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

Television Digest with ELECTRONICS REPORTS

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SUMMARY-INDEX OF THE WEEK'S NEWS — April 5, 1958

COMDR. McDONALD'S NEW PUBLICITY PITCH: Whatever else you may think about Zenith's pres. Eugene F. McDonald -- and he's not a man to ignore, especially as a competent & successful manufacturer and merchandiser -- you must concede he's one of cleverest publicity hounds in the land. His method is provocation, controversy, anything to get his name and Zenith mentioned -- for it helps sell goods. We doubt whether anyone has ever gotten so much free advertising mileage out of a single subject, over so long a period, as he has squeezed out of pay TV.

That issue has been shelved temporarily, as everyone knows, at Congressional behest after open and aboveboard hearings in which the networks and the overwhelming preponderance of TV stations opposed it (Vol. 14:9).

We now give you herewith (pp. 7-10) McDonald's latest effusion which, like so much of his previous output along similar lines, would be another smart publicity gimmick worth its weight in ad linage were it not for the point-by-point reply of CBS's scrappy Richard S. Salant, printed alongside.

This time it's a letter he sent to selected newspaper editors and Congressmen, raising the bugaboo of "thought control [by] 2 or 3 men in New York." Burden of a rather nastily worded pitch -- he even gratuitously sideswipes Eric Johnston and foreign aid, an utter irrelevancy -- is that the networks pushed a button, forced their affiliates to oppose pay TV, and thereby unleashed a horrendous flow of anti-pay TV reaction. The charges are so obviously aimed at CBS (though other implications are clear, too) that Salant undertook to demolish the charges one by one.

What's implicit in the McDonald tirade, which almost says so outright, is that anti-pay Congressmen and Senators are such easily-swayed dopes, so fearful of TV and its political influence, so subservient to the network lobby, that that's why pay TV failed to get an immediate go-ahead for tests. He seems to believe station managements, let alone members of Congress, have no minds of their own -- and that the networks have manipulated Congress and the public better than he has with his own well-heeled publicity machine and very substantial representation in Washington.

McDonald's tirades are frequently ignored by his opponents, who hesitate to get into a hissing contest. But Salant, doubtless with the approval of Paley and Stanton, couldn't let this one pass -- and he takes on the old master with a letter addressed to McDonald that's simple, straightforward, documented.

Knowing the McDonald tactics of old, it's plain to us that he's again trying to play newspapers against TV, just as he tried to play the movies against TV. Mainspring of all his publicity campaigns is the indefatigable Ted Leitzell, Zenith public relations director, an old newsman, backed as usual with a fat purse.

Aware that we too seem to be playing into McDonald's hands by giving so much space to his dark mutterings -- that we may be abetting the old dodge of I-don't-care-what-you-say-about-me-as-long-as-you-spell-my-name-right -- we're printing the unabridged letters so that you can judge the case for yourself.

* * * *

Note: Since we're taking a rare editorial stand, you may ask just what we, from our informational vantage point, think about pay TV. We make no bones about it -- and it can't be said that we're prejudiced simply because McDonald has been so harsh a critic of TV and so seldom a user of the TV (or radio) advertising medium:

Except for closed-circuit potentials, now being tested by commercial and educational interests, we think pay TV promises little more than pie-in-the-sky. We don't share the broadcasters' apprehension that tests might hurt free TV. Quite the contrary, if they're properly supervised, kept free from stock-jobbing and free from publicity maundering, they might be worthwhile. But not on Zenith's terms.

Neither Zenith nor anyone else has so far offered any definitive programming plans. They've signed up nothing even conditionally by way of programs not available to free TV (except maybe new Los Angeles Dodgers & San Francisco Giants); have no real commitments for promised first-run movies, stage plays, operas, symphonies, educational courses -- and would seem to have little prospects of getting them.

We're convinced any fair test of pay TV would fail so ignominiously that the chimera of toll TV would finally dissipate.

THREAT OF GOVT. CATV REGULATION RECEDES: A real victory for community antenna system operators emerged from FCC this week -- almost obliterating the spectre of govt. regulation. Decision came in 2-year-old case involving "complaint" filed by group of small-town TV & radio stations (for list, see p. 14) which feared CATV systems would stymie local stations. They asked the FCC to declare systems "common carriers" and to proceed to control their rates and services (Vol. 12:14).

Commission turned stations down flatly, and here's nub of its reasoning, as given in Public Notice 58-311, full text of which will be available in 1-2 weeks from Govt. Printing Office: "Fundamental to the concept of a communications common carrier is that such a carrier holds itself out or makes a public offering to provide facilities by wire or radio whereby all members of the public who choose to employ such facilities and to compensate the carrier therefor may communicate or transmit intelligence of their own design and choosing...The choice of the specific intelligence to be transmitted is, therefore, the sole responsibility or prerogative of the subscriber and not the carrier."

CATV operator makes choice of what he gives subscriber, decision goes on to say, thus differs significantly from basic concept of common carrier. Commission also notes that even if CATV systems could be called common carriers there's serious question whether FCC could actually "restrict or control the entry or operation of

CATV systems in the interest of protecting or fostering TV broadcast service in particular communities -- which appears to be the real objective of complainants... For example, common carriers are not required to obtain any certification or other authorization under Sec. 214(a) of the Act to construct or operate 'local, branch, or terminal lines not exceeding 10 miles in length.'" Also, Commission says, most CATV systems have equipment located within single state, thus presenting "substantial question" whether they're involved in interstate commerce. Commission vote was 5-0, Bartley abstaining, Lee not participating.

Not only is shadow of Federal govt. control practically banished by decision but CATV operators believe their cause will be helped considerably before state utility commissions -- some of which have declared systems common carriers, though most such rulings are being contested in courts.

HARRIS REPORT STERN—BUT NOT FIERCE: FCC really comes off quite well in this week's Harris subcommittee report on "personal misconduct." Report is no whitewash, but it names no names, cites no specific allegations of law violation, passes buck for possible prosecutions to Justice Dept. It calls for laws to tighten up Commission's activities -- and even some commissioners say "amen" to that.

Interim report was issued April 4 (18pp., available from the Govt. Printing Office), adopted unanimously, and at news conference Chairman Rep. Harris (D-Ark.) said "this phase" of investigation is over. However, he said, group will go further into FCC, at same time it works on SEC & FPC. He said some 20-25 more comparative TV cases will be studied but that further hearings won't be held "until we have more facts." Other FCC matters to be studied: anti-trust, patents.

Report is certainly more temperate than might have been expected from the kind of ruckus raised at times during last few months. For example, Comptroller General is scolded for his "ambiguous" rulings on commissioners' expenses; acceptance of honorariums for speeches is regarded as "stretching" original Congressional intent; acceptance of color sets, etc. is regarded with "serious doubt" because experimental days of the equipment may be past.

Not a word in the report, however, of self-reproach for what everyone in the industry knows -- and what the Moulder-Harris hearings themselves brought out -- is the most persistent if not most pernicious "influence" lobby of them all: Senators, Representatives, other politicos seeking special favors.

Justice Dept. has picked up ball and its grand jury investigation of TV cases continues. It's known that jury has called witnesses in Miami Ch. 10 and Pittsburgh Ch. 4 cases. Though there's talk of Harris subcommittee and jury going into others -- such as Indianapolis' Ch. 13 & Boston's Ch. 5 -- jury hasn't called anyone.

* * * * *

Report says legislative recommendations will be made in 4 areas:

(1) Code of Ethics. Law should require FCC to adopt & publish code, revise it from time to time. It should cover ex parte contacts, acceptance of loans and gifts, "excessive fraternization" with industry, etc. But report states that laws & codes aren't enough; that FCC members must remain "sensitive at all times." SEC this week publicized 19-point code along those lines.

(2) Honorariums. Cut them out of Communications Act. Report states that original intent of law was to provide acceptance of payment for technical books and technical papers, but it's stretching law to take money for "delivery of good-will speeches on the occasion of semi-social or promotional industry gatherings or at [inauguration of stations] or other affairs publicizing industrial developments."

(3) Ex Parte Contacts. Law should be amended to prohibit anyone from talking to commissioners or staff about adjudicatory cases -- unless such communications are made public. Subcommittee said it wants to study further whether to impose similar restrictions in rule-making proceedings. "It seems illogical," it said, "to

let the law remain silent in a case of rule-making where, as a result of the Commission's action, a TV channel in a particular community may be added or deleted."

(4) Removal of Commissioners. Law should definitely provide for removing members for "neglect of duty or malfeasance in office, and for no other cause."

Report said subcommittee wants to look further into: (1) Method of selecting or designating chairmen. (2) Powers of chairmen. (3) Powers of Budget Bureau. (4) Commissioners' terms of office and salaries.

This week's concluding sessions comprised testimony of Comr. Robert E. Lee, former chairman George C. McConnaughey, former member Frieda B. Hennock -- plus the brief reappearance of Chairman John C. Doerfer, members T.A.M. Craven & Frederick W. Ford. [For details, see below.]

Windup of "Impropriety" Hearing: This week's final testimony in "personal conduct" phase of Harris subcommittee's inquiry into FCC (above) was more of the same heard in recent weeks—Govt. "per diem" payments on trips, hotel bills, "influence" in comparative TV cases—but with a few novelties and nuggets.

Brief appearances were made first by FCC Chairman Doerfer, members Craven & Ford, former member Webster. Principal development was Chairman Harris' criticism of commissioners for taking too many trips, accepting industry entertainment and gifts. Doerfer got off his chest a blast at "influence peddlers who haven't got any influence" but "give agencies a bad reputation."

Comr. Lee was on stand for some time, and his testimony was similar to others'—that he took $12 per day from Govt. while on trips; that he let industry groups pay hotel bills; that no one ever pressured him in TV cases; that he "fraternized" with industry to extent necessary to learn about industry's operations. Regarding expenses, he said: "I have one simple test, and that has been not to make a profit on a trip." His income tax returns, he said, show he lost $132 on trips in 1956, $200 in 1957.

Lee said phone calls he made to Cleveland lawyer Charles Steadman were "personal," had nothing to do with Miami Ch. 10 case. He also denied vehemently the charges in Drew Pearson's column last week that he reversed decisions because of influence of GOP bigwigs (Vol. 14:13).

* * * *

Former Chairman McConnaughey was questioned at length about contacts with industry people, Republican committeemen, etc.—but asserted none influenced his decisions in comparative TV cases, though some tried to tell him "what good people" were stockholders in their applications. Here's how he approached decision making:

"When initial decisions were rendered, I generally studied them and read them and went over them and I pretty much had made up my mind how I was going to vote even before oral arguments." If examiners weren't reversed occasionally, there would be no need for a Commission, he said.

McConnaughey said he had lunch with Robert Choate, principal of WHDH-TV, Boston Ch. 5 winner, but that he steered conversation away from case; same, he said, with Forrester A. Clarke, of Ch. 5 loser Mass. Bay Telecasters. Commerce Secy. Weeks never discussed Ch. 5, he said.

White House contact was counsel Gerald Morgan, McConnaughey said, but they talked only about security matters, except that Morgan sometimes inquired why TV cases weren't moving faster.

Rep. Peter Mack (D-Ill.) tried to find out why McConnaughey called Richard Mack in Fla. in April 1955 even though latter wasn't due to start with FCC until July 1. McConnaughey said he simply wanted to know when Mack was coming because FCC needed all 7 members.

Sen. Holland (D-Fla.) this week released statement telling how he came to recommend Mack for job. He said Mack had done "outstanding work" on Fla. utilities commission, came to him and Sen. Smathers (D-Fla.) in 1951 to ask help in getting on ICC. Holland said that he and Smathers tried to get Mack on ICC, FCC & FPC before finally persuading administration to put him on FCC; that McConnaughey said he was "favorably impressed" with Mack before appointment.

McConnaughey also testified his law firm doesn't have any clients who appeared before him in adjudicatory matters—though he said that wouldn't be improper.

* * * *

Former Comr. Frieda Hennock hasn't changed. In her testimony, she was as vehement as ever in advocacy of educational TV and uhf, and in attacks on "monopoly." Now a counsel for Zenith, pushing pay TV with former colleagues and with women's & educational groups, she repeated Zenith's charges that "2 or 3 men in N.Y." control what is seen on TV (see p. 1). She asserted that the 3 TV networks, AT&T "and all the other monopolistic interests in this field" were responsible for getting her "kicked off unceremoniously" from FCC.

She came to rescue of "brother commissioners" who had color sets on loan. She said CBS put one in her apartment and disrupted her decor. As for trips, she said industry never paid her hotel bills—but her colleagues shouldn't be chastised, because they support families.

Miss Hennock (now Mrs. Wm. Simons, wife of Washington realtor) examined subcommittee's 16pp. list of long-distance phone calls she made during tenure, said they were to promote educational TV. She credited former President Truman for reserving educational channels, said he called all commissioners to White House, told them he had never asked any agency for anything before but that he was asking FCC to reserve the channels.

Discussing "excessive entertainment," Miss Hennock asserted she learned more by attending NAB convention in Los Angeles than she possibly could by staying in Washington. There, she said, she learned the problems of little broadcasters who couldn't afford to come to Washington and lobby with commissioners. Incidentally, FCC members still plan to attend upcoming NAB convention in Los Angeles.

Air was full of gallant comments during Miss Hennock's testimony. Congressmen complimented her appearance, her fight for educational TV, etc.

New and Upcoming Stations: KVIQ-TV, Eureka, Cal. (Ch. 6) began operating April 1 as community's second outlet and as NBC affiliate, bringing total stations now on air to 536 (92 uhf). KVIQ-TV gets network programs via off-air pickup of KVIP-TV, Redding, Cal. (Ch. 7), 94 mi. away, using tower on Mt. Pierce, 25 mi. S of Eureka. It has 5-kw RCA transmitter and 200-ft. self-supporting tower with 3-bay antenna on Humboldt Hill Rd. Co-equal owners are KVIP-TV and pres.-gen. mgr. Carroll R. Hauser. George C. Fleharty, KVIP-TV, is national sales mgr. for both stations; Frank M. Brown, ex-radio KHUM, Eureka, KVIP-TV program director; Otto Becker, chief engineer. Base hour is $200. Rep is Hollingbery.

* * * *

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

KXAB-TV, Aberdeen, S. D. (Ch. 9), planned as affiliate of parent KXJB-TV, Valley City-Fargo, N. D. (Ch. 4), has changed target to June 1, reports pres.-gen. mgr. John W. Boler. Transmitter order has been changed to 10-kw Standard Electronics, scheduled for May 15 delivery. Work on studio-transmitter building starts in April. It has 400-ft. Stainless tower on hand, but construction has been held up by weather. RCA antenna now is scheduled for May 1 installation. Base hour will be $150. Rep will be Weed.

WCHU, Champaign, Ill. (Ch. 33), planned as satellite of parent WICS, Springfield (Ch. 20), will be delayed until WICS boosts power next June to 512-kw, using 1000-ft. tower at new site 10 mi. E of Springfield, reports gen. mgr. Milton D. Friedland. WICS base hourly rate is $250. Rep is Young.

WMUB-TV, Oxford, O. (Ch. 14, educational) has changed target to Sept., writes Stephen Hathaway, director of broadcasting for grantee Miami U. RCA 1-kw transmitter is on hand, construction of studio-transmitter house has begun and 6-section helical antenna was installed on 320-ft. Truscon tower week of March 10.

WKBM-TV, Caguas, P. R. (Ch. 11) has transmitter-studio building ready atop Cerro Marquessa Mt., but hasn't set target as "heavy moisture" prevents installation of equipment until power line is installed, writes owner Ralph Perez Perry, also operator of WSUR-TV, Ponce (Ch. 9) and radio WKVM, San Juan. DuMont 5-kw transmitter has been ordered and 200-ft. Lehigh tower is ready. Rates not set. Rep not chosen.

Lively Commission Agenda: FCC got its teeth into some tough cases this week, came up with whole passel of substantial decisions. Among them:

(1) Instructed staff to draft decision again granting WJRT, Flint (Ch. 12). Case has been in courts and out since first decision May 14, 1954. FCC also told staff to draft rule denying protests against WJRT's change of site from Clarkston to Chesaning, Mich.

(2) Voted tentatively to keep WICU's Ch. 12 in Erie, Pa. and WJRT's Ch. 12 in Flint, by instructing staff to come up with decision denying rule-making which would have shifted Ch. 12 from Erie to Cleveland and/or Akron and from Flint to Saginaw-Bay City-Flint or to Ann Arbor.

(3) Finalized initial decision giving uhf (Ch. 36) operator KTVI, St. Louis, full possession of Ch. 2, on which it now operates. Decision followed merger deal whereby competitor Louisiana Purchase Co. (Lon Hocker, pres.) is to acquire stock in KTVI (Vol. 14:6,8).

(4) Denied protest of KVI, Seattle, against start of operations by KIRO-TV (Ch. 7).

(5) Made Walla Walla, Wash. all uhf by finalizing rule-making deleting Ch. 5 & 8, adding Ch. 44 & educational Ch. 50, making Ch. 22 commercial—Comr. Bartley dissenting.

(6) Denied petitions of WFAM-TV, Lafayette, Ind. (Ch. 59) and WDAN-TV, Danville, Ill. (Ch. 24) to shift Ch. 10 from Terre Haute to either city.

Commission started two rule-making proceedings: (a) To shift KTVH's Ch. 12 from Hutchinson to Wichita, Kan. —Comrs. Bartley & Ford dissenting. (b) To substitute Ch. 79 for Ch. 22 in Clarksburg, W. Va., Ch. 22 & 73 for Ch. 47 in Pittsburgh, Ch. 33 for Ch. 73 in Youngstown—Comrs. Doerfer & Ford dissenting. The petition to add Ch. 22 to Pittsburgh had been filed by educational WQED, Pittsburgh (Ch. 13), which wants an additional channel for educational programs in area. Youngstown move was sought by WXTV (Ch. 73) which wants the lower Ch. 33.

Site-move granted WTVD, Durham, N. C. (Ch. 11) permits it to move transmitter from point 9 mi. north of Durham & 20 mi. north of Raleigh to point 32 mi. southeast of Durham & 10 miles southeast of Raleigh, raise antenna from 1010 to 1510 ft. FCC held up, however, pending more information, application of KTVW, Tacoma, Wash. (Ch. 13) to move from 5 mi. east of Tacoma to Queen Anne Hill in Seattle and to increase power from 100 to 316 kw. [For details of foregoing, see *TV Addenda 26-J* herewith.]

Equal Time Verdict Upheld: Broadcasters are immune from libel suits resulting from equal-time political speeches, N.D. Supreme Court ruled April 3, upholding lower court verdict for radio WDAY, Fargo, in 1956 election case (Vol. 13:41). Farmers Union sued station for statements made by Senatorial candidate A. C. Townley, who had been given time under Sec. 315 of Federal Communications Act. Holding that WDAY was compelled by law to broadcast Townley's speech, court said: "Since the power of censorship of political broadcasts is prohibited, it must follow as a corollary that the mandate prohibiting censorship includes the privilege of immunity from liability for defamatory statements made by the speaker." Farmers Union was expected to appeal to U.S. Supreme Court. Pres. Harold E. Fellows of NAB, which intervened in case as friend of court, hailed verdict as helping to settle one of "phoniest" issues facing broadcasters, hoped "it will provide a stepping stone to final resolution, on a national scale, of our dilemma."

ADVERTISING AGENCIES: **Howard Munce** promoted to a v.p., Foote, Cone & Belding; **John L. Rigotti** named v.p., Chicago, succeeding **Frank F. Buck** who shifts to general management staff . . . **Farrell Gilmore** elected a v.p. of Ted Bates & Co.; **George W. Craigie, Christopher P. Lynch & Albert J. Petcavage** named asst. v.p.'s . . . **Elliott W. Plowe** and **Robert Stark** elected v.p.'s of BBDO . . . **Robert S. Marker** promoted to v.p. of MacManus, John & Adams . . . **Alfred Goldman** elected a v.p. of Reach, McClinton & Co. . . . **Martin Solow**, ex-Wilbur & Ciagnio, named exec. v.p. of Wexton Adv. . . . **Don Blauhut** promoted to director for TV-radio, Parkson Adv., N. Y. . . . **Miss Reggie Schuebel** heads N. Y. office at 515 Madison Ave. of new Maurer, Schuebel & Fleisher, also continuing in charge of broadcast relations with Guild, Bascom & Bonfigli Inc.; **Robert Maurer**, ex-Henry J. Kaufman & Assoc., and **Henry Fleisher**, recently publications director for AFL-CIO, will headquarter at 1025 Connecticut Ave., Washington. . . . **Doyle W. Lott** named a v.p. of Grant Adv.

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

Personal Notes: Alexander W. Dannenbaum Jr., v.p.-sales, Westinghouse Bcstg. Co., and Wilmer C. Swartley, v.p.-Boston, elected to WBC board of directors . . . Jay Gardner, ex-KOA-TV, Denver and in agency work there, named gen. mgr. of KRDO-TV, Colorado Springs, under pres. Harry W. Hoth Jr.; Dell Nelson promoted to local sales mgr. . . . Thomas L. Young, ex-national sales mgr. of KBTV, Denver, named gen. mgr. of KMMT, Austin, Minn. . . . Harry M. Engel, pres. & gen. mgr. KUAM-TV, Guam, head of rep International Services Ltd., is on globe-circling business trip accompanied by wife . . . Ralph Steetle's trip to Moscow to attend International Broadcasting Organization (OIR) conference on TV has been deferred due to postponement of conference to May 12; he's director of Joint Educational Council on TV . . . Don Chapin, national sales mgr. for Radio Cincinnati Inc. (WKRC-TV & WKRC) shifts office from N. Y. to newly created sales headquarters in Cincinnati . . . Lawrence P. Fraiberg promoted to sales mgr., KPIX, San Francisco . . . M. M. Fleischel resigns as exec. v.p. & gen. mgr. of radio WMCA, N. Y. . . . John Bradley, promoted from San Francisco office of H-R Television Inc. to midwest sales mgr., Chicago . . . W. E. McClenahan, operator of regional rep firm bearing his name, appointed gen. sales mgr. of WKOW-TV, Madison . . . Frank M. Russell, NBC Washington v.p., and Mrs. Russell were hosts March 30 to Mr. & Mrs. Wm. R. McAndrew at Congressional Country Club party for newsmen; McAndrew, from Washington staff, recently was elevated to news v.p., N. Y. . . . Joseph M. Higgins, gen. mgr. of WTHI-TV, Terre Haute, Ind., elected pres. of Indiana Bcstrs. Assn. . . . Thomas J. Foy Jr. promoted to news director of WGN-TV & WGN, Chicago . . . Ann M. Corrick promoted to asst. chief, Westinghouse news bureau, Washington . . . Lou Shainmark resigns as v.p., Guild Films, his future plans to be announced shortly; Irving Feld promoted to gen. sales mgr. . . . Howard M. Lawrence elected v.p. of Loucks & Norling Studios, N. Y. . . . Albert Ward, onetime CBS producer-director, recently with BBDO as TV executive & producer (*Fred Waring Show*, Campbell Soups, Revlon), has joined TPA in newly created post of eastern program director in charge of developing new shows and client-agency contacts.

Obituary

Harry R. Spence, 57, pres. of KXRO, Aberdeen, Wash. for 12 years an NAB director, died of a heart attack at his Aberdeen home March 25. Surviving are widow, son, daughter.

David Hendrines Broekman, 55, composer, TV conductor (*Wide, Wide World, Ford Festival* in 1951), onetime with CBS, died April 1 in N. Y. of a heart attack.

Henry I. Marshall, 75, producer in late '40s of radio show for amateurs, *Cavalcade of Youth*, writer of more than 1000 songs, died in a nursing home in Plainfield, N. J., April 4. Surviving are daughter, sister.

More Top Network Shifts: Shakeup at ABC Radio as result of decision to curtail network operations (Vol. 14:12-13) highlighted week which saw various top executives at all 3 network organizations quit or change posts, some promoted, others released. Biggest news was resignation of ABC Radio div. pres. Robert E. Eastman, succeeded by radio stations v.p. Edward J. DeGray. Leaving with Eastman, who states he will remain in broadcasting, were Thomas C. Harrison, radio sales v.p.; Wm. Hamilton, program mgr.; Irv Lichtenstein, director of promotion & exploitation; Dale Moudy, asst. to Eastman; several dozen others.

James T. Aubrey Jr., ABC-TV v.p. in charge of programming & talent, returns this week to CBS-TV as v.p.-creative services, filling staff job previously held by Louis G. Cowan, now pres. of CBS-TV div. He had quit CBS 16 months ago to take ABC job, having been CBS mgr. of network programs in Hollywood and ex-gen. mgr. of KNXT there. At CBS Aubrey now has no direct operating responsibilities, his position being described by pres. Frank Stanton as "advisory to both the chairman of the board and the president and, upon request, from the divisions, to CBS Radio, CBS-TV, CBS-TV stations, CBS news and Columbia Records."

Thomas W. Moore, ex-gen. sales mgr. of CBS-TV film sales, who joined ABC-TV last Nov. as head of sales, assumes Aubrey's v.p. post at ABC, with William P. Mullen, mgr. of ABC-TV Detroit sales div., promoted to succeed Moore as ABC-TV sales v.p. Mullen is also ex-CBS-TV and was with William Morris Agency. Moore and Mullen report to TV network pres. Oliver Treyz.

In Hollywood, CBS-TV did not fill vacancy as such created by last week's resignation of Howard S. Meighan, ex-West Coast operations v.p. who quit to form new Ampex videotape firms (Vol. 14:13); instead, it promoted William Dozier to v.p.-programs, Hollywood, and Guy della Cioppa to v.p.-program director, Hollywood, latter reporting to Dozier; Dozier reports to v.p. Harry G. Ommerle in N.Y.

Alfred J. Scalpone, v.p. in charge of CBS-TV network programs, Hollywood, gives up that title, remains with network as an independent producer under contract to produce pilots of 2 new shows a year.

At NBC-TV, 3 promotions in network sales: Angus Robinson named mgr. of TV network sales, central div.; Stephen A. Flynn, director of sales services; Joseph Iaricci, mgr. of contract services.

Barry Bingham, pres. of WHAS Inc. (WHAS-TV & WHAS, Louisville) and editor-in-chief of *Louisville Courier-Journal* and *Times*, elected to board of trustees of Rockefeller Foundation, along with Amory Houghton Jr., pres. of Steuben Glass Inc. (Corning Glass).

M. A. Trainer, veteran RCA broadcast equipment executive, recently merchandising mgr. for industrial electronic products, appointed to newly created post of administrator, plans & coordination services, broadcast & television equipment dept., RCA telecommunications div.

Dr. H. K. Newborn resigns as pres. of Educational TV & Radio Center, Ann Arbor, effective in Sept. to return to university administration; plans will be announced later.

Catholic Broadcasters of America schedules 10th annual convention at Conrad Hilton, Chicago, June 19-21.

Welles Hangen, NBC Near East correspondent, wed Patricia Dana of Piedmont, Cal., in Cairo, April 1.

Comdr. McDonald's Latest Tack on Pay TV

Another Provocative Outburst by Zenith's President and a Pointed Reply by CBS Vice President

(story on page 1)

EUGENE F. McDONALD'S LETTER

To Certain Editors and Certain Members of Congress

March 21, 1958

IT WOULD BE presumptuous on my part to try to point out the extent to which the First Article of the Bill of Rights, guaranteeing free speech, has been undermined by the overpowering and frightening development of TV. Free speech is not primarily the right of the publisher to print but the right of the public to hear and read all sides of a question.

So long as the newspapers held leadership at the bar of public opinion, every possible viewpoint could be presented. There are about 1800 daily newspapers, about 7000 weeklies, and many magazines of national circulation. Among these, the reader could select the medium that presented the news and viewpoints in which he was interested. Great press associations and columnists added their expressions of other, differing viewpoints and opinions.

Newspapers and magazines were supported in part by advertising and to a considerable extent by purchase of subscribers, who, through their subscription dollars, expressed their choice. But now the TV networks, supported entirely by advertisers, have developed a dangerously powerful position at the bar of public opinion. Their appeal is emotional. They reach their public not only through the ear but through the eye. Pictures were the cave man's mode of communication. Even children nowadays are strongly influenced by TV.

TV appeals to the emotions and emotions exert a tremendous influence. Radio and TV could give overwhelming advantage to a political candidate and assure him of public support.

"Vast Power Wholly Concentrated"

Unfortunately, this vast power is wholly concentrated in the hands of two or three men heading the networks in New York. The networks have life and death power over nearly all TV stations, which, without affiliation, can hardly survive. The net result today is that two men, controlling NBC and CBS, have absolute power over what can be seen and heard in tens of millions of homes. No such concentration of power ever existed in the press and Congress did not intend to give it to the networks. Network control can be broken down, but only if independent stations are given additional sources of programs and revenue, which will free them from the present absolute power of coercion wielded by CBS and NBC.

The two men who head CBS and NBC control TV broadcast policies throughout the country by their economic domination of affiliated stations. Outside of a very few large markets, no TV station can prosper, and few can survive, without a network affiliation to provide programs and advertising revenue. Any station that gets too far out of the network party line is in danger of losing its affiliation, and facing bankruptcy.

This year, there was a frightening demonstration of TV's tremendous power to shape public opinion, and of the

(Continued on page 8)

RICHARD S. SALANT'S REPLY

Addressed to McDonald and Released March 31

March 26, 1958

I HAVE JUST BEEN SHOWN the letter sent by you on March 21, 1958 to newspaper publishers and editors, in which you construct a highly imaginative set of situations indicating that CBS, through the facilities of broadcasting stations affiliated with it, is in a position to control the views of the American people—and that CBS has in fact improperly used such an alleged power to induce the American people to disagree with you about pay TV.

You have lent your name to the propagation of nightmarish fantasy.

It is inconceivable that you as the organizer and the first president of the National Association of Broadcasters [1923-25] or anyone remotely acquainted with both the statutory and practical safeguards under which the broadcasting industry in this country operates could voice such charges. Your recital of the potentials of thought control betrays a total lack of confidence in the Congress, the rest of the Government, hundreds of independent broadcasters, and the American people. None of these has been or can be manipulated as you suggest.

Under the Communications Act, all broadcasters operate in the public interest, convenience and necessity. Their activities are subject to the continued surveillence of the Federal Communications Commission, which exists to carry out the intent of the statute. The FCC's statutory character is such that it is legally impossible—even if any broadcaster wished—to operate contrary to the public interest, and it has long been recognized that a basic element of operating in the public interest is to present all significant viewpoints on any matter of public controversy.

Safeguards Against "Thought Control"

There are, moreover, even more powerful safeguards against any such danger of thought control. The immediacy of the relationship between the broadcasters and the public would not let unfair play go undetected and unprotested, without quick and vehement public reaction. No broadcaster could survive the ill will that favoritism would justifiably create. It would be contrary not only to his economic interests but to his very survival, for he cannot survive without viewers and listeners. Indeed your fantasy is refuted by the facts—the record of the broadcasting industry in controversial matters is conspicuous among all media for the diversity of views that it presents.

You are, therefore, wrong about the potentials. You are equally wrong about the facts of CBS' position and activities concerning pay TV.

We at CBS have spent a great deal of time and effort over the past several years in examining all the proposals that have been made regarding over-the-air pay TV. The issue is not whether there should be pay TV, but whether it is in the public interest to authorize the use, for pay TV, of existing channels now carrying free programs. CBS has never sought legislation barring pay TV systems, such as direct wire service, that do not involve the invasion of

(Continued on page 9)

Comdr. McDonald's Letter

(Continued from page 7)

ruthless way in which two men who control TV broadcasting in the United States, can use this power to their own monopolistic advantage. One of the two men decided to use his power to kill off the limited test of subscription TV that had been authorized by the Federal Communications Commission. He figuratively pushed a button, and within a few days the Members of Congress were flooded with hundreds of thousands of letters opposing subscription TV.

CBS is the network that decided to demonstrate publicly this sheer power by killing off subscription TV. It called an affiliates meeting in Washington in early January, just as Congress was getting organized. It started the campaign on January 13th with a tremendous banquet for Members of Congress and other important people, and seated affiliate executives beside Congressmen to lobby against subscription TV. Then it sent affiliates home with instructions to go on the air with their TV stations and conduct concentrated propaganda campaigns.

The results were startling. One station in Champaign, Illinois (WCIA) ran a three-day campaign, telling the public that even a limited test of subscription TV would result in its taking over all broadcasting and depriving them of their advertising sponsored programs. Listeners were urged to write to the two Congressmen in its service area who happened to be members of the Commerce Committee, which was right then conducting hearings on subscription TV, and urge them to bar subscription. Little children were told to have their parents write to Congress to save them from having to pay to see youngsters' programs.

"Decision by Just One Man"

Variations of this campaign ran in different sections of the country, with the net result that many Members of the Congress were swamped with more anti-subscription TV mail than they had ever received on any one subject. If the issue involved had not been subscription TV, it could have been any other issue. The following are the important facts:

1. It took a decision by just one man to flood Congress with mail on one side of a controversial subject.

2. The campaign was based on fear, with utter disregard for the fact that subscription TV could no more take over what they call free TV than a few toll highways would take over our whole system of Federal and State highways.

3. Similar campaigns can be used to make the public believe almost anything that the network chiefs want them to believe.

Suppose for example, we were to elect the wrong man to the Presidency. Suppose he decided to use the tremendous power of TV to promote a "non-partisan" issue, and enlisted the aid of the network chiefs. Suppose the issue were one comparable to the campaign being headed by Eric Johnston, on behalf of the foreign aid program. Suppose TV stations all over the country went on the air with fear propaganda supporting foreign aid. Whether foreign aid is good or bad is beside the point. I daresay that such a campaign would produce millions of letters to Congress. Fantastic? The power is there, and it *could be* made use of if the wrong man came to power.

An effort has been made by the TV networks to repeal Section 315 of the Federal Communications Act, which requires that stations shall give equal opportunities to candidates for public office. If this section is removed, the TV networks cannot only control who is elected to public office, but what measures Congress shall enact. They will control public opinion on the dominant issues.

Beware The Power of TV!

The power of TV to reach tens of millions of American homes and to control what they hear is similar to the radio power that enabled Hitler to overwhelm the thinking of the German people with the big lie and build his power. The networks are striving to maintain the most dangerous monopoly over American public opinion that has ever existed. Their broadcasting stations have used the big lie and hammered home the false statement that subscription TV and advertising paid TV cannot exist together.

Subscription TV was never intended to, nor could it, replace advertising sponsored TV. You and I know, and anyone else experienced in business knows, that you can never charge the public for the programs they now get free, and which are the programs they will continue to get free, along with subscription TV.

It is just as ridiculous to say that paid advertising programs cannot exist with subscription TV (which will carry no advertising) as to say that state roads and county roads and federal roads cannot exist alongside the toll road.

The networks have been able to sway many Members of Congress to oppose even a trial of subscription TV. The networks know that this new service would lessen their coercive power over affiliated stations and give independence to stations that are now dependent on the networks for their economic existence. Their opposition to subscription TV arises from just one thing—the fear of competition.

This network monopoly, is in fact, a threat to freedom of speech—of vital interest to every printed publication.

Ever since the Republic was founded, newspapers, magazines and books have made it possible for every citizen to see all sides of a question. As Thomas Jefferson wrote his friend Lafayette, "The only security of all is in a free press. The force of public opinion cannot be resisted when permitted freely to be expressed."

Sincerely yours,

(*signed*) E. F. McDonald Jr.

Novel "pay-before-you-see" TV system was proposed to FCC this week by Halvick Industries, San Francisco, through its attorney Arthur M. Schaffer, 870 Market St. The idea: Halvick would get those of public who want a particular program to pay for it in advance, and Halvick would pay network to telecast it. Program would then go out free to everyone. Proposal says it would rely on public's honesty.

To his 21 honorary college degrees, RCA's David Sarnoff this week had an honorary high school diploma added by New York's Stuyvesant High, located in the neighborhood where he lived as an immigrant boy who had to quit school to go to work.

Current schedule for network hearing, issued by FCC this week: April 8, 10 & 11—multiple owners Meredith, Storer & Westinghouse; April 14, 15, 17 & 18—network affiliates' committees; April 22—KTTV, Los Angeles.

National TV Week will be observed Nov. 16-22.

Salant's Reply to McDonald

(Continued from page 7)

channels now devoted to free TV. As Dr. Frank Stanton, president of CBS, testified in January, we regard such systems merely as additional competition in the field of entertainment. We ask for no Federal prohibition of such competition. However, the proposals under consideration asked authorization to use the air waves, particularly during the prime evening hours through stations now serving viewers without charging them. On these proposals we wanted to reach a sound judgment as to our own interests and the best interests of the American people. After this examination, we came to the following conclusions:

The Real CBS Position on Pay TV

1. Pay TV does not threaten the economic interests of CBS or its stockholders. If pay TV begins to supplant free TV, we will offer pay TV programs ourselves. Furthermore, we believe that we are in an advantageous position from which to move into any such development.

2. The use of any of the limited air channels now available for pay TV would inevitably result in the end of free TV as the American people now know it, with most American people who could not afford to pay for their programs having to put up with markedly inferior fare. The suggested tests of pay TV would be so broadly conducted that in many areas there would be a blackout of any free TV service to hundreds of thousands of viewers. In any event, there would be no turning back from such tests, which would establish nothing about majority public choice, except how many people would be willing to pay and that as few as 5% of present viewers would make it profitable to its promoters. Meanwhile, during the three-year tests the channels used would be serving only the few who could pay during the prime evening hours.

3. The decision regarding over-the-air pay TV therefore cannot be made by tests. It must be made, after thorough exploration of all the factors and effects involved, by the American people through their elected representatives, since the air waves belong to the American people.

On the basis of these conclusions, we faced a duty to do what we could to make known our views and the data on which they were based.

Since 1954, we have presented those views in Congressional hearings, in briefs submitted to the FCC, and in articles and speeches by CBS officers—all in the full public view.

You are also mistaken in your statements concerning the CBS Television Affiliates Fourth General Conference in Washington, January 13-14, 1958. CBS did not "call" this meeting or give any instructions of any sort. The facts are these:

The Facts About TV Affiliates' Meeting

In August 1957, long before the hearings conducted by the House Committee on Interstate & Foreign Commerce were even scheduled, the CBS Television Affiliates Advisory Board, elected entirely by and from the representatives of the independently-owned affiliated stations, met at Colorado Springs and voted—on the suggestion of one of its members—to hold their annual meeting in Washington and to advance its date from April to January. The idea was not ours; it was the affiliates'.

At the Washington meeting CBS was obliged to and did report to its affiliates its conclusions on the use, for pay TV, of the air channels now devoted to free TV. At the same session, the affiliates heard a report from their own spokesman, selected by them, on the subject. The affiliates, on their own resolution passed in closed session not attended by CBS personnel, opposed over-the-air pay TV and urged that "all stations affiliated with the CBS Television Network immediately proceed to use their facilities to seek the will of the people . . . and that the reactions of the public be faithfully transmitted to the members of the FCC, Congress and other responsible Government agencies."

Some of the stations broadcast programs devoted to the subject. We at CBS had absolutely no control over such local programs. But we did suggest to the stations that they present both sides. Thus, a telegram sent on January 23, 1958 by the President of the CBS Television Network to all affiliates explicitly emphasized "the importance of having the true feelings of the public expressed to their representatives. Forums, panel shows and debates presenting both sides have proven extremely effective in illuminating the issues" concerning pay TV.

CBS-TV Network's Record

As far as the CBS Television Network itself is concerned, we have devoted time on the air to this subject as follows:

1. *CBS News Coverage.* The CBS news coverage of pay TV has been in complete balance. *Douglas Edwards With The News* covered the Congressional hearings on three days: January 17; January 21 (there were no hearings on January 18-20); and January 22. On January 17 coverage was devoted almost exclusively to a detailed interview of W. Theodore Pierson, your own counsel, who testified in support of the pay TV test.

There were 29 lines of interview with Mr. Pierson. At the conclusion of the interview, there was a brief reference to testimony of Harold Fellows, president of NAB, that pay TV "would offer the public nothing that is not already available on regular TV."

On January 21 Douglas Edwards devoted six lines to a summary of the testimony of Robert Sarnoff, president of NBC, against pay TV. This was followed by a 14-line statement by Congressman Albert opposing pay TV. On the same program there was a four-line summary of Solomon Sagall's testimony in favor of pay TV, calling it a "natural result of what he called the dissatisfaction of the American public with the substandard TV programs they have been receiving."

On January 22 about six lines were devoted to the testimony of Leonard Goldenson, president of AB-PT, and Dr. Stanton in opposition to the pay TV tests.

The full transcripts of these broadcasts are available for inspection at any time.

CBS has never used its right to editorialize to take a position on the air in opposition to pay TV.

2. *Special Programs.* The CBS Television Network has carried three discussions of pay TV on special programs. The first was *See It Now*, June 14, 1955, on which Dr. Stanton appeared against pay TV and the following appeared for pay TV: Paul Porter, counsel for International Telemeter; James M. Landis, counsel for Skiatron; Robert Sherwood; and Walter O'Malley. There was also a special film clip supplied by Skiatron. On May 1, 1956, there was a special 45-minute program called "Public Hearing on Pay Television." It was moderated by Dwight Cooke. Appearing for pay TV were: Mr. Pierson; Mr. Landis; Ralph Bellamy, president of Actors Equity Asso-

ciation; and Elfred Beck, owner and operator of a uhf station in Oklahoma. Appearing against pay TV were Victor A. Sholis, vice president of WHAS, Inc.; Truman Rembusch, Theatre Owners of America; Leon P. Gorman Jr., general manager of WABI-TV; and Sherwood Dodge, vice president of an advertising agency.

The most recent discussion of the issues was presented on the CBS Television Network Sunday, February 2, in a half-hour program moderated by Professor George Williams of the New York University Law School. (He substituted for the program's regular moderator since we thought it inappropriate for a CBS employee to act as moderator.) The proponents of pay TV were represented by Bob Hall, a director of Skiatron Electronics & Television Inc., and the opponents by myself. Incidentally, CBS' mail directly in response to this debate, in which both sides had equal time, was 998 letters against pay TV proposals, 17 for and 5 neutral.

The only ways that CBS presented its own views unilaterally have been in printed publications, in speeches not broadcast, in briefs submitted to the FCC and in open testimony at public hearings. The only ways that the CBS Television Network has presented the subject at all on the air have been in debates presenting both sides of the subject—with spokesmen from each side—and in news reports of public hearings that have given equal space to both sides.

Since the air waves are the property of the American people, any decision concerning their use must be made by them. To make a wise decision, they must have a full knowledge of the facts and their implications. The pressure campaign you have conducted for many years has presented only your side of the case. CBS has presented both sides in nationwide broadcasts.

While you have avoided personal appearances before Congressional committees and other bodies seeking to determine whether your proposals were in the public interest, this has not been true of the presidents of the broadcasting companies to whom you now attribute sinister motives.

Finally, we at CBS have far too much respect for the integrity of the Congress of the United States to share your conviction that at a dinner devoted solely to entertainment and attended by over a thousand people the votes of any Senator or Representative could be compromised.

Sincerely yours,

(*signed*) Richard S. Salant

Closed-Circuit Sport: Biggest TV hookup in closed-circuit history—Teleprompter's debut in theatre-TV prizefight field (Vol. 14:3)—brought out 364,876 fans to 174 locations, gross of about $1,400,000 for March 25 Sugar Ray Robinson-Carmen Basilio championship bout. Reporting record turnout—which he said was 80,000 more than watched 1957 Robinson-Basilio fight (Vol. 13:39)—Teleprompter pres. Irving B. Kahn said that "from here on in" his company will be active in sports events.

"In fact," he said, "here is the first true national example of pay TV—the kind that takes nothing away from the home viewer and makes possible a great future for top attractions." International Boxing Club, guaranteed $275,000 from closed-circuit rights, collected $340,000 from Teleprompter for last week's fight.

Theatre Network Television's Nathan L. Halpern, whose organization handled 15 previous major fights but was outbid for this one by Teleprompter, commented that he was "glad that the second Robinson-Basilio fight telecast had produced substantial financial results, thereby demonstrating once again the vitality of the closed-circuit medium." Halpern said some records set by TNT's first Robinson-Basilio telecast still stood.

Biggest deal yet in another sports pay-TV field—baseball—was rumored meanwhile. San Francisco Giants were reported to have signed $37,500,000 contract with Skiatron for 15-year telecasts of games. Last year, Giants announced $2,000,000 Skiatron deal for 2 years on West Coast (Vol. 13:36 et seq), but plan still is up in air. Neither Giants pres. Horace Stoneham nor Skiatron operator Matty Fox would discuss rumors of new arrangement.

Attention, NAB Conventioneers

If you want your *Television Digest* to follow you to your hotel in Los Angeles during the NAB Convention (April 27-May 1), we'll be glad to send it to any subscriber via air mail at no extra cost. You may use enclosed card to inform us of your hotel address ahead of the April 26 issue; we'll also send on the May 5 issue to any address you designate if you're not going to be back to your office by then.

Do You Know That . . .

BASEBALL and the Sport of Kings are very much in the headlines these days—so it may be apropos to have a look at the TV-radio enterprisers who are also closely identified with diamond and turf. Besides **Bob Hope's** much-publicized ownership interest in the Cleveland Indians (he also owns 39% of KOA-TV & KOA, Denver & 50% of WREX-TV, Rockford, Ill.), **Bing Crosby** is one of an all-radio & TV group that owns the Detroit Tigers; **George Storer** owns the Miami Marlins, of the International League; and KIDO-TV, Boise (**Westerman Whillock**) owns and broadcasts the Boise Braves, farm club of the Milwaukee Braves.

Incidentally, too, **J. Elroy McCaw**, owner of Tacoma's KTVW and various other TV & radio stations, last year sold the Seattle Americans hockey team and is a leader in group seeking a big-league baseball franchise for Seattle (Vol. 14:3). And **Tom Tinsley**, who controls WXEX-TV, Petersburg-Richmond, radio WITH, Baltimore & CP for WITH-TV there, once owned the championship Baltimore Bullets, pro basketball team.

Chairman and one-third owner of the Detroit Tigers, and chairman of the American League's TV-radio committee, is **John E. Fetzer**, veteran founder-pres. of WKZO-TV & WKZO, Kalamazoo; owner of radios WJEF, Grand Rapids & KOLN, Lincoln, Neb., and one-third owner of WMBD-TV & WMBD, Peoria. Another one-third of the Tigers' stock is owned by the **Fred A. Knorr** chain of Michigan radio stations (WKMH, Dearborn-Detroit; WKMF, Flint; WSAM, Saginaw; WKHM, Jackson).

* * * *

Bing Crosby once owned stock in the Pittsburgh Pirates, along with **Tom Johnson & John Galbraith**, latter 2 chief backers of now off-air uhf WENS, Pittsburgh (still a CP). Crosby is now one of the group that collectively owns the other third interest in Detroit Tigers, including veteran Texas broadcaster-telecaster **Kenyon Brown**; Miami (Okla.) banker & oilman **George Coleman**; Lehman Bros. partner **Joe Thomas**; Coleman's son-in-law **Fred Woolworth**, an executive of Stone & Webster; **Paul O'Bryan**, partner of Washington law firm of Dow, Lohnes & Albertson.

This so-called Crosby group recently bought KCOP, Los Angeles (Ch. 13) for $4,000,000 (Vol. 13:50); also recently bought radio KFOX, Long Beach, Cal. for $700,000; is identified with various other station ownerships [see *TV Factbook No. 26*]. It's noteworthy, too, that Wm. Wrigley Jr., owner of the Chicago Cubs, has been in various station enterprises with the brothers Ralph & Leslie Atlass, of Chicago.

It was Wrigley who recently revealed that the Cubs were able to stay slightly in the black only because of TV contracts, despite a $40,000 loss in gate last season (Vol. 14:5). Also, you will recall that TV bulked large as mainstay of pro football's 1957 earnings (Vol. 14:11).

* * * *

Baseball is everybody's game in America—and it's only natural that some top players should show up in TV-radio. Aside from the usual gamut of players-turned-sportscasters, we learn that ex-FCC chairman George McConnaughey was a left-handed pitcher who played bush league ball, was varsity star at Denison College ('18) and Western Reserve (LL.B. '23), played on an Army team during World War I.

"Big Jim" Cunningham, FCC's chief hearing examiner, was one of Georgetown's all-time greats; he was catcher on its championship teams of '21 & '22, was slated for tryout with the New York Giants when he threw an arm, decided on a law career, was graduated from Georgetown Law in '28. Lorenzo Jones, chief of property & stores section, FCC procurement branch, played third base in 1938 for the Class A Billings (Mont.) farm club of the St. Louis Cardinals, having played semi-pro ball in his native southern Missouri. Richard F. Solan, asst. to the FCC executive officer, was a star New York City high school league shortstop, had a '36 tryout with the Cardinals, still spends his spare time coaching sandlot clubs.

* * * *

There aren't many "horsey folk" in the TV-radio fraternity, except as spectators. RCA's Frank Folsom recently had a 2-year-old named after him—Irish-bred "Old Fols" owned by the Neil McCarthy Stables, near Hollywood. Folsom recently was elected a director of Hialeah Race Track, Miami, and is chairman of N.Y. State's Saratoga Commission.

CBS director and major stockholder, a onetime coowner of Philadelphia's WCAU, Dr. Leon Levy with wife Blanche (Bill Paley's sister) owns the famous Jaclyn Stable and he's exec. v.p. of the Atlantic City race course. His horse "Li'l Fella" was rated 4th best 2-year-old in America last year, looked for a time like a Kentucky Derby hope until it was injured. Jaclyn Stable has won nearly $350,000 in purses over the last 4 years.

