "down-to-business" conventions and conferences, effective with 1958 fall conferences and 1959 convention. Among principal changes: Registration for conventions will be open to ownership, management & officers of active NAB members; fall conferences will drop "regional" nature, will be scheduled in larger cities readily accessible to most broadcasters. In other actions, board: (1) Selected Washington as site for 1961 convention. (2) Approved special nationwide promotion—"Learn and Live"—to awaken public to necessity "for placing greater emphasis upon attainments of intellect and skill." (3) Approved plans for extensive membership campaign Feb. 15 - April 25. (4) Heard freedom of information committee chairman Robert D. Swezey, WDSU-TV, New Orleans, report that American Bar Assn. had granted NAB's request to present broadcasters' views before special ABA meeting in Atlanta Feb. 24 to consider modification of Canon 35. Swezey will represent NAB.

Assn. of Maximum Service Telecasters, representing 119 stations operating at maximum power, makes this forecast of 1958 activities in annual report issued this week: "MST will continue its efforts to obtain the removal of excise tax on all-channel receivers as one move in the direction of encouraging the development of uhf. MST will monitor and report the various inquiries of the House & Senate Interstate & Foreign Commerce Committees on matters pertinent to the interests of its membership. There is no doubt that there will be continual efforts to break down mileage separations; that the demands of other services for more spectrum space will exert pressures on the present system of TV broadcasting; that there will be organized and accelerated moves to create a system of drop-ins at degraded mileage separations." Note: In our story last week on comments in vhf booster proceeding, we erroneously stated that "AMST" urged FCC to reject the booster proposal (Vol. 14:3, p. 8). We used the wrong initials—they should have been NCTA (National Community TV Assn.); elsewhere in story we correctly indicated that AMST took no specific stand for or against boosters but urged tight safeguards against interference.

Formal transfer of KREM-TV, Spokane (Ch. 2) from Louis Wasmer to group headed by Mrs. A. Scott Bullitt (Vol. 13:47, 51) took place Jan. 20. Other Bullitt stations, now known as Crown group, are KING-TV, Seattle (Ch. 5) & KGW-TV, Portland, Ore. (Ch. 8). Otto P. Brandt, v.p.-gen. mgr. of Crown group, was in N. Y. this week with Mel Anderson, promotion mgr., to join with Blair-TV in staging sales presentation and conducting "treasure hunt" for 420 invited agency personnel, will repeat stunts in Chicago next week.

John R. Winnie, associate professor at U of Iowa TV Center, named secy. of committee of Venezuelan educators studying possibilities of TV-radio in that country, underwritten with $30,000 grant by Broadcasting Foundation of America, 342 Madison Ave., N. Y. He is taking leave of absence for the assignment. From Marconi's of England this week came report that it's supplying station for Radio Valencia's new TV adjunct, having in 1953 built TV Venezuela S.A. at Caracas.

Once-a-year return to air of M. R. Lankford's WRAY-TV, Princeton, Ind. (Ch. 52), which went dark July 15, 1954 (Vol. 10:28), has been authorized by FCC for Jan. 30 - Feb. 2 March of Dimes telethon.

Do You Know That . . .

THEY MAY JOSH about "lawyers practicing engineering"—and vice versa—but actually quite a few in communications fields are qualified to do so. Our researches reveal nearly a dozen FCC engineers and/or lawyers have degrees or are registered to practice in either profession, and as many more in private practice. There are probably other "lawgineers" we haven't heard about yet.

Edward W. Allen Jr., FCC chief engineer, was graduated in electrical engineering from U of Virginia in '25 and in law from George Washington U '33. FCC examiner Millard F. French was an LL.B. from U of West Va. '33 before qualifying as an aeronautical engineer at Wright Field during war. In Broadcast Bureau, attorney Eugene T. Mallyck (GWU '45) also holds e.e. degree from Drexel Institute '41, and attorney John P. McCullin (DePaul '32) studied at Ill. Institute of Technology and U of Illinois before first joining the Commission as a monitoring officer.

Comr. Craven's technical asst., William H. Watkins, is GWU law graduate '50, U of Md. e.e. '40, and Comr. Mack's aide, John E. Doane, was a GWU e.e. '46, GWU law '49.

George W. Turner, veteran chief of field engineering, a 35-year govt. careerist, took Navy radio courses at Kansas City College and Harvard in '18, was graduated from Atlanta Law School '37. His legal adviser, John H. McAllister, was U of Minn. law '38 who qualified as FCC engineer after studying at U of Minn., Columbia, Fordham, New York U.

Atlanta Law School is also alma mater ('49) of Gerald Howard, FCC engineer-in-charge at Dallas, who studied at Rice Institute to qualify for engineering civil service, and of Paul U. Herndon Jr., chief of inspection & examination div. ('36) who got his engineering degree at GWU in '29. George McLeod, engineer-in-charge of Livermore (Cal.) FCC monitor, was '36 engineering graduate of U of Cal., attended San Francisco Law School in '53 and passed bar.

Did you know, too, that popular Joe McDonald, NBC asst. gen. attorney, was graduate of Webb Institute of Marine Architecture '24 before taking his LL.B. at Fordham in '28, LL.M. at New York U in '29? Or that John H. Mullaney, the Washington consulting engineer, attended law school at No. Dakota U and Texas Christian 3 years before earning e.e. degree at U of Colorado '45?

Specializing in TV-radio-communications law practice in Washington are Robert M. Booth Jr., veteran of WLW's 500-kw experiments, graduate in e.e. at Purdue '33, Chase College of Law, Cincinnati '41; James A. McKenna Jr., chemical engineering graduate of Catholic U '38, Georgetown law '42; Maurice M. Jansky, U of Wis. c.e. '35, law '37; Daryal A. Myse, U of Wis. chemical engineering '33, law '37; Wm. A. Roberts, Tufts civil engineering '18, Georgetown law '25.

Big Dow, Lohnes & Albertson firm has Thomas W. Wilson, U of Md. civil engineering '34, Georgetown law '38; Paul A. O'Bryan, who studied power engineering first at Drexel 2 years, then was graduated from Wharton School '31, from National Law School '42; Robert L. Irwin, who studied architectural engineering at Catholic U before deciding on law (Columbus U '29); and Fred W. Albertson, U of Mich. law '34, also a registered engineer by reason of undergraduate specialization in the sciences, now prominent in IRE and once famed on campus of his alma mater as "ham" contact with its archaeological expeditions around the world.

Also up from "ham" ranks is George O. Sutton, who studied engineering at Okla. U during World War I, got law degree from U of Tenn. '19. Practicing with ex-FCC chairman Paul Porter is George Bunn, U of Wis. e.e. '46, Columbia law '50. And with Paul M. Segal, who was a noted "ham" of early days and is still counsel for ARRL, is Robert R. Marmet, communications specialist from Annapolis '46, graduate of Georgetown law '51.

No Delay in Barrow Airing: FCC has evidenced a surprisingly dogged determination not to delay scheduled March 3 start of hearings on Barrow network study report (Vol. 14:2) in an action which some Washington attorneys saw as almost unprecedented in Commission history.

FCC's action was in response to request by 2 groups of CBS affiliates which plan to present joint testimony and which had petitioned for extension of Jan. 31 deadline for filing of witness list and summary of testimony to be presented.

What Commission did was to grant "in these 2 instances the requested extensions of the date of filing"—but granted no blanket extension for others. In this case, it gave "Special Committee of CBS-TV Affiliates" until Feb. 15, and another group of 8 independent affiliates represented by CBS-TV Spot Sales until Feb. 8.

Former group had also requested that its witnesses not be heard until at least 45 days after schedule for their appearance had been worked out with FCC staff. Commission deferred decision on this request, noting that it expects networks to be "first group to testify in the hearings commencing March 3" and reserved decision until networks have completed their case.

NBC-TV affiliates, too, were preparing to make joint presentation, but apparently were unable to get together this week. Working against Jan. 31 deadline, leaders of group were hoping to file with FCC—presumably a request for an individual extension—early next week.

It's believed networks will make big push for delay in start of hearings—since virtually all top network brass will be required for their refutation of 1400-p. Barrow Report, and March 3 date is in midst of frenzied activity of network planning and selling for 1958-59 fall-winter program season. In words of one network spokesman, "Who's going to tend the store?"

* * * *

In other actions this week, Commission: (1) Issued staff instructions to deny request by WATR-TV, Waterbury, Conn. (Ch. 53) to substitute Ch. 53 for educational Ch. 24 in Hartford, shifting Ch. 24 to Waterbury. (2) Denied application by CP-holder WSLA, Selma, Ala. (Ch. 8) to move transmitter site to location 50 mi. from Selma and 23 mi. from Montgomery. (4) Added to Columbus, Ga. allocations rule-making a proposal by WTVM (Ch. 28) to substitute Ch. 3 & 9 for 4 & 28 in Columbus, 4 for 9 in Dothan, Ala. (5) Granted permission of WRLP, Greenfield, Mass. (Ch. 32) to identify itself also as Keene, N. H. & Brattleboro, Vt. outlet, and to KNOE-TV, Monroe, La. (Ch. 8) as Monroe-W. Monroe; Comrs. Lee & Ford dissented. (6) Received petition from WVET-TV, Rochester (Ch. 10) to add Ch. 9 & 13 to Elmira.

Commission granted one translator CP—Ch. 70 in Olean, N. Y., to repeat Buffalo's WBUF-TV. [For details on FCC actions, see *TV Addenda 25-Z* herewith.]

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report
January 25, 1958

STEREO PHONOS ALREADY ON THE BOARDS: At least one major TV-radio manufacturer, who asked to remain nameless, will have a stereo disc phonograph ready to show his distributors before the big NAMM Music Show in Chicago next July. At minimum, the unit will have a stereo cartridge in its changer and will be jacked for addition of extra amplifier and extra speaker. At maximum, it will contain dual-channel amplifier and provision for jacking-in stereo tape deck.

Five months is short time to bring out finished unit -- but enough time to do design & assembly of hand-mades. We believe there will be several more makers demonstrating "answers to stereo hi-fi" -- at least to distributors -- by summer.

Readiness roles of varying degrees (Vol. 14:2) were being assumed by all the manufacturers of finished hi-fi -- even before Recording Industry Assn. of America engineering committee met this week in N.Y. to discuss setting standard for cutting stereo discs and performance standards for stereo cartridges to play them.

