

# Television-Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: NO. 23

## SUMMARY-INDEX OF THE WEEK'S NEWS—June 4, 1955

EVE OF FEE-TV SHOWDOWN brings scathing attack by RCA-NBC Chairman Sarnoff who says toll TV would "degrade and ultimately destroy free TV" (pp. 1 & 5).

FIRST-RUN MOVIE on network TV in color next fall is symptomatic of Hollywood-TV interdependence, may lead to more "TV premieres" of major films (p. 1).

IDEAS FOR ADDING VHF channels analyzed by FCC staff expert; problems of conversion and costs of moving govt. services inherent in all (p. 2).

RELEASE OF VHF EDUCATIONAL channel proposed by FCC in Des Moines, first such move to date; proposed decisions for Ch. 3, Hartford & Ch. 6, Milwaukee (p. 4).

TWO NEW STATIONS—one in non-TV area, other a Spanish-language uhf—go on air as uhf outlets sign off in Atlanta & Macon, Ga. and Jackson, Miss. (p. 6).

NEW PRODUCTION TECHNOLOGY built into "1956" TVs; first "Tinkertoy" set due soon, following Admiral's 80% printed-circuit chassis (p. 9).

23 ELECTRONICS FIRMS on post-Korea list of top 100 military contractors; procurement cancellations & cutbacks, emphasis on aircraft shown on new list (p. 12).

COMMUNITY ANTENNA business continues remarkably vital, serving 1,000,000 people; association holding N. Y. convention June 6-8 (p. 8).

REPEAT PERFORMANCES of hit live programs draw more support—from CBS-TV pres. Jack Van Volkenburg and veteran producer Worthington Miner (p. 14).

NETWORK TV BILLINGS slip slightly in April but are well ahead of April 1954; PIB figures show first 4 months' TV billings more than 30% ahead of 1954 (p. 14).

**BIG GUNS POISED IN PAY-AS-YOU-LOOK BATTLE:** The big showdown on subscription TV begins next week with filing of official comments at FCC by June 9 deadline. All the big industry entities are expected to file -- the 4 networks, 3 pay-TV proponents (Paramount, Skiatron, Zenith), Joint Committee on Toll TV, NARTB, etc.

Next official step will be filing of "reply comments" July 11 -- or later if postponement is requested and granted. After that, it's pure guesswork as to how FCC procedures will run. If Commission is anxious for quick decision, windup could come before year's end. More likely, however, FCC will be quite deliberate, running proceedings well into next year -- if not longer.

Some parties will wait until June 9 deadline to file, but one of those filing early is NBC. Chairman Sarnoff devotes blistering 28-page attack to point-by-point refutation of proponents' arguments, keyed to theme that "pay-TV would degrade and ultimately destroy the present system of free TV." He concludes:

"Our American principle of Freedom to Listen and Freedom to Look is chiefly responsible for the growth of the most dynamic industry in the world today. It has made the American people the best informed in the world and it has done so without discriminating between the poor and the rich.

"It would be tragic for this Commission to authorize pay-TV to cripple this great democratic medium for the free dissemination of ideas, education and entertainment to all the people of America. My earnest plea to the FCC is: Keep American Radio and Television Broadcasting Free to the Public." (For details of Gen. Sarnoff's comments and other subscription TV developments, see p. 5.)

**FIRST-RUN RELEASE TO TV-IN COLOR:** There's more significance than at first apparent in NBC-TV's announcement that it has bought (for reported \$250,000) first-run rights to a full-length British feature film which it will telecast -- in color -- as first filmed spectacular in its "Color Spread" series starting Sept. 11, 7:30-9 p.m.

Recently released in English theatres, where it got very good reviews, the Alexander Korda comedy "The Constant Husband", starring Rex Harrison, will debut in U.S. as a one-shot before a U.S. audience that has come to like many of the British oldies and not-so-oldies that have crowded its TV screens in recent years.

Built up as an American premiere, offered in prime Sun. night time, assured

a home audience running into millions, will the TV showing kill off the picture's U.S. theatre boxoffice? If it clicks with the TV public, and profits the producer, can more of the same be far behind -- domestic as well as foreign, black-&-white as well as color? Also...

What need for subscription TV if good new or recent films find their way to TV naturally? And what price films still held in the major U.S. producers' vaults if TV should prove, as it is doing in the case of Davy Crockett, that it can introduce and share the showing of new shows without killing off boxoffice?

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It happened slowly -- and with some elements of the movie industry protesting all the way, just as did the newspapers against early radio -- but it's obvious now that the movie producing and TV arts and industries have become mutually interdependent. It would be difficult now for either to do without the other.

Only sour note in the relationship is the continued opposition of most movie exhibitors who, while they probably would be better off if TV had never been invented, are still refusing to recognize that it has been invented and accepted and are closing their eyes to best promotional medium available to them.

Their eyes are being opened -- but slowly. Walt Disney's delightful "hour-long commercials" for his theatrical products have packed movie houses for his new and old pictures. Enlightened exhibitors are said to be fighting for rights to show "Davy Crockett", produced originally for TV and shown twice on "Disneyland" before it ever appeared in a movie theatre -- and it's not even in Cinemascope!

The Korda film to be shown as an NBC color spectacular will net its producer from TV an estimated 25% of its production cost, leading Korda's U.S. representative Morris Helprin, pres. of London Films, to remark: "We believe that eventually the whole pattern of motion picture distribution may be reversed. 'The Constant Husband' will be the most talked-about movie in the country, just because of the exploitation it will get from TV. We feel there are other picture producers who want to do something like this -- but they're a little timid about it."

Just as it took Walt Disney to wake up the majors to the promotional and financial values of putting on their own network TV shows, it may well be that a British producer will show that a pre-theatre TV showing of a good picture can even enhance its boxoffice.

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Hollywood's new TV-made prosperity is another facet of movie-TV interdependence. Not even in the heyday of the silver screen have so many film actors, directors, producers & writers been working and eating. But instead of a handful of production and distribution firms, there are now about 1000 that make films of one sort or other, nearly every one producing for TV. Judy Dupuy's "Who's Who" directory lists 961 firms, 122 of them regarded important.

Consider also these statistics from the first major movie producer to enter TV film making: Columbia Pictures' Screen Gems will turn out 286 half-hour films for next season, or about half the number of feature-length theatrical pictures due to be made by all the Hollywood studios combined. Screen Gems recently had 42 writers working, while the 9 major Hollywood studios together had 166. In Hollywood alone, TV film slated to be produced for next season will total some 900 hours.

**ENIGMAS OF THE TV ALLOCATIONS PLAN:** Allocations picture is one of most perplexing ever to face FCC. On one hand, there's the demand that uhf areas be kept pure uhf by eliminating vhf assignments. That's the deintermixture principle. On the other hand, there's demand that more vhf channels be assigned -- "enough for everyone" -- to be accomplished through many suggested plans.

Among the FCC members, there are as many opinions as there are commissioners, and it's impossible to predict ultimate vote on any new plan -- though odds always favor a decision to leave things essentially as they are.

FCC staff has racked its brains over problem for a long time, and its recommendations usually carry much weight with commissioners. Here's how a veteran staff member, expert in such matters, summarizes situation as of now; because of his position and because the subject is so controversial, his identity is withheld:

"It's not the public that's complaining. The Commission knew what it was doing when it adopted as first priority the concept of giving everyone at least one TV signal. Scarcely anyone cannot now get a picture. The Commission has really done a good job for the public and doesn't get enough credit for it.

"There are vhf stations as well as uhfs in financial trouble, and you wonder whether the economics of TV will support many more stations as of today. However, there are various plans for getting more vhf channels where demand for them is the greatest. How feasible are these plans?

"There are predictions that present vhf channels will be 'broken down' -- new stations squeezed in by directional antennas and small-coverage assignments -- all at the expense of today's vhfs. I think you'll have a 'clear channel' situation. If the few dozen AM clear channel stations have been able to resist encroachments for 30 years, don't you think 300-400 vhfs would be able to do at least as well?

"Then there is Comr. Lee's idea. He suggests that the spectrum be reallocated to give TV 47 vhf channels in the 60-342 mc band, dropping uhf. This may sound good to a group of broadcasters looking for vhf channels. But would it solve their problems any more than uhf would? Let's see.

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"Uhf's problem is not propagation; it's circulation, conversions. Lee's plan would still require conversions. Then, the plan would move many govt. services up higher in the spectrum. A 3-kc voice channel is very inefficiently used at, say, 1000 mc -- perhaps 1% efficient. On the other hand, TV is 75% efficient wherever it's used. On top of that, the Govt. has millions invested in its present facilities -- aircraft navigation equipment. Would the John Tabers of Congress appropriate the money to move these services, essential to safety of life and property, just to take care of an 'entertainment' service?

"If the Commission really wants to authorize a lot of vhf stations, it could conceivably do it by appropriating the 88-108 mc FM band and cut it into 2 or 3 TV channels. This is the 6A-6B-6C idea. What it could do is to cut the channel separations of the new channels way down, protecting the present Ch. 6 (82-88 mc), but giving the new channels really postage-stamp coverage.

"You could get an awful lot of them that way -- probably hundreds. They'd have a coverage radius of 5-10 mi., compared with 60 mi. or more for present vhf channels. They'd be comparable with 250-watt AMs, many of which do very well, even in big cities. There would still be a conversion problem, but the operators would be able to tell Madison Avenue that they have vhf stations. Perhaps these new channels could be used to deintermix, to give each uhf a vhf channel, but it couldn't take care of all uhf stations; they're too concentrated in some places.

"What would happen to FM? The proponents of the plan think they could squeeze most existing FMs into the 8 mc left if 2 TV channels are carved out, but they agree that little could be done with the 2 mc left if 3 TV channels are created. I'm dubious whether even 8 mc could take care of all the FM stations."

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Note: "Re-evaluation of the allocation plan" by committee of engineers may be next big project in Senate Commerce Committee's TV investigation. Chief counsel Sidney Davis has been discussing such a proposal with industry representatives, with idea of forming ad hoc committee of "the best engineering talent" to study engineering aspects of channel allocations, perhaps come up with alternative plans. Queried about project, Chairman Magnuson (D-Wash.) said no members have been picked for the committee, and, in fact "nothing has been started yet."

More than 50% of business films are made with eye toward eventual TV distribution—in contrast to situation just year ago when only 10% of business film sponsors were thinking in terms of TV showings. This is one of hitherto unrevealed facts brought to light in survey of 157 business films by Association of National Advertisers, published as *The Dollars & Sense of Business Films* (ANA, 285 Madison Ave., N.Y., 128-pp., \$5). Though study is devoted mainly to economics of commercial films, these TV

facts are brought out: Excluding TV showings, business films draw from 40,000 to 21,850,000 each, with median of 1,269,000 spectators. Nine films in survey shown on TV reached 1,095,000 to 10,975,000 persons each, with median of 3,465,000—though the film with largest total audience has never been used on TV. Figures show average business film costs 4.6¢ per spectator—but when 9 films were given additional distribution on TV, cost per spectator was reduced to 1.6¢.

**Personal Notes:** Harry Ackerman relinquishes post as CBS-TV program v.p., Hollywood, to become exec. director of new CBS-TV special projects div., operating out of N. Y. & Hollywood, in charge of developing & administering new programs, sharing ownership of some; Alfred J. Scalpone resigns as McCann-Erickson TV-radio v.p. to succeed Ackerman as CBS-TV Hollywood program v.p., effective July 1 . . . Edward H. Benedict, ex-Ziv, named national sales mgr. of Triangle Publications' WFIL-TV & WFIL, Philadelphia, and WNBF-TV & WNBF, Binghamton; A. G. Hubbell succeeds S. N. Heslop as WNBF-TV sales mgr. . . . John T. Murphy, Crosley v.p., named midwest membership committee chairman, Television Bureau of Advertising . . . Stanley Neustadt, ex-FCC litigation div., joins Cohn & Marks law firm . . . Joe Bernard, gen. mgr., elected v.p. of WGR Inc., Buffalo (WGR-TV), Karl Hoffman engineering v.p.; George F. Goodyear is chairman-pres. . . . James C. Hirsch, ex-sales mgr., WRC, Washington, joins Petry in N. Y. as radio sales promotion mgr. under new exec. v.p. Tom Knodle . . . George Swearingen Jr., ex-Weed, named mgr. of CBS Radio Spot Sales, Atlanta, succeeding David Kittrell, resigned . . . Richard Dorso, founder & exec. v.p. of United Television Programs, joins Ziv TV Programs Inc., heading up development of new programs & packages . . . John T. Parsons resigns as mgr. of WMGT, Adams-Pittsfield, Mass., to become mgr. of WHYN-TV, Holyoke, Mass.; he's succeeded by Wm. P. Geary, WMGT commercial mgr. . . . Dwight Hinshaw, ex-KCKT, Great Bend, Kan., named regional sales mgr., KEDD, Wichita . . . Charles Mercer, AP feature writer, succeeds Wayne Oliver as TV-radio editor, latter joining *Television Magazine* Aug. 1 . . . Richard W. Bowman, ex-Foote, Cone & Belding, joins Wm. H. Weintraub & Co. as TV-radio copy supervisor . . . John C. Spearman, of Spearman & Roberson law firm, suffered heart attack, is confined in Doctors Hospital, Washington.

**FCC Comr.** Rosel H. Hyde, who left for Hawaii on Commission business May 28, speaks at BMI clinics in Twin Falls, Ida. & Salt Lake City June 13 & 15 before returning to Washington June 18. Comr. John C. Doerfer speaks at National Community TV Assn. convention in New York's Park Sheraton Hotel June 8, at D. C.-Md.-Va. Bestrs. Assn. meeting at Ocean City, Md. June 17.

John F. Patt, pres. of WJR, Detroit and upcoming WJRT, Flint (Ch. 12), who was stricken with coronary occlusion while attending NARTB convention in Washington last week, is reported recovering slowly, will continue to be confined in Georgetown Hospital for at least a few more weeks. He was taken out of oxygen tent this week, can receive no visitors other than Mrs. Patt.

Morris Novik, TV-radio consultant for various labor & educational organizations, has purchased Richard E. O'Dea's interest in WOV, N. Y. Mr. O'Dea is retiring.

**Frank H. McIntosh & Assoc.** Consulting Radio Engineers is new name of Washington firm, following being named associates: Robert E. Baluta, James R. Croy, Elizabeth L. Dahlberg.

George Heller, 49, national exec. secy. of AFTRA, who negotiated first union contracts for TV-radio actors, died May 29 in N. Y. after 7-week illness. He had been ballet dancer, actor, composer & producer, was instrumental in founding AFRA and later the TV Authority, of which he became exec. secy. in 1949, retaining same position in AFTRA when the 2 unions merged in 1952.

Benjamin J. Atlas, 48, Washington correspondent of *Billboard* and *Tide*, onetime reporter on *Syracuse Herald-Journal* and other upstate N. Y. newspapers, died June 1. Surviving are his widow, son and daughter.

**SANCTITY** of the educational channels was breached this week—but ever so slightly—when FCC for first time started proposed rule-making to explore possibility of opening one to commercial use. On petition of red-inked KGTV, Des Moines (Ch. 17), it proposed to open Ch. 11 to commercial applicants.

Everyone at FCC cautions that move shouldn't be interpreted as "beginning of the end" of unused educational vhf channels; that each case is being considered individually; that Commission had in mind Congressional criticism that it has too often dismissed petitions "summarily"; that only last week it shifted Ch. 13 in Monroe, La. from commercial to educational use, etc. Nonetheless, move is regarded as a "first"—with potentials.

There were no CPs, but 2 initial decisions were issued—one of them in the tough Hartford Ch. 3 case, wherein examiner Fanney N. Litvin recommended grant to Travelers Insurance's WTIC (Fritz Morency) over group sparked by Harry Butcher, Hartford Telecasting Co. She said pioneer WTIC's excellent broadcasting record and superior proposed programming overbalanced fact that grant to Butcher's group would promote greater diversification of mass media ownership. She rejected Hartford Telecasting's contention that Travelers Insurance is the "dominating" economic power in area.

Other initial decision was pro forma action looking toward Ch. 6 grant in Milwaukee suburb Whitefish Bay to Independent TV Inc. after dropout of WMIL (Vol. 11:17). Pres. of Independent is Jack Kahn, yarn & hosiery mfr.

Way was finally cleared for Ch. 11 CP in Pittsburgh this week when competitors WWSW and WJAS got together on 50-50 merger. Each is putting up half the capital, and WJAS will be sold. Each will have 3 members on board, with 7th member to be mutually acceptable. Officers will also be balanced 50-50.

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Long squabble in Houston-Galveston reached initial decision stage when examiner John B. Poindexter rejected all arguments of KTRK-TV, Houston, that KGUL-TV, Galveston, was really becoming a Houston station and ignoring Galveston—in violation of allocation plan and FCC rules—by getting transmitter site 27 mi. from Galveston and 24 mi. from Houston.

First TV hearing outside Washington since freeze will be held in Biloxi, Miss. Though examiner issued initial decision favoring WVMI over WLOX for Ch. 13, FCC ordered further hearing into cross-charges by both parties that principals of each violated liquor laws in their hotel operations and other character qualifications need looking into.

In allocations, Commission received petition from WDMJ, Marquette, Mich. that Ch. 5 be substituted for Ch. 13 in Calumet, shifting Ch. 13 to Marquette. Also filed was petition of KSVP, Artesia, N. M. to shift Ch. 10 from Roswell to Artesia.

To build up data on TV propagation, Commission has set up a "central reference file" and is soliciting field strength coverage surveys. File will be split—one section for public inspection, other confidential for FCC staff, latter to prevent stations from using data to competitive advantage.

FCC's proposed investigation of networks won approval of Senate Appropriations Committee June 3. It okayed House-passed appropriation of \$6,870,000 for fiscal 1956, including \$80,000 for getting the network study started and \$90,000 for processing application backlog (Vol. 11:14,22).

OBVIOUSLY relishing quoting pessimistic statements regarding sponsored TV, uttered during 1946-48 by Zenith president Eugene F. McDonald, prime subscription TV proponent, RCA-NBC chairman David Sarnoff, in comments filed with FCC, aims to show that Comdr. McDonald is still wrong. Rugged individualists both, they've fought in the past over FM, uhf and TV, are still litigating over patents and are intense rivals in set & tube field; indeed it was only on compatible color that they seem ever to have agreed.

Quoting multi-billion-dollar statistics on TV's stature, Sarnoff cites such statements in 1947 by McDonald as: "I have said that TV required a boxoffice to pay for the type of programming that would give it mass appeal, and events have borne me out."

Gen. Sarnoff said pay-TV proponents favor "paid narrowcasting" as against "free broadcasting"; that their attitude is "No Fee—No See." He asserted that pay-TV would undoubtedly attract best free programs and talent, and as result: "Shrinking revenues of TV broadcasters and the economic facts of life not only would result in inferior sponsored programs but, as well, would force curtailment and perhaps abandonment of public affairs, cultural and educational programs which are now presented by free TV. This would be a tragic loss to the public and to the nation."

He foresaw Hollywood taking over, saying that movie producers, "having been legally divorced by the courts from several thousand theatre boxoffices to which they were for so long wedded, are now panting for marriage to cash boxes that can be attached to 35,000,000 TV receivers now in American homes."

Sarnoff noted that 45 markets have only one station each; that 6,500,000 people in those areas would get nothing when toll TV programs were telecast unless they paid; that 64 more areas have only 2 stations each, serving some 12,500,000 people who would lose half their free programming whenever only one station scrambled its pictures, all of it when both did. The idea of limiting pay-TV to major urban areas isn't practical, he said, because it's the large audiences in these areas that make possible costly programs now provided free.

**Telecasting Notes:** Big 20th Century-Fox's TV film subsidiary, TCF Television Productions Inc., began operation this week at Fox's Western Ave. lot in Hollywood, which was completely redesigned for TV at cost of about \$2,000,000. "Best equipped in world" and "first film studios specially designed for TV" are phrases used to describe TCF lot which eventually will have 14 studios plus complete theatre for audience participation programs . . . At full capacity, TCF studios will be able to handle 680 half-hour shows a year. TCF also is building permanent "western" set at 20th Century's Malibu, Cal. lot. Its first project is *My Friend Flicka* series, to be shot in color, already sold to CBS for fall. Cameras roll next month on 20 full-hour black-&-white films, following *Disneyland* formula, for GE sponsorship, to be shown alt. weeks on CBS beginning Sept. 21. TCF is headed by Sid Rogell, with Michael Kraike in charge of production; it already has more than 100 on payroll, including 15 writers for first 2 series . . . Neat turn: Margaret Truman (NBC contract artist) substituted for Ed Murrow on his CBS *Person to Person* May 27 to interview her parents by remote control to their home in Independence, Mo. in a homey, happy, much-quoted telecast . . . In Britain, where he went to cover the elections, Murrow saw campaign handled on

As for argument that people now pay for free programs by paying more for products, Sarnoff said this "is as absurd as contending that purchases of automobiles and clothing subsidize the press and that, were there no press, automobiles and clothing would cost the consumer less. Of course, it is elementary economics that advertising produces increased sales which in turn make possible increased production, lower costs, and lower prices to the consumer."

Note: Copies of the Sarnoff printed brief are available from NBC or RCA.

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Letters and cards keep flowing into FCC files, and sentiment is almost entirely against toll TV now. Ratio is running somewhere between 10-to-1 and 20-to-1. Due to early start, pro-pay comments still hold lead in total count—running about 10,000 for, 5500 against. Rate of influx has slackened somewhat.

Subject gets big play in press, will get great deal more next week when industry comments are filed with FCC. This week, *N. Y. Herald Tribune* devoted 1½ pages to it. *Wall St. Journal* carried long feature on it. *Tide Magazine* is satisfied that pay-TV is inevitable, stating: "Like it or not, toll TV is on the way . . . It offers the public a convenience never before available. It is coming." *Billboard* poll of stations, agencies, advertisers, film producers & distributors shows 127 executives calling toll TV a threat to free TV, 138 terming it no threat; 55 station & network men said it's a threat, 37 said "no threat." Of total, 161 predict that FCC will approve pay-TV, 78 say it won't; 43 telecasters say it will, 40 say it won't.

Interestingly, while British film magnate was announcing contract permitting a new feature to be premiered on NBC-TV this fall (p. 1), Zenith's McDonald was reporting that Korda has signed up for British rights to Phonevision, saying Korda will seek govt. permission to set up pay system in British Isles.

Dramatists Guild of Authors League of America, through pres. Moss Hart, wrote FCC that: "The inexorable law of the boxoffice is, we think, sound and we would prefer to have this govern our returns rather than the sales volume of a commercial product, as at present." A National League of Televiewers has been organized by Joseph J. Mahoney, of Newark, who asked FCC to delay comments deadline from June 9 to Sept. 9 so that public can "become fully informed" and express its opposition.

BBC-TV on "rationed" basis—6 periods only, 3 each for Conservative and Labor spokesmen—and it didn't go too well with electorate, who regarded the straight speech-making by party leaders as monotonous and dull . . . London Daily Express suggested: "The more the party leaders stay off the television programme, the more likely they are to win the nation's confidence" . . . Ace director Alex Segal, of *U. S. Steel Hour* (which shifts to CBS next season) has called off new contract with ABC, which reportedly would have paid him \$100,000 for 26 new shows next season; he may freelance in TV next season or produce Broadway play . . . CBS Newsfilm at NARTB convention filmed station owners and operators with local Congressmen and TV stars at CBS film display; about 50 such interviews were filmed and mailed "home" for showing on local stations . . . CBS Foundation contributes \$10,000 to projected American Shakespeare Festival Theatre, Stratford, Conn. . . . Another radio show goes TV: Ziv signs Jean Hersholt to star in new film series as "Dr. Christian," same part he played in radio for 17 years . . . Film Festival—preview screenings of portions of all types of film available for spot sponsorship—will be held for 4th year June 22 by WGN-TV, Chicago; last year's showing of 33 films drew 300 admens.

**T**WO NEW STATIONS went on air this week —while 3 uhf outlets signed off. New vhf outlet opened up Twin Falls, Ida. area, and Spanish-language uhf went into pre-freeze San Antonio. Stations suspending were in Atlanta & Macon, Ga. and Jackson, Miss. On-air total now is 432, including 106 uhf.

**KLIX-TV**, Twin Falls, Ida. (Ch. 11), more than 100 mi. from nearest other station, began test patterns Memorial Day. Principals are J. Robb Brady Trust Co., holding 50%, and Frank C. Carman & Grant R. Wrathall each holding 12.5%. Carman & Wrathall own 25% each of KUTV, Salt Lake City, and have interests in group of western radio stations. KLIX-TV has 5-kw DuMont transmitter & 6-bay RCA antenna formerly used by WFAA-TV, Dallas, and old GE microwave equipment of WBKB, Chicago. It has 250-ft. tower on Flat Top Butte, 14 mi. north of city. Frank C. McIntyre is v.p.-gen. mgr. & sales mgr.; Paul Droubay, program director; C. W. Evans, technical director. Affiliated with CBS & ABC, it has \$120 base rate. Rep is Moore & Lund.

**KCOR-TV**, San Antonio (Ch. 41), which begins programming June 10, aired first test patterns June 2. First uhf in city already served by pre-freeze WOAI-TV & KENS-TV, 90% of its programming will consist of Latin-American films & kines. It has 1-kw RCA transmitter, pylon antenna on 558-ft. Truscon tower. Principal owner is R. A. Cortez, with R. A. Cortez Jr. as v.p.-commercial mgr.; W. P. Smythe, v.p.-gen. mgr.; Martin L. Fieldler, chief engineer. Base hour is \$200. Rep is Richard O'Connell.

**WQXI-TV**, Atlanta (Ch. 36) signed off May 31 after 5½ months of commercial operation in city with competition from three pre-freeze vhf outlets. Owner Robert W. Rounsville told FCC revenue has been below \$1000 a month, while monthly operating losses have exceeded \$10,000. It had no network. Rounsville continues to operate radio WQXI and 6 other AM properties. He still holds CPs for WQXL-TV, Louisville (Ch. 41) & WQXN-TV, Cincinnati (Ch. 54).

Also suspending operation May 31 was **WOKA**, Macon, Ga. (Ch. 47), formerly WNEX-TV, which was transferred to new owners E. K. Cargill & J. C. Barnes in April (Vol. 11:14, 17). It began commercial operation as WETV in Aug. 1953. Jackson's uhf outlet signed off May 31 after its owners (*Jackson Clarion Ledger*) merged with vhf competitor WSLI-TV (Vol. 11:12, 21), whose Ch. 12 facilities were retained, using WJTV call letters. Ch. 35 grant has been surrendered. Jackson operation was one of first uhf stations, went on air in Jan. 1953.

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

**KRNT-TV**, Des Moines (Ch. 8) has June 20 target for test pattern, Aug. 1 for programming as CBS basic, writes v.p. Bob Dillon. The Cowles station is now completing wiring of GE transmitter, has installed RCA 12-bay antenna on existing 709-ft. Ideco tower. Base hour rate will be \$650. Rep will be Katz.

**KRBB**, El Dorado, Ark. (Ch. 10) has 5-kw RCA transmitter purchased from Terre Haute's WTHI-TV (Ch. 10), but hasn't set targets, reports one-third owner Wm. M. Bigley. RCA 6-bay antenna is ready on 600-ft. Skyline tower. It's near southern border of state, over 100 mi. from Little Rock, the nearest TV stations being KNOE-TV, Monroe, La. (Ch. 8), 59 mi., and KSLA, Shreveport (Ch. 12), 81 mi. away. KRBB owners control radio KVMA, Magnolia, Ark. Rep will be Pearson.

**KNTV**, San Jose, Cal. (Ch. 11), has 2-kw RCA transmitter, plans July 15 test patterns, reports mgr. Harry Y. Maynard. It will use 12-bay RCA antenna on 218-ft. Ideco tower. Owner is A. T. Gilliland's Sunlite Bakery, which bought out 36 other stockholders last winter (Vol. 10:52). Base rate will be approximately \$300. Rep not yet chosen.

**KMVI-TV**, Wailuku, Hawaii (Ch. 12), granted May 25, plans start in 120 days, reports pres. J. Walter Cameron for grantee Maui Publishing Co. Ltd., publisher of semi-weekly *Maui News* (KMVI). With GE transmitter on order, transmitter house atop Haleakala Crater is to be ready in 6 weeks. Supertturnstile 6-bay antenna will rise 137-ft. above ground. Microwave connecting Wailuku studios will be built later. KMVI-TV will re-transmit Honolulu's KONA programs, in much same way that KGMB-TV programs are picked up and rebroadcast by satellite KMAU, also on Haleakala. Ezra J. Crane, gen. mgr. of newspaper, will be TV gen. mgr.; Richard E. Mawson, KMVI mgr., asst. gen. mgr.; Frank Kovacic, KMVI sales mgr., TV sales mgr.; Alan J. Delpech, TV ad director; George Tam, TV-radio chief engineer. Rep will be NBC Spot Sales.