Petry firm's popular Chicago managing partner, Ed Voynow, owns and races several horses, doesn't like to talk about his expensive hobby because he says he's had "only one good one in 22 years." And the F. M. (Scoop) Russells —he's the long-time NBC Washington v.p.—owned a farm just outside Washington until recently; their caretaker bred a pair of fair nags for the Russells—"Battle Neck" and "Phoebe G," latter named for Mrs. Russell—but both went the claiming route.

New CBS-TV affiliates: WJIM-TV, Lansing-Flint (Ch. 6) is now primary affiliate; WKXP-TV, Lexington, Ky (Ch. 27) has signed as interconnected affiliate.

ASCAP Probe Halts: House Small Business subcommittee investigation of charges by dissident ASCAP members that big music-licensing outfit discriminates against small-time songwriters (Vol. 14: 11-12) recessed indefinitely this week—and indications were little more would be heard from it.

Halt was called by subcommittee Chairman Roosevelt (D-Cal.) following closed conference with Justice Dept. officials on outlook for tighter enforcement of amended 1950 ASCAP anti-trust consent decree. Justice has indicated changes in decree may be sought to bring more equitable distribution of ASCAP royalties—for which some dissidents are suing in court—but no decision was reported.

Earlier this week, annual ASCAP meeting in N.Y. was turned into denunciation session by officers who assailed members who carry complaints to Congress & courts instead of abiding by ASCAP rulings—thereby "jeopardizing the overall security of the Society," as West Coast board member L. Wolfe Gilbert put it.

On another music front, broadcaster-controlled BMI —which is being probed by Senate Commerce subcommittee (Vol. 14:11-12) in hearings which resume April 15—moved in N.Y. Federal District Court for dismissal of 4-year-old, $150,000,000 anti-trust suit against it by 33 ASCAP members. Following pre-trial proceedings which have run through 27,000 pages of testimony, BMI brought suit to point of actual court arguments by asserting plaintiffs have no legal standing in case because BMI publishing & licensing practices don't affect them directly.

CBS-IBEW Deadlock: Citing "serious impact" of any network stoppage on nation's communications, Federal Mediation Service intervened April 4 to avert threatened strike against CBS by IBEW following breakdown in renegotiation of contract initialed by union leaders but rejected by rank & file (Vol. 14:6, 8, 9). In telegrams to IBEW pres. Gordon M. Freeman & CBS v.p. Wm. C. Fitts, Mediation Service director Joseph C. Finnegan urged that any walkout or lockout be delayed pending outcome of govt.-supervised secret ballot on "final" terms proposed this week by CBS for engineers, technicians & cameramen. IBEW's N.Y. local 1212 voted 461-124 at meeting April 2 to strike rather than accept CBS package offer, which included 2-instalment $10 raise.

National Telefilm Assoc. will own WATV, N. Y.-Newark (Ch. 13) and WAAT, FCC having approved transfer from Irving R. Rosenhaus group in deal involving $3,500,000 (Vol. 13:40, 44). Sale was held up when N. Y. Board of Regents sought to make Ch. 13 non-commercial, but this was dismissed and week later WOR-TV, N. Y. (Ch. 9) offered its facilities for daytime educational use (Vol. 13:49-50, 14:10-11). WATV call changes May 6 to WNTA-TV. NTA also operates KMSP, Minneapolis (Ch. 9) formerly KMGM-TV.

Advertising as a whole is going up, pacing growth of the economy—and, despite the current business recession, should gain by some $600,000,000 this year to achieve an $11 billion total. So said Charles T. Lipscomb, pres. of American Newspaper Publishers Assn., addressing ad executives' conference in Atlanta April 4. By 1965, he said, total may reach $15 billion. Newspapers accounted last year for $3,325,000,000 as against TV's $1,350,000,000 and radio's $648,000,000 (*TV Factbook No. 26*, p. 27) and will claim an even larger share this year, said ANPA chief.

New rep: WNHC-TV, New Haven (Ch. 8) to Blair-TV, from Katz; all 5 Triangle TV stations now represented by Blair.

Television Digest with ELECTRONICS REPORTS
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Trade Report
April 5, 1958

INDUSTRY FUMES OVER NEW TAX THREAT: The Federal tax collector evidently touched on a tender spot last week when he moved to slap an excise tax on manufacturers' co-op advertising funds (Vol. 14:13). The reaction was explosive. Tax lawyers flocked to Washington, viewed with alarm an attempt to cut into promotional allowances. Result: Internal Revenue Service pulled in its horns -- a bit -- agreed to hold hearing and consider protests before making new rule effective.

It's a complicated picture but one that has industry on the hook for millions of dollars in back taxes as well as millions in the future. Here's how we sum up situation after talks with tax experts in and out of the electronics industry:

There's never been a clear IRS ruling whether co-op advertising funds -- and other "charges" and "allowances" -- are subject to the 10% excise tax. Individual companies have received "unpublished" rulings from local IRS directors, some from Washington. Now, IRS wants to put into effect blanket rule which -- as interpreted by industry's tax lawyers -- would not only put the long-established co-op funds inside the excise tax base but might include other "charges" -- "spiffs," allowances for incentive trips, cash awards, store demonstrators, etcetera ad infinitum.

EIA's tax committee turned scheduled Washington meeting, April 1, on plans to urge Congress to cut excise taxes from 10% to 5%, into a rump session protesting the IRS rule. Upshot of the day's deliberations by representatives from a dozen or more manufacturers was a formal petition to IRS to postpone original April 22 effective date. Next day, the Federal Excise Tax Council, including representatives of many electronics companies and appliance makers, drafted further protests and organized to solicit similar objections from associations of various industries affected.

In preparing formal protests to IRS, industry will bank heavily on recommendations of Forand subcommittee (House Ways & Means Committee) in 1956 (Vol. 12:11) that IRS institute a formal rule specifically exempting co-op advertising from the excise tax base, superseding the many "unpublished" rules in effect. Said Maurice Paul, pres. of Tax Council and asst. treas. of Philco: "IRS proposed rule reverses the Forand recommendation 180 degrees. We will ask IRS to issue a rule consistent with the Forand committee statement which we believe was good then, is good today."

Ad agencies with big TV accounts joined in protests to IRS, saw any added tax coming out of advertising budgets, declared now is not the time to put a crimp in promotions that stimulate sales.

On separate issue of reducing excise tax, EIA committee under chairman Lewis Spencer of Motorola decided to make urgent representations to House Ways and Means Committee, industry members to contact their congressmen at grass roots level.

"Anti-Recession Moves": That's what Admiral's Ross Siragusa, unworried about the radio set "invasion" from Japan (Vol. 14:6, 12) but plenty concerned about buyer apathy, calls his decision this week to cut to $12.95 list price of his 4-L series of 4-tube, AC-DC radios, hitherto sold at $15.95 -- this despite fact it has been moving at rate of 20,000 to 25,000 monthly and there's 60-day backlog. It's a leader item, as is Admiral's new 110-degree 17-in. portable, being offered at $139 to $169, same price as last year's 90-degree job. The 110-degree set took 6 months to retool and automate, he said, and is now on delivery.

TV-Radio Production: TV set production was 78,057 week ended March 28 vs. 91,416 preceding week & 111,601 in 1957. Year's 12th week brought production to 1,149,975 vs. 1,376,118 last year. Radio production was 195,005 (61,701 auto) vs. 170,655 (40,218 auto) preceding week & 299,075 (104,385 auto) last year. For 12 weeks, production totaled 2,455,436 (814,054 auto) vs. 3,530,007 (1,546,857 auto).

INDUSTRY ON THE MARCH WITH STEREO: First drumbeats of the stereo parade were heard in the streets this week as Magnavox showed new stereoized phonographs and a kit to convert current monaural models. Westinghouse stockholders at their annual meeting in Metuchen, N.J., this week also saw stereo demonstration, were told company would have stereo phonos soon. And, one enthusiastic tycoon predicted stereo business in a year or so would run up to 60% of TV-radio dollar volume.

Not to be outdone by the phono manufacturers, major and minor record makers continued to report that stereo discs are just around the corner. Major labels plan to have stereo by fall; RCA Victor record div., says v.p. & gen. mgr. George Marek, will have some releases by mid-summer.

Compatibility, now regarded as a bugaboo by record manufacturers -- with the possible exception of Columbia -- has gone back into the labs. True, it's ultimate goal of all stereo enthusiasts and especially of the phono makers who view it as a panacea to many problems of marketing duplicate stereo and monaural discs. However, stereo is not going to wait for compatibility, as one manufacturer told us emphatically. A good hi-fi unit, with stereo cartridge and components added, "does a swell job, doesn't degrade either stereo or monaural."

What's all the talk about stereo doing to hi-fi sales? We got mixed response to that question. On one side were manufacturers -- declining to be quoted -- who report hi-fi sales to dealers have slowed down. They look ahead to high inventories of monaural phonos when stereo comes on the market. Others, however, express satisfaction with hi-fi sales, say lots of buyers are going for high-end models with a view to conversion to stereo. We found some manufacturers are going across-the-board for stereo -- the same manufacturers who went all out in the early days of TV.

Plans for stereo record production by smaller manufacturers seem considerably further advanced than those of the majors. Audio Fidelity, first out with stereo, has dominated the hi-fi shows on both coasts this spring with 4 releases at $6.95, and is readying 4 albums. Roundup of stereo records in March 31 Billboard reports Urania will have 5 releases by May 1 -- 15 more in works; that Esoteric, Counterpoint, Contemporary and ABC-Paramount all aim to market releases before the Parts Show in Chicago (May 19-21, Conrad Hilton). Imperial plans 12 releases by Sept.

Trade Personals: John M. Otter, resigned Philco exec. v.p., has organized John M. Otter Co. to take over distribution of Philco consumer products in Philadelphia from factory branch, 2030 Upland Way . . . Merle W. Kremer named v.p. of Sylvania parts div.; Gerald L. Moran, v.p. chemical and metallurgical div. . . . John Clarke, ex-Hotpoint-TV, appointed GE's merchandise mgr. for portable appliances . . . N. J. Litherland promoted to asst. to v.p. & treas. of Magnavox . . . Frank M. Folsom, RCA exec. committee chairman, elected director of Hialeah Race Track, Miami . . . Henry Zaccaria promoted to purchasing mgr., International Resistance Co., Philadelphia; Edgar M. Corson Jr., named sales mgr., computer components div. . . . Jerry Shifrin, ex-*Cash Box Magazine*, named national sales mgr. of Roulette Records, succeeding Don Carter who resigned to form own company . . . Charles R. Denny, new RCA v.p. for product planning, elected to board of RCA Communications Inc.

London exhibition on instruments, electronics & automation April 16-25, has attracted 48 U. S. exhibitors to date. Last year, attendance was 53,000 from 81 countries.

Obituary

Wm. H. Taylor, 56, pres. GE subsidiaries in Mexico, took his own life while attending a company business management course at Ossining, N.Y., March 28. Surviving are widow, son, daughter.

DISTRIBUTOR NOTES: Motorola forms Knickerbocker Distributing Corp. as wholly-owned subsidiary to service greater N. Y., replacing Warren-Connolly Co.; names Wm. F. Smith, ex-Gross Distributors, as gen. mgr.; Gilbert Hoffman, onetime CBS-Columbia, controller & operations mgr.; Frank Allorto, ex-Chrysler Airtemp, credit mgr.; transfers entire Motorola sales force of Warren-Connolly to branch which opens at 25-09 38th Ave., Long Island City, April 14 . . . Bruno-N. Y. (RCA) promotes David Wolff to sales mgr. of RCA Victor div., replacing Dave Wagman who resigned to open own distributorship, Dave Wagman Inc. (Dormeyer) . . . Sylvania appoints Graybar, Pittsburgh; Thermal Supply Inc., Houston, for home electronics . . . Hoffman appoints Graybar, Memphis, for parts of Tenn., Miss., Ky., Mo., Ark.; Hi-Fi-Tel Distributors Inc., Rochester, for west central N. Y. . . . RCA appoints R. T. A. Distributors, Albany, N. Y., for sound equipment; Arthur Herman & Edward Garrigan head new dept. . . . Capitol Records Distributing Corp. names Donald E. Hassler to new post of special markets sales mgr. . . . H. M. T. Barkhordar, Tehran, appointed by Du Mont for TV, hi-fi & radios in Iran.

New EIA members: Crosley Division, Avco Mfg. Co., Cincinnati; Caldwell-Clements Manuals Corp., New York; Electronic Components Inc., Nashville; Fairchild Semiconductor Corp., Palo Alto, Cal.; Hexacon Electric Co., Roselle Park, N.J.; Tele-Dynamics Inc., Philadelphia.

Tube Jury Recommends: A Bronx County (N. Y.) grand jury wound up 17 months of investigation into "vicious" used TV & radio tube racket this week with 6-point presentment which, it said, might keep the public from being bilked out of $5,000,000 annually by tube racketeers (Vol. 14:11). But, jury came a cropper when it suggested there is "much merit" in proposals to eliminate all tube warranties. Manufacturers were quick to point out that the principle of "implied warranty" is firmly established in law and, in any event, warranties tend to be extended rather than curtailed as tube quality improves.

Presentment handed to Judge Schulz charged sale of used or worn-out tubes endangered human life "when they are sold to airlines and medical profession." Some tube racketeers, it said, have "fled this jurisdiction" for New Jersey during investigation, are preparing to return. It recommended: (1) Law to make possession or sale of mis-marked tubes a felony rather than a misdemeanor. (2) License servicemen, dealers and distributors of tubes. (3) Require set manufacturers to destroy defective or used tubes. (4) Industry should initiate advertising campaign to warn consumers of tube racket, encourage trade with reputable dealers and servicemen only. (5) Industry should require return to factory of exchangeable tubes and look into "merits" of eliminating warranties. (6) Code markings should be indelible.

W. Walter Watts, exec. v.p. of RCA electron tube div., who was permitted by judge to address grand jury, said RCA was "grateful" for its efforts to clear up tube racket, outlined RCA plans to counter traffic in used and mis-branded tubes. Earlier, judge had criticized RCA and other manufacturers for "winking" at tube racket.

TV & appliance advertising controls to prevent misrepresentation of used, rebuilt or repossessed merchandise are provided in bills introduced in N. Y. state legislature by powerful Senate Rules Committee. Measures would compel advertisers to indicate model year of manufacture, state condition as "used" when merchandise isn't new. "Bait" ads also would be prohibited.

Admiral Ad Case Settled: Federal Trade Commission complaint against Admiral's TV advertising (Vol. 14:10), which charged ads did not clearly disclose the true size of picture tubes, was settled this week by consent order. Order provides that, when diagonal measurement is used, either that fact or actual viewable area in square inches, must be conspicuously disclosed in immediate connection with the measurement.

Original 1957 complaint said Admiral's ads—including phrases such as "21-in." & "24-in." with "footnotes" explaining this is diagonal measurement—do not constitute adequate disclosure to prospective buyers. Case is the first settled since FTC promulgated its Trade Practice Rules for the Radio & TV Industry in 1955.

Next FTC step in strict enforcement of advertising provisions of the rule may require manufacturers to police distributor and dealer ads if factory co-op funds pay for any part of insertion cost.

The complexity of such an undertaking might force set makers to standardize on square inch designation for all tube sizes—a procedure which the FTC already has indicated meets its approval.

ELECTRONIC PERSONALS: **J. M. Hertzberg**, v.p.-marketing of RCA's defense electronic products div., and **F. C. Reith**, pres. of Avco's Crosley div., elected to EIA exec. committee, military products div. . . . **Dr. Roger W. Burtness** promoted to mgr. of engineering & research for Stewart-Warner electronics div., Chicago . . . **F. J. Anderson** named mgr. new Sylvania data processing lab . . . **Peter Meisinger** promoted to pres. & gen. mgr. of Laboratory of Electronics Engineering, Washington . . . **Henry J. Nolte**, pioneer in development of electronic tubes, retires after 45 years with GE. . . . **Kenneth W. Connor** promoted to newly created post of sales management mgr. for Sylvania home electronics div. . . . **Hoyt P. Steele**, ex-pres. of Benjamin Electric Mfg. Co., named head of GE govt. relations service. . . . **Fred Bailey** named pres., Ling Systems Inc., Los Angeles.

Lee P. Loomis group will own WMTV, Madison, Wis. (Ch. 33), now that FCC has approved $399,333 sale by WTVJ Inc. interests (Vol. 14:10). Sale price includes $288,333 still owed founding Gerald A. Bartell family from whom Miami's WTVJ (Mitchell Wolfson) acquired station last year for $350,000 plus $200,000 option on buildings and land; option also is turned over to Loomis group. Buyers operate KGLO-TV, Mason City, Ia. (Ch. 3) and KHQA-TV, Hannibal, Mo.-Quincy, Ill. (Ch. 7)—ownership interlocking with Lee newspaper chain, which includes *La Crosse* (Wis.) *Tribune*, 27.5% owner of WKBT-TV, La Crosse (Ch. 8). After transfer, Merritt Mulligan moves from KHQA-TV to become WMTV station mgr.; Donald G. Harrer, from KGLO-TV, operations mgr.

Sale of KFBB-TV, Great Falls, Mont. (Ch. 5) & KFBB to Cascade Service Inc. for $600,000 by Joseph P. Wilkins and associates (Vol. 14:10) was approved this week by FCC. New owners, each with 49.98% are E. B. Craney's Z-Bar Net and Idaho Radio Corp. (A. W. Schwieder, pres.), licensee of KID-TV, Idaho Falls (Ch. 3) & KID. Sale is conditioned on transfer of radio KXLK, Great Falls, from Z-Bar Net to Pat M. Goodover, FCC having approved $60,000 sale March 5. In addition to Z-Bar Net, which will consist of 4 Montana AMs, Craney operates KXLF-TV, Butte (Ch. 4) and satellite KXLJ-TV, Helena (Ch. 12).

KRGV-TV, Weslaco, Tex. (Ch. 5) & KRGV will be wholly owned by Mrs. Lyndon B. Johnson's LBJ Co., FCC having approved purchase of remaining 50% for $100,000 from O. L. (Ted) Taylor (Vol. 14:12). Taylor remains as consultant to LBJ Co. for 10 years with $5000 minimum annual fee. LBJ Co. is licensee of KTBC-TV, Austin, Tex. (Ch. 7) & KTBC; owns 29% of KWTX-TV, Waco, Tex., (Ch. 10) & KWTX; KWTX Bcstg. owns 50% of KBTX-TV, Bryan, Tex. (Ch. 3). Original 50% of KRGV-TV was acquired by LBJ from Taylor in 1956 for $5000 and loan of $140,000 (Vol. 12:11, 14); 50% of radio KRGV was acquired on April 1, 1957 under $50,000 option agreement.

Stations filing complaint in community antenna case, decided by FCC this week (see p. 2): TV—KFBC-TV, Cheyenne, Wyo.; KSTF, Scottsbluff, Neb.; KFXJ-TV, Grand Junction, Colo.; KOTA-TV, Rapid City, S.D.; KID-TV, Idaho Falls, Ida.; KGVO-TV, Missoula, Mont.; KLIX-TV, Twin Falls, Ida.; KLAS-TV, Las Vegas, Nev. Radio—KSPR, Casper, Wyo.; KANA, Anaconda, Mont.; KGLN, Glenwood Springs, Colo.; KRAL, Rawlins, Colo.; KSID, Sidney, Neb.

Assn. of National Advertisers holds 5th national budget & cost control workshop April 24 & 25 at Westchester Country Club, Rye, N. Y., for company adv. mgrs. and corporate financial executives.

Financial Reports:

ZENITH'S pres. & gen. mgr. E. F. McDonald Jr. and its exec. v.p. & asst. gen. mgr. Hugh Robertson are revealed as probably the highest paid executives in TV-radio and related electronics industries in proxy statement for April 22 stockholders' meeting in Chicago, released this week. It reveals Comdr. McDonald's 1957 salary as $60,000, bonus $146,694, plus an additional $211,046 in accordance with an employment agreement—total of nearly $420,000.

Moreover, as owner of 93,786 shares of Zenith's 984,928 shares of new Delaware stock outstanding as of April 1, his 1957 dividends ($5 per share before recent 2-for-1 split) ran close to $250,000.

Next highest officer-director remuneration during Zenith's record 1957 sales-&-profit year (Vol. 14:12) was exec. v.p. & asst. gen. mgr. Hugh Robertson, whose salary was $50,000, bonus $151,644, special payment also $211,046; he owns 3636 shares of stock. Leonard C. Truesdell, sales v.p., not a director, got $40,000 salary, $66,503 bonus, shareholdings not stated. Joseph F. Wright, v.p., gen. counsel & director, same salary & bonus as Truesdell, holds 1060 shares.

Truesdell and Wright also received $6516 each as additional payments which, like those to McDonald and Truesdell, were "related to the successful conclusion in 1957 of certain litigation [vs. RCA-GE-Western Electric] and other actions resulting in an addition to surplus of $10,413,565 and upon which no bonus had been paid in prior years."

E. N. Rauland, pres. of subsidiary Rauland Corp. & a director, salary & bonus undisclosed, is shown as holder of 1000 shares of Zenith; Karl E. Hassel, asst. v.p.-engineering & secy., 200; Frank A. Miller, partner, Francis I. duPont & Co., 1000; W. S. Woodfill, pres., Grand Hotel Co., Mackinac Island, Mich., 1400. Being added to board are E. M. Kinney, v.p.-mgr., hearing aid div., 318 shares, and Hays MacFarland, chairman of MacFarland, Aveyard & Co., Zenith adv. agency, 400 shares.

McFarland, Aveyard agency last year placed gross of $1,291,017 in billings for Zenith.

Note: Rumors continue rampant about Zenith plans, including what reportedly ailing 68-year-old McDonald and 72-year-old Robertson contemplate in way of succession and expansion. Fact that firm enjoyed such an excellent 1957, in face of industry's downtrend, earning $8,165,577 ($16.58 per share) on sales of $160,018,978 and ending year with more than $60,000,000 earned surplus (Vol. 14:12), tended to lend credence to Wall St. report it's contemplating acquisition of other firms. Talked about this week was alleged move to buy up or into Collins Radio.

Proxy statement notes: "FCC may require, in connection with certain applications for licenses, that the charter of the company provide specific authority to engage in broadcasting services" [presumably Phonevision]. Zenith now owns an FM and an experimental TV station, and asked stockholders to approve resolution amending chart to authorize it "to own and operate radio and TV broadcasting & transmission stations and apparatus for the transmission of writing, signs, signals, pictures and sounds of all kinds, by wire, cable, radio, light and sound waves or radiation of any type, including all instrumentalities, facilities, and services which the necessary or desirable for experimental, amateur or commercial purposes."

Muter Co.'s profit rose to $377,819 (50¢ a share) in 1957 from $31,646 (4¢) in 1956, sales going up to $14,301,067 from $12,126,563. Annual report shows working capital last Dec. 31 was $3,595,060 vs. $3,245,722 at end of 1956. Firm's oil well operation has been sold to Tekoil Corp. for $140,000 plus $210,000 in royalties due. Proxy statement for April 15 annual meeting in Chicago shows Thomas A. White, pres. of Jensen subsidiary, as only officer-director earning 1957 remuneration above $30,000; his was $52,157, and he's shown as owning 14,129 shares of 762,729 outstanding. Other stockholdings: Leslie F. Muter, pres., 110,565; Karl E. Rollefson, v.p.-chief engineer, 4264; Herbert J. Rowe, 3692; Leslie F. Muter Jr., 3289.

Webcor Inc., having enjoyed best gross-&-profit year in its history in 1957 (Vol. 14:11), discloses in notice of April 28 annual meeting in Chicago, that stock options have been granted executive officers as follows: Titus Haffa, chairman, 20,000 shares @ $12; Nicholas Malz, pres., 15,000 @ $10; and 5000 each @ $10 to Joseph J. Raffel Jr., exec. v.p.; Walter P. Altenburg, v.p. & gen. counsel; Harry R. Ferris, v.p. & secy.-treas. Haffa's 1957 remuneration was $100,000, Malz's $47,115, lamination div. v.p. John H. Ihrig's $36,971. Of 650,737 shares of $1 par common outstanding, Haffa owns beneficially 62,554, Haffa's sisters, Pauline & Flora 3465 & 31,500 respectively, Malz 14,490, Altenburg 2786.

Tele-Broadcasters Inc., whose 1957 revenues were $771,078 vs. $423,063 in 1956 (Vol. 14:12), reports gross sales in first 1958 quarter were 17.4% ahead of same period last year.

Erie Resistor earned $542,811 (68¢ per share) on sales of $24,737,643 in 1957 vs. $956,452 ($1.24) on $23,300,749 in 1956.

Wells-Gardner, major manufacturer of private-label TV sets which lost $250,000 in first half of 1957 (Vol. 13:39), ended year with net income of $76,573 (11¢ per share) on sales of $15,687,998 vs. $1,054,610 ($2.54) on $24,152,103 in 1956. Report by chairman George M. Gardner & pres. Robert S. Alexander to stockholders, who meet April 15 in Chicago, notes "calamitous business reversals" early last year, sees "promise of a profitable 1958." Backlog of orders as of Jan. 1 was twice that of year earlier. At end of 1957 firm's current assets were $6,313,763, current liabilities $1,481,368, earned surplus $5,422,737.

Westinghouse Bcstg. Co. stations had first quarter results "slightly ahead of the comparable period of 1957, and above objectives," Westinghouse chairman Gwilym A. Price told annual meeting this week. Overall, parent Westinghouse earnings in quarter fell short of $14,198,000 (82¢ per share) in same 1957 period, he reported. TV, radio & appliance consumer business was described as "not good—except for the consumer wise enough to take advantage of some of the biggest bargains in the history of the industry." Westinghouse won't go heavily into color TV until prices drop, but "when it takes off, we'll be ready for it."

RKO Teleradio Pictures earnings fell in first fiscal quarter ended Feb. 28, contributing to sharp drop in net income of parent General Tire & Rubber. Consolidated report for quarter shows estimated General Tire earnings of $1,754,124 (30¢ per share) on sales of $96,565,835 vs. $3,250,400 (65¢) on $95,497,318 year earlier. In report at annual meeting, General Tire pres. Wm. O'Neil didn't detail RKO Teleradio figures, but said subsidiary—along with plastics & industrial products divs. which were hurt by declining automobile output—helped to bring earnings down.

COMMON STOCK QUOTATIONS

Week ending Thursday, April 3, 1958

Electronics TV-Radio-Appliances Amusements

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

NEW YORK STOCK EXCHANGE

1958 High	Low	Stock and Div.	Close	Wk. Chg	1958 High	Low	Stock and Div.	Close	Wk. Chg
9¼	7	Admiral	8⅛	—½	351¾	300	IBM 2.60	338¼	—6¾
22⅝	19⅜	AmBosch .30e	22	+⅛	33¼	29¼	IT&T 1.80	31¾	—⅜
16¾	13	AmBcstg-Par .1	15⅛	—¾	41½	36⅛	I-T-ECirB .45e	36½	—1½
37⅞	32¼	AmMy&F 1.60	35⅜	—1¼	7⅞	6⅞	ListIndust ¼e	7	+⅛
174¼	167⅞	AT&T 9	173	+1⅜	43⅞	36⅞	Litton Ind	40	—1½
26½	22⅜	Amphenol 1.20	24½	—1	15½	13⅛	Loew's	13⅛	—¼
29⅞	26	Arvin 2	26½	—1	37	30¼	Magnavox1½b	35¼	—⅝
7¼	5⅝	Avco .10e	6	—	28¾	25⅝	Mallory 1.40b	25⅝	—⅜
25¾	20¼	BeckInst 1¼f	20¾	—2⅝	88¾	76	Mpls.H'll 1.60a	84¾	—1
53	44⅝	BendixAv 2.40	45½	—2⅝	42¼	37¾	Motorola 1½	37¾	—1⅝
32¼	28⅜	Burroughs 1	28⅜	—2	9	7⅜	Nat'l Thea ½	8⅝	—⅜
18⅜	15¾	Clevite ¼e	16½	—¼	38⅜	30⅝	Paramount 2	33¼	—¼
29¾	24½	CBS "A" 1b	27⅝	+⅛	17⅛	12⅜	Philco	15¼	—¾
28¾	24⅛	CBS "B" 1b	27⅛	—½	35	30¼	RCA 1a	31⅝	—½
16¼	12½	Col Pict ⅜t	14¾	—	25¼	21½	Raytheon 1¼t	24⅝	+⅝
35¼	27⅞	Cons Elec .40	31¼	—2⅛	7⅛	5	Republic Pic	5⅞	—⅛
26½	19½	Cons Electron	25⅜	—¾	34¾	32¼	SangElec 1.80	32⅜	—
16½	13	Cor-Dub .20e	13¼	+⅛	16⅛	13¼	Siegler .80	13⅞	+⅜
87½	74⅝	CornGlass 1a	80½	—3⅜	3⅞	2¾	Sparton	3	—⅛
3⅝	3	Davega	*		20⅝	17⅝	SperryRan .80	17¾	—⅜
35	30	Daystrom 1.20	32	—1	8¼	6	Standard Coil	7¼	—¼
16¼	13⅞	Decca 1	14⅞	+⅛	17⅜	14½	Stanley-War 1	18	+1¼
21½	14	Disney .40b	18½	—1½	32	29	Stew Warn 2b	29⅞	+½
107⅜	97⅛	EastKod 1.55e	101	—4	24½	20	StorBcstg 1.80	22¼	—¼
34⅜	29	EmerElec 1.60	32½	—½	37½	31½	Sylvania 2	35⅝	—¾
6⅛	4⅛	EmersonRadio	5⅝	—¼	33⅜	26¾	Texas Instru	33⅜	+3¼
8½	7	Gabriel .60	8⅛	+⅛	55¼	41⅜	ThomProd 1.40	42½	—2
65¾	55¼	Gen Dynam 2	56¾	—⅞	26⅞	23¼	Tung-Sol 1.40b	25	—⅛
64¼	59½	Gen Electric 2	58½	—2	25½	21¾	20thC-Fox 1.60	23¼	—⅝
6⅞	4⅝	Gen Inst. .15g	6⅛	—¼	20½	15¼	UnitedArt 1.40	19¼	—¾
41	34¼	GnPrEquip2.40	35¼	—1⅜	22⅝	19	Univ. Pict 1a	20¼	—1⅜
30	22⅞	Gen Tire .70b	23⅛	—2	19½	16⅞	WarnBros 1.20	19½	+¼
43⅝	40⅜	Gen Teleph 2	43	+¼	65½	57¾	Westingb El 2	57¾	—4⅜
25⅜	21	HoffmanElec 1	24¼	—½	75¾	67½	Zenith new	71½	—1¾

AMERICAN STOCK EXCHANGE

1958 High	Low	Stock and Div.	Close	Wk. Chg	1958 High	Low	Stock and Div.	Close	Wk. Chg
3⅜	3	Allied Artists	3⅛	—	37½	30½	Hazeltin 1.40b	32½	—⅞
45	34½	Allied Con 1a	38⅛	—2⅜	2⅞	2	Herold Ra .20	2¼	—⅛
15⅛	13⅜	AmElectro ½	13⅞	—⅛	4⅝	3¾	Int Resist .20	4⅛	—¼
10⅛	8⅜	AssocArtProd	10⅛	+⅜	6¼	4¼	Lear	4⅞	—
9⅝	7¼	AudioDev .05d	9⅛	+⅜	⅝	⅜	Muntz TV	½	—
10	7⅜	BelockInst ⅛t	8⅜	—	3½	2½	Muter Co. ¼t	3½	+½
½	⅜	C & C TV	⅜	—1/16	7	5⅝	Nat'l Telefilm	5¾	—
3¾	2⅞	Clarostat .15g	3¼	+¼	1⅝	1	Nat Union El	1¼	—⅛
4⅝	3	DuMont Lab	3½	—½	6⅞	2⅞	Norden-Ketay	2⅞	—⅛
4⅛	2⅞	Dynam Am	3¼	+⅛	3⅝	3	Oxford El .10r	3	—
13⅛	10	EletcronicCom	12	—⅜	16	11	Philips El	14¼	+¼
7⅞	6⅜	Electronics Cp	6⅝	—⅜	8⅝	6⅝	Servomech .40	7¾	—⅛
31⅝	19½	FairchCam½g	23¾	—1	6	3⅜	Skiatron	4⅜	+¾
24⅞	17¼	General Trans	21	—	4⅜	3½	Technicolor	3¾	—
17¼	14⅝	Globe Un .80	*		4½	3½	Trans-Lux .20g	*	
3⅜	2⅝	Guild Films	3	+⅛	4⅞	4⅝	Victoreen Inst	4⅝	—¼

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	1⅞	2⅛	Machlett Labs .25g	15¾	17
Aerovox	4¾	5½	Magna Theatre	2⅜	3
Airborue Inst	41¾	44	Maxson (W. L.) .05	5	5¾
Altec Co. .80	7½	8½	Meredith Pub. 1.80a	30	33
AMP Inc .50	17¾	19	National Co. (4% stk.)	11½	13
Ampex	56¼	59	Oak Mfg. 1.40	14¼	15
Baird Atomic	8	10	Official Films .10	1	1¼
Cincrama Inc.	1 7/16	1¾	OR Radio	18⅛	19
Cincrama Prod.	1¾	2	Pacific Mercury TV	5¼	5½
Cohu Electronics	6⅞	7½	Packard-Bell .50	11⅝	12
Collins "A" .35	12	13	Panellit	5⅛	5¾
Collins "B" .35	12	13	Perkin-Elmer	23¾	25
Cook Elec. .40d	17½	18½	Philips Lamp (14% of par)	34¼	36
Craig Systems	4½	5¼	Reeves Soundcraft (stk.)	2 9/16	2¾
DuMont Bcstg.	7⅝	8½	Sprague Electric 1.20	30	32
Eitel-McCullough (5% stk)	26	28	Taylor Instrument 1.20	28	29
Elec Assoc (stk)	36½	39	Tele-Broadcasters	2¾	3½
Erie Resistor .40b	6¼	7	Telechrome .30	8½	9
Friden Ind. 1	48	51	Telecomputing	4	4½
Giannini, G. M.	14⅜	15	Teleprompter (stock)	6	7
Granco Products .05	1⅛	1½	Time Inc. 3.75	61¾	65
Gross Telecasting 1.60	17½	19	Topp Industries (stock)	9½	10
Hewlett-Packard	25¼	26½	Tracerlab	6¼	6¾
High Voltage .10g	29½	31	Trav-Ler	1⅜	1¾
Hycon	2¼	2¾	United Artists	5⅛	5½
Indiana Steel Prod. 1.20a	18	18½	Varian Associates	15¾	16½
Jerrold	1½	2	Webcor .15c	12¼	13
Ling Industries	2¼	2⅝	Wells-Gardner	7⅛	7¾
Leeds & Northrup .60b	22¼	24	WJR Goodwill Sta. .50d	13¼	14

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. * No trade

Republic Bucks TOA: Defying Theatre Owners of America—and protests by dissident stockholders and Screen Actors Guild against recent movie sales to NBC outlets (Vol. 14:13)—Republic Pictures is "working day & night to make deals with TV stations for its post-1948 films," pres. Herbert J. Yates said this week.

"Television is burning up the pictures so fast they can't get enough money to do what we want 'em to do," Yates told stormy stockholders' meeting in N.Y. He said Republic "definitely" had stopped making movies for theatres, wants to be out of business entirely by July 1.

Yates offered "guess" that Republic took in $1,500,000 —"but don't take this for being correct"—from its recent sale of 218 post-1948 features to 6 NBC stations. Deal bucked TOA campaign against TV releases, brought stockholders' complaints that NBC got "bargain," caused SAG to boycott Republic Studios because actors got no extra money from sale. Deal was reported as involving $2,000,000.

In other movie-TV developments this week: (1) United Artists Associated filed SEC statement outlining plan to purchase assets, properties & TV business of film distributor Associated Artists Production Corp. In merger, United Artists Corp.'s subsidiary Gotham TV Film Corp. would sell its 700,000 AAP shares to UAA. (2) Columbia Pictures announced further production curtailments in favor of deals with independents, said "consolidation" of some depts. would affect personnel of TV-film-making subsidiary Screen Gems. (3) In $3,500,000 deal, N.Y. TV film distributor Sy Weintraub (who is pres. of radio WKIT, Mineola) bought controlling stock of Sol Lesser Productions, Culver City, which has *Tarzan* screen & TV rights, plans *Our Town* and *Capt. Horatio Hornblower* TV series; Weintraub becomes pres., Lesser chairman.

This week, too, MGM hired ex-ABC-TV programmer J. Donald Wilson to cull TV package offerings from library of thousands of shorts. And Film Producers Assn. of N.Y. invited civic leaders to April 8 dinner at Toots Shor's kicking off campaign promoting city as TV-&-movie production center.

George Foster Peabody Awards for 1957, administered by U of Ga. journalism school, presented April 2 at N.Y. luncheon of Radio & TV Executives Society: TV & radio news—CBS (*Face the Nation, See It Now, The 20th Century, This Is New York*). TV news—ABC, John Charles Daly & assoc. ("Prologue '58"). Local TV-radio news—Louis M. Lyons, WGBH-TV & WGBH, Boston. TV musical entertainment—*Dinah Shore Show*, NBC. TV non-musical entertainment—*Hallmark Hall of Fame*, NBC ("The Green Pastures," "There Shall Be No Night," "On Borrowed Time," "Twelfth Night," "The Lark," "Yeomen of the Guard"). TV education—*Heritage Series*, WQED, Pittsburgh. Local radio education—*You Are the Jury*, WKAR, E. Lansing, Mich. TV youth & children's programs—*Captain Kangaroo*, CBS. Local TV youth & children's programs—*Wunda Wunda*, KING-TV, Seattle. TV public service—*The Last Word*, CBS. Local TV public service—*Panorama*, KLZ-TV, Denver. Local radio public service—KPFA, Berkeley, Cal. TV contribution to international understanding—Bob Hope, NBC. Special TV-radio awards—NBC educational programs, Westinghouse Boston conference and "high quality of its own public service broadcasting."

Add awards: George Polk Memorial Awards to CBS News for "Algeria Aflame"; to Richard Heffner for "The Open Mind," WRCA-TV.

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. 15

SUMMARY-INDEX OF THE WEEK'S NEWS — April 12, 1958

SHAREHOLDERS LOOK AT MANAGEMENT: Season of the stockholders meetings, coinciding more or less with income tax time, focuses attention anew on inside financial workings of major companies in TV-radio and related "electronics amusement" fields -- so we give you, on pp. 14 & 15, digests of a few more annual reports, rundowns on more salary-bonus remunerations and stockholdings of officers-directors, and a schedule of important upcoming stockholder meetings (p. 14).

These implement the many financial reports that we've digested in recent issues -- and they're a sort of preliminary to the annual listing of "Financial Data on Television-Electronic Companies" which the well-known Chicago specialist Edgar N. Greenebaum Jr. is compiling for us for release as a Special Supplement in early May. This year's listing will be somewhat expanded, will again show for each company its capitalization and where traded, and for each fiscal year since 1950 its sales, pre-tax earnings, net profits, net per share, dividends, assets, price range.

Note: Most of the annual reports thus far released follow the general business trend toward more sales, less profit -- but there are some egregious exceptions in the way of increased earnings, like Avco, CBS Inc., Hoffman, Webcor, Westinghouse & Zenith. Noteworthy in notices of annual stockholder meetings is a relative lack of controversial issues despite tendency during a recession to criticize management.

HATE-THAT-TV PROPAGANDA MILL GRINDS ON: The "hate TV" campaign fostered by certain pay TV proponents in propaganda furtherance of their own pie-in-the-sky promises (Vol. 14:14) may be rubbing off in some high places -- but, except for its publicity value, its illogical aspects could be self-defeating.

Question of stations editorializing against pay TV comes up on FCC agenda in a few days as Commission takes up complaints by Zenith and Skiatron that networks "pushbuttoned" an anti-pay campaign. Also before it are questions along that line raised by Senators Magnuson (D-Wash.), Neuberger (D-Ore.), Long (D-La.).

FCC sources state that, to the best of their knowledge, the vast majority of stations have been extremely careful to present balanced debate on subject. However, it has reports of a few allegedly one-sided presentations. And the pay-TV lobby hasn't let up its "contact" activity at the Commission and on Capitol Hill, notably trying to put across the thought-control-by-a-few-men-in-N.Y. angle.

There's no question that some Congressmen -- perhaps not many, because most have had first-hand relations with networks and stations regarding access to facilities -- are now concerned not so much by the merits of toll TV as by the pulling power of TV. The telecasts precipitated an incredible blizzard of mail asking them to ban subscription TV. It could be, though the record doesn't bear it out, that some lawmakers are falling for Zenith's dire predictions that through some evil machinations the telecasters could turn public opinion on and off in elections, etc.

FCC isn't inclined to "make a Federal case of it," as one commissioner put it -- but it probably will ask accused networks and stations to supply the facts about their allegedly prejudiced anti-pay presentations.

Note: How the well-oiled anti-free-TV publicity machine can penetrate all the way into the rural press, is indicated in "Tall Tale From Texas" on p. 3.

COMPROMISE WORKING IN NETWORK HEARING? It's nothing new to hear speculation about possible meeting of minds of FCC and all parties to Commission's marathon network hearings (for digest of this week's testimony, see p. 5). But feelers are being put out by some parties now -- we're not at liberty to disclose their identities -- who believe reasonable compromises can be achieved without disruption of status quo.

It's too early to conclude that anything is wrapped up, of course, and there's many a slip and political pitfall, but some well informed people see this as possible final upshot on major points:

(1) Multiple ownership to remain intact. (2) Option time retained, perhaps with modifications. (3) Must-buy abolished. (4) Rep business dropped by networks.

Testimony to date has been almost entirely anti-Barrow Report -- and sheer weight of presentations gives impression Report has been "demolished." But some commissioners are not at all inclined to toss whole Report in ashcan; their records show leaning toward somewhat tighter control of networks -- largely because of station scarcity. Furthermore, commissioners are not insensitive to the continuous pressures to tighten up emanating from Congress -- from such as Sen. Bricker (R-O.), Rep. Celler (D-N.Y.), et al. It would be folly to kiss this proceeding off.

GLAMOROUS HOLLYWOOD—GONE FOREVER? Pre-TV movie industry never again will be seen in U.S. -- and big Hollywood AFL Film Council, representing 24,000 studio craftsmen, laments that fact of TV life. But unlike Theatre Owners of America, unions don't buy idea that way to restore fading boxoffice is to quarantine TV from post-1948 features (Vol. 14:13). They have some remedies for industry itself to take.

Sharp fears for survival of Hollywood as film capital are reflected in scholarly 78-page report released this week by Film Council. Prepared after year's study of studios' ills by Dr. Irving Bernstein of UCLA Institute of Industrial Relations, it concludes: "Industry which existed in 1946 is gone forever."

In future, movie industry "will be smaller in all dimensions, probably much smaller" than it was even before TV "changed living patterns of the American people" who more & more watch screens in homes instead of theatres, says statistical survey. "Great imponderable of the future [is the continuing] impact of TV and most particularly the impact of toll TV" -- whose potentials as film outlet are described in report as industry's "great economic question" for which there are no ready answers.

But "grounds for guarded optimism" for industry also are seen by Dr. Bernstein. He points out that "blockbuster" pictures give TV stiff competition, for instance. Through them, TV habitues are accepting "notion that going to the movies can be something special like going to the legitimate theatre or a big football game."

And industry should take other measures to revivify Hollywood, Film Council says in save-the-movies prescriptions which noteworthily do not include TOA scheme to buy post-1948 films from distributors, keep them from TV. Along with bound copies of Dr. Bernstein's report, Council pres. Pat Somerset sent letters to 35 industry leaders & organizations calling for 4-point united campaigns for:

(1) Theatre admission tax subsidies for movie production similar to British plan which diverts percentage of ticket tax into special film-financing fund. (2) "Full govt. assistance in the field of foreign exchange." (3) Income tax credits spread over lean years for producers, actors, others whose pay fluctuates widely. (4) Modifications of 1948 Paramount anti-trust consent decree separating production-distribution and theatre joint ownership, outlawing forced block picture sales [a slim prospect, apparently; see story, p. 4].

Hollywood's 1946-56 decline & fall from entertainment heights (21,775 production workers monthly down to 12,593, annual $299,361,610 payroll down to $240,000,-000, weekly 90,000,000 theatre attendance down to 46,530,000, combined earnings of 10 studios down from $121,000,000 to $32,000,000) is traced in report.

Directly linked to TV's growth during decade, movie-TV trends noted by Film Council reflect those cited earlier by researcher Sindlinger & Co. in special report which TOA circulated to all movie distributors (Vol. 14:4). Only conclusion by TOA was that post-1948 releases to TV "would certainly be a death blow" to movies.

SET DISTRIBUTION—83% OF HOUSEHOLDS: Most authoritative figures on TV set ownership, Census Bureau's (underwritten by Advertising Research Foundation), were brought up to date this week -- and they continue to document the approach to national saturation, along with healthy increase in multiple-set homes.

As of Jan. 1958, 83% of all U.S. households had TV sets -- vs. 80% in April 1957, 73% in Feb. 1956, 67% in June 1955. Homes with 2 or more sets rose to 7% as of Jan. -- compared with 5% in April 1957, 4% in Feb. 1956 (Vol. 13:43).

Western region showed best increase, going from 77% in April 1957 to 82%, while South was up 3% to 74%. Farms show lowest concentration, as usual, with 68%, but they showed best percentage rise, going from 63% last year. Curiously, next best increase came in cities 1,000,000-3,000,000; their concentration is 91%, up 4%.

Estimates are based on 35,000 interviews in 638 counties and cities. Copies of 4pp. report are available for 10¢ from Census Bureau or Commerce Dept. offices. Title: "Series H-121, No. 5, Households with TV Sets in the U.S., Jan. 1958."

Tall Tale From Texas: Shades of Wrede Petersmeyer! He's the young economist-trained director of the Whitney stations, you may recall, who advanced the now oft-quoted theory that TV as an industry, as an advertising medium and as a stimulus to consumer sales has been a vital spur to the national economy over the last decade (Vol. 13:47). His thesis was advanced as an argument against pay TV and was taken up by no less a scholar than CBS pres. Dr. Frank Stanton in recent speeches and Washington testimony.

Now we're offered the other side of the coin in a column headlined "Television vs. the Nation's Economy," published in regular news type but labeled at the tail-end as "adv." It appeared in the April 3 *Beeville* (Tex.) *Bee-Picayune,* weekly in a small ranch town some 50 mi. north of Corpus Christi. Who wrote it and whether it was syndicated, we don't know; it was paid for, we learned, by a disgruntled theatreman, but counsel for Theatre Owners of America assure us TOA had or would have no part in it.

Article starts by referring to an unnamed "prominent New Yorker" who is offering this novel explanation for the business recession:

* * * * *

"The development of TV is the cause of it all. Any mechanical instrument that can keep 40,000,000 night after night—people who might be out in their cars or going places where their money is being spent—must have a serious effect on the nation's economy.

"Ask any local companies who have seen their nighttime business fall away to a fraction of the old volume. Ask the minor league baseball clubs, or what's left of them. Ask the downtown restaurants. Ask the motion picture theatres. Ask the manufacturers of clothes. Ask the nightclubs. Ask the small businessmen who have been unable to stay in business in various fields of retail trade because they couldn't match the concentrated advertising power of the big companies using television.

"Look at it from another viewpoint. The horse racing people have done very well; you can't see many horseraces on TV. Professional and college football are going quite well; their showings on TV are rigidly limited. Boxing, on the other hand, can be seen all over the TV dial and the boxing business is in a sad state . . ."

* * * *

And then some gems of thought that must sound familiar to those in the business who have been fighting subversive attacks on the industry:

"Ah, you say, but what of the fine, healthful effect on American morale of having all this entertainment freely available in the home? Would you say that the advent of TV has been marked by any commensurate decline in juvenile delinquency, or crime in general?"

And doesn't this sound familiar? ". . . as a communication technique TV is progress. But it is the kind of progress that climbs on the neck of victim after victim.

"It is time we faced up to the issue. We speak of free TV, as opposed to any pay system. But TV is not free. Part of the price you pay for a car or a pack of cigarettes or a bar of soap pays for the product's TV program. Part of the customer's annual expenditures for entertainment, which used to go to your theatre, goes to the purchase and maintenance of his TV set . . . .

"It [TV] is the tool of the big advertisers rather than the small individual businessman. It helps the strong business and the strong shopping area—which can afford it—at the expense of the weaker ones, which can't pick up the tab . . . ."

* * * *

So there ought to be a law, no less: "Video is certainly here to stay. But so are the theatres, the restaurants, the transportation companies and all the rest of TV's victims. There are laws to protect the farmer . . . the oil industry and organized labor. Is it unreasonable to ask for laws providing stricter regulation of TV in order to protect all the businesses that are being severely damaged by the inroads of this new medium?"