"Assume" was the key word in whole stereo picture. Even those conservative manufacturers who had not yet announced their cartridge and who would not talk price or delivery -- yet were criticizing Electro-Voice's cartridge announcement -- were assuming Westrex system of cutting stereo record would be the standard. According to Electro-Voice v.p. Lawrence Le Kashman: "Of course the Westrex system would be the one. It is the only one offering compatibility with present monaural records."

Assuming that decision -- and expressing "no desire to start any big drive until the record companies had built up their stereo disc libraries" -- Le Kashman went ahead and announced last week a ceramic stereo cartridge which he said would sell to original equipment makers for $2.50-$3.50 and to audiophiles at retail for $19.50. He added that it was a flip-over type cartridge -- with standard 3-mil, 78rpm stylus as well as new 0.7-mil stereo stylus -- "will fit any existing tone arm ...will track in any monaural record and will make it sound better" than it sounds with standard 1-mil, 33rpm stylus.

* * * *

But where were the cartridges? By mid-week, 2 of industry's biggest accounts wondered. James M. Toney, v.p. & gen. mgr. of RCA Victrola div., told us: "We have not had firm price quotes or firm delivery dates, nor have we a single useable cartridge in our labs from our suppliers." And Victor Miller, pres. of V-M Corp., major record-changer supplier, told us: "I haven't seen a single cartridge off tools yet that would measure up to our performance standards." Nor had he heard firm prices.

Attitude of other cartridge makers -- several more have announced cartridges but without details -- is expressed by Len Werner, sales mgr. of Astatic: "We will have cartridges for our customers when they need them." Consensus is that cartridges will be flowing from several sources by mid-Feb.

Prices are still not discussed. There will be a low-end ceramic cartridge range competing with Electro-Voice -- and a high-end reluctance cartridge of the Pickering & Fairchild type, and Brush will have a high-end ceramic.

When would stereo-cartridge-equipped changers be available? Victor Miller would not say until he'd had RIAA standards, cartridges-off-tools from suppliers, and time to design & test changer which could be delivered with assurance of "our" quality. Miller insists the whole stereo disc situation is still premature.

* * * *

Until record companies start to mass-produce stereo records, industry feels there's no real telling what role stereo disc will eventually play -- despite some claims that it will revolutionize the phono industry and presents a "serious threat" or a "sweeping opportunity" to obsolete existing records & equipment. Record people are taking it very cautiously, remembering the 3-speed revolution of the late '40s. In addition to Audio Fidelity, which started it all, only Columbia and Westrex have produced demonstration stereo discs as yet.

Total obsolescence need not be a real factor, many sources believe. "Compatibility" is just as hot a topic as cartridges. Most engineers we talked with feel there is a huge middle road between monaural of today and stereo of tomorrow.

Most agree that although standard monaural needles of today play stereo discs poorly, the man who wants to take the other "compatible" route -- to use the stereo needle system with his present monaural library of LPs -- is in for a break. Consensus is that conventional monaural discs sound better than ever on stereo system or on conventional monaural phono with only stereo needle added. So customer can move slowly by himself -- or be led by industry -- through smooth transition to stereo.

Prevailing belief -- as fingers come off panic buttons: Should stereo really happen this fall -- via records as well as playing equipment -- neither customer nor industry need fear the confusion of total obsolescence.

But in case you should doubt just how hot stereo is in TV-radio-hi-fi manufacturing circles, note the program laid out for March IRE convention in N.Y. (see p. 13). TV, which in other years has dominated the IRE discussions gets last-day, afternoon session of but 5 papers. Stereo gets 6 papers and choice 2nd day morning spot. Color TV? One paper out of some 250.

* * * *

TV-Radio Production: TV set production was 108,806 in week ended Jan. 17 vs. 114,392 preceding week & 118,471 year ago. Two-week total for 1958 is 223,198 vs. 194,390 last year. Radio production for week was 239,133 (99,578 auto) vs. preceding week's total of 216,924 (86,570 auto) & 268,052 (136,836 auto) last year; total for 2 weeks was 456,057 (186,148 auto) vs. 462,820 (239,397 auto).

Tape Data From EIA-MRIA: Industry statistics on zooming tape recording fields will soon be forthcoming if joint plans of Electronic Industries Assn. and Magnetic Recording Industry Assn. materialize. It's proposed their members report figures to EIA market data dept., which would treat them confidentially, release them on consolidated basis as it does TV-radio, tube & transistor production & sales figures.

Interest in such figures is running high because coming of stereo (p. 10) has some TV-radio-hi-fi makers wondering whether they must ultimately get into tape recorder business for rounded representation in home entertainment field as whole. Some TV-radio makers have tape decks in more expensive hi-fi consoles, but only 4 actually have portable tape recorders in their lines: RCA, Philco, Sylvania, Olympic (Vol. 14:1). More will go into field this year, if predictions of Pentron pres. Irving Rossman, who is also pres. of MRIA, are borne out.

Rossman recently painted boom picture for recorders and tape in 1958, saying "every producer of home entertainment equipment is either manufacturing or planning to manufacture a tape recorder" and that "every major record label has entered or plans to enter the recorded tape business by the end of 1958." He summed up as reason: "stereo sound."

Within about 2 years, stereo has revolutionized the tape & tape recorder businesses. In 1957, of 500,000 recorder units produced by industry, according to MRIA, 60% were equipped with stereo playback heads vs. 40% of 400,000 in 1956. Rossman predicted that 80% of 1958 industry production (estimated at 600,000 units worth $120,000,000 retail) will be stereo player units.

Recorded tape sales are expected to boom in 1958—to MRIA-estimated 8,000,000 units, up from 3,000,000 in 1957 and 1,500,000 in 1956. Rossman expects that 90% of recorded tapes in 1958 will be stereo.

Total tape sales, however, are not disturbing phonograph record makers. They feel tapes are still too expensive (twice price of LP records) and that the whole tape business at retail (estimated at from $5,000,000 to $30,000,000) is still small vs. $400,000,000 sales of records.

Rarely exposed operating statements of dozen unnamed dealers doing from $36,000 to more than $1,000,000 annual volume are compiled by Jan. 13 *NARDA News*. Selection by NARDA accounting consultant Thornton Snead serves to give factory dealer contact men sharp insight into how various retail costs of doing business chew up gross margins. Comparisons among the dozen suggest areas in which dealers can cut expenses.

Sears Roebuck has bought 50% of capital stock of Warwick Mfg. Co., Chicago, major supplier of its private-brand (Silvertone) TVs, radios, hi-fis, tape recorders. Stock was sold by management group—John S. Holmes, pres.; Gordon G. Brittan, v.p.; Fred Holmes, secy. They also relinquish posts as officers & directors, continue as consultants. Sears also is major stockholder in Pacific Mercury TV, which manufactures for its Silvertone brand.

Reports of appliance industry probe are premature, says staff spokesman for Senate Small Business Committee. Plans for similar hearings last year never got off ground (Vol. 13:5) and agenda for this year will not be determined until committee meets—probably within week. Full committee is headed by Sen. Sparkman (D-Ala.), retail distribution subcommittee by Sen. Humphrey (D-Minn.).

Trade Personals: C. C. Gramer promoted to mgr. of distribution development & planning for Hotpoint's new sales & distribution dept. (Vol. 13:49); G. W. Westfall to mgr. of sales & market research; J. G. McCay to mgr. of central order service; C. N. Krewson to mgr. of distribution structure, plans & control; J. Coppinger to mgr. of distribution management training . . . Harold A. DeMooy appointed mgr., receiving tube operations, RCA electron tube div., succeeding late Harry F. Randolph; Joseph T. Cimorelli takes DeMooy's former post as mgr. of manufacturing, receiving tube group; Kenneth Bucklin succeeds Cimorelli as mgr. of receiving tube engineering; George J. Janoff moves up to mgr. of market planning-receiving tubes . . . Michael L. Kaplan, pres. for 10 years until 1957 of Sightmaster Corp., components maker, has organized Stretch Wire Corp., P.O. Box 893, New Rochelle, N. Y., to supply extensible cables under own patents . . . Leo J. Weithman, ex-Apex, Cleveland, appointed to new post of Philco far west credit mgr., San Francisco . . . Milton Rosenstein, ex-Olympic and Blonder-Tongue, named chief engineer of Delmonico International Corp., Long Island City, N. Y. . . . Donald M. Christie promoted to mgr. of DuMont equipment mfg. div. . . . Russell Lee Shuman Jr. named director of corporate accounting, Westinghouse . . . Charles T. Shropshire, pres. GE Supply Co., Washington, reelected pres. of D. C. Electric Institute; other officers are Alan R. Dresner, Douglas Distributing, v.p.; James H. Crawford, General Electronics, secy.; John F. Hanlon, Westinghouse, treas . . . . Irving B. Jerome, ex-Capitol Records, named exec. v.p. of MGM Records, in charge of world sales & promotion . . . Robert S. Windt, ex-CBS-Columbia, DuMont and David O. Alber Assoc., is now v.p. and head of TV-radio div. of Bernard Relin & Assoc., public relations, 654 Madison Ave., N. Y.

Sylvania names 8 senior v.p.'s in policy of managerial decentralization being followed by Don G. Mitchell, chairman-pres., who announced Jan. 20 that firm's 1957 sales were about $350,000,000 and "budget for 1958 is based on an upturn in the second half." Two of the 8 are also divisional presidents, namely Matthew D. Burns, electronic tubes; Frank J. Healy, lighting products. Others: Dr. Bennett S. Ellefson, engineering & research; W. Benton Harrison, finance; Robert E. Lewis, Argus Cameras & semiconductors; Marion E. Pettegrew, home electronics, chemical & metallurgical products & parts; Howard L. Richardson, electronic systems & special tubes; Barton K. Wickstrum, marketing & international.

Westinghouse's new president, Mark Winfield Cresap Jr. (last name rhymes with dress-up), is subject of personality sketch by Alfred R. Zipser in financial section of Jan. 19 *N. Y. Times*.