**WHTN-TV**, Huntington, W. Va. (Ch. 13), now plans start next Sept. 25, reports v.p. Fred Weber, also pres. of off-air WFPG-TV, Atlantic City (Ch. 46). First competitor for pre-freeze WSAZ-TV (Ch. 3), it has signed with ABC. Base hour will be \$460. Rep will be Petry.

**WOOK-TV**, Washington, D. C., recently granted Ch. 14 in lieu of originally-assigned Ch. 50 (Vol. 11:5), still has plans to start in 4-vhf capital, seeing need for "specialized" types of service, reports exec. v.p. Arthur Snowberger. Owner is Richard Eaton, who has purchased 12-kw GE transmitter and helical antenna of defunct KACY, Festus-St. Louis (Ch. 14) and will use 300-ft. tower of WFAN, FM affiliate of Eaton's radio WOOK, at First Place & Riggs Rd. N.E., also location of new TV-radio studios. Fall start also is planned for Eaton's WTLF, Baltimore (Ch. 18), which has asked for new call WSID-TV. It already has 1-kw RCA transmitter, has purchased antenna from off-air WECT, Elmira, N. Y. (Ch. 18). It will use 488-ft. Truscon tower with TV transmitter & studios housed with WSID at 912 N. Charles St. Eaton also operates radios WARK, Hagerstown, Md.; WINX, Rockville, Md.; WANT, Richmond, Va.; WJMO, Cleveland. Rep for both TVs will be Eaton's United Bestg. Co.

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Five Canadian TV applicants: On agenda for June 24 meeting of CBC are applications of G. A. Alger & J. F. Grainger, latter gen. mgr. of *North Bay Nugget*, competing for Ch. 10, North Bay, Ont.; CKRD, Red Deer, Alta., for Ch. 6 there; J. Conrad Lavinger, operator of radio CFCL, Timmins, Ont., for Ch. 6 there; Quebec North Shore & Labrador Railway Co., for Ch. 9 in Schefferville, Que., new iron mining town near Labrador border.

This week's equipment shipments: DuMont—25-kw transmitter, film & live studio equipment to KTBS-TV, Shreveport, La. (Ch. 3), due on air next Sept.; 50-kw amplifier to KCRG-TV, Cedar Rapids, Ia. (Ch. 9). GE—50-kw transmitter & network color equipment to KRNT, Des Moines (Ch. 8), due in Aug.; 12-bay antenna to KFJZ-TV, Ft. Worth (Ch. 11), Aug. target. RCA—12½-kw amplifier to WMTV, Madison, Wis. (Ch. 33); 2-kw standby transmitter to WCCO-TV, Minneapolis (Ch. 4). GE also reports new order from WCTV, Thomasville, Ga. (Ch. 6), due on air in Aug., for 35-kw transmitter, 5-bay antenna, complete studio equipment, for June delivery.

New call letters: WPFH, Wilmington, Del. (Ch. 12), formerly WDEL-TV. New owner is Paul F. Harron.

**Station Accounts:** Entire Sat. afternoon, 1-6 p.m. for 8 weeks from May 21, purchased on NBC's WNBQ, Chicago, by Cole-Finder Co., Lincoln Mercury dealer, in biggest local time block station ever sold; it will sponsor 5 one-hour feature films *seriatim* under title *Pieturama*, thru Rocklin-Irving & Assoc. It's package deal, details undisclosed, but WNBQ Class C rate, covering 7 a.m.-6:30 p.m. Sat., is \$1650 per hour before frequency discounts . . . Even bigger local time purchase, by Polk Bros. dept. store chain, already big TV advertiser, extended TV sponsorships to 18½ hrs. per week for 52 weeks on ABC's WBKB, Chicago, embracing 7 morning, afternoon & evening programs (3 new, 4 renewals) . . . Loss of shoppers to N. Y. City and outlying shopping centers led group of Paterson, N. J. merchants to buy spots on various daytime shows on WRCA-TV & WRCA, N. Y. June 1-7 to plug slogan "Downtown Paterson Has Everything"; stations produce shows about the city, for which Commercial Development Fund, as group calls itself, solicits local commercial participants . . . Click program *The Big Idea*, aimed at amateur inventors, sponsored last 5 years by Philadelphia Saving Fund Society on WCAU-TV Tue. 7-7:30 p.m., and seen for 10 months on DuMont, will be filmed by Donn Bennett Productions at RKO-Pathe in 52 segments for national syndication in Sept. . . . Glass Container Mfrs. Institute, N. Y., comprising 74 manufacturers, to spend \$1,200,000 this year in all-media campaign to promote greater use of glass by food & beverage packers, thru Kenyon & Eckhardt . . . Wool Bureau Inc., 16 W. 46th St., N. Y. has released *Today's Male*, 6-min. TV film, offered one station per city . . . Among other advertisers currently reported using or preparing to use TV: National Paint & Varnish Co., thru Caples Co., Los Angeles; Regina Trading Corp. (Liebig Soups of France), thru Ralph D. Gardner Adv., N. Y.; Cheramy Perfumer (April Showers deodorant), thru Emil Mogul; Allchem Mfg. Co. Inc., N. Y. (Kill-Flame fire extinguisher), thru C. J. Herrick Assoc., N. Y.; Baylis Bros., Cincinnati (Kathy Don & Polly Flinders children's dresses), thru J. Gerald Brown Adv., Hempstead, N. Y.; Lufthansa Airline, N. Y., thru Albert Woodley Co., N. Y.; Solby Bayes, Boston (shoes), thru Mina Lee Simon, Boston; Tanner Products, Los Angeles (Leather-Kleen leather protective), thru Philip J. Meany Co., Los Angeles; Shirtcraft Co., N. Y. (Airman shirts & sportswear), thru Willsted & Schacter, N. Y.; Weaver Products Co., Minneapolis (Spoolies curlers), thru Gregory & House, Terre Haute; Sperry Candy Co., Milwaukee (Chicken Dinner candy bar), thru Keck Adv., Oconomowoc, Wis.; Lydia O'Leary Inc., N. Y. (Covermark cosmetic), thru Gibbons-O'Neill, N. Y.; Norwegian Frozen Foods Ltd., Jersey City, N. J., thru Creative Adv., Jersey City; General Petroleum Corp., Los Angeles (Mobilgas "R" gasoline), thru Stromberger, LaVene & McKenzie, Los Angeles; Welch Grape Juice Co., Westfield, N. Y. (Fruit-of-the-Vine preserves), thru Kenyon & Eckhardt; Western Tool & Stamping Co., Des Moines (power mowers, lawn sweepers), thru A. Martin Rothbardt, Chicago; Ferber Corp., Englewood, N. J. (Vu-Riter ball point pen), thru Emil Mogul; Block Drug Co. (Ster-a-Kleen), thru Dowd, Redfield & Johnstone, N. Y.

**More honorary degrees:** To Ben Duffy, BBDO pres., from St. Joseph's College, Philadelphia. To Will C. Grant, pres. of Grant Adv., from Southern Methodist U, his alma mater. To Edward J. Noble, chairman of finance committee, ABC-Paramount, and Samuel I. Newhouse, chain newspaper publisher and owner of WSYR-TV, Syracuse, among other stations—both from Syracuse U.

Wallace-Ferry-Hanley Co. (Campana Sales Co. & other accounts) closes up shop June 30, pres. L. T. Wallace and v.p. L. H. Ploetz joining Fletcher D. Richards Inc.

**Network Accounts:** Auto manufacturers dominated this week's network TV purchases, epitomizing keen competitive struggle among car makers this fall. Ford bought all 10 Sat. night 90-min. "specials" on CBS-TV (9:30-11 p.m.), some of them in color, thru J. Walter Thompson, retaining part sponsorship of Mon. night color spectaculars on NBC-TV. Chevrolet bought 17 of Tue. 8-9 p.m. periods on NBC-TV for variety show featuring Bob Hope on at least 6. Dodge will sponsor *Lawrence Welk Show* on ABC-TV starting July 2, Sat. 9-10 p.m., thru Grant Adv., retaining *Break the Bank* on ABC-TV Sun. 10-10:30 p.m. . . . Reynolds Metals to sponsor do-it-yourself program on NBC-TV starting June 26, Sun. 7:30-8 p.m., as replacement for *Mr. Peepers*, thru Clinton Frank, Chicago . . . Hazel Bishop to sponsor *The Dunninger Show* on NBC-TV starting June 25, Sat. 8:30-9 p.m., thru Raymond Spector . . . Sheaffer Pen & Maytag to be alt. sponsors of *Navy Log*, adventure series taken from Navy files, on CBS-TV in fall, Tue. 8-8:30 p.m., thru Russel M. Seeds Co. & McCann-Erickson . . . Whitehall Pharmacal & Procter & Gamble to be alt. sponsors of *Down You Go*, another ex-DuMont show, on CBS-TV starting June 11, Sat. 9:30-10 p.m. as summer replacement for *My Favorite Husband*, thru Biow-Beirn-Toigo and Young & Rubicam . . . Pharmaceuticals Inc. to be alt. sponsor (with Esquire Shoe Polish) of *Masquerade Party* on ABC-TV starting July 13, Wed. 9-9:30 p.m., thru Edward Kletter Assoc. . . . General Foods & Procter & Gamble to be alt. sponsors of *Those Whiting Girls* on CBS-TV starting July 4, Mon. 9-9:30 p.m., thru Young & Rubicam and Biow-Beirn-Toigo . . . Parker Pens to be alt. sponsor (with General Mills) of *Wyatt Earp* series on ABC-TV next fall, Tue. 8:30-9 p.m., thru Tatham-Laird . . . General Mills to sponsor Screen Gems' *Tales of the Texas Rangers* on CBS-TV starting in fall, Sat. 11:30-noon, thru Tatham-Laird . . . Lee Ltd. (Dri-Mist deodorant) to sponsor *Caesar Presents*, variety show produced by Sid Caesar, as summer replacement for his *Caesar's Hour* on NBC-TV starting July 4, Mon. 8-9 p.m., thru Erwin Wasey & Milton Weinberg Adv., Los Angeles.

NBC to offer advertisers combination rate for participations in either *Today*, *Home* or *Tonight* show along with spots on *Monitor*, its upcoming around-the-clock weekend radio service (Vol. 11:15). Sales presentation will stress advantages of retaining audience via radio on weekends at beaches and in cars during summer. *Monitor's* introductory simulcast on NBC June 12 (4-5 p.m.) will pick up excerpts of jazz concert in Hermosa Beach, Cal., trans-Atlantic plane flight, interview with San Quentin inmates, debate on "spiritual climate of America," scene from "The Fairly Fortune" drama at Bucks County Playhouse.

Rate increases: KULA-TV, Honolulu, July 1 adds new Class AA hour (6-9 p.m. daily) at \$300, min. at \$60, Class A hour remaining \$250; KFDX-TV, Wichita Falls, has raised base hour from \$250 to \$300, min. \$50 to \$60; WDXI-TV, Jackson, Tenn., hour from \$150 to \$200, min. \$20 to \$40; CBFT, Montreal, Que., has raised base hour from \$650 to \$700 and added Class AA min. only rate (7:30-10:30 p.m. Mon.-Sat.) at \$175, Class A min. going from \$130 to \$140.

"Story of Advertising" will be told on NBC-TV's *Mr. Executive*, Sat. June 11 at 12:30 p.m., with Conrad Nagel interviewing Tide's Morgan Browne, camera then turning to Grey Adv. Agency to show how typical agency works on a campaign.

New program with Perle Mesta as hostess interviewing celebrities is proposed for this fall by Ted Cott for WABD, N. Y. & WTTG, Washington. He has optioned her services, will arrange format later.

**C**OMMUNITY ANTENNA business continues to flourish with stubborn vitality, to surprise of some in the TV industry, as National Community TV Assn. holds annual convention in New York's Park Sheraton Hotel June 6-8—bigger and stronger than ever. Systems blossomed during 1948-1952 freeze, but there were warnings that business would collapse with rush of new stations on air offering free signals, yet they've confounded the pessimists.

Indicative of systems' health are many factors. Among them:

(1) Number serving 100 or more homes each is 325-350, and additional 100-200 serve 50-100 each.

(2) Average circulation of the over-100 group is 860, up from 728 year ago.

(3) Total homes reached is some 250,000, representing nearly 1,000,000 people.

(4) Big RCA, a small factor in community equipment business up to now, is intensifying efforts on basis of survey by James E. Jump & Assoc., recently became NCTA member. Jerrold Electronics, major equipment producer and large system operator, is expanding, encouraged by Ebasco surveys.

(5) Failures of systems are almost unheard of, only 2-3 going under in 6 years since systems started.

(6) Value of systems continues to increase, the biggest one, in Williamsport, Pa., selling for close to \$1,000,000 a few months ago.

(7) Membership of NCTA has doubled in last year—going from 93 to nearly 200.

(8) To get better signals, operators are investing very heavily in microwave systems costing up to \$200,000.

Now the talk of a "threat" centers on boosters and satellites. This, too, is largely discounted by system operators. They point to costs of building and operating satellites, to difficulties of "policing" viewers to make sure they help support satellites rather than "pirate" signals for free. Most of all, they say, a satellite offers only one signal, where as systems supply 3 or more.

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"Type acceptance" procedure of FCC for passing on TV-AM-FM transmitters was incorporated into Part 3 of Commission's rules last week, effective June 30. Procedure provides that manufacturers submit technical data to FCC, which then rules on acceptability of equipment. Up to now, TV transmitters have not been subject to formal FCC approval, but they have been approved informally—and Commission had power to stop use of unsatisfactory transmitters. AM & FM transmitters had previously been subject to "type approval," another method of Commission examination. List of transmitters, broadcast and non-broadcast, which have passed FCC muster, may be inspected at Commission.

**Canadians prefer U. S. TV:** Results of survey by Canadian Assn. of Radio & Television Broadcasters, presented to House of Commons, shows that 60% of Toronto area audience prefer watching Buffalo & Rochester stations to local CBC outlet, 77% of Essex County viewers prefer Detroit & Cleveland programs. Figures were used as argument for immediate grants of private TV stations as competition to CBC.

**Low-priced 16mm film projector for telecasting magnetic as well as optical sound films** was introduced by Bell & Howell at NARTB convention. Priced at \$2500, model 614 CBVM is said to be "the first TV projector which need not be electrically locked to the telecast signal," eliminating need for special motor drive and lowering installation and maintenance costs.

A short-range impact of satellites and boosters is visualized, however. NCTA exec. secy. E. Stratford Smith says that rash of illegal boosters in Pacific Northwest did slow down community systems in area for a while but that they've resumed growth. Even if satellites manage to supply several signals, as proposed by application for experimental station in Clarkston, Wash. filed recently, there aren't enough uhf channels to take care of many of these. However, if FCC eventually commercializes such stations, it might reallocate, say, top 10 uhf channels, changing spacings so they'd cover tiny 2-3 mi. areas—enough for most towns.

Commission won't authorize experimentals generously right now, however. There is one "translator" type operating now in Manson, Wash., and Commission says it won't grant more if there's going to be unnecessary duplication of experimental work. In brief, it's leery of granting experimentals to those whose primary purpose is to serve public with TV now—rather than to conduct bona fide experimentation.

Experimental satellite sought for Clarkston, Wash. in application filed with FCC, by Orchards Community TV Assn., 3109 Fifth St., Lewiston, Ida., proposes to deliver signals of 3 Spokane stations by translating them to uhf channels 34, 40 & 46, using Adler equipment. It's non-profit organization (John H. Maynard, secy.), with 700 members who have contributed \$20 each, and it's seeking 2000 more members. Group has raised \$23,000, plans to build satellite for \$19,500, operate it for \$3000 first year. Mail campaign from area, urging quick action, has been felt at FCC—but Commission is going slow, fearful that go-ahead would precipitate demand for similar stations in many communities, encouraging people to buy sets for a new service not yet commercially authorized.

An experimental booster was granted this week to Lambda-Pacific Engineering Inc., Coalinga, Cal., which plans to rebroadcast signals of KJEO, Fresno (Ch. 47). Commission warned grantee, which plans to sell booster equipment, that authorization "is solely for the purpose of obtaining engineering data and will be terminated upon completion of project."

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J. Patrick Beacom applied this week for permission to set aside 75% transfer of off-air WJPB-TV, Fairmont, W. Va. (Ch. 35) for \$147,000 to Cincinnati accountant Donn Baer, as approved by FCC last year (Vol. 10:47, 51). Under new terms, Beacom takes back 189 shares (70%) from Baer, bringing his holdings to 95%, Baer retaining 5%. Beacom would assume all liabilities of WJPB-TV, most of which are \$103,612 owed GPL for equipment. WJPB-TV also plans to file for Ch. 5 in Weston, W. Va. if FCC approves petition to change channel there from educational to commercial status. Last week, Baer & Beacom filed application to sell 95% of radios WVVW & WJPB (FM) for \$16,500 to Connie B. Gay, Beacom retaining 5%.

Seeking additional capital, KOAT-TV, Albuquerque (Ch. 7) last week asked FCC's permission to increase stock from 5000 to 24,340 shares, change par value from \$10 to \$1. Under new setup, Alvarado Bestg. Co. (radio KOAT) will reduce holdings from 56% to 33%, Albuquerque Exhibitors 35% to 30%, with other 37% held by minority stockholders. Feb. 28 balance sheet shows deficit of \$183,864, current liabilities of \$238,556, deferred liabilities \$267,570. Of \$397,263 total assets, \$43,448 are current, \$301,118 property.

Recent power increases: KFDA-TV, Amarillo (Ch. 10) to 250-kw ERP; KTVI, St. Louis (Ch. 35) to 500-kw.

Image orthicon tubes now being produced by Westinghouse; previously, RCA was sole U. S. manufacturer. GE also plans production.

WYATT BUILDING

WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report

June 4, 1955

**NEW TECHNOLOGY IN NEW SETS; TINKERTOY SOON:** The important new features of 1956 TV models will be inside the cabinets -- with industry heading into the most important changes in production methods in its history. One major TV manufacturer is expected later this month to introduce a set so radically new in design that it does away not only with conventional wiring but also with conventional components.

As if to set pace for the new TV technology, Admiral this week was first to show new lines at its Chicago convention. Its models have 75-80% of wiring printed on, and most components mounted automatically by Admiral's new automatic assembly machines. Admiral sets use 3 printed-circuit boards for chassis, eliminating more than 400 hand-soldered connections.

Admiral prices won't be announced until next week, but are understood to be generally at about present levels -- starting with 17-in. table model at \$130. (Other details of Admiral's line on p. 10.)

Only hint from bellwether RCA about its new line, which it shows to field reps at Barbizon Plaza, N.Y., on June 6-7 and to N.Y. area dealers June 14-16 is contained in memo from a distributor which reads: "Everything you will see is entirely new in design, utility & performance, completely new chassis -- new tuning devices...and prices are down as much as 29%." Memo adds that RCA's new color line will also be shown at same time.

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An even more radical change in TV set construction is due to be announced in next few weeks by an unidentified leading TV manufacturer -- not RCA or Philco, so far as we can learn. It's "Tinkertoy" principle of modular construction. At least 3 others, smaller TV producers but important names in electronics, are expected to follow with Tinkertoy sets. Thus Tinkertoy concept will find its way to consumer market this fall & winter, as we predicted last March (Vol. 11:12). Making Tinkertoy modules for the unnamed TV customers is ACF Electronics, Alexandria, Va., division of ACF Industries (formerly American Car & Foundry), which now employs most of the Bureau of Standards men who worked on original development.

Despite the widely-touted cost savings inherent in printed circuits and automatic production, the modular and other printed-circuit sets probably will not be priced lower than conventional sets -- at least not at first. Rather, prices may come down some time in future, depending on status of consumer market and studies by plants on just how much actually is saved. Most automation methods require big tooling-up job, which effectively eats into any cost advantage at outset.

Cost may well be least of the advantages of real automatic production. At least theoretically, more important features will be complete uniformity of sets of any particular model, extreme reliability, and in the case of modular sets, ease of servicing. Add to these advantages the lighter weight of plastic chassis, and the greater accessibility and compactness of vertical chassis.

Developed by Navy-Bureau of Standards team and first shown publicly nearly 2 years ago (Vol. 9:38), Tinkertoy, or modular design, is based on building blocks of small wafers slightly larger than postage stamp, which are stacked into modules or sub-assemblies and then mounted on printed-circuit chassis. Each ceramic wafer contains a circuit component -- a "printed" resistor, capacitor or inductance. When stacked and topped by a tube socket, these wafers constitute a module which contains an entire circuit stage. (Note: Excellent color photos of modular TV chassis and diagrams of Tinkertoy process appear in June Fortune Magazine.)

Note: ACF will demonstrate first modular 21-in. color sets Aug. 24-26 at Western Electronic (Wescon) show in San Francisco. They use conventional RCA circuit but employ Tinkertoy modules and printed circuitry, displayed to show adapt-

ability of modules to complicated color circuitry. At present we know of no manufacturer who has concrete plans to bring out modular-design color set.

Brief highlights of other trade developments this week:

DEALER PROBLEMS: Lots of anxiety among NARDA officials about increasing number of dealers shunting TV-radio-appliance lines to back of stores in favor of merchandising kitchen lines. This despite fact that TV was mentioned most frequently by NARDA members as the product which would sell best in 1955, in annual cost-of-doing business survey released this week (details below). Trend to merchandising kitchens is dangerous, in NARDA's view, because it diverts manpower and money away from basic TV-radio-appliances. Behind trend is simple fact that some dealers are getting sick-&-tired of bucking discount houses, price cutters, low margins, credit problems, etc., prefer to handle comparatively big-profit commodity like complete kitchens, where FHA financing is often available.

ECONOMIC CONTROLS: You can forget about any possibility of Federal standby price, wage & credit controls this year. President told newsmen this week it would be "psychologically unwise" for Congress to vote him such authority now in case of future national emergency. Rep. Spence (D-Ky.), chairman of powerful House Banking Committee, immediately remarked that "Congress will not thrust standby economic controls on the President unless he wants them."

ECONOMIC OUTLOOK: Another bullish business forecast for second half of 1955 came from convention of National Assn. of Purchasing Agents. On basis of survey, NAPA reported 33% of its members believe business in last half of year will be better than year ago, 42% feel it will be about same. The 25% who predicted decline agreed generally it would be more of a "breathing spell" than a major downswing, largely caused by industry vacations & possible slackening of automotive sales.

PRODUCTION: TV output went down to 110,944 week ended May 27 from 120,144 preceding week, running about equal to 110,651 week ended May 13. It was year's 21st week, brought output for year to date to about 3,160,000 vs. about 2,470,000 in same 1954 period. RETMA this week revised 4-month production figure to 2,771,426 vs. 1,904,718 in first 4 months of 1954.

Radio production totaled 266,946 (132,122 auto) week ended May 27, compared to 280,445 week ended May 20 and 287,352 week before. For 21 weeks, production was estimated at 5,900,000 vs. 4,200,000 in corresponding 1954 period. Official 4-month radio production was 4,739,919 vs. 3,326,800 in first 4 months year ago.

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**Topics & Trends of TV Trade:** TV receivers led all appliances in retail dollar sales volume last year and are expected to be best individual product sellers for all of this year. That's major finding of NARDA's annual cost-of-doing-business survey among its members, released this week and available for \$1 (NARDA, Merchandise Mart, Chicago).

Of the 77% of reporting dealers who made sales predictions for 1955, 60% foresaw increases averaging 15% over 1954; 26% expect no change in total dollar sales; 14% believe sales will decline average 20%. Of the 62% making profit predictions, 55% predicted rise in profit averaging 18%; 30% expect no change from 1954; 15% foresee average 25% drop in net return. Increasing importance of servicing is shown by fact it represented 20.3% of dealer's total dollar volume last year, up from 11.7% in 1953.

Bigest problems seen by dealers for 1955, in order of frequency of mention: discount houses & price cutting; excessive trade-in allowances; low margins; by-pass selling by manufacturers & distributors; over-franchising by manufacturers & distributors; difficulties in disposing of trade-ins; uncertainty about color; rising TV market saturation; declining antenna sales; consumer credit problems.

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Admiral's new line, in addition to printed-circuit & automation features (see p. 9), has new type of speedier

uhf "spin" tuner, top-front tuning on vertical chassis receivers, illuminated periscope dial that can be read through cabinet top, "tilt-out" front auxiliary controls & automatic "range finder" tube for distant reception. Line consists of 14 basic models—5 tables, 8 consoles & 21-in. combination. In address to distributors, pres. Ross D. Siragusa predicted that TV shipments in first 6 months will be 30% ahead of first half of 1954 and second-half sales & dollar volume will exceed last 6 months of 1954. He said Admiral will produce its 5,000,000th TV set early in 4th quarter, less than 7 years since its start, and predicted it will take only a little more than 4 years to produce second 5,000,000.

More distributor conventions for introduction of new lines, in addition to those reported last week (Vol. 11:22): Emerson, June 28-30 at Hotel Plaza, N. Y.; Sylvania, July 28-30 at undisclosed site in Chicago; Olympic Radio, June 19, at Congress Hotel, Chicago; Westinghouse, June 7 in San Francisco, June 10 in St. Louis, June 15 in Chicago, June 17 in Atlanta, June 22 in Columbus, O., June 24 at Metuchen, N. J. factory.

NARDA to sponsor one-week course on business fundamentals for its members at American U, Washington, Aug. 14-20. Fee of \$125, covering tuition & room, should be sent to NARDA pres. Harry B. Price Jr., 133 W. Charlotte St., Norfolk; it's limited to first 50 registrants.

Raytheon cut prices by \$10 on 20 TV models in current line, as part of summer promotion. Line now starts at \$130 for 17-in. ebony metal table model.

**Trade Personals:** James D. McLean promoted to v.p. in charge of coordinating activities of Philco govt. & industrial div.; Marshall A. Williams named gen. sales mgr., succeeded as Los Angeles mgr. by Dixie B. McKey, ex-RCA microwave sales mgr. . . . Andrew H. Bergeson, consulting engineer in Stromberg-Carlson's Washington office since retirement last year as Navy captain, elected engineering v.p. . . . John Gilbarde, Admiral v.p., govt. labs div., installed this week as pres., Washington chapter, Armed Forces Communications & Electronics Assn., succeeding attorney Frank W. Wozencraft . . . Robert M. Marberry promoted to Sparton sales director, replacing Donald F. Miersch, resigned; Melvin L. Myers boosted to gen. sales mgr. under Marberry . . . Rodney D. Chipp, engineering director of DuMont Network, gets same title for DuMont Labs manufacturing divs., serving as liaison between all engineering depts. & research labs . . . Albert J. Harcher, ex-mgr. of CBS-Hytron's Newburyport, Mass. plant, named mgr. of its Lowell, Mass. plant, replacing Rudolph Sachs . . . Edgar G. Dunn promoted to migr. of Sylvania's new data processing center in Camillus, N. Y., due to be in operation by early 1956 . . . Ralph E. Foster, ex-director of industrial relations, Radio Condenser Co., named asst. mgr. of its Hoopeston, Ill. plant . . . Michael J. Ranalli, ex-DuMont, joins Westinghouse TV-radio div. in special sales capacity under his former chief, new gen. sales mgr. Dan D. Halpin . . . Frank Van Gilder, ex-Weathers Industries, Barrington, N. J., named asst. sales mgr., International Resistance Co. merchandise div. . . . M. S. Kliendinst, ex-RCA, named marketing director, Farnsworth Electronics . . . John V. Deacon promoted to adv. & sales promotion director, Westinghouse International . . . J. H. Ohlrich named Sylvania district sales mgr. for Texas & Oklahoma . . . Richard S. Testut, ex-TV-radio v.p. of Muzak Corp., serving recently as Philadelphia branch mgr. of management consultants Booz, Allen & Hamilton, named v.p.-gen. mgr. of Servel's new home appliance sales div. . . . Richard Kleine named TV sales mgr., Baker Mfg. Co., Evansville, Wis. (towers), succeeding A. M. Repsimer, now factory sales mgr. . . . Irving Townsend promoted to exec. asst. to Goddard Lieberson, Columbia Records exec. v.p.; Gilbert McKean, ex-director of Columbia Transcription Service, named Columbia Records director of consumer relations . . . A. J. W. Novak, gen. sales mgr. of Clevite Corp.'s Brush Electronics, elected v.p. of Technical Instrument Co., Houston (oscilloscopes), a Brush div.