Recommended reading: Text of CBS v.p. Richard S. Salant's April 11 speech before Ohio Assn. of Broadcasters (received too late for adequate treatment herein but available from CBS, N. Y.). It's a cleverly whimsical, yet penetratingly serious, analysis of the politics, methods, motivations in the "sport of baiting broadcasters"—particularly on the Washington scene, but not overlooking the competitive media, the self-servers, the program critics, the do-gooders, the "intellectual snobs." Salant's main thesis is that the very success of TV & radio have made them fair game: "The network presidents [are] the most investigated, criticized and harassed business men since the robber barons of the railroads during the last century, or since the days that FDR had his fun with the money changers in the temple back in the '30s." His conclusions: "(1) It's a mess in Washington. (2) There are no easy answers. (3) Nobody loves us but the people. (4) We're in business; let's admit it. (5) Let's do the best job of programming we know how. (6) If we're to be led out of this Washington wilderness, you, the individual men and women of the broadcasting business, are the ones who will do it. For it's a do-it-yourself process."

More Anti-Trust Trouble: Conspiracy to monopolize distribution of old movies to TV was alleged by Justice Dept. this week in civil anti-trust suit against Universal Pictures, Columbia Pictures and latter's subsidiary Screen Gems—and still another TV case (Paramount Pictures) was brewing.

Already linked with 4 other feature film distributors in still-pending 1957 block-booking anti-trust action (Vol. 13:16), Screen Gems was accused of joining illegally with parent Columbia and Universal in $20,000,000 deal last Aug. (Vol. 13:32) to get exclusive control of 600 pre-1948 Universal features.

At same time Federal anti-trust chief Victor R. Hansen was reported readying anti-trust moves against Paramount and Music Corp. of America following Justice investigation of $50,000,000 distribution agreement in Feb. for 750-film pre-1948 Paramount library (Vol. 14:6).

Universal-Columbia-Screen Gems suit, filed April 10 in N.Y. Federal District Court, alleged that 14-year TV distribution contracts: (1) Violated Sherman Act by fixing prices and eliminating competition between Columbia & Universal for TV business. (2) Violated Clayton Act by removing Universal as competitive factor, exclusive TV film licensing agreement amounting to unlawful acquisition of Universal assets.

Hansen pointed out that feature films have become "staple commodity of TV programming," and said: "We hope by the institution of this action to foster competition in this source of programming material for TV stations."

Prompt retorts came from defendants. Said Columbia pres. Abe Schneider: "Before Columbia & Screen Gems executed the contract with Universal Pictures, we were assured by our legal counsel that the arrangement would not be in contravention of any laws. Therefore, we believe that our present position is clear and without jeopardy." Said Universal pres. Milton R. Rackmil: "We will vigorously defend our position and are confident that we will be upheld."

* * * *

New moves by Justice in long-developing movie-TV investigations followed same course set by Hansen in March, 1957 with civil action against MGM's parent Loew's, charging anti-trust violation in package-leasing of MGM features to stations (Vol. 13:13). Follow-up of 1957 suit involving Screen Gems alleged that it, C&C Super Corp., Associated Artists Productions, National Telefilm Assoc. and United Artists ganged up on stations with block bookings.

Paramount-MCA anti-trust investigation, started by Justice soon after deal was announced, has centered on questions of whether it stifles competition for TV film showings and pressures telecasters into accepting package deals in combination with MCA-supplied talent.

Direct-wire subscription TV project, involving expenditure of $25,000,000, was proposed April 11 by owners of radio WERE, Cleveland, whose v.p.-gen. mgr. Richard M. Klaus stated there would be no use of airwaves, hence no Federal regulation. Station since 1953 has held CP for uhf Ch. 65, is owned by more than 50 stockholders [*TV Factbook No. 26*, p. 352].

New rep: KMJ-TV, Fresno to Katz April 1 (from Raymer).

Network Television Billings

February 1958 and January-February 1958

(For Jan. report see *Television Digest*, Vol. 14:10)

NETWORK TV GROSS time billings in Feb. were up all along the line, compared with same month last year—total for the 3 networks rising 13.3%. For Jan.-Feb. 1958, increase was 13.7%. Dollar total was $44,636,018 vs. $39,385,207.

Individually, CBS, NBC & ABC were up 6%, 12.7% & 36.5%, respectively, for the month. CBS achieved $19,410,741, NBC $16,797,681, ABC $8,427,596.

No longer compiled by Publishers Information Bureau, figures are now released by TV Bureau of Advertising on basis of computations by Leading National Advertisers Inc. and Broadcast Advertising Reports. The complete Jan.-Feb. figures (for preceding years, see *TV Factbook No. 26*, p. 31):

NETWORK TELEVISION

	Feb. 1958	Feb. 1957	% Change	Jan.-Feb. 1958	Jan.-Feb.* 1957	% Change
CBS	$19,410,741	$18,309,088	+ 6.0	$41,504,750	$38,540,562	+ 7.7
NBC	16,797,681	14,900,631	+12.7	35,141,792	31,455,572	+11.7
ABC	8,427,596	6,175,488	+36.5	17,581,813	12,891,069	+36.4
Total	$44,636,018	$39,385,488	+13.3	$94,228,361	$82,887,203	+13.7

1958 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
Jan.*	$ 9,154,217	$ 22,094,015	$ 18,344,111	$ 49,592,343*
Feb.	8,427,596	19,410,741	16,797,681	44,636,018

* Jan. 1958 figures revised as of April 7, 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 Leading National Advertisers and TV Bureau of Advertising 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.

FTC Now Monitoring TV Ads: Federal Trade Commission inaugurated a monitoring system for TV commercials this week via special equipment for the simultaneous recording of sight and sound. It enables the FTC to get a record of questionable TV ads which, according to legal advisor T. Harold Scott, is admissable as court evidence. Heretofore, Commission relied on verbal reports from its investigators, or on films provided by advertisers and stations in prosecuting complaints (Vol. 13:44).

Since Congress appropriated $100,000 in 1956 to check TV and radio commercials, FTC has depended almost entirely on beefs from the public, followed up by spot checks by its 135 field attorneys in 9 offices around the country. Harry Babcock, director of FTC's bureau of investigation, told newsmen who witnessed the monitoring system in operation on the 7th floor of FTC headquarters in Washington, that he hoped similar equipment could be installed "soon" in enough cities to "blanket the country." He said the Washington system cost "something more than $3000."

Scott said the previous method of spot checking station scripts, and following up complaints from the public, has been unsatisfactory because violations of the law might appear only on the audio portion of the commercial and it is important to get a permanent record of the video in order to prosecute a complaint successfully. He said there had been a "definite improvement" in the quality of TV commercials since FTC started its monitoring program. "We arrive at this conclusion not only from our own observations but from comments we get from the public. Of course, the public is our first monitor and probably always will be."

FTC has issued 10 formal complaints against TV ads in the past 18 months and obtained 15 stipulations from advertisers who agreed their commercials might be in violation of the laws against fraudulent advertising.

The Multiple Owners' Case: With plenty to lose if FCC adopts Barrow Report's recommendations, multiple owners went all-out in winding up their testimony in network hearings this week. Barrow Report states, simply, that long-range goal should be one station per owner. As a starter, it urges that multiple owners be limited to 3 vhfs in top 25 markets, being required to sell excess within 3 years. Spokesmen appeared for Meredith, Storer, Westinghouse. Hearing resumes April 15 with net affiliates' committees—ABC's leading off.

Meredith Publishing Co.'s presentation was handled primarily by TV-radio director Payson Hall, with assists from Frank P. Fogarty, v.p.-mgr. of WOW-TV & WOW, Omaha, and Richard B. Rawls, mgr. of KPHO-TV & KPHO, Phoenix. [Other Meredith stations: WHEN-TV & WHEN, Syracuse; KCMO-TV & KCMO, Kansas City; radio KRMG, Tulsa.]

Hall proved to be exceptionally knowledgeable and deft in fielding commissioners' questions as well as in his written statement. These excerpts from statement epitomize his evaluation of Barrow Report:

"This is one story of multiple ownership—a factual story of practical, and not theoretical, service to the public. It is a story not found in the Network Study Report for unfortunately the Report stops at the threshold, content with the support it finds in assumptions, superficial reasoning and speculative evils . . .

"We do not contemplate the sale of our stations to realize capital gain; we do not attempt to maximize earnings at the risk of long run stability and our integrity as an institution serving the public . . .

"We do say that stability, continuity and planning possible in multiple owned stations may, and probably do, result in consistently well managed stations, thus inherently more in the public interest. The single owner-manager may equally excel if, and long as, he is experienced, active, competent and capable financially of serving the public. When he dies, or becomes ill, is financially pressed, or for one of a thousand personal reasons is unable to devote himself effectively to his broadcast business, the public may suffer for an extended period of time."

* * * * *

Hall said Meredith entered TV, not to promote its magazines (*Better Homes & Gardens* and *Successful Farming*, plus home-service books) but because "we were already experienced in the art of communicating with large segments of the American public [and] we were confident of our ability to extend this knowledge to other media."

Meredith's pioneering and stability were factors most stressed. He noted that it built WHEN-TV, Syracuse, in 1948, was in red 22 months, lost $440,000 before turning corner. He emphasized experience and long tenure of station managers and dept. heads, detailed their extensive local civic activities.

As example of financial resilience of multiple owners, Hall noted that Meredith continues operating independent KPHO-TV vigorously and at considerable loss, and asked rhetorically whether single-station owner would keep 4th station in Phoenix without network.

In cross-examination, Hall stated: (1) That all Meredith radio stations were profitable. (2) That he opposes ownership of 2 or more stations in same market, because of channel scarcity. (3) That he's against change in option time recommended by National Telefilm Associates (Vol. 14:11), prefers status quo. (4) That magazines are competitive with TV—*Better Homes & Gardens* having taken ad money from TV. (5) That Meredith magazine readership hasn't been hurt by TV.

* * * *

Lee B. Wailes, Storer exec. v.p., came up with one of the few recommendations for change in rules proposed in network hearing to date. He suggested that 4th TV network might be made economically possible by: (1) Limiting the network to cities in rectangle bounded by Boston, Washington, Milwaukee, St. Louis. (2) Permitting network to use, at least in part, privately-owned intercity facilities. (3) Letting new network own 7 vhf stations in top 25 markets.

On questioning, Wailes said Storer believed ownership of 7 stations shouldn't be limited to network entity. He stated that Storer has no idea of starting a network but that "a lot of people have a network gleam in their eye."

During Wailes' appearance, Chairman Doerfer made it clear he doesn't believe multiple owners have as much "leverage" with networks as Barrow Report implies. He noted that Storer hasn't been able to get affiliation for WVUE, Wilmington-Philadelphia, and Wailes added that Storer couldn't hold NBC for now defunct uhf WGBS-TV, Miami.

Wailes described difficulties with WVUE. "We have the coverage but not the listeners," he said—reason being that site differs from other 3 Philadelphia stations which have antenna farm, to which WVUE wants to move.

Storer has committed $2,500,000 for programming of WVUE, said Wailes, but station has "real problems." It has increased ratings in last few months "but not substantially." "So far," he said, "we're not too encouraged." He said Storer has no plans to sell WVUE, no plans to buy elsewhere.

Wailes launched heavy frontal attack on Barrow Report's philosophy, asserting it wants to reduce all broadcasters "to the lowest common denominator." "The route is circuitous but the goal is clear," he said. "It is a long step down the road to Govt. Radio—a road down which Storer does not wish to go—and, we trust, this Commission does not wish to go."

* * * *

Wailes went all the way in opposition to Report's recommendations on publication of affiliation contracts, must buy, option time, etc.; "The result of any such proposals would not be to increase competition; they would merely make it impossible for the affiliates to maintain the present degree of opportunity to bargain on a par with the networks and to exercise licensee responsibility."

Wailes put considerable emphasis on multiple owners' experience in bargaining with networks, stating that "you cannot promote competition by reducing all buyers to the strength of the lowest denominator, while leaving the strength of the sellers intact." He also said multiple owners are better able to counter the "terrific" advantages of stations owned by monopoly newspapers.

Wailes was questioned closely about Storer purchases and sales of stations. Reasons, he said, were to get full complement and to upgrade Storer group to larger markets.

Attention, NAB Conventioneers

If you want your *Television Digest* to follow you to your hotel in Los Angeles during the NAB Convention (April 27-May 1), we'll be glad to send it to any subscriber via air mail at no extra cost. Let us have your hotel address ahead of the April 26 issue. We'll also send on the May 5 issue to any address you designate if you're not going to be back to your office by then.

He defended Storer's record of getting CBS affiliations after station purchases on ground that company's long record of performance was obviously persuasive with CBS. In case of Cleveland, where Storer took CBS from WEWS after buying WXEL (now WJW-TV), Wailes asserted: "WEWS is owned by Scripps-Howard, a multiple owner, no pushover. We didn't take it from a defenseless individual operator."

Other points made by Wailes: (1) Network rules shouldn't be changed. (2) Networking would be "chaotic" without option time. (3) Storer stations don't editorialize. (4) There would be nothing wrong if multiple owners controlled all stations in top 25 markets, because there would be cancellation of "so-called advantages." (5) Station sales shouldn't be subject of hearings because of "hardship on purchaser & seller."

* * * * *

Youthful Donald H. McGannon, Westinghouse Broadcasting Co. pres., did a job of "massive retaliation" against Barrow Report—163pp. statement, plus exhibits. He didn't stint, poured on full weight of awards & kudos WBC has achieved—and Commission was visibly impressed by observing WBC's accomplishments in one pile.

"In less than 5 years," McGannon declared, "the Westinghouse company has invested approximately $34,500,000 in one radio & 4 TV facilities"—and he proceeded to tell what had been done with the money.

In fully 100pp., McGannon detailed WBC's innumerable public affairs efforts, including its phenomenally successful Boston & Baltimore conferences on public affairs (Vol. 13:9, 14:10). He concluded:

"I hope you have understood the spirit with which we have presented the Westinghouse Broadcasting Co. record, so-called . . . This has been done with no attitude of immodesty or of bragging or that the total objective has been achieved. It is done with the very calculated purpose to establish that there is substantial value in multiple ownership for the people to whose service we are dedicated. Multiple owners can and [WBC] has rendered substantially more than a 'marginal service.' I hope that the results of our efforts have properly reflected the seriousness of our purpose, the degree of our dedication, and the fullest realization of our responsibility."

McGannon wasn't gentle with study staff. "Its recommendations," he said, "are so convulsive and destructive that we are at a loss to understand the rationale, the basis of corroboration, or the substance of the investigation of the Staff in arriving at these results . . . Although it is not possible to conclusively establish the fact, it is at least our strong opinion, that the Staff elicited only such facts and information as best served their pre-conceived conclusions."

* * * *

Network option time should be retained as is, McGannon stated—but he did say he's "heartily in favor" of evolvement of network-affiliate relations "that would limit network programming to not more than those option time hours presently prescribed in the standard NBC and CBS agreements." He said there's "very respectable" sets-in-use figure 6-11 p.m., thus providing considerable valuable non-option time to encourage non-network program producers.

Must-buy practice should be retained, McGannon said, to keep networks competitive with printed media.

Barrow Report's attitude toward multiple ownership seems to be this, according to McGannon: "A broadcasting facility that is allegedly owned by local interest is inherently and per se good, and, more importantly, a better broadcaster than a person or company who first, owns more than one station, or second, is unable to qualify under the term 'local ownership.'" As for trafficking in licenses, he said he'd go along with a rule requiring owner to keep station for "reasonable minimum period."

McGannon raised series of questions as to what constitutes "local ownership"—single owner living in city's corporate limits, owner who doesn't participate actively in management, etc.? WBC, he said, insists that its managers and dept. heads be "deeply rooted" in their communities.

As for multiple owners' "competitive advantages" in film purchases, spot rep relationships, network affiliations, McGannon stated flatly that "there is not one scintilla of truth in this contention." He noted that WBC has 4 reps for its 5 stations; that 2 stations are NBC affiliates, 2 CBS, one ABC; that all film buying is done locally without direction from N.Y. headquarters.

McGannon didn't reject all changes recommended in Report. He said WBC would: (1) Go along with requiring networks to file affiliation criteria. (2) Support recommendation regarding sustaining broadcast of commercial programs by non-ordered affiliates, "provided that adequate provision be made for the protection of the ordered affiliates." (3) Approve some FCC punishment short of station revocation. (4) Encourage broader distribution of commercial network programs, "providing that the exclusivity of regular network affiliates is not unduly infringed upon."

Like most witnesses to date, he urged licenses be extended from 2 to 5 years.

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McGannon also read into record 20pp. statement of his boss—E. V. Huggins, WBC chairman and v.p. of parent Westinghouse Electric Corp. Huggins emphasized close ties of Westinghouse—in plants, employes & stockholders—to cities where it has stations: Baltimore-Washington, 3180 stockholders, 6500 employes; Boston area, 2350 & 2200; San Francisco, 2350 & 3500; Cleveland, 3580 stockholders; Pittsburgh, 5600 & 15,000. Huggins stated:

"Ownership and operation of stations, either on a multiple or single basis, by an organization like Westinghouse, has given and continues to give a practical assurance of sound, effective operation in the public interest which cannot be found in the theoretical 'local ownership' values so prized by the Staff Report. The assurance lies in the desire and incentives of the owner, whoever he may be. Westinghouse has the desire and incentive—and on a permanent basis."

Huggins said that Westinghouse, as a national advertiser spending $39,000,000 on all media this year, is concerned lest TV networks be weakened or destroyed. "The national advertiser will then," he warned, "of necessity, turn completely to other media and leave the TV industry to seek financial support from the public either directly through pay TV, or indirectly through tax supported subsidies."

Do You Know That . . .

WHO'S THE BEST GOLFER in the broadcasting industry? On the available record, and by common consent, it seems to be a tossup between **Joseph M. Higgins**, gen. mgr. of WTHI-TV, Terre Haute, Ind.; **Robert O. Reynolds**, pres. & gen. mgr. of KMPC, Los Angeles; **George H. Frey**, the ex-NBC sales v.p., now v.p. of Sullivan, Stauffer, Colwell & Bayles, N.Y.; **James M. Riddell**, newly elevated to American Broadcasting-Paramount exec. v.p. from head of ABC's Detroit stations WXYZ-TV & WXYZ.

There may be others as good—but most everybody in the business who might know acclaims the foregoing as tops, probably in that order, all of them capable of shooting in the 70s or lower.

Joe Higgins began at 12 as a caddie in Dayton, was shooting in the 60s by the time he was 16, became city champion at 22, Indianapolis district champ in 1945 & 1947 while he was district adv. mgr. for McGregor sporting goods. He came to the attention of the WIBC owners when he played an exhibition match for the police athletic fund with pros Sammy Snead & Bobby Locke and Indiana state champ Fred Wampler, credits golf with getting him his first jobs and his promotions in radio and TV. He has won 5 of last 12 NAB tournaments, shoots 70 consistently, boasts one score of 62 on a Cincinnati course.

Bob Reynolds, onetime Stanford All-America tackle (Vol. 14:2) recently teamed with pro Billy Cooper in the Bing Crosby open for amateur-pro pairs at Pebble Beach, Cal. to reach finals with a 261 score. George Frey won the NAB tournament in 1947 with a 74, has handicap of 4, average score 76; his best score was 67 when he beat Sammy Snead on the back 9 at Greenbrier by one stroke, 33-32, during the 1955 Proprietary Assn. convention.

Jim Riddell is pres. of Detroit's Red Run Golf Club, member of the famed Oakland Hills Country Club, governor of Detroit District Golf Assn., on board of Western Golf Assn. He has won the Detroit Variety Club championship several times. The game is second nature to him, for he started in his native Scotland. He shoots in low 70s, has 4 handicap. Even his Detroit home is on the edge of a golf course—one reason he hated to quit Detroit for N.Y.

* * * *

Silverton (Sil) Aston was with Howard Wilson Co. when he first won the NAB golf tournament with a 71 in 1946, repeating with a 76 in 1953 when he ran KMBY, Monterey, Cal.; he's now operating a tire service in Terre Haute and one of a group seeking Ch. 2 there. Frey won in 1947 with 74; Don Fedderson, then with KYA, now an independent TV producer in Hollywood, in 1948 with 86; Higgins in 1949 with 78, 1952 with 79, 1954 & 1955 with 73, 1956 with 79.

Other winners of the NAB convention tournament, instituted about 20 years ago by *Broadcasting Magazine* and now run by its adv. v.p. **Maury Long**, himself a crack golfer: 1950, **Merrill Lindsay**, WSOY, Decatur, Ill., 79; 1951, **Lew Green**, Chicago adman, 78; 1957, **Mark Schreiber**, Denver adman, 72.

Runners-up in same 12 years: 1946, **Jack Kamsler**, Reynolds Pen Co.; 1947, **William E. Rine**, then WWVA, Wheeling, now Storer v.p.; 1948, **Max Everett**, Everett-McKinney Inc., N.Y. (reps); 1949, **Bruce Bryant**, Petry Co., Chicago; 1950, **Rolston Fishburn**, Petry Co., Chicago; 1951, Robert L. Stoddard, KATO, Reno & William Ware, KSTL, St. Louis; 1952, Steve Roche, NBC, Chicago; 1953, Andy Jarema, WKOP, Binghamton, N. Y.; 1954, Henry Clay, KWKH, Shreveport; 1955, Marshall Pengra, KLTV, Tyler, Tex.; 1956 & 1957, Merrill Lindsay.

* * * *

It's a popular game with the broadcasting fraternity generally, and leaders like FCC chairman John Doerfer and Comr. Bob Lee, to say nothing of George Storer and the perpetual golf-gaggers Bing Crosby and Bob Hope, are seen on the links frequently.

Among the Washington TV-radio group, Bob Rawson, chief of FCC hearing division, who shoots in high 70s, won last year's FCC Bar Assn. tourney, won year before by Edward Wheeler, who scores consistently in mid and high 70s. Russ Eagan won a National Press Club driving contest at 290 yards at the Manor Club. Other crack lawyer-players are Ted Pierson, Phil Baker, Harry Ockershausen, Howard Schellenberg—and Ed Bronson, NAB code administrator.

Among the consulting engineers, Andy Ring and Fred Viemeyer are counted tops. The New York top-notchers include Pierce L. Romaine, ex-Raymer, now Time Merchants Inc.; Bill Martin & Tom Dawson, CBS; Tom McAvity, ex-NBC, now McCann-Erickson; Joe Culligan, NBC radio v.p. & Pat Harrington, NBC Sales; Warner Shelley & Ted Sweetser, N. W. Ayer & Son. NBC v.p.'s John West, Hollywood, and Carleton Smith, Washington, shoot regularly in high 70s or low 80s.

* * * *

Two who have made holes-in-one are NBC Washington v.p. Frank M. (Scoop) Russell and the aforesaid Merrill Lindsay, whose family interests also include part ownership of WCIA, Champaign, Ill. (Ch. 3). Russell surprised himself at Kenwood Country Club, Washington, in May 1946 with a 165-yard drive on a par 3 hole. Lindsay scored his last year at Bloomington (Ill.) Country Club, 143 yards on a par 3.

WTVP, Decatur, Ill. (Ch. 17) is being sold to new owners by W. L. Shellabarger (68.75% owner) and associates in deal whereby they get $200,000 for stock & debentures, additional $100,000 for lease of real estate for 5 years, with option to buy at end of that time for $225,000. Principal owner will be George A. Bolas, media director of Tatham-Laird Inc., Chicago. Under new ownership, Shellabarger will have approximately 5% stock interest, also continuing as owner of real estate to be leased to station. Ben K. West will continue as gen. mgr.

Highest price for TV rights of a single property is the $150,000 CBS is paying 6 authors for musical *Wonderful Town*, 1953 Broadway hit. CBS is reported paying additional sum to producers & backers. Show is due to be telecast in Nov., starring Rosalind Russell, who starred in the original; she'll get $75,000. Budget, excluding time costs, is $500,000. General Time Corp. has bought half sponsorship, balance being considered by Pepsi-Cola and Shulton Inc.

Balance sheet of KELO-TV, Sioux Falls, S. D. (Ch. 11), radio KELO, and satellites KDLO-TV, Florence (Ch. 3) & KPLO-TV, Reliance (Ch. 6) shows $212,919 surplus as of Sept. 1, 1957 and earnings of $60,112 from Sept.-Dec. (without provision for income taxes). Filed with request for KPLO-TV power boost, Dec. 31, 1957 balance sheet also lists $357,097 current assets, $246,739 current liabilities, $712,839 fixed assets, $435,869 deferred liabilities.

TV Students Make Grade: "Average or better-than-average" grades were scored by 142 NYU students enrolled in last term's *Sunrise Semester* 6:30-7 a.m. Comparative Literature course on WCBS-TV, N. Y. (Vol. 14:2), according to instructor Dr. Floyd Zulli Jr. He said they demonstrated more maturity in written tests than many students in regular classrooms, that 10% rated "A" grades, 50% "B," 25% "C," 5% "D." Only 10% failed. Second *Sunrise Semester* on WCBS-TV 7-7:30 a.m. covers work of 18 novelists. On other educational TV fronts: (1) Ala. TV Education Commission awarded "citation of merit" to NBC-TV for its special educational TV project (Vol. 13:43). (2) Educational TV & Radio Center, Ann Arbor, has arranged to release first in series of 120-min. concerts by Boston Symphony Orchestra, filmed by WGBH-TV, Boston. (3) American Council on Education, 1785 Massachusetts Ave., NW, Washington, D. C., scheduled spring publication of report on TV conference at Pa. State U last Oct. 20-23. Note: Prof. Zulli's *Sunrise Semester* is subject of article in April 5 *Saturday Evening Post* titled "How to Get Smart Before Breakfast." He'll start new 4-lecture series over WCBS-TV May 11, 4-4:30 p.m., on one well-known novel each week.

Labor plans $750,000 TV-radio campaign to court public favor as part of an overall public relations program. A CIO-AFL committee decided tentatively this week on how to split up its $1,200,000 public relations war chest, earmarking between $260,000 & $300,000 for TV; $400,000 for radio. Balance will go for "developments in the educational field" and "supervision and promotion." Campaign aims to offset damaging disclosures of corruption in labor ranks by the Senate Rackets Committee. A public opinion poll also has revealed strong anti-union sentiment in some parts of the country. The committee which is headed by William C. Doherty, pres. of Letter Carriers' Union, also hopes some of its 135 affiliated unions will sponsor TV programs of their own. Doherty said CIO-AFL probably will discontinue two 15-min. radio news shows now broadcast over ABC and institute a number of 5-min. programs.

Experimental directional operation of Storer's WVUE, Wilmington-Philadelphia (Ch. 12) at Philadelphia antenna farm, 26 mi. short of minimum 170 mi. co-channel spacing from WNBF-TV, Binghamton (Vol. 14:8), was attacked this week by Assn. of Maximum Service Telecasters. AMST notes Commission has authorized only one such operation, WJMR-TV, New Orleans (Ch. 12 & 20), and turned down similar request of WITV, Ft. Lauderdale (Ch. 17) which sought use of Ch. 6, states: "Authorization of a second 'commerical-experimental' operation at degraded spacings would bring a long procession of similar requests threatening the breakdown of mileage separations and the national allocations system."

Application for Ch. 39 in Bakersfield, Cal. was filed this week by manufacturer H. Leslie Hoffman and Terry H. Lee, ex-gen. mgr. of KOVR, Stockton-Sacramento (Ch. 13) which Hoffman and associates sold to Gannett Co. for $3,100,000 (Vol. 14:2). Lee is now managing director of WVUE, Wilmington-Philadelphia (Ch. 12). This was week's only application and brought total on file to 120 (31 uhf). [For details, see *TV Addenda 26-K* herewith.]

Lee Scarborough will hold CP for KTES, Nacogdoches, Tex. (Ch. 19), FCC this week having approved deal whereby he takes over, paying out-of-pocket expenses of former 25% owners Joe D. Prince, T. Gillette Tilford & James G. Taylor (Vol. 13:47).

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.
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PAUL STONE
WM. J. McMAHON, Jr.
JAMES J. CASSIDY
Editorial Associates:
Anne G. Bjarbu, Thomas J. Kerr

Personal Notes: John E. McCoy, Storer Broadcasting Co. v.p.-secy., elected to board; Terry H. Lee, ex-pres. of KOVR, Stockton, Cal., named managing director of WVUE, Philadelphia, succeeding **J. Robert Kerns** who transfers to Storer home office TV staff . . . **Hunt Stromberg Jr.** promoted to director of program development, CBS-TV, Hollywood . . . **John K. West,** NBC Hollywood v.p., onetime RCA v.p. for public relations at Camden, who was married March 14 to Mari Wilcox, now resides at 17340 Magnolia Blvd., Encino, Cal. . . . **Paul C. Louther** promoted to radio v.p. and station mgr. of WVET, Rochester, N.Y., succeeded as WVET-TV program mgr. by **F. Chase Taylor Jr.** who also continues as TV operations mgr. . . . **Edward J. Roth Jr.** resigns as program mgr., WGN, Chicago; continues as consultant until July 11 . . . **Glenn Flint,** onetime news & special events director of WDAY-TV, Fargo, has resigned as administrative asst. to Sen. Young (R-N.D.) to become gen. mgr. of upcoming KCMT, Alexandria, Minn. (Ch. 7), due this summer . . . **Richard Block,** ex-sales promotion mgr. of KRON-TV, San Francisco, named gen. mgr. of KHVH-TV, Honolulu, succeeding **Robert T. Carson,** again aide to owner Henry J. Kaiser on special projects . . . **John W. Davis,** v.p. of rep Blair TV, elected Chicago pres. of Station Representatives Assn.; **Roger O'Sullivan,** Avery-Knodel, v.p.; **William Condon,** Katz, treas.; **Thomas A. Taylor,** Peters, Griffin, Woodward, secy. . . . **Arthur Astor** named mgr. of Los Angeles office, Headley-Reed, succeeding Clark Barnes . . . **George Bingham,** mgr. of Boston office of rep Walker-Rawalt Co. Inc., elected v.p. . . . **John Murphy** promoted to mgr. of Chicago office, Branham Co. . . . **Fred M. Eames Jr.,** onetime chief engineer of WENS-TV, Pittsburgh, promoted to asst. director of engineering, WGR-TV & WGR, Buffalo . . . **Earl W. Welde** named administrative asst. to Fred P. Shawn, gen. mgr. of WSUN-TV, St. Petersburg . . . **Arnold Kaufman,** v.p. of RKO Teleradio Pictures, adds duties of gen. mgr. for film financing . . . **Charles E. Denney,** ex-Grace Line, named v.p. of Television Programs of America . . . **Louis J. Barbano** named financial v.p. of Columbia Pictures . . . **John H. White** promoted to new post of director of national sales for ABC Radio . . . **C. Richard Evans,** gen. mgr. of KUED, Salt Lake City (Ch. 7, educational), has resigned to devote time to own electronics business; successor is **Dr. Keith M. Engar,** onetime production mgr. of KDYL-TV (now KTVT) and added to staff is **Mrs. Elizabeth Lewis** as coordinator.

Dwight E. Rorer, Washington radio attorney, has acquired interest in realty development at St. Thomas, American Virgin Islands, known as "Estate Bondongo" and once a pirates' lair; deluxe hotel has been projected on site, and he plans to reside there.

AB-PT pres. Leonard H. Goldenson's mother-in-law, Mrs. Bertha Weinstein, 73, died at her home in N.Y. April 11. Surviving are 2 sons, 3 daughters.

ADVERTISING AGENCIES: **Harold A. Smith,** ex-NBC central div. TV sales promotion mgr., joins Needham, Louis & Brorby, Chicago, as head of TV-radio dept. program & merchandising promotion . . . **Carl E. Rogers,** ex-Donahue & Coe, ex-Lever Bros., will be editor of new monthly, *Madison Avenue,* to be published by RKM Publishing Co., 575 Madison Ave., N.Y.; **Bill Greeley,** ex-*Television Age* and *Tide,* is managing editor . . . **Edgar Parsons,** ex-American Automobile Assn., named head of Sight & Sound Inc., film div. of House & Gerstin, Washington . . . **John M. Keavey** elected a v.p. of Erwin Wasey, Ruthrauff & Ryan . . . **Doyle W. Lott** appointed a v.p. of Grant Adv. . . . **Dale L. Brubaker** promoted to v.p. of Fred M. Randall Co., Detroit . . . **Norman Glenn** elected a v.p. of Young & Rubicam.

Gerald O. Kaye makes one of the industry's rare moves, crossing lines from appliance merchandising to station management to become gen. mgr. of National Telefilm Associates' newly purchased WATV, N.Y.-Newark (changing to WNTA-TV) [Vol. 14:14]. He's been sales v.p. of Bruno-N.Y. (RCA distributor), head of own Gerald O. Kaye & Assoc. (Crosley & Bendix N.Y. distributor), for last year chairman of Laundercenter Corp. & Servicenters Inc., N.Y.-N.J. Head of radio WAAT & WAAT-FM (changing to WNTA & WNTA-FM) will be **Raymond E. Nelson,** who leaves position of NTA Film Network v.p.-gen. mgr. Note: Changes at WATV will include **Jack Lynn,** now DuMont stations' film buyer, as program director; **Henry Dabrowski,** promoted to chief engineer, with founder v.p. Frank V. Bremer staying as consultant; **Fred Siegel,** from NTA, art & adv. director. **Sydney Kavaleer** remains as sales mgr.

New enterprises: **Don Searle,** still 6% owner of KOA-TV & KOA, Denver and owner of several radio stations in midwest, is chairman and **Quentin Brewer,** ex-Kansas City agency man, is pres. of Special Events Inc., 3833 Sepulveda Blvd., Culver City, Cal. (telephone, Texas 0-2551), formed to take over accounts of Gordon Gray Adv.; **Roger Hamilton** is gen. mgr. . . . **Ken Carter,** ex-v.p. & gen. mgr. of WAAM, Baltimore (now Westinghouse's WJZ-TV), adds Baltimore representation of WMAL-TV & WMAL, Washington, to accounts of his firm, Carter, Lee & Associates, 2503 St. Paul Ave., Baltimore (Belmont 5-2467) . . . **Irving Miller,** ex-CBS art dept., opens own design studio, called Irving Miller Studio, 141 E. 55th St., N.Y. (Plaza 5-1270) . . . **Symon B. Cowles,** ex-CBS, and **Maggi Nelson,** TV-radio producer, form Nelco Productions, 405 E. 63rd St., N.Y.

Radio & TV Executives Society officer slate proposed by nominating committee under Robert Jay Burton, BMI: pres., Donald H. McGannon, Westinghouse pres.; first v.p., Geraldine Zorbaugh, CBS Radio v.p.-gen. atty.; v.p., Don Durgin, v.p., NBC-TV network sales; v.p., Frank E. Pellegrin, v.p. & secy., H-R Reps; secy., Omar F. Elder Jr., ABC secy.-asst. gen. counsel; treas., Jay Smolin, AAP director of adv., sales promotion & publicity.

Ward Quaal, v.p.-gen. mgr. of WGN-TV, Chicago, speaks at May 8 banquet of Indiana U Radio & TV Dept. in Bloomington where third annual "Sarkes & Mary Tarzian Scholarship" in TV-radio will be presented [Tarzian owns WTTV, Bloomington-Indianapolis (Ch. 4); WPTA, Ft. Wayne (Ch. 21)].

Eric Sevareid, CBS chief Washington correspondent, will be awarded honorary degree at June 7 commencement of Wittenberg College, Springfield, O.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

Book publisher looks at TV: Under the subtitle "Is TV really turning our children into 'red-eyed, illiterate morons?'" Bennett Cerf, author, TV panelist, pres. Random House, opines in March 22 *Saturday Evening Post* that "far from hindering the reading of good books, TV definitely has encouraged it. There is no reason for true booklover to scorn TV entirely, so long as he restricts himself to one or two programs worth watching each day." He said N.Y.U. Prof. Zulli's *Sunrise Semester*, WCBS-TV, N. Y., resulted in sale of 5000 copies of Stendahl's "The Red and the Black" (average previous annual sale, 1200 copies) in 9 days after start of book-learning program. Youngsters turn from TV to books for more knowledge, boosting sales of juveniles 400% between 1947 and 1957.

Resurgence of radio is subject of front page article in April 7 *Wall St. Journal*, writer Stanley Penn pointing out that after years of "being given the fright of its life by TV," medium has rebounded so that big networks are "the only sector of industry still operating in the red." NBC pres. Robert W. Sarnoff's recent letter to editors (Vol. 14:13) is cited to show even networks have reason for optimism.

Motorola's "marketing concept" of cost control from product idea to retail sales, instituted when top management was reorganized for decentralized operations in 1956 (Vol. 12:46), has had "measurable & highly encouraging results" since, according to marketing v.p. S. R. Herkes. He details methods in article, "Dividends from a Cost-Cutting Crusade," in March 21 *Sales Management*.

"Moratorium on awards" for TV performances—particularly the "ludicrous charade" of "Emmys" passed out by Academy of TV Arts & Sciences—was urged by TV-radio critic Jack Gould in March 23 *N. Y. Times*. "The annual ritual of ostensibly recognizing creative progress & accomplishments has become so totally farcical that its continuance is palpably absurd," Gould said, adding that "in the trade the TV prize ranks as a seasonal joke."

National Headliners Club awards for 1957 were presented April 12 to: WBZ-TV, Boston, for documentary *City in a Shadow;* WTVT, Tampa, for local news under direction of Dick John; Maurice Levy, NBC-TV, for films of Texas tornado; KTVT, Salt Lake City, for coverage of Utah prison riot; Frank McGee, NBC Washington, for consistently outstanding radio news reporting; WBUR, Boston, for highway safety series titled *Impact;* KLIF, Dallas, for coverage of Texas tornado.

"Elements of a Lottery" is 6pp. statement recently released by Postoffice Dept. gen. counsel, available free from its information office, Washington. Since FCC and Post Office operate under similar lottery laws, opinion of latter's general counsel is regarded as useful to broadcasters—though attorneys caution that govt. lawyers can disagree on interpretation of lottery laws, just as courts have.

Add George Polk Memorial Awards (Vol. 14:14): Chet Huntley, NBC, best TV or radio interpretation of foreign affairs; John Daly & staff, ABC, and Howard K. Smith, CBS, citations. Welles Hangen, NBC, and Daniel Schorr, CBS, citations for TV or radio reporting from abroad. David Schoenbrun, CBS, best book on foreign affairs.

Big ETV System Planned: Fla. educational TV network linking 3 state-supported universities, 12 junior colleges, half-dozen stations by Sept. 1, 1959 is proposed by state commission set up by 1957 legislature with $600,000 biennial appropriation. As envisaged by commission chairman Judson Freeman, ambitious system centered on U of Fla., Fla. State U, St. Petersburg Junior College would utilize upcoming WJCT, Jacksonville (Ch. 7) and WEDU, Tampa-St. Petersburg (Ch. 3), Gainesville Ch. 5, Tallahassee Ch. 11, other connecting stations. Schools distant from main originating studios would receive telecasts via microwave or telephone-cable closed-circuit. Included in proposal is schedule of adult education TV courses.

Trouble with subliminal ads is that nobody knows for sure whether they can sell anything, according to Northwestern U marketing professor Steuart Henderson Britt. He derided tests of below-threshold processes conducted so far for movie & TV viewers, told Chicago meeting of American Marketing Assn. there's no proof "phantom commercial" can induce anybody to "behave differently"—that it may set up actual resistance in audience which knows it is receiving subliminal messages. "People today complain about the advertising they can see; if subliminal advertising becomes a reality, they'll complain about the advertising they can't see."

Israel's new 100-kw radio transmitter just put into operation in its sector of Jerusalem was purchased with antenna for $160,000 from Campagnie Francaise Thompson-Houston, French associate of the British firm, is now on air 6 hours daily with news, commentary and music. Director Harry Zinder, onetime *Time* newsman, reports considerable discussion about bringing TV to Israel, but no definite plans yet.

Political broadcast complaints are starting early this year. In N. Y., Democratic state chairman Michael H. Prendergast called for "investigation" of fact WOR-TV carried 5-min. telecast by Sen. Irving M. Ives (R-N. Y.) urging no tax cut now. Prendergast claimed talk should be labeled "political," with Democrats given equal time, because Ives hasn't counted himself out of running from fall election.

RCA offers new vidicon camera tube (model 7038), more sensitive than previous types, designed for color & black-&-white, live & film, broadcast & industrial uses. One-in. diameter tube gives up to 600 lines resolution, delivers broadcast-quality pictures with as little as one-ft. candle of illumination. It's claimed to have exceptional uniformity—making it easier to achieve balance in 3-vidicon color cameras.

GE's new northeast sales region for broadcasting equipment sales, at 16247 Wyoming Ave., Detroit, is now in operation under Wells R. Chapin, ex-mgr. of marketing administration & producing planning, technical products dept., Syracuse. Region covers 20 states and D. C., excludes N. Y. metropolitan area, has district offices in Washington, Schenectady, Cleveland, Chicago.

Clear channel radio proceeding will be taken up by FCC April 14 in another effort to conclude the seemingly perpetual case. Chairman Doerfer announced schedule during network hearing this week, stating testimony in latter would be interrupted for clear channel consideration, resuming April 15 with network affiliates committees.

Navy's Ch. 10 translator on Guam, repeating KUAM-TV (Ch. 8), began April 5, operating with 500w ERP.

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

Trade Report
April 12, 1958

IS THE TV-RADIO TREND DOWN—OR UP? A candid reappraisal of TV-radio prospects for balance of year seems very much in order this week as first quarter figures (below) show industry in its worst production slump since 1951. TV production for 13-week quarter was 1,220,000 sets -- down 18% from same period last year. Historically, TV makers turn out 23% of year's total in first 3 months. If factor holds for 1958 -- and it's big IF in the minds of many of industry's most accurate prognosticators -- fewer than 5,400,000 TV receivers will be made this year. Last low was 1951 when total was 5,384,000. [For monthly figures back to 1947, see TV Factbook No. 26, p. 447.]

You can't get an industry leader to admit this year will be that bad, but even guesstimates now are well below first-of-the-year predictions. Motorola pres. Robert W. Galvin predicts 6,000,000 sets "despite relatively slow start", counts on mid-year upswing in general business conditions. Even more bullish, Frank Mansfield, Sylvania research director, predicts 6,650,000 combined black-&-white and color, of which 145,000 will be color, shaving his earlier forecast of 7,000,000. He expects 2nd quarter to equal first, burst to 1,900,000 in 3rd and 2,165,000 in last quarter.

Another gatherer of industry statistics says 5,800,000. Others shy at making predictions. So, you see, there is great divergence of opinion in the industry.

Situation is not without its bright spots, however -- and those who called our attention to them aren't just whistling in the dark. Inventories, for example, are in particularly good balance. Despite slight increase in factory inventories -- up to 525,000 sets at end of March as compared with 487,000 last year -- distributor inventories are almost 100,000 sets lower, and an admittedly incomplete check indicates reduced stocks in dealer hands.

Admiral pres. Ross D. Siragusa told stockholders at annual meeting April 10 he anticipates an increase in sales and earnings this year over 1957 despite a 14% first-quarter decline in electronics sales. He said "any upturn in retail sales resulting from general improvement in conditions would immediately be felt in factory production" because of low inventories. Westinghouse chairman Gwilym Price expressed "cautious optimism", predicted 4th quarter upturn in recent talk (Vol. 14:14).

Radio production in first quarter was off 35%, reflecting in large measure the sharp decline in auto production. Home radio production dropped 15% below last year, retail sales at end of Feb. were down 8%.

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On the favorable side, factory sales of all phonos were running well ahead of last year -- 13% at end of Feb. And, particularly encouraging was the 300% increase in high-priced console radio-phono combinations, where the $300-$499 price bracket suddenly became the favorite -- 36,000 pieces in Jan.-Feb. compared with 9000 last year. Consumer preference for high-end phonos was specially pleasing to manufacturers looking ahead to the fall introduction of stereo. Console phonos showed a 50% increase and multi-speed automatic portables continued to boom with instruments priced over $100 doubling factory sales of last year.

Reflecting the popularity of transistorized radios, production of transistors in Jan.-Feb. increased 88% over year ago; average price dropped from $2.90 to $2.25.

TV-Radio Production: TV set production was 70,309 week ended April 4 vs. 78,057 preceding week & 108,266 in 1957. Year's 13th week brought production to 1,220,284 vs. 1,474,729 last year. Radio production was 148,040 (41,698 auto) vs. 195,005 (61,701 auto) preceding week & 293,059 (95,158 auto) last year. For 13 weeks, production totaled 2,603,476 (855,752 auto) vs. 3,813,633 (1,642,015 auto).

Retail Sales: Feb. TV set sales at retail were 448,727 vs. 525,437 in Feb. 1957; 1,030,213 for 2 months vs. 1,148,796 last year. Radio sales at retail (home radios only, auto sets not sold at retail) were 420,065 in Feb. vs. 525,029 in 1957; 954,705 for 2 months of 1958 vs. 1,088,392 last year, according to EIA.

More "Anti-Recession Moves": Response to President Eisenhower's "Buy Now" plea came from several quarters in the TV-radio field. Most dramatic was New York's Davega Stores plan for 30-day "Buy Your Way to Prosperity" sale kicked off by a conclave of distributors (including RCA, Zenith, Hotpoint, et al) and manufacturers on prices and terms. Big city chain promised biggest orders in history, asked makers to cut prices and promised buyers "no down payment for 30 days" on many items. Said Emerson pres. Ben Abrams: "We're 100% behind the idea." Bruno-N.Y. pres. Irving Sarnoff and RCA exec. v.p. Robert Seidel also pledged support.

Sunset Stores (also N.Y.) had similar sale-promotion plan afoot. In Chicago, Borg-Warner said it had lined up its distributors for a "Buy Now" campaign. Hotpoint inaugurated a sales promotion with slogan "OK Ike"; Hotpoint launched a nation-wide sales and trade-in program with no down payment, no payments 'til Aug., 3-mo. no-pay grace period in the event of a lay-off, illness or injury.

But, James D. Secrest, exec. v.p. & secy. of EIA had this to say: "It's not possible to expect price cuts in an industry which is now so competitive and where costs have been rising steadily. There's no fat in TV now."

COLUMBIA SHELVES COMPATIBLE RECORD: Columbia Records' "compatible stereo disc" went back to the labs this week. Company announced it would market straight stereo -- the kind other makers plan for mid-summer or early fall release.

Timing for Columbia's first stereo releases was not revealed but is presumed to coincide with RCA Victor's (Vol. 14:14) and other majors trying to catch up with smaller labels already on the market.

Columbia has by no means junked compatibility, pres. Goddard Lieberson said. On the contrary, "Various methods of reproducing stereo have been developed, others are in the labs. We have no doubt that in time technical problems will be solved." Rebutting criticism of Columbia's compatible stereo demonstration at IRE convention in N.Y. in mid-March (Vol. 14:13), Lieberson said: "It should be borne in mind that stereophonic effect is by no means an absolute quality with rigidly specified characteristics. Much remains to be investigated in artistic taste and public favor."

Admiral Countersues Zenith: "Malicious acts of unfair competition" were charged against Zenith by Admiral this week in countersuit to Zenith's triple damage patent infringement case filed in Chicago Federal Court Feb. 11 (Vol. 14:7). Admiral's suit contended Zenith's 1957-58 patents on "Space Command" remote TV controls and "Fringelock" circuit are invalid, principle having been previously known & patented by others, that Zenith had infringed on 2 Admiral patents for phono record spindles. Suit alleged Zenith falsely accused Admiral of hiring former Zenith engineer to reproduce remote control device, suggested that Zenith sought widespread publicity for false accusations to injure Admiral commercially. Neither suit specified amount of damages sought.

Countour styling of backs of TV sets (Vol. 13:48) was brought to maximum when GE introduced new 2-set, 5-model "Designer Series" in N.Y. this week. Cabinet sides are straight for only 8 in., then curve sharply in, to contour against neck of tube which extends back another 6-8 in. Cabinets of 17-in. 110-degree models are plastic, in 3 colors, each combined with white; 21-in. 110-degree models are housed in aluminum with vinyl skin. GE will be shipping in May, sets no list price but expects 17-in. to be about $200, 21-in. about $240.

Factory sales of picture tubes in Feb. were 556,136 units worth $11,210,527 vs. 728,363 units worth $13,134,778 in Feb. 1957. For 2 months, factory sales were 1,178,046 units worth $23,552,454 vs. 1,489,223 worth $26,729,303 last year. Receiving tube sales in Feb. were 29,661,000 units worth $25,650,000 vs. 44,460,000 units worth $36,631,-000 in Feb. 1957. For 2 months, unit sales were 56,466,000 worth $48,914,000 vs. 82,031,000 units worth $67,801,000 last year.

Factory sales of transistors in Feb. totaled 3,106,708 units worth $6,806,562 vs. 1,785,000 worth $5,172,000 in Feb. 1957, an increase of 74%. For first 2 months, factory sales were 6,061,955 units worth $13,510,945 vs. 3,221,000 worth $9,291,000 in 1957.

Add Anniversaries: Dr. Allen B. DuMont, pioneer CR tube developer, marketed his first TV sets 20 years ago this spring—"America's first commercially available electronic TV receiver."

Sonora Electronics Inc. is now name of old Sonora Radio & Television Corp., Chicago, recently taken over by Earl Muntz & Frank Atlass at tax auction (Vol. 14:11).

Admiral completes 3 hotel installations, representing $750,000 gross: Manhattan Hotel, N.Y.; Carillon & Deauville Hotels, Miami Beach.