DISTRIBUTOR NOTES: Sylvania appoints H. E. Sorenson Co., Des Moines . . . Emerson Radio of Pa., new Philadelphia factory branch, names Lawrence H. Carr v.p. & treas. . . . Hoffman appoints Sabine Supply Corp., Dallas, for NE Texas, and Kelvinator div., American Motors, New Orleans, for most of La. & Ala., So. Miss., western Fla. . . . Westinghouse Appliance Sales, Los Angeles, names Wm. P. Frost district sales mgr. of TV, hi-fi, room air conditioners & vacuum cleaners; he was previously regional mgr. of Westinghouse TV-radio div. . . . RCA appoints Clef Inc., Milwaukee, for industrial closed-circuit TV equipment . . . American Geloso, N. Y., (Geloso tape recorder) names Myron Rosenthal, Charles Bernstein as regional salesmen; both are veteran N. Y. market reps . . . American Geloso appoints for its miniature Italian tape recorder: Warren Radio, Toledo; Radio Equipment Corp., Buffalo; Harrisburg Radio Lab Supply, Harrisburg; Pioneer Electronics, Ketchikan, Alaska . . . Trav-Ler names Paul Irwin to new post of northern Cal. & Nev. factory rep. in addition to duties as East Bay (San Francisco) district mgr. . . . Whitely Electronics (Murasound) names Landes-Ham, San Francisco, for San Francisco, northwest area, Ariz., Nev.

Magnavox, continuing decentralization of management program, names George Leinenweber to new post of v.p.-gen. mgr. of Magnavox Co. of Tenn., Greeneville, and Jefferson City Cabinet Co., Jefferson City, Tenn.; W. H. Graham, ex-v.p. of both corporations & gen. mgr. of Greeneville plant, promoted to exec-v.p. At Ft. Wayne headquarters, Leonard F. Cramer continues as v.p., his post of operations gen. mgr. being eliminated as he is assigned to other corporate sales functions to be detailed later. James Robinson, controller, is assigned some of Cramer's former duties; Ricardo Muniz promoted to mgr. of consumer products engineering, replacing John Rankin, resigned.

Institute of High Fidelity Manufacturers Inc. elects: Joseph N. Benjamin, Pilot Radio, pres., succeeding George Silber, Rek-O-Kut. Other officers: Saul Marantz, Marantz Co., v.p.; Leonard Carduner, British Industries Corp., secy.; Milton Thalberg, Audiogersh Corp., treas. Directors are ex-pres. George Silber and Avery Fisher, Fisher Radio; Bernard Cirlin, Stephens Tru-sonic Inc.; Sidney Harman, Harman-Kardon.

Add hi-fi shows: Hotel Cosmopolitan, Denver, Feb. 7-9; Hotel Whitcomb, San Francisco, Feb. 14-16.

Obituary

John S. Muller, 43, since last July coordinator of Pyroceram at Corning Glass Works, well known among users of Corning's TV bulbs, died in Corning Jan. 12 after lengthy illness. Survivors are his wife, 3 sons, 3 daughters.

OFFICERS-&-DIRECTORS stock transactions as reported to SEC for Dec.: **Allied Artists**—G. Ralph Branton bought 800, holds 49,425 personally, 2200 for wife; W. Ray Johnson bought 300, holds 301; Sam Wolf bought 1500, holds 15,950. **Audio Devices**—Joseph K. McCammon sold 300, holds 24,963. **Avco**—Edwin H. Litchfield bought 1000, holds 1400. **C&C TV**—Walter S. Mack sold 14,271, holds 190,300. **Decca Records**—Milton R. Rackmil bought 200 as voting trustee, holds 10,200 as voting trustee, 75,200 as co-trustee, 1713 personally. **Emerson Radio**—Benjamin Abrams bought 18,921 and 1200 more for trusts & foundations, holds 252,366 personally, 29,239 in trusts, 65,001 in foundations; Max Abrams bought 8600 and 1200 more for trusts & foundations, holds 97,209 personally, 12,755 in trusts, 65,001 in foundations; Ferdinand Eberstadt sold 1011, holds 100; Harold Goldberg bought & sold 500, holds 1000; Morris C. Troper bought 222, holds 222. **General Dynamics**—Lisle W. Adkins sold 1000, holds 1000; Allen D. Marshall sold 2400, holds 5000; Carleton Shugg sold 200, holds 9325. **GE**—James H. Goss bought 1920, holds 2544; Willard H. Sahloff exercised option to buy 1545, holds 4625. **Loew's**—Samuel J. Briskin bought 500. holds 500; Francis W. Hatch bought 100, holds 100. **P. R. Mallory**—J. Taylor Foster bought 1000, holds 2300; P. R. Mallory bought 500, holds 92,403. **Minn. Mining & Mfg.**—Wm. L. McKnight sold 2850, holds 952,625; Louis F. Weyand bought 100, holds 71,285. **National Theatres**—Peter Colefax bought 500, holds 2500; Alan May bought 200, holds 1000. **Philco**—David B. Smith bought 400, holds 3245; Wm. R. Wilson sold 200, holds 15,030. **RCA**—Elmer W. Engstrom bought 100, holds 1428. **Siegler**—Merrill L. Bengston bought 500, holds 16,820; Norman E. Grandt bought 500, holds 5500 personally, 100 as trustee; Wm. J. Keegan bought 400, holds 800. **Skiatron Electronics & TV**—Arthur Levey sold 40,900 privately, holds 366,531. **Trav-Ler Radio**—Joe Friedman bought 4400, holds 213,033. **Tung-Sol**—George W. Keown bought 150, holds 1332. **Twentieth Century-Fox**—J. H. Moskowitz bought 200, holds 600. **Walt Disney Productions**—Roy O. Disney bought 100, holds 101,577. **Westinghouse**—John F. Myers sold 600, holds 419. **Zenith**—Sam Kaplan bought 100, holds 110.

Huge RCA Contract: Those rumors last week about an Air Force contract award to RCA involving hundreds of millions of dollars (Vol. 14:3) were given substance this week when testimony of Air Force officials before House Appropriations subcommittee was made public. It was revealed RCA has been "selected" (though contract apparently has not yet officially been let) to be over-all contractor for design and construction of radar system to detect enemy ballistic missiles.

Air Force research & development chief Gen. D. L. Putt said ultimate cost of system will be $721,000,000, but he did not clarify what portion of this would be under management of RCA as "over-all systems contractor." He said most of RCA's work would be done at Moorestown, N. J. and that prototypes of the super-long-range radars already are in operation.

Gen. Putt added that "GE will also play a major part, as well as Western Electric." It's understood that other major subcontractors will include Sylvania, Page Communications & RCA Service Co.

Note: Hoffman Electronics reported this week it has been awarded $11,000,000 contract for electronic reconnaissance system, designated AN/ALD-3, code name "Tall Tom." Raytheon reported orders for 40 new radars from Military Sea Transportation System.

ELECTRONIC PERSONALS: G. D. Robertson promoted to mgr., advanced development engineering dept., Magnavox govt. & industrial div. . . . Walter G. Hawkins named to new post of guided missiles advisory engineer in Magnavox govt. & industrial products div. . . . Les A. Thayer promoted to gen. sales mgr., Belden Mfg. Co.; Gene Butler to mgr. of marketing services; Hoyne Howe district mgr. for Chicago, E. V. Blake for Philadelphia . . . James A. Nottingham named v.p. of Reeves Instrument Corp., subsidiary of Dynamics Corp. of America . . . Karl E. Heller appointed sales mgr. of Beckman Helipot div. . . . Dr. Carl L. Kober named v.p. & technical director of Avco Crosley div. . . . Dr. Theodore K. Steele, director of research & engineering, named v.p., Bulova Research & Development Labs Inc. . . . Louis De Lalio, ex-Norden Ketay, named chief research & development engineer of Filtors Inc., Port Washington, N. Y., headed by radio pioneer Alfred H. Grebe and maker of micro and subminiature relays.

IRE—Audio & Space: First sputnik-age convention of IRE, March 24-27 at New York Coliseum and Waldorf-Astoria Hotel, is expected to attract record 55,000 engineers and scientists. While there are plenty of other attractions for the TV engineer, emphasis this year is due to be on space electronics, industrial electronics, and—in the consumer products field—audio electronics. Highlight features of meeting will be panel discussions on electronics in space and electronics system in industry. Also among the 55 technical sessions will be:

Stereo Disc Recordings—H. E. Roys, RCA, chairman. Papers: RIAA engineering committee activities, W. S. Bachman, Columbia Records; Westrex system, C. C. Davis & J. G. Frayne, Westrex; tracing distortion in stereo disc recording, M. S. Corrington & T. Murakami, RCA; compatibility problems in reproduction, B. B. Bauer & R. Snepvangers, CBS Labs; stereo phono pickups, W. S. Bachman, Columbia Records, & B. B. Bauer, CBS Labs; record changer & equipment requirements, W. Faulkner, V-M.

Audio Amplifier & Receiver Developments—M. S. Corrington, RCA, chairman. Distortion in phase inverter & driver systems, W. B. Bernard, Navy Bureau of Ships; advances in extra fine groove recording, Peter Goldmark, CBS Labs; transistorized record-playback amplifier for dictation machine, R. Fleming, Gray Mfg. Co.; single tuned transformers for transistor amplifiers, S. H. Colodny, Philco; transistorized auto receivers, R. A. Santilli, RCA; voltage sensitivity of local oscillators, Wen Yuan Pan, RCA.

Broadcast Transmission Systems—G. E. Hagerty, Westinghouse Broadcasting, chairman. Video modulation limiter, L. S. Sadler, WMTV, Madison, Wis.; color TV tape recording, J. L. Grever, RCA; automatic vertical interval test signal system, J. R. Popkin-Clurman & Frank Davidoff, Telechrome; remote control of directive antenna system, H. E. Rhea, Triangle Publications; feeding a single tower AM, FM & TV signals, A. C. Goodnow, Westinghouse.

Radio & TV—D. D. Israel, Emerson, chairman. Transformerless single-rectifier TV receivers, D. Sillman, Westinghouse; problems in 2-dimensional TV systems, R. M. Bowie, Sylvania; high-power horizontal-output tube deflection system for color, J. P. Wolff & R. G. Rauth, RCA; improvements in deflection amplifier design, C. Droppa, Sylvania; AGC design considerations for TV, R. H. Overdeer, Philco.

Avco's amazing comeback: Avco earned $12,832,794 ($1.38 per share)—including special credit of $2,363,193 from prior tax litigation—on sales of $314,882,677 in fiscal year ended Nov. 30 vs. net loss of $16,387,847 on sales of $320,556,385 in 1956. Avco said bank borrowings had been reduced 50% during year—from $20,896,000 to $10,000,000; that backlog of defense orders was down to $205,000,000 from $340,000,000 at end of 1956; that backlog was in growth areas including Air Force Titan ICBM, space technology, gas turbine engines & electronics. Separate breakdown for extensive Crosley TV-radio broadcasting operations is not given.