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**DISTRIBUTOR NOTES:** Philco & RCA complete exchange of distributors in New Orleans, with Philco's appointment this week of Television & Appliance Distributors Inc. (John C. Marden, pres.), ex-RCA outlet; RCA 2 weeks ago appointed Philco distributor Walther Bros. . . . DuMont appoints Igoe Bros., 579 Scotland Rd., E. Orange, N. J., replacing own N. J. factory branch, with TV dept. headed by Irving Sarlin, pres. of N. J. branch; company now has factory branches only in N. Y. & Miami . . . DuMont appoints Kelvinator div. of American Motors, Bendix Radio's Los Angeles outlet, replacing Stewart & Stevens Inc. . . . Bendix Radio appoints Huron Electric Supply Co., Buffalo . . . F. B. Connelly Co., Portland, Ore. (Sylvania) appoints Clay Hixon gen. mgr. . . . GE Supply Co., Pittsburgh, appoints Calvin D. Smith, ex-Chicago, as migr. of consumer goods, succeeding W. P. Shreve, who retains duties as migr. of supplies & apparatus . . . Meyers-Taube Co., Fargo, N. D. (Crosley-Bendix) extends territory to cover Billings, Mont.

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Abner G. Budelman, spare parts sales mgr. of DuMont mobile communications dept. since 1951 and with Link Radio 1935-51, died May 30 at Mountainside Hospital, Montclair, N. J.

Kaye-Halbert, which filed petition under Bankruptcy Act last July (Vol. 10:32), proposes to offer 162,414 shares of its \$1 par common stock at par and use proceeds to settle outstanding claims. According to plan approved by stockholders and creditors, 8000 shares would be offered to creditors in cancellation of \$8000 of debts, remainder to be sold direct to public. Purchasers would be granted rights to buy 121,810 additional shares at \$1 each within year at rate of 3 shares for each 4 initially purchased. Offering circular says \$437,736 in general unsecured claims will be discharged in full by payment of one-tenth that amount. The \$181,338 balance of amount payable in cash would be paid in instalments over 2-year period. Kaye-Halbert had net loss of \$618,011 on \$2,215,855 sales in year ended Sept. 30, 1954, and loss of \$10,348 on \$577,296 sales in 5 months ended Feb. 28, 1955.

TV set sales by Canadian factories in first 4 months totaled 197,183, production 262,900, reports Canadian RTMA. This compares with 137,267 & 152,256 in same 1954 period. Projected production estimate for May-July period is 116,507 more sets. April sales totaled 30,721 at average price of \$304, production 46,982. Inventory at end of April was 113,601 compared to 97,340 at start of month. Montreal led in April sales with 5303; Toronto, 4915; British Columbia, 3419; other Ontario, 2940; Nova Scotia, 2693; Manitoba, 2317; Ottawa & eastern Ontario, 1839; Alberta, 1820; New Brunswick & Prince Edward Island, 1246; Hamilton-Niagara, 1210; Quebec City, 1203; Windsor, 929; Saskatchewan, 654; other Quebec, 185; Newfoundland, 48.

Closer affinities within RETMA of TV-radio & military electronics manufacturers would result from reorganization proposals which seem to have excellent chance of approval by RETMA board during annual convention June 14-16 at Chicago's Palmer House. Proposals call for creation of military products div.; abolition of separate electronics industry & TV-radio industry committees and return of their functions to single board; reallocation of directors among 5 divs. to provide "better balance" between TV-radio & military interests.

Another 1954 remuneration report: Standard Coil Products Co. proxy statement for June 14 annual meeting reveals pres. Glen E. Swanson drew \$113,609, owns 292,660 shares (19.91%) of outstanding 1,470,000 shares of common stock; James O. Burke, exec. v.p., \$81,624 (211,910 shares or 14.42%); Arthur Richenthal, secy., \$55,684 (1875); Victor E. Carbonara, director & pres. of Kollsman Instrument Corp., \$52,590 (no shares).

RCA introduces line of 5 pre-assembled high-fidelity phonographs & radio-phono combinations ranging from table model at \$130 to twin console at \$1600, with first transistor circuits in higher-priced phonos; Robert A. Seidel, exec. v.p. for consumer products, predicts sales of high-fidelity phonographs, tape recorders & components will total \$300-\$400,000,000 this year, up 20% from 1954.

Fada Radio, in Chapter XI schedules filed this week in N. Y. Federal Court, lists assets of \$2,962,567, liabilities of \$2,445,486; among largest creditors are RCA, \$28,153 & Sylvania, \$23,666.

Motorola will consolidate all its 4-building Quincy, Ill. manufacturing in new 185,000-sq. ft. plant due to be completed there in early 1956.

Upcoming network color schedules: NBC-TV—June 6, *Home*, 11:04-11:14, 11:21-11:27 & 11:31-11:44 a.m.; June 7, President Eisenhower commencement address at West Point, 10-10:30 a.m.; June 8, *Home* segments, 11:02-11:04 & 11:50-11:57 a.m. CBS-TV—June 9, *Show of Stars*, with Edgar Bergen & Charlie McCarthy, Betty Grable, Harry James, Ethel Merman, 8:30-9:30 p.m.

**Electronics Reports:** Increasing importance of electronics in military procurement is reflected in Defense Dept.'s new list of 100 largest prime contractors from July 1, 1953 to Dec. 31, 1954, which includes 23 companies in large-scale production of electronics equipment.

New 18-month post-Korea list shows sharp realignment of procurement policies, as compared with last previous list, which covered entire Korean war period (July 1950-July 1953). With only 5 exceptions, electronics companies have advanced their ranking—are higher-up on new list than on old one. Post-Korean list also shows effects of curtailment of procurement and cancellation of contracts since cease-fire. Cutbacks resulted in elimination of 45 companies from "top 100" category, including General Motors, which has been No. 1 on all previous lists.

These electronics companies have dropped from the "top 100" list since Korean truce: Westinghouse, 14th largest contractor of Korea war period, had cancellations which exceeded new awards by \$255,900,000 during July 1953-Dec. 1954 period; Collins Radio (41st on Korea war period list) had post-Korea contracts totaling \$9,400,000, not enough to place it in top 100; Remington Rand (formerly 63rd), totaling \$6,000,000 post-Korea; Stewart-Warner (formerly 88th), \$600,000. These figures are net values of prime contracts after cancellations; most companies have substantial subcontracts in addition.

Importance of aircraft-guided missile program is indicated by fact that 9 of the top 10 companies on new list are airframe makers, who make widespread use of electronics companies for subcontracts; No. 10 is Hughes Tool Co., parent of electronics-manufacturing Hughes Aircraft. United Aircraft, with \$1,061,400,000 in prime contracts, is No. 1 on list. General Dynamics (Convair, Electronic Boat), which recently made deal to acquire Stromberg-Carlson (Vol. 11:18) is No. 6 with \$597,000,000.

Many electronic items, of course, are made by the big "non-electronic" companies on the list, and much electronics procurement is represented by big aircraft companies with gigantic electronic subcontracting programs. Many companies identified with electronics also make non-electronic items for the military.

Here's how electronics and related firms stacked up in the top 100 for post-Korea period July 1953-Dec. 1954. Table below shows their position, on latest list, dollar volume of their prime contracts during that period, their percentage of total military contracts for the period, and, for comparison, their ranking during the Korean war period July 1950-July 1953:

Company (Including Subsidiaries)	Ranking (Post- Korea)	Prime Contracts (Post- Korea)	Share of Total (Korea Period)	Ranking (Korea Period)
Hughes Tool Co.	10	\$313,300,000	1.9%	25
AT&T	12	263,500,000	1.6	13
Bendix Aviation Corp.	13	214,700,000	1.3	17
General Electric	14	213,300,000	1.3	3
Sperry Corp.	17	165,200,000	1.0	18
IT&T	23	95,600,000	0.6	33
IBM	24	94,200,000	0.6	44
RCA	26	75,800,000	0.5	22
Avco Mfg. Corp.	29	66,600,000	0.4	29
Philco	30	65,500,000	0.4	40
Raytheon	37	50,700,000	0.3	42
Thompson Products	41	42,800,000	0.3	—
Sylvania	47	35,800,000	0.2	74
Reeves-Ely Labs.	52	32,500,000	0.2	—
Hazeltine Corp.	55	31,500,000	0.2	69
Motorola	57	30,400,000	0.2	91
General Precision Equip.	62	27,600,000	0.2	—
Bill Jack Scientific Instr.	69	24,100,000	0.1	—
Giffilian Bros.	74	22,200,000	0.1	84
Elgin National Watch	75	22,000,000	0.1	—
American Bosch Arma	88	16,900,000	0.1	66
Belock Instrument Corp.	95	15,300,000	0.1	—
Admiral Corp.	98	14,700,000	0.1	83

**Automation:** Study titled *Production Control Through Electronic Data Processing: A Case Study*, prepared for non-technical management personnel, now available as Report PB-111580 from Office of Technical Services, Dept. of Commerce, Washington (\$1.50).

Statistics and predictions about transistors, as gathered by *Wall Street Journal* for survey covered in lead story May 24: Manufacturers—about 18. Production—4,000,000 during 1948-54 development period; 2,250,000 in 1955 at \$6,000,000; more transistors than vacuum tubes by early 1960's. Price—RCA's average about \$2.50, compared with \$13.40-\$23 in May 1953; average manufacturers price probably in \$2.50-\$4 range, compared with 50-75¢ for tubes; more big price reductions seen this year, with GE predicting \$1-\$1.50 by 1957, same price as tubes or less by 1960-63. Development expenses—at least \$100,000,000 so far, most manufacturers now hoping to begin getting some of that development & research money back in transistor sales; Raytheon says its transistor operation is now in the black. Biggest use today: hearing aids.

High-frequency transistors suitable for TV, radar and shortwave radio have been developed in GE Research Lab, v.p.-research director Dr. C. G. Suits revealed at May 27 dedication of new GE Stanford Microwave Laboratory, Palo Alto, Cal. He said new "meltback" process which improves control of impurities in germanium or silicon crystals makes possible high-frequency transistors with current amplification of from several hundred to over 1000. Meltback principle was developed by GE scientist Dr. Robert N. Hall, who also developed GE's "rate-growing" process for making junction transistors.

Transistorized gadgets demonstrated by Motorola v.p. Daniel E. Noble to dramatize potentialities of semi-conductors in address to Assn. of American Railroads in San Francisco: "Radio pocket clock," containing 6-transistor receiver circuit tuned to Naval Observatory, giving correct time every hour; "electronic golf ball," equipped with built-in miniature transmitter and batteries, which transmits signal strong enough to be picked up by portable radio receiver carried in pocket and used as direction finder to locate lost ball.

**Electronic self-sufficiency:** Nearly 90% of last year's Canadian Govt. orders for electronics & communications equipment were placed with Canadian firms, as opposed to about 75% in previous years, Deputy Defense Production Minister D. A. Golden told Canadian RTMA annual meeting June 2 at Niagara Falls.

Magnavox reports \$5,900,000 in new contracts by its industrial & defense div., backlog for radio compasses, airborne receivers, other electronic items totaling \$22,500,000.

Another electronic acquisition: Hall-Scott Motors Co., Berkeley, Cal., announced in ad in June 2 *Wall Street Journal* its purchase of Bardwell & McAlister, military electronics engineering & research firm.

"An accurate clock on the brain of man" is how Dr. Norbert Wiener, MIT mathematics professor, describes electronic computer for analyzing brain waves which he's currently testing.

Photo-transistors are replacing photocells atop 8400 street lamps in Manhattan and Bronx. They automatically switch lamps on & off.

Elsin Electronics Corp., Brooklyn (Edgar Scillitoe, pres.), maker of automatic direction finders, electronically-controlled garage doors, automatic typesetting machine and other devices, recently marketed 140,000 shares of common at \$2 per share through Standard Investing Corp. & Baruch Brothers & Co., N. Y. These are in addition to 251,569 shares presently outstanding and 50,000 reserved for issuance of warrants. Firm's total assets are stated in prospectus as \$199,393, current liabilities \$77,636. For year ended July 31, 1954 its sales totaled \$403,476 and loss was \$19,808 vs. sales of \$455,734 and profit of \$40,175 in preceding year. For 5 months ended Dec. 31, sales were \$65,855, profit \$2055.

**AIR FORCE POLICY** towards electronics industry's place in weapon-system procurement (Vol. 11:7, 17, 21), as enunciated in June 1 address to Washington chapter of Armed Forces Communications & Electronics Assn. by Brig. Gen. T. P. Gerrity, materiel headquarters director of procurement & production:

"There has been much concern voiced since our announcement of the weapon-system concept that such a policy will allow the weapon-system contractor to establish control over the development and procurement of equipment, thus providing himself with the opportunity to get into this business. It is not the intent of our weapon-system concept to engender such actions; in fact, the Air Force does not encourage or condone entry into development and production of parts or sub-systems by other than the established industry which normally provides such equipment."

Govt. wants to make widest use of electronics industry in subcontract function, he said, in order to: (1) take advantage of industry's know-how and special skills; (2) promote healthy industry, ready to meet any emergency; (3) foster competition, making available best quality items at lowest cost.

He said Air Force is taking these measures to back up this policy: (1) Prime contractors will be required to establish their own small business program to insure maximum subcontracting to smaller firms. (2) Weapons system contracts specifically preclude any increase in "normal manufacturing function" of prime contractor. (3) To maintain "broad mobilization base," prime contractors are encouraged to subcontract as much as possible, with Air Force approving price differential, in extreme cases, to maintain widest possible base. (4) Govt. has developed "standards program," which discourages use of specialized components, encourages maximum standardization on already available items.

Gen. Gerrity warned electronics manufacturers that Air Force procurement will continue to be well below capacity of industry. "You may expect to live in a very competitive environment," he said. "The Air Force as a customer will take full advantage of this competitive environment to obtain top quality products at the lowest prices. The contractors who cannot meet these conditions will have tough sledding."

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Walter W. Slocum, pres. of W. W. Slocum & Co. industrial engineers, named asst. to pres. Thomas Roy Jones of Daystrom Inc., Elizabeth, N. J., succeeding Robert Erickson who becomes pres. of Daystrom subsidiary Heath Co., Benton Harbor, Mich.

T. I. Phillips, ex-Westinghouse v.p. in charge of manufacturing, and v.p. J. M. Thompson elected to board of Canadian Westinghouse, whose pres.-chairman is now H. H. Rogge, who succeeded H. A. Cooch, retired.

George E. Probst, ex-director of U of Chicago Round Table radio program, succeeds Adm. Harold G. Bowen, USN Ret., as exec. director of Thomas Alva Edison Foundation Inc., 8 W. 40th St., N. Y.

Dr. E. R. Piore, recently chief scientist and deputy chief of Office of Naval Research, joins Avco as v.p. & chairman of committee on advanced scientific research.

Dr. James W. Ballard, ex-chief of U. S. Bureau of Mines X-ray & spectroscopic lab., named asst. director of research, Electronics Corp. of America, Cambridge, Mass.

Raytheon elects Robert Cutler, pres. of Old Colony Trust Co., Boston, recently special asst. to President Eisenhower, as a director.

International Resistance Co. interim report for 15 weeks to April 17 shows total income of \$4,199,989 vs. \$3,609,387 for comparable 1954 period; net profit \$199,457 (\$148) vs. \$69,378 (5¢). Figures do not include Hycor companies acquired in March whose sales exceeded \$800,000 in last fiscal year. Shares outstanding increased from 1,331,163 to 1,342,598 because Hycor was partially paid for with IRC stock.

Cornell-Dubilier earned \$1,036,649 (\$1.96 a share) on sales of \$19,026,350 in 6 months ended March 31, compared to \$847,953 (\$1.59) on \$21,564,445 in corresponding period of preceding fiscal year. Pres. Octave Blake attributed higher earnings to increased efficiency & improved production methods, lower volume to competitive conditions.

Walt Disney Productions earned \$430,048 (66¢ per share) on gross income of \$9,876,175 in 6 months ended April 2, compared to \$283,662 (43¢) on \$4,331,827 in corresponding period of preceding fiscal year. Pres. Roy O. Disney commented that TV had proved powerful factor in exploitation & marketing of company's motion pictures.

Daystrom Inc., which recently merged with Weston, has arranged for \$7,000,000 long-term loan from Chase Manhattan, Fidelity Union Trust Co. and National Newark & Essex Banking Co., Newark.

GE maintains pace: Sales for first 4 months of 1955, reports pres. Ralph J. Cordiner, indicate 1955 volume equaling record \$3,100,000,000 of 1953.

Skiatron Electronics & Television Corp. admitted to trading in American Stock Exchange June 1; opening sale was 500 shares at 8. It closed June 3 at 7 3/4.

Expansion: Textron American Inc.'s electronics subsidiary, Dalmo Victor Co., to build \$1,200,000 plant at Belmont, Cal., slated for completion in summer 1956.

Dividends: Admiral Corp., 25¢ payable June 30 to stockholders of record June 15; Hoffman Electronics, 25¢ June 30 to holders June 15; Canadian Westinghouse, 50¢ July 4 to holders June 15; Decca Records, 17 1/2¢ June 30 to holders June 16; WJR The Goodwill Station, 10¢ June 20 to holders June 10.

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Color, satellites and microwaves: Agenda of TV-radio committee of AIEE meeting at New Ocean House, Swampscott, Mass. June 27-July 1, as reported by chairman Joseph B. Epperson, Scripps-Howard chief engineer: Color—networking, by John Thorpe, AT&T; film, by E. M. Gore, RCA, and R. E. Putnam, GE; projection receiver, by W. F. Bailey, R. P. Burr & R. J. Keogh, Hazeltine. Satellites—uhf booster, by Jesse Epstein, Wendell O. Morrison & O. M. Woodward Jr., RCA Labs; low-powered uhf, by John B. Grund, Sylvania. Microwaves—by R. G. McLaughlin, Raytheon.

First station to use RCA's new "color-effects" equipment (Vol. 11:21) was NBC's WNBK, Cleveland, which colorcast ID with new gear May 22 preceding color spectacular. As demonstrated at NARTB convention, results were quite effective, producing 12 two-color combinations by push-button control. RCA engineers stressed that equipment is part of that needed when stations eventually go to regular color originations—thus requiring no extra expenditures. It includes colorplexer, color-bar generator, color frequency standard and burst flag generator.

Raytheon introduced its 11-kw ERP 6000-mc microwave equipment, successor to 1-kw series, at NARTB convention, noting that it handles both color and monochrome. Also shown was new 13,000-mc microwave, plus newly offered studio color monitor. Conversion to color of old Raytheon microwave gear, of which some 100 units are in use, will be undertaken by company at less than cost—\$350 plus transportation.

## Network TV-Radio Billings

April 1955 and January-April 1955

(For March report see *Television Digest*, Vol. 11:19)

**N**ETWORK TV billings slipped slightly in April, all networks showing small declines from March but all save DuMont well ahead of April 1954, according to Publishers Information Bureau report. For first 4 months of year, network TV runs \$132,018,673 vs. \$99,555,185 for same 1954 period. Network radio in April also fell from March total and continues to run far behind April 1954; for Jan.-April period, 1955 total is \$42,153,922 vs. \$51,652,729 in same 1954 period. The PIB figures:

### NETWORK TELEVISION

	April 1955	April 1954	Jan.-April 1955	Jan.-April 1954
CBS	\$15,463,359	\$10,921,640	\$62,026,122	\$42,980,081
NBC	13,266,053	10,802,535	52,960,482	41,269,310
ABC	3,527,558	2,554,484	14,619,874	10,478,129
DuMont	462,335	1,068,374	2,412,195	4,827,665
Total	\$32,719,305	\$25,347,033	\$132,018,673	\$99,555,185

### NETWORK RADIO

	CBS	NBC	Total
CBS	\$ 3,837,124	\$ 5,044,943	\$16,363,119
NBC	2,624,671	2,962,839	10,906,981
ABC*	2,096,355	2,367,636	9,417,160
MBS	1,357,157	1,891,998	5,466,662
Total	\$ 9,915,307	\$12,267,416	\$42,153,922
			\$51,652,729

### NETWORK TELEVISION—January-April 1955

	ABC	CBS	DuMont	NBC	Total
Jan.	\$ 3,718,195	\$15,831,141	\$ 723,960	\$13,172,695	\$ 33,445,991
Feb.	3,567,696	14,694,726	597,275	12,419,641	31,279,338
Mar.	3,806,425	16,036,896	628,625	14,102,093	34,574,039†
Apr.	3,527,558	15,463,359	462,335	13,266,053	32,719,305
Tot.	\$14,619,874	\$62,026,122	\$2,412,195	\$52,960,482	\$132,018,673

### NETWORK RADIO—January-April 1955

	ABC	CBS	MBS	NBC	Total
Jan.	\$ 2,487,140	\$ 4,181,787	\$1,372,532	\$ 2,744,204	\$10,785,663
Feb.	2,387,900	3,950,767	1,291,938	2,584,620	10,215,225
Mar.	2,445,765	4,393,441†	1,445,035	2,953,486	11,237,727†
Apr.	2,096,355	3,837,124	1,357,157	2,624,671	9,915,307
Tot.	\$ 9,417,160	\$16,363,119	\$5,466,662	\$10,906,981	\$42,153,922

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

† Revised as of June 2, 1955.

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

Kingsley Murphy family will pay \$380,000 to exercise option for 40% of Cowles' upcoming KRNT-TV, Des Moines (Ch. 8), due on air June 20, according to terms for setting up new KRNT-TV Co., which got FCC approval this week. Murphy family is to pay \$80,000 for stock, plus assumption of \$300,000 note for station construction, while Kingsley Murphy Jr. & attorney Benito Gaguine are to be named v.p.'s, each getting \$500 a month. Murphy family is also selling radio KSO (5-kw, 1460 kc, ABC) & KSO-FM for \$125,000 to Lyman S. Ayers group, operators of WXLW, Indianapolis, Ind.

Richmond's pre-freeze WTVR (Ch. 6) became ABC & CBS outlet June 1 when affiliation with NBC ended—and owner Wilbur Havens took page ads in local newspapers to tell public that in 1954, at NBC compensation of \$166.36 per hour, WTVR lost \$118.16 on every hour of NBC commercial programs it carried. Network has stated it has had trouble clearing time on Havens' stations, hence terminated contract in favor of new affiliation with Tom Tinsley's upcoming WXEX-TV (Ch. 8), due on air next month.

NARTB 1956 convention site will be Chicago's Conrad Hilton Hotel, April 15-19. It has taken option on same hotel for 1957.

**C**ONSENSUS ON REPEATS of hit live programs (Vol. 11:17-21), among top network and agency executives, seems to point clearly in favor of more of them—if carefully selected. This week, we have comments from 2 more highly-placed people—CBS-TV pres. Jack Van Volkenburg and veteran TV producer Worthington (Tony) Miner. Here's Van Volkenburg's view:

"I agree with you that with many of the really outstanding dramatic shows, repeat performances where possible should be scheduled. There is no money to be saved, of course. However, that should not be a factor. Occasionally, we would run into a situation where we would only be able to purchase one-time broadcast rights. However, this would be the occasional situation rather than regular."

"I think you will see in our schedule this coming season an occasional live repeat of an outstanding dramatic performance."

Miner analyzes idea this way: "A sponsor quite naturally hesitates to pick up the total expense of a new production for a repeat that may capture a considerably reduced audience. Despite this hesitancy, hour-long dramatic shows have been repeated considerably more often than people seem to realize—and from the earliest days... The question appears to be more a matter of determining how frequently and how soon a show should be repeated, rather than whether a show should be repeated at all."

"Personally, I am in favor of repeats. I believe that a fine show is a genuine asset to a series, and can be repeated again and again, provided the time intervals between the first showing and the repeat are adequately separated. The immediate repeat of a show like 'Patterns' is a unique example, and in no way affects a general policy. It would seem to me that the producer of each series should determine his own policy extending over a number of years. In this way, and without loss of audience, the really fine productions on TV could become a heritage of the industry as a whole."

Meanwhile, Nielsen reports "Patterns" repeat reached 8,755,000 homes vs. 8,725,000 for first showing. And Kraft, which sponsored the re-run, is so interested in technique that it will do similar job on "Hard to Get," starring Gizele MacKenzie. It was carried first May 12, will be repeated June 9. A spokesman for Young & Rubicam, Kraft's agency, gave as reason: "There was a lot of reaction to the play and its rating was quite good."

Two uhf applications were filed this week with FCC: For Roanoke, Ind., Ch. 21 (allocated to Huntington), Sarkes Tarzian Inc., electronics manufacturer and operator of Bloomington's WTTV & WTTs; for Orlando, Fla., Ch. 18, by WABR, Winter Park. Applications now on file total 152 (17 uhf). [For details, see *TV Addenda 20-U* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

First rates for off-air microwave service were filed with FCC this week by AT&T. It proposes to charge \$4640 monthly for bringing signals of WDAY-TV, Fargo, N. D. to KFYR-TV, Bismarck over 180-mi. route. In addition, it will charge \$81,865 to be paid off in 3 years. In rule-making pending before Commission, telecasters are arguing that they can supply such service themselves more cheaply than AT&T can.

Senate has restored the \$8,000,000 sliced by House off USIA's proposed \$88,350,000 budget, which includes not only Voice of America but plans for expanded TV operations (Vol. 11:10)—and prospects for full go-ahead for Theo. Streibert's organization look good.

MARTIN CODEL'S

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

# Television-Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 24

**SUMMARY - INDEX OF THE WEEK'S NEWS—June 11, 1955**

**SUBSCRIPTION TV COMMENTS** contain brilliant analyses, and put focus on Congress, "tests", demand for oral hearing, danger to free TV (p. 1 & Special Digest).

**SENATE INVESTIGATORS'** top-priority projects: excise tax relief and engineering study of allocation plan. Uhf group asks freeze, selective deintermixture (p. 3).

**COMMUNITY ANTENNA** operators' convention encouraged by Comr. Doerfer; business good but satellites, boosters & low-power stations cause concern (p. 5).

**ELECTRONICAM CLICKS**, says DuMont, pointing to 50% cost reduction in film production & naming Caddigan mgr. of marketing setup for new filming system (p. 7).

**TINKERTOY TV SET** due from Emerson early next year; CBS-Columbia & Capehart also work on modular designs; RCA, Zenith show lines (p. 10).

**APPLIANCE TRANS-SHIPPING** is sanctioned by Justice Dept. anti-trust chief, though trade generally regards it as competitive evil (p. 13).

**DIVERSIFICATION** again featured in decisions, Wichita TV getting final award of Ch. 3, Mid-West TV favored by examiner for Indianapolis' Ch. 13 (p. 4).

**COURT SLAPS FCC** in old Clarksburg case; Flint's WJRT delayed again; CBS abandons plan to buy Steubenville outlet (p. 4). Notes on upcoming stations (p. 9).

*With This Issue: Summaries of Comments on Subscription TV Filed This Week With the FCC (4-p. "Special Digest")*

**'THE TOLVISION WAR'—AT DEADLINE:** Verbal warfare over subscription TV entered an important phase this week as major and minor combatants filed formal comments with FCC -- but it's by no means the final or most important phase. Chances are future battles will make this week's legalistic give-&-take look like a mere skirmish.

All the 30-odd filings, some extremely voluminous, some revealing penetrating research effort, are digested in a Special Supplement herewith. We've studied them all, to the extent that time permitted, and the conflict -- stripped of all hokum and publicity motives -- appears to resolve itself into several major issues:

- (1) Should Congress, not FCC, make the decision?
- (2) Should "tests" be authorized?
- (3) Should a hearing -- full, oral evidentiary -- be conducted?

These questions are in addition, of course, to the overriding question: "Will subscription TV add to or subtract from today's free system?"

\* \* \* \*

Proponents and opponents are lined up officially now, and they're a motley group -- "bigs" and "littles" on both sides, motives obvious. If Congress grabs the ball from FCC's hands, or gets it on a forward pass from FCC, it means long delays and probably the ultimate rejection of subscription TV.

For with all the buildup and fanfare, any Congressional candidate worth his political salt can get a lot of campaign mileage out of vowing to the public that he will keep TV free. There are very few votes in any promise to charge the public for its TV programs -- and the simple fact is that there isn't the popular clamor for "reform" of TV that arose during the early days of commercial radio.

The idea of a commercial "test" could prove to be the most crucial issue of all -- and opponents devoted some of their most strenuous arguments to point out the "fallacies" and "dangers" of any such experiments.

Demand by the opponents for an oral hearing is bound to precipitate a nasty fight, for the proponents know full well how that sort of thing can drag into years -- having fresh in mind the protracted allocation and color hearings.