Trade Personals: Robert C. Furlong promoted to sales mgr. of DuMont Labs TV receiver div., succeeding Bill C. Scales who joins Jack F. McKinney Sales Co., Dallas . . . Howard Spellman, traffic mgr. of RCA International, retires after 50 years with company . . . **John L. Esterhai**, asst. secy. of Philco, elected pres. U. S. Trademark Assn. . . . **Kenneth W. Connor** promoted to new post of mgr. of sales management development, Sylvania home electronics div. . . . **Joseph R. Owen** promoted to adv. & sales promotion mgr., GE electronic components dept. . . . **George Sapin** named mgr., adv. & sales promotion—entertainment market, RCA tube div. . . . **E. L. Bacon** named national adv. & sales promotion mgr., Graybar . . . **Sidney Zelman** promoted to gen. mgr. of Wilcox-Gay, succeeding **Donald E. Heinisch** now with AMI (hi-fi); **Ray Reynolds** transfers to subsidiary Majestic International as sales mgr. for tape recorders . . . **G. Alfred Deady** promoted to controller of AMI Inc. (Grand Rapids hi-fi mfr.) . . . **Martin L. Scher**, ex-CBS-Columbia, joins N. Y. sales rep firm, Key Accounts Inc. . . . **Robert Camp** promoted to new post of asst. to sales director for Capitol Records; **John P. Coveny** to new post of merchandising mgr. . . . **Sidney P. Herbert** appointed v.p. of Kearfott Co., subsidiary of General Precision Instrument.

DISTRIBUTOR NOTES: Motorola organizes Appliance Distributors of Miss., Jackson, for all consumer products; M. J. Lichterman is pres.; Hugh Curtis, sales mgr. . . . Arvin appoints Beller Electric Co., Newark, for radios . . . Westinghouse appoints World Radio Labs, Council Bluffs, Ia., for electronic tubes . . . Steelman Phono & Radio Co. appoints Featherstone & Salisbury, San Francisco, for northern Cal. and Nev. . . . Stromberg-Carlson names J. B. Mitchell Co., Baltimore, for hi-fi . . . Sterling Audio Inc., N. Y., formed to distribute W. German Nordmende hi-fi, radios; J. J. Harris, ex-Philco Distributors pres. . . . Majestic International appoints Empire Home Equipment Co., Philadelphia, for Grundig radios, phonos.

Fair trade legislation ran into another snag in Congress recently when Senator Humphrey (D-Minn.) dropped his plan to introduce a bill similar to the Harris bill (HR-10527) in the House (Vol. 14:9). However, Humphrey said his Senate Small Business subcommittee would hold hearings on proposed "loss leader" measures at a date yet to be set.

Westinghouse shifts defense products headquarters from Pittsburgh to Washington "to co-ordinate company's full capabilities with the nation's defense program." Maj. Gen. Albert Boyd (USAF ret.), v.p. for defense products, is in charge of the new office at 1000 Conn. Ave. NW.

Henri Busignies, formerly pres. of subsidiary Federal Telecommunication Labs, is named pres. new IT&T Labs div., with headquarters in Nutley, N.J., which has been formed to consolidate all U. S. research & development activities.

Ling Electronics, Los Angeles, plans $1,200,000 acquisition of United Electronics, Newark—$750,000 cash plus about 65,000 shares of Ling common stock—effective April 18 subject to Cal. Corporations Commission approval.

Dr. Allen B. DuMont, chairman of DuMont Labs, will receive annual award of the N. J. Society of Professional Engineers at Atlantic City, April 25.

John J. O'Brien, ex-pres. of Teletype Corp., elected a v.p. of Western Electric, succeeded by Mauris T. Goetz.

Who's on second? It was to be expected that we'd be called to task for ranking Zenith in third or fourth place in TV unit sales (Vol. 14:13)—and we were. "I take exception," writes an important reader, "to your comments which refer to 'unverifiable trade talk that Zenith is now in third or fourth place in unit sales.' There is no doubt in my mind that if GE & Hotpoint are considered separately (for, after all, though they are in the same family they still compete with each other and therefore should properly be treated as separate entities) Zenith is second only to RCA . . . Sears Roebuck figures aren't even close to Zenith production, so I can't quite tell what your reporter has in mind when he says [Zenith is] 'perhaps running a close race with aggregate private brands including the Silvertone line . . . which also have enjoyed a surprise upsurge in the last year or two.' Is he talking about *all* private label brands lumped together (and if he is this is certainly comparing apples and oranges) or is he confining his yardstick to Warwick and Pacific Mercury? In either case, I take strong exception." Well, sir, we're glad to hear from readers, even indignant ones: The wording of the story was explicit enough to indicate we *did* mean GE-Hotpoint in combination, private brands in aggregate. Whether Zenith is now No. 2 in unit sales after RCA, we honestly don't know—but it could be and its spokesmen say it's definitely in third place if you count GE-Hotpoint as one entity.

Stature of the electronics industry—fifth largest U. S. manufacturing group—is revealed in EIA's fourth edition of its *Factbook*, just off press. Value of electronic products in 1957 plus distribution, service and broadcasting totaled record $13 billion. Military electronic purchases were $3.9 billion; industrial & commercial, $1.3 billion, "up 50% from 1956"; consumer products, $1.5 billion. *Factbook* takes special note of resurgence of radio and phonograph popularity." The 15,500,000 radios that moved from production line during 1957 are the greatest number since 1948. Phonographs, particularly hi-fi, plus record player attachment sales passed the five million mark for the first time." Prepared by EIA Marketing Data Dept., *Factbook* available to non-members at 50¢ from EIA headquarters, 1721 DeSales St. NW, Washington.

DuMont Labs spent $242,000 in 1956-57 on Lawrence single-gun color TV tube, expects cost of development (Vol. 14:2) to exceed that amount this year—all reimbursed by Paramount Pictures, according to notice of DuMont stockholders' meeting May 5. Notice also reports details of June 27, 1957 amended agreement with Paramount-owned Chromatic TV Labs by which DuMont acquired 3½% participation in gross royalties from Chromatic patent rights in Lawrence tube. This agreement replaced terms of Sept. 13, 1956 research & development contract by which DuMont was assured 10% stock interest in Chromatic "if it successfully completed the program" for commercial mass production of tube to permit simpler & cheaper color set. Chromatic has since been dissolved, is operated now as Paramount div.

Columbia Pictures enters record business July 1 with own div., last of major Hollywood studios to diversify into field. Announcement this week by Columbia, previously dickering to buy Imperial Records (Vol. 14:5, 8) said its music executive Jonie Taps will be gen. mgr. of new div.; ex-Columbia Records (CBS) v.p. Paul J. Wexler, operations director. Label name hasn't been chosen.

IT&T components div. will erect plant at Roanoke, Va. to manufacture new products developed in its labs.

Financial Reports:

OFFICER-DIRECTOR remunerations for 1957, as disclosed in proxy statements released this week, along with their company shareholdings:

Motorola—Paul V. Galvin, chairman, $85,000 (owns 98,153 shares, is co-trustee for 155,580 more, wife owns 13,227—representing 14.3% of aggregate shares); Robert W. Galvin, pres., $85,000 (183,923, plus contingent interest in aforesaid 155,580, plus 8965 held by wife, 9302 for children—14.3%); Daniel E. Noble, exec. v.p., $75,000 (5866); Frank J. O'Brien, v.p.-purchasing, $60,000 (5814); Walter B. Scott, v.p.-manufacturing, $55,000 (1958); Edward W. Taylor, exec. v.p.-consumer products, $75,000 (3560); Edwin P. Vanderwicken, v.p. treas. & secy., $60,000 (600); Elmer H. Wavering, exec. v.p.-auto products, $75,000 (20,900).

Admiral Corp.—Ross D. Siragusa, pres., $60,821; John B. Huarisa, exec. v.p., $59,659; Wallace C. Johnson, v.p., $38,570; Vincent Barreca, v.p., $44,061; Edmond I. Eger, v.p. $35,775 (resigned last month). Last reports showed these major shareholders: Siragusa, 252,667 (10.7%); Mrs. Siragusa, 421,520 (17.85%); Mr. & Mrs. Siragusa, as trustees, 242,480 (10.27%); Huarisa, 98,131 (plus 13,294 held by wife, 7200 in trust for daughter); Johnson, 2200 (wife, 120); Barreca, 435 (wife, 400). General counsel Frank H. Uriell, partner of Pope & Ballard, holds 1500 (wife 210); ex-v.p. Richard F. Dooley, 68,651 (wife, 12,260).

Allen B. DuMont Laboratories—Allen B. DuMont, chairman, $50,000 (32,901 shares plus 6500 common & 1200 pfd. held in trust for Allen B. DuMont Jr.); David T. Schultz, pres., $75,000 (5000). Other DuMont director shareholdings listed in call for May 5 annual meeting at Clifton, N. J. plant: Armand G. Erpf, partner, Carl M. Loeb, Rhoades & Co., 8000; Thomas T. Goldsmith, v.p.-govt. & research, 3100; Percy M. Stewart, partner, Kuhn, Loeb & Co., 1000. Note: Paramount Pictures Corp. owns 634,400 of the 2,361,092 shares outstanding, or about 26.9%, but its pres. Barney Balaban, v.p. Paul Raibourn & counsel Edwin Weisl, though directors, own no stock. [For 1957 annual report, see Vol. 14:11.]

Hoffman Electronics—H. Leslie Hoffman, pres., $30,000 under 5-year contract from Jan. 1, 1955 whereby deferred compensation of $30,000 per year is paid for life (owns, with family, 155,763 shares); M. E. Paradise, v.p., $56,000; C. E. Underwood, v.p. & treas., $62,550 (5500); James D. McLean, v.p., $42,525 (100). Also, $69,150 paid to law firm Adams, Duque & Hazeltine; H. S. Hazeltine was secy. of company throughout 1957. Mr. Paradise holds option on 5000 shares at $21.75, Mr. McLean on 4500 at $19.50.

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More officer-director compensations for 1957, as revealed in current notices and proxy statements: **General Dynamics**—Frank Pace Jr., exec. v.p., now pres., $129,993 (owns 39,780 shares); J. Geoffrey Notman, pres.-gen. mgr., Canadair Ltd., $91,950 (15,064); Robert C. Tait, senior v.p. & pres. of Stromberg-Carlson div. (electronics, radios, hi-fi), $80,000 (13,437). On board is R. C. Patterson Jr., onetime NBC exec. v.p. **Whirlpool Corp.**—Walter G. Seeger, chairman, $75,000 (38,146 shares); Elisha Gray II, pres., $106,362 (30,400); Donald W. Alexander, v.p., $68,072 (exercised options on 800 shares at $9.51); John A. Hurley, v.p., $68,072. RCA's Frank Folsom & Charles Odorizzi, directors, own 200 & 1100 shares, respectively, and RCA as of Jan. 1, 1958 owned 1,158,563 shares (18.9%). During 1957, RCA divisions and subsidiaries purchased $20,560,000 of Whirlpool products for resale while Sears, Roebuck (with 2 members also on board and so-called Sears group owning 1,027,013 shares, or 16.77% of common and 55,878 shares, or 26.08% of 4½% cumulative conv. preferred) bought $237,909,320 worth, or approximately 59% of Whirlpool's 1957 sales. **Amphenol Electronics Corp.**—Arthur J. Schmitt, pres., $109,500 (29,858 shares); William H. Rous, v.p.-sales, $37,875 (500); John L. Woods, v.p.-controller (1225).

DATES & PLACES of annual shareholder meetings, as reported in recent notices and proxy statements and reported in issues of *Television Digest* indicated:

American Broadcasting-Paramount (Vol. 14:13)
May 20, Hotel Astor, N. Y., 11 a.m.
American Tel. & Tel. (Vol. 14:12)
April 16, 50 Varick St., N. Y., 1 p.m.
Amphenol Electronics (Vol. 14:13 & above)
April 28, plant, Cicero, Ill., 11 a.m.
CBS Inc. (Vol. 14:7, 12, 13)
April 16, 49 E. 52nd St., N. Y., 10 a.m.
DuMont Laboratories (Vol. 14:11 & above)
May 5, plant, Clifton, N. J., 11 a.m.
DuMont Broadcasting Co. (p. 15)
May 12, 205 E. 67th St., N. Y., 10 a.m.
General Electric Co. (Vol. 14:12)
April 23, State Armory, Schenectady, 10:30 a.m.
Hoffman Electronics (Vol. 14:12 & above)
May 5, Los Angeles offices, 10 a.m.
Motorola Corp. (Vol. 14:11 & above)
May 5, Graemere Hotel, Chicago, 5 p.m.
Muter Co. (Vol. 14:14)
April 15, 1255 S. Mich. Ave., Chicago, 11:30 a.m.
Oak Mfg. Co. (Vol. 14:12)
April 24, 1260 Clybourn Ave., Chicago, 10 a.m.
Radio Corp. of America (Vol. 14:9, 10)
May 6, RCA Bldg., N. Y., 11 a.m.
Sylvania Electric (Vol. 14:13)
April 24, Sheraton-Plaza, Boston, 10 a.m.
Webcor Inc. (Vol. 14:11, 14)
April 28, 7330 W. North Ave., Elwood Park, Ill., 2:30 p.m.
Wells-Gardner (Vol. 14:14)
April 15, 2701 N. Kildare Ave., Chicago, 2 p.m.
Zenith Radio Corp. (Vol. 14:14)
April 22, 6001 W. Dickens Ave., Chicago, 10 a.m.

Meetings already held, with references to dates of our financial reports: Admiral (Vol. 14:13); Avco (Vol. 14:4, 11, 13); Emerson Radio (Vol. 14:5, 8); General Tire's RKO Teleradio (Vol. 14:7, 14); Hazeltine (Vol. 14:12); National Telefilm Assoc. (Vol. 14:6); Philco (Vol. 14:9, 12); Raytheon (Vol. 14:6, 11); Storer (Vol. 14:8, 13); Tung-Sol (Vol. 14:10); Westinghouse (Vol. 14:6, 12, 14).

OFFICERS-&-DIRECTORS stock transactions as reported to SEC for March: **AB-PT**—E. Chester Gersten bought 400, holds 500. **C&C TV**—Walter S. Mack sold 4100, holds 186,200. **Columbia Pictures**—Alfred Hart bought 2000, holds 8067. **Corning Glass**—George D. Macbeth sold 3000, holds 16,000. **DuMont Labs**—Allen B. DuMont bought 1000, holds 33,901. **GE**—Robert L. Gibson sold 1400, holds 3910; Wm. V. O'Brien sold 1400, holds 4210; Gerald L. Phillippe sold 1000, holds 4619.

International Resistance—Edward A. Stevens acquired 200 in partial repayment of loan, holds 5900; C. D. Vannoy bought 400, holds 400.

IT&T—Robert F. Bender bought 200, holds 200. **Loew's**—Jerome A. Newman bought 100 personally, 125 through Graham-Newman & Co., holds 4530 personally, 5145 in Graham-Newman.

National Telefilm Assoc.—Edward M. Gray sold 4000, holds 2500. **National Theatres**—B. Gerald Cantor bought 1000, holds 108,500.

Philco—Robert F. Herr sold 998, holds 24,954; Frederick D. Ogilby sold 370, holds 5005; H. T. Paiste Jr. sold 340, holds 8500; Leslie J. Woods sold 200, holds 7044. **Raytheon**—Carl J. Gilbert bought 200, holds 1000. **Republic Pictures**—Herbert J. Yates bought 7309, holds 74,469. **Siegler**—John G. Brooks sold 4889, holds 26,427. **Standard Coil**—John R. Johnson bought 2000, holds 2000.

Sylvania—Matthew D. Burns sold 100, holds 1295. **Trans Lux**—Harry Brandt bought 1300 personally, 300 through holding companies, 850 through foundations, holds 139,200 personally, 1700 in holding companies, 17,700 for wife, 25,370 in foundations. **Trav-Ler**—Joe Friedman bought 3000, holds 224,233. **Universal Pictures**—Preston Davie sold 100, holds 9. **Warner Bros.**—Serge Semenenko bought 23,000, holds 103,000 personally, 2000 in trust for daughter.

Gross Telecasting Inc., one of few publicly-held TV-radio station operations (see Stock Quotations column), reports its 200,000 shares of common stock now held by approximately 2000 shareholders in 36 states.

DuMont Stations in Black: DuMont Broadcasting Corp., proposing to change corporate name to Metropolitan Broadcasting Co. at May 12 shareholders meeting in its N.Y. offices, jumped its gross revenues to $10,293,587 in the 52 weeks ended Dec. 28, 1957 from $5,564,913 in 1956 and showed profit of $243,460 (15.8¢ a share) vs. preceding year's loss of $899,593 (95.3¢). In the 4 months of 1955 during which it operated as a separate entity, having been spun off Allen B. DuMont Laboratories, its loss was $665,883 after writeoffs of film inventory, etc.

Though there's no breakdown of individual station revenues & profits, it can be assumed acquisition last May of New York's big-earner 50-kw radio WNEW (Vol. 13:12, 17) accounted to large extent for new figures revealed by pres. Bernard Goodwin in this week's annual report. WNEW was acquired for $4,815,407 cash, 281,889 shares of DuMont Bcstg. (then 8½); it had grossed $4,116,836 in year ended Oct. 31, 1956 and $1,405,124 in the 3 months thereafter, showing profits of $709,167 & $104,920 for the respective periods.

Firm was spun off from DuMont Laboratories Inc. in 1955 (Vol. 11:33, 34) to operate TV stations WABD, N. Y. (Ch. 5) & WTTG, Washington (Ch. 5). Besides WNEW, it also operates WNEW-FM (purchased last year as WHFI-FM). Policy of diversification into radio also includes recent $700,000 cash purchase of *Cleveland Plain Dealer's* WHK, still awaiting FCC approval (Vol. 14:9).

Firm has 1,541,137 shares of $1 par stock now outstanding, traded over-the-counter. Its funded debt, $3,500,000 bank loan from Bank of N. Y. and Manufacturers Trust Co., is being amortized quarterly, was down to $3,150,000 as of Dec. 28, 1957, with $700,000 payable in 1958; no dividends can be paid until loan is fully discharged. Current assets are $5,613,182, current liabilities $3,746,236, deficit $5,944,080.

Proxy statement reveals that Dr. Allen B. DuMont, chairman, was succeeded as director last year by David J. Mahoney, pres. of Good Humor Corp., ex-pres. of ad agency bearing his own name and onetime pres. of Ruthrauff & Ryan. Other directors: Barney Balaban, pres., Paramount Pictures (owner of about 21% of stock); Richard D. Buckley, v.p. & pres. of WNEW div. & TV-radio programming chief (next largest stockholder, 12%); Armand G. Erpf, partner, Carl M. Loeb, Rhoades & Co.; Dr. Thomas T. Goldsmith, v.p., DuMont Labs; Bernard Goodwin, pres.; Robert C. Jones, senior partner, Jones, Kreeger & Hewitt, Washington (investments); Paul Raibourn, v.p., Paramount; Percy M. Stewart, partner, Kuhn, Loeb & Co.; Edwin L. Weisl Sr., partner, Simpson, Thacher & Bartlett, attorneys.

Raytheon's first quarter sales jumped to $80,393,000 from $52,270,000 in same 1957 period, earnings going to $1,734,000 (58¢ per share) from $1,143,000 (40¢) and backlog of govt. business at March 31 exceeding $325,000,000. Since Jan. 1, pres. Charles F. Adams told stockholders meeting this week, new military orders totaled $150,000,000, employment rolls increased 2000 to 30,000 (increase in 1957 was 8000). "The company has definitely been feeling the effects of the general business recession in certain areas of its commercial business," said Adams. "Overall, however, Raytheon expects a further increase in both sales and earnings during 1958." [For 1957 sales & earnings, see Vol. 14:5].

Reeves Soundcraft Corp., calling itself second largest manufacturer of magnetic recording media in the world, reports 1957 sales went to $4,678,801 from $3,304,356 in 1956, profits to $232,224 from $876. Recording products div. enjoyed 57.4% sales jump—"startling increase in magnetic tape sales encompassed all categories, from consumer products, professional products and magnetic film, to advanced instrumentation types." Also up was business of subsidiaries Bergen Wire Rope Co. and Reevesound Co. Inc. (recorders, reproducers & associated equipment), latter having equipped film production facilities of Army Ballistic Missiles Agency, Walter Reed Army Medical Center, Eastman Kodak, GE, USIA, Canadian Broadcasting Corp. and Pakistan Govt. movie lab. Company owns 453,441 shares of Cinerama Inc. out of 2,837,810 outstanding. It borrowed $500,000 from Prudential on 6% note last March 26, pledging its Cinerama stock as security and granting Prudential option to buy 150,000 Soundcraft common at $3. Pres. Hazard E. Reeves sees 1958 continuing 1957 growth pattern, reports current assets $1,608,711, current liabilities $484,539, earned surplus $2,295,434.

National Union Electric Corp., now mainly in heating & air conditioning (Eureka Williams) but still making special purpose electron tubes (miniature CR, pentode voltage amplifier), jumped its sales to $9,840,489 in 1957 from $2,706,805 in 1956 and low of $1,132,024 in 1955. Profits also went up in 1957 to $570,856 (33¢ per share) from $563,068 (32¢) in 1956, losses of $638,695 in 1955, $1,289,264 in 1954. Proxy statement for May 2 annual meeting in Wilmington shows no officer-director salaries as high as $30,000. Chairman C. Russell Feldmann, also chairman of Eureka Williams, which he controls, owns 398,200 shares of 1,747,286 outstanding; Herbert J. Allemang, v.p., 9900; Harry E. Colin, senior partner, Colin, Norton & Co., 219,000; Joseph V. McKee, secy.-treas., 2000; W. J. Armstrong, v.p., gen. mgr. of Armstrong Furnace div., 14,500.

Reports & comments available: On Raytheon, in memo by Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. On Ampex, in special report by Shearson, Hammill & Co., 14 Wall St., N. Y. On High Voltage Engineering Corp., in 8pp. analysis by Carl M. Loeb, Rhoades & Co., 42 Wall St., N. Y. On CBS & Zenith, in *Monthly Review* of H. Hentz & Co., 72 Wall St., N. Y. On Tung-Sol, in analysis by Filor, Bullard & Smyth, 39 Broadway, N. Y. On Philco, in review by Eastman, Dillon & Co., 15 Broad St., N. Y.

Philco, which ended 1957 with pronounced gains in sales & earnings over 1956 (Vol. 14:9), expects to show loss in first 1958 quarter vs. net profit of $1,107,000 (26¢ per share) in 1957 period (Vol. 13:18), pres. James M. Skinner Jr. told annual meeting in Philadelphia this week. He attributed decline to "over-all business slump," saw "no real upturn for some months." He said consumer goods now represent 60-65% of Philco sales.

Skiatron Electronics & TV Corp., traded on ASE, earned net profit of $15,380 on income of $613,728 in 1957 vs. $4301 & $449,178 in 1956. A prime mover for pay TV, Skiatron pres. Arthur Levy states in annual report that Congressional committees yielded to "unethical lobbying" of networks and movie interests and charged FCC with "partial abdication of its powers" in delaying tests.

IT&T had consolidated net income of $22,412,814 ($3.12 per share) on record domestic & foreign sales of $592,827,257 in 1957 vs. $28,109,946 ($3.92) on $501,405,379 in 1956. Lower earnings were attributed by pres. Edmond H. Leavey to 13-week strike at FTR's Clifton, N. J. plant, reassignment of product lines to other units.

CBS Struck—But Not Out: First major network-wide strike in TV's short history hit CBS this week, 1300 IBEW technicians walking out at 1 p.m. April 7 in 7 cities, (N.Y., Boston, Chicago, Milwaukee, Los Angeles, San Francisco, Hartford) in long-simmering contract dispute (Vol. 14:14). Results were disrupted schedules, substitution of film for live shows, overtime work by CBS staffers who filled in for strikers—but no chaos.

In N.Y. originating studios, lights, cameras, controls were manned by 300 executive & supervisory employes. In preparation for such emergency they had taken CBS primer lessons in TV engineering last Sept., generally did creditable jobs as amateurs in keeping shows on air.

Strike issues were confused in press statements by both sides. CBS management complained IBEW demanded "exhorbitant" wages. Leaders of union's militant local 1212—which spearheaded walkout with little apparent encouragement from national negotiators—said "job security" at CBS was big point. Jurisdiction over video tape—subject of increasing inter-union rivalry—was believed to be stickiest question in dispute, however.

NABET, engaged in parallel contract negotiations with NBC & ABC (Vol. 14:13), was standing by to see how IBEW makes out. At press time, CBS-IBEW negotiations—broken off last weekend despite pleas by govt. mediators that talks continue—were scheduled to be resumed in Washington.

MBS Operators Sued: Group ousted by owners of Mutual Broadcasting System (Vol. 14:9) has filed suit in N.Y. Supreme Court demanding that it be represented on new board of directors (Vol. 14:13)—but dismissal of suit was asked this week on grounds of no jurisdiction. Paul Roberts, ex-MBS pres., who helped engineer purchase of the radio network from RKO Teleradio (Vol. 13:30, 32), and colleagues are plaintiffs; Armand Hammer, oilman, art gallery owner and financier, who reaped fortune when he sold United Distillers to Schenley in 1950, heads defendant group. Suit claims Hammer, now pres., with George Vogel as exec. v.p., failed to live up to option agreements after purchasing network for about $550,000 and assuming obligations of $1,250,000. Hammer faction claims it financed entire deal, including new working capital, got rid of Roberts and associates because of alleged cut-rate policies. Roberts group had options of 50% of stock, its members including Bert Hauser & Abe Schechter, ex-MBS v.p.'s; Frieda Hennock & H. P. Seligson, attorneys.

■

Count 7-month-old WFGA-TV, Jacksonville, Fla. (Ch. 12) in on the colorcasting sweepstakes that already has 3 other domestic claimants to the distinction of carrying most color shows (Vol. 14:12). The NBC-ABC affiliate claims to be only station in Florida currently originating local live shows in color (13 hours, 10 min. weekly) plus 2 weekly 30-min. color film shows, many ID slides, in addition to 10 hours weekly of network color. And NBC's WNBQ, Chicago, reports that in April, 1956 it became first station to broadcast all local live shows in color, and its April 6-12 week carried 35 hours, 25 min. in color, of which 6 hours, 15 min. were color film. Writes WNBQ's Chet Campbell: "With 3 stations, including the independent WGN-TV, telecasting 40:10 of color per week in Chicago, this mark is probably the most colorful in the country." Any more entries?

"VERA"—Vision Electronic Recording Apparatus—is new TV tape recording system unveiled in London by BBC this week. It uses ½-in. tape vs. Ampex's 2-in. BBC says equipment has been under development 5 years, and BBC-TV deputy director Cecil McGivern termed performance "absolutely first class."

COMMON STOCK QUOTATIONS

Week Ending Friday, April 11, 1958

Electronics TV-Radio-Appliances Amusements

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

NEW YORK STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg	1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
9¼	7	Admiral	8½	+⅜	351¾	300	IBM 2.60	343½	+5¼
22⅝	19⅜	AmBosch .30e	21⅞	−⅛	33¼	29¼	IT&T 1.80	32⅜	+⅝
16¾	13	AmBcstg-Par .1	16	+⅞	41½	36⅛	I-T-ECirB .45e	37¾	+1¼
37⅞	32¼	AmMy&F 1.60	36	+⅝	7⅞	6⅞	ListIndust ¼e	7⅛	+⅛
174¾	167⅞	AT&T 9	174¾	+1¾	43⅞	36⅞	Litton Ind	39¾	+¼
26½	22⅜	Amphenol 1.20	24½	—	15½	13⅛	Loew's	13	−⅛
29⅞	26	Arvin 2	26½	—	37	30¼	Magnavox1½b	35⅝	+⅛
7¼	5⅝	Avco .10e	6	—	28¾	21⅝	Mallory 1.40b	25	−⅝
25¾	20¼	BeckInst 1¼1	21	+¼	88¾	76	Mpls.H'll 1.60a	81	−¾
53	44⅝	BendixAv 2.40	45½	—	42¼	37	Motorola 1½	37	−¾
32¼	27⅝	Burroughs 1	27¾	−¾	9	7⅜	Nat'l Thea ½	8¾	+⅛
18⅜	15¾	Clevite ¼e	16¼	−¼	38⅜	30⅝	Paramount 2	33⅛	−⅛
29¾	24½	CBS "A" 1b	29	+1⅜	17⅛	12⅜	Philco	14	+1¼
28¾	24⅛	CBS "B" 1b	28½	+1⅜	35	30¼	RCA 1a	31	−⅝
16¼	12½	Col Pict ⅜t	14¾	—	26	21½	Raytheon 1¼t	25¾	+1⅛
35¼	27⅞	Cons Elec .40	30⅞	−⅜	7⅛	5	Republic Pic	5½	−⅜
26½	19½	Cons Electron	25½	+⅛	34¾	32¼	SangElec 1.80	32¾	+⅜
16½	13	Cor-Dub .20e	13	+¼	16⅛	13¼	Siegler .80	13⅝	−¼
87½	74⅝	CornGlass 1a	80¾	+¼	3⅞	2¾	Sparton	3⅛	+⅛
3⅝	3	Davega	3⅛	—	20⅝	17⅝	SperryRan .80	17¾	—
35	30	Daystrom 1.20	31½	−½	8¼	6	Standard Coil	7¼	—
16¼	13⅞	Decca 1	14½	−⅜	18	14½	Stanley-War 1	17⅝	−⅜
21½	14	Disney .40b	19⅝	+1⅛	32	29	Stew Warn 2b	29¾	−⅛
107⅜	97⅛	EastKod 1.55e	103⅜	+2⅜	24½	20	StorBcstg 1.80	23	+¾
34⅜	29	EmerElec 1.60	33	+½	37½	31½	Sylvania 2	36	+⅜
6⅛	4⅛	EmersonRadio	5½	−⅛	33⅜	26¾	Texas Instru	33	−⅜
8½	7	Gabriel .60	8	−⅛	55¼	41⅜	ThomProd 1.40	45	+2½
65¾	55¼	Gen Dynam 2	58	+1¼	26⅞	23¼	Tung-Sol 1.40b	24	−1
64¼	59½	Gen Electric 2	57¾	−¾	25½	21¾	20thC-Fox 1.60	25	+1¾
6⅞	4⅝	Gen Inst. .15g	6⅛	—	20½	15¼	UnitedArt 1.40	20⅛	+⅞
41	34¼	GnPrEquip2.40	34¾	−½	22⅝	19	Univ. Pict 1a	20½	+¼
30	22¼	Gen Tire .70b	23⅝	+½	19½	16⅞	WarnBros 1.20	19	−½
44	40⅜	Gen Teleph. 2	44	+1	65½	57½	Westingh El 2	57¾	—
25⅜	21	HoffmanElec 1	25	+¾	75¾	67½	Zenith new	71⅛	−⅜

AMERICAN STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg	1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
3⅜	3	Allied Artists	3⅛	—	37½	30½	Hazeltin 1.40b	33	+½
45	34½	Allied Con 1a	38	−⅛	2⅞	2	Herold Ra .20	2¼	—
15⅛	13⅜	AmElectro ½	13¼	−⅝	4⅝	3¾	Int Resist .20	4	−⅛
10⅛	8⅜	AssocArtProd	9⅝	−½	6¼	4¼	Lear	5⅜	+½
9⅞	7¼	AudioDev .05d	9⅞	+¾	⅝	⅜	Muntz TV	½	—
10	7⅜	BelockInst ⅛t	10	+1⅝	3½	2½	Mnter Co. ¼t	3⅜	−⅛
½	⅜	C & C TV	7/16	+1/16	7	5⅝	Nat'l Telefilm	6¼	+½
3¾	2⅞	Clarostat .15g	3	−¼	1⅝	1	Nat Union El	1⅜	+⅛
4⅝	3	DuMont Lab	3¾	+¼	6⅞	2¾	Norden-Ketay	2¾	−⅛
4⅛	2⅞	Dynam Am	3¼	—	3⅝	2⅞	Oxford El .10r	2⅞	−⅛
13⅛	10	EletcronicCom	11½	−½	16	11	Philips El	14¾	+½
7⅞	6⅜	Electronics Cp	7⅜	+¾	8⅝	6⅝	Servomech .40	7⅞	+⅛
31⅝	19½	FairchCam½g	23⅝	−⅛	6	3⅜	Skiatron	4⅛	−¼
24⅞	17¼	General Trans	21⅜	+⅜	4⅜	3½	Technicolor	3⅝	−⅛
17¼	14⅝	Globe Un .80	16	+⅝	4½	3½	Trans-Lux .20g	4	−⅜
3⅜	2⅝	Guild Films	2⅝	+⅜	4⅞	4⅝	Victoreen Inst	4⅝	—

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	1¾	2	Macblett Labs .25g	15½	16¾
Aerovox	4½	5	Magna Theatre	2¼	2⅝
Airborne Inst	41	44	Maxson (W. L.) .05	4⅞	5½
Altec Co. .80	7½	8½	Meredith Pub. 1.80a	29	31
AMP Inc .50	18	18½	National Co. (4% stk.)	11¾	12½
Ampex	58½	60	Oak Mfg. 1.40	14	14½
Baird Atomic	8	9	Official Films .10	1 1/16	1⅜
Cinerama Inc.	1⅜	1¾	OR Radio	18	19
Cinerama Prod.	1 9/16	2	Pacific Mercury TV	5⅜	5¾
Cohu Electronics	6⅞	7½	Packard-Bell .50	11⅝	12
Collins "A" .35	11½	12½	Panellit	5⅛	5⅝
Collins "B" .35	11½	12½	Perkin-Elmer	22¾	24
Cook Elec. .40d	17⅝	19	Philips Lamp (14% of par)	34⅝	36
Craig Systems	4⅜	4¾	Reeves Soundcraft (stk.)	2 11/16	3⅛
DuMont Bcstg.	7¾	8¼	Sprague Electric 1.20	30	32
Eitel-McCullough (5% stk)	26	28	Taylor Instrument 1.20	27¾	29
Elec Assoc (stk)	36	38	Tele-Broadcasters	2⅞	3½
Erie Resistor .40b	6⅛	6½	Telechrome .30	8⅝	9
Friden Ind. 1	48	50	Telecomputing	4	4½
Giannini, G. M.	14	15	Teleprompter (stock)	6¼	6¾
Granco Products .05	1 3/16	1½	Time Inc. 3.75	59¼	62
Gross Telecasting 1.60	18¼	20	Topp Industries (stock)	9	9½
Hewlett-Packard	26	28	Tracerlab	6⅝	7
High Voltage .10g	29	31	Trav-Ler	1¼	1½
Hycon	2 3/16	2¾	United Artists	4⅞	5¼
Indiana Steel Prod. 1.20a	17¾	18⅛	Varian Associates	15½	16½
Jerrold	1⅞	2¼	Webcor .15c	11⅝	11⅞
Ling Industries	2 7/16	2¾	Wells-Gardner	7⅛	7⅝
Leeds & Northrup .60b	22	24	WJR Goodwill Sta. .50d	13⅝	14

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. * No trade

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. 16

SUMMARY-INDEX OF THE WEEK'S NEWS — April 19, 1958

TV-RADIO AREN'T AS FREE AS THE PRESS: Mere fact that FCC has asked for a sort of "accounting of fairness" from TV networks and stations in their handling of the surcharged pay TV issue (p. 4) would seem to support the thesis that TV & radio, while tremendously important as news media, simply aren't as free as the press -- yet.

There have been similar citations in the past, and the media are always fair game for disgruntled politicos and thwarted publicity seekers. Notably, there was the famous case of FCC in its early days setting CBS licenses for hearing because of a furore raised by Orson Welles' famous "Invasion from Mars" broadcast in the '30s.

Nothing came of that one, of course, for even a then none too friendly press laughed Chairman McNinch into reneging -- and it's our guess nothing will come of this one (Vol. 14:15) except possibly reprimand if someone really is proved unfair.

From the Fund for The Republic this week comes a report that does a real service for freedom of expression. Ford-funded group had commissioned a top-flight and seasoned newsman from a competing medium to do a solid job of reporting and analyzing CBS's argument-provoking Khrushchev telecast of last year (Vol. 13:20-37).

Herbert Mitgang, an editor of the New York Times Sunday dept., did the work -- and Fund has issued his 15-pp. "Freedom to See." (We'll vouch for Mitgang, incidentally, for we knew him well on Stars & Stripes in North Africa during the war.)

Through Mitgang's meticulous reporting, CBS's initiative is more clearly visible, and he discloses for the first time how carefully CBS newsmen checked with, but made no attempt to "clear" with, White House and State Dept. officials.

Essence of his conclusion is that TV-radio should be as free in handling news as the press -- but obviously isn't. He doesn't go into why it isn't, namely, limitation of facilities (less so now in radio than in TV); and, more particularly, the broadcasters' fear of Govt., in form of FCC, that gives them short leases on life by way of 3-year licenses. That plus govt.'s omnipresent "lifted eyebrow," as in the current case, implies constant surveillance if not jeopardy.

FCC in turn is always fearful of a few excitable Congressmen, who can turn a witness chair into a grill.

Considering journalism's long historical battle for freedom, however, you get the feeling from Mitgang's report that TV-radio (video-audio journalism) may be making far greater strides than we realize -- in such efforts as CBS's and in sporadic editorializing here & there (with adequate opportunity for reply, of course). After all, this industry isn't much older than a microsecond compared with printed press.

Full text of report may be obtained from Fund for The Republic, 60 E. 42nd St., N.Y. -- but we reprint guts of the thing, Mitgang's conclusions, on p. 5.

'DON'T KILL WITH KINDNESS,' SAY AFFILIATES: A very polite and very firm decline of govt. "help" in dealing with networks was presented to FCC in its hearings on Barrow Report this week. Sixteen experienced affiliates -- big & small, vhf & uhf -- took turns in witness chair, taking Report's recommendations one by one, and by example and educated guess gave opinions that staff's good intentions would very likely harm affiliates & public -- and put FCC in impossible role of day-by-day business control.

Mass of testimony against changes proposed in Report has by now mounted so high that next witness, Dick Moore, of KTTV, Los Angeles, faces most formidable job of attempting to counter-balance evidence to date. He takes stand April 22, after which hearing recesses to May 12. Then, stations represented by CBS and NBC Spot Sales go on, followed by Station Representatives Assn. Rep Edward Petry is next, followed by Committee for Competitive TV and 6 individual stations. This winds it up -- and FCC hopes finish will come by end of May.

* * * * *

"Theories" of FCC staff vs. "experience" of telecasters was theme of this week's witnesses. As one operator put it, Report is like diagnosis by bright medical student, compared with treatment by an experienced physician.

Affiliates' argument is that changes won't help anyone -- not even the few independent stations and film distributors who think they might -- because tampering with present delicate relationships would undermine network service which is backbone of TV, supporting entire industry.

Perhaps even more directly to heart of the matter was conclusion presented by last man to testify this week -- Lawrence H. (Bud) Rogers, pres. of WSAZ-TV, Huntington, W. Va. It's worth excerpting:

"Now let me ask a question of the Commission. Is this really what you want to do? Do you wish to sit in the seat of business judgment for every station licensee and every network? Can you really contemplate a Commission equipped and staffed to make all the business decisions required on a day-in-day-out basis of the TV station operators of the nation? The average day in the life of a broadcasting executive is fraught with complex decisions which must be made based upon personal opinion, market research, private prejudice, pressure from listeners & viewers, economic pressures, a personal sense of showmanship, and oftentimes snap judgment necessitated by an impossible situation. But whatever the basis for decision, it must be made, and made quickly. There is no time for a hearing and the taking of evidence, and all the adjuncts of an administrative decision.

"Multiply this by the hundreds of stations in the hundreds of markets in the country and 3 network organizations and countless program producers, national sales representatives and advertisers -- and you have an idea of the magnitude of the problem you would be taking on." [For digests of week's testimony, see p. 8.]

ALL ROADS LEAD TO NAB CONVENTION: There are 2 main tents again for the separate but concurrent management and engineering sessions of the 1958 NAB convention in Los Angeles' Statler and Biltmore hotels, starting next Sun. April 27 and running thru Thu. May 1. And there are so many coincident sideshows -- such as specialized group meetings, exhibits, socials and the like -- that you will have to allocate your time carefully to profit by this biggest gathering of the broadcast clan. Pre-registrations indicate more than last year's 2358, meaning well over 3000 will be on hand.

NAB convention is getting so huge, in fact, so demanding of time and energy, that important sessions on basic matters are all too often sparsely attended -- with result that through the year there are now many specialized conventions, strictly business, like those of the network affiliates, engineers, community antenna people, et al. Assn. of FCC Consulting Engineers is holding its annual meeting just ahead of NAB's (at Continental Hilton Hotel, Mexico City, Fri. April 25) with big turnout expected of air travelers routing themselves to Los Angeles via the Mexican capital. ABC primary affiliates also meet April 25 in Hollywood's Beverly Hills Hotel.

NAB's remains the most important annual conclave, however, and it will be well to consult its agenda beforehand for choice of the 30 speeches, 15 panels (with 50 panelists) you want to hear; also for the multifarious side meetings.

Most important management sessions, in our book: April 28, panels on films, FM, labor. April 29, sessions on business conditions, radio in defense, TV code; keynote address by CBS's Frank Stanton; luncheon address by McCann-Erickson pres. Marion Harper Jr. April 30, FCC panel (all members due to be on hand, all expenses paid by Govt. this time); sessions on business practices. May 1, conferences on music licensing, color, TvB. Daily engineering sessions, entirely technical, will feature luncheon address April 30 by Sir Harold Bishop, BBC director of engineering.

Side meetings other than those of private companies include: April 25, ABC primary affiliates; April 26, board meeting of AMST & Assn. for Professional Broadcasting Education. April 27, membership meetings of AMST & APBE, BMI board meeting & annual dinner, MBS affiliates, Clear Channel Broadcasters Assn., Daytime Broadcasters Assn. April 28, Television Pioneers, Quality Radio Group, TV Code Review board, Disneyland tour. April 29, GE junket to Tijuana, Broadcast Pioneers banquet. April 30, Small TV markets group, annual convention banquet in Hollywood Palladium.

Note: NAB membership now is 2112, plus 125 associates. Of these, 1440 are AMs (out of U.S. total of 3229); 327 TVs (out of 536), 338 FMs (total 540), 3 TV networks, 4 radio networks.

FCC STILL TARGET OF CONGRESS & COURTS: Harris subcommittee investigating FCC takes off again next week into a pretty wild blue yonder -- patent business. Chairman Harris (D-Ark.) said he expects hearing on subject to run April 23-24, maybe more later. First witness will be Wm. Bauer, retired FCC patent advisor, who tried unsuccessfully for years to get both Democratic & Republican FCC majorities to try to take RCA's patents apart.

If Harris really wants to get into the subject, he has a lifetime career. After long and careful study, FCC has continued to assert that questions of patent monopoly are job for Justice Dept. -- and Justice does have anti-trust suit pending against RCA (Vol. 14:8, 10).

Court of Appeals seems to have taken rather wary attitude toward FCC, too, in opinion of many attorneys evaluating court's action on Miami Ch. 10 case this week. FCC had asked court to remand WKAT's appeal of grant to National Airlines so that Commission could study impact of propriety of ex-Comr. Mack's vote and of allegations Airlines and WKAT sought to influence FCC improperly.

Court declined to remand case in true sense. It did send it back to FCC but only so that Commission can be fact-finding agency regarding foregoing questions of propriety and influence. Court asked Commission to find out:

"What circumstances formed the basis for the public charges that one of the members of the Commission should have disqualified himself in these proceedings; and whether any person or persons influenced or attempted to influnce any member of the Commission in respect to the present proceedings in any manner whatsoever except by the recognized and public processes of adjudication, and if so, the full facts and circumstances; and whether any party to the proceeding before the Commission directly or indirectly secured, aided, confirmed, ratified, or knew of any misconduct by the Commission to have occurred."

All original Ch. 10 applicants are allowed into the forthcoming FCC proceeding. FCC is directed to notify Attorney General about proceeding, allow him to participate if he desires. Court specifically retained jurisdiction of the appeals and ordered Commission to report on its progress in 6 weeks.

Quite a few Washington attorneys term court's action absolutely unprecedented, assert it indicates court's "mistrust" of Commission. It wouldn't be surprising at all if FCC took decision to Supreme Court.

Decision was by Judges Prettyman, Washington & Danaher, came same day they heard oral argument. During argument, judges seemed mighty disturbed that anyone could actually have tried to influence Commission outside the record.

Rep. Harris' "FCC housecleaning" bill, meanwhile, was filed this week, as promised (Vol. 14:14). HR-11886 would provide for elimination of "honorariums," suppression of possibility of "off the record" influencing, removal of commissioners for "neglect of duty or malfeasance in office, but for no other cause."

Rep. Reuss (D-Wis.) slipped an "FCC straightener" into hopper, too. His HR-11893 would provide for: (1) Selling CPs to highest bidder, but with automatic priority going to local owners with no other media ownership. (2) Increasing FCC members' terms to 14 years, salaries to $22,000 ($22,500 for chairman). (3) Cut commissioners' attendance to industry conventions to 2 a year. (4) Establish code of ethics regarding commissioners' discussion of post-FCC jobs, acceptance of gifts, social engagements, handling of personal business affairs, "ex parte" discussions.

* * * *

Former FCC Chairman McConnaughey's preparations to leave Commission, and with his asst. Robert L'Heureux, to join firm of George Sutton, were subject of some controversy this week. McConnaughey asked Harris subcommittee for permission to change his testimony in what he considered was minor technicality. Harris said he'd let McConnaughey file letters explaining the changes, wouldn't call him back to testify, but Reps. Moss (D-Cal.) and Mack (D-Ill.) want him back on stand. Sutton's client TV City Inc. obtained CP for Pittsburgh's Ch. 4 after McConnaughey left FCC, but only after fight for channel dissolved when all parties agreed on settlement.

FCC and the 'Lifted Eyebrow': It's been long time since FCC did much "questioning" of network station programming and presentation of controversial issues. It did some this week—but Commission sources say they're obliged to do nothing less, in light of hot publicity generated by complaints.

First is the pay-TV affair. As we indicated last week (Vol. 14:15), Commission felt impelled to seek facts behind allegations that networks and stations presented programs and comment "loaded" against toll TV. This week, it released copy of letter sent to ABC, CBS & NBC, said similar letter went to "certain network affiliated TV stations mentioned in the complaints." Neither complainants nor specific stations were identified; we understand there are 10-11 of latter.

FCC letter simply digests allegations, calls attention to its rules on editorializing which require broadcasters to give fair presentations on controversies, asks networks and stations to reply in 20 days. FCC seeks dates, length of programs, participants, documentation—and "the point of view expressed."

Basic complaint is that networks & stations weighted programs in such fashion as "to produce an avalanche of letters upon the House Interstate & Foreign Commerce Committee while they were considering the issue of subscription TV"—but timing such programs so that proponents of pay TV couldn't counteract effects even if given equal time.

There's no bitterly punitive attitude at FCC, though a couple stations are believed "to have gone overboard," in one commissioner's opinion.

Whatever stimulated House Commerce Committee's mail on pay TV, Chairman Harris (D-Ark.) is mighty impressed by it. He prepared filmed statement, offered it to stations, stating that if FCC goes ahead and authorizes pay-TV tests after Congress adjourns—as it says it will (Vol. 14:9)—"it will be my intention . . . to call the Committee back together in session and conduct hearings into the entire problem." That's about as direct a "don't do it" order as he could possibly have aimed at Commission.

This week's other inquiry went to DuMont Broadcasting Co. after AFL-CIO pres. George Meany complained that National Assn. of Manufacturers paid for and distributed to some 27 stations the kines of recent Senate hearings on Kohler strike—and stations ran kines without identifying donor, in violation of FCC rule Sec. 3.654(b).

Commission asks for: (1) "Facts concerning the origination of the transaction." (2) Copies of all correspondence between DuMont, NAM and anyone else concerned with matter. (3) Copies of pertinent agreements, written or oral. (4) List of stations, if any, which NAM wanted to get the kines. (5) Names of any intermediaries between DuMont & NAM. (6) Whether NAM paid for any of DuMont stations' telecasts of hearings, and whether these stations made proper donor identification.

Politicos in Ownership: More Senators and Congressmen identified directly or indirectly with TV and/or radio station ownership are listed in April 14 *Broadcasting Magazine*. These are the ones its researchers found that weren't in lists we published in Feb. (Vol. 14:5-6): Senator Robertson (D-Va.) is shown as non-stockholding director of firm owning WSLS-TV & WSLS, Roanoke. Sen. Scott (D-N. C.) who died this week in Burlington, N. C., was brother of Ralph H. Scott, v.p. & owner of 43 of 473 shares of stock in radio WBBB, Burlington, N. C. Rep. Cederberg (R-Mich.) owns 10 of 255 shares in radio WWBC, Bay City, Mich. Rep. Fountain (D-N. C.) is secy.-treas., owns 86 out of 300 shares of radio WCPS, Tarboro, N. C., his brothers each owning 107 shares. Rep. Lankford (D-Md.) owns 30 of 3936 shares preferred non-voting stock in radio WNAV, Annapolis. Rep. Mahon (D-Tex.) is brother of John B. Mahon and uncle of Eldon B. Mahon, owners of 50% each of radio KVMC, Colorado City, Tex. Rep. Mailliard (R-Cal.) is brother of John Ward Mailliard III, a director of educational KQED, San Francisco (Ch. 9). Rep. Prouty (R-Vt.) is cousin of 2 holders (one deceased) of one share each, out of 1643, in radio WIKE, Newport, Vt. Note: The *Television Digest* lists, which embraced former Senators & Congressmen as well, also included various other state & local politicos, has about 9 Washington names not in the *Broadcasting* list—so, between the 2 research jobs, the record is now quite complete.