Muter Co. pres. Leslie F. Muter reports 1957 volume was approximately $14,200,000 vs. $12,126,000 in 1956, up 18%; net profit is expected to be $330,000 (45¢ per share) vs. $31,645 (4¢) in 1956.

Dividends: Gross Telecasting, 40¢ plus 7½¢ on "B" common, both payable Feb. 10 to stockholders of record Jan. 24; Cornell-Dubilier, 20¢ March 24 to holders March 10; Capitol Records, 25¢ March 31 to holders March 17.

Muntz TV Inc., now in Chapter X reorganization, is "very much alive," chairman Floyd G. Dana assures stockholders in report showing $120,000 operating profit in fiscal quarter ended Nov. 30, 1957 vs. unspecified loss during same period year earlier. Operations profit was shown despite fact sales volume was down 50%. Annual statement for year ended Aug. 31, 1957 shows loss of $561,236 on sales of $6,034,849 vs. $17,944 profit on $10,539,994 year earlier. Earned-surplus deficit as of last Aug. 31 was $4,643,706. Inventories totaled $232,600. In letter to stockholders, who meet Feb. 11 in Evanston, Dana notes requested resignation of founder Earl Muntz in Feb. 1957, followed by "radical & far-reaching changes" in operations. Company now has 600 dealers, most on c.o.d. basis; earmarks ⅓ of set production for private labels. It has introduced hi-fi line, produces subcontract components for electronics industry, is considering entering portable TV & low-cost radio fields.

New high frequency transistor by Clevite is said to triple range of conventional audio amplifier transistors from 5-7000 to 20,000 cycles.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 24, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by
RUDD, BROD & CO.
Member New York Stock Exchange
734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8 High	1957-8 Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	1957-8 Low	Stock and Div.	Close	Wk. Chnge
14⅞	6½	Admiral	8	+¼	37¾	25¾	IT&T 1.80	30⅝	−¼
27	16⅛	AmBosch1.05g.	21	−⅛	50⅜	33	I-T-E CirB1⅝d.	40	−⅛
24⅞	11⅝	AmBcstg-Para.1	15¼	+⅞	10⅜	7⅛	List Indust ¼e.	7½	...
43¾	29⅛	AmMach&F 1.60	35⅝	+1⅝	56⅝	29½	Litton Ind	41⅛	−1⅞
179⅞	160	AT&T 9	172½	+1¾	22	11¼	Loew's	14	+⅛
33⅞	19½	Amphenol 1.20.	25	+½	44	28⅛	Magnavox 1½b.	32½	.....
36¼	28	Arvin 2	29½	.....	50¼	23½	Mallory 1.40b..	28	+¼
7¾	4⅞	Avco .10g	7	+¼	131	73½	Mpls. H'll 1.60a	78	+1
47¾	21	Beckm Inst 1¼f	24¼	−½	51¾	35¾	Motorola 1½	40	.....
66¾	42	Bendix Av 2.40.	49⅜	−1⅜	9½	7	Nat'l Thea ½..	8⅛	.....
52⅜	27⅞	Burroughs 1	31½	+1⅜	36⅞	28	Paramount 2	35⅝	+1⅝
25½	15⅛	Clevite 1.15g	17¼	−¾	18⅜	11	Philco ⅝f	13⅞	.....
36⅛	23½	CBS "A" 1b	26¾	−½	40	27	RCA 1a	34¼	+¼
35½	22⅜	CBS "B" 1b	26¾	+¼	23¾	16⅜	Raytheon	22½	−⅜
54¾	25⅛	Cons Elec .40a..	30½	−1⅜	8¼	4¾	Republic Pic	6¾	+¾
35½	18	Cons Electron..	21¾	.....	39¾	29¼	Sang Elec 1.80.	34	.....
27½	12½	Cor-Dub 1.20	15⅛	−½	18	12⅜	Siegler .80	15½	+¼
106¼	57¼	Corning Glass 1a	79	+3½	6¼	2⅜	Sparton	3¼	+¼
6⅜	3⅛	Davega	3¼	−¼	26⅛	17⅝	Sperry Rand .80	19½	+⅜
47	27½	Daystrom 1.20..	33½	+¾	9⅜	5¾	Standard Coil..	8	+⅜
19⅝	13⅜	Decca 1	15¾	+⅞	18½	13⅜	Stanley-War 1..	15½	+⅜
15⅞	13	Disney .40b	15¼	−¼	41⅝	27¼	Stew Warner 2b	31⅜	+1¾
115	81¾	East Kod .90e..	101½	+2½	29¼	18¾	StorerBcstg 1.80	23⅝	−½
34	22⅛	Emer Elec 1.60.	32⅛	+⅜	46¼	29¼	Sylvania 2	37	+2½
6⅞	3¾	Emerson Radio.	4¾	+⅛	31½	15⅞	Texas Instru	28⅜	+⅞
10¾	6¼	Gabriel .60	7½	+⅛	89¾	46	ThompProd 1.40	47¼	−1¾
68⅝	46¾	Gen Dynamics 2	61⅜	−2	37½	21¾	Tung-Sol 1.40b.	24¾	+⅞
72⅜	52⅜	Gen Electric 2..	63⅞	+1¾	30¾	19⅝	20thC-Fox 1.60.	25¼	+1¼
8⅛	4	Gen Inst. .15g..	5¾	.....	25⅜	15	United Art 1.40.	17⅛	+½
47¼	30¼	GenPrEquip2.40	40	−¼	30⅞	18¼	Univ. Pict 1a	20½	....
30⅜	22⅛	General Tire .70	28¼	−½	28⅞	16½	Warn Bros 1.20.	17⅜	+¼
25⅞	17¼	Hoffman Elec 1.	23½	−⅛	68⅝	52⅜	Westingh El 2..	64⅜	+⅞
376½	270½	IBM 2.40b	319	+11¾	140	91¼	Zenith 3a	128	+6¼

AMERICAN STOCK EXCHANGE

1957-8 High	1957-8 Low	Stock and Div.	Close	Wk. Chnge	1957-8 High	1957-8 Low	Stock and Div.	Close	Wk. Chnge
4½	2½	Allied Artists..	3¼	+⅛	44½	29¾	Hazeltine 1.40b.	36¼	+1¼
52½	19⅜	Allied Con 1a..	40¼	−2¾	3⅛	2½	Herold Ra .15g.	2½	−⅛
21½	11	Amer Electro½	15	+⅝	6⅛	3⅝	Int Resist .20	4⅜	−⅛
11¾	6⅛	AssocArtProd..	8⅝	+⅛	8¾	4	Lear	5⅝	..
12⅜	4⅞	Audio Dev .05d.	9⅝	+⅝	1⅝	⅜	Muntz TV	½	.....
13⅝	6¼	Belock Inst ⅛t.	8½	−¼	3⅞	2⅛	Muter Co. ¼t..	3	...
1¼	⅜	C & C TV	½	.....	9¾	5⅝	Nat'l Telefilm..	7	+¼
5	2½	Clarostat .15g..	3¼	+⅛	2⅞	1	Nat Union El	1⅝	+¼
6⅛	3	DuMont Lab	3⅝	−¾	11¾	5¼	Norden-Ketay..	5⅞	−¼
7⅝	2½	Dynam Am	4	−⅛	5	3	Oxford El .10d..	3½	+⅛
12⅞	8	Electronic Com.	12⅜	+⅞	20⅝	10¼	Philips El	13¾	+2
12⅞	5½	Electronics Cp..	7⅜	+⅛	12⅝	6⅛	Servomech .40.	8⅝	+⅛
27⅜	16	Fairch Cam ½g.	25¼	+1⅛	9	3⅛	Skiatron	5½	+⅛
30	8¾	General Trans..	23¾	+3½	8¾	2⅞	Technicolor	4¼	+¾
28½	17	Globe Un 1.20b.	17⅝	+⅜	5⅞	3½	Trans-Lux .20g.	4¼	+½
4⅝	2½	Guild Films	3	+⅛					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	2¼	2½	Magna Theatre	2⅜	2¾
Aerovox	4	4½	Maxson (W. L.) .05	6½	7
Airborne Inst	42	45	Meredith Pub 1.80a	29½	31½
Altec Co .80	8	8½	National Co. (4% stk)	10	11
AMP Inc .50	18	19½	Oak Mfg. 1.40	15	16
Ampex	53½	56	Official Films .10	1⅛	1½
Baird Atomic	11	12	ORRadio	16½	17½
Cinerama Inc	1⅝	1⅞	Pacific Mercury TV	5⅝	6
Cinerama Prod	2	2½	Packard-Bell .50	11¾	13
Cohu Electronics	7¾	8½	Panellit	5¼	5¾
Collins "A" .35	12¼	13¼	Perkin-Elmer	21¾	23
Collins "B" .35	12¼	13¼	Philips Lamp (14% of par)	30⅝	32
Cook Elec. .40d	20⅝	22	Reeves Soundcraft (stock)	2⅝	3
Craig Systems	4⅝	5¼	Sprague Electric 1.20	26½	28
DuMont Bcstg	8	8¾	Taylor Instrument 1.20	28½	30½
Eitel-McCullough (5% stk)	32	34½	Tele-Broadcasters	2¾	3¾
Elec Assoc (stk)	38½	40½	Telechrome .30	5⅝	6½
Erie Resistor .40b	8¼	8⅝	Telecomputing	4⅛	4½
Friden Ind. 1.00	41	44	Teleprompter (stock)	6	7
Giannini, G. M.	14½	15¾	Time Inc. 3.75	61	64
Gross Telecasting 1.60	15	16½	Topp Industries (stock)	11⅜	12
Hewlett-Packard	22½	24	Tracerlab	5⅛	5⅝
High Voltage .10g	24¼	25¾	Trav-Ler	1	1¼
Hycon	2	2½	United Artists	4¼	4¾
Indiana Steel Products 1.20a.	18½	19	Varian Associates	17	18½
Jerrold	1⅞	2¼	Victoreen Inst	4	4½
Ling Indus	6⅛	6½	Webcor .25g	12¼	12¾
Leeds & Northrup .60b	20¼	21½	Wells-Gardner	7⅜	7¾
Machlett Labs .25g	11½	13	WJR Goodwill Station .50d	12¼	12½

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

GE's TV Projector: Projection system designed for closed-circuit monochrome and field-sequential color TV, providing brightness equal to motion picture, will soon be offered by GE. Primarily designed for military applications, its principal drawback for use in closed-circuit "meeting TV" field (Vol. 13:52) will be its relatively high cost.