We've appended street addresses of principals and counsel to the digests of their comments in the Special Supplement herewith, and we urge you to ask them for

copies which most of them told us they're prepared to supply -- for we've never before seen such truly brilliant analyses of what TV is under a free system and what it might be under fee TV. In the scant 10 years of TV's life, no one has ever devoted such skill & knowledge to evaluation of its economic, artistic & social aspects.

A study of the comments shows that much of the argument to date had been superficial indeed -- proponents promising pie-in-the-sky, opponents relying on flat assertion that toll TV will kill free TV.

The care and intensity manifested in the briefs make certain that FCC consideration of the issue can scarcely be less exhaustive -- reemphasizing our repeated predictions that final disposition is a very long way off. Moreover, the extensive attention to legal aspects points plainly to ultimate court appeals by whoever loses.

\* \* \* \*

The anti-fee forces have been striking telling blows, it's apparent, in their cry that the prime result of fee TV would be to make the public pay for what it now gets free -- for Zenith's comments ask Commission to prohibit networks from charging for programs now paid for by advertisers and to prohibit stations from carrying fee TV programs more than 15% of the time.

Concept of a "free enterprise" experiment, on the other hand, has opponents issuing dire warnings that a test dare not be tried while at the same time urging that other tryout techniques are available which won't jeopardize free TV. Wired system is most frequently suggested as the proper arena for tests. Opponents like NARTB, CBS and theatre-sparked Joint Committee on Toll TV say they have no objections to subscription TV via cable.

Accepting this premise, the largest manufacturer of wired systems for community antenna services, Jerrold, told Commission it's ready, willing and able to supply already-operating systems with "home hookups" for the tests.

Jerrold also stated, however, that the whole foundation of subscription TV -- the scrambling and unscrambling technique -- is fallacious because any broadcast code can readily be broken and the shows "bootlegged", whereas a wired system is secure. Jerrold's claim is that major cities can be wired up for same cost that decoders can be installed for a broadcast system; its pres. Milton Shapp challenged Zenith to supply him with 2 decoders and he would break any scrambled telecast Zenith devises.

The wire-system appeared to appeal even to one of pay-TV's proponents, Paramount Pictures' International Telemeter, whose pres. Barney Balaban and v.p. Paul Raibourn told us they've been urged to try the cable by several interested groups and will do so if satisfied that the economics are right.

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Movie tycoon Balaban tangled with RCA-NBC Chairman Sarnoff this week, blasting latter's assertions that pay-TV would turn TV into a Hollywood "cash box" (Vol. 11:23). Insisting toll TV is "inevitable", Balaban said:

"One gets a little weary of these pious declarations about the motion picture companies in their relation to TV. No one has a patent on how to make motion pictures. Anyone can make a motion picture who has the talent and money to do so. There is nothing to prevent NBC, or any of the other networks, from investing in quality production motion pictures as we do in our business."

Telemeter came up with novel idea of multiplexing what it calls "marquee" -- technique of displaying to viewers a description of what they're missing at same time scrambled picture is being telecast, all on one channel. At first blush, it was thought Telemeter had devised multiplexing system which could be used to present subscription TV as a true supplement to the existing free system. However, Telemeter engineers stated that multiplexed picture would be "degraded", though it was thought that 2 acceptable pictures might some day be transmitted on the same channel. Raibourn, himself an engineer, suggested this might take 5 years to achieve.

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Zenith pres. E.F. McDonald also took crack at Sarnoff this week, alleging RCA had sought to buy Phonevision patents 3 times in recent years. Gen. Sarnoff termed charge "utterly false", whereupon McDonald offered to testify about it "under oath".

"The battle of press releases" having gone to higher levels, the chips down, it can be expected that the TV medium will itself be used more freely henceforth to argue the fee-TV subject -- that is, if popular interest doesn't flag.

Another TV debate on the subject is scheduled by CBS-TV -- on Ed Murrow's "See It Now" Tue., June 14, 10:30-11 p.m. EDT. Participants pro will be Skiatron counsel James M. Landis, Brooklyn Dodgers pres. Walter O'Malley, playwright Robert Sherwood. Arguing anti will be CBS pres. Frank Stanton, theatre committee co-chairman Alfred Starr, station mgr. P.A. Sugg, WKY-TV, Oklahoma City.

If the previous TV debates are criterion, public's reaction to pay TV will be generally adverse -- evidenced by fact that tide of letters to FCC turned from pro to con immediately after one such recent debate on NBC-TV. Antagonists were Zenith's H.C. Bonfig (now with CBS) with Cornelia Otis Skinner and Mr. Starr with actress Faye Emerson.

Heavy numerical lead of pro-fee TV letters in FCC files, initiated by Zenith publicity campaign, has probably been overcome by now (Vol. 11:23). Total is now somewhere around 20,000 letters, including results of poll conducted by Newsday, Long Island daily, which reported 5036 anti-pay-as-you-see, only 192 pro.

Next official deadline is July 11, when parties are to reply to one another's comments as filed this week. It's certain some participants will ask for extension because of the great volume of material for study -- and, it being summertime, the chances of extension are considered strong.

**SOUND & FURY ON THE ALLOCATION FRONT:** The first anniversary of the Potter hearings on uhf finds the air full of "proposals", "plans" and talk of "investigations" aimed at helping uhf in one way or another -- and they all have a familiar ring. Potter subcommittee never made a final report, and none of the "strong measures" suggested have been adopted. One year and millions of words later, outlook is the same.

The continuing TV investigation by Sen. Magnuson's Commerce Committee, under the guidance of chief counsel Sidney Davis, has assigned top priority to 2 projects, both outgrowths of measures once proposed by Potter subcommittee:

(1) All-out drive to eliminate price differential on all-channel sets by exempting them from 10% Federal excise tax. Magnuson already has written letter to economy-minded Chairman Byrd (D-Va.) of Finance Committee, and there's talk of joint meeting of Commerce & Finance committees to discuss plan. Davis feels the measure still has "fighting chance" -- despite Administration's opposition to all tax bills this session. In the House, Ikard tax-exemption bill (HR-4070) is stalled, but proponents will make effort in next 2 weeks to get Ways & Means Committee commitment.

(2) Ad hoc committee of leading engineers, to take another look at allocation plan (Vol. 11:23). RETMA, NARTB, FCC, UHF Industry Coordinating Committee, networks have been asked to suggest members. They're due to be announced in about 2 weeks. Reports that committee's principal function will be to squeeze in as many more vhf channels as possible were strongly denied this week by Davis. He said the committee will be told to approach entire question with open mind.

Davis believes in go-slow policy, and says he won't be pushed into "premature hearings." Best guess still is that the all-encompassing TV hearings won't begin until next fall at earliest, perhaps even next winter.

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Another ad hoc committee -- plus a freeze and selective deintermixture -- was proposed to FCC this week by group of uhf telecasters. UHF Industry Coordinating Committee, headed by Harold Thoms and Fred Weber, forwarded to the FCC the proposal adopted by representatives of some 45 stations 2 weeks ago (Vol. 11:22). Group has an appointment June 21 to discuss plan with FCC. The 3-part proposal:

(1) Freeze for at least 90 days all TV authorizations and modifications "which will result in aggravation of intermixture of uhf & vhf stations." (2) Establish an ad hoc committee, which will act during freeze to set up new standards "for determining objectionable interference," to serve as basis for new rules permitting drops of new vhf assignments; on case-to-case basis, presumably through use of direc-

tional antennas, low power, etc. (3) Commission would resolve all pending proposals for area deintermixture during same freeze.

FCC's "test cases" on selective deintermixture (Vol. 11:14) have been slated for hearing June 27-28. They involve substitution of uhf for single commercial vhf channels in Peoria, Ill.; Madison, Wis.; Evansville, Ind.; Hartford, Conn.

FCC this week served notice it will discontinue its policy of extending CPs of uhf grantees on purely economic grounds. It gave 12 uhf CP-holders until Jan 16 to get started, and announced that no CPs would be extended beyond that date unless grantees give evidence of definite plans for actual construction and operation.

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Senate this week passed FCC budget appropriation, which includes \$80,000 for study of networks (Vol. 11:22-23). Already approved by House, measure now goes to conference committee to iron out minor differences between Senate & House versions.

Sen. Magnuson explained the study in response to question in Senate by Sen. Langer (R-N.D.) of Judiciary Committee: "The [\$80,000] is for the purpose of permitting the FCC to make a factual study and investigation of the networks and their contractual relations with their affiliates...A year will be required to obtain the factual data. The Commission does not intend to duplicate any work which the [Senate Commerce Committee] inquiry may have done, or to overlap the inquiry as to monopolies which the Committee on the Judiciary is making."

Nobody expects strong medicine to come out of FCC's investigation. As Chairman McConaughay put it, in recent address to CBS-TV affiliate conference: "I think that the Commission should know more about the networks from the standpoint of what makes them tick. I think that possibly the networks would welcome such a study. But to me, there is a vast difference between making a study and coming out and starting to criticize everything... A study, yes; an intelligent appraisal, yes; but to come out and make wild suggestions and wild accusations [is] a very dangerous thing when you are dealing with possibly the most sensitive industry in the American economy."

**FINAL DECISION** in old Wichita Ch. 3 case—which started Oct. 20, 1952—gives CP to non-radio Wichita TV Corp. (George M. Brown, pres.). Satellite CP for Ch. 4 in Roseburg, Ore. (to owners of KVAL-TV, Eugene) was only other grant issued by FCC in week that also produced initial decision proposing Ch. 13 grant in Indianapolis to Mid-West TV Corp.

Wichita case was close—a 3-2 decision, with Comrs. Lee & McConaughay dissenting, Hyde & Doerfer not participating. Commission picked Wichita TV for its program proposals, plans of owners to participate in operations, local residence and diversification. It owns no communications media, whereas competitor KFH is part owned by Wichita Eagle and KANS principal O. L. Taylor also controls KRGV-TV & KRGV, Weslaco, Tex. Lee wrote dissent, in which McConaughay concurred, stating he'd pick KFH because of its long and satisfactory radio record and because he felt newspaper ownership should give station a plus rather than a minus.

Examiner Basil P. Cooper chose Mid-West in Indianapolis (banker George Sadlier, pres.)—over WIBC, WIRE & Crosley—because of local ownership, program proposals and fact it owns no TV-radio stations, newspapers or theatres. Cooper was unimpressed with programming record of WIBC, WIRE & Crosley and was particularly critical of fact that WIRE was interlocked with Indianapolis Star and News (E. F. Pulliam), saying city needs another "voice."

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Commission got spanked by Court of Appeals this week, in the Clarksburg, W. Va. protest case. FCC had granted Ch. 12 CP for WBLK-TV to Stubblefield publish-

ing family, whereupon *Clarksburg Exponent & Telegram* protested (Vol. 10:13). Commission gave protestant oral argument, but court's Judges Edgerton, Bazelon & Bastian unanimously ruled this week that full hearing should have been granted instead, sent case back.

Meanwhile, Commission granted protests against establishment of WJRT, Flint (Ch. 12) at site near Saginaw, thus further holding up construction of station. Full hearing will begin June 27 on protests of WKNX-TV, Saginaw (Ch. 57), WTOM-TV, Lansing (Ch. 54) & WWTV, Cadillac (Ch. 13).

Sale of WSTV-TV, Steubenville, O. (Ch. 9), to CBS was called off this week—principals recognizing they had little chance of getting FCC to approve move of station to Pittsburgh. It remains CBS-TV affiliate.

Another uhf seeking vhf channel was WKLO-TV, Louisville (Ch. 21), which asked that Ch. 7, 9 & 13 be added to Louisville, taking them from Bowling Green, Ky., Evansville & Hatfield, Ind. Station asked that it be shifted to Ch. 7, WQXL-TV to Ch. 13, leaving Ch. 9 for educators.

Commission finalized addition of Ch. 16 to Pittsburgh, Cal., substitution of Ch. 15 for Ch. 16 in Red Bluff, Cal., Ch. 56 for Ch. 16 in Santa Cruz, Cal.

Chairman McConaughay, planning to leave for Europe July 22, and with Commission scheduling no action on major matters during Aug., is pressuring staff and colleagues to get out as much work as possible now—particularly on such issues as deintermixture (see p. 3). Evacuation of key govt. officials in civil defense test June 13 may put crimp in Commission output next week.

Richard A. Mack's nomination to FCC to succeed Comr. Hennock June 30 (Vol. 11:19, 22) is scheduled for hearing by Senate Commerce Committee June 16 at 10 a.m.; quick approval is expected.

**COMMUNITY SYSTEMS—PROSPECTS & PROBLEMS:** A professional atmosphere pervaded this week's convention of National Community TV Assn. in New York's Park Sheraton -- in marked contrast with previous meetings of the not-much-publicized community antenna operators. For in last few years these enterprisers, usually small and local, have burgeoned from a group with no true industry spirit or national awareness into a cohesive and self-assured organization comparable with old-line trade associations.

Some 450 attended convention and 18 exhibitors displayed equipment. Beset with uncertainties, but flourishing nonetheless, operators were pleased with address by FCC Comr. John C. Doerfer, who congratulated them on their enterprise, expressed optimism for the future, and showed strong aversion to applying the iron hand of Federal regulation to the conduct of their business.

During 1948-1952 TV freeze, shadow of prospective new stations hung over the operators, but worries were unjustified. Now, it's boosters, satellites and low-powered stations that pose the threat.

Some of the "gold rush" aspects of the business have disappeared, and sudden discoveries of backyard bonanzas are now quite rare. Rather, well-informed capital is roaming the country, beefing up old systems, exploring markets previously thought to be too well served with free signals to be profitable, and investing in expensive microwaves in order to penetrate previously inaccessible communities.

(For details of convention activities, see below.)

**COMMUNITY ANTENNA** operators' greatest concern is over prospects of competition from satellites, boosters and low-power stations of all kinds (Vol. 11:23). These provided subject for liveliest session of NCTA convention in New York this week.

With FCC certain to authorize them in one form or another and with manufacturers prepared to deliver telecasting equipment at lower and lower costs, the concern appears justified. Furthermore, Sen. Magnuson (D-Wash.), whose state is loaded with illegal boosters which have given community operators serious competition, is putting tremendous pressure on FCC to legalize the boosters—fast. On June 3, he wrote FCC Chairman McConaughey telling him to get going, offering to sponsor new laws if necessary.

Participating in panel discussion on low-power TV stations at convention were NCTA pres. Martin F. Malarkey, NCTA exec. secy. E. Stratford Smith, Entron pres. H. M. Diambra, Jerrold pres. Milton J. Shapp, Spencer-Kennedy pres. Fitzroy Kennedy.

Theme of discussion: Low-power TV outlets in most small towns probably aren't economically feasible, but if they are, they still won't kill off community operators who can add more and more choices of signals—3, 5, 7 or even more—to retain customers.

They weren't so concerned with "normal" satellites as they were with those proposing to transmit several signals simultaneously—as outlined by applicant for experimental station in Clarkston, Wash., planning to retransmit 3 Spokane signals on 3 uhf channels (Vol. 11:23). Said Shapp: "We must take issue forcibly with this type. It's a change from the traditional FCC pattern." Smith noted that FCC has strict rules against permitting one station to occupy more than one channel in a town, and he recommended FCC be asked to make policy clear and stable so that system operators could plan accordingly. He suggested that rule-making should be undertaken by Commission before any such grants are made.

Panelists thought low-power operations could scarcely be profitable in towns up to 25,000 or so but might go over in larger cities. Malarkey, who hails from Pottsville, Pa., said that metropolitan station operators told him they

couldn't envision profitable satellite operation because they could scarcely increase rates for the relatively small increase in circulation. It was noted, however, that if one big-city station seeks satellite, his competitors are forced to do likewise—even though economics may not be favorable—as happened in Walla Walla, Wash.

Leon Papernow, once part owner of KFSD-TV, San Diego, told group that they should be checking sentiment of small-town AM operators to determine low-power station possibilities, and he pointed out that manufacturers at recent NARTB convention would even lease complete equipment for some \$50 a day (Vol. 11:22). He warned that potential among small AM operators might be very great, as indicated by Sylvania surveys (Vol. 11:22).

Certain to be watched closely as possible clue to small-town TV economics is novel "Commprovision" system (Vol. 11:8) which started May 27 in Douglas, Ariz. Town is too far from stations to get signals for community system, so group known as Trans-Community TV Network, 141 El Camino Dr., Beverly Hills, Cal. (Jerome L. Doff, pres.), is feeding kines & films to wired system, interspersing local live, film & slide commercials.

Organization advertises it's operating 3-10 p.m. daily, offering *You Bet Your Life*, *Hit Parade*, *Comedy Hour*, *Kraft Theatre*, *Robert Montgomery Presents*, *Mr. Peepers*, *Tennessee Ernie*, etc. Most programs are NBC, but other networks' shows are also said to be on tap. Company has invested heavily in RCA equipment, including mobile unit for live man-on-the-street pickups, etc. It's claimed that merchants are clamoring to place spots and that operators expect to achieve profit when only 1000 homes are wired.

Entrepreneurs haven't yet fixed cost to subscriber, but it's expected to be somewhere in range now charged by regular community operators—\$125-\$150 for initial connection, \$3-\$7 monthly fee.

If Trans-Community does prove profitable, it will undoubtedly invite competition from low-power station offering free signals, once low-power rules are adopted—because vhf channels are plentiful in area, Ch. 3 already allocated but unapplied-for in Douglas, and station probably could be built and operated for no more than a wired system.

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Interest in microwaves to serve community systems was intense. FCC common carrier expert Arthur Gladstone outlined Commission policy: qualified groups can

obtain permission to operate microwaves for systems but can't own the systems they serve. Two such microwaves have been granted—one to serve Poplar Bluff, Mo. area (but never built), other to serve systems in Richland and Kennewick-Pasco, Wash. (granted May 25). Like hinterland TV station operators, owners of systems feel that AT&T service is unnecessarily costly.

Another industry problem is "property rights," i.e., systems' right to relay signals of stations. Most stations are delighted with added circulation produced by systems, but a few have sought to keep their signals off systems. Wm. Grove's KFBC-TV, Cheyenne, Wyo. has ordered operator in Laramie not to carry its signal, but Laramie operator continues to carry it, asserting that his system, in principle, is merely an extension of customers' antennas. Ed Craney's KXLF-TV, Butte, Mont. has given similar orders to operator in Bozeman—and conflict is likely to wind up in court. It was Craney who took famed ASCAP case to U. S. Supreme Court.

Subscription TV is another intriguing subject—for community operators feel they have natural setup for first-run movies, etc., and Jerrold's Shapp asserts that systems can take whole hot potato out of FCC's hands (see p. 1).

State utility regulation isn't quite the bugaboo it used to be. Though operators find little need for such regulation, one operator put it this way: "You don't see the phone or electric companies going broke, do you?" Wyoming is only state actually regulating, though a few others are considering assuming control.

Illustrative of operators' esprit de corps, membership voted unanimously to triple budget to \$50,000 for next year, with dues to be 2½¢ per subscriber per month—some members' dues being increased 9-fold. They reorganized to set up 8 regions, with director for each. Malarkey was reelected pres., this to be his last term; Wm. Daniels, Casper, Wyo., v.p.; Joseph Saricks, Bradford, Pa., secy.; Wm. Calsam, Oneonta, N. Y., treas.

Operators were heartened by speech of FCC Comr. Doerfer, who said: "Community TV today is a \$20,000,-000 industry. Approximately 400 companies are bringing a TV service to more than 300,000 subscribers or roughly 1,000,000 viewers. But for your enterprising spirit most of these people would today be without such service. This fact alone is a splendid tribute to your ingenuity and in particular to your initiative. You are to be congratulated."

Outlining legal uncertainties of regulation—lack of final court determination whether systems are broadcasting or common carrier, or whether they come under Federal or state jurisdiction—Doerfer said he preferred states assume regulation, if any governmental entity should. He also said he couldn't see that Govt. should protect broadcasters from systems or vice versa.

As for low-power stations, he stated: "Consideration of the relative cost of construction and operation, number and variety of available programs, fidelity of broadcast signals, their limitation because of encroaching interference and a host of unknown factors inherent in the new proposals to permit so-called boosters, satellites and low-power stations, should give CATV operators some encouragement and comfort . . . Your demonstrated powers of resilience without any governmental help or aid should give your prophets of doom cause for thought."

Sets-in-use totaled 35,809,000 as of May 1, according to NBC research & planning director Hugh M. Beville Jr., up 305,000 from April 1. U. S. Census Bureau this week revealed its June population survey is asking number of homes having TVs, and how many; sampling of about 25,000 families in 230 areas will permit national estimate to be released in Sept. or Oct. Advertising Research Foundation requested survey and is paying for it.

**Personal Notes:** Harry C. Milholland, DuMont mgr. of technical operations, promoted to director of all engineering activities for broadcast div., succeeding Rodney D. Chipp, now engineering director of DuMont Labs' manufacturing divs.; Eric Herud promoted to asst. mgr. . . . John W. Patt, pres. of WJR, Detroit & upcoming WJRT, Flint, who was stricken with heart attack during NARTB convention (Vol. 11:23) is improving at Georgetown Hospital, Washington, but not yet seeing visitors . . . Bernard J. Prockter, who recently sold out his Prockter TV Enterprises (*Big Story, Treasury Men in Action, Man Behind the Badge*), has joined CBS-TV as a producer; he started out in radio with CBS in 1929, quit in 1941 to join Biow, started own packaging business in 1944 . . . David G. Taft, exec. v.p. of WKRC-TV, Cincinnati, adds title of gen. mgr., taking on duties of U. A. Latham, retired . . . Raymond F. Guy, NBC director of radio frequency engineering and 1950 IRE pres., elected pres. of Radio Pioneers Club . . . W. Robert Rich resigns as program director of WPIX, N. Y., to become gen. sales mgr. of Associated Artists Productions' TV div. . . . Frank G. King, ex-KABC-TV & KTTV, Los Angeles, named gen. sales mgr., KOVR-TV, Stockton, headquartered in San Francisco . . . Joseph E. Lake, ex-WDAF-TV, Kansas City, named commercial mgr. of WFMY-TV, Greensboro, N. C., succeeding Wm. S. Baskerville . . . Edward J. Roth Jr., ex-NBC-TV, named program director of Notre Dame U's upcoming commercial WNDU-TV, Notre Dame-South Bend (Ch. 46), due in July . . . Ray Wilson, KFMB-TV, San Diego, elected chairman of California AP Radio Assn. . . . Chester E. Hagan, asst. mgr. of NBC central news desk, N. Y., shifted to mgr. of news & special events, Chicago; Rex Goad, Washington news editor, to N. Y. as night news room supervisor . . . J. Davis Danforth, BBDO, named TV-radio administration chairman, American Assn. of Adv. Agencies operations committee . . . Willson M. Tuttle, ex-Ruthrauff & Ryan v.p., to Fuller & Smith & Ross, N. Y., in TV management capacity . . . Halsey V. Barrett, ex-DuMont, recently in film syndication, joins TV Bureau of Advertising . . . James F. Brown resigns as national sales mgr., KBTV, Denver . . . Ridley Bell, asst. gen. mgr., promoted to gen. mgr. of WRBL-TV, Columbus, Ga., as Walter Graham is made mgr. of radio WRBL . . . George L. Griesbauer, ex-Raymer, recently sales mgr. of WTTG, Washington, named mgr. of Weed Atlanta office.

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Gordon Gray, chief owner of WSJS-TV & WSJS, Winston-Salem, publisher of both dailies there and currently pres. of U of No. Carolina, was nominated by President Eisenhower June 10 to be Asst. Defense Secretary, succeeding H. Struve Hensel, resigned. He's 46, a Democrat, Yale law graduate, served as Army Secretary under President Truman, was on 3-man board that heard J. Robert Oppenheimer security case.

More honorary degrees: To Dr. Allen B. DuMont, from Fairleigh Dickenson College. To Edward R. Murrow, from Holyoke College. To Gardner Cowles, publisher of *Look* and part owner of TV stations in Des Moines, Minneapolis & Sioux City, from Long Island U. To Mrs. Gardner (Fleur) Cowles, from Elmira College. To James E. Smith, pres. of National Radio Institute, Washington, from George Washington U.

Dr. Allen B. DuMont and family will be "visited" in their Cedar Grove, N. J. mountaintop home by Ed Murrow on his CBS-TV *Person to Person* show Fri., June 17, 10:30-11 p.m.

H. K. Carpenter, 61, broadcasting pioneer, who retired last summer as v.p. of *Cleveland Plain Dealer's* WHK, died suddenly June 2 in Cleveland. Surviving are his widow and 3 daughters.

**Telecasting Notes:** NBC pres. Pat Weaver, who is generally given the accolade as TV-radio's Great Innovator (*Today*, *Home*, *Tonight*, spectaculars, *Monitor*, *Wide Wide World*), doesn't do so badly before the camera himself—first evidenced by his easy manner and ready responses on Ted Granik's *Youth Wants to Know* show June 4. The kids ask tough ones, and many a statesman often flounders on that program, but Weaver was always at ease, his replies brief and to the point; he wasn't at all prolix or involved, despite his reputation for memos requiring concentrated re-reading to be understood . . . Weaver likes personal appearances, apparently, for he has agreed to narrate American Petroleum Institute show titled "1976," Sun. Oct. 9, 4:30-5:30 p.m., it being a glimpse into life in this country 21 years hence. He promises it won't be "space ship stuff"; it's his own idea, based on book he has been writing titled *Tomorrow* . . . First-run of new *Horatio Hornblower* feature film with Michael Redgrave may also be carried on NBC next fall as one-shot spectacular, in addition to Korda's *The Constant Husband* (Vol. 11:23), says *Billboard*; it would be sort of pilot for new half-hour TV film series with same title, and NBC rental deal would graduate downward depending on subsequent box-office . . . Another color spectacular in works is an original musical titled "The King & Mrs. Candle," by Sumner Locke Elliott, slated for NBC-TV's *Showcase* Aug. 20; Mark Charlap, who wrote music for *Peter Pan*, is doing it for the TV play, with *Hit Parade's* Toni Charmoli as choreographer . . . Those 2 Bing Crosby spectaculars announced by CBS (Vol. 9:21) will be on film, each 90 min. and resembling regular movie musicals. Crosby is curtailing his theatrical film activity to one-a-year, will concentrate on the 2 CBS features, first to be based on Rip Van Winkle story, going before cameras in July and telecast in Oct. They'll be produced & directed by Ralph Levy, budgeted at \$175,000 each . . . "Preview" format adopted by NBC's *Lux Video Theatre* for summer series;

DuMONT'S ELECTRONICAM live-film production method (Vol. 11:6, 8, 13, 16, 19) is in business now, and the company is proceeding on 2 fronts—marketing & film production—to capitalize on an anticipated industry acceptance of the system.

DuMont this week appointed "the father of Electronicam"—James L. Caddigan, ex-network programming & production mgr.—to new post of director of Electronicam marketing, with headquarters at Clifton, N. J. Said DuMont v.p.-gen. mgr. Wm. H. Kelley:

"The [new] marketing organization for Electronicam will undertake the establishment of this new system as standard equipment for the production of every type of motion picture—theatrical, business, educational, TV, commercials, govt." Marketing, he said, will be "international in scope."

Meanwhile, 2 Electronicam film production units have been busy at DuMont's New York Tele-Center, according to network director Ted Bergmann, who says 90% of those using the new facility aren't DuMont network advertisers. First Electronicam-produced commercial—1-min. Ronson shaver spot, thru Wm. Weintraub agency—was seen by New York viewers this week on WCBS-TV's *Early Show*. Biggest project to date was scheduled this week—pilot film in new 90-min. drama series for unnamed principal.

Among users and experimenters with new system at the Tele-Center are other networks, independent producers, agencies, sponsors. Commercials have been made for at least 4 agencies, pilot films for 2 producers, and an educational TV film series is now shooting.

live hour series will dramatize 12 stories made available by major movie producers before they're filmed for theatre . . . Apropos growing interdependence of TV and movies, Screen Directors Guild, Hollywood, reports 65% of members working in TV regularly or occasionally . . . Universal-International is getting into TV act, too—co-operating with NBC in putting on *Allen in Movieland* as summer extravaganza Sat. July 2, 9-10:30 p.m., providing such stars as Jeff Chandler, Piper Laurie, Tony Curtis, Audie Murphy; Steve Allen will be in Hollywood to star in U-I's film *The Benny Goodman Story* . . . Top movie directors Wm. Wyler, Wm. Wellman, Frank Borzage, John Farrow to direct one film each for next season's *Screen Directors Playhouse* on NBC-TV; Screen Directors Guild's benevolent work will be beneficiary . . . Screen Gems of Canada Ltd., 102 Peter St., Toronto, has been formed to handle properties of Screen Gems along with those of Telepix Movies Ltd., with latter's Joseph Dunkelman & Lloyd Burns in charge . . . Olympus Film Productions Inc., subsidiary of WLW Promotions Inc., sold June 3 to James B. Hill, its gen. mgr. . . . Station Film Library Inc., recently established by Harry Trenner, has been purchased by General Teleradio.