TV now breaks the news about big events to more people than newspapers—but leads radio by only a scant margin. The Communications Research Center at Michigan State U found that an average of 37% in the Lansing, Mich. area first heard about President Eisenhower's recent illness, the Sputnik and Explorer satellites via TV, 33% via radio, and less than one-fifth through newspapers. Dr. Paul J. Deutschmann, director, concludes: "TV now appears to be not only an entertainment medium but an important element in news diffusion."

International pay-TV deal between Matty Fox's Skiatron TV and British Rediffusion Ltd., announced last Dec. (Vol. 13:50), has been called off, according to brief statement in London by Rediffusion: "The arrangements between ourselves and Skiatron International Corp. have not been brought into force." As first announced, 21-year agreement called for Rediffusion to give Skiatron technical knowledge & services of former's world-wide organization, Skiatron to acquire 50% interest in Canadian subsidiary Rediffusion Inc.

'Freedom to See' Elaborated: Analysis of CBS-TV's Khrushchev telecast (see p. 1), prepared for Fund for the Republic by *N. Y. Times'* Herbert Mitgang, concludes with language so apt that it warrants full quotation. Here it is:

"If a newspaper had published an interview with Khrushchev, no responsible person in any communications field would have thought of questioning the propriety of the publication. But when a TV network, after great precautions to protect the integrity of the performance and after making its intention known to the highest level of the Govt., telecast an interview with the Kremlin leader, the propriety was very seriously questioned.

"The President of the United States made a statement which at least implied criticism. Important members of Congress openly challenged the wisdom of the presentation. The press was ambivalent. Under the circumstances it is reasonable to assume that the networks will bear the criticism in mind when they are considering future 'controversial' telecasts of this nature.

"The issue raised is vital: Does American TV, in its role as news gatherer and broadcaster, have the same freedom as the American newspaper? On the answer to this question depends the ability of TV to use its great technical skills to increase the public's access to news and informed opinions. Editorial comment by stations is permitted by the FCC, but little exercised by the networks.

"The Khrushchev broadcast was a good example of acquainting the public with the face and mind of a significant world figure. A network tenaciously pursued a story for 2 years, and at some cost, in view of its unsponsored character. The program was presented fairly; fact and opinion were not mixed. The relationship between broadcaster and Govt. came unusually close at some stages.

"If enterprising newspapers and correspondents had to file notices of intent, formally or informally, with concerned govt. agencies every time they were going after controversial stories, freedom of reportorial maneuver as it has grown up in this country since Lincoln's time would be defeated—and responsible newspapers would not be where they are today. If influential men, in or out of the White House, question the propriety of printing interviews of the nature of the Khrushchev telecast, the newspapers would be under a restraint of serious proportions. Broadcasters are licensed, but this should not prevent them from proceeding in the same manner—and as part of—the free press under the First Amendment.

"The Federal Govt. licenses electronics; it does not license individuals who bring ideas to the public, and these individuals should not feel any necessity to get even informal governmental approval of any steps they might want to take. If TV is to be encouraged to pursue the news no matter where located, no matter how serious, no matter how controversial, what the Congress and Federal agencies concerned should provide is an atmosphere of freedom in which the flow of ideas to viewers here and abroad and the right of viewers to receive that flow of ideas are actively encouraged."

Committee for Competitive TV holds meeting in Los Angeles Hotel Statler April 27, prior to NAB convention. It will be addressed by TASO exec. director Dr. George R. Town. CCT has elected as 3rd vice chairman Louis J. Appell Jr., WSBA-TV, York, Pa.

Do You Know That . . .

WHERE ARE THEY NOW, the many other network bigwigs besides those we listed a few weeks ago (Vol. 14:13) as having gone into station management? You will find ex-presidents and v.p.'s of the networks in many, many occupations, if not in retirement. Their numbers are legion, surprisingly large when you consider that network radio is not yet a generation old and that TV networking began only after the war.

There are so many of them, in fact, that the findings of our survey must necessarily be split into several articles. We'll start with presidents and exec. v.p.'s who are no longer in the business:

Daddy of them all, of course, is famed **J. Andrew (Andy) White**, who was a newspaper and trade paper writer when the newly formed RCA made him director-general of broadcasting, 1921-23, and his voice became a byword among the DXers. After a turn at radio manufacturing, he became v.p. of the Columbia Phonograph Co.'s CBS, served as its pres. 1927-30, was in group that sold it to the Louchheim family of Philadelphia who later brought in the Paley-Levy money. (About that, more later.)

Andy White, now 69, is a practicing psychologist at 6617 Iris Dr., Hollywood, holds many degrees, is consultant on crime prevention to California's Attorney General.

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Richard C. Patterson Jr., who was NBC exec. v.p. 1932-36, in full charge latter 2 years [while late founder-pres. **Merlin Hall (Deac) Aylesworth** was detailed to the RKO receivership by RCA] went into the diplomatic corps, held several ambassadorships, sits on numerous industrial boards (including giant General Dynamics) and works at being New York City's Commissioner of Commerce & Public Events. He's official greeter—successor to Grover Whalen and you see him often in the newsreels.

Maj. Lenox R. Lohr was NBC pres. 1935-40, quit to become pres. of Rosenwald-endowed Chicago Museum of Science & Industry, which he still heads. **Mark Woods**, now 57, who went over as pres. of the Blue (now ABC) when it was spun off NBC, now lives on Longboat Key, Fla., works in Sarasota at realty and construction. **Joseph H. McConnell**, NBC pres. 1949-52, is now gen. counsel of Reynolds Metal Co., and at his Richmond office he has as gen. solicitor **Gustav B. Margraf**, ex-NBC v.p. & gen. attorney, 1948-53.

Frank White was CBS v.p.-treas. 1937-42, Columbia Records pres. until 1947 when he succeeded **Alfred J. McCosker** as head of MBS. McCosker built up WOR for Macy's and now, at 72, is retired in Miami. White went over to NBC as v.p., was made pres. 1952-53, left to become chairman of McCann-Erickson International, now is senior v.p. & treas. of that big agency.

His successor at MBS was **Theodore C. Streibert**, onetime asst. dean of Harvard Business School, who was treas. & director at Mutual's founding in 1935, v.p. 1938, chairman 1951-52, left when it was sold out to General Teleradio and for 3 years headed the U. S. Information Agency (Voice of America) with great distinction. He's now on Nelson Rockefeller's business staff in N. Y.

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Sylvester L. (Pat) Weaver, program prodigy when he started with CBS-Don Lee in 1932 at age 24, came East to join Young & Rubicam, went over to American Tobacco Co., became NBC-TV's first v.p. 1949-53, NBC pres. 1953-55, chairman 1955-56, now heads own Program Service Inc., 430 Park Ave., N. Y. His Hollywood v.p. is **Frederic William Wile Jr.**, an ex-NBC Hollywood v.p., son of the late great pioneer NBC & CBS radio commentator; Wile headquarters at 3620 Goodland Dr., No. Hollywood.

Niles Trammell, who rose from an RCA subaltern to NBC Chicago chief and NBC pres. 1940-49 (Vol. 14:13), now heads and owns part of the Cox-Knight newspaper combine's WCKT & WCKR, Miami. Also up from RCA was **Frank Mullen**, Iowa farm expert, who ran the Blue's original *Farm & Home Hour*, went from Chicago to N. Y. in the '30s, became an RCA v.p. and aide to David Sarnoff, was promoted to NBC exec. v.p.; he quit 10 years ago to acquire interest in the Richards stations (including KMPC, Hollywood), sold out, was involved in a uranium venture, now heads Mullen-Buckley Corp., 8949 Sunset Blvd., Hollywood, which owns rights to *Sabu*.

CBS-TV's first pres. was **Jack L. Van Volkenburg**, now 55, who rose from mgr. of KMOX, St. Louis, to TV v.p. in 1948 and was division pres. until his retirement a year ago; he divides his time between a home in Englewood, Fla. and offices at CBS as consultant, is one of group seeking Ch. 10 in St. Petersburg, Fla. (Vol. 13:51).

Edward J. Noble, now 76, was head of Life Savers Co. when he bought the Blue in 1943 (for $8,000,000); he still has major stock interest in AB-PT, is chairman of exec. committee of Beech-Nut Life Savers Inc., where ex-ABC v.p. **E. Earle Anderson** is now located. ABC's first secy.-treas. was **C. Nicholas Priaulx**, now retired in Norwich, N. Y. Noble chose a Washington newspaper columnist, **Robert F. Kintner**, to be exec. v.p. of ABC and Kintner later became pres.; he's now NBC exec. v.p. Another NBC exec. v.p., **Charles R. Denny**, who was FCC chairman 1945-47, recently was promoted to RCA v.p.-new products.

Edgar Kobak left McGraw-Hill in 1934 to join NBC as sales, program & adv. v.p., became exec. v.p. of the Blue Network 1941-44, left to be pres. of Mutual, 1944-49, retired in latter year to handle own affairs, including a small radio in Thomson, Ga. which he sold last year. He's now 63, runs own business interests from 341 Park Ave., N.Y.

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The old DuMont Network's managing director until it folded in 1956 was **Ted Bergmann**, who had risen from the ranks to succeed **Chris Witting Jr.** Bergmann is now pres. of the successful Parkson Adv. Agency, N. Y. Witting is Westinghouse consumer products v.p. at Pittsburgh. Their "alumni" include **Don McGannon**, pres. of Westinghouse TV-radio stations subsidiary; **Jack Bachem**, now with CBS Radio Sales; **Gerry Martin**, now v.p. of Kenyon & Eckhardt, Detroit.

Note: We have dope on some 75 more ex-network top executives, who will be subject of later columns. At the moment, it seems apropos to report that, partly as result of recent shakeup at the networks, these are reported at liberty: **John Eastman**, ex-ABC Radio v.p.; **John H. Norton Jr.**, ex-NBC v.p., for 5 years ABC v.p. in charge of central div., until recently gen. mgr. of WMTW, Poland Spring, Me. (Ch. 8); **Jack Reber**, ex-NBC v.p. in charge of spot sales; **Davidson Taylor**, ex-NBC public affairs v.p.; **James L. Caddigan**, ex-DuMont director of programming & production, recently v.p. of Lowell Thomas' Odyssey Productions Inc.

Mrs. Scott Bullitt, pres. of Crown Group (KING-TV & KING, Seattle; KGW-TV & KGW, Portland; KREM-TV & KREM, Spokane), appointed a regent of the U of Washington.

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.
WILLIAM WIGHT, Managing Ed.
Associate Editors:
WILBUR H. BALDINGER
PAUL STONE
WM. J. McMAHON, Jr.
Editorial Associates:
Anne G. Bjarbu, Thomas J. Kerr

Personal Notes: Robert Milford promoted to gen. mgr. of CBS-TV network program dept., N. Y. . . . **William R. Brazzil** promoted to v.p.-sales for WTVJ, Miami . . . **George Whitney Jr.** named sales mgr. of new Los Angeles office, Wrather-Alvarez Broadcasting Inc. (KERO-TV, Bakersfield; KFMB-TV & KFMB, San Diego); **John B. Stodelle** promoted to sales mgr. of KFMB-TV . . . **Jack DeLier** promoted to sales mgr. of KWTV, Oklahoma City . . . **Leonard Mosby** promoted to program mgr. of WMBR-TV, Jacksonville . . . **Charles Klug**, music specialist of KDKA, Pittsburgh, promoted to FM program coordinator, Westinghouse stations . . . **Alexander C. Field Jr.**, special broadcast service mgr. of WGN-TV, Chicago, also named program director, succeeding **Edward J. Roth Jr.**, who has resigned . . . **Harold C. Stuart**, pres. of KVOO-TV, Tulsa, & director of Maximum Service Telecasters, visiting Moscow to offer TV-radio programs under cultural exchange program . . . **Edward A. Roberts**, ex-art director of Williams & London Adv., Newark, joins WTOP-TV & WTOP, Washington, as adv. director . . . **Irv Lichtenstein**, ex-ABN director of promotion, joins National Telefilm Assoc. under **Martin Roberts**, director of promotion & sales service . . . **Stanley Rubin** joins CBS-TV, Hollywood, as a producer . . . **James Fonda**, ex-CBS-TV, joins Screen Gems as a producer . . . **Mel Dellar**, ex-Warner Bros., appointed production mgr. for MPO Productions . . . **Joseph F. (Dody) Sinclair** elected to exec. committee, Outlet Co., big Providence dept. store; grandson of its founder, he's mgr. of its WJAR-TV . . . **Charles Kelly** promoted from operations mgr. to station mgr. of WCKT, Miami, reporting to pres. Niles Trammell; he's ex-program mgr. of WRC-TV, Washington, later was with WMAL-TV there and WSUN-TV, St. Petersburg . . . **Richard M. Pack**, Westinghouse stations v.p.-programming, named chairman of New York U's TV-Radio Summer Workshop, June 23-Aug. 1 . . . **Peter W. Geiger**, head of Bank of America's N.Y. TV-movie dept., directing distribution of its 30 bank-owned films, joins bank's Los Angeles staff May 1.

Dr. Frank Stanton, pres. of CBS Inc., will be featured speaker at U of Missouri School of Journalism Week, April 28-May 3.

Obituary

George T. Hyde, 91, father of FCC Comr. Rosel H. Hyde, died at Downey, Ida. home April 12. A businessman, farmer, churchman, he was a Mormon bishop for 17 years, state pres. 25 years, patriarch 17 years. Surviving are widow (first Mrs. Hyde died in 1915), 4 sons, daughter.

Herman H. Light, 61, onetime mgr. of NBC Opera, died at Medical Arts Center Hospital in N. Y., April 13. Surviving are widow, brother.

John H. Clay, 38, sales service mgr. of WOOD-TV, Grand Rapids, died April 1 from asphyxiation after fire in his apartment.

ADVERTISING AGENCIES: **Donald R. Armstrong Jr.**, v.p.-corporate research for McCann-Erickson, adds duties of asst. to pres. Marion Harper, succeeding **Peter G. Peterson** who has joined Bell & Howell . . . **Joseph A. Tery** promoted to v.p. of Caples Co., Chicago . . . **Sherman Slade**, ex-Cunningham & Walsh, Los Angeles, named exec. v.p. & mgr. of Honig-Cooper & Miner, same city . . . **Leonard Stevens** named TV & radio director of Weightman Inc., Philadelphia . . . **N. T. (Tom) Garrabrant** promoted to media director, North Adv., Chicago . . . **Edward V. Uhler**, ex-program director, KENS, San Antonio, named v.p., Robinson, Adelman & Montgomery Inc., Philadelphia.

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Annual "Silver Nail" award for "Timebuyer of the Year" has been created by Station Representatives Assn. in honor of Frank Silvernail, retired BBDO station relations mgr. Silvernail was first recipient, receiving plaque —with a silver-plated nail—at SRA luncheon in N. Y. this week.

All-Canada Television, reps, becomes All-Canada Radio & Television Ltd., following consolidation with All-Canada Radio Facilities Ltd.

Michigan State U's **Dr. Paul D. Bagwell**, 44-year-old professor of communication skills (former title: prof. of speech, radio & dramatics), ex-state chairman of Citizens for Eisenhower and unsuccessful candidate for state auditor in 1956, has entered primaries for GOP nomination for Governor—presumably to oppose 5-term Gov. Mennen Williams. Also listed as a "token candidate" for GOP nomination is William L. Johnson, owner of radio WJMS, Ironwood.

Heywood H. Davis, 26-year-old son of Donald Dwight Davis, pres. of KMBC-TV & KMBC, Kansas City, becomes law clerk to U. S. Supreme Court Justice Charles F. Whittaker in Washington as of July 1; an honor student, he's married, is now completing his law courses at U of Kansas. Mr. & Mrs. Don Davis, who visited Japan last year, sail May 2 for month's European vacation.

Howard Pyle, deputy asst. to President Eisenhower for Federal-State relations, will quit his White House post within next few months, expects to return to Arizona where he was Governor for 4 years. Onetime program director of KTAR, Phoenix, still stockholder in firm which also operates KVAR (Ch. 12), he may rejoin KTAR-KVAR in an executive capacity.

Leo Max, pres. of Leo Max Films, Paris, has been named director of newly established continental operations for NTA. Offices are planned in Paris, Brussels & Rome. Filippo Ottavi heads Paris office at 21 Avenue Kleber; other addresses and personnel will be announced shortly.

Edward Allen, FCC chief engineer, and **James Barr**, asst. chief of Broadcast Bureau, due to leave May 16 for Moscow to attend International Telecommunications Union conference on TV standards, due back June 19.

Richard P. Doherty, ex-NAB v.p., now TV-radio management consultant, is co-author of new book, *Collective Bargaining for Executives*, just published by American Management Assn.

Cecil B. De Mille, the film producer, will be principal speaker at the annual banquet of Broadcast Pioneers at Los Angeles Statler April 29.

Deems Taylor elected ASCAP secy., succeeding John Tasker Howard, as Paul Cunningham is chosen for 3rd term as pres. Taylor is a past pres.

Sponsors Up! Opening of baseball season for TV fans this week was marked by heaviest money lineup of game sponsors yet—and by Congressional move to put crimp in future major league TV schedules.

Baseball sponsors will spend record $34,600,000 on TV to bring games free into homes this year—up $2,800,000 from 1957 (Vol. 13:12)—according to annual roundup in March 24 *Television Age*. Biggest sponsor outlay will be made despite absence of Los Angeles Dodgers & San Francisco Giants from TV, leaving only 12 clubs on list and 102 fewer TV games on air in 1958.

Threat to future wide-open TV scheduling by major clubs came closer April 17 with vote by House Judiciary Committee to approve amended bill (HR-10378) by Chairman Celler (D-N. Y.) authorizing "reasonably necessary" big league rules regulating TV & radio rights (Vol. 14:5). Purpose of measure is to protect minor clubs from big-game TV competition in their areas.

Breakdown by *Television Age* (publisher S. J. Paul is brother of Cincinnati Reds' mgr. Gabe Paul) gives these 1958 baseball figures: TV & radio rights, $11,200,000 ($5,300,000 for regular play-by-play telecasts, $2,700,000 for CBS-TV & NBC-TV weekly series, $3,200,000 for World Series & All-Star Game); time, talent & facilities, $8,300,000; pre-game & post-game expenditures by national, regional & local sponsors, $15,100,000.

This trend toward bigger & bigger TV outlays for baseball could be halted if Congress finally passes Celler bill as amended by Rep. Keating (R-N. Y.). It would place business aspects of pro sports under anti-trust laws. But major baseball clubs would be exempted from monopoly penalties if they agree on measures fixing geographic areas for themselves and limiting broadcasts of their games in minor league territory.

Major league officials had given sympathetic hearings to complaints by minors that TV is killing them off by cutting down gates for home games. But Justice Dept. has frowned on any agreements for TV restrictions as possible violations of present anti-trust rules.

Flat exemption from anti-trust controls had been sought by Keating and organized baseball's Washington legal battery headed by ex-FCC chairman Paul Porter. Fearing "reasonably necessary" qualification in Celler bill for TV game restrictions and other agreements would bring on flood of litigation, pose "major threat to survival of our national pastime," Keating tried to strike language from measure. His amendment was defeated in Committee, but Keating promised House floor fight for it.

Clear-Channel Clearance: First major effort to clean up its 13-year-old clear-channel radio proceeding was taken this week by FCC. Basically, it proposes to open 12 clear channels to assignment of more stations and to leave until later the possibility of increasing power of other 12 from 50 to 750 kw. When and if current proposal is made final, there will be another scramble, as existing stations and new applicants seek to upgrade old facilities or acquire new ones. Industry is given until July 15 to comment on proposal, 45 days more for counter-comments. FCC action was unanimous, by 5 members, Hyde absent.

On 5 channels, Commission proposes to put 50-kw stations in specific western states: Ariz., 1100 kc; Ida., 1180 kc; Mont., 660 kc; Wyo., 880 kc. Action on 770 kc is deferred pending resolution of current proceeding involving use of 770 or 1030 kc by KOB, Albuquerque. On these 5 channels, Class II stations may also later be authorized.

On 7 channels, FCC plans to allow addition of Class II unlimited-time stations in "underserved areas": 670, 720, 780, 890, 1020, 1120, 1210.

For 12 other channels, Commission holds status quo so that it can consider upping their power to 750 kw later—doesn't specifically propose it at this time, preferring to clean up the "duplication" rule-making on first 12, initially.

Stations whose channels would be duplicated are: WRCA, N. Y., 660 kc; WMAQ, Chicago, 670; WGN, Chicago, 720; WABC, N. Y., 770; WBBM, Chicago, 780; WCBS, N. Y., 880; WLS, Chicago, 890; KDKA, Pittsburgh, 1020; KYW, Cleveland, 1100; KMOX, St. Louis, 1120; WHAM, Rochester, 1180; WCAU, Philadelphia, 1210.

Here are the stations Commission says could best utilize higher power: KFI, Los Angeles, 640; WSM, Nashville, 650; WLW, Cincinnati, 700; WSB, Atlanta, 750; WJR, Detroit, 760; WFAA, Dallas & WBAP, Ft. Worth, 820; WCCO, Minneapolis, 830; WHAS, Louisville, 840; WWL, New Orleans, 870; WHO, Des Moines, 1040; KSL, Salt Lake City, 1160; WOAI, San Antonio, 1200.

Clear Channel Broadcasting Service, through director Hollis M. Seavey, made this brief comment on proposal: "CCBS regrets that the Commission proposes to duplicate half of the 24 Class 1-A clear channels since CCBS is convinced that duplication, as opposed to higher power, will lead eventually to less service. CCBS also regrets the Commission's proposal to defer consideration of authorizing higher power, sole available means of improving service."

Document is 27-pp., Docket 6741, Mimeo 57216, only limited number of copies available from FCC. *Federal Register* will carry text in couple weeks.

The Affiliates' Story: Virtual unanimity of affiliates' testimony in FCC network hearing this week (see p. 2), and they made it clear they spoke for virtually all affiliates, made considerable impression on Commission as they stressed "partnership" relations with networks, rejected any implication of coercion by networks.

Testimony of 15 witnesses was so voluminous that space limits us to highlights and flavor of each presentation. ABC-TV group led off:

Alexander C. Keese, managing director of WFAA-TV, Dallas—Devoted much of time to defense of option time. "If option time were prohibited, nothing in the world would prevent America's largest companies from holding within their own golden fences the top TV talent of the nation. The stations would either go back to programming generally unattractive local shows . . . or beat a footpath to the doors of the very rich advertisers who could control station clearance because they held under contract the best available talent."

Joseph C. Drilling, pres. of KJEO, Fresno—Option time is essential to networking, which builds audience for non-network syndicators. "Since the time I entered TV management in 1953, there are scads more suppliers of programs and film syndicators. They all seem to make money, too. But none of them have the ability of the network to supply a pattern—a format of a series of programs that will satisfy the public."

Martin Umansky, v.p.-gen. mgr. of KAKE-TV, Wichita—Option time is "vital," and ABC-TV "has never made a preemptory demand for clearance in option time." Publication of affiliation contracts and rate-making procedures "would undermine our bargaining power with the networks." For example: "The network could credit the station with a smaller circulation than the station actually has."

Charles B. Britt, exec. v.p.-gen. mgr. of WLOS-TV, Asheville, N. C.—Strong attack on AT&T's interconnection rates. "It is difficult for me to understand the justification of an AT&T interconnection charge for WLOS-TV of approximately $4500 per month when the facilities involved can be purchased on the open market for approximately $40,000, an installation charge of approximately $20,000 and a life expectancy of of least 8 years." He opposed proposed "Avco" procedure in station sale. Now selling WLOS-TV, he said that when he might seek to buy a new station new rule would make him face long hearing, competitive bids from multiple owners with ready cash.

* * * *

CBS affiliates opened with **John S. Hayes**, pres. of WTOP-TV, Washington, and WMBR-TV, Jacksonville—Network has right to option time, if stations have right to first call and territorial exclusivity. Network can't operate in "hope that the affiliate might have sufficient enlightened self interest to accept enough of the program the network offered to keep the network alive." Asked who might benefit from elimination of option time: "Perhaps there may be a handful of unaffiliated stations which believe they might benefit financially [but] the list of appearances in this proceeding shows that only one of these stations is sufficiently interested to appear here. There may be some spot representatives who have watched their revenues sky-rocket from the sale of adjacencies to popular network programs, but who are apparently willing to kill the goose that lays the golden egg because of a mistaken notion of what constitutes their own private interest. Certainly they do not speak for the stations whose agents they are."

F. Van Konynenburg, exec. v.p.-gen. mgr. of WCCO-TV, Minneapolis—"Must buy" is no problem for anyone, even Report agrees with that. There's no coercion from networks, no abdication of station responsibility. Loss of must buy would weaken networks, affiliates, service. Publication of rate data "is the first step toward Commission supervision of rates." Affiliates aren't worried about dealing with networks on affiliation criteria, "do not want the Govt. intervening in our business relationship with our network." Would like to bargain with CBS for affiliate agreement for "2, 3, 5 or 10 years." Advertiser would be in "driver's seat" if it controlled placement of programs with non-affiliate if affiliate in market didn't clear.

Francis E. Busby, exec. v.p.-gen. mgr. of WTVY, Dothan, Ala.—Sang praises of Extended Market Plan and Extended Program Service, said station couldn't have survived without them. Without network, station was on 6 hours daily, now operates 15 hours with EMP & EPS. Network has actually helped film syndicators, by attracting advertisers to excellent adjacencies. Under Report's proposals, programs now obtained free through EPS would begin to cost.

H. Moody McElveen Jr., v.p.-gen. mgr. of WNOK-TV, Columbia, S. C.—As uhf operator, it has got "tremendous lift" from CBS-TV. EPS gives station 4½ daytime hours weekly at no cost. "I very much fear that the advantages of EPS will be lost to us altogether if networks are required to furnish programs to unordered affiliates upon 'reasonable payment' by the station"—and Govt. would have job of determining what is "reasonable."

Factbooks Still Available

IF YOUR ORGANIZATION is playing *"Factbook, Factbook,* who's got the *Factbook?"* now is the time to order enough copies of our 1958 Spring-Summer *Television Factbook* for all your executives—while the supply lasts. Single copies cost $5; five copies or more $3.50 each.

Murray Carpenter, pres.-treas. of WTWO, Bangor, Me.—Re option time: "The Report also states that non-network advertisers seeking access to TV in competition with network advertisers have been placed at a competitive disadvantage. Seeking access! In Bangor, Me. this is one of the funniest statements I have read in a long time. Where are these advertisers who are seeking access? Would one of them like to buy a ½-hour immediately following the most popular TV program in Bangor? I will hasten to oblige him if he will only telephone me." WTWO isn't a must-buy, but: "I know from my own experience that it is a darnsight easier to sell a coast-to-coast type advertiser on ordering a station the size of WTWO than it is to sell the spot-type advertiser." Avco rule would penalize small broadcaster. Stations should have right to use intercity relays instead of AT&T's.

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NBC-TV affiliates had phalanx of 6, led by chairman **Jack Harris**, v.p.-gen. mgr. of KPRC-TV, Houston—"Fatal omission" in Report is absence of anything on programming, "because as a consequence of it no proper consideration can have been given to the effect adoption of the various recommendations in the Report would have upon the quality of the programs available to the public. . . . How can a speculation be indulged in that the elimination of option time will encourage the development of more syndicated programs without knowing whether there is not already more than enough Class A time available for such programs and insufficient programs of adequate quality for that time?" Option time: "We have made a deal with the network which we think is a fair one. . . . The elimination of option time would not increase the number of high quality programs, but rather would merely tend to create a vacuum into which lower quality syndicated programming would fall . . . I have no great sympathy for the plight of the syndicators, who until this hearing have been the principal petitioners for the abolition of option time." In 1956, KPRC-TV paid $282,802 for their product; in 1957, $329,139; now running over $500,000 a year. "The Report says that the film syndicators want the abolition of option time, but those syndicators haven't even bothered to appear before you. The Report further says that a number of those in the national spot representation business want that abolishment, although by no means all of them do, and whether they will take such a position here we do not know. Certainly if they do then they are acting contrary to their position as agents for us stations."

Bernard C. Barth, v.p.-gen. mgr. of WNDU-TV, South Bend, Ind.—Modification of first call and territorial exclusivity will "place both stations and networks at the mercy of the sponsor, who has no licensee responsibility and no interest in the well being of TV broader than the popularity of the specific program in which he has invested and the impact of his commercial message associated with that program will make." Direct control of networks: "We also feel that increased governmental control over networks might tend to inhibit the free exercise by them of their responsibility to present news and opinions about public controversies."

Harold Essex, exec. v.p.-treas. of WSJS-TV, Winston-Salem—Publication of affiliation and rate data "would be the first step toward a complete, common-carrier type of regulation. NBC has more than 100 rate-card changes a year . . . If the Commission is to 'watch' the rate situation 'closely and continuously' it would have to investigate the details behind each of these hundreds of rate negotiations . . . If the thousands and thousands of man-hours and of dollars a year were expended on a study of network rate activities . . . the end result of that study would have to be either nothing or common carrier regulation. The first alternative would be a complete waste, and the second I assure you would be a disaster." On affiliations: "We do not support a network policy which would favor multiple owners over single-station owners in making affiliation or disaffiliation decisions [but we oppose a rule against the practice] because as a matter of principle we oppose Commission interference in this area of the business relationship between networks and affiliates."

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Edward C. Lambert, asst. to U of Missouri pres. in charge of TV—An economist and Ph.D. in journalism, he attacked Report's conclusions that TV and other media aren't really competitive. "I am frank to say that if a student of mine came back from a research project and said that his study of the relevant market in which network TV is located had been completed on the basis of talks with unspecified agency officers from 6 unspecified agencies, who told him things he couldn't tell me in detail, but here was the conclusion he had reached, I'd find his conclusion totally unacceptable . . . In my view the Barrow Report was completely wrong in brushing aside inter-media competition as a significant factor . . . There is fully effective competition in this industry, and if you tamper with its free play you will only cripple its proper operation." Option time: "We will take all of the reasonably acceptable non-network orders we can find, and we have plenty of good time for non-network programs."

Wm. C. Grove, treas.-gen. mgr. of KFBC-TV, Cheyenne, Wyo. and KSTF, Scottsbluff, Neb.—If KFBC-TV hadn't been permitted to be a "multiple owner" and establish KSTF as satellite, very likely neither station would have survived. "In these sparsely settled areas multiple ownership can be the difference between survival and failure, and the Commission should not adopt rules which would force failure or make people unwilling to build a station in the first place." Adoption of new "Avco" rule "would tend to force stations in marginal positions off the air when they could have been saved by a prompt transfusion of long green blood through an immediate transfer." Also: "If you will allow venturesome pioneers only the bitter fruits of failure and take away the sweet fruits of success, we will be put on notice of what the deal is in the future. And there will be no more pioneers in this industry."

Lawrence H. Rogers, pres. of WSAZ-TV, Huntington, W. Va.—"We suspect that these basic failures in the Report stem from the understandable inability of the Staff, through its lack of practical TV experience, to achieve real and complete comprehension of how the industry works, coupled, in the case of not having taken program quality into account, by the failure to complete the program study . . . The average broadcaster, and that includes me, had never heard of 'cross elasticity of demand' before the mellifluous phrase showed up in the Barrow Report, and it is my personal opinion, after due deliberation, that no economist should be paid the courtesy of serious attention so long as he continues to hide from the world of reality behind an incredible word like 'substitutability.' But like it or not, these people have their own jargon, the main purpose of which is to help persuade the general public that they are dealing in strange and occult lore and should not, therefore, be subject to criticism by mere laymen."

CBS Strike Settled: Biggest & longest network-wide strike ended this week, 1300 IBEW technicians voting to accept terms of new CBS contract offer and go back to jobs in 8 cities where studios were manned for more than 11 days by executives & staffers (Vol. 14:15).

Vote by IBEW locals in N. Y., Boston, Hartford, Chicago, St. Louis, Milwaukee, San Francisco, Los Angeles was not announced, but union spokesman in Washington said April 18 that rank-&-file ratification of settlement assured full return to work by midnight April 19.

New 3-year agreement calls for 6.4% wage increase retroactive to Feb. 1, expiration date of old contract, plus 2.4% raise effective Aug. 1, 1959, according to IBEW. Spelling out terms to stockholders at annual meeting April 16 in N. Y., CBS Inc. pres. Frank Stanton said base pay of technicians would be raised to $185.50 from $175 and later to $191 per week. He also told stockholders that first-quarter earnings this year were better than in 1957 period, when net profit was $5,907,323 (77¢ per share) on $95,946,-323 sales—and that "assuming we can resolve our differences with IBEW promptly, I think you can count on another good year."

Beginning of end of walkout, which started April 7, was signaled April 17 when Federal mediator Gilbert S. McCutcheon announced "understanding" had been reached by CBS & IBEW to send terms to locals for referendum. There had been doubt, however, that all striking units—particularly N. Y. local 1212—would go along.

Presumably settled in addition to wage questions was stickier issue of jurisdiction over TV tape recordings—source of inter-union rivalry for jobs, particularly in N. Y., where powerful IATSE claims right to handle tape. CBS had given assurances that IBEW "has complete jurisdiction over all tape recordings made by CBS," but jurisdictional trouble still may arise from taped shows farmed out by network to independent packagers.

In Hollywood meanwhile Screen Actors Guild announced 5398-80 ratification of new contract with producers of TV commercials (Vol. 14:13), including provision for union's jurisdiction over taped commercials—except those made through network or station facilities. This provision is being disputed by AFTRA. Efforts by 2 unions to get together on jurisdiction have been unavailing.

And in Washington an echo of another union dispute was heard. U. S. Court of Appeals ruled that 3 technicians at KPIX, San Francisco, violated Federal Communications Act during 1954 strike by disabling equipment, putting station off air for 12 hours. Court upheld FCC charge that technicians violated section of Act prohibiting "damage" to TV or radio equipment. Technicians' licenses were suspended.

KPIX employes insisted they hadn't damaged transmitter—just adjusted it—but 3-judge panel said it was "highly sophisticated sabotage" and just as illegal. "Existence of a labor dispute, or even justification for a strike, is no license for hooliganism," Court warned.

Small Stations vs. CATV: Two western telecasters issued bitter blasts at FCC and community antenna systems this week, charging former is encouraging latter to drive small-town TV into the ground.

Frank Reardon, pres. of 21-month-old KGEZ-TV, Kalispell, Mont. (Ch. 9), announced suspension of operations and appealed to chairmen of Senate & House Interstate Commerce Committees —said he had to give up because FCC failed to regulate local CATV system, at same time helping system by granting it use of microwave "to import the signals of distant metropolitan TV stations." FCC recently ruled CATV systems aren't common carriers subject to regulation (Vol. 14:14).

Kalispell system, said Reardon, feeds 2000 homes, doesn't carry KGEZ-TV signal, doesn't pay the 3 Spokane stations for relaying their signals—whereas he had to pay KXLY-TV & KHQ-TV for rebroadcast rights. Furthermore, he said, CATV worked as "partner" of microwave "common carrier" to get Spokane signals—while he couldn't get microwave grant, had to buy service from the common carrier. "It adds insult to injury," he said, "to require the local broadcaster to utilize the services of the microwave company when this company is actually operating to the broadcaster's destruction."

FCC's policies, Reardon said, "may bring a species of TV service to a limited few in local communities. There can be no service, under this CATV system, outside the metropolitan area where the cables are installed. This policy will effectively preclude the establishment of local TV stations, or the continued existence of those already established."

Reardon said that local CATV operators had also filed for Ch. 9, and that he took them into corporation for 30% ownership to avoid long hearing & litigation. Then, he added, operators refused to advance more funds to operate and refused to allow sale of more stock. An appeal over KGEZ-TV brought in $38,000, but it had to be mailed back "because the CATV people would immediately own 30% of such funds without issuance of additional stock for same."

Other complaint came from Ed Craney, western telecaster who recently bought 49.98% of KFBB-TV, Great Falls, Mont. and KFBB in a $600,000 transaction (Vol. 14:14). "At the moment," he writes us, "we are not sure we will go through with the purchase because of the Commission's attempt to do away with small market TV stations by allowing big market station programs to be microwaved in cities for cable systems . . .

"At present, Great Falls is being ringed by cable systems fed by licensed microwave from Spokane stations. Plans are afoot to come up through Idaho with Salt Lake signals spreading all over that state and into Montana. One station has already folded in Montana and others may shortly follow. The Commission is substituting a system of cable TV to a few lucky ones with money enough to be able to get it for a free TV system in these parts."

ABC's WXYZ-TV & WXYZ, Detroit, start construction in next few weeks of $4,000,000 studio-office-transmitter facilities on 93-acre site on Ten Mile Rd., west of Northwestern Highway. Transmission from site is due in fall, building completion May 1959.

Upcoming KVKM-TV, Monahans, Tex. (Ch. 9) affiliates with ABC-TV, effective Aug. 15.

Toledo VHF for WTOL: Toledo's Ch. 11, possibly most sought after TV channel to date, was earmarked for WTOL this week, as FCC issued instructions to staff to draft decision. WTOL, headed by ex-Congressman Frazier Reams, is due to win over 6 others: Great Lakes Bcstg. (adman A. W. Reichert, pres.) which had examiner J. D. Bond's initial decision; Anthony Wayne TV (principals including Harold F. Gross, WJIM-TV, Lansing); Citizens Bcstg. (controlled by UAW); Maumee Valley Bcstg. (including Hulbert Taft & family); *Toledo Blade* (Wm. Block interests); Unity Corp. (Edward Lamb, owner of WICU, Erie).

In a final action, by Comrs. Doerfer, Lee & Craven, Commission affirmed its grant of Ch. 6 to KFDM-TV, Beaumont. Examiner had recommended giving channel to KRIC after latter had persuaded Court of Appeals to remand case.

In another post-remand decision, FCC granted ABC-TV authority to affiliate XETV, Tijuana, Mex.—over objections of San Diego's KFMB-TV.

Examiner Millard F. French, in supplemental initial decision, again recommended grant of Ch. 5, Lubbock, Tex. to Texas Tech. He concluded there was nothing improper in donations to college from city's KDUB-TV and KCBD-TV or in competing applicant C. L. Trigg's acceptance of $25,000 on dismissal of his application.

CPs granted: Gainesville, Fla., educational Ch. 5, to U. of Fla.; Oklahoma City, Ch. 19, to Malco Theatres—plus 3 translators on Ch. 72, 76 & 80 to Navajo Tribal Council, for Ariz. towns of Window Rock, Ft. Defiance & St. Michaels.

Allocations petitions: (1) By ABC, to substitute Ch. 9 & 11 for Ch. 8 in Syracuse, WHEN-TV to move to Ch. 9, Canada to agree to shifts. (2) By Ga. State Dept. of Education, to reserve Ch. 8 in Waycross for educational use, adding Ch. 19 commercial. [For details of foregoing, see *TV Addenda 26-L* herewith.]

ETV Fund Set by RCA: Establishment of $100,000 educational TV workshop at NYU, sponsor of local Emmy-winning daily 6:30-7 a.m. *Sunrise Semester* on WCBS-TV, N. Y. (see p. 13), was announced April 19 by RCA pres. John L. Burns at National School Boards Assn. convention in Miami Beach.

"Massive upgrading of our educational standards" can be accomplished through TV, Burns said. In NYU workshop program RCA will support a TV professorship, equip laboratory studio and maintain it for year, draw on NBC talent "to provide guidance in graphic arts presentation & broadcast techniques."

In other ETV developments this week: (1) WCNY-TV, Carthage-Watertown, N. Y., started elementary in-school science series. (2) WJBK-TV, Detroit, offered American history course as second ETV series for U of Detroit credits. (3) WBAP-TV, Ft. Worth, reported 557 Texans enrolled in teacher-training course financed by Ford Foundation's Fund for Advancement of Education. (4) National Assn. of Educational Broadcasters scheduled recording workshop May 5-9 at WTTW, Chicago, and seminar for educational broadcasters July 21-25 at U of Ill. Allerton House, Monticello, both under Ford Foundation grants.

GE plans junket to Tijuana, Mexico from NAB convention April 29, taking group by bus to inspect new 50-kw plant of radio XEAK there; transmission is latest GE, designed for remote control and using germanium rectifiers instead of conventional mercury vapor.

New and Upcoming Stations: A Montana vhf left air and another vhf began operation in Canada this week. KGEZ-TV, Kalispell, Mont. (Ch. 9), which began operation July 9, 1957 wrote FCC April 7 that it was leaving air (see p. 11), bringing U. S. on-air total to 535 (92 uhf).

CKTM-TV, Trois Rivieres, Que. (Ch. 13), 51st Canadian outlet, began April 15 as affiliate of CBC French network. It has GE transmitter and 300-ft. Wind Turbine tower at Mont-Carmel. Henri Audet, ex-CBC regional engineer, Quebec, is pres. & gen. mgr.; Louis Beliveau, ex-radio CHLN, Trois Rivieres, regional sales mgr.; Claude Blain, ex-CKRS-TV, Jonquiere, production mgr.; Yves Hamel, ex-CBC, Quebec, chief engineer. Base hour is $255. Reps are Weed, Jos. A. Hardy & John N. Hunt.

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

KCIX-TV, Nampa, Ida. (Ch. 6), hasn't ordered transmitter yet, but plans July 1 start, reports owner Burl C. Hagadone. It has 310-ft. Blaw-Knox tower and building completed at site 3.5-mi. S of Meridian, Ida. Rep will be McGavren-Quinn.

KNME-TV, Albuquerque, N. M. (Ch. 5, educational), now hasn't specific target, but is in process of rendering proof of performance required for program test authorization, writes Bernarr Cooper, director of TV-radio for grantee U of New Mexico. RCA 2-kw transmitter, formerly used by KOB-TV (Ch. 4), has been hooked up with KOB-TV auxiliary tower on Sandia Crest. Microwave connection between campus studio and transmitter, housed in same building with KOB-TV's new 6-kw unit, also is ready.

WEDU, Tampa-St. Petersburg (Ch. 3, educational), hasn't delivery date yet for 5-kw RCA transmitter, but still plans fall start, reports gen. mgr. C. W. Mason, ex-program mgr. of WSUN-TV, St. Petersburg. Construction of studio-transmitter building has started, but tower awaits CAA approval on height. RCA 3-bay antenna will be used.

Radio KWK, St. Louis (1380 kc, 5 kw) has been sold for $1,025,000 to new KWK Radio Inc., as aftermath of deal wherein CBS bought Ch. 4 KWK-TV (now KMOX-TV) for $4,000,000 (Vol. 14:1,9). KWK Radio is 74% owned by WEMP, Milwaukee, 26% by Robert T. Convey, former pres. of KWK Inc. Broker: Blackburn & Co. Note: Tentative KWK Feb. 28 balance sheet shows $2,564,854 surplus as of May 1, 1957, with net income in 10 mos. thereafter of $621,617. Also shown is $1,487,354 prepaid expenses, $170,717 capital assets, $152,270 other assets, $712,634 current liabilities.

DuMont's purchase of radio WHK, Cleveland, with WHK-FM, for $700,000 (Vol. 14:9) was approved this week by FCC. Seller is *Cleveland Plain Dealer*, which retains its 40.63% interest in WKBN-TV, Youngstown (Ch. 27) & WKBN. DuMont Broadcasting Co.'s other properties are radio WNEW, N. Y.; WABD, N. Y. (Ch. 5); WTTG, Washington (Ch. 5).

FCC hearing div. is re-established in broadcast bureau after having been a branch under broadcast facilities div. since Feb. 6, 1956. There's no change in staff; Robert J. Rawson remains chief. Reason given for change is "efficiency"—broadcast facilities div. being too pressed with other duties to give hearings adequate attention.

Corinthian station executives hold own meeting with pres. C. Wrede Petersmeyer in Palm Springs May 1-4, following NAB convention.

New county-by-county sets-in-use estimates will be issued by Advertising Research Foundation in June or July, according to managing director A. W. Lehman. Estimates will be as of March 1958, based on Census Bureau's latest survey and Nielsen estimates (Vol. 14:15). Last ARF county-by-county figures were as of March 1956 (*Television Digest* Special Report, Sept. 29, 1956). Meanwhile, NAB, networks & stations are working to persuade Census to include TV-radio questions in 1960 census—in face of present disinclination of Bureau to do so. During April 10 meeting of 70-industry advisory Council of Population & Housing Census Users, NAB research mgr. Dick Allerton made vigorous representation—urging questions in next census cover TV, AM, FM, uhf, color. The 1950 census covered TV & radio. Chances of TV & radio in 1960 nose-counting seem slim unless industry goes to work on Congress. Census would be happy to cover many more topics—but it has only $110,000,000 earmarked for 1960.

NBC-TV revises discount structure effective Oct. 1, first time since 1953—giving better terms to advertisers using alternate weeks, daytime-nighttime combinations and year-around programs. Among provisions: (1) User of alternate-week daytime and alternate-week nighttime programs can now get 10% discount. (2) All year-around multiple-program sponsors can get 15%. (3) Maximum 25% can be earned by users of 1½ hours weekly, instead of previous 2. (4) Daytime sponsors may earn up to 5% greater discount by using more than 100 stations. NBC spokesman said new structure is more competitive with CBS-TV, which he said had 9% advantage in some cases.

Rate increases: KRCA, Los Angeles, March 1 raised base hour from $3600 to $3800, 20 sec. remaining $800. KMOX-TV, St. Louis, March 1, hour from $1500 to $1750, min. remaining $330. WMAL-TV, Washington, April 1, hour $1500 to $1750, 20 sec. $300 to $330. WOC-TV, Davenport, April 1, hour $800 to $900, 20 sec. $200 to $225. KONO-TV, San Antonio, April 1, hour $560 to $700, min. $140 to $175. KIMA-TV, Yakima, April 1, hour $500 to $550, min. $100 to $110. KWTX-TV, Waco, March 1, hour $300 to $375, min. $60 to $75. KMID-TV, Midland, April 1 added Class AA hour (7-10 p.m. daily) at $300, min. at $60, Class A hour going from $250 to $275. KDIX-TV, Dickinson, N. D. April 1 raised hour from $150 to $175, min. $30 to $35. CHSJ-TV, Saint John, N. B. July 1 raises hour from $300 to $340, min. $70 to $85.

NAB changed its by-laws to restrict annual convention registration to "ownership, management and officers of active members, limit exhibits to associate members who are manufacturers of broadcast equipment, tailor fall conferences to operational phases of station management," starting in 1959. Mail referendum approved Jan. 24 resolution of Board of Directors recommending change 947 to 59. Principal effect will be to bar film producers from annual spring convention, shifting their participation to fall conferences.

Practice of "loading" program schedules with best programs during "rating week" is attacked by Mitchell Wolfson, pres. of WTVJ, Miami, in full-page ads in April 19 *Sponsor* and April 21 *Broadcasting* and *Advertising Age*. He says WTVJ will cancel all special programming and promotion during April rating week in Miami.

WTWO, Bangor, Me. (Ch. 2), being sold for $600,000 to owners of WCSH-TV, Portland (Ch. 6) and 3 Maine radio stations by Murray Carpenter (Vol. 14:12), shows Dec. 31 balance sheet of $11,534 deficit, $87,003 cash. receivables & inventories, $52,036 accounts payable, $174,187 plant equipment, $191,113 notes payable.

Reprieve for BMI: Broadcaster - controlled BMI fought back in force this week before Senate Commerce subcommittee against ASCAP-supported death-sentence bill by Sen. Smathers (D-Fla.) to prohibit TV & radio stations from engaging in music business (Vol. 14:8). Fair bet at week's end: Death sentence itself will die in subcommittee.

In 3 swift days of defense—and counter-attack on ASCAP's once-entrenched music publishing & licensing position—BMI marshalled 25 witnesses headed by attorney Sydney M. Kaye, BMI chairman, to refute charges by ASCAP members of Songwriters Protective Assn. that BMI monopolizes broadcast music. They encountered few challenges from communications subcommittee—and Smathers himself was conspicuously absent from hearings.

Subcommittee Chairman Pastore (D-R. I.) interrupted Kaye's testimony once to ask: "Why is BMI good and in the public interest? Why doesn't it injure the public interest?" But for most of 3-day hearings pro-BMI witnesses had floor to themselves. And other subcommittee members—Senators Monroney (D-Okla.), Thurmond D-S. C.), Bricker (R-O.), Potter (R-Mich.)—either didn't show at all or displayed little interest when they did.

When last of first squad of 25 BMI defenders—broadcasters, spokesmen for state TV & radio organizations, songwriters, performers—had been heard, Pastore recessed hearings until May 6. BMI then will bring up representatives of networks, music publishers, record manufacturers to resume counter-offensive. Kaye summed up BMI's case:

"The testimony of the principal [ASCAP] proponents of this bill makes it clear that they still thirst for the monopoly they once enjoyed, and that their sole purpose is to eliminate effective competition in the field of music licensing. They have not shown the slightest evidence of conspiracy between broadcasting licensees & BMI."

BMI's chairman was reinforced by such witnesses as James L. Howe (radio WIRA, Ft. Pierce, Fla.), pres. of Fla. Assn. of Broadcasters. Speaking for TV & radio operators in Smathers' home state, he denounced bill as measure which would "directly jeopardize the future of the small hometown radio stations." Subcommittee had no questions.