System is completely re-engineered and smaller version of Swiss Eidophor projection TV system, which caused great stir among movie people when 20th Century-Fox brought pilot unit to U. S. in 1953, hoping to mass-produce the equipment as theatres' answer to TV (Vol. 8:3-26). GE's work on new model was carried on in Switzerland in conjunction with staff of Dr. Edgar Gretener, developer of system. U. S. rights to merchandise Eidophor are still held by 20th Century-Fox.

Basic principle involves electrical charges on film of oil, creating large number of prisms which control light intensity. New version of Eidophor is limited to 15x20-ft. picture size, but is said to have 10 times the light output of other types of theatre-size projectors. Its xenon arc light source has brightness of 2000 lumens, compared with 16 lumens for brightest comparable sized conventional projector, according to closed-circuit marketing mgr. Frank Barnes. It has been built into transportable cabinet 5 ft. high, 2 ft. wide, 4 ft. deep. Engineer-made model of new system would cost about $50,000, Barnes said, but if orders are received for 100 or more, cost can be cut to "under $15,000" for monochrome model, "under $20,000" for field-sequential color model.

System cannot be used with NTSC color, Barnes said, pointing out that GE is principal manufacturer of closed-circuit field-sequential color gear. Military is expected to be largest customer, but GE hopes to show prototype to potential civilian users, when gear arrives in U. S.—about 2 months from now. Eidophor will mark GE's entry into closed-circuit projection TV business, although the company has been increasingly active in industrial, educational & military closed-circuit in the last year.

In other large-screen closed-circuit news, Closedcircuit Telecasting System pres. Fanshawe Lindsley announced his company has ordered $200,000 worth of color projectors capable of supplying 9x12-ft. picture from Philips of Eindhoven, Netherlands, for delivery this year. He also said CTS has ordered newly developed crystalite screens to increase picture brightness and is "negotiating" for purchase of mobile color pickup equipment "now located on the west coast," presumably the color gear being offered for sale by Paramount's KTLA, which is dropping colorcasts (Vol. 13:51).

TNT Tele-Sessions Inc. reported that Plymouth held 41-city closed-circuit meeting for dealers & salesmen Jan. 24—company's second use of the medium in 2 months. TNT says this was 58th "repeat" customer to use its facilities.

U. S.-USSR TV-radio exchange, subject of diplomatic negotiations since last Oct. (Vol. 13:44), were reported included this week in tentative protocol on cultural relations approved by State Dept. & Russian Embassy. No terms were announced, but Reds were understood to accept plan by which some filmed & recorded news & documentary programs would be traded. Russians also were said to have consented to end of boycott by which new U. S. movies have been kept out of USSR since close of World War II.

Lessons in Russian via WRGB, Schenectady—first such ever attempted on TV—are being offered Tue. & Thu. 6:30-7 a.m. by Dr. Irving Bengelsdorf. of GE research labs.

Call letter change: KSIX-TV, Corpus Christi (Ch. 10) changed to KZTV.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Special Supplement
January 25, 1958

It Would 'Cannibalize' Free TV

Network Presidents State Views Against Pay TV

Texts of Statements by NBC, ABC & CBS Chief Executives at Hearings

Before House Committee on Interstate & Foreign Commerce, Washington, In Order of Appearances, Jan. 21-22, 1958

Statement by Robert W. Sarnoff

President, National Broadcasting Co.

THIS COMMITTEE is concerned with the possible effects of pay television upon the public. I believe these effects can be accurately gauged by the answers to 3 closely-related questions:

First, will pay-TV provide a distinctive *new* program service, or will it commandeer the prime attractions of free TV and offer them to the public for a price?

Second, if pay-TV becomes established, can the public continue to receive the same value from free TV?

Third, will the entrenchment of pay-TV leave the public any effective program choice between free and pay TV?

I will attempt to give precise and brief answers to these questions—answers based on the economic facts of TV life which apply with equal validity to either a pay or a free system.

Pay-TV Will Not Add To Existing Service

The question of whether pay-TV will provide programming otherwise unavailable should first be evaluated in terms of what is already available.

In its first 10 years, TV has created a program service of sufficient scope and appeal to induce our people to invest more than $15 billion in over 47,000,000 sets. They view these programs an average of 5 hours daily. Apart from work and sleep, this occupies more American time and attention than any other activity, and this year more than ever before.

A service that can so preoccupy the public must logically range the whole spectrum of public interests. TV does so by drawing from every creative wellspring—from the theater, the movies, the music field, the sports arena. It also creates its own art forms and talents, which in turn serve to enrich those from whom it borrows.

TV does this not altruistically, but as a matter of business necessity. Our economic success hinges solely on our ability to keep those millions watching. If they become jaded or disinterested, our business fails.

What Different or Better Service?

So, when the pay-TV promoters say the money they seek from home boxoffices is for the purpose of offering a different and better service, I say what different program? What better service? They *must*, of course, make this claim to win admittance to the haven of public interest. To offer the same programs for pay that are now free would be transparently opposed to the public interest.

Yet, in making the claim, they ignore an economic contradiction. The economics of pay-TV—like those of free television—compel it to develop the largest possible subscription audiences. Many of its supporters are candid enough to admit it. Witness, for example, this statement by Telemeter:

"It is obvious that it will be to the economic interest of all who participate in the development of pay-as-you-see TV to obtain the widest possible distribution at the lowest program cost to the subscriber. It is through the mass market that the maximum potential can be obtained." —P. 32, Telemeter comments on proposed rule-making, FCC Docket No. 11279, June 1955.

With the mass audience a practical business necessity for pay-TV, it must offer the most popular attractions suitable to TV—attractions such as national sports events, musical and variety shows, comedy programs and drama series. Similarly, pay-TV must seek TV stars of established national popularity, stars already tested in the crucible of competition for public favor, stars who have proven their ability to win and hold a mass audience. If you seek the source of such stars and programs, I assure you it will be found primarily in the program schedules and the talent lists of the 3 national networks.

Pay-TV Would Outbid Free TV

The fact that pay-TV must have these hit attractions and stars is only half the answer. The other half involves their ability to draw them from the one inevitable repository—free TV. Here we concede them victory. With a boxoffice in every subscribing home, pay-TV could easily outbid our advertiser-supported medium for the same programs and talent we have developed and which provide us our economic base.

More specifically, the reason victory will be theirs in any tug of war for programs and talents is this: even though a pay program reached only a fraction of the audience the same program or star would attract on free television, it would produce far more revenue. A few months ago, nearly 60,000,000 people in 22,000,000 homes watched Mary Martin in "Annie Get Your Gun" on NBC. One-tenth of those homes, at $1 each, would produce over $2,000,000 in revenue from a single performance. Is there any doubt where talent and programs would gravitate under the pull of that type of financial magnet? As for the remaining 50,0000,000 people in the 20,000,000 families unable or unwilling to pay the dollar, their threatened disenfranchisement from programs once seen free is at the core of the issue this Committee now deliberates.

The example of "Annie Get Your Gun" could be multiplied to include all the key attractions and leading stars of the present service. With a shift of the most popular attractions and performers from free to pay-TV, the public will be left with an uncomplicated alternative: to pay for programs once free or stop watching them.

Free and Pay-TV Cannot Co-Exist

It is only a short stride from here to the second question: Can free TV continue to furnish a productive service if pay-TV is established?

TV is a delicately balanced economic mechanism. It exists by its ability to hold mass audiences which attract advertising revenues which in turn underwrite a whole range of programs that offer little or no financial return.

If pay-TV progressively siphoned off our key attractions, we would lose our only means of holding mass audiences. Advertising effectiveness would distintegrate, revenues would progressively shrink. The development of new programs, the continuance of those public service programs that have made TV such a vital force in American life would be financially untenable.

These programs we describe as public service include comprehensive coverage of the news through a world-wide organization of 300 correspondents; political campaign, election and convention coverage; information documentaries; educational programs; support of worthy public causes and organizations; addresses by public officials; discussion of public issues in interview and panel programs on which so many members of the House and Senate, and officials of the executive branch so frequently appear.

This is a more substantial operation than many people suspect. Every year, our program log shows that hundreds of officials of the Federal government appear on NBC programs devoted wholly or in part to the examination of serious national issues.

Would Pay-TV Offer Public Service Programs?

These are services of great importance to the public which pay-TV would not offer because they are not the revenue-producing services. May I ask you gentlemen, if it is not impertinent, how many of you have been approached by the pay supporters to sign up for their programs? According to their publicity releases they are out recruiting new shows and new talent. Have you heard of any Congressmen or govt. officials solicited for a pay-TV panel or informational program? I haven't, and I doubt that I will because the Nielsen and Trendex ratings of political leaders, diplomats and generals seldom rival those of a Perry Como, a Wyatt Earp, or a Steve Allen.

As free TV is stripped of its revenue-producing attractions by the development of pay-TV, it will not be able to sustain the public services that involve heavy unrecovered costs—almost $11,000,000 for NBC alone last year. Possibly it could survive as a second-rate marginal service on the entertainment leftovers; more probably such an economic bloodletting would lead to total collapse of its program structure, public service as well as entertainment.

In this evaluation, I do not suggest that pay-TV would covet all—or even most—of our current programming. The effects I have described would follow if pay-TV embraced only the principal stars and attractions. A complete program take-over would be unnecessary. Programs are in a sense people—writers, producers, performers. By atracting such people, pay-TV would subvert the present service as effectively as if it took over entire programs.

Pay-TV Would 'Cannibalize' Free TV

So the second question has as precise an answer as the first. Pay-TV can succeed only by cannbalizing free TV. In doing so, it will not offer a replacement service of equal scope and it will produce a basic change in the American broadcasting system which is founded on the principle of Freedom to Listen and Freedom to Look. The public will lose in many ways:

Pay-TV would set up a new system, keyed to ability to pay. The stars and attractions of today would no longer be available to the total audience, but only to that fraction willing and able to pay. For the first time in TV's history, viewers would be divided along economic lines.

Those public service programs I mentioned would be early casualties. They are of limited boxoffice appeal—unpalatable to the pay-TV operator whose business is to fill as many homes coin-boxes as possible, as quickly as possible; unsupportable by a free service shorn of its economic supports. The loss of these high-cost, low-return services would be regrettable at any time and tragic in this critical era when an informed public is so vital to our security.