General Teleradio's Tom O'Neil reportedly is bidding on RKO holdings of Howard Hughes, which would give him big backlog of feature films now in vaults as well as control of RKO studio on Gower St., Hollywood, and Pathé lot in Burbank. Offers by O'Neil (of General Tire family) and others are understood to be in hands of Irving Trust Co. General Teleradio operates 5 TV stations and as many AMs, as well as Mutual Broadcasting System, Don Lee Network, Yankee Network. Presumably, though it's verifying nothing, it wants the RKO pictures to continue its successful "Million Dollar Movie" syndication and would enter the TV film production field in a big way if it gets the studio facilities.

Bergmann estimates that system cuts filming costs in half, compared to conventional methods, for complete film series and other big orders. Here are some cost estimates, based on month's Electronicam experience, as compared with conventional filming: Five 15-min. soap opera episodes (total 50 min.), all shot in one 10-hour day, \$6000-\$7500, compared to \$15,000-\$18,500 by conventional methods. For one-minute commercials, cost is about \$1200 each when 3 are made consecutively, \$700 each for 6 and \$400 each for 12. Conventional film commercial is said to cost \$3600 for one minute.

As for DuMont network shows, pilot Electronicam prints are now being made of all of them. DuMont is recommending to its clients that they drop the live shows, change over to film. One DuMont account, Serutan, reportedly is planning to switch to Electronicam method entirely as soon as it has built up backlog of film shows in its *Life Begins at 80* series.

DuMont now has two 16mm Electronicam units (3 cameras each) in operation at its N. Y. Tele-Center, will install 35mm system this summer. New director of photography for Electronicam is Douglas Downs, ex-*Mareh of Time*.

NBC Spot Sales has revised its *Guide for Video and Audio Standards*, covering 10-sec. IDs, as result of optional method announced last Oct. whereby advertiser may use full screen for 7½ sec. (Vol. 10:42); revised manual will be available in early July.

National advertising rose 11% in first 4 months of this year over year ago, reports *Printers' Ink*, with network TV up 34%, newspapers up 14%, network radio down 17%.

**Network Accounts:** Cigarette companies, whether despite or because of lung cancer publicity, are increasing network TV sponsorships, reversing earlier policy of cancelling or sharing top programs in wake of first cigarette sales declines. Six major manufacturers will sponsor 18 network shows this fall, latest being Camels' purchase of 30-min. *Phil Silvers Show* on CBS-TV (time undetermined) & Lucky Strikes' buy of Wed. 8:30-9 p.m. period on ABC-TV following *Disneyland* . . . CBS-TV is revamping *Morning Show* (Mon.-thru-Fri. 7-9 a.m.), which has had rough commercial going in competition with highly successful *Today* on NBC-TV; spokesman denied reports show was going off air, though m.c. Jack Paar will quit it to head *Jack Paar Show* on CBS-TV starting July 4, Mon.-thru-Fri. 1-1:30 p.m. . . . General Foods (Instant Sanka & Minute Rice) & Revlon to be alt. sponsors of *Johnny Carson Show* on CBS-TV starting June 30, Thu. 10-10:30 p.m., thru Young & Rubicam & Wm. H. Weintraub & Co. . . . General Foods to sponsor *Commando Cody* on NBC-TV starting July 9, Sat. 11-1:30 a.m., thru Benton & Bowles . . . Sunbeam Corp. (appliances) buys 14 partic. on NBC-TV's *Tonight* (Mon.-thru-Fri. 11:30 p.m.-1 a.m.), 3 partic. on *Home* (Mon.-thru-Fri. 11 a.m.-noon) starting in fall, thru Perrin-Paus Co., Chicago . . . Western Union to switch *Down You Go*, an ex-DuMont show, to ABC-TV this fall, Fri. 10-10:30 p.m., thru Albert Frank-Guenther Law; Procter & Gamble and Whitehall Pharmacal Co. will sponsor it this summer on CBS-TV Sat. 9:30-10 p.m. . . . Pall Mall & Simoniz Wax to sponsor *The Best in Mystery* as summer replacement for *Big Story* on NBC-TV starting July 15, Fri. 9-9:30 p.m., thru Sullivan Stauffer, Colwell & Bayles . . . NBC-TV extends Steve Allen's *Tonight* (Mon.-thru-Fri. 11:30-1 a.m.) to Los Angeles & San Diego starting June 27 . . . Raleigh cigarettes & Procter & Gamble to be alt. sponsors of *Undercurrent* on CBS-TV starting July 1, Fri. 10-10:30 p.m., thru Ted Bates & Young & Rubicam.

Rate increases: WBKB, Chicago, has added Class AA hour (6:30-10 p.m. daily) at \$2200, min. (6:30-10:30 p.m. daily) at \$400, Class A hour going from \$1650 to \$2000; WRC-TV, Washington, raises base hour from \$1000 to \$1250, 20 sec. from \$275 to \$350; KOMO-TV, Seattle, July 1 adds Class AA hour (7:30-10:30 p.m. daily) at \$950, min. at \$190, Class A hour remaining \$800; KMTV, Omaha, has added Class AA hour (7-9 p.m. daily) at \$800, min. at \$200; WDSM-TV, Duluth, has raised base hour from \$250 to \$325, min. \$50 to \$65; KLTV, Tyler-Longview, Tex., hour from \$200 to \$250, min. \$40 to \$50; CKCO-TV, Kitchener, Ont., hour from 300 to \$350, min. \$60 to \$70; CFRN-TV, Edmonton, Alta., \$200 to \$260 & \$40 to \$50.

Three new sponsors have signed for partic. on *Monitor*, NBC Radio's weekend round-the-clock service which was to debut with simulcast Sun. June 12, 4-5 p.m. Latest sponsors (giving *Monitor* total of \$1,400,000 gross billings to date) are Chesebrough, thru McCann-Erickson; Morton Salt, thru Needham, Louis & Brorby; B. F. Goodrich, thru BBDO.

First regular daily program in color will be *Howdy Doody* on NBC-TV starting in fall, Mon.-thru-Fri. 5:30-6 p.m., when it faces competition from Disney's new *Mickey Mouse Club* on ABC-TV Mon.-thru-Fri. 5-6 p.m. NBC will retain *Pinky Lee Show* 5-5:30 p.m., ending speculation that it would be combined with *Howdy Doody* in a single hour show.

New reps: KAKE-TV, Wichita, to Katz (from Hollingbery); WITV, Ft. Lauderdale-Miami, to H-R Television (from Bolling); WIRK-TV, West Palm Beach, to Donald Cooke (from Weed); KRDO-TV, Colorado Springs, to Avery-Knodel (from McGillvra); KSAN-TV, San Francisco, to Stars National (from McGillvra).

Associated Broadcasting Co., the Norman Collins company which will program Independent TV Authority's commercial station in London weekends and in Birmingham weekdays (Vol. 11:12) has published London base rates at £1000 (\$2800) per min., £700 (\$1960) per 30 sec., £450 (\$1260) for 15 sec., 8-9:30 p.m. Sat. & Sun. From 2-6 p.m., charges will be £600 (\$1600) per min. on Sun., £350 (\$980) Sat. All other evening time will be £600 per min. Birmingham rates will run about half. Postmaster-General, who runs stations of both BBC & ITA, has entered agreement with them whereby they won't start before 9 a.m. (2 p.m. Sun.) or run after 11 p.m., with 6-7 p.m. daily kept dark in accordance with BBC tradition (6-7:25 p.m.) which is done, as an official put it, "so that the mothers may prepare dinner and put the children to bed without any distraction from TV" (Vol. 10:45). Associated-Rediffusion, contractor for weekdays on London stations, announces it has already sold £1,000,000 worth of time (\$2,800,000) and gen. mgr. Capt. T. N. Brownrigg emphasized that "no advertiser or agent will have any say whatsoever in the programs we transmit or in the choice of program with which his commercial will be associated, although we will attempt to place his advertisement alongside a suitable program." ITA has announced Sept. 22 as definite starting date for London commercial programs.

Canadian Broadcasting Corp. gross revenues for fiscal year ended March 31 were \$34,707,000, expenditures \$29,106,000, with TV income accounting for \$21,273,000 of revenues and \$15,876,000 of expenses, reports chairman A. Davidson Dunton. Despite 1954-55 surplus of \$4,256,000 after depreciation, it's expected 1955-56 will see \$10,805,000 operating deficit, he stated—\$8,690,000 on TV, \$2,115,000 on radio. Revenues derive partly from 15% Federal tax on receivers, which was \$16,960,000 last fiscal year and which Dunton estimated would go down about \$1,500,000 this year due to lower TV set prices. Remainder of revenues come from sponsorships. Net, the CBC's TV & radio services cost the Canadian taxpayers about \$23,464,000 last year, will go up to about \$36,605,000 this year, according to the Dunton report.

Sheraton Closed-Circuit Television Inc. is new wholly owned Sheraton Hotels subsidiary, which will produce and arrange closed-circuit meetings, events and demonstrations. Hollywood producer Walter Wanger is pres., Wm. P. Rosensohn exec. v.p., Robert Rosencrans v.p. Rosensohn and Rosencrans formerly headed up Box Office TV Inc., and Wanger recently was named to BOTV board. BOTV, whose financial backers included Sid Caesar and Max Liebman, is being reorganized. Rosensohn said Sheraton invested \$200,000 in closed-circuit equipment, will soon be able to supply hookup of 100 Sheraton and other hotels for special events.

*TV Guide* is meeting local competition of TV & Radio Magazine Section of N. Y. *Herald Tribune*, which bowed May 15 as 88-p. digest-size program and fan magazine given away with Sun. newspaper, by adding 16 pages to N. Y. edition as of June 11, making total of 104 pages. The weekly N. Y. sales of *TV Guide* in May were 890,000. Format of newspaper's magazine is similar to *TV Guide*—slick-paper color wrap-around containing news and features of national interest while program insert lists upcoming week's offerings on N. Y. area stations along with local ads and items.

*Life Magazine* raises ad rates about 7% next Jan. 16, guaranteeing 5,600,000 circulation; cost of black-&-white page goes to \$21,775, of 4-color page to \$32,740.

Sterling Drug will have 110 commercials shot in England this summer by TV Commercials Ltd. for use on both American and British TV.

OUR CONTINUING SURVEY of upcoming new stations reveals no new starters this week—but several are imminent and these are latest reports received from principals:

WXEX-TV, Petersburg, Va. (Ch. 8), which succeeds pre-freeze WTVR (Ch. 6) as NBC outlet for the Richmond-Petersburg area (Vol. 11:23), is pushing construction to meet Aug. 1 interconnection date, reports pres. Thomas G. Tinsley Jr., who also owns radio WLEE, Richmond, and WITW, Baltimore. WLEE gen. mgr. Irving G. Abeloff has been transferred to TV as gen. mgr.; George Oliviere, ex-WTAR-TV, Norfolk, sales mgr.; Charles E. Seward, ex-WBTV, Charlotte, operations mgr.; James L. Dodd Jr., ex-WLWA, Atlanta, program director; John Costello, ex-DuMont, NBC & WPIX, chief engineer. Equipment is 50-kw RCA transmitter, with 978-ft. Ideco tower and RCA antenna. Base rate will be \$750, rep For-joe. Headquarters office is 124 W. Tabb St., Petersburg, with branch at 6200 Broad St., Richmond.

KTRE-TV, Lufkin, Tex. (Ch. 9), has changed target from July 1 to Aug. 31, reports v.p.-gen. mgr. Richman Lewin. Planned as satellite of KPRC-TV, Houston, it was held up until it got microwave permit from FCC last week. It will use 5-kw GE transmitter, 500-ft. Andrews tower, scheduled to go up July 4 weekend. Base hour will be \$150. Reps will be Venard, Rintoul & McConnell and Clyde Melville Co. (Southwest).

KFJZ-TV, Fort Worth (Ch. 11) expects to meet Aug. 1 test pattern target, but has changed programming start to Sept. 4, reports v.p. Charles B. Jordan of Texas State Network, also operator of KFDA-TV, Amarillo and 4 Texas AMs. Its 12-bay GE antenna was installed June 3 on 1000-ft. Parkersburg tower, and transmitter house is to be ready July 15 for 50-kw GE installation. It hasn't signed with network yet, has set \$600 base hour. Rep will be H-R Television.

WTW, Chicago (Ch. 11, educational) plans to start test patterns Sept. 1 and 4-10 p.m. programming late in fall, writes chief engineer D. M. Weise. It will ask for change of transmitter site to Field Bldg., has ordered GE transmitter, antenna & studio equipment. Lease has been signed for studios in Chicago Museum of Science & Industry by Chicago Educational TV Assn., which reportedly has raised \$850,000 in fund drives. It now plans drive for another \$365,000, estimated as station's operating cost for 1956.

WFBL-TV, Fayetteville, N. C. (Ch. 18), is installing 1-kw GPL transmitter, plans July test patterns, Aug. programming start with CBS & NBC, reports exec. v.p.-gen. mgr. L. W. Allen. It has 400-ft. Truscon tower ready for GE antenna, due in July. Nearest other outlet is WNAOTV, Raleigh (Ch. 28), 53 mi. away. Base rate will be \$150. Rep will be Adam Young.

FCC's power to overrule examiners was bolstered this week by U. S. Supreme Court decision knocking out last year's appeals court ruling which would have increased authority of examiners (Vol. 10:34-35). Ruling was in AM case—equally applicable to TV—in which appeals court upheld examiner's initial decision and took FCC to task for reversing it. Supreme Court said this week that appeals court erred in its reasons for overruling FCC grant to Easton Publishing Co. (WEEW) for 1230 kc in Easton, Pa. over Allentown Bestg. Co. (WHOL) for same frequency in Allentown. In another precedent-setting aspect of case, Supreme Court said in effect that where same frequency is sought in 2 different communities, Commission may choose between the 2 communities on basis of need for the channel before comparing qualifications of competing applicants for the frequency. Appeals

Fred Drewry will be resident mgr., Oscar Oren chief engineer. Rep will be Weed.

KOKE, El Paso, Tex. (Ch. 13), formerly KELP-TV, plans Sept. 15 test patterns, Nov. 1 programming, featuring Latin-American films & kines as well as English-language shows, reports gen. mgr. Joe Roddy. On hand is former transmitter of WBNS-TV, Columbus, O. (Ch. 10), and 324-ft. Aerial tower with 6-bay GE antenna is reported ready. Owners are Barton & Gordon McLendon, who also hold CP for KLIF-TV, Dallas (Ch. 29), operate radios KLIF, Dallas & KELP, El Paso, and have interest in radio WRIT, Milwaukee. Base rate not set. Rep will be H-R Television.

KBMB, Bismarck, N. D. (Ch. 12), using some programs of Valley City's KXJB-TV, expects to be on air Dec. 1, writes owner John Boler, also operator of KCJB-TV & KCJB, Minot, and KSJB, Jamestown, N. D. With antenna on State Capitol Bldg., KBMB will be city's 2nd outlet, KFYR-TV (Ch. 5) having begun in Dec. 1953. Equipment hasn't been ordered or construction begun.

WOBS-TV, Jacksonville, Fla. (Ch. 30), has completed building construction, with 443-ft. Aerial tower ready, reports gen. mgr. Jim Macri. Station now has fall target, but delivery time hasn't been set for RCA antenna or GPL transmitter. Georgia's ex-Gov. E. D. Rivers is pres. & 60% owner. Recently Rivers got FCC permission to sell CP for WCTV, Thomasville, Ga. (Ch. 6), to John H. Phipps (Vol. 11:5, 20); last year he sold CP for WMIE-TV, Miami (Ch. 27), to Storer, now being operated on Ch. 23 as WGBS-TV (Vol. 10:51). WOBS-TV rep will be Stars National.

WTLE, Evanston, Ill. (Ch. 32), has GE transmitter on hand, but hasn't set target, reports pres. & 50% owner Angus D. Pfaff, also owner of Evanston radio WEMP. RCA antenna will be used on 250-ft. tower. Base rate not set. Rep not chosen.

WCBC-TV, Anderson, Ind. (Ch. 61), is now without target, while owners study other similar markets, reports TV director Fred M. Mullen. Grantee is Great Commission Schools Inc. (Church of God denomination) operates local school system & Anderson College & Theological Seminary. On hand are RCA 1-kw transmitter, studio equipment & antenna purchased from John L. Booth's defunct WBKZ-TV, Battle Creek (Ch. 64). It's going to trade Ch. 64 antenna for used Ch. 61, will be ready to air test patterns the day antenna is installed, says Mullen. Last week it began conversion of campus auditorium for TV studios. Base hour rate may be \$150. Rep not chosen.

CHLT-TV, Sherbrooke, Que. (Ch. 7), hasn't completed arrangements to lease site in Mont-Orford Provincial Park, so may not get on air until "beginning of 1956," writes mgr. A. Gauthier. It's about 60 mi. NE of Newport, Vt. Base rate and rep not reported.

court, in overruling FCC, had stated that community's need for the channel could be considered only where applicants' qualifications were approximately equal. Easton-Allentown dispute, raging for nearly a decade, has been see-saw battle: Allentown won original hearing, put WHOL on air. Easton Publishing Co. appealed, and court sent case back to FCC which reversed itself and gave grant to Easton, now holding CP for 1230 kc. Allentown Bestg. then appealed, got favorable ruling from appeals court. Supreme Court's 7-1 ruling this week found "errors of law" in appeals court ruling, ordered court to reconsider case.

First TV in Israel will be 2-way closed-circuit educational system presented to Israel Institute of Technology, Haifa, by pres. Milton J. Shapp of Jerrold Electronics, Philadelphia.

WYATT BUILDING

WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report

June 11, 1955

**EMERSON GOES TINKERTOY; MORE NEW LINES:** That radical change in TV set construction methods we discussed last week (Vol. 11:23) -- modular design of components together with printed wiring -- has been adopted by Emerson for expected marketing early next year. Several others, notably CBS-Columbia and Capehart-Farnsworth, are experimenting with it and looking to early adoption.

RCA confirmed trend toward automatic production, meanwhile, announcing that its redesigned line -- shown this week to field reps & distributors -- makes "more extensive use of printed circuits" than anyone else in the TV industry. Admiral last week showed sets in which 80-90% of wiring was printed, most components inserted automatically (Vol. 11:23). Exception to rule was Zenith, whose new models shown this week have no printed circuits. After experimentation, company ruled out printed wiring for present as providing no cost saving. (For details of new lines, p. 13).

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Emerson's modular design system is based on govt.-developed "Tinkertoy" principle, now being exploited commercially by ACF Electronics, Aerovox, Sanders Associates (Nashua, N.H.) and others. Tinkertoy process (Vol. 11:12) uses "printed" components on tiny ceramic wafers which are stacked and mounted on a printed circuit board. Other printed circuit techniques now in wide use employ conventional parts, sometimes mounted and assembled on printed wiring boards by automatic means.

ACF Electronics, Alexandria, Va., subsidiary of ACF Industries (ex-American Car & Foundry Co.), is supplying the component modules (trade-named "Compacs", for component packages) for Emerson's new-type sets. Emerson pres. Benjamin Abrams confirmed that his company will make one chassis using Tinkertoy method, spotting it in various models throughout next year's line.

"We're in the process of developing it now," he told us. "While we're not making any modular sets at this time, we're pushing it along." He said the consumer will benefit principally by the ease of servicing such sets -- serviceman merely replaces module in which trouble has been located. Mr. Abrams said there won't be any price cuts "immediately" on sets using modular design. It is known, however, that many producers are looking to automatic production and easier-installed parts as a way to eventually make low-end models profitable.

Virtually every other manufacturer is studying the possibilities of modular and other types of non-conventional components. Said a CBS-Columbia spokesman:

"Yes, we're playing with Tinkertoy, but frankly we don't know where it will lead and we feel we must spend some time evaluating it -- with pilot runs and field tests. As you may have heard, printed wiring alone is facing serious trouble; it hasn't been easy to break in. This new system is not only printed wiring but true printed circuitry. Remember that resistors, capacitors and other components have been developed to a high state of efficiency and we have a lot of know-how in their use. Now we're asked to translate them into modules, and anyone who dives into this sort of thing in a hurry is running the risk of a lot of trouble. Yet we could be very lucky with it, too."

Capehart is experimenting with modular sets, too, said v.p.-gen. sales mgr. E.W. Gaughan, but only "in the preliminary stage." It's too early to determine when it will reach the market, he said, adding: "It's not a Tinkertoy set, but rather our own type of module development, although we're working with ACF and others." He said modular sets will probably be in same price range as conventional type, that Capehart won't sacrifice quality for sake of automatic production or new design.

Motorola exec. v.p. Robert W. Galvin said: "We're looking into modular construction, of course, but we're not using it in our upcoming line. It's simply one phase of study in our mechanization program." Among others reportedly considering

modular approach is one big private label manufacturer, who may make modular radio sets before using principle on TV.

RCA's new line utilizes 5 printed circuit boards in horizontal and vertical chassis, according to Robert A. Seidel, exec. v.p. for consumer products. "Tests, both in the field and in our laboratories, have conclusively proven the advantages of printed circuits for greater reliability and thus better service and performance for viewers," he said. Line is completely restyled, has no controls visible in the front of sets, has new chassis in each model.

Color was completely overshadowed at RCA gathering. And next week, when it shows its 2 new color sets, consolette at \$795 and console at \$895, to N.Y. dealers there are no color programs scheduled on the networks.

Zenith's line, priced from \$150 for 17-in. table model to \$1400 for combination, includes a novel remote-control unit known as "Flash-Matic", which incorporates 4 separate photo-electric cells mounted at corners of the set. Special flashlight, which comes with set, turns set on and off, controls volume & tuning. It's feature on 4 sets, cheapest being \$400. One of Zenith's selling points is that it permits viewer to turn off commercial by remote control.

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Other brief highlights of major trade developments this week:

LABOR: IUE announced it would seek guaranteed annual wage from GE, Sylvania & Westinghouse in contract negotiations this summer, following Ford's approval of modified guaranteed wage with sister UAW. Union also disclosed that International Resistance Co. has become first parts manufacturer to agree to form of guaranteed wage, is now contributing 9¢ per hour for each of its 900 employes into a fund to provide year-round compensation. Company and union have joint committee currently ironing out details, according to David Lasser, IUE research director.

ECONOMIC OUTLOOK: Several more indices of nation's economic prosperity were made public. Census Bureau reported total of 62,703,000 employed in May, highest ever for that month, up 1,018,000 from April and 1,584,000 over May 1954. It also reported unemployment declined 473,000 to total of 2,489,000 -- a greater decrease than usual for spring. Commerce Secy. Weeks told news conference current prosperity has no parallel in nation's history, said Gross National Product in second quarter would exceed record annual rate of \$370 billion in first quarter. Herman Steinkraus, pres. of Bridgeport Brass Co. & ex-pres. of U.S. Chamber of Commerce, told the 20th annual convention of International Distribution Congress that he foresaw "increasing evidence of at least 4 to 5 years of excellent business ahead, based on a great wave of increased spending based on increased income and savings."

GOOD PROFIT YEAR: It may or may not apply to most TV-radio-electronics firms but Standard & Poor's report this week states aggregate profits of U.S. industrial corporations will run 15-20% better this year than last, making for most prosperous year on record. S&P analysis shows aggregate net income of 675 industrials for the first quarter of 1955 was 28.3% above like 1954 period.

'NECKTIE ECONOMY': Motorola v.p. Edw. R. Taylor prognosticates, in course of panel at Advertising Federation of America convention, that task ahead is to "create what I call a 'necktie economy', in which the consumer can always use another one of just about everything -- another car, bathtub, TV set, fur coat or vacation." He said nation is entering era of technological advancement in which advertising and marketing men will be expected to move "undreamed of mountains of merchandise" to the consumer. "Advertising's problem," he said, "is to sustain that frame of mind in which the consumer is more or less discontent all the time with yesterday's goods and services, and eager all the time to possess the newest things."

DEPT. STORES: Annual survey by National Retail Dry Goods Assn. Controllers' Congress bears out declining trend of TV sales in dept. stores. It shows that in 1954, TV sales were off 4% from 1953, which was 8% below 1952. Average price of TV set sold in dept. store was \$138.34, down from \$178.46 in 1953. Average price of set sold in all retail outlets last year was about \$200. TV-radio-records depts. accounted for average 1.5% of total store volume in 1954, about same as in 1953.

PRODUCTION: TV output declined to 91,648 week ended June 3, lowest for year,

from 110,944 preceding week and 120,144 week ended May 20. It was year's 22nd week and brought production for year to date to 3,260,000 vs. about 2,610,000 same 1954 period. Radio production totaled 206,428 (96,030 auto) week ended June 3, also low for year, compared to 266,946 preceding week and 280,445 week before. It brought 22-week production to 6,100,000 vs. 4,340,000 in corresponding 1954 period.

RETAIL SALES: Some 2,355,740 TVs were sold at retail in first 4 months of 1954, compared to 2,145,147 in corresponding 1954 period, reports RETMA. Sales in April were 411,748, compared to 669,794 in 5-week March and 371,720 in April 1954. Radio sales in first 4 months, excluding auto sets, totaled 1,609,182, compared to 1,487,247 in first 4 months of 1954. April sales were 367,841 vs. 448,488 in March and 427,911 in April 1954.

**Trade Personals:** Henry C. Bonfig, ex-Zenith sales v.p., newly named pres. of CBS-Columbia and this week elected v.p. and a director of CBS Inc. (Vol. 11:21), reported for duty at Long Island City plant June 9 . . . George Y. Wheeler, RCA Washington v.p., received law degree from George Washington U this week . . . Commodore A. J. Spriggs, USN Ret., ex-director of electronics, Office of Chief of Naval Operations, who joined Packard-Bell in 1950 as mgr. of technical products div., elected a Packard-Bell v.p., headquartered in Washington in liaison duties with govt. . . . John F. McAllister Jr., mgr. of product planning, GE TV-radio dept., promoted to mgr. of engineering, responsible for design & development of all TV-radio receivers and reporting to dept. gen. mgr. Herbert Riegelman . . . J. L. Albers promoted to Capehart-Farnsworth merchandise mgr.; Donald F. Miersch, ex-Sparton gen. sales mgr., named marketing mgr.; Mark E. Davis promoted to sales finance mgr. . . . Robert I. Gaines promoted to asst. director of DuMont international div. . . . Colby H. Knapp appointed asst. sales mgr., Stromberg-Carlson telephone div. . . . John L. Esterhai promoted to Philco asst. secy., Isaac Naeye to asst. treas. . . . Herbert A. Gumz resigns as pres. of Crescent Industries (phonographs) to become staff asst. to R. E. Brooker, v.p. in charge of Sears Roebuck manufacturing subsidiaries; he's succeeded by John S. Holmes, pres. of Warwick Mfg. Corp., Chicago, which now owns Crescent and which itself is partly owned by Sears; Gordon G. Brittan, Warwick v.p., gets same title at Crescent . . . George G. Barker promoted to technical editor, Raytheon public relations dept. . . . Stephen E. McCallum, editor of *GE Ham News*, named editor in charge of new electronic tube news bureau, Schenectady . . . Ray Marchbanks appointed Hallicrafters southeastern district mgr., Atlanta; Dwight F. Clextion named central Fla. mgr., Orlando.

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RETMA of Canada, which followed example of RETMA of U. S. and has been renamed to embrace "electronics," elects these officers at last week's convention: pres.-chairman, Carl A. Pollock, Dominion Electrohome (re-elected); v.p.'s—J. D. Campbell, Canadian Westinghouse, receivers; Lloyd Harris, T. H. Farley Ltd., Hamilton, parts & accessories; J. C. R. Punchard, Northern Electric Co. Ltd., Belleville, electronics; engineering director, Ralph A. Hackbusch, Hackbusch Electronics Ltd., Toronto (re-elected); gen. mgr., Stuart D. Brownlee.

"Air Force Weapon System Concept and Its Effect on the Electronics Industry" is topic of main address June 15 by Lt. Gen. C. S. Irvine, deputy chief of staff, materiel, headquarters, Air Force, at RETMA convention in Chicago. Also featured at June 14-16 convention will be reports to parts div. members by atomic test committee chairman Ray H. Williamson on recent Nevada tests and entertainment receiver panel chairman D. W. Pugsley on component requirements for color sets.

Maurice J. Hayes, 53, Magnavox director of purchases, died of heart ailment June 5 in Ft. Wayne.