In 43-pp. point-by-point rebuttal of ASCAP-SPA charges against BMI last month, Kaye said "contentions are false in fact and untenable in theory." He ridiculed complaints that "ownership of BMI stock by a small minority of broadcasters [624 of 4000 stations] has caused discrimination against the music of ASCAP by the entire broadcasting industry"—that "even if such discrimination has not occurred in the 18 years since BMI has been in business, the stock ownership is likely to cause discrimination in the future."

Other BMI defenders included: Gov. Clement of Tenn.; Dean Harrison Kerr of Okla. U., ex-secy. of American Composers Alliance; Pres. Elden Harvard Shute Jr. of Me. Radio & TV Broadcasters Assn.; Pres. Leo Morris of Okla. Broadcasting Assn.; Pres. W. Randall Davidson of S.C. Radio & TV Broadcasters Assn.; E. R. Vadeboncoeur, ex-pres. of N.Y. State Assn. of Radio & TV Broadcasters; Pres. Grover C. Cobb of Kan. Assn. of Radio Broadcasters; Ben Strouse, ex-pres. of Md.-D.C. Radio & TV Broadcasters Assn.; Pres. Milton Mitler of R.I. Broadcasters Assn.; John Frank Jarman, ex-pres. of N.C. Assn. of Broadcasters.

Songwriters and/or performers defending BMI included Gene Autry, Eddie Arnold, Pee Wee King, Roy Acuff, Sammy Kaye, Ray Bloch.

The 1958 Emmy Awards: Jack Benny (CBS) and Dinah Shore (NBC) led Emmy winners in annual National Academy of TV Arts & Sciences ceremonies. Benny took trophy for best continuing male performance plus special Trustees Award for contribution to TV. Miss Shore was named best continuing female performer and her *Dinah Shore Show* was given Emmy for best musical, variety, audience participation or quiz series. Other awards for 1958 in 90-min. N. Y. & Hollywood show sponsored by Pontiac and Lilt Permanent on NBC-TV April 15:

Single program of the year—"The Comedian," *Playhouse 90* (CBS)
Continuing dramatic series—*Gunsmoke* (CBS)
Musical contribution—Leonard Bernstein, *Omnibus* (NBC)
Continuing performances by leading actor & actress in dramatic or comedy series—Robert Young & Jane Wyatt, *Father Knows Best* (NBC)
Actor in a single role—Peter Ustinov, "Life of Samuel Johnson," *Omnibus* (NBC)
Actress in single role—Polly Bergen, "Helen Morgan Story," *Playhouse 90* (CBS)
New Series—*Seven Lively Arts* (CBS)
News Commentary—Edward R. Murrow, *See It Now* (CBS)
Public service program—*Omnibus* (NBC)
Comedy series—*Phil Silvers Show* (CBS)
Supporting actress in series—Ann B. Davis, *Bob Cummings Show* (NBC)
Supporting actor in series—Carl Reiner, *Sid Caesar Show* (ABC)
Dramatic anthology series—*Playhouse 90* (CBS)
Direction (30-min.)—Robert Stevens, "The Glass Eye," *Alfred Hitchcock Presents* (CBS)
Direction (60-min. or more)—Bob Banner, *Dinah Shore Show* (NBC)
Teleplay writing (30-min.)—Paul Monash, "The Lonely Wizard," *Schlitz Playhouse* (CBS)
Teleplay writing (60-min. or more)—Rod Serling, "The Comedian," *Playhouse 90* (CBS)
Comedy writing—Hiken, Friedberg, Sharp, Ryan, Jacoby, Rosen, Zelinka, Russell & Webster, *Phil Silvers Show* (CBS)
Unscheduled news coverage—Riker's Island airliner crash, *World News Roundup* (CBS)
Art Direction—Rouben Ter-Arutunian, "12th Night," *Hallmark Hall of Fame* (NBC)
TV cinematography—Harold E. Wellman, "Homo the Magnificent," *Bell Telephone Science Series* (NBC)
Live camera work—*Playhouse 90* (CBS)
Engineering or technical achievement—*Wide, Wide World* (NBC)
TV film editing—Mike Pozen, "How to Kill a Woman," *Gunsmoke* (CBS)

Fellowships in TV-radio field, providing for study up to one year at institutions of their choice, have been awarded by Fund for Adult Education to following: James W. Sanders, Ala. Polytechnic Institute; Colin D. Edwards, KPFA, Berkeley, Cal.; Sidney Roger, KROW & KPFA, Berkeley; Claud P. Mann Jr., KSBW-TV, Salinas, Cal.; Richard E. Mansfield, Jr., educational WTTW-TV, Chicago; Sam L. Becker, State U of Iowa; Mrs. Doris Karasov, volunteer community leader, St. Paul; Dennis A. McGuire, WOW-TV, Omaha; Ethelbert A. Hungerford, Metropolitan Educational TV Assn., N. Y.; Elmer W. Lower, CBS; John S. Clayton, U of N. C.; Mrs. Elisabeth M. Alford, WALD, Walterboro, S. C.; Wayne M. Carle, Brigham Young U; Miss Dorothy E. Miniace, U of Wis.

Add awards: Sigma Delta Chi, national journalism fraternity, announced 1957 awards for "distinguished service" in TV to Jim Bennett, news director of KLZ-TV, Denver, and to WBZ-TV, Boston. In radio, winners were Jerry Resholt, news editor of WCCO, Minneapolis; Dave Muhlstein, news director of KLIF, Dallas; KNX, Los Angeles.

American Women in Radio & TV holds annual convention in San Francisco's Fairmont Hotel, April 24-27.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755
Trade Report
April 19, 1958

CALL TO ARMS IN TAX BATTLE: An aroused industry, beset by declining sales, profits and employment, pressed its tax offensive on two fronts this week -- and won a minor skirmish. Internal Revenue Service postponed indefinitely proposal to add manufacturers' co-op advertising allowances to 10% excise tax base (Vol. 14:14), extended to May 21 time for filing formal protests, tentatively scheduled hearing for May 27.

Industry leaders watched for break in the general tax cut situation to press for reduction or elimination of excise tax on TV, radios, phonos (Vol. 14:12). Their efforts and everybody else's stalled at weekend on Administration's announced reluctance to seek a general tax cut at this time.

Industry needs widespread, grass-roots support if it is to stave off threat of added taxes on co-op advertising, other promotional allowances, which have become the life-blood of distribution system. Same support will be required to push bill through Congress to reduce excise taxes. Spearhead of industry leaders, with Lewis D. Spencer at the head as chairman of EIA's tax committee, is now circulating the industry's membership soliciting active support for their endeavors.

Protests to IRS against co-op ad tax came from manufacturers, distributors and dealers alike. Federal Excise Tax Council asserted rule would reverse long-standing policies, impose a new tax burden which is economically unsound during a period of recession. National Electrical Manufacturers Assn. added its weight to the flood of protests, asserting any added tax would defeat President Eisenhower's plea for an aggressive selling campaign to promote consumer buying. National Appliance, Radio & TV Dealers Assn. protested:

"Now is no time to put a crimp in time-proven methods of stimulating sales."

TV-Radio Production: TV set production was 76,954 week ended April 11 vs. 70,309 preceding week & 94,866 in 1957. Year's 14th week brought production to 1,297,238 vs. 1,681,000 last year. Radio production was 183,461 (61,024 auto) vs. 148,040 (41,698 auto) preceding week & 287,682 (91,885 auto) last year. For 14 weeks, production totaled 2,786,937 (916,776 auto) vs. 4,530,000 (1,831,000 auto).

MOVES TO COUNTER JAPANESE IMPORTS: Sentiment for prompt tariff protection against a threatening influx of radios & transistors from Japan was crystallizing this week (Vol. 14:6,12). Ways & means of accomplishing this prodigious feat, however, were still under consideration by industry leaders.

The statistics gathering dept. of EIA -- recognized as one of the best in all American industry -- readied a status report and recommendations for early consideration by special tariff committee chairmanned by Motorola's Paul Galvin. We learned from EIA gen. counsel Wm. L. Reynolds that the committee will meet prior to EIA's convention in Chicago May 21-22, and that tariff matters will be high on the agenda. Committee also includes H. Leslie Hoffman, Hoffman Electronics; Russell F. Cramer, Radio Condenser Co.; Ray Ellis, Raytheon.

Initial move should be appeal to Tariff Commission for more specific import categories, report states, since present broad classifications make it impossible to pinpoint items where imports really hurt. Step 2: Formal request to Commerce Dept. for first-hand, up-to-the-minute information from its commercial attache in Tokyo about Japanese exports and production plans. Step 3: Representations to top echelon at State Dept. for govt.-to-govt. negotiations for a "voluntary quota" on exports of transistorized radios, transistors and some other components.

Committee has backed away from idea of direct petition to Tariff Commission for higher duties on these items. Procedure is long & complicated, prospect of persuading officials industry now seriously hurt is slim while trade balance in broad electronic category strongly favors U.S. Best estimates are Japan will export about 1,000,000 transistor radios to U.S. this year -- probably less than 10% of U.S. production -- but enough, perhaps, to take the profit out of booming transistor radio market now estimated at 30% of total 1958 home radio sales. Also putting damper on direct Tariff Commission appeal is current Administration attitude favoring greater U.S.-Japan trade to block a Japan-Soviet trade agreement.

"Voluntary quota" approach will probably hold most appeal for industry tariff committee members. Reynolds' report points out this already has been accomplished for textiles and stainless steel flatware. In both instances, however, Tariff Commission had already recommended to the President a boost in tariffs; Japanese merely "pulled the rug" from under formal U.S. action by applying voluntary restrictions.

Basis for tariff protection appeal will be EIA preliminary findings that the retail sales of TV & radios continued to slide in March. While the figures are not available to us, they will be cited to State & Commerce Dept. officials, members of Congress, as indicating the critical condition of the industry, as well as the probability of a further decline in employment.

For additional details on export-import situation, with particular reference to booming Japanese production, see our story Vol. 14:12. Only major development since then has been visit of group of Japanese electronics manufacturers seeking new outlets for radio, transistors and other components, as well as license agreements with electronic firms in this country.

Admiral Afoul FTC Again: Admiral, which only recently settled its TV advertising case with Federal Trade Commission (Vol. 14:14), was charged this week with favoring some customers with lower prices and more generous advertising allowances in violation of Robinson-Patman Act. FTC issued 2-count complaint that:

(1) Admiral discriminates in prices charged retail customers for TV, radios and major appliances. (2) Fails to make advertising and promotional allowances to all retailers on proportionally equal terms. Milwaukee retailers were said to have been classified in 4 categories, charged different list prices for goods of like quality and grade, with result some paid 1% to 10% more than favored competitors. Complaint also alleged discriminatory discounts resulted in non-favored retailers paying higher net prices ranging from 1% to 15%. Similar practices were said to have occurred in other areas.

Payments ranging from 50% to 100% of the cost of retail newspaper advertising and varying sums for floor and window displays were alleged in violation of the Robinson-Patman Act. Company has until May 17 to reply, hearing before FTC examiner being scheduled for June 2 in Chicago.

Symposium on "Methods of Contracting" is sponsored by EIA committee on Military Systems Management (formerly Guided Missiles committee) at Statler Hotel in Washington April 22. Speakers: James D. McLean, pres. of Hoffman Labs, on "Group Contracting"; W. M. McFarland, exec. v.p. of Hazeltine, on "Leader-Follower Contracting"; S. C. Donnelly, Western Electric asst. works mgr., on "Prime-Subcontracting"; Chairman F. R. Lack, Western Electric v.p., on "Management Contracting."

Federal Reserve Bank of Chicago reports TV owners spent about $850,000,000 on set repairs last year, up from $140,000,000 in 1948.

"Color TV Principles & Practices" is new 135-pp. GE manual for servicemen, available for $5 through tube distributors.

DuMont Labs has established "Spacetronics" operation to direct research, development and manufacture of astronautical devices and systems. Frederick H. Guterman, v.p. for industrial & military equipment, said group of specialists will direct all activities in connection with guidance & reconnaissance systems, instrumentation and test equipment in missiles, rockets, satellites, hypersonic aircraft and space vehicles. He said DuMont management believes astronautic development must receive top priority to gear crash programs to best interests of national defense.

CBS-Hytron signs manufacturing agreement with Continental Electric Co., Geneva, Ill., to market latter's complete line of industrial tubes. Hytron pres. Arthur L. Chapman says agreement is first in series of planned expansions into industrial field by CBS tube div., predicts industrial sales will reach $400,000,000 by 1965, exceeding entertainment sales. Continental Electric withdraws from domestic distribution.

TV-radio tube misrepresentation complaint was issued by Federal Trade Commission this week against Concord Radio Corp., its officers and subsidiary Fay-Bill Distributing Co., all N. Y., alleging companies advertised as "First Quality" and "All Brand New" tubes which in reality were factory rejects or had used envelopes or shells. Complaint said deceptive practices give electronic servicemen and dealers means to mislead public.

Hoffman Electronics has acquired 30% of Humphrey Inc., San Diego manufacturer of electronic equipment. Joint announcement says Hoffman will manufacture, under license, precision electronic and electromechanical equipment developed by Humphrey for aircraft and missile industries.

"Electronics Week" May 17-42 has been designated by Chicago, in connection with May 19-21 Electronic Parts Distributors Show at Conrad Hilton Hotel. Week encompasses conventions of EIA, NEDA and "The Representatives" of Electronic Product Mfrs. Inc.

Trade Personals: D. F. Johnson named to new post of Hotpoint marketing mgr. for TV & air conditioners . . . Aurel G. Petrasek promoted to merchandising mgr., receiving tubes, RCA electron tube div. . . . James H. Carmine, ex-Philco pres., named special consultant in sales, adv. & marketing for Fram Corp., Providence (oil filtration equipment) . . . James E. Sullivan named gen. mgr. of new Cable & Wire div., Amphenol Electronics . . . James J. Cassidy resigns as trade editor of *Television Digest*, future plans to be announced . . . Samuel Olchak, ex-DeWald Radio, Long Island City, named sales mgr. for Paramount Enterprises Hallmark div. . . . Andrew Schwartz named sales mgr., Westinghouse Appliance Sales, N. Y. . . . Arthur Howard, ex-Sonic Industries, named national sales mgr. of Hinners-Galanek Radio Corp., N. Y. . . . Richard O. Morris, ex-Booz, Allen & Hamilton, appointed controller of Howard W. Sams & Co., Indianapolis . . . Tom Mack promoted to v.p. of Dot Records, succeeding as director of albums Henry Onorati, now pres. of 20th Century-Fox Records.

Comdr. E. F. McDonald Jr., pres.-gen. mgr. of Zenith Radio, was due to be released this week from Albert Merritt Billings Hospital, Chicago, planned to convalesce a short time in Florida before returning to office.

Don G. Mitchell, Sylvania chairman & pres., will address annual convention of American Federation of Advertisers at Statler Hotel, Dallas, June 8-11.

ELECTRONIC PERSONALS: William Carlton Allen, ex-Westinghouse, named director of manufacturing for IT&T . . . Joseph J. Holley promoted to manufacturing mgr. of IT&T Federal Instruments group . . . H. W. Jamieson, co-founder of Litton Industries with Charles B. Thornton, resigns as v.p.-engineering, will continue as advisor . . . Patrick F. Haggerty, former exec. v.p., elected pres. of Texas Instruments, succeeding J. E. Jonsson, named chairman; co-founder & former chairman Eugene McDermott named exec. committee chairman . . . Donald B. Morse promoted to director of sales, service & adv. for Bendix Aviation Scintilla div.; Donald L. Quinney succeeds him as sales mgr. . . . William Glasgow Thompson, v.p. of Bell Telephone system, retires May 31 after 43 years with company . . . Kenneth W. Klise (USAF ret.) joins Page Communications Engineers, Washington, as product mgr. . . . Fred R. Lack, v.p. Western Electric Radio div., will retire Aug. 31 after 47 years with the company. C. Raymond Smith will succeed him.

Obituary

Ludwig Arnson, 75, retired pres. of Radio Receptor Co., reputed to have sent first wireless distress message from an American vessel, died at his home in N. Y. April 12. His widow survives.

Dr. Karl Lark-Horovitz, 65, head of Purdue U physics dept., pioneer in transistor research, died in Lafayette, Ind. April 14. Surviving are widow, son, daughter.

DISTRIBUTOR NOTES: Sylvania appoints Fridley Bros., St. Louis, for TV-radio-hi-fi; Sylvania has canceled Household Appliance Corp., Newark, successor not yet named . . . Motorola appoints K and K Co., Omaha, for Neb., part of Iowa . . . Sid Weiss, ex-West Coast sales mgr. for American Electronics, forms Sid Weiss Assoc., Los Angeles, to market hi-fi . . . Mark Simpson, founder of Mark Simpson Manufacturing Co., and Alex Sherlow, ex-sales mgr. Electronics Manufacturing Co., form Elcraft Industries Inc., N. Y. (41 W. 57th St.) to market phonos . . . J. P. Majors promoted to mgr. of Graybar, Jacksonville . . . Columbia Records appoints 4 for phonos: Vining Sales, Greenville, Mich.; Graybar Electric Cos. in Louisville, Evansville, Cincinnati . . . Majestic-Grundig appoints Empire Enterprises Inc., Philadelphia, for hi-fi, phonos, radios & components.

DuMont appoints 7 firms to handle closed-circuit industrial TV: Burdett Sound & Recording Co., Tampa; Custom TV, Houston; Electronic Equipment Supply, Lincoln; Florida Communications, Cocoa, Fla.; Jay Huckbee Co., Snyder, Tex.; Kansas City Sound Service, Kansas City, Mo.; Southern Radio Supply, Little Rock.

Evolution of stereophonic discs—with sketches to show basic differences in cutting and playing stereo vs. monaural records—is traced in layman's language in Feb. issues of *High Fidelity* and *Audiocraft*, in March *Radio & TV News*. They are typical of educational material being beamed at hi-fi enthusiasts far in advance of anticipated fall marketing of stereo discs and players.

Conference on Electronic Standards & Measurements will be held at Bureau of Standards Labs, Boulder, Colo. Aug. 13-15, sponsored by Bureau, IRE, AIEE.

Flat color tube being developed by Dr. D. Gabor, Imperial College, London, is described briefly in April 14 *Electronic Week*.

Ceramic-type insulating material for electronic components, high temperature resistant up to 1200 degree F, has been developed by Secon Metals Corp., White Plains.

Recipients of David Sarnoff Fellowships for 1958 (worth $3500 each), as announced by RCA v.p. & technical director C. B. Jolliffe: Raymond J. Campion, RCA tube div., candidate for Ph.D. in chemistry, Washington U, St. Louis; Edward Kornstein, defense electronic products div., Ph.D., physics, Boston U; Walter F. Kosonocky, Princeton Labs, Ph.D. engineering, Columbia; Gerome D. Sable, Moorestown defense dept., Ph.D. electrical engineering, U of Pa.; R. A. Schmeltzer, semiconductor & materials dept., Ph.D. engineering, Columbia; Hugh W. Stewart, defense electronics products div., M.Sc. electrical engineering, Rensselaer Polytech; Edward L. Balinsky, NBC, Ph.D. economics, Columbia; Paul Potashner, RCA International sales, M.Sc. business administration, Harvard; Earl R. Sage, TV div., M.Sc. business administration, Harvard; James L. Steffensen Jr., National Broadcasting Co., Ph.D. fine arts, Yale.

Seven new recommended standards for electronics industry have been mailed to EIA members; are obtainable by non-members from EIA engineering dept., 11 W. 42nd St., N. Y. The standards: circular waveguides (RS-200), 30¢ each; microwave transmission systems (RS-203), $1.30; minimum standards for land-mobile communications, FM or PM receivers (RS-204), 90¢; electrolytic capacitors for use primarily in transmitters & electronic instruments (RS-205), 80¢; preparation of basing or terminal diagrams (RS-206), 60¢; definition and register, printed wiring (RS-208), 25¢; electron tubes (RS-209), $3.50. Minimum charge of $1 on all orders.

EIA issues following recommended standards and military components specifications with industry-wide approval: RS-170—*Electrical Performance Standards, Monochrome Television Studio Facilties* ($1.10 each); RS-198—*Ceramic Dielectric Capacitors, Classes 1-2* (80¢); RS-201—*Recommended Standards for Export Receivers* (25¢); SMC-1—*Fixed Ceramic High Reliability Capacitors* ($1.10). Copies are available from EIA Engineering Dept., 11 W. 42nd St., N. Y. ($1 minimum charge).

Financial Reports:

GE earnings dropped 23% to $49,184,000 (56¢ per share) on sales of $964,966,000 in first 1958 quarter vs. $64,006,000 (73¢) on $1,048,000,000 sales in same period of record 1957 (Vol. 14:8). Decline was attributed by pres. Ralph J. Cordiner to: (1) Reduced sales volume in most commercial products, including TV & radio sets which have been slumping many months. (2) Higher proportion of defense business with low profit margins. (3) Rising employment costs. (4) Higher raw materials costs. Cordiner said total sales billed in March increased sharply, but that it was too early to tell whether upward trend would hold for rest of 1958.

General Precision Equipment, whose TV products include industrial, military, educational, underwater & special broadcasting equipment, earned $4,263,949 ($3.03 per share) on record sales of $185,093,842 in 1957 vs. $2,394,729 ($1.64) on $153,261,864 in 1956. Sales to commercial broadcasters stayed at 1956 levels, but industrial, military & educational TV orders "increased substantially" last year, according to annual report, which saw "good prospects" for 1958.

Eitel-McCullough sales rose 13% to about $15,800,000 in 1957 but net income slipped below $1 per share vs. $1.60 year earlier, when earnings were $1,254,488, v.p. Edward E. McClaran of big tube maker told *Wall St. Journal* this week. He said nearly all of 1957 sales increase came from research & development contracts. Backlog at end of 1957 was down to about $4,800,000 from $5,600,000 year earlier, but was up to around $5,500,000 as of March 31.

Texas Instruments upped earnings to $1,109,000 (34¢ per share) on sales of $20,480,000 in first 1958 quarter from $790,000 (25¢) on $15,252,000 year earlier. Results reflected continuing gains by electronics equipment firm since 1946 (Vol. 14:12), pres. J. E. Jonsson told annual meeting in Dallas. He predicted further 1958 advances, particularly in semi-conductor and apparatus divs.

Standard Coil Products Co. 1957 sales totaled $61,330,530, net income $802,862 (56c per share) vs. $59,168,450 sales and $1,819,371 loss ($1.96) in 1956. Year ended with $10,631,450 working capital, up about $250,000, pres. James O. Burke stating tuner business had improved despite cessation of TV set production by such customers as CBS, Raytheon, Crosley, Spartan.

Dividends: AB-PT, 25¢ payable June 14 to stockholders of record May 23; Magnavox, 37½¢ June 16 to holders May 23; Avco, 10¢ May 20 to holders April 24; Indiana Steel Products, 30¢ June 10 to holders May 23; National Theatres, 12½¢ May 1 to holders April 17; United Artists, 35¢ June 27 to holders June 13.

Muter Co., whose 1957 profits rose to 50¢ per share from 4¢ in 1956 (Vol. 14:14), earned $23,549 (3¢ per share on 762,729 shares) on sales of $2,628,721 in quarter ended March 31 vs. $25,586 (3¢ on 727,000) on $2,999,707 year earlier.

WJR, The Goodwill Station Inc., Detroit, which had 8-year record sales & earnings in 1957 (Vol. 14:6), reports net income of $110,303 (19¢ per share) on sales of $853,737 in first 1958 quarter vs. $150,813 (26¢) on $947,080 year earlier. [For 1957 report, see Vol. 14:6.]

Muntz TV Inc. earned $164,236 (15¢ per share) on sales of $2,491,135 in 6 mo. ended Feb. 28 vs. loss of $151,694 in same period year earlier. Company lost $561,236 in fiscal year ended Aug. 31, 1957 under Chapter X reorganization (Vol. 14:4).

United Artists, which released 52 features (including 39 post-1948 movies) to TV last year for reported $5,000,000 gross (Vol. 13:21, 27, 29), had record 1957 earnings of $3,262,466 ($3.05 per share) on world-wide revenues of $70,008,242 from rentals & related items. In 1956, last full year of private ownership of UA (Vol. 13:15), company earned $3,106,497 ($2.90) on gross of $64,167,164. Bright report in otherwise generally gloomy movie industry (Vol. 14:15) also indicated gross for first 1958 quarter was ahead of $14,389,000 year earlier.

Paramount Pictures 1957 earnings from operations were $5,425,000 ($2.80 per share on 1,939,716 shares outstanding) vs. $4,283,000 ($2.17 on 1,976,316) in 1956. But total net income last year, including $642,000 investment adjustment item, dropped to $4,783,000 ($2.47) from $8,731,000 ($4.43) in 1956 when special non-recurring items totaling $4,448,000 (principally profit from film sales to TV) lifted net. "Substantial profits" from TV sales are being realized this year, Paramount stockholders were told in preliminary annual report.

Decca Records consolidated earnings in first 1958 quarter were "down considerably" from $974,958 (61¢ per share) year earlier, decline due to sharp drop in operations of 81.4%-owned Universal Pictures (Vol. 14:12), pres. Milton R. Rackmil of both firms told Decca stockholders' meeting in N. Y. recently. He said first-quarter profit of Decca's record div. was only "slightly less" than in 1957 period, that Decca's quarterly 25¢ dividend is "safe" this year. Universal, however, lost $426,900 in 13 weeks ended Feb. 1 vs. net income of $163,786 year earlier.

National Telefilm Assoc. earned $422,006 (41¢ per share) on film rentals of $7,962,992 in first 6 fiscal months ended Jan. 31 vs. $508,631 (50¢) on $4,511,670 year earlier. NTA pres. Oliver A. Unger said income before amortization & income taxes totaled $5,588,639 vs. $2,711,438, but deductions for film costs, film distribution rights & print costs increased to $4,646,000 from $1,725,000 year earlier. Contracts writen in 6 months totaled $8,528,651—up 18% from $7,178,392 in previous period.

Big AT&T, regarded by many as a barometer industry, reports first quarter earnings up to $178,440,000 ($2.76 a share) from $165,912,482 ($2.63) in same 1957 period. For 12 months ended March 31, AT&T had record earnings of $698,590,000 ($10.88) vs. $634,347,055 ($10.66) in preceding 12 months. Shares outstanding numbered 64,648,178 as of Feb. 28, up about 1,650,000 in year.

Loew's Inc. earned $1,800,000 (34¢ per share) in second fiscal quarter ended March 31, reversing trend of earlier periods (Vol. 14:5). In first 28 weeks of fiscal year earnings were $509,000 (10¢). Change in accounting methods prevented comparisons with year earlier.

Technicolor earned $95,946 (5¢ per share) on sales of $24,674,620 in 1957 after non-recurring capital gain of $563,994 and $446,368 charge-off of abandoned graphic arts div. Company earned $1,226,149 (60¢) on $29,445,950 in 1956.

Trans-Lux Corp. earned $224,539 (40¢ per share) in 1957 vs. $234,621 (42¢) in 1956.

Howard W. Sams & Co., Indianapolis electronic engineering, research & publishing firm, enjoyed record first quarter sales of $510,358, profits of $52,177, bringing 9 months of its fiscal year to $3,316,772 sales and $364,447 before-tax profits vs. $3,005,426 & $327,712 for preceding period. Associated Waldemar Press Inc. sales were 17% up for first quarter, also a record.

More on BBC Video Recorder: BBC's new "VERA" video tape recorder (Vol. 14:15) may give Ampex and RCA recorders a run for their money with British standards—but U. S. engineers don't see it cutting much ice as competitor for other standards. They say that British might get by with high-speed VERA, 200 in. per sec., because their 405-line, 25-frame system has only 10,500 lines-per-sec., using 2½-mc bandwidth—compared with U. S. 525-line, 30-frame, 15,750 lines-per-sec., 4-mc bandwidth.

Longitudinal recording employed by VERA was tried by U. S. engineers for long time, but discarded when Ampex perfected horizontal recording with rotating head, permitting 15-ft.-per-sec. speed.

VERA has advantage in that it uses ½-in. tape instead of RCA-Ampex 2-in., is therefore cheaper to run. It also offers simultaneous recording-monitoring, though U. S. engineers say they can provide same if customer will stand extra cost. VERA also is easier to splice.

VERA employs 3 tracks—1-100 kc video (frequency modulated), above-100 kc video (not FM), sound (FM). Equipment is in 3 racks—about 5x5x3 ft. It carries 15 min. of programming on 20½-in. reel.

BBC doesn't offer color, but director of engineering Sir Harold Bishop (who will be in U. S. this week for speech at NAB convention engineering conference in Los Angeles, April 30) says there's "no fundamental reason" why equipment can't be adapted to color.

Another advantage of U. S. equipment cited is fact it can be speeded up for re-running, etc., while VERA runs at maximum in regular operation.

* * * *

Tape's impact on TV industry will have a lot of ramifications. In April 14 *N. Y. Herald Tribune*, Joseph Kaselow reports trepidation of one maker of commercial film, Martin Ransohoff, pres. of Filmways Inc., who plans to tape his first commercial in 60 days:

"Ransohoff says advertisers should not kid themselves that tape will be great money-saver. The cost of film processing will be saved, but consider this: the cost of tape will have to be borne even though few stations will be set up to use it for some time; the equipment is very sensitive and there are more technical problems involved in maintaining it; there are not 5 guys outside the networks who know how to repair tape; problems of optical effects and editing are not yet solved; the equipment is bulky and not so easy to transport as film . . . the practical reasons for going to a given location still exist, tape or no tape; the tape itself is about 3-in. wide [actually 2-in.]' and somewhat harder to handle, and there'll be a lot of initial expense because of all the equipment and experimentation involved."

Attention, NAB Conventioneers

If you want your *Television Digest* to follow you to your hotel in Los Angeles during the NAB Convention (April 27-May 1), we'll be glad to send it to any subscriber via air mail at no extra cost. Let us have your hotel address ahead of the April 26 issue. We'll also send on the May 5 issue to any address you designate if you're not going to be back to your office by then.

COMMON STOCK QUOTATIONS

Week Ending Friday, April 18, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by
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Member New York Stock Exchange
734 15th St. NW, Washington 5, D. C.

NEW YORK STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg	1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
9¼	7	Admiral	8¼	—¼	351¾	300	IBM 2.60	347¾	+1¼
23	19⅜	AmBosch .30e	23	+1⅛	33¼	29¼	IT&T 1.80	32	—⅜
16¾	13	AmBcstg-Par .1	16¾	+⅞	41½	36⅛	I-T-ECirB .45e	37¾	—
37⅞	32¼	AmMy&F 1.60	35	—1	7⅞	6⅞	ListIndust ¼e	7	—⅛
177½	167⅞	AT&T 9	177½	+2¾	43⅞	36⅞	Litton Ind	39⅞	+1⅛
26½	22⅜	Amphenol 1.20	21¾	+¼	15½	13⅛	Loew's	13⅝	—½
29⅞	26	Arvin 2	27¼	+¾	37	30¼	Magnavox1½b	35½	—⅛
7¼	5⅝	Avco .10e	6⅛	+⅛	28¾	24⅝	Mallory 1.40b	24⅞	+⅛
25¾	20¼	BeckInst 1¼f	21½	+⅜	88¾	76	Mpls.H'll 1.60a	83	—1
53	44⅝	BendixAv 2.40	47½	+2	42¼	37	Motorola 1½	37	—
32¼	27⅝	Burroughs 1	28¼	+½	9	7⅜	Nat'l Thea ½	8	—¾
18⅜	15¾	Clevite ¼e	16¼	—	38⅜	30⅝	Paramount 2	34⅛	+⅝
29¾	24½	CBS "A" 1b	29½	+½	17⅛	12⅜	Philco	14¾	+¾
28¾	24⅛	CBS "B" 1b	29	+½	35	30¼	RCA 1a	31¾	+⅝
16¼	12½	Col Pict ⅜t	14⅞	+⅛	26	21½	Raytheon 1¼t	26	+¼
35¼	27⅞	Cons Elec .40	33¼	+2⅜	7⅛	5	Republic Pic	5	—½
26½	19½	Cons Electron	25¾	+¼	34¾	32¼	SangElec 1.80	32¼	—½
16½	13	Cor-Dub .20c	13⅛	+⅛	16⅛	13¼	Siegler .80	14	+⅜
86¾	74⅝	CornGlass 1a	82¾	+⅜	3⅞	2¾	Sparton	3⅞	+¼
3⅝	3	Davega	3½	+⅜	20⅝	17¼	SperryRan .80	17⅝	—⅛
35	30	Daystrom 1.20	31½	—	8¼	6	Standard Coil	7¼	—
16¼	13⅞	Decca 1	15¼	+¾	18	14½	Stanley-War 1	17¼	—⅜
21½	14	Disney .40b	19⅜	—¼	32	29	Stew Warn 2b	30⅜	+⅝
107⅜	97⅛	EastKod 1.55e	106¼	+2⅞	24½	20	StorBcstg 1.80	23	—
34⅜	29	EmerElec 1.60	34¼	+1⅛	37½	31½	Sylvania 2	36½	+⅜
6⅛	4⅛	EmersonRadio	5⅞	+⅜	34⅜	26¾	Texas Instru	34⅛	+1⅛
8½	7	Gabriel .60	8	—	55¼	41⅜	ThomProd 1.40	46	+2⅛
65¾	55¼	Gen Dynam 2	57⅝	+⅝	26⅞	23¼	Tung-Sol 1.40b	24⅛	—
64¼	59½	Gen Electric 2	58	+¼	27	21¾	20thC-Fox 1.60	27	+2
7⅝	4⅝	Gen Inst. .15g	7½	+1⅜	20½	15¼	UnitedArt 1.40	19¾	—⅜
41	33½	GnPrEquip2.40	33½	—1¼	22⅝	19	Univ. Pict 1a	20½	—
30	22¼	Gen Tire .70b	23½	—⅛	19½	16⅞	WarnBros 1.20	18⅞	+1⅛
44¼	40⅜	Gen. Teleph. 2	44¼	+¼	65½	57½	Westingh El 2	58¾	+1
26¼	21	HoffmanElec 1	26¼	+1⅜	75¾	67½	Zenith new	74¼	+2¾

AMERICAN STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg	1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
3⅜	3	Allied Artists	3	—⅛	37½	30½	Hazeltin 1.40b	33⅞	+⅞
45	34½	Allied Con 1a	39⅛	+1⅛	2⅞	2	Herold Ra .20	2¼	—
15⅛	13	AmElectro ½	13	—¼	4⅝	3¾	Int Resist .20	4⅛	+⅛
10⅛	8⅜	AssocArtProd	9⅞	+¼	6¼	4¼	Lear	5⅜	—
9⅞	7¼	AudioDev .05d	9¾	—⅛	⅝	⅜	Muntz TV	⅝	+⅛
10	7⅜	BelockInst ⅛t	9⅝	—⅜	3½	2½	Muter Co. ¼t	3½	+⅛
½	⅜	C & C TV	7/16	—	7	5⅝	Nat'l Telefilm	7	+¾
3¾	2⅞	Clarostat .15g	3⅛	+⅛	1¾	1	Nat Union El	1¾	+⅜
4⅝	3	DuMont Lab	3¾	—	6⅞	2¾	Norden-Ketay	2¾	—
4⅛	2⅞	Dynam Am	3⅜	+⅛	3⅝	2⅞	Oxford El .10r	3⅛	+¼
13⅛	10	EletcronicCom	11⅞	+⅜	16	11	Philips El	13	—1¾
7⅞	6⅜	Electronics Cp	7	—⅜	8⅝	6⅝	Servomech .40	7¾	—⅛
31⅝	19½	FairchCam½g	21	+⅜	6	3⅜	Skiatron	3⅞	—¼
24⅞	17¼	General Trans	23⅝	+2¼	4⅜	3½	Technicolor	4⅜	+¾
17¼	14⅝	Globe Un .80	15¾	—¼	4½	3½	Trans-Lux .20g	4	—
3⅜	2⅝	Guild Films	2⅝	—	4⅞	4⅝	Victoreen Inst	4½	—⅛

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	1 15/16	2½	Macblett Labs .25g	15¾	17
Aerovox	4½	5	Magna Theatre	21⅛	21½
Airborne Inst	41	44	Maxson (W. L.) .05	4⅞	5½
Altec Co. .80	7	8	Meredith Pub. 1.80a	29	31
AMP Inc .50	17⅞	18½	National Co. (4% stk.)	11½	13
Ampex	56¼	59	Oak Mfg. 1.40	14	14½
Baird Atomic	8¼	9	Official Films .10	1 1/16	1⅜
Cinerama Inc.	1⅜	1⅝	OR Radio	17½	19
Cinerama Prod.	1¾	2	Pacific Mercury TV	5¼	5¾
Cobu Electronics	8⅛	8½	Packard-Bell .50	11⅜	11¾
Collins "A" .35	11⅜	12	Panellit	5⅛	5½
Collins "B" .35	11	11¾	Perkin-Elmer	23¼	24
Cook Elec. .40d	17⅞	18½	Philips Lamp (14% of par)	35	36
Craig Systems	4½	5	Reeves Soundcraft (stk.)	2 15/16	3¼
DuMont Bcstg.	7⅞	8½	Sprague Electric 1.20	29¼	31
Eitel-McCullough (5% stk)	24½	26	Taylor Instrument 1.20	28¾	30
Elec Assoc (stk)	36	38	Tele-Broadcasters	2⅞	3½
Erie Resistor .40b	6⅛	6⅝	Telechrome .30	8⅝	9
Friden Ind. 1	50¾	53	Telecomputing	3⅞	4⅜
Giannini, G. M.	13¾	15	Teleprompter (stock)	6¼	7
Granco Products .05	1	1¼	Time Inc. 3.75	59½	62
Gross Telecasting 1.60	18½	20	Topp Industries (stock)	8⅞	9½
Hewlett-Packard	25¼	26	Tracerlab	6⅜	6¾
High Voltage .10g	33	35	Trav-Ler	1¼	1½
Hycon	2 3/16	2⅜	United Artists	4⅝	5
Indiana Steel Prod. 1.20a	17	18	Varian Associates	15⅜	16
Jerrold	1⅞	2¼	Webcor .15c	11	11½
Ling Industries	2 7/16	2¾	Wells-Gardner	7	7½
Leeds & Northrup .60b	22½	24	WJR Goodwill Sta. .50d	13¼	13¾

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. * No trade

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. 17

SUMMARY-INDEX OF THE WEEK'S NEWS — April 26, 1958

'HOLLYWOOD: SAVE THE FLOWERS': Foregoing caption on the Saturday Review article by Arthur Mayer, published as a Special Supplement herewith, would seem to be somewhat misleading in view of the doldrums besetting the motion picture industry and in view of Mr. Mayer's own splendid job of appraising the state of the movies -- with particular emphasis on the impact of the 12-year-old upstart TV.

There's no disposition on anyone's part to gloat over the hard days that have befallen yesterday's movie industry. Rather, the inclination is to probe and understand -- hence our decision to reprint the Mayer article, which seems particularly apropos at this time of foregathering of the TV-radio clans in Los Angeles.

Shorter and easier reading, more penetrating sociologically if not as well-bolstered statistically, the Mayer report is a natural concomitant to the recent Hollywood AFL Film Council study (Vol. 14:15) which reported that theater attendance fell from average of 90,000,000 a week in 1946 (Mayer insists figure was more nearly 75,000,000) to 46,530,000 in 1956; revenues, from $1,692,000,000 to $1,298,000,000 (latter counting popcorn, candy & refreshment sales, presumably); feature films, from 356 in 1949 to 272; employment of production workers, from average of 21,775 a month to 12,593; net earnings (10 companies), from $121,000,000 to $32,000,000.

Number of theaters remains about same, oddly enough, at around 19,000 -- but some 5000 are the drive-ins that replaced conventional houses after the war.

Survey hasn't yet been made on how far TV has taken up the slack, but that it's now a dominant factor in Hollywood is evident. The revolution that TV wrought upon the movie industry began when it made "Every Home a Newsreel Theater" (our own headline in Vol. 3:44 of Nov. 1, 1947) -- and it's now more apparent than ever that

TV has taken over the quantitative aspects of Hollywood production, just as Samuel Goldwyn predicted it would in our interview some 10 years ago.

As for qualitative output, which Goldwyn said would remain with theater and screen, that would seem to remain the movie industry's best hope. That, and export trade right now. Even oldies, some very good, keep people from bestirring themselves to go to downtown or neighborhood theaters in the same numbers as of old.

Mr. Mayer is one of moviedom's great veterans, a former N.Y. theater owner, sometimes called "dean of the movie industry." With Richard Griffith he recently authored "The Movies," a highly praised book, published by Simon & Schuster.

[For further data on current upswing in movie attendance, etc., see p. 6.]

NO MORE RIDING THE GRAVY TRAIN! The furious rate of TV's growth has slowed down to a steadier pace -- and that goes for sales, rates, profits, even station prices. One of our favorite industry economists, Richard P. Doherty, ex-NAB employer-employe relations v.p., now a highly successful management consultant, is authority for this conclusion, which he documented this week before a district Advertising Federation of America meeting in Tampa.

As for radio, it's also shaking down -- and Doherty spells that one out, too.

TV networks and stations combined, said he, should show a 1958 increase in revenues only 4-6% over 1957. That's not bad, for 1957 jumped well over $100,000,000 above 1956, and the years before that showed even more phenomenal increases. Point is, that the ship's speed is leveling off to a steadier if continuingly high pace.

There will be spotty showings, some better but few worse, among individual stations -- and some of the gross increase will be attributable to more stations on the air. Since advertisers spent $1,315,000,000 on the TV medium as a whole last year [see TV Factbook No. 26, p. 27, for year-by-year figures for TV as well as the other media], you can figure out for yourself whether your station is keeping up with the national average. At least, Doherty concedes an increase, no decline.

Relatively few rate increases are being effected this year, bringing to halt the meteoric rises of the last few years. Reason for halt is not only the recession, but simple fact ceiling was bound to be reached. As for profits and station sales:

"The gravy train for most TV stations came to a halt by 1957, even though many owners and managements haven't yet appreciated this fact. Big profit margins on investments have shrunken to modest percentages, a trend accentuated by high station investments involved in purchase prices paid over the last 3 years by new buyers. After 10 years of lusty profit growth, TV has entered the era of moderate station expansion and modest station profit margins -- perhaps 10-20% for the industry as a whole, though 25-40% may still exist among a selected group of stations."

* * * *

More stations will go on the air in the next 2-3 years, says Doherty, notably as a result of additional drop-ins and directional grants. [Our own records indicate not more than 40 in prospect for this year, 15 having already started since Jan. 1.] That means more cities are likely to get stations. Therefore, he suggests:

"1958 should be the Big Year for the majority of stations to take a long hard look at their operations, reappraise operating costs and examine future prospects. TV station operating costs have continued to expand out of proper proportions, and many stations have built up an unwarranted break-even point."

All this is quite aside from the current recession, which both TV and radio seem to be riding out better than most businesses. But, in Doherty's opinion, station buyers "will unquestionably continue to experience a tight financing market via banks and financial institutions, because most of these lending agencies persist in classifying the majority of broadcasting loans as venture capital."

Radio's gross revenues will probably rise 2-3% above record $648,000,000 of 1957, according to Doherty, but most stations will experience a decline of profits this year. "Despite the much touted rise in national radio spot, practically all of this money goes to 850 or 950 stations located in the first 85-95 markets, with the lion's share going to 500 stations in the first 50 markets. Fully 1250 to 1500 stations [of the nearly 3200 now on the air] will undoubtedly show a 5-15% decline in revenues, these being the ones depending almost exclusively on local accounts."

* * * *

As for advertising as a whole: "During the next few months, total advertising expenditures will probably dip below the comparable level of 1957, but they will increase enough after Sept. to provide an over-all 1958 about equal to 1957 -- plus or minus 2%." [Last year's total ad expenditures, all media: about $10.5 billion.]

On govt. efforts to combat the current recession, Doherty observed: "Very little recovery is likely to crystallize during the next few months, and there's real danger that retarded recovery may generate an adverse consumer and business psychology and knock business levels even lower than prevail today...

"When the public gets worried about the immediate future, there is invariably generated a powerful additional depression factor. One thing is certain, and that is that we cannot argue people into spending the nation out of a recession. And govt. economic expedients are not likely to have a recovery effect before next fall, an effect which could be nullified by adverse public psychology."

HARRIS GROUP NOT EXCITED ABOUT PATENTS: Very little stomach for patent squabbles was evidenced by Harris subcommittee as it listened this week to retired FCC patent advisor Wm. Bauer, who argued that FCC has helped RCA to maintain a patent monopoly by failing to consider patents in its TV & FM engineering standards.

Few Congressmen attended -- and they were considerate of Bauer, willing to let him have full say on "RCA's patent monopoly," topic that has engrossed him for much of his govt. career. However, their leanings are obviously toward letting Justice Dept. and courts handle monopoly questions -- and indeed latter are doing just that, as in Feb. 21 criminal anti-trust indictment against RCA handed down by N.Y. Federal grand jury (Vol. 14:8).

No more witnesses are scheduled on patent matters, though Chairman Harris (D-Ark.) says there may be more later and "it would be good to have FCC testify on this, too." Currently, subcommittee has no more hearings on tap on any phase of its probe of FCC "misconduct." Harris merely says: "We'll go into other things when we decide to do so." There's considerable recurring talk that group will explore some more comparative TV decisions -- Boston, Pittsburgh, Indianapolis, perhaps others. But Harris won't confirm what it will do next. Subcommittee is also studying Federal Power Commission and Securities & Exchange Commission. No dates for next subcommittee meetings or hearings have been set.

[For further details of this week's patent hearing, see p. 9.]

OPPOSITION AT BAT IN NETWORK HEARING: One of mainsprings of whole network investigation, Richard A. Moore, pres. of KTTV, Los Angeles, finally got to witness stand this week -- and did good job of presenting his views. His was the only testimony to date supporting FCC's staff report and contradicting the scores of witnesses and thousands of pages of testimony in favor of networks' position.

Hearing has recessed until May 12, resumes with stations represented by CBS and NBC Spot Sales. They'll be followed by the only other organization supporting Barrow Report -- Station Representatives Assn.

Option time and must-buy are Moore's bugaboos. He asserted that they're not in public interest -- and even if FCC believes they're in public interest they've got to go anyway, because they're illegal per se as "restraints of trade."

Here are non-affiliated KTTV's reasons for opposition: (1) Option time ties up best time of most stations in country, thus freezes out non-network program producers from best market for their product, thus stymies production of high-quality programs that KTTV needs. (2) Must-buy freezes out KTTV from access to network programs, regardless of advertisers' desires: "The advertiser must reject KTTV, even if we offer better time at half the price and at half the cost-per-thousand."

Moore claimed that networks and affiliates wouldn't be hurt if option time and must-buy were outlawed; everyone would gain because "pure competition" would take over and all programs would stand or fall on their merits.

Moore was on stand all day April 22, gave his views in well-worded 62-pp. statement and long cross examination. His presentation was accompanied by 42-pp. "memorandum of law" charging option time and must-buy are automatically violative of anti-trust laws -- prepared by attorneys Lloyd N. Cutler & Samuel A. Stern. Here's Moore's wrap-up statement of his theme:

"Mr. Chairman, the option time and the 'must-buy' are instruments of nationalization of TV. They are unlawful, they are contrary to the public interest, they are unnecessary, and the 3 objective and thorough studies have found them so. From its very first moment, the young TV industry has never known a situation where the prime evening hours were open to competition -- on the simple American principle of 'may the best man win.'" [For more details of Moore's testimony, see p. 5.]

NATIONAL ASSN. OF BROADCASTERS actually completes 35 years of existence this year—with pres. Harold E. Fellows filling out the longest term in office of any past president (7 years). His predecessor as fulltime paid pres. was Judge Justin Miller, onetime justice of the Court of Appeals of the District of Columbia, who served from 1945-51, and now at 70 lives in semi-retirement in Pacific Palisades, Cal. Preceding him, for the 6 years 1938-44, was Neville Miller, now 64 and a highly successful Washington attorney. J. Harold Ryan served an interim term 1944-45; he's now 73, lives in Toledo, is a Storer v.p. and brother-in-law of George B. Storer.

First president, interestingly enough, was Eugene F. McDonald, 1923-25, pres. of Zenith Radio, then operator of WJAZ, Chicago, now one of TV-radio's arch critics. Then there were: 1925-26, Frank W. Elliott, WHO, Des Moines, now a leading Denver chiropractor; 1926-27, Earle C. Anthony, KFI, Los Angeles, now retired at 73; 1928-30, William S. Hedges, WMAQ, Chicago, an NBC v.p. nearly 25 years; 1930-31, Walter J. Damm, WTMJ, Milwaukee, still running that station and WTMJ-TV; 1931-32, Harry Shaw, WMT, Waterloo, Ia., deceased; 1932-34, Alfred J. McCosker, WOR, Newark, now retired in Miami; 1934-35, J. Truman Ward, WLAC, Nashville, now 59, operating big Maryland Farms, Brentwood, Tenn., also a bank and insurance company director, member of Nashville Power Board, director of Cumberland Horsemen's Assn.

Leo J. Fitzpatrick was pres. 1935-36; he was gen. mgr. of Detroit's WJR, then WGR, Buffalo, now at 63 has various business enterprises, will always be remembered as popular m.c. for Kansas City Nighthawks on WDAF in the DX days of the '20s. There followed: 1936-37, Charles W. Myers, KOIN, Portland, Ore., deceased; 1937-38, John Elmer, 73, pres. of WCBM, Baltimore, managed by son-in-law George Roeder; 1938 (interim), Mark Ethridge, now publisher of *Louisville Courier-Journal* (WHAS-TV).