The amount of programming available to the public would be reduced to a fraction of its present volume. The boradcast service now runs from early morning to late night, with hundreds of *different* programs each week. No pay-TV promoter proposes such a service. Even if it could be provided on a pay basis, how many could afford it? To use pay-TV an amount equal to the present average set usage of 5 hours daily would cost far more than the average American now spends for the movies, the theater, and sports attendance combined—even if the charge were only a nominal 25¢ hourly.

No Public Choice Except to Pay or Not to See

A shift of key attractions from free to pay-TV would also have a destructive impact in another area of national interest, not directly related to the viewing public. American business relies on mass-circulation TV as a primary instrument for selling goods and services. The $1.3 billion spent [by advertisers] in TV last year was spent to create and maintain a mass market, resulting in lower cost to the consuming public. If the props supporting television's mass circulation are carted away by pay-TV, our economy will lose one of its great driving forces.

The direct effects on the public, and the indirect impact on American business and advertising, would not, ironically, be the result of any public choice. The public would be left no effective opportunity to express a preference.

To see an attraction pay-TV had removed from the free service, the choice facing the viewer would not be between the two systems. The choice would be to pay or not to see.

This is the principle on which pay-TV was conceived: some people will pay to see television's key attractions if that becomes the *only* way of seeing them. Even this minority which would pay rather than forego certain popular programs could support a pay-TV system in bonanza fashion. It would require only a few shows to start the process, and then the pay virus would spread across the body of today's service with the fatal progression of an uncurable malignancy.

It is a play on words to say that the development of pay-TV will depend on public choice. It is not free public choice—it is the denial of free public choice that alone can enable pay-TV to advance once it has its beachhead. It is also a play on words to say that the public will not pay for what it now gets free. When a TV attraction is taken over by pay-TV, it is no longer free.

The conclusions I have stated on the probable public consequences of a pay system seem inescapable to me. But we deal here with futures, and no man can write the story of tomorrow with total clairvoyance. The best one can do in such a situation—and this applies particularly where major issues of public policy are presented—is to analyze all of the factors, draw reasonable conclusions from them, and then weigh the risks to the public from the alternative courses of action available. In my opinion, the balance of public interest weighs heavily against the establishment of pay-TV.

As far as NBC itself is concerned, we neither seek nor wish to enter pay-TV. But if it comes, and if it follows the step-by-step progression I have outlined, we—like the public—will have no real choice. Our only choice will be to go in the pay-TV field or go out of business.

Wireless or Wired Pay-TV—Both Mean 'Price Tag'

All the considerations I offer here have been presented by NBC, in relation to *wireless* pay-TV, to the FCC and Congressional Committees in previous studies of the subject. While *wired* pay-TV has not as yet been considered at the governmental level, we have, also within NBC, seriously and objectively sought to analyze the public effects of such a non-broadcast operation.

I spoke on this question recently in Pittsburgh. I then said: "We recognize the technical and philosophical distinctions between the two types of operations"—pay-TV on a wired basis as distinguished from pay-TV on broadcast frequencies. "The wire system does not involve the use of TV channels dedicated to free broadcasting, which removes one of the philosophical objections. Its operation would not automatically black out a free program, and this removes one of the technical objections. But as far as the practical effects on the public are concerned, we see no difference between the two systems. If either becomes established, the end result, I believe, would be the replacement of a broad-based free service by a narrower service with a price tag on it."

As a witness before you, I have felt it important to call your attention to these considerations relating to pay-TV, whether on a wireless or a wired basis. Legislative action on wired pay-TV, however, raises a series of jurisdictional, legal, technical and regulatory questions which only the Congress itself is in a position to study and determine. I will, therefore, confine my remaining remarks to wireless pay-TV.

As I have mentioned, apart from the over-all effects of pay-TV, the wireless system involves a further factor which is direct and immediate in its impact on free broadcasting. Every time a pay-TV program is broadcast by a TV station, it blocks out a free program on that station. In every community where a pay-TV program might broadcast, it would automatically curb the free service available—with the reduction ranging from 25% in 4-station communities to complete elimination in one-station areas.

'Subtracts Facilities' from Free TV

Use of broadcast frequencies for this purpose would be misuse—the very opposite of the standard of "public interest, convenience and necessity" which governs the administration of the spectrum. It would effectively subtract facilities from free TV and would be wholly inconsistent with the governmental policy of seeking to make *additional* facilities available for service to the whole public.

The FCC has announced that it will entertain applications for broad public tests of wireless pay-TV, but will defer action on these applications until March, presumably to provide an opportunity for Congressional consideration of the subject.

In my view, the proposed tests promise no meaningful resolutions of the issue. The impact of pay-TV will become apparent only as it establishes itself as a going business. Only then can it spread out to force a national subscription audience and obtain sufficient revenue to provide the type of programs it would normally offer. Tests provide an artificial, not a real, environment for assessing the effects of pay-TV, for they can be conducted on a basis far removed from the realities of the operation once the tests conclude.

The FCC recognizes this dilemma in its statement that "field demonstrations under highly circumscribed conditions and limitations would be unlikely to yield reliable indications of how subscription television would be likely to operate if later authorized on a more general scale. On the other hand we do not believe that we could at this stage justify the authorization of subscription television on an unlimited or general scale, even for a prescribed trial period."

Tests Mean 'Infiltration Beyond Recall'

The proposed tests would not resolve this dilemma. They simply skirt a decision on the basic issue. They offer the pay interests a golden opportunity to infiltrate, beyond recall, under the guise of experimentation.

Since authorization of pay-TV would produce a profound change in the present broadcast system, with far-reaching effects on the American public, it raises a fundamental public policy issue which should be resolved by the Congress.

I urge that this Committee officially request the FCC to withhold action on the pending pay-TV tests until the Congress has resolved this public policy issue; that it report favorably on the proposed legislation which would prohibit the use of broadcast channels for pay-TV; and that it take appropriate action to expedite enactment of this legislation by the Congress.

Statement of Leonard H. Goldenson

President, American Broadcasting-Paramount Theatres, Inc.

WE HAVE STATED our opposition to pay-TV on many occasions. Our reasons are explained in statements filed before the Senate Interstate and Foreign Commerce Committee during hearings held in April, 1956, and before the Federal Communications Commission.

We have also opposed the Commission's plan to authorize pay-TV on a "trial" basis. I have submitted to Committee counsel for distribution to members of this Committee copies of our Comments dated July 8, 1957 and Reply Comments dated July 22, 1957, which we filed in response to the Commission's proposal to authorize pay-TV on a "trial" basis. Rather than repeat our position on "trial" authorizations in full detail in this statement, I believe that it would be preferable if I were to summarize it briefly and respectfully request that you make our Comments and Reply Comments a part of your record.

Our position is:

1. Pay-TV will supply little, if anything, that the public does not receive today on free TV—and with each succeeding season TV expands its already rounded program service.

2. If pay-TV succeeds, the programs now seen on free

TV will move to pay-TV. The public will be the loser, for it will be forced to pay for programs it now sees free.

3. Those who will suffer most will be people in the lower and middle income groups, those who can least afford to pay. These are the ones to whom a TV set is a means through which they can bring their families into contact with everything which is most exciting in the whole field of entertainment, sports, news and information and public affairs—indeed, the whole gamut of our activities as a nation.

4. The FCC was created by Congress to develop and foster our American system of free radio and free TV—not to authorize or encourage another system, which could lead to its destruction, without first ascertaining the will of Congress.

5. Irrevocable changes should not be made in the system which the Commission was established to aid and develop until the Congress expresses its will.

6. Commission experience demonstrates the difficulty of "turning the clock back" after interests become established, after the public has relied upon the Commission's action, and after substantial expenditures have been made.

7. Congress should not be by-passed on matters of basic national policy.

Would Mean Destruction of Free TV

The above outlines the position we have taken before the FCC. We believe that the Commission's action authorizing pay-TV on a "trial" basis would, if fully implemented, result in the establishment of pay-TV for all practical purposes even though it is supposedly on a "trial" basis. And this, we believe, would lead to the destruction of free TV.

I have spent most of my adult life in the entertainment business, dealing with program packagers, producers, performers and agents. These people are naturally interested in obtaining the maximum price for their products and services. This is not said critically. People in the entertainment business are no different from people in any other business. This being the case, I am convinced that a pay-TV system would soon strip TV of its most popular programs by the sheer weight of its bidding power.

Let me illustrate this by saying that the producers of programs would favor charging 1,000,000 homes 50¢ apiece with a gross of $500,000 to charging 10,000,000 homes 1¢ apiece or $100,000—a typical charge to advertisers. It can readily be appreciated that the potential of pay-TV—if it works—would make it almost irresistible from a profit standpoint.

Under our present system of free TV, the public can now receive a wide and varied selection of programs—dramatic, musical, sports, public affairs, discussion and news. The fact that the public would be charged for the programs on pay-TV is no assurance that the quality of television programming would improve. Nor is there any assurance that pay-TV programs ultimately would not carry advertising. If this occurred, the American people would pay for exactly what they now receive free.

Who Would Pay for Public Service Programming?

But would they continue to receive the public service programming now provided by our present system?

Our present system enables free TV to bring to its audience political conventions, Congressional hearings, Presidential addresses, and other special events of national importance. This is made possible only by the nation-wide interconnection facilities of the networks. These facilities also play a highly important role in our national security.

Free TV also donates time for thousands of public service announcements for charitable promotions, Treasury bond sales, Armed Forces recruiting, and similar drives.

The revenue which networks receive from commercially sponsored programs makes possible the presentation of public service programming which individual stations on their own cannot afford. Any significant threat to the economic base of free network TV threatens this programming—at a time when it is more important than ever to have an informed and alert citizenry.

There are approximately 47,000,000 TV receivers now in use. These receivers represent a multi-billion dollar investment by the American people—an investment made in reliance upon the continuation of free TV service. It would be a flagrant breach of faith to change the fundamental concepts on which our system is based—a change which would create classes of viewers based not on choice but on ability to pay.

The inability of a network to broadcast its program in markets where scarce facilities are used for pay-TV programs, would make free TV programs unacceptable to national advertisers and cause their cancellation throughout the country. As this occurs, the economic base of TV advertising would dry up, and this in turn would result in the end of free TV.