**Topics & Trends of TV Trade:** Trans-shipping of TV-radio-appliances, generally regarded in trade as a competitive evil which has fostered spread of discount houses, is a proper trade practice in eyes of Justice Dept. Judge Stanley N. Barnes, head of Justice anti-trust div., this week told Senate Judiciary subcommittee that trans-shipping "may represent a healthy form of price competition." His testimony supported policy first expressed in anti-trust suit against Philco last Dec., in which Justice charged that Philco's franchise agreements penalizing distributors for trans-shipping merchandise outside their territories were illegal (Vol. 10:51), a charge Philco subsequently denied (Vol. 11:10).

Barnes' testimony acknowledged that while some trade associations might not like trans-shipping, and that it might penalize some dealers, he "could not see how it would harm the consumer." He contended that any practice which helped reduce the price of product to consumer would receive Justice's sanction, as long as it does not violate any law.

NARDA managing director A. W. Bernsohn, commenting on Barnes' testimony, said: "Trans-shipping results in some distributors being overstocked, others short of merchandise. In turn, the soundness of retail operations is injured." Arthur W. Hooper, exec. director of National Assn. of Electrical Distributors, commented that trans-shipping "destroys channels that are designed to move the most goods to the most people at the least cost." RETMA declined comment.

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**DISTRIBUTOR NOTES:** Motorola appoints Electronic Sales Co. Inc., 540 Main St., Ansonia, Conn. (Al Pincus, pres.) covering New Haven, Middlesex & Fairfield counties . . . DuMont appoints E. E. Pritchett & Co., Salt Lake City, replacing Smith-Morley Corp. . . . RCA Victor Distributing Corp. of So. Calif., Los Angeles, appoints Richard H. Tresselle TV-radio field sales mgr., succeeding Russell P. Larsen, now mgr. of Youngstown Kitchen div. . . . Zerega Distributing Co., Seattle (Motorola) appoints Charles W. Schuchart Jr. as sales mgr. . . . Simon Distributing Co., Washington (Zenith) names E. Blake Cardwell TV-radio mgr.; Sues, Young & Brown, Los Angeles (Zenith) promotes John C. Houseman to field sales mgr. . . . Emerson Radio of Pennsylvania, Philadelphia, appoints Sam Raker field sales mgr., reporting to sales v.p.: Samuel Jacobs . . . Dallman Co., San Francisco (Philco) appoints Robert J. Parr adv. & sales promotion mgr. . . . Admiral Washington branch names Robert P. Newlyn adv. & sales program mgr. . . . Hallicrafters appoints Edelmuth & Co., 1192 E. 40th St., Cleveland (David L. Edelmuth, pres.).

**RETMA office moves:** Statistical dept. (Wm. F. E. Long, mgr.) to Sheraton Bldg., 711 14th St. NW, Washington (phone National 8-3902); west coast office (Joseph J. Peterson, mgr.) to Hollywood Professional Bldg., 7046 Hollywood Blvd., Hollywood 29, Cal. (Hollywood 2-1228).

RCA's new line, introduced this week to field reps & distributors at Barbizon Plaza Hotel, N. Y. (see p. 10), consists of 23 basic black-&-white models and 2 color receivers. Monochrome line is divided into 3 series: Special, comprising 17, 21 & 24-in. tables, 21 & 24-in. consolettes & 21-in. console, with prices ranging from \$150 to \$260; Super, comprising 21 & 24-in. tables & 21-in. console, priced from \$200 to \$300; Deluxe, 21 & 24-in. consoles, from \$300 to \$500. Vertical chassis is incorporated in all Special sets and in some of Super & Deluxe groups. Special series has dials on top of set hidden under trap door. Deluxe sets have illuminated window with magnified channel numbers. Other features are improved anti-noise circuit, increased voltage & improved automatic gain control.

Admiral's new 14-model line, introduced last week at distributors' convention in Chicago (Vol. 11:23), is priced in general range of old line—starting with 17-in. ebony metal table model at \$130 and going up to 27-in. open-face blonde console at \$425. The 21-in. table series starts at \$180 for metal cabinet, consoles at \$230 for open-face walnut. Only 24-in. sets are mahogany tables at \$290, "laydown" mahogany console at \$400, blonde \$420. A 21-in. combination is priced at \$400 in mahogany, \$420 in blonde. Optional uhf tuners are \$25 extra.

Zenith's new line, introduced this week to distributors at Chicago's Conrad Hilton Hotel, had virtually no change in prices from old line. The 17-in. table models start at \$150, 21-in. table at \$170, 21-in. consoles at \$250, 24-in. tables at \$290, 24-in. consoles at \$380. At top of line is 27-in. 3-way combination with "Flash-Matic" remote control feature (see p. 10), priced at \$1400.

New Westinghouse line, unpriced yet and currently being shown distributors at regional meetings, won't be made public until July 24—but gen. sales mgr. Dan D. Halpin says it contains fewer models and will offer better discounts to dealers. First quarter TV sales, he said, were "substantially ahead" of same 1954 period, radio sales up 17%.

Picture tube sales in first 4 months totaled 3,427,805, valued at \$67,076,542, compared to 2,690,519 worth \$56,989,867 in first 4 months of 1954, reports RETMA. April sales were 788,317 worth \$14,620,075, compared to 772,257 at \$17,246,843 in 5-week March and 727,655 at \$14,994,779 in April 1954. Receiving tube sales in first 4 months were 152,762,273, valued at \$111,506,758, compared to 106,026,920 worth \$78,560,440 in first 4 months of 1954. April sales were 35,426,153 at \$26,779,586 vs. 41,080,881 at \$29,922,192 in March and 29,640,942 at \$21,697,489 in April 1954.

What's the cost of operating a TV set? There's no official data on subject, but anti-subscription TV group known as Joint Committee on Toll TV (see p. 1) comes up with estimate of \$87.01 as average annual cost. It breaks it down thus: receiver depreciation, \$48, assuming average \$240 set totally depreciates in 5 years; service calls, \$20, based on Nov. 1954 *Videotown* survey and other industry sources; power consumption, \$13.01, based on data from U of Illinois electrical engineering dept.; installation, antennas & miscellaneous equipment, \$6.

Proposed big appliance consolidation involving RCA, Sears, Whirlpool, Seeger Refrigerating Co. and perhaps others (Vol. 11:22) still awaits opinion from Justice Dept. on its legality. Elisha Gray II, pres. of Whirlpool, denied reports his company's merger with Seeger is imminent, as first step in multi-faceted consolidation. He said he still stands on his earlier statement to us that he would not "bet a nickel" on the outcome of any "exploratory talks" his company has been conducting with several firms.

Stromberg-Carlson offering 21-in. color set at \$895, first deliveries due late this month.

**Financial & Trade Notes:** General Instrument Corp. sales for fiscal year ended Feb. 28, 1955 were \$22,795,029 vs. record \$32,502,305 in preceding year, drop being attributed to reduced civilian and defense volume and lower prices due to intensified competition. Net loss for year after Federal tax credits was \$412,220 vs. net profit of \$926,903 (\$1.13 per share) in preceding year. Consolidated balance sheet shows cash almost equalling total liabilities after prepayment of \$1,250,000 in long-term obligations; total current assets of \$6,410,931, total current liabilities \$1,781,969, net working capital \$4,628,962. New plants are now operating in Waterloo, Ont. and Statesboro, Ga., and on May 17 company entered agreement to acquire Automatic Mfg. Co., Newark.

Stockholders have been asked to approve, at June 27 annual meeting, proposed acquisition of Automatic, whose shielded I.F. transformer is sold under K-Tran trademark, in exchange for 555,000 shares of authorized but unissued General Instrument stock, to be added to the 818,273 now outstanding. It's proposed to add to General Instrument board Martin H. Benedek, Automatic pres.; Moses Shapiro, Automatic exec. v.p.; and Alexander P. & Henry Hirsch, Automatic directors, who are also chairman & pres., respectively, of Welbilt Corp., N. Y., manufacturer of ranges and air-conditioning equipment.

Proxy report shows Automatic's 5-year average annual sales (1950-54) were \$8,661,697, average net profit after taxes \$462,008 (83¢ per share); that General Instrument's average annual net sales for virtually same period were \$26,016,613, profit \$381,396 (47¢); that GI chairman Abraham Blumenkrantz, holder of 12,000 shares, drew remuneration of \$54,000 last year while pres. Monte Cohen (3718 shares) drew \$55,000; that Automatic pres. Martin Benedek's remuneration last year was \$58,096 and exec. v.p. Moses Shapiro's \$45,192. Automatic's plants in Newark and Beckley, W. Va. employ about 1150.

\* \* \* \*

Emerson Radio net earnings were \$1,111,981 (57¢ a share) for first 6 months ended April 30, first half of fiscal year, vs. \$947,515 (49¢) in like 1954 period. Before-tax profit was \$2,197,709 vs. \$1,648,034. Revenue figures were unannounced. Pres. Benjamin Abrams attributed profit increase to "wide acceptance of the new transistor pocket radio [and] improved business in air conditioners." New small radios are being made at rate of 1100 daily, he said.

IT&T, with no breakdowns for Capehart-Farnsworth or Farnsworth Electronics Co. divs., reports consolidated net income of \$5,253,846 (73¢ a share) on sales of \$94,545,153 in first quarter vs. \$4,855,103 (68¢) on \$78,705,955 in first 1954 quarter. Quarterly report includes accounts of German subsidiaries for first time since 1939.

**Dividends:** Collins Radio "A" & "B" (new), 35¢ payable July 29 to stockholders of record July 15; American Broadcasting-Paramount Theatres, 25¢ July 20 to holders June 24; IT&T, 30¢ July 15 to holders June 17; Aircraft Radio, 20¢ Aug. 12 to holders July 22.

Mutec Co. sales in first 4 months of 1955 were \$4,236,000 vs. \$4,288,000 same 1954 period; profit was \$114,780 vs. \$134,728. Dividend was omitted by board at this week's meeting, last having been 15¢ in Dec.

More trade predictions: RETMA chairman Max Balcom, in panel at RETMA of Canada convention, forecast retail sales of 6,700,000 monochrome TVs this year at factory value of \$900,000,000 vs. 7,300,000 at factory value of \$1.06 billion last year; in 1959, he foresees retail sales of 6,900,000 at factory value of \$1.2 billion, color accounting for about 1/3. By 1965, retail sales should run 7,400,000 sets annually, he figured, with factory billings \$1.5 billion. He said under 35,000 color sets would be made this year.

**PEERING INTO FUTURE** of TV and other media, U of Illinois' Prof. Dallas W. Smythe, who heads its Institute of Communications Research and once was an FCC official, agrees with our predictions for 1965—about 1000 TV stations, serving 58,000,000 homes, with more than 90% saturation (Vol. 11:21). Some of his other predictions in June 6 address to Advertising Federation of America at Chicago:

**Programming:** All in color, from 3 live networks and tape transcriptions. "The programs of 1965 may bear only a distant resemblance to the programs of today. Long before 1965, Hollywood will have been integrated into the making of TV programs, as well as continuing to supply theatrical exhibitors."

**Newspapers:** Probably relatively unchanged 10 or even 20 years from now—based on the assumption "that none of the major companies in the electronic media undertakes a massive invasion of the newspaper field through aggressive promotion of broadcast facsimile. Were they to push facsimile receivers as they did TV receivers, the market for broadcast newspapers could be created within a relatively few years." Facsimile newspaper transmitting stations could be set up for as little as \$50,000, compared to the multi-million dollar investment required for a big-city newspaper.

**Tomorrow's media users:** Based on census forecasts, in the next 10 years there will be substantially more consumers among 5-14 age group, retired people and 15-20 group, in that order—with advertisers paying much more attention to needs of children. With coming of automatic factories, "tomorrow's media should look forward to serving the needs and interests of a larger population for more hours per week than they now serve a smaller population."

Among Dr. Smythe's more intriguing technical predictions: Within next 10 years, the TV telephone, probably in color (now being developed by AT&T). "If man-made satellites are feasible for military purposes, why should we not look forward to the possibility of getting complete coverage of the globe through TV transmitters installed on such satellites?"

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NARTB code review board starts 13-week campaign to "tell every American family of their role in the TV code," mailing promotion kit to its 263 subscribers. It contains a slightly revised Seal of Good Practice, slides, sound film, brochure, etc. In accompanying letter, pres. Harold Fellows said: "Through our own medium . . . I am hopeful that we will convince viewers that they themselves determine the nature of TV programming."

Society of Television Lighting Directors is newly chartered group formed to "exchange ideas, discuss new equipment and set up standards." Members are 82 network lighting directors from east and west coast. Salvatore Bonsignore is chairman; Leland Watson, secy; Syd Samuels, treas. Mailing address is 119 Puritan Ave., Forest Hills, N. Y.

**Upcoming Senate hearing:** Communications subcommittee under Sen. Pastore (D-R. I.) June 21-22, on 2 bills requested by FCC—S-1549, to permit Commission to levy small fines, and S-1456, to modify "protest" procedure.

**Boomerang:** Sir Robert A. Watson-Watt, British inventor of radar who now is chairman & pres. of Logistics Research Inc., Redondo Beach, Cal., recently paid \$12.50 speeding ticket in Canada. He was trapped by police radar.

Barnard College, collaborating with NBC, is conducting 5th annual Summer Institute of Radio & Television June 27-Aug. 5 in NBC's N. Y. studios.

Sample color sets using Lawrence 1-gun tube were demonstrated to Paramount Pictures pres. Barney Balaban this week, and he said he was "delighted" with results, convinced they can be mass-produced to sell for less than \$500—perhaps as little as \$400. He said they produced excellent color when compared simultaneously with receivers using 3-gun tubes. Before long, he said, set will be demonstrated to industry and full details will be disclosed. Paramount has no plans to make tubes or sets, he stated, "unless we have to." Set uses vertical chassis, has 26 tubes including 21-in. rectangular glass kinescope, 2 rectifiers. Balaban said tube complement can be reduced to 19 or 21. "It's a black-&-white set with color added," he declared, "rather than a color set with black-&-white added—which is what the other sets are."

James C. Petrillo's AFM, once the bête noir of the broadcasting industry, had none other than RCA-NBC chairman David Sarnoff as its main convention speaker in Cleveland this week—first representative of business management ever to address it. Said Sarnoff: "Together, we have made America a nation of music lovers," noting that more people attend classical concerts in a year (35,000,000) than baseball games (15,000,000) and that the music boxoffice is \$50,000,000 vs. baseball's \$40,000,000. As for labor-management relations, Gen. Sarnoff said the day of "warrior leaders" is past. This is an age for "economic statesmanship," he said — for understanding and adjustment required by great technological development and rapid change. Note: TV-radio are still biggest income source for AFM members, convention was told; radio networks & stations accounted for \$16,887,000, TV for \$7,721,000 last year. This doesn't include sums spent for musicians on TV films, while record making accounted for another \$3,651,000, transcription companies for \$1,330,000.

Bill implementing CBS pres. Frank Stanton's request for amendment of Communications Act, to permit series of electronic "Lincoln-Douglas" debates by Presidential candidates of 2 major parties on TV in 1956 (Vol. 11:22), will be offered by Rep. Harris (D-Ark.), who heads House communications subcommittee which may hold hearings on subject this summer. Dr. Stanton's amendment, which has been forwarded to Senate & House Commerce Committees, would remove necessity of granting equal time to candidates of all minority parties.

TV applications on file with FCC now total 147, including 16 for uhf. Only one filed this week was for Ch. 11, Caguas, P.R., by owners of New Orleans' uhf WJMR-TV. Same group this week dropped application for Ch. 3 in Mayaguez, is negotiating to buy 30% of Mayaguez CP-holder WORA-TV (Ch. 5). [For details, see *TV Addenda 20-V* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

WEHT, Henderson, Ky. (Ch. 50) has applied for permission to buy H. M. Bitner's WEOA (250-watts, 1400 kc, CBS) in neighboring Evansville, Ind., for \$116,000. WEOA, one of 3 Evansville competitors for Ch. 7, lost initial decision (Vol. 10:41) and Bitner now plans to drop TV application. March 31 WEHT balance sheet lists \$234,535 total assets, \$294,121 liabilities, with \$100,000 capital stock.

Report on new AT&T charges for off-air pickup last week (Vol. 11:23) was erroneous in one respect. The charge of \$81,865 is reduced by 1/36th for each month of use. Hence, customer who uses service for 3 years pays none of it, pays only monthly \$4640 charge.

Television Bureau of Advertising reports 143 members as of June 1, with addition of 6 stations & reps Harrington, Righter & Parsons.

**Gist of the Arguments**

## **Subscription TV: Summaries of Comments Filed with FCC**

(Docket No. 11279)

Industry Responses as Requested in FCC Public Notice 55-165 of Feb. 11, 1955 Submitted up to June 9, 1955  
Notice of Proposed Rule-Making Published in Full Text by *Television Digest* as Special Report, Feb. 12, 1955

**AMERICAN BROADCASTING CO.**—Not only does FCC lack authority to authorize subscription TV, argues 32-p. printed document, but, if authorized, "pay TV would destroy free TV." The network "sees no reason, in view of the tremendous strides made by free TV in a few short years, of conferring on private persons the right to exact a toll on what the public sees over frequencies which the public itself owns." Problem of obtaining time clearances is already "the major obstacle to the expansion of free TV." With existing stations free to "transmit garbled programs," clearance problem for sponsored programs would be aggravated.

Loss of outstanding free-TV programs to toll TV would be reflected in poorer free programs, and advertisers would gravitate to subscription TV—which "would not long forego the opportunity to tap a fertile source for additional revenue." If fee TV were successful, it would demand more and more time, leaving less and less for free TV, with Commission helpless to stem the tide.

Specific arguments of subscription proponents are answered thus: (1) Pay TV won't result in "additional" programs or "supplementary" fare—"the public will merely be required to pay for what they now see free." (2) Cultural programs won't be presented until "pay TV has most of the broadcast day and existing facilities to itself." Only shows which bring in the maximum amount of money will be offered. (3) Argument that fee TV will encourage new station construction and help uhf is "sucker bait." Subscription TV will naturally gravitate to stations with biggest audience and may "sound the death knell" of uhf. (4) "There is no concept in our theory of free enterprise which bestows a 'right to try' any and all schemes for the exploitation of public property."

Address: 7 W. 66th St., N. Y. Counsel: McKenna & Wilkinson, 1735 DeSales St. NW, Washington, and Geraldine Zorbaugh, ABC gen. counsel.

**AMERICANS FOR DEMOCRATIC ACTION (ADA)**—Favors pay TV if there is assurance that it will not interfere with free programs, will provide new and additional programs, will produce "no evils of monopolistic control." It states: "With proper governmental safeguards, subscription TV does offer promise of halting the present monopolistic trend in commercial broadcasting under which 2 networks and a limited number of large-market vhf outlets control and profit from the most lucrative programming." It sees "nothing inconsistent with the American system of broadcasting" provided toll TV offers additional programs from additional stations "such as uhf commercial stations and educational stations which could not otherwise exist." It recommends that pay TV be limited temporarily to uhf stations, on a trial basis.

Address: 1341 Connecticut Ave. NW, Washington (Edward D. Hollander, national director).

**WALTER BARNEY**—Claims to have an "improved card-actuated decoding system for use in conjunction with a

'scrambled' picture," employing magnetic characteristics. Estimates subscriber's unit will cost \$25; station equipment, \$5000; auditing system for 200,000 cards, \$25,000. Short brief does not identify principal.

Counsel: Elliott & Pastoriza, 225 Santa Monica Blvd., Santa Monica, Cal.

**JOSEPH BRENNER (Attorney)**—Proposes in 7-p. brief: (1) Subscription TV be permanently limited to uhf stations. (2) FCC require all decoder devices to include uhf tuners. (3) No particular decoding method or device should be specified. (4) Commission require all stations to meet obligations to public on free basis, using fee TV only as additional service. (5) No restriction be placed on advertising on pay TV. (6) Multiplexed sound be authorized for subscription transmissions, permitting non-paying viewers to hear music or other aural programming, or promotional material about the pay program, at the same time subscription program is being carried. Eventually, subscription TV might use both channels to provide binaural sound. Ex-FCC attorney Brenner also filed 3-p. petition on behalf of CP-holder KBAY-TV, San Francisco (Ch. 20) urging fee TV as method of supporting small uhf stations specializing in matters of interest to local communities.

Address: 321 S. Beverly Dr., Beverly Hills, Cal.

**CENTRAL BROADCASTING CO. (WEAU-TV, Eau Claire, Wis.)**—Small-market stations, which have been unable to participate substantially in expenditures of network and national spot advertisers, will benefit especially from subscription TV, says 12-p. brief signed by pres. Walter C. Bridges. FCC can safeguard free TV by proscribing pay TV during certain time segments. Pointing to plight of uhf stations, brief says "it is apparent that there is insufficient economic support from advertising for the kind of national TV service envisioned by the Commission" in allocating over 2000 channel assignments to TV, taken up thus far by only 415 commercial and 13 educational stations. Subscription TV offers "reasonable source" of adequate economic support for a truly national TV system. "There is nothing legally improper or 'un-American' about a system requiring the entertainment consumer to pay . . ."

Counsel: Scharfeld, Jones & Baron, National Press Bldg., Washington.

**COLUMBIA BROADCASTING SYSTEM**—Though CBS asserts "we believe that there is real likelihood that pay TV would not succeed at all," 69-p. printed brief states that if pay-as-you-see TV should succeed, such "success would be disastrous to the public interest." Arguments are devoted to: "blackout" of channels now "dedicated to the use of the entire public," "siphoning" of free audience so that "pay TV would be able to bid away from free broadcasting any attraction that it wanted" and a "divisiveness" which would make family pocketbook determine extent of viewing and listening, destroying "the broad democratic basis of present-day TV." Among arguments:

While public has invested \$13½ billion in sets and servicing, it pays less than 1¢ per program per home. Attacking Zenith's claim that public ultimately pays for sponsored TV, CBS says: "It is a truism that the public bears the cost of the entire national economy, and, in this sense, it pays for admission to our national parks, for walking on paved streets and for going to museums." Stating that economics would drive pay TV to seek the most popular free programs, CBS says it's inevitable that blackout of even a few markets to advertisers will start cycle of destruction of networks and favorite programs as well as little that it doesn't now receive—simultaneously charging public for fare it now enjoys.

Brief analyzes in detail the "bait" offered by proponents: first-run movies, Broadway plays, sports, cultural and educational programs, more stations, elimination of advertising. Conclusion is that pay-TV would offer public very little that it doesn't now receive—simultaneously depriving it of much of what it now enjoys.

It's suggested that FCC is obligated to authorize pay-TV on wired systems first. An "experiment" on stations, CBS says, would cause "incalculable" damage from which it would take years to recover. FCC's authority to grant commercial pay-TV operation is questioned and it's urged that express Congressional approval be sought.

Address: 485 Madison Ave., N. Y. Counsel: Rosenman, Goldmark, Colin & Kaye, 575 Madison Ave., N. Y. (Sydney M. Kaye, Ambrose Doskow); CBS (Julius F. Brauner, Thomas K. Fisher, Leon R. Brooks).

**CONNECTICUT RADIO FOUNDATION** (uhf grantee WELI-TV, New Haven, Conn.)—Readopts position taken in pleading filed Aug. 7, 1953, favoring authorization of pay TV on uhf.

Counsel: Dow, Lohnes & Albertson, Munsey Bldg., Washington (Thomas J. Dougherty).

**GULF TELEVISION CO.** (KGUL-TV, Galveston, Tex.)—"Proposal is so revolutionary and so important to the American people that the entire matter of policy should be referred to Congress," states 13-p. brief signed by Paul E. Taft, pres. Public bought its TVs in reliance on free broadcasting, and pay-TV is "such a departure from past and present practices as to raise the question of whether the Federal Govt. is keeping faith with the people." If adopted, govt. regulation will be necessary to protect public from "rate-gouging." Subscription TV "means a metamorphosis of TV broadcasting from a competitive industry to a governmentally-controlled industry."

Counsel: Scharfeld, Jones & Baron, National Press Bldg., Washington.

**HICKORY HILL BROADCASTING CO.** (radio WTWA, Thomson, Ga.)—Owner Edgar Kobak, onetime Mutual pres. and NBC v.p., urges: (1) Toll radio be considered. (2) Hearings covered by TV-radio. (3) Investigation into how charges would be made and who would be paid. (4) Study of whether Govt. should charge for licenses. (5) A look into the rights of set owners who now pay "very large sums annually" for maintenance, electricity, etc. (6) Consideration of pay-TV effect on a national emergency—whether it would "handcuff the greatest means of mass communications."

**HOUSTON POST CO.** (KPRC-TV)—U. S. telecasters in last 7 years have built up, with advertising support, "the greatest system of TV anywhere in the world," states v.p.-gen. mgr. Jack Harris in 3-p. brief which objects to "such a contracting and delimiting factor as pay-as-you-see TV." Under toll system proposed, "the more successful the plan, the larger portion of time will be blacked out on the sets of those who do not subscribe . . . millions of people have spent several hundred dollars each for TV sets [and] bought these sets under the supposition that the programs would be free. These people might feel short-changed if they had now to start paying for their home

entertainment, or find that their sets were of use only part of the time unless they paid additional fees."

Counsel: Miller & Schroeder, National Press Bldg., Washington.

**INTERMOUNTAIN BROADCASTING & TV CORP.** (KTWT & radio KDYL, Salt Lake City)—Submitted one-paragraph statement disagreeing with NARTB's position on pay TV, saying it "wishes to make clear that the views expressed [by NARTB] are not the views of this station." Stations are 80% owned by Time Inc., 20% by G. Bennett Larson, pres., who signed statement.

**INTERNATIONAL TELEMEETER CORP.**—Owned 80% by Paramount Pictures Corp., operator of KTLA, Los Angeles, company's 82-p. printed brief gives views of sole movie producer among those offering comments. Basic thesis is that "the tremendous cost of motion picture production completely precludes the possibility that any new or current motion pictures could ever be presented on so-called 'free TV'" and that "many millions of TV viewers throughout the country would be completely satisfied to pay a small amount to see these new or current motion pictures in the comfort of their own homes." It's stated that toll TV would stimulate theatre movie exhibition and improve TV advertising techniques—making for a "competitive co-existence in which the public would be the beneficiary"—and that broadened economic base "will rescue for the public the many entertainment events now lost or soon to be lost to sponsored TV."

Prosperity of theatre boxoffice will continue, it's said, because only theatres can provide latest technical advantages while TV standards are "frozen". Brief says pay-as-you-see TV will make more stations economically feasible and aid uhf. As for legality of toll TV, document states that advertiser-supported TV-radio was result of "natural development of the industry rather than the product of Congressional or regulatory measures" and that pay-see would not be a common carrier.

Half of brief is devoted to diagrams and tables covering economics of sponsorships and technical description of system—including first description of "marquee" technique, which provides 2 pictures on same channel by a sort of picture multiplexing arrangement. Using this plan, viewers who haven't paid for the subscription program would see a "marquee" or billboard, advertising the subscription attraction. When coin is inserted, "marquee" would be replaced by the pay-TV program. Telemeter says this 2-picture, 2-sound channel system can be put on single 6-mc channel by principle of "frequency interleaving."

Addresses: International Telemeter Corp., 2000 Stoner Ave., W. Los Angeles, Cal.; Paramount Pictures Corp., 1501 Broadway, N. Y. Counsel: Arnold, Fortas & Porter, 1229 Nineteenth St. NW, Washington (Paul A. Porter, Harry M. Plotkin).

**JERROLD ELECTRONICS CORP.**—Manufacturer of community antenna equipment and operator of community systems, in 22-p. statement, alleges: "(1) The scrambled broadcast technique is technically and economically unsound. In addition, it represents a most serious threat to basic concepts of American radio and TV broadcasting. (2) The only practical way to bring subscription TV programming to the American public is by means of wire, utilizing technical facilities similar to those now widely used by cable community TV systems. Without disturbing any established principles of broadcasting, tests to determine public acceptance of subscription TV can be launched immediately in areas already wired. Widespread extension of the service can thus be made rapidly and economically, if public demand so indicates."

Company claims that any scrambling system can be "broken with ridiculous ease," inviting "bootlegging" of pay-TV programs, but that wired system would preserve security of pay system. Says metropolitan areas can be wired at average cost of \$45-\$75 per home, that Jerrold is

prepared to cooperate in tests immediately. Included is analysis of coding and decoding principles, by research v.p. Donald Kirk.

Address: 23rd & Chestnut Sts., Philadelphia (Milton J. Shapp, pres.). Counsel: Welch, Mott & Morgan, 710 Fourteenth St. NW, Washington (E. Stratford Smith).