■

Second annual convention of National Community Antenna TV Assn. of Canada is scheduled for May 1-3 at Alpine Inn, Ste. Marguerite, Que. with sessions on business practices, Bell System relations, govt. relations, closed-circuit, antenna design, etc. Exhibitors: Benco TV Assoc., Entron Inc., Jerrold Electronics, Times Wire & Cable, Westbury Electronics.

Do You Know That . . .

THERE'S A BIT OF "HAM" in nearly all of us, which is perhaps one reason for such intense devotion to the broadcasting business—partaking as it does of show business, journalism, advertising, etc. all rolled into one. But it's a curious fact that performing talent doesn't very often rise to management in TV and radio. We know some exceptions, however.

Take NAB's president Harold Everett Fellows, for example. Did you know that, in his twenties, he played one-night stands as a singer, toured the Keith vaudeville circuit for 3 years with a trio, was a professional m.c. and toastmaster when he was lured into radio in Boston? Maybe that's why he loves speechmaking so much, does it so well that he even wowed the Latin American broadcasters, themselves a very effusive and ebullient sort, at the Inter-American Conference in Montevideo last month.

And did you know that FCC's recent new member, attorney Frederick W. Ford, a very boyish-looking 48, was until recently active in the Alexandria (Va.) Little Theatre? Despite his age and 6-ft. height, he not long ago played lead opposite a 21-year-old in *Arsenic & Old Lace*. For that same group, FCC examiner H. Gifford Irion has written and played roles in several one-act plays; he's also a novelist, with one published book to his credit, 2 others on the way.

Comr. Bartley's legal asst. Max Paglin has also been active in dramatics for many years—as writer, producer, actor. He played the "borscht belt" as a hoofer during and after his college days (City College of N. Y. '36, Columbia Law '39), has taught drama at summer camps and at the YMCA & YWCA, is still identified with various Little Theatre groups and plays charity benefits.

Barry Wood, the NBC v.p. in charge of prize-winning *Wide Wide World*, is the same chap who sang solo on radio's early *Lucky Strike Hit Parade*; he's often confused with the Harvard All-American back of the same name, actually was chosen All-American intercollegiate water poloist, 1928-30, captaining the Yale team of 1930.

Shakespeare, of all things, was the dramatic forte of Mortimer W. Watters, gen. mgr. of WCPO-TV & WCPO, Cincinnati, who under the right circumstances can still be persuaded to render a soliloquy or two or perform his original choreography while singing *Silvery Moon.* Mort played minor Shakespearean roles as a youth, did a short tour as a faun in *Midsummer Night's Dream*, then was half of a song-&-dance team that played vaudeville in 1928, sharing billing with the great Gallagher & Shean and with Fink's Mules in a Rochester (N. Y.) playhouse when he was attracted to WHEC.

Dan Seymour, now a TV-radio bossman at Young & Rubicam, is the same who announced *We the People* for many years, and famed ex-announcer **John Paul Reed** is now an executive of McCann-Erickson. An ex-disc jockey and a professional singer for some 30 years is Washington radio attorney **Dwight E. Rorer**; he still sings publicly, has for 16 seasons been a bulwark of the Gridiron Club shows and the shindigs of Friendly Sons of St. Patrick.

Storer v.p. **Gayle V. Grubb**, an ex-station mgr., is a songwriter of considerable accomplishment. So is **John Soell**, mgr. of Milwaukee's WISN-TV, who tells us that while he's no Liberace, he has tails, will travel. He's a longtime member of ASCAP; his best earner was *So Tired*, ranked 4th top jukebox nickel-puller in 1948.

* * * *

Ex-disc **jockeys, announcers and musicians** are quite numerous in top TV-radio management positions. For example, NTA's **Ted Cott**, ex-DuMont and NBC v.p., is reputed to be radio's first classical disc jockey, having run *Symphonic Varieties* on N. Y. municipal station WNYC before going to CBS to m.c. *So You Think You Know Music.*

Everyone in Texas still thinks of the venerable, keen-minded, whimsical **Harold Hough** as WBAP's noted "Hired Hand," cognomen he used when he did his Will Rogers type of announcing on the Ft. Worth station 30 years ago. He's boss there now; and WBAP-TV's gen. mgr., **George Cranston**, broke into radio as a singer and choir director. Over in Dallas, WFAA-TV gen. mgr. **Alex Keese** was a house orchestra violinist on WFAA 28 years ago, rose first to music director, then to program director.

Howard Lane, pres. of Portland's KOIN-TV & KOIN, was a *Fresno Bee* reporter after graduation from Leland Stanford in 1930; he was picked to do the 5 a.m. news on McClatchy's KMJ because nobody else on the newspaper wanted the job, soon became mgr., then went up in other stations and at CBS as director of station relations before launching out on his own.

Among other old-time performers, though they seem to dislike talking about it, are onetime singer **Worth Kramer**, v.p.-gen. mgr. of WJR, Detroit; ex-actors **Don Davis**, pres. of KMBC-TV, Kansas City & **Joe Bryant**, pres. of KCBD-TV, Lubbock, Tex.; ex-trumpeter **Rex Preis**, commercial mgr., WOAI, San Antonio; ex-vaudeville banjoist **Rex Schepp**, former Indianapolis broadcaster.

Note: We've missed a lot of others, we're sure; let us know about them for perhaps another column.

Hometown News Center has been set up for NAB convention in Los Angeles by public relations dept., first such setup for NAB convention. Ampex is taping radio stations' reports for broadcasting back home, while UP Movietone and Telenews supply film facilities for TV.

Investigation of FCC by Harris subcommittee of House was lauded by American Civil Liberties union this week, and it urged group to go deeper to determine the "dangers, diversions and complexities" involved in TV license awards.

NBC plans own convention of TV-radio affiliates in N. Y., Oct. 22-24.

The Non-Network Case: Painstaking presentation in network hearing by Richard A. Moore, pres. of independent KTTV, Los Angeles (see p. 3), was designed primarily to show not only that option time and must-buy cripple independents' program sources but that networks really don't need them.

With considerable relish, Moore beat CBS pres. Frank Stanton over the head with use of word "shield," quoting from Stanton's testimony that option time is a "shield against natural economic forces which would otherwise threaten the destruction of the network." Moore used word at least a dozen times, his claim being, of course, that networks want an unnatural advantage.

"Saturation" of prime evening time by networks (93.7% on 108 NBC affiliates, 89.9% on CBS's), according to Moore, forces non-network producers to sell their best output to networks, with independents taking the leavings. He gave examples of KTTV's contracting with film producers for *Rin Tin Tin, Halls of Ivy, Robin Hood* and *Captain Gallant*—only to have the programs shot out from under him when networks bought them.

With plenty of local outlets, Moore said, local & regional advertisers spend heavily. He compared Los Angeles with Philadelphia. In L.A., local revenues, with 7 stations, were $15,400,000 in 1956 vs. $4,400,000 for Philadelphia with 3 stations. Reason, he said, was that networks preempted best time on all Philadelphia stations.

Why 3 hours of evening option time? Moore wondered: "Perhaps with higher or lower rates or different programs, 2 hours of option time would be enough or perhaps with different management personnel and policies, no hours of option time are necessary. Such a decision would indeed be within the 'delicate areas of business judgment' which the Commission and its staff should not enter unless they are prepared to go all the way and become 'active operating participants in broadcasting and advertising business.'"

Moore harked back to 1941, when NBC pres. Niles Trammell and CBS pres. Wm. Paley swore that networking would be doomed if the subsequently adopted chain regulations were promulgated.

* * * *

Networks' need for **station ownership** was disputed by Moore. "The network which has been most successful and has achieved the number one position in programs, audience, revenue, net profit and probably in public service and prestige, operated during its entire first decade with first one and never with more than 3 wholly-owned vhf stations. Today, CBS is the largest advertising medium in the world."

Moore didn't ask that networks be divested of owned stations: "KTTV is willing and believes it is able to compete with the networks whether they own one station or 5, so long as our chance to compete is not fenced out by restrictive tying practices . . . The Commission cannot possibly determine that option time is a necessary element for the economic welfare of a network without first passing judgment on the appropriateness of every other element that makes up the complex structure of the network—programs, rates, salaries, practices, salesmanship, etc. Mr. Salant and Mr. Sarnoff were correct in stating that the Commission must enter into all these areas or not enter into any of them."

Is option time needed for clearances? Moore cited following, as examples of programs in non-option time, or straddling option time, which obtained clearances as good as, or better than, programs in option time: *Studio One, Lassie, You Are There, Air Power, 20th Century, What's My Line?, Person to Person, Your Hit Parade, Jane Wyman, Suspicion, Gillette Calvacade of Sports, Doug Edwards and the News.* "We leave it to the Commission," he said, "to decide whether success of a program depends more on time options or on the quality of the program.

"Dr. Stanton's imaginary example of program rejection without option time," Moore said, "is completely incompatible with the long-standing acceptance record in the top markets of the better CBS programming efforts in non-option time." Moore used *Life Magazine* as example: "*Life* has no agreements with newsstands in each city, under which the newsstands agree to exhibit *Life* only and push the other magazine under the counter during the rush hour periods when purchases are at their height. *Life* might like to have a shield of this type, but the anti-trust laws forbid it, both for *Life* and for the networks."

Moore also pointed to ABC: "ABC made huge commitments for programs like *Disneyland, Ozzie & Harriet, Wyatt Earp* and then went out and sold them"—until recently "without advance assurances of clearance of any kind in cities like Pittsburgh, Boston, Providence, St. Louis, Louisville, Birmingham, Toledo, Buffalo, Albany, San Antonio, Rochester, Tampa, Omaha, Syracuse, New Haven and many more."

"The myths of simultaneity and audience flow" were blasted by Moore. "Some half of network programs are already on film," he said, "and could have been played all these years at times best suited to the community. Now tape offers the same potential for live programs . . . Let us not freeze an old radio pattern under a concept of non-existent simultaneity at the very moment when American inventiveness has given us a tool for serving the local convenience in a manner which the industry has never known before."

Is there such a thing as "audience flow," and is option time needed to maintain it? "The notable successes have all won that success purely on program appeal regardlesss of what preceded them or follow them. From the earliest days this has been true. *Milton Berle, I Love Lucy, Dragnet, Ed Sullivan, Phil Silvers, Gunsmoke* and, in more recent days, the notable ABC programs: *Disneyland* on Wed., *Ozzie & Harriet* on Fri., *Lawrence Welk* on Sat., *Wyatt Earp* on Tues. and now *Maverick* on Sun. Each of them was or is on a program island with programs of little popularity before and after them."

During cross-examination later, Moore said: "If you have a stinker, [audience] will stay with you 10 seconds." Chairman Doerfer remarked: "My problem is that all the good ones are on at the same time." Moore's answer. "That is one of the problems that the Report will correct immediately. The licensee can avoid those angry viewers. Why do you put Steve Allen and Ed Sullivan on at the same time? You tell me."

* * * *

Case history on must-buy was offered by Moore. Gulf Oil didn't want *Life of Riley* in western markets. NBC granted waiver of must-buy, offered it on syndicated basis in West. Results: "(1) A fine program has been produced for the past 6 years and presumably returns a good profit; (2) A company without national distribution was able to buy a top program on a top network in prime time without having to place the program in markets where the sponsor had no distribution; (3) Non-affiliated stations (of which KTTV was one) had an opportunity to acquire a top program in their own markets and (4) In these same markets non-network sponsors had access to a top program on the one hand and to a prime half hour on the NBC affiliate on the other."

In cross-examination, Moore made these points: (1) National Telefilm Assoc. asked for option time only because networks have it. NTA got clearance in 126 markets for features, without option time. (2) He doesn't object to first-call & territorial exclusivity. (3) He doesn't oppose "minimum-buy" practice in lieu of must-buy. (4) MGM's 25% ownership of KTTV has nothing to do with its position, which was taken before any consideration was given to selling stock to MGM. (5) Without option time, independents will get benefit of non-network producers' best output in 2-3 years.

Upturn in Movies? Gradually but perceptibly, movie theatres are beginning to recapture audiences they lost to TV (see p. 1 and Supplement), reports April 21 *Wall St. Journal* in roundup by Stanley Penn noting 2.7% increase in movie-going in March vs. year earlier, nearly 3% increase in total attendance (33,700,000) in week ended April 12 as compared with same 1957 week.

Reasons for brightening picture in movie houses, according to newspaper account: (1) "Blockbusters" such as *Sayonara, Peyton Place, The Bridge on the River Kwai, Raintree County.* (2) "Wide promotional push," including free tickets in workers' pay envelopes, drive-in nursery service, dinner-jacketed managers and free coffee to give festive air to theatres. (3) Stepped-up advertising—including movie commercials on TV to get families away from home. (4) Recession paradox by which worried wage-earners "get away from it all" by going out to movies.

"Many exhibitors," says authoritative financial paper, "believe an upturn in their business points up the public's reaction against TV, the medium that's received most of the blame for the movie industry's plight." And mgr. Mickey Gold of Chicago's downtown Oriental Theatre is quoted: "The public is disgusted with TV. It's black-&-white. Show a color picture and you do business."

That screed in weekly *Beeville* (Tex.) *Bee-Picayune*, blaming the recession and other social and economic ills on TV, which we reported under heading "Tall Tale from Texas" in Vol. 14:15, turns out to have been placed as an ad by Henry Hall, of Hall Industries Inc., who owns a chain of small theatres in southern Texas. Our investigator reports: "There is no evidence that this thing is spreading way down in this part of the country, and I think probably it is a local effort confined to that area. All I can say is, the people of Beeville must sure love television!"

Muzak saves money for companies which pipe its music to employes, according to survey by management engineers Stevenson, Jordan & Harrison Inc. for Muzak, which was bought last Sept. by telecaster Jack Wrather & investment banker John L. Loeb (Vol. 13:38). Before-&-after studies showed piped tunes raised productivity of Prentice-Hall direct-mail dept. 8%, reduced typing errors in Lever Bros. accounts payable dept. by 38.6%, lowered turnover in Eastern Air Lines reservations office by 53.3%.

Full Paramount package of 750 feature films, recently acquired by MCA's Revue Productions for $50,000,000 (Vol. 14:6), is now being offered stations—first buyer this week being Omaha's KETV, managed by ex-WOR sales mgr. Eugene Thomas.

CATV-Station Fight (Cont.): Plenty broke loose this week, following shutdown of KGEZ-TV, Kalispell, Mont., pres. Frank Reardon blaming demise on local community antenna system (Vol. 14:16).

Northwest Video Inc., owners of the CATV system who also own 30% of KGEZ-TV, promptly went to FCC and requested it to set for hearing Reardon's application to transfer control of station from KGEZ Inc. to him.

Northwest told Commission that it "believes that under proper management the station could be operated profitably"; that it recently offered to take over station, giving Reardon all the $60,000 he'd put in so far, or to give him its 30% in exchange for $12,000, but that Reardon refused; that it refused to advance more money to operate "because of what it considered improvident management under Mr. Reardon's employes."

"If KGEZ-TV Inc. will not reactivate the station," Northwest Video stated, "[we] will petition to revoke the KGEZ-TV license and will file an application for a construction permit and all necessary authority to acquire and operate the TV station to furnish a first-class TV service, including live network service, to the area."

Sen. Mansfield (D-Mont.) hopped into fracas on side of telecasters, urged FCC and Senate & House Commerce Committees to investigate, got hold of FCC Comr. Hyde in Ida., had him meet with western telecasters—urged FCC & Congress to "save free TV for Montana, furnish jobs for our people, outlets for our advertisers, continuity of stations and taxes for our counties and our state."

Northwest Video also stated that, "As a minority stockholder, it has no knowledge that KGEZ-TV ever applied to FCC for intercity relay authority, it appearing to be more economical to buy the service from the existing common carrier. It cannot fairly be said that CATV caused KGEZ-TV to go off the air. NWV desired, and still desires, to operate a TV station in Kalispell. But the size of the market dictates that it must not be a costly facility. Since the CATV system has been in operation since July 1953, being the first TV service in the state of Montana, and since the agreement with Mr. Reardon for 30% ownership was made openly and in full knowledge that NWV operated a CATV system with over 1500 subscribers, it hardly seems that the demise of KGEZ-TV could be blamed on CATV activities."

* * * *

Another festering feud broke out this week when KLTV, Tyler, Tex. (Ch. 7) petitioned FCC to set for hearing the applications for microwave filed by Glenn H. Flinn & Raymond H. Hedge, owners of Tyler CATV system.

KLTV asserted the application for $200,000 microwave system, designed to bring better signals to CATV system from stations in Dallas, Ft. Worth & Shreveport, "will enable an unregulated group to flood northeastern Texas . . . when such action may well mean that Tyler-Longview and northeast Texas will be left without a TV station of its own."

KLTV argued that CATV system, with its 7100 subscribers, carries KLTV on cable but carries it poorly; that national advertisers see little reason for ordering KLTV on network if bulk of TV set owners get programs as bonus from big-city stations; that CATV pirates signal while KLTV has to pay for film, music rights, news, etc.

KLTV said it isn't challenging FCC's recent ruling that CATV systems aren't common carriers (Vol. 14:14): "But when CATV systems seek microwave facilities (which can only be utilized under license granted by this Commission), they become subject to the Commission's jurisdiction and where such grants impinge upon services established in furtherance of Sec. 303(g) and 307(b) of the Communications Act, the Commission cannot blithely ignore their impact on such services . . .

"In the recent pay-TV controversy, as we read the pronouncements of the Commission and the testimony of its individual members before Congress, the Commission was agreed that no new use of radio frequencies should be sanctioned which might destroy the free system of broadcasting which this Commission is under a statutory duty to encourage and foster . . . CATV systems are a form of pay TV."

KLTV said it doesn't have answers to problem but that a hearing should explore possibilities, such as requiring CATV (1) to carry good KLTV signal, (2) to carry no programs being telecast by KLTV, (3) to carry no network program that would prevent KLTV from selling adjacencies for local show, (4) to carry no program of any kind unless it has written permission of program owners. KLTV appended copies of letters from NBC, KTBS-TV, Ziv & NTA—which had asked CATV system not to carry their programs on grounds such program distribution is "an unlawful appropriation of our property." System has taken traditional CATV position—that it's not a retransmission system, is merely an antenna service performing for subscribers what they can't economically do for themselves.

New Kansas City Owners: Kansas City's pre-freeze WDAF-TV (Ch. 4) and pioneer WDAF (5-kw, 610 kc), both NBC affiliates, change hands within a few weeks as result of FCC approval April 23 of $7,600,000 cash sale by *Kansas City Star* to National Missouri TV Inc., newly formed subsidiary of National Theatres Inc. Sale was required under consent decree in govt. anti-trust suit against newspaper for alleged monopolistic practices (Vol. 13:46-48). Big theatre holding company headed by Elmer C. Rhoden operates 313 theatres in 20 states, last year did $59,000,000 business, earned $2,266,000, had surplus of $22,000,000 (Vol. 14:13), plans other TV-radio station acquisitions. New subsidiary is headed by Charles L. Glett, ex-CBS west coast v.p., who also heads companion subsidiary National Film Investments Inc. He leaves Los Angeles office for Kansas City shortly to arrange final transfer, states no changes in present personnel are planned with exception of long-planned retirement of H. Dean Fitzer, managing director. TV station mgr. is Bill Bates, radio mgr. is Judson Woods. Properties grossed $2,470,000 and netted $1,050,000 in 1956, did even better in some earlier years (Vol. 13:47).

Unique step toward helping end the recession: Mrs. Hugh (Mickey) McClung, head of Golden Empire Broadcasting Co. (KHSL-TV & KHSL, Chico & radio KVCV, Redding, Cal.) this week handed each employe a $10 bonus with stipulation it be spent at once with a local merchant. "Business is good," said she, "and the outlook for the year is good. But it's easy to talk ourselves into a depression."

Community antenna system brokerage firm, Daniels & Associates, has been organized by Bill Daniels, operator of systems in Casper & Laramie, Wyo. and Farmington, N.M. He's ex-pres. of National Community TV Assn., has offices at Mile High Center, Denver (Amherst 6-3636).

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
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WM. J. McMAHON, Jr.
Editorial Associates:
Anne G. Bjarbu, Thomas J. Kerr

Personal Notes: John B. Poor, v.p. & director of RKO Teleradio, adds new duties of gen. mgr., RKO Radio Pictures div. . . . Tom O'Neill, chairman of RKO Teleradio, reelected chairman of Brand Names Foundation, on whose board also are Louis Hausman, CBS Radio v.p.; Norman Cash, TvB pres.; Kevin B. Sweeney, RAB pres. . . . William S. Paley, CBS chairman, left for Europe this week, returns in mid-May . . . David W. Tebet appointed gen. program executive, NBC-TV network programs, including present duties of mgr. special programs . . . William D. Stiles promoted to gen. mgr. of KLRJ-TV & KORK, Las Vegas; Mark Smith to TV station mgr.; Ralph W. Johnson to commercial mgr., TV & radio . . . Lawrence P. Fraiberg promoted to sales mgr. of KPIX, San Francisco, succeeding Richard Burns who recently joined Westinghouse stations . . . James A. Schulke, recently named to head Paramount Sunset Corp., moves to v.p. in charge of Paramount TV Productions, owner-operator of KTLA, Los Angeles, succeeding Lew Arnold, resigned . . . David E. Cassidy resigns as mgr. of Los Angeles office of Pearson rep firm to join Adam Young there . . . Charles D. Miller, ex-production mgr. of WCCO-TV, Minneapolis, named production mgr. of KMOX-TV, St. Louis . . . James E. Kane, ex-KAKE-TV, Wichita, named chief engineer of upcoming KAYS-TV, Hays, Kan. (Ch. 7), due next summer; E. T. Felts, from radio KAYS, named traffic mgr. . . . Monte Gurwit, ex-WTVT, Tampa, named program director of KOMU-TV, Columbia, Mo., succeeding Allen Scollay; Jacqueline Mullin promoted to promotion mgr., succeeding Milton E. Gross . . . Dr. Mark Munn promoted to director of research for WGN, Chicago . . . William R. Murray appointed resident mgr. of WHTN-TV studios, Charleston, W. Va. . . . Allan Land, gen. mgr. of WHIZ-TV, Zanesville, elected TV v.p., Ohio Assn. of Broadcasters . . . Morton H. Wilner, Washington counsel, elected a director of National Jewish Welfare Board . . . Jerry King, ex-Hollywood partner of Standard Radio Transcription Services, now with Gross-Krasne Inc., TV film producers-syndicators . . . Lou Shainmark, ex-Guild Films, named pres. of Gilmark Features, news photo syndicate . . . Paul C. Baldwin, pres., and Nathan Levy, v.p. of Masterpiece Recording Co., N. Y. are partners with J. Elroy McCaw, owner of KTVW, Tacoma, Wash. and chief owner of radio WINS, N. Y., in new Major League Network Inc., formed to provide late-evening "re-creations" of San Francisco Giants home game to radio stations on sponsored basis; Western Union wires are used for network.

Richard M. Pack, Westinghouse v.p. for programming, accompanied by public relations director Michael R. Santangelo, returned this week from Brussels' World's Fair, where they arranged recording of 10-hour-long Benny Goodman concerts and TV documentary titled *Benny in Brussels*, for broadcasts over WBC stations. Pack has just been named chairman of TV-radio workshop at NYU.

ADVERTISING AGENCIES: Emerson Foote returns to McCann-Erickson as director, senior v.p., member of operations committee, after 7 months as chairman of the board, Geyer Adv. . . . J. Davis Danforth, BBDO exec. v.p., elected chairman of the board of American Assn. of Advertising Agencies . . . James G. Cominos, TV-radio v.p. of Needham, Louis & Brorby, elected chairman of AAAA central region board of governors . . . Dr. Seymour Banks, Leo Burnett Co., Chicago, named chairman of audience concepts committee, Advertising Research Foundation . . . James M. Loughran, ex-Erwin Wasey, Ruthrauff & Ryan, named a v.p. of Donahue & Coe, Los Angeles . . . Ralph Smith promoted to a v.p. of Sullivan, Stauffer, Colwell & Bayles . . . Nat Land promoted to v.p. Newman, Stern & Mandell, Miami Beach . . . David Levy, creative development v.p. of Young & Rubicam, N. Y., named associate director of TV-radio dept. . . . Gilbert Lea, ex-*McCall's*, named a v.p. of Ogilvy, Benson & Mather . . . C. L. Smith promoted to senior v.p. for administration, Lennen & Newell . . . Arkady Leokum, v.p. of Grey Adv., retires at year end, continues as consultant . . . Frank J. Bernhardt elected a v.p. of Conti Adv. . . . Henry Bretzfield & Robert E. Wolfe promoted to v.p.'s of Lawrence Fertig & Co., N. Y. . . . Wm. J. Peterson elected a v.p. of Cunningham & Walsh, Hollywood.

Nomination of John S. Cross to FCC (Vol. 14:10-11) still hasn't been acted upon by Senate Commerce Committee, but Chairman Magnuson (D-Wash.) says there are only routine reasons—such as Easter recess—for the delay. "As far as I know," he said, "there's nothing against him personally." He said nomination probably would be considered at next committee meeting April 30. Sen. Morse (D-Ore.) introduced into April 21 *Congressional Record* letter to *N.Y. Times* from John M. Carmody—labor arbitrator who has been a govt. trouble-shooter, serving on NLRB, REA, numerous other top jobs—extremely critical of Cross nomination. "Here indeed," he wrote, "the office should seek the man, and search widely for him. His name is not likely to be found quickly among applicants, as the name of Mr. Cross, hastily nominated by the President, seems to have been found on someone's White House desk. Jumping an obscure man from a salary of $8000 or $9000 a year to one of $20,000 overnight is not likely to clothe him with qualities of leadership or judicial acumen necessary to protect the larger public interest." Asked about such criticism, Magnuson said: "We have to consider what the Administration sends us."

Rep Branham Co. establishes John M. Branham and John Petrie Memorial scholarships to mark 50th anniversary. College-bound employes, children or grandchildren of employes of Branham represented TV, radio stations or newspapers are eligible.

Henry C. Cassidy, NBC, named first v.p. of New York's Overseas Press Club; Cecil Brown, ABC, succeeded as pres. by AP's Thomas P. Whitney.

New rep: KSHO-TV, Las Vegas, to Forjoe April 1 (from McGavren-Quinn).

Grant Advertising, Chicago, merges Burke Adv., Seattle, to push annual billings over $100,000,000.

Obituary

Margaret Marnell, 37, ABC literary rights mgr. since 1948, died April 25 in N.Y. home. Prior to joining network she was CBC commentator & script writer. Surviving is husband, Carl Eldridge.

Congress & Patents: Reactions of Chairman Harris (D-Ark.) and Rep. Flynt (D-Ga.), during this week's hearings on FCC's handling of patents (see p. 3), pretty much exemplified Harris subcommittee's attitude. When retired FCC patent advisor Wm. Bauer opined that U.S. has "the finest black-&-white and color standards in the world," Harris was quick to state: "We ought to understand that before we start tearing them down." And Flynt gave as his firm opinion: "The FCC derives its powers from the Communications Act. Unless specific powers [on patent matters] are given in the Act, there are no inherent powers there. There's no specific delegation to the FCC. It's up to the courts."

Bauer acknowledged that capable and honorable commissioners have differed on FCC's patent role, noting that some Commission majorities have gone along with him, others not. He praised, though not by name, former chairmen Fly & Coy.

Even courts and Justice Dept. differ on FCC's anti-trust role. Last Jan. 10, Philadelphia Federal Court Judge Kirkpatrick threw out Justice's suit which claimed RCA-NBC coerced Westinghouse into Philadelphia-Cleveland station swap (Vol. 14:2). He did it on grounds FCC had already found no anti-trust violation. This week, Justice appealed decision to Supreme Court, asserting. "There is nothing in the Communications Act which indicates that Congress intended that Commission approval of a transaction as in the public interest confers anti-trust immunity."

RCA's reaction to Bauer's testimony this week was to say that it would be "inappropriate" to comment because of court proceedings and that "RCA's intensive research activities and policy of offering licenses to competitors and others on reasonable and non-discriminatory terms have contributed substantially to the dynamic growth and development of radio-TV industry."

Question about color patent situation was broached to RCA by subcommittee counsel Robert Lishman, and RCA v.p.-gen. attorney Robert L. Werner responded in letter stating that: (1) "Disposition of the eventual patent strength on apparatus manufactured to transmit and receive color TV signals under [FCC] standards is highly uncertain." (2) "Under the present FCC standards there neither is nor can there bè any monopoly position in color TV patent licensing."

Werner listed following patents which "appear to be called for by the FCC color standards": Bedford, 2,554,693, titled "simultaneous multi-color TV," owned by RCA; Ballard, 2,678,348, "color TV interlacing system" (RCA); Bedford, 2,728,812, "synchronizing system" (RCA); Loughlin, 2,773,929, "constant luminance color TV system" (Hazeltine). Werner noted that Patent office has declared an interference between Ballard 2,678,348 and Bedford 2,728,812 and Philco patent applications. In addition, he stated, Farnsworth patent 2,246,625, which expires June 24, appears to be needed by both color and black-&-white and "other companies in the industry own other important color TV patents, the use of which may be or become of substantial significance in the manufacture of color TV apparatus."

Drys Never-Say-Die: Biennial election-year drive by never-say-die dry forces to prohibit interstate advertising of alcoholic beverages started again in Congress this week, TV & radio commercials coming under particularly furious attack. But like similar campaigns in last 20 post-Prohibition years, this one—rallying around bill (S-582) by Sen. Langer (R-N. D.) in overflow Senate Commerce Committee hearings—had almost no chance of getting anywhere.

As Chairman Magnuson (D-Wash.) told pres. Charles X. Hutchinson Jr. of National Temperance & Prohibition Council, Committee can't report on bill—favorably or unfavorably—until 8 of 15 members vote on it, and majority never seems to develop. Drys marshaled big & vocal list of witnesses to denounce beer & wine commercials as damaging to public morals.

Committee did not hear opponents, scheduled another go-around April 29. Among those waiting to appear against bill was NAB pres. Harold E. Fellows. He wanted to point out that 1954-56 surveys by broadcasters showed: "Only 2.99% of all programs on TV, only 3.53% of all TV spot announcements, only 1.62% of all radio programs and only 2.85% of all radio spot announcements represented beer & wine advertising."

First commercial film producers to receive Ampex videotape (Vol. 14:16), all shipments due by end of April, are Telestudios Inc., 1418 Broadway; Elliot, Unger & Elliot, 414 W. 54th St.; Filmways Inc., 241 W. 54th St., all N.Y., and Videotape Productions of N.Y. Inc., new firm formed by ex-CBS v.p. Howard S. Meighan (Vol. 14:13).

Three translators, operated by Air Force at Holloman Air Force Base, near Alamagordo, N.M., are due to start May 1 on Ch. 75, 78 & 83, repeating KROD-TV, KTSM & KILT, El Paso.

Does TV Cost Too Much? Question is posed by April 19 *Business Week* in special marketing survey of next season's TV advertising schedules, for which networks & agencies now "are selling into a tough situation." Noting that average 30-min. network evening show costs $78,-100 (time $44,200, talent $33,900) in 1957 vs. $20,550 ($10-150 & $10,400) in 1951, magazine says sponsors "make it plain they aren't questioning TV's value"—but wonder: "Is TV on the point of pricing itself out of the advertising market?" Weekly gives no sure answers. On one hand, NBC research & planning v.p. Hugh M. Beville cites 11.3% reduction in audience average cost per 1000 on 3 networks —$3.54 in Dec. 1957 for evening program vs. $3.99 in Dec. 1955. On other hand, TV-radio v.p. Philip L. McHugh, Campbell-Ewald, points to 83% TV saturation of U. S. homes, says: "Circulation can't increase at the same rate forever, and costs can't keep going up & up." At any rate, advertisers "are staying in the medium, and the best evening hours are in demand"—although they're said to be getting more flexible & shorter contract commitments, looking for shows with proven audience appeal.

Impact of TV on newspapers in Britain, as reported in April 25 *Wall St. Journal:* London dailies' ad volume rose only 6.8% to $76,700,000 last year, compared with 20.4% gain in 1956; Sunday ads rose 17.6% to $35,300,000 vs. 20% previous year. Report quotes Brian McCabe, head of major ad agency: "Some 40% of British homes will be in range of commercial TV by the end of 1958, compared with 30% now. By then, I think it will really begin to hurt the national newspapers."

Storer Broadcasting Co. appoints Hume, Smith, Mickelberry Inc., Miami (formerly August Dorr Adv.) for all national advertising.

"Breakthrough" on ETV? Unprecedented Federal aid to educational television bill (S-2119) sponsored by Chairman Magnuson (D-Wash.) of Senate Commerce Committee (Vol. 13:20-21; 14:-13), providing $1,000,000-per-state equipment subsidies, sped through 2 days of enthusiastic hearings this week—and into Eisenhower Administration opposition.

With few reservations, dozen professional TV educators endorsed Magnuson measure, which he described as "breakthrough" for financially-starved ETV. Speaking "personally," FCC Comr. Craven testified: "I am in favor of the bill. I think it is a very wonderful thing." Magnuson also had bipartisan committee support, Senators Bricker (R-O.) and Payne (R-Me.) coming out strongly for bill.

But in formal statement filed with Committee, drafted as long ago as last Sept., Administration through Under Secretary John A. Perkins of Dept. of Health, Education & Welfare said flatly that "we recommend that S-2119 not be enacted." Statement cited "administrative & other difficulties," asserted:

"We have no information indicating that a Federal program, such as this bill would provide, is necessary to assure continuing development of educational TV, or that there is an inability to finance the acquisition & installation of transmitting equipment."

Only other expressed opposition to measure at hearings came from Sen. Thurmond (D-S.C.). He praised "noble motives" of Magnuson, but as states' rights advocate said he wants "states to assume more responsibility" for ETV. "Where is the Federal Govt. going to get this money?" Thurmond wanted to know. Obviously irked by Administration's position on bill, Magnuson suggested to Thurmond that subsidies could be taken out of HEW's $241,000,000 budget.

Magnuson ended hearings April 25 after calling in HEW's Dr. Franklin Dunham, radio-TV service chief, for cross-examination on what 7-person Dept. staff was doing to further educational TV. "The Dept. has been sitting by and letting this thing struggle along," Magnuson said, adding: "If we're going to do anything, I want to do it now."

He ordered testimony at hearings to be printed immediately for action by Committee "within a month," indicating he thought he'd get favorable Committee vote on bill. "It's born under as favorable a star as I've seen around here for some time," he told us, but wouldn't predict ultimate approval by Congress.

As originally drawn, Federal ETV appropriations would be handled only by official state educational agencies. Before it reaches Committee vote it will be revised to authorize county, city or non-profit civic organizations to supervise funds to spread ETV beyond present 31 stations (7 uhf). FCC has reserved 256 channels (170 uhf).

In addition to professional educators, witnesses who testified in general support of bill included one manufacturer, pres. Ben Adler of Adler Electronics Inc., New Rochelle, and one commercial broadcaster, pres. Raoul A. Cortez of KCOR-TV, San Antonio.

Adler said that in addition to money, ETV needed some FCC changes in rules governing TV translator stations to: "(1) Permit local origination. (2) Increase maximum power from 10-watts to 100-watts. (3) Remove taboos on station spacing. (4) Increase the number of channels available for this class of service."

Cortez suggested that "we are overlooking the possibility of doing much of the job by cooperation of commercial broadcasting stations." He urged relaxation of FCC opposition to share-time station operation.

Procession of ETV professionals on witness stand included exec. director Ralph Steetle of Joint Council on Educational TV, exec. director Henry Chadeayne of St. Louis Educational TV Assn., TV-radio director Richard Hull of Ohio State U, exec. director Franklin Bouwsma of Detroit Educational TV Foundation, supt. Wm. Brish of Hagerstown (Md.) schools, pres. Alan Brown of N.Y. Metropolitan Educational TV Assn., treas. Wm. A. Richardson of Me. Educational TV Assn., pres. Wm. Friday of N.C. Consolidated U, gen. mgr. Raymond D. Hurlbert of Ala. Educational TV Commission.

FCC Pre-NAB Cleanup: FCC uncorked no blockbuster on eve of NAB convention, though it frequently does, and it cleaned up fairly routine agenda.

Losers of decision for Shreveport's Ch. 12 (KSLA-TV) again lost out in effort to crack the decision—which has been through courts and back. Commission denied petitions for reconsideration filed by KRMD and KCIJ, saying former had lost its rights by dismissing earlier in the game and that latter still hasn't persuaded it that it's a superior applicant to KSLA-TV.

Commission finalized rule-making, dismissing proposals to shift Ch. 12 out of Erie and Flint. It said that "deletion of Ch. 12 from Erie would probably deprive a number of isolated communities of their best, or of their only, dependable TV service" and that Flint needs Ch. 12 far more than do Saginaw-Bay City or Ann Arbor.

WKTV, Utica, which is shifting from Ch. 13 to Ch. 2 was ordered to keep to site it proposed originally but to cut height to 2049 ft. above sea level instead of the 2381 ft. it proposed. Commission rejected other sites as too close to other stations, and it accepted that Airspace Panel height limitation.

Grant of Ch. 13, Alliance, Neb. to KCOW is on the way, FCC directing staff to draft final decision approving application.

Two CPs were authorized: Ch. 27, San Diego, to Los Angeles theatreman Sherrill C. Corwin, part owner of KAKE-TV, Wichita; Ch. 8, McCook, Neb., to owners of KCKT, Great Bend, Kan. (Ch. 2).

Allocations petitions filed: (1) By radio WKJB, Mayaguez, P.R., to substitute Ch. 10 for 13 in Fajardo, Ch. 12 for 11 in Caguas, Ch. 11 or 13 for 12 in Arecibo-Aguadilla, add Ch. 11 or 13 to Mayaguez, delete Ch. 10 from Virgin Islands. (2) By "Syracuse Group" (Daniel W. Casey Sr. et al) to add Ch. 5 to Syracuse, substitute Ch. 9 for 8 in Syracuse, substitute Ch. 8 for 5 in Rochester, add Ch. 27 to Rochester. (3) By Community TV Corp., Grand Forks, N.D., to add Ch. 12 to Hallock, Minn.-Pembina, N.D. area. [For details of foregoing, see *TV Addenda 26-M* herewith.]

Only application for TV station filed this week was for Ch. 6, South Miami, Fla. by Coral Television Corp., consisting of local businessmen headed by print shop owner Leon McAskill. Number of applications outstanding is now 117 (29 uhf).

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

Trade Report
April 26, 1958

THE HOUR OF DECISION APPROACHES: Time is running out if the TV trade is to realize even the more pessimistic production estimates for 1957. So say component & tube makers we queried this week as a follow-up to our rather lugubrious sizeup 2 weeks ago (Vol. 14:15). They give set makers no more than 2-3 weeks to firm up plans for the balance of the year, or face possible shortages in items where inventories are already at danger point.

And, if production is to come anywhere near optimistic predictions of over 6,000,000 sets, industry may already have passed the point of no return.

It's simple matter of arithmetic. If production in 2nd quarter equals the first quarter's 1,200,000 (an unlikely prospect, definitely contrary to past experience), first half total will be about 2,200,000 sets. That means 3,100,000 sets must be made in 2nd half to reach 5,500,000 -- or 3,600,000 to reach 6,000,000. Industry, therefore, would have to produce at an annual rate of between 6,200,000 and 7,200,000 sets the last half of the year. Historically, the 2nd half production is accomplished in 5 months due to July-Aug. vacations, Christmas layoffs.

Current retail sales figures make laggard planning equally dangerous. RCA's components exec. v.p. W.W. Watts pointed out to us. Should first quarter retail sales hold up for the entire year, or increase, total production will have to exceed 6,000,000, and facilities of the industry will be hard put to meet the pace. A sizeable part of component capacity has been curtailed -- even shut down -- in the last few months due to lack of orders. This capacity cannot be brought back into full production on a moment's notice, will require time to get under way.

Watts described present situation as "volatile," said RCA is playing it by ear, ready to "swing on a dime" whichever way the business winds blow.

Confirmation of need for prompt steps came, too, from Sylvania pres. & chairman Don G. Mitchell at annual meeting of stockholders: "Necessity for replenishing components inventories is clearly evident, particularly in view of the fact that the new 1959 TV lines must soon go into production."

We talked to quite a few others, too. One large tube component maker, preferring not to be quoted, said he is "perplexed" by current lack of planning by set makers, actually predicts a shortage come next fall which he said can be "mighty cheerful" if business picks up just a bit. If set makers are as confident as they sound in public, they should be getting orders in now -- and he means right now.

Retail Sales: First quarter retail TV set sales were 1,470,000 vs. 1,710,000 for corresponding period last year, a decline of 14%. March sales were 422,000 vs. 534,000 for the same month last year, a decline of 23%. Radio sales at retail (home radios only, excluding auto radios and radio-phono combinations) for first quarter were 1,414,000 vs. 1,719,000 for the corresponding quarter last year. Retail radio sales in March were 543,000 vs. 730,000 in March 1957.

Dealer TV inventories were in excellent condition at quarter's end. Whereas dealers cut inventories 200,000 units during first 3 mos. of 1957, cut in the same period this year was only 75,000 units. As a result, distributor TV dealer sales declined only slightly this year as compared with the same period of 1957.

TV-Radio Production: TV set production was 76,118 week ended April 18 vs. 76,954 preceding week & 78,269 in 1957. Year's 15th week brought production to 1,373,356 vs. 1,671,895 last year. Radio production was 158,588 (42,605 auto) vs. 183,461 (61,024 auto) preceding week & 266,707 (94,406 auto) last year. For 15 weeks, production totaled 2,945,525 (959,381 auto) vs. 4,366,807 (1,831,554 auto).

ZENITH'S McDONALD, ILL, SHIFTS JOBS: Comdr. Eugene F. McDonald Jr., the 68-year-old founder and for more than 35 years pres.-gen. mgr. of Zenith Radio Corp., who with his ubiquitous press agent Ted Leitzell has kept both TV-radio manufacturing and the telecasting industries in controversial dithers for a dozen years or more, stepped over into the newly created posts of chairman & chief executive officer this week -- apparently due to persisting illness.

Hugh Robertson, exec. v.p., who is 71, was elected president at stockholders meeting, 47-year-old v.p.-general counsel Joseph S. Wright elected executive v.p. It's generally assumed Wright is being groomed for the presidency for the only other operating executive named to the board was E.M. Kinney, v.p.-gen. mgr., hearing aid div., along with Hays MacFarland, chairman, MacFarland, Aveyard & Co., ad agency.

Another remarkable first quarter of sales and profits, in face of recession and industry trends, was reported to stockholders meeting (see p. 15), continuing the record of 1957 which pres. Robertson reported should "at least" be matched in 1958. [For further data on Zenith executive setup, see p. 14.]

STOCKHOLDERS IN THE DARK ON COLOR'S FUTURE: Stockholders could savor little hope of near-future profits from color TV, in the words of 1957 annual reports of key TV and components manufacturers (which we digest below). Even RCA's abiding faith in the eventual emergence of color TV as a great new business was toned down from enthusiastic predictions of its 1956 report.

Conspicuous by their absence were color comments by such major manufacturers and broadcasters as Admiral, AB-PT, CBS, GE, Westinghouse, all of which previously had at least recognized color as a coming thing. Some put themselves on the record as ready and willing to move in when the mass market, now staunchly underwritten and promoted by RCA and NBC alone, makes its appearance.

Everyone shied away from predicting color set production in 1958, didn't even estimate 1957 production. (Sylvania's research director Frank Mansfield says about 200,000 color sets were made in 1957, predicts 160,000 in 1958.)

DuMont Labs, which acknowledged it spent $242,000 in 1956-57 on development of the Lawrence single-gun color tube (Vol. 14:15), told stockholders its efforts hold "promise" of lower cost, better quality color set. RCA said color "gained momentum" as a result of more color programs and stepped-up promotions, but did not choose to be specific. Magnavox stockholders were told company is "optimistic" about color but "growth will be gradual."

LATEST Color Comments: Following are quotes about color TV from 1957 annual reports of key TV & components companies.

CORNELL-DUBILIER—"Color TV made some additional progress during the year, and it is hoped that this large market will again increase."

DuMONT—"Engineering development work has continued on the Lawrence single-gun color TV tube and receiver under the company's arrangement with Chromatic TV Laboratories. Results to date appear promising for the design of a color TV receiver of lower cost and improved performance than is now available in the industry."

EMERSON—"While the profitable production and sale of color TV receivers are not in the immediate prospect, Emerson still is prepared, by its continuing program of engineering, sales and service of color sets, on a modest scale, to participate in the potentially large and profitable market whenever it becomes a reality."

HAZELTINE—"The public acceptance of color TV during the last year did not fulfill the high promise that it held out earlier. Broadcasting of color TV programs did increase moderately during the year, but the number of color receivers sold to the public increased only to about 175,000 during last year from the 125,000 reported for the previous year. The general feeling in the industry seems to be that large-scale public acceptance of color TV is inevitable, but that its relatively modest rate of growth is due to the high cost of the receivers, for which no quick solution is in sight. Long-range developments looking toward the reduction in the cost and improvement in the performance of color TV receivers are continuing in the company's research laboratories."

MAGNAVOX—"We are still optimistic as to the future of color TV and are introducing two new models this fall. We continue to feel, however, that there will be no revolutionary switch from black and white to color TV receivers but that the growth will be gradual."

MOTOROLA—"We continued to produce limited quantities of high quality, fine performing color TV receivers. While public interest and consumer demand showed some increase over the preceding year, it is clear that a strong demand for color is still somewhat in the future."

PHILCO—"Although at present there is no strong demand for color TV, Philco is keeping itself alert to the market situation. During 1957 the company did not believe that sales potentials warranted placing Philco color receivers on the market. Should this situation change, however, Philco is prepared to begin manufacturing."

SYLVANIA—"Various types of color tubes continued in development, but production was on a limited basis, pending increased demand."

RCA—"Color TV gained momentum and increased sales to consumers reflected its growing popularity following sucessful 'Carnival of Color' promotion campaigns throughout the country . . . Color TV sales to consumers [were] aided by increased public interest stimulated by expansion in color programming and by a large number of dealers actively promoting color. Of the 515 TV stations on the air, 324 are equipped for network color programming."

Trade Personals: Harry Schecter, ex-Motorola & CBS-Columbia, named merchandising asst. to Zenith v.p. L. C. Truesdell . . . Robert L. Shaw promoted to gen. marketing mgr., Sylvania home electronics div.; **Harry H. Martin** to gen. mfg. mgr. . . . **John K. Russell** named midwest district sales representative for Zenith, succeeding **James Shoop**, recently killed in airplane crash . . . **Howard Hibshman**, ex-Hotpoint TV sales mgr., joins O. A. Sutton Co., Wichita . . . **George Mikasen** promoted to customer relations mgr., Motorola . . . . **Martin Richmond** promoted to works mgr., Emerson Radio, Jersey City . . . **Ira L. Joachim**, ex-Fisher Radio, named adv. mgr. of Pilot Radio, N. Y. . . . **E. A. Freiburger**, ex-RCA Victor Distributing Co., named gen. mgr. of Concertape, Wilmette, Ill. (stereo recordings) . . . **Edwin G. May** resigns as sales mgr. of Trav-Ler Radio . . . **Edwin L. Bacon** promoted to Graybar national adv. & sales promotion mgr. . . . **Thomas D. Meola** appointed v.p. & European mgr., RCA Communications; **Carl V. Bradford** promoted to director of RCA regional offices.

DISTRIBUTOR NOTES: Sylvania establishes factory branch at Teterboro to serve Northern N. J., replacing Household Appliance Corp, Newark (Vol. 14:16) . . . Du Mont appoints Shepherd Electric Co., Baltimore; Lifsey Distributing Co., Flint, Mich., for TV-radios-hi-fi . . . Motorola appoints Carroll Co., Mobile, Ala., for all consumer products . . . IT&T appoints John G. Twist Co., Chicago, for components.

Irving Green, pres. of Mercury Records, elected pres. of Record Industry Assn. of America. Other officers: senior v.p. Harry C. Cruse, exec. v.p. of London Records; v.p. Arnold Maxim, pres. of M-B-M Records; v.p. & treas. John Stevenson, pres. of Children's Record Club; exec. secy. John W. Griffin.

ELECTRONICS PERSONALS: **Wilbur R. Hankes**, Washington, named director of military relations for Avco Research Lab, Everett, Mass. . . . **Robert W. Meier** named govt. sales mgr. for Ampex, with headquarters in Washington . . . **Sheldon Williams**, ex-JFD Mfg. Co., N. Y., named personnel director of Blonder-Tongue Labs, Newark . . . **John K. Campbell** promoted to mgr. for govt. sales, Philco govt. & industrial div. . . . **James A. Elliott**, ex-Collins Radio, named quality control engineer, Rixon Electronics, Silver Spring, Md. . . . **Lloyd R. Crump** heads new Telepower, 12108 Atherton Dr., Silver Spring, Md., planning to produce radio assembly kits, antenna unit, etc.

General Electric's new pres. is Robert Paxton, 56, ex-operations v.p., Scottish-born career man with company since 1923 graduation from Rensselaer Polytech, elected at directors meeting in Schenectady this week. Ralph J. Cordiner, at 58, becomes chairman, suceeding Philip D. Reed, who continues as chairman of finance committee but retires next year.