How Pay-TV 'Trial' Would Work

This problem could be presented by a "trial" of pay-TV even though restricted to markets with 4 services. Let us take an example familiar to all of you—Washington, D. C.—one of the markets in which tests may be authorized. Channels 4, 5, 7 & 9 are assigned to Washington. These are all the VHF channels which can be assigned. Today—Wednesday—your local papers carry the evening program for these channels, and you are no doubt familiar with many of the programs listed. Assume one year from now that we have pay-TV in Washington. Pay-TV programs could well replace free TV programs you can see tonight. For example, on Channel 7 in the prime evening hours—7:30 to 10:30—you can see programs ranging from *Disneyland* to the Wednesday Night Fights. If Channel 7 were devoted to pay-TV during those hours, none of these programs will be listed in your paper—the channel would be blacked out unless you paid. If 2 of the stations in Washington devoted their prime evening hours to pay-TV, there would be only 2 stations left to accommodate the free programs now provided by the 3 networks and other program suppliers. That is what pay-TV could mean to Washington.

Will Join 'Em If Can't Lick 'Em

We cannot believe that Congress will permit the destruction of our present TV service, or that the American people would tolerate its destruction; nevertheless, it is incumbent upon us to state what our position would be in this unlikely event.

We are strongly committed to continuing our growth as a free TV network with the programming bill paid by the advertiser, rather than by a limited segment of the public. This position is based upon an evalution of our own business position as well as the public interest.

We know that we may expect an increasingly successful network operation under the present system of free TV. The growth of the ABC-TV Network, which in 1957 provided 100,000,000 TV listening hours a week to the American public compared with 50,000,000 in 1955, is dramatic proof of this.

In the event, however, that pay-TV were to become a successful reality with the resulting deterioration of free TV, we would be obliged, as a matter of self-preservation, to enter the pay-TV field, and our experience and know-how in the entertainment field should enable us to take a leading position should this occur. Nevertheless, we prefer to continue to serve all the American people with a constantly growing and improved program service rather than depend on a small portion of the public for a possibly higher profit.

We will, therefore, continue to operate as a company under either the present free TV system or a substituted pay-TV system. We cannot say with any certainty at this time which system would provide the most benefit to us, since there are too many unknowns in the pay-TV picture. However, we do know which system will give the most benefit to the American public.

The Commission and the proponents of pay-TV have stated that it is in the best American tradition to give pay-TV a test. To permit such a test is equivalent to starting an epidemic to test a new vaccine. Once the epidemic has started, it cannot be controlled. Even "limited" 3-year tests, because of the investment required, would create economic interests which once established would be virtually impossible to dislodge.

The suggestion that this investment and established viewing habits developed over a 3-year test period would not virtually require final approval by the Commission, is unbelievable. Past Commission experience is directly to the contrary. The existing VHF-UHF dilemma is a classic case in point.

Policy Must Be Congressional Decision

The fundamental precept of the Communications Act is operation in the public interest. Clearly the public interest cannot and would not be served by the destruction or weakening of our present system. In the last analysis, when you cut through all the arguments for and against pay-TV, it is inescapable that what is proposed is a major reshaping of our national policy in the field of broadcasting. A matter of this magnitude, with its far-reaching implications, should be one for Congressional rather than administrative decision.

I do not venture to suggest to this Committee what specific action might be taken on the several pending Bills dealing with this subject. However, I do believe that this Committee should make known to the Federal Communications Commission that no authorization, trial or otherwise, should be granted pending your determination of our national policy. The question is whether the people will be deprived of free TV. The decision is yours.

Statement of Frank Stanton

President, Columbia Broadcasting System, Inc.

IN THE INTEREST of conserving the time of this Committee, I ask permission to submit, for the record, the Comments that we have filed in the pay-TV proceedings before the FCC. I also ask permission to introduce into the record an analysis of pay-TV, *Free Television and the American People.** We prepared this for a meeting last week with the affiliates of the CBS-TV Network. [See also Special Supplement of Jan. 18, 1958, published by *Television Digest.*]

With all deference to the FCC, I am comforted by the feeling that the issue of pay-TV is now in the proper forum. The comments which I am submitting for the record set forth the reasons why our lawyers entertain profound doubts that the Commission has the power to authorize or regulate pay-TV. Quite apart from the legal considerations, however, pay-TV involves a question of national policy in which the public has an enormous stake. As I will develop in the course of this statement, public tests are inadequate to resolve the issues in this case. Therefore, we stand in the right place now when we ask the Congress, as the representative of the people, to decide the fundamental public policy question of pay-TV.

Now, let me state in most summary terms: first, the position of CBS on pay-TV and second, the reasons for that position. Then, I shall move as quickly as possible to a statement in somewhat more detail of the basic question before this Committee—the question of a public test, and why we believe that such a test, whether limited or unlimited, is fundamentally fallacious.

There Can Be No Co-Existence

The basic position of CBS is this: We are for free TV. We are for it as it is today and as we are confident that it will develop and improve in the future.

Since we are deeply convinced that pay-TV and free TV are incompatible, our stand for free TV means that we necessarily must be against pay-TV. We believe that it is impossible to be for both, because there can be no co-existence between pay-TV and free TV as we know it.

* 39p. booklet available on request from CBS, 485 Madison Ave., N. Y.

Therefore, we support legislative action which would prevent administrative authorization of the use of the free airwaves for pay-TV, until the Congress itself has granted that authority.

I should make clear that our position concerning closed-circuit or wired pay television—which I do not understand to be before this Committee and which is not before the FCC—is a little different. Closed-circuit pay-TV does not involve the use of the airwaves dedicated to free TV. We feel that for us to seek prohibitory legislation would put us in the position of asking Federal protection from competition which does not use the airwaves which free TV has done so much to develop. Therefore, we do not ask for legislation which would prohibit closed-circuit pay-TV. Nevertheless, I would point out (1) that closed-circuit pay-TV proposes to ride piggy-back on free TV since it must use existing TV sets which were bought to receive free programming; and (2) except for the fact that closed-circuit pay-TV would not directly black out the airwaves, it will have all the same injurious effects on free TV as will over-the-air pay-TV.

If There's Pay-TV, We Will Get Our Share

We do not believe that our own ultimate economic interests are at stake in the resolution, one way or the other, of the issue of pay-TV. If the Congress should decide that pay-TV is in the people's interest, and if pay-TV then begins to take hold and to supplant free TV, we shall participate in it, if we must, to survive economically. We would have all the facilities, the know-how and the experience for providing entertainment on the TV screens in the American home. If we must go into it, we believe we would get our fair share of the multi-billion dollar bonanza which the pay-TV promoters portray.

So we do not think that the economic fate of CBS-TV hangs in the balance on the issue. But we do believe that the fate of free TV as we know it today does hang in the balance. We believe that the major—the only important—stake in the issue is the public's. We believe that if pay-TV becomes a reality, not we, the networks and the broadcasters, but the people will be the losers.

Since other witnesses have already ably stated the reasons against pay-TV, I want to review briefly why we have become convinced that the public would most surely be the loser if pay-TV goes forward and should succeed.

Pay-TV, by its very nature, must be essentially subtractive rather than additive. It is subtractive because it proposes to use channels now dedicated to free TV. Each time a scrambled signal goes over the air, it necessarily blocks out a free signal. Thus ultimately here in Washington, for example, pay-TV would use Channels 4, 5, 7 and 9—not the unused ones in between because those are occupied in neighboring population centers.

Pay-TV Is 'Subtractive'—Would Siphon from Free TV

Pay-TV is also subtractive because of its enormous potential for siphoning programs from free TV. It cannot and will not limit itself to "new" programming not now on the air. It must turn to the programs, the people, the talent now making up free TV. And with the enormous number of dollars which just a small minority of the audience can bring in, pay-TV will most certainly be able to take those free programs away. It will have to do so if its promoters are to amortize their tremendous initial costs.

But I need not labor the point, for the pay-TV promoters have already made it for me. It is they—not we—who have talked about seizing baseball, professional and college football, star talent and plays from free TV.

I agree that the World Series might be one of the last programs to go, but what the lawyers for the promoters say to you about the World Series is different from what the promoters say to prospective investors. Telemeter recently said: "The World Series in the future conceivably will be able to gross as much as $25,000,000." (They were talking about pay-TV.)

The siphoning process has nowhere been summed up more simply than by the only station applicant which has filed with the FCC for a license to go forward with pay-TV. That applicant has said: "We ask merely for the authority to sell, if we can, something which is now being given away." I cannot say it any better than they have said it.

Would Sell What's Now Being Given Away

The consequences of pay-TV will be a real misfortune for the American people. Viewers will have to pay for what they now receive free. And for the first time, television, now a democratic unifying force, will be divisive. Where now the best in television is available to all Americans pay-TV will fence off the best for the carriage trade. One prosperous viewer can pay—and deprive a dozen of his neighbors of the programs they are now enjoying.

The costs to the American people will be enormous. Each family would have to buy or rent a decoder costing between $40 and $85.

On top of that will be the charges for programs. To watch pay-TV for two-thirds of the number of hours that it now actually watches free TV, the average family would have to pay $473 a year. This is 7 times what the average family spends annually on shoes; 3 times what it spends on heating and lighting its home; and, more than it spends on all medical and dental bills, plus all drugs and medicines, plus all cosmetics and shaving supplies, plus all dentifrices.

Even if we take a figure of only $100 a year, which has been suggested by the pay-TV promoters as the anticipated average collection per family, that amount is more than 3 times what the average family now spends for all admission fees put together, and substantially more than it spends for shoes. And for this $100, at an average of 50¢ an hour, the family would get only 4 hours of viewing a week—which is only a little more than one-tenth of the time it now devotes to free TV.

Again, not we, but the pay-TV promoters have put this problem of cost to the American family most forcefully, "We can," said an officer of Telemeter, "nickel-and-dime them to death."

Those, briefly, are some of the reasons why we feel compelled to oppose pay-TV: it will black out free channels; it will siphon away free programs; and it will divide the audience along economic lines.

Fallacy of the Test—Trial Unnecessary

Let me turn now to the imminent issue—the issue on which the controversy concerning pay-TV has tended to focus. That issue is whether there should not be some sort of test of pay-TV. I think that perhaps confusion arises out of the fact that different people are talking about different tests—and sometimes the same people are talking about different tests at different times. And nobody has really stopped to analyze what, if anything, needs to be tested or how success or failure can be measured.