**JOINT COMMITTEE ON TOLL TV** (also known as Committee Against Pay-as-You-See TV)—167-p. printed brief contends:

(1) FCC has no legal authority to approve subscription TV, but whether or not it does, it should first obtain approval of Congress because "the Communications Act was enacted and amended in the light of the existing pattern of an advertiser-supported broadcast industry, and it does not afford adequate basis for authorizing subscription TV."

(2) Pay-TV isn't in public interest, should be denied.

(3) Full evidentiary hearing should be held to obtain testimony under oath and subject to cross-examination.

(4) Some form of toll TV might be desirable: "For example, it is conceivable that a subscription TV proposal to use existing common carrier facilities, in a closed-circuit type of operation, would supplement rather than supplant existing TV service and might, therefore, reasonably be found to be in the public interest."

(5) There's no evidence subscription TV will work, but if it does it will destroy free TV by diverting from it program resources, talent, audiences and income.

(6) Pay TV is no "panacea for the ills of the industry," because it could not succeed if restricted to uhf and because, "with conversion problems of its own, it would be of no immediate aid to conversion-hungry uhf stations."

Brief includes analysis of annual cost to viewer of fee and free TV, breakdown of set ownership by income groups and occupations, analysis of consumer expenditures, growth of newspaper circulation and radio set sales, etc.

Address: 608 Fifth Ave., N. Y. Counsel: Cohn & Marks, Cafritz Bldg., Washington (Marcus Cohn).

**NATIONAL ASSN. OF RADIO & TV BROADCASTERS (NARTB)**—Calls establishment of fee-TV system in broadcast bands "breach of faith" with set owners and "completely repugnant to the historical concept of public ownership of the air waves" in 37-p. printed brief. Subscription TV would flatly contradict mandate of Communications Act and would in effect require viewer to have a "license" to use his set on certain channels—"private entertainment confined to a privileged few at the overall expense of the American public." Fee-TV could transform whole telecasting system into a "closed-circuit," since "an industry half free and half slave would either not long survive or would eventuate into a system where all broadcasts were directly chargeable to the consumer." Citing FCC's recent decision classifying FM simplex and multiplex systems as non-broadcast services, NARTB says that "if simplex is not broadcasting, then, by no stretch of the imagination can subscription TV be so construed."

Address: 1771 N St. NW, Washington. Staff & Counsel: Thad H. Brown Jr., V. T. Wasilewski & W. R. Powell Jr.

**NATIONAL ASSN. FOR BETTER RADIO & TV**—Urges "fair trial" for fee TV in 7-p. mimeographed comments, saying it would mean "the viewing audience at home will be the dictator of programming, not advertising agencies or networks anxious to please the sponsors." Of NAFBRAT board members, 26 favor trial, 3 oppose, 15 are undecided.

Address: NAFBRAT, 882 Victoria Ave., Los Angeles (Mrs. Clara S. Logan, pres.).

**NATIONAL BROADCASTING CO.**—Printed 28-p. brief, first to be released and detailed in Vol. 11:23, pp. 1 & 5, calls pay-TV "narrowcasting," argues that it "violates the American concept of freedom to listen and freedom to look." Institution of pay-TV would have these effects:

(1) Free TV program quality would suffer because diminished set circulation would make sponsorship less

attractive to advertisers. (2) Outstanding programs and stars would move from free to pay TV. (3) Sports events would disappear from free TV. (4) Public service programming would be curtailed or abandoned because they wouldn't be profitable on fee TV, and free broadcasters would no longer be able to afford them. (5) Movie industry may gain control of TV programming "as an opportunity to collect billions." (6) Pay TV would black out free TV in millions of homes.

Submitted by: David Sarnoff, chairman, NBC, 30 Rockefeller Plaza, N. Y.

**NATIONAL THEATRE ARTS COUNCIL**—Representing legitimate stage interests, Council's short mimeographed statement urges adoption of subscription TV because "we feel that home subscription TV will add a new dimension to the entertainment scene which will double or triple production activity in both Hollywood and New York." It claims that pay TV "will give Broadway producers, for the first time, an opportunity to benefit from the mechanical syndication of their own creative efforts."

Address: 130 W. 56th St., N. Y. (Byron Bentley, pres.).

**GEORGE W. OVERTON & LAURIN H. HEALY**—The principals, attorney and public relations counsel, respectively, suggest that "permission be given to the holders of non-commercial licenses to introduce subscription TV," and that "the rules under which such permission be granted be such as will emphasize the use of the medium for education and group communication, in contrast to maximum audience programs in which they would be competing with commercial networks." Principals state they represent only themselves.

Address: 134 S. LaSalle St., Chicago. Counsel: Taylor, Miller, Busch & Magner, same address.

**ROBERT ROBINS**—Filing as an individual, Robins says he has "copyright claim of originality and novelty covering the plan of TV transmission of TV programs where the recipients thereof pay for same and which are free from advertisers' sponsorship." Notes that he participated in FCC's TV proceedings in 1936.

Addresses: 8969 Sunset Blvd., Los Angeles, and 982 National Press Bldg., Washington.

**SKIATRON**—With photos & diagrams, 81-p. printed brief stresses superiority of its decoder or unscrambler, which it proposes to sell outright to set owners at \$40 to \$50 (\$25 if mass produced); claims it's simple, easy to attach to existing set, includes uhf converter. It employs card developed with IBM, on which are listed programs for month; card has printed circuits on one side, is slipped into slot to operate set for particular program. Viewer would forward card monthly to local Skiatron franchise holder with check to cover total costs of programs selected (at 25¢ to \$2 per show).

Brief asserts subscription TV is not a common carrier, says FCC has authority to permit it, proposes to limit it to uhf for first 3 years "with minor exceptions" because most uhf stations are presently profitless or losing money. System "adds programs", it's claimed, and should not affect commercially sponsored network shows, will not itself carry commercials, offers what public wants but it is not now getting because "inherent in sponsored TV is the fact that quality is basically subsidiary to mass appeal."

It's alleged there's "wide public resentment against the quality of commercials now being employed" and Edward T. Bernays surveys are cited to show that "this resentment stems not only from the so-called intellectuals but extends to every type of society and every age group."

Addresses: Skiatron Electric & Television Corp., 30 E. 10th St., N. Y. (Arthur Levey, pres.), owner of patents. Skiatron TV Inc., 665 Madison Ave., N. Y. (Matty Fox, pres.), holder of rights to exploit patents. Counsel: James M. Landis, 230 Park Ave., N. Y.; Lyon, Wilner & Bergson, Wyatt Bldg., Washington, D. C.

**STEINMAN STATIONS** (WGAL-TV, Lancaster, Pa. & WLEV-TV, Bethlehem, Pa.)—Short brief (4 p.) “views with alarm the adoption of a system which, if successful, will inevitably lead to the substantial reduction if not destruction of ‘free’ TV.” First-run movies would merely be “opening wedge” in forcing ever-increasing number of free programs to become unavailable and today’s “almost inexhaustible source of [TV] program material . . . will easily be moved into the category of unavailable TV material by the simple process of commercial bidding.” As for legality: “It is our firm conviction that the imposition of a rule which results in depriving a viewer of his present unhampered right to receive a signal . . . unless he has entered into a private contractual relationship with a third party, is unlawful and entirely inconsistent with the statute of the mandate which gave birth to the ‘free’ system of TV in this country.”

Address: WGAL Inc., 21 S. Queen St., Lancaster, Pa. (Clair R. McCollough, pres.). Counsel: George O. Sutton, National Press Bldg., Washington; Duke M. Patrick, Colorado Bldg., Washington.

**STORER BROADCASTING CO.**—Nation’s largest multiple-station owner, Storer submitted brief mimeographed comments against subscription TV, alleging that: (1) FCC “would be over-extending the authority delegated to it by Congress” if it approved pay-TV. (2) Toll TV would “limit the ability of TV broadcasters to serve the public,” and destroy “the greatest attribute of free broadcasting—its universality, its ability to reach everybody everywhere, bringing them free entertainment, culture, news, editorial comment, and exchange of ideas.” (3) Pay-TV “will add nothing to present programming except a bill” and “may be expected to foster monopoly.”

Address: 1177 Kane Concourse, Miami Beach, Fla. Counsel: Dow, Lohnes & Albertson, Munsey Bldg., Washington (Thomas A. Wall); Abiah A. Church, of Storer.

**LARRY WOLTERS**—TV-radio editor of *Chicago Tribune*, speaking for himself, favors adoption of toll TV, stating that it offers an “attractive and most worthwhile” supplemental service; that it’s no threat to free TV; that it’s not un-American. Citing early Zenith test in Chicago, he says public is willing to pay for movies on TV; major boxing events would return to TV; pay TV would “save” baseball for TV. He doubts whether public would pay for Broadway plays or opera.

**WACH-TV**, Newport News, Va.—Reiterates support of Skiatron petition filed Sept. 13, 1954 asking FCC to amend rules to permit stations to broadcast subscription TV; it would be great help to uhf as well as small-market vhf stations, said original document.

Counsel: Eugene L. Burke & Doris R. Williamson, 821 Fifteenth St. NW, Washington.

**KBST-TV**, Big Spring, Tex.—Same as WACH-TV, Newport News, Va.; same counsel.

**WDSU-TV**, New Orleans—Boxoffice TV would be “a highly specialized service directed not to the general public but rather to a relatively limited list of subscribers who choose to pay for that service [and] should accordingly be assigned to frequencies not presently allocated to the free system of TV,” states 7-p. legal brief signed by exec. v.p. Robert D. Swezey. “There is an element of custodianship in the present free system which the American people will be most reluctant to supplant or weaken in favor of a cash-&-carry substitute.” Fear is expressed that free system will be so weakened as to public service obligations—such as handling of news and controversial subjects, which fee-TV doesn’t propose to assume—and that it would have deleterious effect on advertiser-sponsored broadcasting and tend “to siphon off the cream of the programming into the pay-&-see system, leaving to free TV . . . only the routine, drab and pedestrian fare considered unworthy of acquisi-

tion by subscription TV.” In New Orleans, 52.2% of population in 1950 had annual income less than \$2500, and could not be expected to pay for TV shows.

Counsel: Miller & Schroeder, National Press Bldg., Washington.

**WSAZ INC.** (WSAZ-TV, Huntington, W. Va.)—Short mimeographed comment terms pay-TV proposals “a calculated attempt to supplant the existing nationwide free TV service with a Pay-as-You-See substitute to charge the public for what it is now receiving free,” by diverting talent and audiences from free TV. It charges that toll TV won’t bring new educational programs nor will it foster construction of new stations, noting that “patent holders” aren’t offering to build stations in small markets. Claims pay system will obsolete all sets.

Counsel: Cohn & Marks, Cafritz Bldg., Washington (Leonard H. Marks).

**ZENITH RADIO CORP.**—72-p. brief, plus engineering supplement, recommends no commercials on subscription programs, ban on charging public for programs now paid for by advertisers, limit of 15% of station broadcast time to subscription shows. Stressed is supplementary nature of subscription system, brief stating “it is utterly naive to assume that subscription TV could obtain public acceptance if it attempted to charge the public for programs now regularly available on a sponsored or sustaining basis.”

Included is detailed technical description of Phonevision system and analysis of programs to be sought for subscription shows. Zenith would limit Phonevision operations to “several” markets, to be selected by FCC, for about 18 months following authorization. TV owners would rent decoders for nominal monthly charge, would pay only for shows they watch. Stations could buy or rent subscription programs from national or local organizations. Independent local companies would be licensed to operate Phonevision in various communities.

It’s suggested that FCC prohibit purchase of subscription programs from networks: “In this way, the Commission could create a truly competitive situation in which the networks would bend their efforts to producing the best possible advertising programs. At the same time, prohibition of advertising network participation in subscription service would tend to dilute the present 2-network monopoly over programs and revenue . . .”

Addition of subscription programs would enable hundreds of additional stations to operate profitably, it’s contended, whereas 2% of post-freeze stations now on air are losing money, and only 417 commercial stations (out of 1875 authorized allocations) and only 13 educational (out of 242 allocations) are now on air. Finally, brief says Communications Act contains specific direction that FCC encourage new uses of TV & radio, therefore FCC has “statutory obligation” to approve fee TV.

Addresses: Zenith Radio Corp., 6001 W. Dickens Ave., Chicago (E. F. McDonald Jr., pres.). Teco Inc., 231 S. LaSalle St., Chicago (S. I. Marks, pres.), promoter of Phonevision equipment, granting of franchises, distribution of programs. Counsel: Pierson, Ball & Dowd, Ring Bldg., Washington (for Zenith); Loucks, Zias, Young & Jansky, 1317 F St. NW, Washington (for Teco); Joseph S. Wright, Zenith gen. counsel.

**APPEARANCES**—Submitting no statements but filing notices of appearance were following: WGAR, Cleveland; WRFD, Worthington, O.; WTOH-TV, Toledo; WBID-TV, Detroit; WKOW-TV, Madison; WCCO-TV, Minneapolis; WSJS-TV, Winston-Salem; WAAB, Birmingham; WJIM-TV, Lansing; WMTW, Poland Spring, Me.; WDSM-TV, Superior. (All foregoing filed by counsel Fly, Shuebruk, Blume & Gaguine, 30 Rockefeller Plaza, N. Y. and 1001 Connecticut Ave. NW, Washington.) Appearance also filed by TV Consumers Inc., 519 Main St., E. Orange, N. J. (Walter C. Routson, pres.).

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# Television Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 25

## SUMMARY - INDEX OF THE WEEK'S NEWS—June 18, 1955

**TV-RADIO SERVICING** currently \$1.5 billion-a-year industry, equalling or exceeding annual retail dollar value of receivers themselves for first time (p. 1).

**ZENITH PRESTIGE HURT** in industry & Govt., dealers & distributors disturbed by excessive attack on RCA chairman David Sarnoff (pp. 2 & 5).

**AD HOC ALLOCATION** committee, meeting next week, gets puzzling assignment from Sen. Magnuson: "Increase utilization of uhf" by adding more vhf channels (p. 2).

**COMMISSION HIT** by 2 Appeals Court decisions which attack its methods and criteria for determining applicants' qualifications (pp. 3 & 5).

**COLOR HIBERNATING** for summer, with 2 programs scheduled by NBC, none by CBS—as manufacturers show little inclination to push color set sales now (p. 3).

**TELECASTING REVENUES** hit \$593,000,000 in 1954, up 37%; income before taxes mounts to \$90,300,000, up 33%; networks are heaviest gainers (p. 4).

**RETMA CONVENTION** accents electronics expansion, optimism on TV-radio sales—7-7,300,000 TVs seen this year. Labor seeks guaranteed annual wage (p. 9).

**QUESTIONABLE ADVERTISING** practices replace servicing as chief complaint of TV-radio consumers, annual report of Better Business Bureaus reveals (p. 11).

**BUSINESS FAILURES** among TV-radio-electronics manufacturers declined to 26 in year ended April 30; industry spurious radiation control plan imminent (p. 11).

**SENATE CONFIRMS MACK** appointment to FCC. KONO gets examiner's nod for San Antonio; allocations petitions filed, involving deintermixture & satellites (p. 6).

**NEW STATUTE** attained by TV editors & columnists, with TV now regarded as "darling of the dailies"; Crosby's blacklisting expose exemplifies new maturity (p. 8).

**PITTSBURGH MERGER** of WWSW and WJAS apparently paves way for early Ch. 11 grant to new combine, assured of CBS affiliation, as city's 2nd vhf (p. 8).

**TV-RADIO SERVICING—\$1.5 BILLION INDUSTRY:** The dazzling rise of servicing business as natural concomitant of high level of set penetration among nation's 48,000,000 families (75% for TV, nearly 100% for radio) has now reached the point where its annual gross dollar volume equals or exceeds retail sales value of new receivers themselves. That astonishing comparison was contained in annual report of RETMA service chairman H.J. Schulman to organization's 31st annual convention this week in Chicago's Palmer House. (For other news of RETMA convention, see pp. 9-11 & 13.)

Service director & asst. to CBS-Columbia pres. H.C. Bonfig, Schulman later told us he expects servicing volume to exceed \$2 billion by 1957. His report to the convention stated that in 12 months ending June 30, annual cost of servicing to set owners was over \$1.5 billion, dominantly TV. He said this equalled or exceeded the retail dollar value of the 7,900,000 TVs and 12,500,000 radios sold in that period.

Contributing to over-\$1.5 billion service bill were antennas, parts, installation (\$800,000,000) & labor (\$770,000,000), Schulman told us. Against that total, here's how trade statisticians break down TV-radio set cost in July 1-June 30 period:

Retail TV volume -- \$1.277 billion, derived from sale of 7,900,000 sets, at average factory price of \$130, plus markup of 25% from factory-to-dealer; retail radio volume -- \$300,000,000, from sale of 12,500,000 sets, at average factory price of \$20, also marked up 25%. Total TV-radio volume is thus about \$1.577 billion.

Schulman's estimate jibes with figures of Charles M. Odorizzi, RCA corporate exec. v.p., who placed 1953 TV-radio servicing bill at \$1.4 billion in speech last Dec., in which he predicted that an annual servicing gross of \$2.7 billion would be attained by 1957 (Vol. 10:48).

Quality of servicing is evidently improving, along with expansion of dollar volume. Kenneth B. Willson, pres. of National Better Business Bureaus, told his organization's convention in Minneapolis that in survey of 78 member bureaus, 46 reported decreases in consumer complaints about servicing, 20 reported number of complaints same, 6 increased over 1954. (Other BBB convention news on p. 11.)

**IT'S AN OLD RUSSIAN CUSTOM:** Main unofficial conversation piece at RETMA convention in Chicago this week -- as well as at other levels of industry and at FCC -- was exchange of bitter statements between Zenith pres. Comdr. E.F. McDonald and RCA chairman Gen. David Sarnoff, over subscription TV. Here's the consensus of comment, as we gleaned it:

McDonald went too far. He injured his personal prestige, hurt his company's position with thousands of dealers and its own distributors, certainly did his cause of subscription TV no good -- with his press statement denouncing Sarnoff and literally dragging in this remark: "It's an old Russian custom to claim credit for the work of others and to deny that anyone else can produce a worthwhile discovery." He was replying to the Sarnoff attack on toll TV and denial that RCA had ever offered to buy Zenith phonevision patents (Vol. 11:24).

Feud between these two masters of the publicity arts is a matter of long standing in the courts, in the marketplace and in print. But the implication in McDonald's allusion to "Russian custom" was just a bit too raw for even some of Zenith's strongest partisans.

Gen. Sarnoff didn't lash back again, but his spokesmen say he takes great pride in his rise from humble origins as an immigrant boy from Russia; they also observe that it was RCA's Russian-born Vladimir Zworykin whose inventions did much to make modern TV possible.

Zenith's publicity over controversies has in the past sold a lot of its top-grade products -- TVs, radios, hearing aids -- but there are many who feel that McDonald has overreached himself this time. Evaluating Zenith's publicity campaigns, one intense competitor says: "My advertising budget runs 4 or 5 times that of Gene McDonald's -- but I can't get the publicity he does, especially in the Chicago newspapers and on the press association wires. He seems to be able to turn it on or off at will. I wish you would tell me how to do it, too." Then he added, somewhat ruefully: "But I guess I'm just not built to stir up controversies."

(For summary of the Sarnoff-McDonald exchange, see p. 5.)

**SENATE BEGINS ITS ALLOCATION STUDY:** Ad hoc committee of industry engineers, formed under aegis of Sen. Magnuson's Commerce Committee (Vol. 11:23-24), meets next Tue. June 21 to organize what is billed as a "reappraisal of the FCC allocations."

Engineering committee has a puzzling assignment. In statement announcing the formation of the group, Sen. Magnuson said the allocation study would be carried out with "an eye toward bringing about increased utilization of the uhf band."

Then Magnuson listed these "aims" for the study: (1) Determine whether 3 more vhf channels can be carved out of FM band. (2) Study whether allocation plan can be rejiggered so that unused vhf assignments can be moved to areas where there's demand for them. (3) Check into advisability of drop-ins of more vhf channels, using directionals, etc. (4) "The possibilities involved in selective deintermixture."

Industry people were dubious about how the committee could increase "utilization of the uhf band" by adding more vhf channels. And nobody we contacted seemed satisfied with composition of group. Those organizations not asked to name representatives charged discrimination; others said committee was "loaded" in one direction or another. At first meeting, Magnuson's chief TV investigating counsel, Sidney Davis, will urge members to act in interest of public, regardless of own connections.

Committee will probably have 10 or 11 members. Possible candidate for chairman is Haraden Pratt, former top IT&T official, 1951-53 telecommunications adviser to President Truman and regarded as an elder statesman of communications industry.

Eight companies and organizations have been asked to loan top engineering talent to the study. Though Senate Committee hasn't announced individual names yet, these engineers are expected to attend first meeting: ABC engineering v.p. Frank Marx, CBS engineering v.p. Wm. B. Lodge, Dr. Allen B. DuMont (who probably will pick another DuMont engineer for subsequent meetings), NBC allocations expert Wm. Duttera, Philco radio-appliance research director Don Fink (selected by RETMA), NARTB engineering dept. mgr. A. Prose Walker, a member designated by UHF Industry Coordinating Committee and a representative of FCC (probably chief engineer Edward Allen).

**APPEALS COURT DECISIONS ROCK COMMISSION:** FCC was still recovering this week from 2 decisions by Court of Appeals. In Clarksburg, W.Va. protest case, court told Commission it's neglecting the public interest, in almost those words -- in matters of protests, overlap, multiple ownership, diversification, newspaper ownership, quick grants, community antennas, etc. In Ft. Wayne case, without even looking into merits of appeal, it ordered Commission to reopen hearing to determine what effect recent death of Anthony Wayne principal Paul V. McNutt would have. Observers generally considered court's decision most unusual.

Essence of court's decision in Clarksburg case was that FCC cavalierly tossed aside allegations made by Exponent & Telegram against grant of WBLK-TV (Ch. 12); that Commission's desire to expand TV service after long freeze was no excuse for hasty action; that FCC has duty to explore far more deeply into every application -- regardless whether any competing party calls Commission's attention to possible shortcomings of the applicant.

Court went so far in its dictum that it virtually told Commission it should have denied WBLK-TV for simple reason that its owners have too many newspaper and broadcast interests in the area -- regardless of anything else.

\* \* \* \*

As a practical matter, FCC did expand TV rapidly after the freeze by giving protests brief treatment and by "next-day" grants after dropouts and mergers. Most of resultant grantees are on air -- and their signals won't be removed. However, pending applicants with a diversification or overlap problem are given plenty to think about. Most interesting will be court's forthcoming decision on McClatchy case -- wherein appellant charges that FCC is being too strict on the newspaper-diversification issue, instead of too lenient.

Court of Appeals obviously feels the Commission is getting lax, simply isn't regulating to extent law demands. On other hand, U.S. Supreme Court has power to tell appeals court that it's going too far the other way -- as it did last week in Allentown radio case (Vol. 11:24). In meantime, too, FCC is laboring mightily to persuade Congress to take burden of protest rule off its back, and it looks as if it has strong chance of success (see p. 14).

Tide of govt. checks-&-balances thus flows back and forth -- with just plain luck frequently determining whether a broadcaster is at right place at right time.

(For details of the 2 decisions, see p. 5.)

**COLOR TV DORMANT FOR THE SUMMER:** There'll be virtually no color TV programming on the networks this summer, and no attempt to push color sets. If individual color-equipped stations want to promote color, they'll go it alone for several months.

Both CBS & NBC have announced big plans for star-studded special programs next season, together with perhaps a few regular shows in color. But for this summer, here's the whole schedule: NBC -- 2 spectaculars in the "Producers' Showcase" series, July 25 & Aug. 2, and perhaps an occasional color segment in Today and Home Shows. CBS -- nothing till September. ABC continues its monochrome-only policy.

With the nation's 20,000 color sets lying fallow this summer, manufacturers obviously have no serious intention of trying to sell more. Color talk was almost totally absent at this week's RETMA convention (see p. 9) -- except for this almost-passing reference in annual report of outgoing pres. Glen McDaniel:

"Color TV has failed to reach the conservative forecast of set production and sales, although a number of manufacturers believe the fall will see a definite forward movement. Everyone agrees that color TV will bring another industry boom that will overshadow the early days of black-&-white, but there are a variety of opinions as to the timetable and conditions of this boom."

Even RCA was uncharacteristically modest last week when it displayed 2 color sets in its new line with no hoopla at all (Vol. 11:23). DuMont came out this week with a color set incorporating RCA-type tube, listing at \$945, but Dr. DuMont said production would be confined to "just a few samples" as an "interim proposition" for the fall market, in case there is any demand.

**FCC CONFIRMS TV REVENUE-PROFIT ESTIMATE:** We hit it virtually on the nose a year ago, when we predicted network-&-station TV revenues would reach \$600,000,000 for 1954 (Vol. 10:23). FCC's final figure for 1954, released this week, was a whopping 37% increase over 1953's -- \$593,000,000 vs. \$432,700,000. Profits swelled with equal impressiveness, rising to \$90,300,000, up 33% from 1953's \$68,000,000.

With every index pointing to increase of 30% or so this year, it looks as if network-&-station revenues for 1955 should hit \$775,000,000 or better. And, since total TV advertising bill ran \$809,100,000 in 1954 (including payments for talent, ad agency commissions, production of commercials, etc.), it appears that \$1 billion total predicted for this year is a safe bet (Vol. 11:15).

Biggest increase in revenues and profits before taxes was among networks and the 16 stations they own -- accounting for 52% of industry's total revenues, 40% of its profits. Their revenues went from \$231,700,000 in 1953 to \$306,700,000 in 1954, profits from \$18,000,000 to \$36,500,000.

Revenues of the other 92 pre-freeze stations rose 15%, from \$174,500,000 to \$200,900,000, while their profits rose 12%, from \$60,500,000 to \$67,600,000.

Though many post-freeze stations are doing handsomely, both vhf and uhf stations lost money -- as a group. The 177 post-freeze vhfs took in \$60,000,000, lost \$3,800,000; the 125 uhfs' revenues were \$25,400,000, losses \$10,000,000.

Losses of the vhfs, as a group, may be attributed to several factors -- the newness of many, incidence of small-market stations, inability to obtain major network affiliations; one-third are less than a year old. Same factors apply to uhf -- plus problems of set conversion -- though "small-marketitis" is actually more prevalent among vhf stations than among uhf.

FCC's report was a summary; its customary detailed tables -- breaking down figures by markets, etc. -- will be issued in month or 2. Its AM figures are due last part of year. It's dubious whether radio revenues will exceed the \$475,300,000 of 1953; same goes for the \$55,000,000 income before taxes of 1953.

**Personal Notes:** Ralph W. Hardy, for last 6 years NARTB executive, most recently as govt. relations v.p., originally hailing from KSL-TV & KSL, Salt Lake City, becomes CBS Washington v.p. in Sept., succeeding Earl H. Gammons, who retires but will continue handling some work for CBS . . . Wm. Fay becomes pres., Robert C. Tait chairman of Stromberg-Carlson Bestg. Co. (WHAM-TV & WHAM, Rochester), reorganized to become subsidiary of General Dynamics Corp. when it merges present parent company (Vol. 11:18); changed corporate setup is required because Dynamics has several Canadians on its board . . . Harry Trenner, who sold his Station Film Library Inc. to General Teleradio, named GT v.p. and sales v.p. of its Mutual Network . . . John W. Patt, pres. of WJR, Detroit and upcoming WJRT, Flint, who suffered heart attack while at NARTB convention, may be sufficiently recovered by week of June 20, say his doctors, for release from Georgetown Hospital, Washington, and return to Cleveland home . . . John A. Schneider named CBS-TV Spot Sales eastern sales mgr., succeeded as midwestern sales mgr. by Tom W. Judge; Edward A. Larkin named mgr. of Los Angeles office, succeeding Richard Loughrin, who joins N. Y. office; Richard R. Loftus named Detroit mgr., succeeding Tony Moe, also transferred to N. Y. . . . Lee B. Wailes, Storer exec. v.p., departs June 18 for month in Europe . . . Tom Chauncey, 20% stockholder, now managing director & gen. mgr. of KOOL-TV, Phoenix, having succeeded Charles H. Garland, who suffered stroke recently . . . Ernest Felix, ex-treas. & gen. mgr. of ABC western div., now management consultant, named exec. adviser for Taft stations WKRC-TV & WKRC, Cincinnati & WTVN-TV & WTVN, Columbus . . . I. E. (Chick) Showerman, gen. mgr. of Hearst Corp.'s WISN-TV and radio WISN, Milwaukee, has been elected Hearst Corp. resident v.p. . . . Don Moore promoted to mgr. of CBS-TV story &

script dept., succeeding Edgar Peterson, now producer of network's *Climax* series . . . Gene Ragle, ex-KPTV, Portland, Ore., named operations director, KBET-TV, Sacramento . . . Elliott Rothchild named regional sales mgr. of WHUM-TV, Reading, Pa., succeeding Ed Walpert, resigned to join Arndt, Preston, Chapin, Lamb & Keen Adv., Philadelphia . . . Alex McKee named acting national exec. secy. of AFTRA, temporarily succeeding late George Heller . . . J. Elroy McCaw, owner of KTVW, Tacoma, and half owner of KONA, Honolulu, leaves June 18 on quick flying trip to Ethiopia to look over gold mining concession of Gold-fields Consolidated, of which he is a director . . . John E. Mosman, ex-Maxon Inc., named TV-radio mgr., Marc Statler film production mgr., Biow-Beirn-Toigo, N. Y.; Arthur Napoleon appointed TV-radio mgr., Hollywood -- all reporting to TV-radio v.p. Roy Winsor . . . Wm. J. Lyons, ex-BBDO, named asst. to Philip Rouda, v.p. in charge of TV-radio, Bozell & Jacobs . . . Sylvan Taplinger, ex-Hirshon-Garfield, named TV-radio director, Peck Adv.