Benjamin B. Bauer named a v.p. of CBS Labs to head new dept. of acoustics & magnetics; v.p. Joseph Bambara heads new dept. of reconnaissance & electrical systems; v.p. John W. Christensen, physics dept.

Obituary

Killed in plane crash near Las Vegas, April 21 were Robert Hight, 36, treas., and Wm. H. Torrans, 43, mathematics specialist, of Ramo-Woolridge, Inglewood, Cal. Also, W. A. Simons, v.p., Ralph Keene & John Petrie, engineers, of Gilfillan Bros., Los Angeles. Another casualty was Jack R. Fedrick, 37, partner of Fenske, Fedrick & Miller, Los Angeles.

Bright Spots on the Horizon: Gleaned from this week's business news, we offer you the following optimistic comments as possible portents of better times ahead for the TV-radio industry.

Zenith—Newly elected pres. Hugh Robertson at annual meeting: First quarter profits increased 23%, sales 15% over corresponding period last year. Factory sales of TV were up 12%.

GE—Newly elected chairman Ralph J. Cordiner at annual meeting: "Some of the first signs of a possible upturn are beginning to appear. The trend in orders in March and so far this month seems to indicate that the low point has been passed." He announced "Operation Upturn," a company-wide program "focused on bringing the customer the better service & values already available."

Westinghouse—Chris J. Witting, v.p. & gen. mgr. for consumer products: "In New York, distributor sales to dealers were 6 times volume achieved in same period last year, and Chicago & Detroit results were nearly as impressive. Consumers are well positioned to buy and will do so if dealers aggressively merchandise splendid values they have to offer."

Packard-Bell—Report to stockholders: "Sales of home products div. were down slightly because of general economic situation [for 6 fiscal months], but div.'s profits increased substantially due to production efficiencies & economies."

Sylvania—Pres. & chairman Don G. Mitchell at annual meeting: "We anticipate an early upturn in this area of our business (components), with consequently improved sales and earnings." Predicted about 6,000,000 TV sets will be produced this year.

EIA—TV inventories are in splendid shape. Any increase in consumer buying will be reflected promptly in increased production.

CBS-Hytron—Pres. Arthur L. Chapman: "Orders are up in April and May, and will be reflected in factory production six weeks from now. Last half looks good."

Muter Co.—In quarterly report to stockholders: "Inventory within industry is at low point and should be promptly reflected in business with return of public confidence and normal production."

National Assn. of Purchasing Agents—"New order situation remains one of the bright spots. This month [April] there is again a slight improvement from last month's figures."

Muter Co. merger talk was aroused this week by report group led by director Sol M. Zweifach of Scranton Lace Co., acquired 100,000 shares—about 13%—of stock of Chicago components manufacturer. Group plans to ask board representation, seeks 150,000 additional shares at $5 per share. Stock has been selling around $3.50. Muter earned 3¢ per share in quarter ended March 31 (Vol. 14:-16).

National Convention on Military Electronics, under IRE sponsorship, takes place at Washington's Sheraton Park Hotel, June 16-18—with 96 papers, 43 exhibitors. Pres. of convention is Brig. Gen. W. B. Larew (USA ret.), asst. to v.p. of Melpar, Falls Church, Va.

Industrial Communications Assn. holds annual convention in San Francisco May 21-23.

IRE schedules annual Electron Devices Meeting at Shoreham Hotel, Washington, Oct. 30-31.

Wright May Head Zenith: This week's intra-company moves, whereby Zenith Radio's longtime pres.-gen. mgr. Eugene F. McDonald Jr. becomes chairman and chief executive officer while exec. v.p. Hugh Robertson takes over the presidency and v.p.-gen. counsel Joseph Wright the executive vice presidency (p. 12), appear to bear out industry scuttlebutt that Wright is the probable next president of the industry's most phenomenally successful entity. He's apparently the heir apparent choice of both McDonald, who controls about 10% of the company's stock, and Robertson, who has been his right-hand man nearly 25 years and with the company since 1924.

Joseph Sutherland Wright, born in Portland, Ore. in 1911, son of a Havre, Mont. physician, attended George Washington U law school in Washington, D.C. while acting as secy. to Senator Burton K. Wheeler (D-Mont.), 1933-36. Wheeler is now a Washington attorney and represents Zenith. Wright became an attorney for the Federal Trade Commission, then its asst. gen. counsel, was FTC chief of compliance 1947-52 when he resigned to become asst. gen. counsel for Zenith. He became gen. counsel & director in 1953, is also director of Zenith tube-making subsidiary Rauland Corp., serves on board of governors of one of McDonald's favorite charities, Chicago's Henrotin Hospital.

As did McDonald in World War I, Joe Wright became a Navy lt. comdr. in World War II. Comdr. McDonald also was USNR officer with the MacMillan Arctic expedition of 1923, second in command of MacMillan's National Geographic expedition of 1925, later headed other explorations.

* * * *

McDonald's great genius has been merchandising and publicity. He has always surrounded himself with top-grade executives, all highly paid, one of the best of them—credited with many of Zenith's product innovations—being his engineering v.p. Gilbert E. Gustafson. "Gus" has been with Zenith since 1925, was chief engineer of its pioneer radio station WJAZ when it jumped an unassigned wavelength in 1926. McDonald had disputed Secy. of Commerce Hoover's authority over radio, the Dept. of Justice sued, McDonald won—leading to enactment by Congress of the Radio Act of 1927 which set up the old Federal Radio Commission.

McDonald, incidentally, was an organizer and first pres. of the National Assn. of Broadcasters, 1923-25.

Gustafson is 53, widely known and highly regarded in the industry. So also is Zenith's v.p.-treas. Sam Kaplan, now in his late forties, who has been with the company since boyhood. They stay in present posts, as do sales v.p. Leonard Truesdell, distribution v.p. C. J. Hunt, production v.p. Donald McGregor. None of these is a director.

Comdr. McDonald's public relations office has tried assiduously to keep secret the facts of his illness, his hospitalizations, his convalescences in Florida. It last reported he was recovering from a "minor ailment" after it was disclosed he had been confined in Chicago's Billings Hospital. Friends were told his ailment was merely lumbago. He has 2 children—a married daughter, son Eugene F. III, now in prep school. His last-reported beneficial stockholdings in Zenith were 93,786 shares out of 984,928 outstanding and he and Robertson drew down 1957 compensations which were highest in the industry (Vol. 14:14).

* * * * *

Veteran of many a quarrel with the broadcasters, especially noted for his much publicized campaigns for pay TV and against commercial TV, McDonald first drew the ire of the sponsored TV proponents in 1946 when he referred to them as "televisionaries" in an article in *Collier's*. Our report stated (Vol. 2:25):

"Zenith's ebullient Gene McDonald still can't see advertisers footing the bill for adequate TV, insists the public will gladly pay for TV programs, calls those who think in terms of sponsorship 'televisionaries.' That's his thesis in an article in June 29 *Collier's*, in which he suggests TV be wired to home or theatre, or a picture scrambler device be employed [he later came up with Phonevision decoder] so public can pay for programs. Zenith holds recently granted CP for low-band TV station but makes no low-band receivers, McDonald insisting they'd be obsolete in year or two. In article, he discloses his company is about to go on air with experimental color, is making color receivers for its own use."

Is Recession Automated? Thrice told tale of the "evils of automation" was heard again this week—with a new twist. AFL-CIO research staffer David Lasser said the country is suffering from its first "automation recession". He told delegates to a labor union conference on technological change in Washington this week that more and more jobs would disappear unless job-security clauses are written into contracts. James B. Carey, pres. of International Union of Electrical Workers, said companies should cut prices on electrical appliances 10% as an anti-recession measure. He said union representatives would make the suggestion to manufacturers, urge an end to layoffs, seek company-paid health insurance premiums for unemployed workers, improved jobless benefits and a temporary end to executive bonuses.

RCA's closed-circuit color installations in Strategic Air Command headquarters, Omaha, and at Walter Reed Army Medical Center, Washington, are described in company's April *Electronic Age*. SAC installation, less well known than Walter Reed's, includes 5 live color cameras, a 3-V film system, black-&-white industrial camera, complete associated equipment.

Military Electronic Applications Committee is new name of EIA's Reliability Committee in reorganization under chairman L. M. Clement, of Avco, which establishes 3 subcommittees: reliability, Clement, chairman; maintainability, Maj. Gen. F. L. Ankenbrandt, RCA, chairman; value engineering, Rear Adm. R. S. Mandelkorn, Lansdale Tube (Philco), chairman. Reliability subcommittee is further broken down into groups on standards & definition, headed by C. M. Ryerson, RCA, and reliability education, by Craig Walsh, McGraw-Hill.

Fair Trade Up Again: House Commerce Committee opens hearings April 29 on Harris Bill (HR-10527) to provide new Federal price maintenance law (Vol. 14:9-10). Proponents aim to circumvent court decisions virtually nullifying fair trade in many states. Congressional action this year doubtful in view of Senate apathy, Justice Dept. opposition. Note: Senate Small Business Committee earlier this year promised review of fair trade situation but so far has not scheduled hearing.

Philco and Leeds & Northrup join to develop and produce new electronic digital computer designed primarily for applications in industrial process control.

Financial Reports:

SECOND HIGHEST PAID executive in the broadcasting business is American Broadcasting-Paramount's pres. Leonard H. Goldenson, whose 1957 remuneration is disclosed as $181,000, including $25,000 expense allowances, in proxy statement for annual stockholders meeting in New York's Astor Hotel, May 20. The industry's highest salaries are the $300,000 drawn each by CBS's chairman Wm. S. Paley and pres. Frank Stanton (Vol. 14:13).

Edward L. Hyman & Sidney M. Markley, AB-PT v.p.'s & directors, drew $55,000 each last year; Robert H. O'Brien, ex-financial v.p., now a Loew's v.p., drew $36,000 up to his resignation as of Aug. 2; John Balaban, director who died last Aug., drew $30,800.

Report discloses elections of James G. Riddell, pres. of WXYZ Inc. and newly named exec. v.p. of ABC, and Simon B. Siegel, new financial v.p., to board. Mr. & Mrs. Riddell own 980 shares of AB-PT common (out of 4,149,226 outstanding); Siegel, 3100 shares. Riddell has option to purchase 1500, Siegel 1750, up to March 23, 1963 at $25.18 per share. Director Robert Hinckley, Washington, v.p., holder of 1000 shares, also holds options at same price for 1500; v.p. Sidney M. Markley, holder of 500 shares, holds options for 2500. Pres. Goldenson exercised option last July 30 to buy 3000 at $16.63.

Other directors and their stockholdings: Earl E. Anderson, v.p.-secy., Beech-nut-Life Savers Inc., 1700, also trustee with Edward Noble of Edward John Noble Foundation which owns 15,740 pfd., 337,304 common; A. H. Blank, Tri-State Theatre Corp., 1887; John A. Coleman, partner of Adler, Coleman & Co., investments, 1000; E. Chester Gersten, Bankers Trust Co., 500; Robert L. Huffines Jr., Worth Fund Inc., 1000; Walter P. Marshall, pres. of Western Union, 200; H. Hugh McConnell, v.p., Metropolitan Life, 100; Mr. Noble, 8949 (plus 225,028 pfd.); Robert B. Wilby, Alabama Theatres Inc., 1018.

Note: AB-PT net operating profit for first quarter 1958 was $1,854,000 (43¢ a share) vs. $1,743,000 (40¢) in same 1957 quarter; including net capital gains, consolidated earnings were $1,958,000 (45¢) vs. $1,779,000 (41¢). Gain was largely attributed to 36% rise in TV billings. Six more theatres were disposed of in quarter.

Allied Artists will show loss in third fiscal quarter ended March 31 "well in excess" of $172,000 profit in first 6 months (Vol. 14:10), exec. v.p. George D. Burrows told *Wall St. Journal* this week. He said troubled state of movie industry (see pp. 1 & 6 and Supplement), makes company pessimistic about erasing red in full fiscal year, but loss should be "substantially" less than $1,783,910 reported year earlier. Bright hope: Partnership by Allied's subsidiary Interstate TV Corp. with ABC in upcoming pilot production of *The Barbary Coast*, along with other Interstate TV ventures including *Adventures of Marco Polo* (in partnership with W. Lee Wilder) and 190 *Phineas T. Fox—Adventurer* 4-min. cartoons.

Board of Ampex Corp., Redwood City, Cal., planning expansion of its videotape operations with ex-CBS Hollywood v.p. Howard S. Meighan as partner in new distribution companies (Vol. 14:13), has voted to split stock 2½-for-1, making 2,500,000 authorized shares as against 1,000,000 now with 734,265 presently outstanding. Firm's fiscal year ends April 30; in last fiscal year it earned $1,087,000 on sales of $18,737,000.

P. R. Mallory earnings slid to $434,721 (27¢ per share) in Jan.-March quarter from $1,019,406 (67¢) year earlier.

Sylvania earnings dropped to $1,167,818 (30¢ per share) on sales of $72,132,543 in first 1958 quarter vs. $3,069,944 (84¢) on $87,549,674 in 1957 period, chairman & pres. Don G. Mitchell attributing decline largely to drastic inventory adjustment by TV-radio customers. He said sales of receiving & picture tubes to other TV & radio set manufacturers "have been affected far more deeply than our other lines," that $140,000,000 increase in defense business will come from recent orders. He foresaw upturn in electronic component market, gradual increase in volume in other lines, improved second quarter, third & fourth quarters comparing favorably with last year, when Sylvania had record sales (Vol. 14:8).

Communications and electronic equipment companies ranked among 48 U. S. firms which exceeded $1 billion sales in 1957, with comparison with 1956, as surveyed by United Press. Topping whole list is General Motors, just under $10 billion, next Standard Oil of N. J., just under $8 billion. Third (000 omitted) is AT&T, $6,313,833 in 1957 vs. $5,825,298 in 1956; 7th, GE, $4,335,664 vs. $4,090,016; 14th, Western Electric, $2,480,614 vs. $2,376,726; 18th, Westinghouse, $2,009,044 vs. $1,525,376; 35th, RCA, $1,170,905 vs. $1,121,060. In addition, companies on list doing partial electronics work are: General Dynamics, $1,562,539; North American Aviation, $1,243,767; United Aircraft, $1,232,919; Douglas Aircraft, $1,091,366; IBM, $1,000,432.

Zenith Radio continued its rise in first quarter 1958, attributing it mainly to civilian goods, in the face of the industry recession. Sales totaled $42,173,732 vs. $36,658,510 for same 1957 period, $37,915,318 for same 1956 period. Net income for quarter is estimated at $2,036,759, equal to $4.14 per share on old stock (recently split 2-for-1) and $2.07 on new vs. $1,650,590, or $3.35 on old stock, $1.67 on new. Figures were revealed at stockholders' meeting by exec. v.p. Hugh Robertson who presided in the absence of pres. Eugene F. McDonald due to illness. [For report on record 1957 calendar year sales and earnings, see Vol. 14:12.]

Philco, which scored big 1957 comeback in profits (Vol. 14:9), lost $1,027,000 (28¢ per share) on sales of $74,016,000 in first 1958 quarter vs. earnings of $905,000 (20¢) on $100,374,000 year earlier. Philco has continued to gain increased share of consumer products market, said pres. James M. Skinner Jr., "but this improvement is not apparent in these interim results because the appliance & TV-radio industries have suffered sharper contraction in total volume than has been registered by consumer durables as a group and the economy as a whole." Inventory position was called "satisfactory."

Packard-Bell earned $412,935 (60¢ per share) on sales of $16,918,971 in first fiscal half ended March 31 vs. $403,981 (59¢) on $16,360,556 year earlier. Sales of home products div. (black-&-white & color TV, radios, hi-fi equipment, electronic door openers) were down slightly, but new military contracts boosted technical products div. sales 27% over 1957 half, reports pres. Robert S. Bell.

Dividends: Zenith, 50¢ payable June 30 to stockholders of record June 12; P. R. Mallory, 35¢ June 10 to holders May 9; Siegler, 20¢ June 2 to holders May 15; Whirlpool, 25¢ June 10 to holders May 23; Canadian GE, $2 July 2 to holders June 16.

Webcor Inc. earnings, which hit record high for hi-fi maker in 1957 (Vol. 14:11), slipped to $146,462 (23¢ per share) in first 1958 quarter from $354,914 (55¢) year earlier.

Newspapers vs. TV-Radio: They're competitors, all right—but cooperating and interlocking competitors, in many cases. That's conclusion to be drawn from developments at American Newspaper Publishers Assn. convention this week in N.Y.

First, there was report by Charles T. Lipscomb Jr., pres. of ANPA Bureau of Advertising, that its current promotion is keynoted "Beat Competition"—the competition obviously being TV-radio, for, he said, "For every good radio or TV success story, we have dozens of documented newspaper success stories . . ."

Newspaper advertising is the most economical medium to deliver a message and make a sale, he added, and noted that broadcasters themselves increased their newspaper advertising last year by 25.3% to total of $17,987,000. National advertisers, he said, spent about $810,000,000 in newspapers, up 2.6% from 1956, according to Media Records Inc. [They spent $667,000,000 on network TV, $367,000,000 on national spot TV, $64,000,000 on network radio, $204,000,000 on spot radio, according to preliminary McCann-Erickson figures, *TV Factbook No. 26*, p. 27.]

As for interlocking interests, retiring ANPA pres., now a director, William Dwight, publisher of *Holyoke* (Mass.) *Transcript* and *Northampton Daily Gazette*, also heads WHYN & WHYN-TV, Springfield-Holyoke; new v.p. Mark Ferree, is exec. v.p. of E. W. Scripps Co., related to Scripps-Howard stations; secy. Walter J. Blackburn, pres. of *London* (Ont.) *Free Press*, heads CFPL & CFPL-TV there; treas. J. Hale Steinman, *Lancaster* (Pa.) *New Era & Intelligencer-Journal*, is one of owners of Steinman group of stations.

One of 2 new directors is Joyce A. Swan, *Minneapolis Star & Tribune* (Cowles stations). Among other directors are Irwin Maier, *Milwaukee Journal* (WTMJ & WTMJ-TV); Franklin D. Schurz, *South Bend Tribune* (WSBT & WSBT-TV; Chesser M. Campbell, *Chicago Tribune* (WGN & WGN-TV). [For newspaper ownership of TV stations, see *TV Factbook No. 27*, pp. 381-383.]

Note: Blamed on business slump was 8.1% reduction in newspaper linage first quarter 1958 (8.7% in March) from same 1957 quarter, as reported this week by Media Records. All major classifications were down, biggest drop being 18.8% in automobile advertising, smallest 2.2% in financial group.

Health of TV, despite "anti-TV campaign" by some elements of the press, was theme of report by TvB pres. Norman E. Cash to board meeting in Lubbock, Tex. April 24. He noted: (1) Average evening network program reached 11% more homes in 1958 first quarter than in 1957, average daytime program 15% more. (2) Average 30-min. evening network program reached 93.4% of U. S. TV homes March 1, 1958 vs. 84.1% year ago. (3) Average evening hour show moved from 91.5% to 96% of TV homes. (4) Average viewing is at all-time peak, 6-11 hours daily. (5) Jan.-Feb. network billings are up 13.7% from year ago. (6) March spot sales were up about 6%. In contrast, Cash said, 79 monthly magazines were down 117,000 advertising lines in March vs. year ago, 25 weekly magazines down 147,000, bi-weeklies down 3000, business publications down 3641 pages. Newspapers' ads, he said, dropped 7.7% in Jan.-Feb. from same 1957 period.

Latest word on TV spot advertising expenditures in 1957 is released in TvB's annual report, out this week, including expanded list of top 100 spot advertisers (Vol. 14:11), listing of 1287 national & regional spot advertisers with estimated expenditures over $20,000, table of expenditures by product classification. New list of TvB members shows 211 stations, 3 networks, 15 reps.

COMMON STOCK QUOTATIONS

Week Ending Friday, April 25, 1958

Electronics TV-Radio-Appliances Amusements

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

NEW YORK STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
9¼	7	Admiral	8¾	+½
23	19⅜	AmBosch .30e	21¼	—⅝
17¾	13	AmBcstg-Par 1	17¾	+1
37⅞	32¼	AmMy&F 1.60	35¼	—¼
177⅝	167⅞	AT&T 9	177	—½
26½	22⅜	Ampbenol 1.20	25	+¼
29⅞	26	Arvin 2	26⅞	—⅛
7¼	5⅝	Avco .10e	6½	+⅜
23¾	20¼	BeckInst 1¼l	21⅞	+⅜
53	44⅝	BendixAv 2.40	47	—½
32¼	27⅝	Burroughs 1	29⅜	+1⅛
18⅜	15¾	Clevite ¼e	16¾	+½
29¾	24½	CBS "A" 1b	29⅛	—⅜
29½	24⅛	CBS "B" 1b	29⅛	+⅛
16¼	12½	Col Pict ⅜t	15⅛	+¼
35¼	27⅞	Cons Elec .40	32⅝	—⅝
26½	19½	Cons Electron	25	—¾
16½	12¾	Cor-Dub .20e	14⅛	+1
86¾	74⅝	CornGlass 1a	82⅞	+⅛
3⅝	3	Davega	3¼	+⅛
35	30	Daystrom 1.20	31¼	—½
16¼	13⅞	Decca 1	15⅜	+⅛
21½	14	Disney .40b	19¾	+⅜
107⅜	97⅛	EastKod 1.55e	107	+¾
35	29	EmerElec 1.60	35⅛	+⅞
6⅛	4⅛	EmersonRadio	6	+⅛
8½	7	Gabriel .60	8⅛	+⅛
65¾	55¼	Gen Dynam 2	56⅞	+¾
64¼	57	Gen Electric 2	59¾	+1⅝
7⅝	4⅝	Gen Inst. .15g	7¼	—¼
41	29½	GnPrEquip2.40	30¾	—2¾
30	22¼	Gen Tire .70b	23	—½
45¼	40⅜	Gen. Teleph. 2	45¾	+1½
26⅝	21	HoffmanElec 1	25¾	—½
351¾	300	IBM 2.60	352⅝	+4⅞
34¼	29¼	IT&T 1.80	34¼	+2⅛
41½	36⅛	I-T-ECirB .45e	37¼	—½
7⅞	6⅞	ListIndust ¼e	6⅞	—⅛
43⅞	36⅞	Litton Ind	40¼	+⅜
15½	12⅞	Loew's	14¾	+1½
37	30¼	Magnavox1½b	35¼	—¼
28¾	24⅝	Mallory 1.40b	24½	—⅜
88¾	76	Mpls.H'll 1.60a	82¾	—¼
42¼	36¼	Motorola 1½	36⅞	—⅛
9	7⅜	Nat'l Thea ½	8¼	+¼
38⅜	30⅝	Paramount 2	36½	+2⅜
17⅛	12⅜	Philco	14½	—¼
35	30¼	RCA 1a	32½	+¾
26¾	21½	Raytbeon 1¼t	26	—
7⅛	5	Republic Pic	5⅝	+⅝
34¾	29	SangElec 1.80	29	—3¼
16⅛	13¼	Siegler .80	13⅞	—⅛
3⅞	2¾	Sparton	3¾	—⅛
20⅝	17¼	SperryRan .80	17½	—⅛
8¼	6	Standard Coil	7⅜	—¼
18	14½	Stanley-War 1	17⅛	—
32	29	Stew Warn 2b	33⅛	+2¾
24½	20	StorBcstg 1.80	23	—⅛
37½	31½	Sylvania 2	35⅝	—⅞
35⅞	26¾	Texas Instru	35	—⅞
55¼	41⅜	ThomProd 1.40	44⅝	—1⅜
26⅞	23¼	Tung-Sol 1.40b	24¼	+⅛
27	21¾	20thC-Fox 1.60	26½	—½
22	15¼	UnitedArt 1.40	22	+2¼
22⅝	19	Univ. Pict 1a	22¾	+2¼
19½	16⅞	WarnBros 1.20	19⅛	+¼
65½	57¼	Westingh El 2	58⅝	—⅛
77	67½	Zenith new	77	+2¾

AMERICAN STOCK EXCHANGE

1958 High	1958 Low	Stock and Div.	Close	Wk. Chg
3⅜	3	Allied Artists	3	—
45	34½	Allied Con 1a	38½	—⅝
15⅛	12⅞	AmElectro ½	13⅞	+⅞
10⅛	8⅜	AssocArtProd	9¾	—⅛
11¾	7¼	AudioDev .05d	10¾	+1⅝
10⅛	7⅜	BelockInst ⅛t	9½	—¼
½	⅜	C & C TV	7/16	—
3¾	2⅞	Clarostat .15g	3¼	+¼
4⅝	3	DuMont Lab	4	+¼
4⅛	2⅞	Dynam Am	3¼	—⅛
13⅛	10	EletcronicCom	11½	—⅜
7⅞	6⅜	Electronics Cp	6⅝	—⅜
31⅝	19½	FairchCam½g	25¼	+⅞
24⅞	17¼	General Trans	22⅝	—1
17¼	14⅝	Globe Un .80	15⅜	—⅜
3⅜	2½	Guild Films	3	+⅜
37½	30½	Hazeltin 1.40b	34¾	+⅞
2⅞	2	Herold Ra .20	2⅛	—⅛
4⅝	3¾	Int Resist .20	4	—⅛
6¼	4¼	Lear	5¼	—⅛
⅝	⅜	Muntz TV	⅝	—
3½	2½	Muter Co. ¼t	3¾	+¼
7	5⅝	Nat'l Telefilm	8	+1
1¾	1	Nat Union El	1⅝	—⅛
6⅞	2¾	Norden-Ketay	2⅞	+⅛
3⅝	2⅞	Oxford El .10r	3⅛	—
16	11	Philips El	13⅜	+⅜
8⅝	6⅝	Servomech .40	8⅛	+⅜
6	3⅜	Skiatron	3⅞	—
4⅜	3½	Technicolor	4½	+⅛
4½	3½	Trans-Lux .20g	4	—
4⅞	4¼	Victoreen Inst	4¼	—

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked
Advance Ind	1¾	2⅛
Aerovox	4⅝	5
Airborne Inst	42½	44
Altec Co. .80	6¾	7½
AMP Inc .50	18¾	19¾
Ampex	58¾	62
Baird Atomic	7½	8½
Cinerama Inc.	1⅜	1⅝
Cinerama Prod.	1¾	2
Cohu Electronics	8⅛	8½
Collins "A" .35	11¾	13
Collins "B" .35	11⅝	12⅞
Cook Elec. .40d	18⅛	19½
Craig Systems	4⅜	5
DuMont Bcstg.	7⅞	8½
Eitel-McCullough (5% stk)	24	26
Elec Assoc (stk)	40	42
Erie Resistor .40b	6	7
Friden Ind. 1	53½	55
Giannini, G. M.	14½	15½
Granco Products .05	1⅛	1⅜
Gross Telecasting 1.60	18	19
Hewlett-Packard	24¼	25
High Voltage .10g	32	34
Hycon	4½	5½
Indiana Steel Prod. 1.20a	17¾	18
Jerrold	1⅞	2¼
Ling Industries	2½	2¾
Leeds & Northrup .60b	24½	26
Machlett Labs .25g	16¾	18
Magna Theatre	1⅞	2¼
Maxson (W. L.) .05	5	5½
Meredith Pub. 1.80a	29½	32
National Co. (4% stk.)	11½	12¾
Oak Mfg. 1.40	14	15
Official Films .10	1⅛	1⅜
OR Radio	18	19
Pacific Mercury TV	5¼	5¾
Packard-Bell .50	11¼	11¾
Panellit	5⅛	5⅝
Perkin-Elmer	23	25
Philips Lamp (14% of par)	36½	38
Reeves Soundcraft (stk.)	3	3¼
Sprague Electric 1.20	28½	30
Taylor Instrument 1.20	30	32
Tele-Broadcasters	2¾	3½
Telechrome .30	8¼	8¾
Telecomputing	4	4½
Teleprompter (stock)	6⅛	7
Time Inc. 3.75	60¼	63
Topp Industries (stock)	9⅛	9½
Tracerlab	6⅝	7⅝
Trav-Ler	1⅜	1⅝
United Artists	4¼	4¾
Varian Associates	16⅝	17
Webcor .15c	10⅛	10¼
Wells-Gardner	7⅛	8
WJR Goodwill Sta. .50d	13	13¾

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. * No trade

N. RY APR

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Special Supplement
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Hollywood: Save The Flowers

By ARTHUR MAYER

Author with Richard Griffith of recent book "The Movies" (Simon & Schuster, $15)

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AN APOCRYPHAL story is going the rounds about a potential patron who called a movie theatre to inquire what hour the next show started. "When can you make it?" asked the manager. With similar, less than subtle jocularity, the usually staid *Wall Street Journal* opens a lengthy analysis of the prevalent box office woes with this gloomy comparison: "In the Hollywood movie, the lovely lass is about to fall off a cliff when the hero arrives in the nick of time. The movie industry is . . . teetering on a cliff, with no certainty it will be saved." And with no pretense whatsoever of humor, or for that matter of accuracy, a recent CBS program on "Hollywood Around the World" announced: "Americans simply do not go to see movies—not even good ones."

On the contrary, "Around the World in Eighty Days" has in only 210 theatrical engagements already amassed box-office receipts of close to 32 million dollars. "The Ten Commandments" is well on its way to establishing an alltime record of over 65 million dollars in worldwide film rentals. Of the nine most popular pictures ever made, all except "Gone With the Wind" have been produced since 1952. Currently, several films such as "The Bridge on the River Kwai," "Peyton Place," "Sayonara," "Old Yeller," "Raintree County," "Don't Go Near the Water," and "A Farewell to Arms" are doing business that would have been regarded as sensational in the movies' most opulent days. Give the public what it wants—don't ask me what it is—and it will not only go to the movies, but it will do so in unprecedented numbers. The former habit of regular weekly attendance, however, has disappeared with this growing selectivity, which should not be confused with growing maturity.

APPROXIMATELY 75 million people went to American movie theatres weekly ten years ago. The commonly quoted figure of 90 million was a figment of a mad publicist's imagination, which by dint of repetition became accepted as a fact. Last year's attendance averaged 42,220,000 weekly. This constitutes a startling decline, even taking into consideration the increased admission prices, but nonetheless is more people than go to baseball games, listen to concerts, or own television sets.

Actually, a greater number of Americans are watching movies today than ever before in the fifty-three years that have elapsed since the first nickelodeon took in its first nickel. Unfortunately for the exhibitors and the producers, who still depend on theatre grosses for their groceries, not to mention their Mercedes', swimming pools, and other necessities of Hollywood life, the majority of film patrons are watching them while comfortably and inexpensively seated in their living rooms, rather than less comfortably and more expensively in theatre auditoriums. Sindlinger and Company, the leading authority on motion picture statistics, estimate that "the public is spending four times as many hours looking at old movies on television as it is in attending new ones in theatres."

CONFRONTED by such pessimistic tidings from so reliable a source, it is scarcely surprising that a large percentage of the public is under the impression that Video is about to liquidate the motion picture theatre and, possibly, the entire motion-picture industry. Personally, I do not think anything of this nature is going to happen. The next three years may well require that stiff Anglo-Saxon upper lip, to which the movies have so often paid tribute and so rarely displayed. Out of the ordeal, however, of fire and firing, the closing of theatres no longer necessary and of distribution offices (referred to in the industry as exchanges) that never were necessary; out of mergers, liquidations, and studios reduced in size and number, there will emerge a possibly less profitable, but surely healthier, saner, better organized film business than we have ever previously known.

Thanks to a survey prepared by the Opinion Research Corporation for the Motion Picture Association of America on the size and character of the movie audience, a prophet can rely less on intuition and more on information on this matter. The motion-picture audience is overwhelmingly a youthful one. Seventy-two per cent of the admissions during the survey week were people under thirty years of age; 52 per cent were under twenty. Frequent movie-going is concentrated in a comparatively minute segment of the population. Those who attend theatres once a week, or oftener, constitute only 15 per cent of the public. Possibly the most serious problem today confronting picture-makers is whether they will follow the course of least resistance, and seek primarily to retain and increase their hold on this small and largely immature group; or whether they will seek to broaden their appeal to a larger and more demanding segment of the public. In other words, will we have more pictures like "Baby Face Nelson" and "Jailhouse Rock" or like "Twelve Angry Men" and "Time Limit"?

In deciding whether to go to the movies, people are more influenced by the story than by the cast. Forty-five per cent ask: "What is the picture about?"; 18 per cent, "Who is in it?" and 20 per cent regard these two elements as equally important. Preferences for single and double features are evenly divided: 50 per cent of the public want one feature with short subjects; 49 per cent want two regular length features. Fifty-four per cent of the public report that their attendance at movies has declined in recent years; 34 per cent go about as often as formerly, and only 8 per cent attend more frequently. Of the 54 per cent who go less frequently, 22 per cent ascribe this to television; only 4 per cent complained of the cost, and only 3 per cent complained that "movies are not as good as they used to be."

Ten years ago, when the first faint rumbles of television began to disturb the air waves of the nation, movie magnates and minions alike pontificated that the American folk were gregarious by nature. They would never, never stay home for their entertainment. Ma wanted to get out of the house, to see and be seen. Pa needed company to really enjoy a belly laugh. Junior wished to hold hands with his girl friend in a darkened balcony, surrounded by his fellows, and not by an unsympathetic older generation. This lack of faith in the omnipotence of Home was as inaccurate as it was unpatriotic. In a comparatively brief period of time, 41,500,000 TV sets have been installed, and the housetops of the land disfigured with antennae, symbolic of the dawn of a new day—or at least of a new night. One television producer alone—Desilu—partially owned by Lucille Ball, purchased the two RKO studios, where once she had worked, and in 1957 produced more film footage than all of the five major motion-picture companies combined. Revue, an MCA subsidiary, has an annual production budget of $70,000,000. Republic Studio is now a hive of Video activity, turning out television subjects in greater quantity, and not much worse quality, than the fifty-two it formerly produced annually for theatrical showing.

It would be oversimplification to hold television wholly responsible for the decline in theatre attendance. The Opinion Research Survey, conducted during the summer of 1957, ascribes to TV a decrease of approximately 20 million theatre patrons weekly. What has happened to the other 30 million, who might be expected with an increased population and unprecedented national prosperity to be going to the movies? Parking fees, baby-sitters, obsolescent theatres are undoubtedly partially responsible for this lost audience. In addition, the current do-it-yourself movement—whether it consists of sailing a boat, building a hi-fi set, or painting a house—is undoubtedly a healthy social manifestation, but a very unhealthy one for motion-picture exhibitors.

But what really rocked, if it did not wreck the industry was the decisive victory of the Government in its anti-trust suit against the major companies. Movie-makers and exhibitors might have adjusted themselves to the consent decrees imposed by a triumphant Department of Justice on the prostrate tycoons, but not at the same time as they were meeting the first brunt of the Video onslaught. These twin disasters reacted upon each other in a manner reminiscent of the remark of the old lady who said: "It's too bad the 1929 Depression and unemployment both had to take place simultaneously."

UNDER the terms of the decrees, the major companies were compelled to divest themselves of their theatre holdings just when the theatres, big and small, circuit and independent, most urgently required their support. No longer were the producers under any economic obligation (and few producers worry unduly about moral obligations any more than exhibitors would have worried had the situation been reversed) to protect the customers with whom they had done business for fifty years; nor were they under pressure because of their investment in a limited number of theatres to furnish a continuous flow of product to all theatres. As a consequence, the number of pictures released by the major companies collapsed from 654 in 1951 to 378 in 1957, an inadequate supply of film to maintain competitive houses with two or three changes of program weekly.

Simultaneously, the decrees abolished block booking, long a bugaboo of blockheaded reformers who were under the impression that, once pictures ceased to be sold in groups, the tawdry and trashy ones would automatically be eliminated. Nothing of the sort happened, as the titles of a few of the more successful Bs released in 1957 indicate: "Love Slaves of the Amazon," "I Was a Teenage Werewolf," "Nude Invaders," "The Viking Woman vs. The Sea Serpent," "Attack of the Crab Monsters," "The Curse of Frankenstein."

Once block booking was eliminated, the emphasis turned to a different kind of block—the blockbusters. The industry concentrated its attention not on the intensely risky, but essential task of developing new writers, directors, and stars, but on buying successful books and plays, and reinforcing their box office appeal with celebrated names, regardless of the ravages of time and temperament. Inevitably, the price of stories, dramas, and top performers vaulted to Sputnik heights. This created the anomalous situation of a business whose production costs were increasing 50 per cent, while its receipts were declining close to the same degree.

UNDER our existing tax laws, however, the added remuneration paid to members of the talent guilds did not linger long in their bank accounts. They scarcely needed their agents or analysts to suggest that the loophole of capital gains made it expedient for them to cease to be wage slaves and to become entrepreneurs. As a consequence, in 1957 only 116 pictures were made by the major studios, as compared with 260 independently produced. Bing Crosby, Burt Lancaster, John Wayne, Gregory Peck are today not so much glamorous personalities as incorporated institutions. One of them—Frank Sinatra—reputedly croons an annual $4,000,000 lullaby from his various entertainment enterprises.

Based on the great tradition of the pioneer independents—Goldwyn, Selznick, and Disney—a great deal of wishful thinking has been written about the advantages of independent production: its artistic freedom; its maturity; its courage to film controversial and experimental subjects. One might ask: What independents have had the hardihood to make films like Twentieth Century's "Grapes of Wrath," Warner's "Life of Emile Zola," Metro's "Fury," Paramount's "Lost Weekend," or Columbia's "From Here to Eternity"?

Actually, the present crop of independents, with few exceptions, have never cut the umbilical cord that binds them to the major companies. They are dependent upon their former employers for financing and distribution. Before a camera can roll, their stories, casts, directors, and budgets must be approved by studio or home-office executives—frequently the same men who for many years have been making similar decisions, some right, some wrong, as to how to invest their companies' money.

Moreover, from an industry point of view, independent production has one insuperable handicap. With a few exceptions like Hecht-Hill-Lancaster, who have grown to something approaching major company proportions, with plans for spending $25,000,000 on their productions in 1958, independents cannot indulge in long-range planning. An immediate profit, rather than future welfare, is imperative for their continued existence. The type of starbuilding which marked Metro and Paramount in their halcyon days, with scouts scouring the countryside for promising youngsters, followed by years of careful training, casting, suitable story selection, and continuous rather than intermittent publicity, has almost disappeared from the West Coast. The number of glamorous new film luminaries uncovered since the rise of the independent system is comparatively small, and partially responsible for the industry's present travail.

The younger generation is justifiably an angry one when elderly (at least, in their eyes) gentlemen, such as Gary Cooper or Clark Gable, are cast in the roles of irresistible young lovers. Among last year's most resounding flops were costly, promising productions such as: "Spirit of St. Louis," with Jimmy Stewart; "Love in the Afternoon," with Gary Cooper and Audrey Hepburn; "The Pride and the Passion," with Cary Grant, Frank Sinatra, and Sophia Loren; "Designing Woman," with Gregory Peck and Lauren Bacall; "Desk Set," with Spencer Tracy and Katharine Hepburn. On the other hand, popular young men of limited talents, fresh from radio and television, like Elvis Presley and Pat Boone, scored striking successes in insignificant minor pictures.

With mounting expenses and declining receipts, the bankers who now dictate the fiscal (and some of the production) policies of the leading companies were faced with the alternatives of cutting or entirely eliminating dividends, or selling or renting their old negatives to TV. With little hesitation, they proceeded to cut the throats of their ancient customers, not to mention their own, by disposing of over 8,000 features of pre-1948 vintage. These are now being given away nightly in a bowdlerized form, cut to conform to the time limitations of Video, and interspersed at regular intervals with the advertising spiels of their sponsors. For those of us who happen to be deeply attached to the cinematic masterpieces of the past, what has occurred is equivalent to slashing the Mona Lisa, while announcing that her enigmatic smile is due to her failure to use the correct dentifrice.

The blighting effect on the theatres of the TV showing of old movies became immediately apparent when, in the second half ot 1957, the treasures of the past were first released on the air. Movie attendance, which had been creeping upward approximately 5 per cent from the previous year, plummeted close to 18 per cent. "If," predicts Sindlinger, "the national level of theatre receipts for the next nine months follows the trend of the past six months, it would mean that the theatres will have a $200 million annual loss in net gross, and production will have an annual loss of $73 million in film rental."

The situation, however, is even more precarious than these figures indicate. At least 2,500 negatives made since 1948 still remain unsold. Reassuring statements from the presidents of the major film companies denying that they have any present intent of disposing of these properties are accepted in the industry with the mingled satisfaction and skepticism that customarily greets the official utterances of business and political potentates. Tom Pryor, *The New York Times*'s West Coast correspondent, reports that "No one seriously believes the post-1948 pictures will not ultimately be playing the living-room circuit." Joe Hyams, the *New York Herald-Tribune*'s more trustful representative, headlines his front-page story "Hollywood Won't Sell Post-48 Films to TV." You pay your five cents to your newsdealer and you take your choice.

If the Marines land in time, they will consist of actors, authors, and directors who have reserved the rights to strike if they are not consulted before these additional negatives are sold down the TV river. The screen directors are demanding 25 per cent of their original salaries on any future sales, and their fellow-artists are not going to be bashful in presenting their claims. In other words, the cut may not be large enough to satisfy anybody, and the salvation of the industry may rest upon its cupidity rather than its sagacity. On the basis of forty years of business experience, I would not be inclined to sell cupidity short.

Over the heads of the embattled exhibitors hangs another Damoclean sword—toll-TV. This is an ingenious, electronic device by which pictures can be sent over the air-waves in a distorted form, and only made intelligible by the use of a home decoder. Much as I should like to join in the current Donnybrook Fair concerning the questionable advantages and the unquestionable dangers of pay-TV, this is a piece in which I should hold my peace. Suffice it to say that its adversaries are apparently so convinced that the public will rush to pay for what it now receives gratis that they are moving Heaven and earth (as represented in Congress) to prevent the tests authorized by the FCC. Its proponents, on the other hand, are so dubious of its merits, outside of a substantial financial return to themselves, that they pretend it will ban commercial advertising and raise the cultural level of TV programming, both highly desirable objectives which there is not the slightest evidence that toll-TV could or cares to achieve.

The early advent of toll-TV, however, does not appear imminent. As Jack Gould of *The New York Times* points out: "There are enough problems, social, legal, technical, and economic, to keep the idea tied up for years."

To avoid these interminable delays, it has been proposed that films be carried by cable from a central location onto the home screen. This would require no approval from anyone, except the local authorities, and would have the substantial advantage over air transmission that it would not, even temporarily, pre-empt existing channels. An experiment in the use of wired TV has been conducted since last September in Bartlesville, Oklahoma. According to Senator William Langer of North Dakota, a staunch opponent of pay-TV in any form, a postal card survey conducted by him indicates a majority of ten to one in Bartlesville against the project.

The plight of the movie theatres, even if they escape the Scylla of post-1948 films on TV and the Charybdis of toll-TV, does not greatly concern the picture-going public, except as it affects the nature of future films and the conditions under which they will be displayed. The industry has discovered that, with the exception of gimmick films, fashioned for undemanding addicts of rock 'n' roll, science fiction, or horror, it can only successfully compete with TV through the magnitude of its screens, the costliness and care of its productions, and its unrivalled capacity to reproduce the supreme achievements of God and man.

The incredible success of pictures such as "The Ten Commandments," which cost $13,000,000 to produce, and "Around the World in Eighty Days" is stimulating the production of more such pictures, far beyond the financial or physical potentialities of television. A hard-pressed M-G-M management, for example, is planning to gamble what remains of its once heavy bankroll on "Ben Hur." These super blockbusters, including "The Bridge on the River Kwai," are shown at high admission prices, with reserved seats, and only one or two shows a day.

Less colossal colossals, such for instance as "Farewell to Arms" or "Raintree County," are now charging admission prices ranging up to $2.50.

They retain the ancient industry device of continuous showing, while discarding the equally hallowed tradition of exclusive first-runs in the big downtown theatres. These obsolete de luxe palaces were carefully located by myopic men—myself included—where the traffic was thickest thirty years ago. Now, paralyzed by the growth of that traffic to unanticipated proportions, they have become white elephants.

As a consequence, picture distributors are beginning to ponder the example set by the department stores and discount houses in their invasion of the suburbs. In the New York area, for instance, important films of the future will, I am convinced, hold their premieres simultaneously in key theatres in all of the five boroughs, as well as in Newark, Westchester, and Long Island; and the same procedure will be followed in metropolitan centers all over the country.

In smaller communities first runs are already being played "day-and-date" between the old four-walled theatre on Main Street and the new outlying "drive-ins." Of these there are now 4,397 in the United States and the number continues to increase. They are no longer what *Variety* once called "passion pits with pix" but highly respectable family institutions doing a rushing business in hot dogs, pop, and pizza-pie. According to the Opinion Research Survey, 72 per cent of the public have been to a drive-in, 32 per cent of them prefer a "hard-top" theatre, 30 per cent the drive-in, and 10 per cent have no preference.

The pattern of saturation first-run showings will not apply to the pictures produced on specialized wide screen processes, such as Todd-AO and Cinerama. The number of such semi-third-dimensional films will mount, and they will be shown in an increasing number of theatres, equipped exclusively for their proper projection, as well as for stereophonic sound, now sadly neglected in most theatres and unavailable on the home TV set. Todd-AO has "South Pacific" ready for release, and is negotiating with Sam Goldwyn for his forthcoming production of "Porgy and Bess." Cinerama will reluctantly discard its hitherto successful policy of gigantic travelogues and move into the field of fiction films. And there are other exciting new processes, like Cinemiracle, shortly to be unveiled.

Another form of specialized theatre which continues to flourish in the face of declining business is the so-called art house. Once disparagingly referred to as "sure-seaters," they now have long waiting queues when they play such less than artistic offerings as "And God Created Woman" (unless Brigitte Bardot is regarded as a work of art). Even, however, when they confine themselves to less aphrodisiac fare, with distinguished importations like "La Strada" or "Gervaise," they appeal to substantial audiences. Occasionally, American pictures such as "Lili" or "Lust for Life" are booked into these theatres and demonstrate that Hollywood, when it cares to do so, can hold its own with France, Italy, or Japan on their own grounds. Unfortunately, there are no indications on the horizon of many pictures of this nature. United Artists, which financed and distributed the two best low-budget films of recent years, "Marty" and "Twelve Angry Men," evidences little interest at present in similar projects. There's more gold in them thar blockbuster hills!

In 1930 there were 23,000 theatres in the United States. Today there remain 17,809, including the drive-ins, of which 6,000 are reportedly losing money. Unless conditions improve substantially, few of these marginal houses can hope to survive. If business grows worse, the fatalities will extend into a second group of approximately 8,000 theatres, which are now making a limited return on their investment. Some may regard these closings unconcernedly as the inexorable working of economic laws. To those of us, however, who are acquainted with the old showmen who have invested their lifetime savings and their years of experience in brick and mortar, each such situation represents a heartbreaking personal tragedy.

Regardless of the number of theatre closings, it is evident that existing conditions no longer warrant (if they ever did) the nationwide system of thirty-two exchanges maintained by each of the remaining seven major companies. Already, sales offices in some cities are being abandoned, and in others, consolidated shipping and receiving offices are being established.

Even more urgent than the curtailment in distribution facilities is the streamlining that will have to be effected in production. The days of the huge studios covering hundreds of acres, with thousands of high-salaried employees, are numbered. It costs Twentieth Century-Fox, for example, approximately $1,000 a day just to operate the cars and trucks which transport people and properties around the lot. One hundred and seventy-six acres of the studios are about to be set aside to be converted into a dream city, with a modern business center, skyscrapers, apartment houses, and a 4,000 seat auditorium. The company will still not be hard-up for space; it has a 2,300-acre ranch in Malibu. Universal is considering, it is said, a $35,000,000 offer to sell Universal City for a housing development. Rumors are in circulation of a possible consolidation of the Metro and Warner lots, and the subsequent disposal of their surplus properties. Even if this deal is not consummated, some similar combinations are inevitable.

The pretentious film factories of the fat 1940s are no longer suitable for the needs of the slim 1950s. Only half as many pictures are being produced as formerly, and of these a substantial percentage are being made abroad. Already fifty-two pictures are scheduled for foreign production in 1958, and there will be more. The sun never sets on American cameras, frequently handled by an Englishman, with a Hungarian producer, a German director, a French author, and a cast consisting of a dozen different nationalities. Foreign productions were originally designed to convert blocked funds, representing the earnings of American pictures abroad, into good American dollars. They met with unanticipated success. Audiences enjoyed their authenticity and their exotic backgrounds, actors liked to travel, producers valued their lower labor costs. Aside from these considerations, foreign film production is bound to remain an important element in an industry which today realizes some 50 per cent of its income outside of the domestic market.

It is possible that even the economies outlined will still not be adequate to salvage some of the more vulnerable producers. At Loew's, long the top dog, or rather lion, of the industry, a desperate race is being run by its energetic new president to revitalize his disorganized empire before the bankers insist on liquidation, new management, or a merger—maybe with the rejuvenated United Artists which, unhampered by a studio or heavy contractual obligations, is running rings around its less agile rivals. Other mergers are also under consideration. By 1962 there will not only be fewer studios, fewer exchanges, and fewer theatres, but also fewer major picture-making companies. There will also be fewer pictures. Some of them, as in the past, will be good, some will be bad. The percentage of good to bad should serve as a reasonably clear reflection of the conflicting forces in American life.