What I want to do now is to demonstrate: first, that no test is necessary; second, that the entire concept that there can be a democratic public choice with respect to pay-TV is fallacious; and third, that the test proposed by the FCC cannot achieve the Commission's objectives.

You have been told that a trial is necessary because the FCC lacks the decisional facts required to determine whether pay-TV would be in the public interest. But the decisional facts sufficient to justify denial of the pay-TV proposals are available in abundance.

There is no dispute with respect to the blackout of free channels. When a station is broadcasting pay-TV, it is blacked out for those who want to see free programs.

There is no dispute with respect to divisiveness. It must be clear that the prosperous family will be able to view more programs than the average family.

There is no genuine dispute with respect to the siphon. The pay-TV promoters have said, over and over again, that they intend to put on the air the mass-appeal attractions which are now on free TV. And the FCC itself has stated in its Report "that some kinds of programs hitherto available under the present system would probably be subjected to a charge on the viewer."

Indeed, ordinary common sense shows that producers, stars, writers, motion picture companies and others will respond to the lure of higher pay just as everybody else does. If they can make more money out of pay-TV than out of free TV, they will move to the greener pastures.

The People Would Pay

In addition, it is clear that people would rather see a baseball game free than pay for it. And all available evidence indicates that people would pay for the programs they like best if they could not get them without paying. A Gallup Poll found that 31% of those interviewed said that they would pay for the *Ed Sullivan Show* if they could not see it free. Surveys by Politz, Pulse, Roper, and the major league baseball owners have reached similar conclusions.

On the other hand, there is a striking absence of decisional facts to demonstrate the advantages of pay-TV. The briefs filed by the proponents' lawyers contain only the vaguest and most illusory promises. No principal of any proponent has appeared before the FCC or this Committee. Where a small group of people are proposing a scheme which bears within it so much danger and disadvantage to the public, one wonders what has happened to the old-fashioned concept of asking a proponent to meet a burden of proof.

The Canadian Royal Commission on Broadcasting, a government body composed of distinguished citizens, had these same proponents before it. This Commission had no difficulty in making the predictions which resulted in their rejection of pay-TV. They said "subscription television would tend to canalize for its own use the great popular programmes now offered free to the viewing public."

We feel that the decisional facts for free TV and against pay-TV are clear. A test is unnecessary. An informed decision can be made now.

Test Can't Establish Majority Public Choice

Not only is the test unnecessary, but the very concept of a test is, in this case, fallacious. The broad argument is made that America is built on new enterprises which must have an opportunity to succeed or fail in the marketplace. Therefore it is urged that the public should be permitted to decide the fate of pay-TV by accepting or rejecting it. This sounds overwhelmingly sensible and in the best traditions of free enterprise. But, in this case, it just doesn't work out.

There are two reasons for this. First, there is no majority choice involved. Nobody is proposing that the test be whether a majority of the people want pay-TV. That is a test which pay-TV cannot meet.

The concept of a test by public choice in the marketplace is nothing more than a test to determine whether pay-TV promoters can make money. This is only a test of whether a minority will pay enough to make pay-TV profitable. But proving economic profitability does not prove public interest. We know right now that it is not in the public interest to permit one viewer to black out a dozen.

Second, there is a vital distinction which destroys the analogy involving competition between new and traditional products. Let me demonstrate this with some examples. The ball-point pen competes with the fountain pen and the electric razor competes with the safety razor. But, although the ball-point pen is a competing means of writing, it does not prohibit the fountain pen from occupying a place in a pocket. The electric shaver is a competing means of shaving, but it does not forbid the safety razor from occupying a place in the medicine cabinet. There is a crucial distinction between pay-TV and such examples; pay-TV does propose to occupy the scarce TV channels dedicated to public use. It does propose to oust free TV from these very channels.

It is these fundamental distinctions which make the notion of a people's choice during a test of pay-TV wholly unrealistic.

The Test Proposed by the FCC

I originally came here to oppose the Commission's Report, which set forth the conditions of the test. I have since learned, from statements made before you last week by members of the FCC, that the conditions will be varied from case to case and improvised from station to station as applications are processed, without continuity, uniformity or certainty.

It seems to me, however, that I must initially take the Report at face value. It is our conviction that the so-called test there proposed is neither limited nor controllable and that, in fact, it is no test.

According to the Report, each pay-TV system may operate in 3 of more than 20 eligible areas. These areas include more than 40 different cities in which stations, assigned to those cities, are actually on the air. In these areas are the largest markets in the nation, precisely where the advocates of pay-TV have said they want to operate if there were no restrictions at all.

There is no limitation on the number of pay-TV systems. Five have already been proposed, and more may be feasible. The so-called test could, during its duration, become effective in all 20-odd markets. On the assumption that only the three principal proponents will elect to participate and that they will decide to operate in the nine largest markets, 15,000,000 TV families—36% of the nation's total—will be within the test area.

The period of the trial authorization is 3 years. The Commission has stated in its Report that it would not terminate the tests before the 3-year period without evidentiary hearings; and that it might permit them to continue, after the 3 years, during the time required to conduct hearings and reach a final decision.

The Report places no restrictions on the number of stations in a market which may participate, or on the number of hours during which each station may broadcast pay programs (except that it must broadcast 28 hours of free TV a week), or on the times of day during which pay programs may be broadcast, or on the prices that may be charged to the public, or on the kinds of programs, or on the use of advertising.

Huge Investments Would Be Involved

The Commission stated in the Notice which preceded its Report that it did not want to encourage "inordinate investment" during the trial. But it has done just that. If only the nine largest markets were involved, the cost of equipping only one out of 4 of the TV homes in the test area with decoders would, on the assumptions most favorable to the proponents, be just under a quarter of a billion dollars.

In addition, huge investments would have to be made, largely by local businessmen, in establishing and maintaining the expensive organizations for distributing decoding information and collecting program charges. All of these expenses the public would, of course, be expected to bear in one way or another.

These inordinate investments will inevitably generate their own pressures. It will be extremely difficult to terminate this test and, thus, to destroy these enterprises and investments.

'The Power to Siphon'

I am not under the illusion that the test will immediately bring about all of the evils of pay-TV or that it will demonstrate the full power of a permanent authorization. But during the trial, the power to siphon will be present. If only 10% of the TV families now viewing the *Ed Sullivan Show* in the 9-market test area paid 50¢ for the program, the promoters of pay-TV could pay the stations, take $100,000 for their own costs and profits, and still offer the talent appearing on the show 2½ times what is now being paid.

Certainly, during the protracted period of the test, the blackout will be in operation. This would be true even if only one station in the eligible markets were broadcasting pay programs. In many of the eligible markets there are rural, outlying and fringe areas of considerable extent which receive Grade A service from one of the 4 (or more) stations serving the area. For instance, in the Milwaukee area, if WISN-TV went to pay-TV, approximately 180,000 people would lose their only Grade A free service during the period of pay operations. The shift to pay-TV by a single station in each eligible test area will deprive, in total, more than 1,000,000 people of all free Grade A service.

Beyond this, there is nothing in the Report to prevent all of the stations in the market from presenting pay programs at the same time during the peak viewing hours of the evening, and during that period from producing a total blackout for everybody in the market.

Broad as this test is, it may not show the full impact of pay-TV on free TV. It is reasonable to expect the pay-TV promoters to be on their best behavior pending full authorization. They may indeed occasionally give us differential calculus, as they have promised, instead of Jayne Mansfield. They may indeed leave Perry Como and the World Series alone. With so much at stake, self-restraint would simply be self-preservation.

An attempt to pass judgment on the ultimate programming of pay-TV on the basis of a trial is like attempting to write a book on child behavior based on the actions of children during the week before Christmas. But here the stakes are not a tricycle or a doll—they are $6 billion a year. The proponents will have the incentive, the resources, and the patience to walk carefully.

FCC's Rules Are Only Improvisations

Thus far, I have been discussing the proposed test specified by the FCC Report. When appearing before this Committee, however, members of the Commission stated that they might depart from the Report and adopt varying rules on an application-by-application basis.

In these circumstances, it is difficult if not impossible for us, or this Committee, to assess the test since its rules are still being improvised. But even to the extent that the improvisation has begun, new difficulties have already emerged. For example, although no such limitation appears in the Report, the Chairman of the FCC indicated that all stations in a market might not be permitted to participate in pay-TV and that he might be reluctant to grant the last 2 or 3 applications in an eligible area. If this suggestion should be adopted, a built-in incentive to abandon free TV would be provided. The first station to apply might have an advantage to the point of monopoly by squatters' rights. It would put a premium on early desertion from free TV. The stations which remained loyal to free TV would be subject to the great risk of being frozen out of pay-TV.

In any event, it would appear that the FCC is improvising new rules which cannot result in a meaningful test. For example, if it will not grant the applications of the last 3 stations in a market, or if it will allocate different hours to different stations in the same market, it may well alleviate some of the evil consequences of the test. But by the same token, it will have robbed the test of all possible validity for it will have made it impossible to prove the basic point at issue—the impact of pay-TV on free TV.

Test's Basic Fallacy and Impracticabilty

To launch an explosive missile from Cape Canaveral over the lonely wastes of the ocean is an experiment. To drop that missile on Pennsylvania Avenue is not an experiment. The impact of the so-called pay-TV experiment which is proposed will have immediate effect upon 15,000,000 TV families.

The Commission apparently believes that after inordinate investments have been made, after pay-TV has been in operation for years, after artists and producers have been accustomed to vastly higher pay, after millions of viewers have become habituated if not reconciled to the pay system, hearings will be held to determine whether the *fait accompli* created by the Commission should be reversed. It may well be too late at that point to reverse the course of history. People will be paying to unscramble pay-TV signals, but the pay-TV test itself will be hard to unscramble.

The difficulties of these tests are not difficulties of details; they cannot be fixed by a little patching here and there. These difficulties are symptomatic of the fundamental fallacy and impracticability of the basic concept of these tests.

Forty-two million American families watch TV on an average of 5 hours a day. They have invested $22 billion on the assumption that they would continue to have free access to the channels which have been dedicated to the public use. We feel that the investment and the reliance of the public in these airwaves deserve Congressional protection.

In the final analysis, there is no easy way out—the matter has to be voted up or down. Tests provide no escape from decision. The decision can be reached by analysis and expert judgment. That must be done here—by you gentlemen who represent the people.

■ ■ ■