More honorary degrees: George C. McConaughey, FCC chairman, and Scripps-Howard Radio v.p. James C. Hanrahan, from Western Reserve U; Walter Ransom Gail Baker, GE v.p. & gen. mgr. of its electronics div., from Brooklyn Polytechnic Institute; Allen Balcom DuMont, from New York U (also from Fairleigh-Dickson College last week); Clair R. McCollough, from Franklin & Marshall College; Keith McHugh, pres., N. Y. Telephone Co., from Manhattan College.

George Cherry, 55, FCC docket clerk known to many in industry who use Commission reference room, died of heart attack June 11.

Sentencing of Mrs. Marie Natvig, turnabout witness convicted of perjury in Lamb case, is scheduled for June 20 in Washington Federal court.

**I**N CLARKSBURG PROTEST case (p. 3), Court of Appeals' basic ruling was that FCC erred in giving protestant mere oral argument instead of full evidentiary hearing, the court stating that FCC glossed over far too many important factors. What had Commission agog was extent to which court went in telling it just what it did wrong. Judges Edgerton, Bazelon and Bastian, in decision written by Judge Bazelon, stressed these points:

(1) "However unwittingly, the Commission seems to have assumed the defense of its grant, rather than the public interest, as its primary role in the proceedings."

(2) The "mechanical application of the Grade A-Grade B rule" in determining excessive overlap. Owners of WBLK-TV hold 34% of WTRF-TV, Wheeling. "Nothing in this record," court said, "tells us why the Commission decided that the instant Grade B overlap would not constitute 'serving substantially the same area' within the meaning of the rule."

(3) Commission's failure to determine role of Clarksburg community antenna system in overlap. "The Commission will presumably assert jurisdiction to regulate community antenna systems," court said, "if and when it concludes that such systems provide or are adjuncts of a broadcast service." Rest of decision gives FCC strong nudge to assume jurisdiction, may also imply that stations should seek to control use of their signals by community systems.

(4) Diversification. "Nothing in the present protest record dispels the impression that, on the concentration of control issue alone, the grant would not be in the public interest. There may, however, be matters not apparent to us which entered into the Commission's determination." In other words, court would have FCC deny application under such circumstances—large media holdings—even if applicant has no competitor for channel. This would revolutionize FCC policy.

Negotiations for sale of Denver's pioneer KFEL-TV (Ch. 2) are going on between owner Gene O'Fallon and J. Elroy McCaw, with price said to be around \$600,000. Station was offered several months ago at \$750,000. McCaw owns KTVW, Tacoma (Ch. 13), holds 25% of KONA, Honolulu (Ch. 11)—both of which he purchased as distress properties and both of which are now reputed profitable (see Vol. 9:26 & 10:28, 34, 38). McCaw is also owner or co-owner of radio WINS, N. Y. and 4 other radio stations.

Two TV-radio figures on White House staff shifted jobs this week. Fred Seaton, whose Seaton Publishing Co. holds CP for KTVR, Hastings, Neb. (Ch. 5), gives up duties as administrative asst. to President for congressional liaison, will handle liaison with Federal depts. & agencies. Howard Pyle, ex-Arizona governor who holds minority interest in KVAR, Phoenix (Ch. 12) & KTAR, becomes deputy asst. for intergovernmental relations, handling Federal-state relationships.

Gordon Gray, Winston-Salem publisher and broadcaster (WSJS-TV & WSJS) and ex-Army Secy., became an Asst. Defense Secy. June 17 when Senate confirmed his appointment (Vol. 11:24).

Frank W. Miller Jr., director of Headley-Reed TV, has purchased WHIM, Providence (1-kw-D on 1110 kc) for \$469,000 from group headed by Robt. T. Engles.

FCC is hiring more lawyers, will add some to Rules & Standards Div. to help in subscription TV proceedings, in addition to strengthening staff processing applications. Corps of examiners has been cut to 12, John B. Poindexter going to Office of Opinions & Review, Isadore A. Honig to Office of Gen. Counsel's Litigation Div.

(5) Dropout of competing applicant WPDX upon payment of \$14,000 for expenses, permitting grant of WBLK-TV next day. Court doubted FCC could complete "processing and review" and make grant properly so quickly.

For a windup, decision stated: "The Commission does not stand in the position of a 'traffic policeman with power to consider merely the financial and technical qualifications of the applicant.'" Full study must be made, it added, "even where an application is unopposed."

Beyond that, court said: "The Commission finds support for its action in its announced policy to accelerate the inauguration of TV service after the 'freeze' on new TV authorizations was lifted. Without minimizing the force of this objective, we think Congress did not intend that the Commission should abandon consideration of long range public interests in order to further short and, perhaps, doubtful ones."

Grasping decision immediately, WNHC-TV, New Haven and WATR-TV, Waterbury, asked FCC to give them full hearing on NBC's proposed purchase of WKNB-TV, New Britain (Ch. 30). And examiner James Cunningham, along with FCC itself, decided to reopen record in Spartanburg site-move case—involving protests against WSPA-TV modification of CP filed by WAIM-TV, Anderson and WGVL, Greenville, S. C.

In Ft. Wayne case, FCC had awarded Ch. 69 to Radio Ft. Wayne (WANE-TV) because its competitors' principals Paul V. McNutt and James R. Fleming held interests in *Journal-Gazette* and that newspaper had joint ad rates with *News Sentinel*. After losers appealed, McNutt died. FCC argued that court couldn't send case back to Commission until it considered appeal on its merits and unless it also reversed Commission. Court disagreed, sent case back for further hearing, stating: "The failure of this record to deal with Mr. McNutt's death may have [the effect of precluding a just decision], even if we assume, without deciding, that the record is adequate in all other respects."

The Sarnoff-McDonald exchange (p. 2): (1) Filing formal comments with FCC June 6, RCA-NBC chairman David Sarnoff urged denial of subscription TV, quoted numerous bearish statements about future of sponsored TV issued in past by Zenith pres. Comdr. E. F. McDonald. (2) McDonald responded by saying that: "On 3 separate occasions in recent years RCA has proposed that it buy rights to control our Phonevision development. On one occasion Sarnoff told me that if we sold RCA our patent rights, our path to establishment of subscription TV would be made much easier." (3) Sarnoff came back with charge that McDonald's report of an RCA offer to buy was "utterly false and untrue." He noted that Zenith attorney Thomas C. McConnell had been reprimanded by Rep. Emanuel Celler (D-N. Y.) for misleading statement to Judiciary subcommittee (Vol. 11:22), adding that "Mr. McDonald's irresponsible statement is so lacking in truth that he, like his lawyer, deserves severe criticism for his attempts to mislead the public, the industry, and the Govt." (4) McDonald countered with: "There is no more truth in that denial than in Mr. Sarnoff's recent loud claims that RCA invented magnetic tape video recording and atomic batteries—both of which were actually discovered by independents long before the RCA claims. It is an old Russian custom . . ."

Box Office Television Inc. (closed-circuit), now at 6 W. 57th St., N. Y., reorganized this week after several officials left to organize Sheraton Closed-Circuit Television Inc. (Vol. 11:24). Sid Caesar, now pres., has acquired controlling interest. Milton Mound continues as chairman, Wallace A. Ross & Edgar A. Rosenberg elevated to v.p. Arthur Knorr, exec. producer, Roxy Theatre, joins firm as v.p.

**Telecasting Notes:** 20th Century-Fox will release its backlog of feature films to TV—but doesn't believe the time is yet. So said pres. Spyros Skouras in answer to stockholder's question at recent meeting, partial transcript of which was released this week. He said company is now serving its best interests by selling its features only to theatres, but added: "When the 2-D system is completely eclipsed, and CinemaScope has replaced it, that will be a different situation. I am not of the opinion that because many films will be available that the price will be reduced. In the history of the amusement world, good merchandise is in great demand. As time progresses, the TV companies will need a better type of material than they get now" . . . "We are not concerned that we will lose the value of our backlog as time progresses," said Skouras. "I am not inclined to rush if somebody wants to buy, but to wait [because] the value increases as time progresses. Three years ago, I checked the market. I was offered a fourth of the price that I can get today for certain pictures from TV, and I think 2 years from now we will receive more. Also, the demands of TV are so great, they need so much material, that if we have good pictures we can sell them [when] we will get the maximum money" . . . Another "Peter Pan"? NBC has concluded negotiations for special color presentation of Thornton Wilder's *Skin of Our Teeth*, starring Mary Martin & Helen Hayes 7-9 p.m. Sept. 11, following same production's return from France, where it will be produced by American National Theatre & Academy in cooperation with State Dept. as part of special "salute to France" program . . . From current stage, members of cast of musical hits *Pajama Game* and *Damn Yankees* will be featured in as-yet-unwritten Oct. NBC spectacular starring Rosalind Russell and produced by her husband Frederick Brisson and Harold S. Prince, producers of the 2 musicals . . . Arthur Godfrey, he of the many dismissals and headlines, lost his 4th and last writer (Andrew Rooney) this week in amicable parting, says he's going "ad lib" henceforth; his other 3 script men, who were paid up to \$35,000 a year each, are now working for Garry Moore . . . Top foreign-language station WATV, Newark adds *Ukrainian Melody Hour* as Sat. 10-10:30 p.m. feature . . . Denver's KLZ-TV using 35mm film-trailer spots on local theatres to plug its shows and personalities.

Don't look for conclusive findings on projected sets-in-use progress report to be submitted to NARTB board's semi-annual meeting June 23-25 at Hot Springs, Va. County-by-county or market-by-market census of TV homes acceptable to all segments of industry remains one of real needs—but progress report to be submitted on results of Politz pre-testing (Vol. 11:21) isn't likely to give much hope to those who felt the census might get underway this year. It's expected to be another laborious report on methodology, will probably set no target date for start of census. TV board, meeting June 23, will discuss subscription TV and will get report from new code review board chairman G. Richard Shafto, WIS-TV, Columbia, S. C. Joint meeting with radio board final day will get report from membership committee chairman Richard M. Brown, KPOJ, Portland, Ore.

The screen "borrows" some more: MGM acquires screen rights to Paddy Chayevsky's latest *Philco Playhouse* hit "The Catered Affair"; 4 Hollywood majors bidding for screen rights to *Medic*; Wm. Altman, associate producer of *Studio One*, engaged to write screen play for Bob Hope's next Paramount feature, *King of Hearts* (Altman's TV play, "Operation Home," is being produced by MGM under title *Old Army Game*); Richard Carlson will produce, direct and star in movie version of his TV film series *I Led 3 Lives*; Warner Bros. plans to make feature of Eve Arden's *Our Miss Brooks*.

**RICHARD A. MACK** was confirmed by Senate June 17 to succeed Frieda B. Hennock on FCC July 1. Confirmation of the 46-year-old Florida Democrat came in record time—just one day after he appeared before Senate Interstate & Foreign Commerce Committee for good-natured routine half-hour hearing.

The personable, self-confident Mack obviously made good impression on Senators during hearing, was unanimously endorsed by the committee. Florida Sens. Smathers & Holland made brief statements in his behalf. In answer to short questioning, he indicated he's conservatively inclined, opposes "big Government." Chairman Magnuson (D-Wash.) urged him to try to whittle down Commission's processing backlog and minimize "delays." Mack replied that "regulatory lag" was always a problem and that he had fought it as a state utility commissioner. "I hope you'll become a good pike in a carp pond," said Magnuson.

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Commission made no decisions this week, being involved in civil defense test. Chief examiner James D. Cunningham issued an initial decision, however, recommending grant of Ch. 12 to KONO, San Antonio, denial of KMPC, on grounds that latter isn't financially qualified.

There were several allocations petitions, including one requesting deintermixture. WTVF, Decatur, Ill. (Ch. 17) asked that Ch. 2 be moved out of Springfield to some other area where it would create no intermixture problem. WGR-TV, Buffalo (Ch. 2), seeking satellites, proposed that Ch. 37 be added to Clymer, N. Y., Ch. 26 to Shinglehouse, Pa., substituting Ch. 62 for Ch. 37 in Meadville, Pa.—said it would apply for Clymer and Shinglehouse. Aaron B. Robinson, Jackson, Tenn., asked that Ch. 6 be assigned to Indianola, Miss., Ch. 44 to Clarksdale, Miss.; he plans to file for Indianola.

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**Private vs. AT&T microwaves:** In comments filed this week, AT&T told FCC that stations' estimates of costs of building and operating their own off-air microwaves are unrealistic, ignoring many costs that phone company is required to include under FCC rules. Nevertheless, AT&T said, if stations want really cheap service, it will continue to seek methods of cutting costs. For example, station can cut AT&T charges by renting land, buildings and towers to AT&T—or by eliminating emergency power, etc. AT&T said that station figures ignore engineering surveys, legal expenses, engineering & installation costs, tower & equipment installation, test equipment & spares, access roads. WCSH-TV, Portland, Me. said it's satisfied with regular network service from AT&T but prefers to keep own private microwave for occasional pickups of Boston stations. KHOL-TV, Kearney, Neb., proposing to build satellite at Hayes Center, Neb., said that Raytheon would build it a 3-station system for \$37,056, whereas AT&T would charge \$2345 monthly plus \$37,680—latter figure to be reduced 1/36th monthly. KVEC-TV, San Luis Obispo, Cal. reported that it can build microwave to get Los Angeles signals for \$19,300 but that phone company would charge about \$30,000 yearly.

Unity Television Corp., one of largest distributors of feature film to TV, has been sold by Arche Mayers to group headed by Joseph Seidelman, former pres. of Universal-International, for more than \$5,000,000. Unity has some 650 features, 140 cartoons, 25 serials, 400 other shorts.

Quigg Newton Jr., Denver mayor who holds minority interest in KOA-TV, Denver, will become director of Ford Foundation's public affairs program Aug. 15, shortly after his second term as mayor expires.

**Network Accounts:** First NCAA football sponsors came into NBC-TV fold this week when General Cigar, thru Young & Rubicam, and Schick Inc., thru Kenyon & Eckhardt, each bought one-fourth sponsorship for 13-game schedule this fall . . . General Motors (Delco div.) to be alt. sponsor (with Lucky Strikes) of untitled post-Disneyland show on ABC-TV starting Sept. 14, Wed. 8:30-9 p.m., thru Campbell-Ewald . . . Borden Co. to sponsor *The People's Choice*, situation drama starring Jackie Cooper, on NBC-TV starting in fall, Thu. 8:30-9 p.m., thru Young & Rubicam . . . Procter & Gamble buys *It Pays to Be Married* on NBC-TV starting July 4, Mon.-thru-Fri. 3:30-4 p.m. . . . Avco (Crosley appliances) to be alt. sponsor (with Kleenex) of *Midwestern Hayride* on NBC-TV starting Aug. 19, Fri. 8-8:30 p.m., thru Earle Ludgin & Co. . . . Roto-Broil buys series of spots on NBC-TV's *Today, Home & Tonight*, under network's "summer incentive" discount plan . . . Maytag & Sheaffer Pen to sponsor re-runs of *That's My Boy*, which went off air Jan. 1, on CBS-TV starting July 12, Tue. 8-8:30 p.m., thru McCann-Erickson & Russel M. Seeds Co. . . . Amoco & Hamm Brewing Co. to sponsor *Windows* drama series as summer replacement for *Person to Person* on CBS-TV starting July 8, Fri. 10:30-11 p.m., thru Joseph Katz Co. & Campbell-Mithun . . . Lucky Strikes & Warner-Hudnut (Quick home permanents) to sponsor *Your Play Time* as summer replacement for *Your Hit Parade* on NBC-TV starting June 18, Sat. 10:30-11 p.m., thru BBDO & Kenyon & Eckhardt . . . Johnson's Wax & Pet Milk to sponsor *Spotlight Playhouse* as summer replacement for *New Red Skelton Show* on CBS-TV starting June 21, Tue. 9:30-10 p.m., thru Needham, Louis & Brorby and Gardner Adv. . . . General Foods (Maxwell House coffee & Swans Down cake mix) to sponsor one-shot *3 for Tonight* on CBS-TV June 22, Wed. 10-11 p.m., thru Benton & Bowles; stage version ends N. Y. run June 18, reopens at Greek Theatre in Hollywood shortly after telecast . . . Prudential Insurance Co. buys 7½ min. of Mon. 10:15-10:30 a.m. portions of *Garry Moore Show* on CBS-TV starting July 25, Mon.-thru-Thu. 10-10:30 a.m.,

Rate increases: WNBQ, Chicago, has raised base hour from \$3300 to \$3700, 20 sec. \$600 to \$750; July 1, WFAA-TV, Dallas, raises base hour from \$900 to \$1000, min. \$180 to \$225; KWTW, Oklahoma City, raises base hour from \$700 to \$750, min. \$140 to \$150; KMJ-TV, Fresno, hour from \$450 to \$500, min. \$90 to \$100; WMTW, Poland Spring, Me., from \$300 to \$400, min. \$60 to \$80; WCAX-TV, Burlington, Vt. (formerly WMVT), from \$250 to \$300, min. \$50 to \$60; KLAS-TV, Las Vegas, from \$200 to \$250 & \$40 to \$50; CFPL-TV, London, Ont. from \$300 to \$370 & \$60 to \$85; CFQC-TV, Saskatoon, Sask., from \$160 to \$230 & \$32 to \$46. Rate cut: WICC-TV, Bridgeport, Conn., cuts base hour from \$200 to \$100, min. \$40 to \$20.

Valuable tool for market research: Social Security Administration's newly-issued *County Business Patterns*, county-by-county uniform tables of payrolls, number of employes in various business classifications, etc. Statistics for first-quarter 1953 are in 10-volume set (\$11.75, Govt. Printing Office, Washington). Among significant figures on U. S. as whole are these: Some 2349 TV-radio broadcasting firms employed 66,366 people in March 1953, with total taxable payroll of \$76,516,000 for Jan.-March (or average annual pay of \$4640 per employe). Communication equipment industry (including TV-radio) employed 541,000 (2103 companies).

Color facilities charges are feature of temporary rate card No. 9, effective June 15, released this week by NBC's WNBQ, Chicago. It provides for \$190 net color charge, minus commissions, for 20-sec. station break, and \$95, minus commissions, for 10-sec. ID.

Fri. 10-11:30 a.m., thru Calkins & Holden; S.O.S. Cleanser & Toni to be alt. sponsors of Fri. 10:30-10:45 a.m. portion starting July 15, thru McCann-Erickson & Leo Burnett Co. . . . Buick buys 7½-min. partic. on one-shot NBC-TV color "spectacular" Sun. Nov. 6, 7:30-9 p.m., thru Kudner . . . Philco buys one-shot variety show on ABC-TV from Miami Beach's Fontainebleau Hotel June 28, Tue. 8-9 p.m., during its big TV-radio-appliance distributors convention there, thru Hutchins Adv. . . . Gillette to sponsor All-Star baseball game for 6th straight year on NBC-TV July 12, Tue. 3:15 p.m., thru Maxon Inc.

Among advertisers currently reported using or preparing to use TV: Otto Bernz Co., Rochester, N. Y. (Bernz-O-Matic appliances), thru Charles Rumrill Adv., Rochester; Metal Foil Products Mfg. Co., Newark, N. J. (Broil-A-Foil broiler trays & foil specialties), thru Storm & Klein Adv., N. Y.; Spectro-Matic Associates, Rockford, Ill. (paint color tinting system), thru Cummings, Brand & McPherson, Rockford; Dubuque Packing Co., Dubuque, Ia. (canned & frozen foods), thru Perrin-Paus, N. Y.; Modern Faucet Mfg. Co., Los Angeles (spray dishwashing brush), thru Hal Stebbins, Los Angeles; E. F. Drew & Co., N. Y. (Trinut margarine), thru MacManus, John & Adams, N. Y.; Doughboy Wading Pools, Los Angeles, thru Kilian Adv., L. A.; Clerfast Corp., Providence, R. I. (CFS skin cream, soap & lotion), thru Bo Bernstein & Co., Providence; California Central Airlines, Burbank, Cal., thru Morton, Martin, Weaver & Assoc., San Diego; Texize Chemicals, Greenville, S. C. (Texize household cleaner), thru Henderson Adv. Agency, Greenville; Waterman-Waterbury Co., Minneapolis (heating equipment), thru Mitchell & Mitchell, Minneapolis; George A. Hormel & Co., Austin, Minn. (ham sticks), thru BBDO, Minneapolis; Colgate-Palmolive Co., Jersey City, N. J. (Kan Kil aerosol insecticide), thru Street & Finney, N. Y.; Bu-Tay Products Ltd., Los Angeles (Rain Drops water conditioner), thru Dan B. Miner Co., Los Angeles.

Milwaukee's WTMJ-TV, one of few no-frequency-discount stations, has instituted new \$300 Class A rate for entire 30-sec. station break, retaining only 2 sec. for station identification. Idea is that one advertiser would prefer to buy the whole spot in lieu of sharing it with another (20-sec. at \$200, 10-sec. at \$80); latter system will be retained, however, until all Class A station breaks come under single-advertiser sponsorships. WTMJ-TV base hour rate is \$1150, network \$1500, and it has issued new schedule of 1-min. partic. in various programs at rates varying with type & time of program—up to \$200 per spot. Station mgr. Walter J. Damm says new service eliminates "double spotting" practice between programs.

New reps: KSBW-TV, Salinas-Monterey, to H-R Television (from Hollingbery); KRGV-TV, Weslaco, Tex. to John E. Pearson (from Raymer); KELO-TV, Sioux Falls, S. D. to H-R Television (from Raymer); WNOM-TV, York, Pa. to Robert S. Keller (from Forjoe).

New call letters: WCAX-TV, Burlington, Vt. (Ch. 3), formerly WMVT, following allocation of channel from Montpelier to Burlington; AM affiliate is WCAX. On July 1, WTVW, Milwaukee (Ch. 12), becomes WISN-TV; new owner Hearst Corp. owns radio WISN.

ABC-TV reports record gross time sales of \$58,500,000 signed in first 6 months for new & renewed business, embracing 49 sponsorships.

Ramon Vasconcelos is now Cuban Minister of Communications, having succeeded Recardo Eguilior; Jose Mario Baquero remains his director of radio.

EVEN THE NEWS WIRES picked up *Variety's* significant lead story of June 15 to the effect that the nation's daily papers have "gone TV-happy." TV-radio editor George Rosen notes that TV has suddenly become "the No. 1 circulation builder for America's newspapers, with the TV editor and the TV columnist enjoying a new-found distinction as a major asset on any daily or Sunday edition." On many metropolitan newspapers, he writes, TV editor has become more important than drama or film editor.

Obvious case in point is *New York Herald Tribune*, whose syndicated TV-radio columnist John Crosby is credited with elevating TV columns from gossip to mature and provocative journalism. *Herald Tribune* recently fortified its TV coverage by adding digest-size *TV & Radio Magazine* as Sunday supplement and hiring Marie Torre from *New York World-Telegram* to do 5-a-week TV-radio column as well as help edit the new Sunday magazine.

Power and stature of the printed word, as it affects the TV industry, was demonstrated few weeks ago when Crosby took a sharp whack at CBS for "mediocrity" in TV programming (Vol. 11:16), was promptly asked in by CBS topkicks for advice.

This week Crosby jumped into a field where few dare to tread, lashed out at blacklists and their power over agencies, sponsors and networks. He pinned his column on recent secret vote at AFTRA meeting which condemned AWARE Inc., so-called anti-communist group which has set itself up as clearing-house to keep tab on those in show business it considers "un-American." Pro-AWARE faction in AFTRA demanded and got mail referendum—now in progress—to reconsider the resolution.

"The blacklist racket," says Crosby, "still flourishes openly in TV." He notes that NBC is only network which hasn't "knuckled under." He singles out Kraft, Philco and Goodyear as sponsors courageous enough to resist blacklist, Borden as one which has "cravenly given in and hired only actors 'approved' by this little wolf-pack of vigilantes."

One of the few other recent exposés of TV blacklisting was series in *Sponsor Magazine* a few years ago on blacklisting. Following appearance of articles, the magazine suffered heavy reprisals in ad cancellations.

"Top 10" regularly scheduled shows of 1954-55 season, as compiled by American Research Bureau on basis of average ratings, indicate influence of spectacles and other "opposition programming" in determining "popularity" of shows. No. 1 regular show for season was Groucho Marx' *You Bet Your Life*, though NBC's one-shot *Peter Pan* spectacular drew largest audience for any TV show in history (57,000,000 viewers, 60.1 rating). Perennial first-place winner *I Love Lucy* dropped to 4th, presumably because of opposition from NBC's *Medic* and spectacles. For first time, no Godfrey show was on list, nor was any drama show represented—both phenomena due to strong opposition programming. The ARB 1954-55 big 10: (1) *You Bet Your Life* (NBC), 50.9; (2) *Jackie Gleason* (CBS), 50.4; (3) *Toast of the Town* (CBS), 49.3; (4) *I Love Lucy* (CBS), 49; (5) *Dragnet* (NBC), 43.6; (6) *Two for the Money* (CBS), 42.3; (7) *Jack Benny* (CBS), 42.1; (8) *Disneyland* (ABC), 41.1; (9) *George Gobel* (NBC), 41; (10) *This Is Your Life* (NBC), 39.8.

NBC Radio's omnipresent weekend service, *Monitor*, which made auspicious debut in simulcast June 12, has racked up gross time sales of \$1,600,000, latest sponsors being Miller Brewing Co. & Charles Antell Co. (Lanolin hair preparation).

PITTSBURGH'S second vhf apparently will be Ch. 11 merger effected by counsel Paul M. Segal, whereby ex-competitive applicants WWSW (*Post-Gazette*) and WJAS (H. K. Brennen) will become equal partners in \$1,000,000 new-station project (Vol. 11:23). They have signed CBS basic affiliation, network having dropped \$3,000,000 deal whereby it proposed to buy WSTV-TV Steubenville, O. and move it to Pittsburgh (Vol. 10:47, 52 & 11:23). Steubenville outlet will stay on CBS as basic supplementary.

Plan is to get going by early fall if possible. While WWSW Inc. will apply formally for channel, with WJAS to be sold and Mr. Brennen then acquiring 50% interest in new corporation, new call letters haven't yet been decided upon. New company's board will comprise 3 members chosen by Wm. Block, publisher of the newspaper (presumably including himself and his radio mgr. Pete Schloss), 3 by Brennen, one other mutually acceptable.

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

WTHS-TV, Miami (Ch. 2, educational), now hopes to begin test patterns early in July when old WTVJ Ch. 4 transmitter is scheduled to be ready, reports Vernon Bronson, asst. director, Dept. of Radio & TV Education, Dade County Board of Public Instruction. Transmitter is in Everglades Hotel, with antenna on rooftop FM tower. Programming is due to start in Aug.

KSTF, Scottsbluff, Neb. (Ch. 10), now doesn't expect to begin until about July 1 as satellite of KFBC-TV, Cheyenne (Ch. 5), reports gen. mgr. Wm. C. Grove. It will have 2-kw RCA transmitter, 6-bay antenna at interim site on Abrupt Peak, 10 mi. north of Scottsbluff, some 79 mi. of southwest of Cheyenne. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

CJON-TV, St. John's Nfld. (Ch. 6), planning July 15 test patterns, has begun installation of 2-kw RCA transmitter at site 4 mi. from city, writes pres. Geoff Stirling. Work also has begun on foundations for 12-slot wavestack tower-antenna, due to arrive in late June. Commercial start won't be until Sept., plans call for non-commercial programming in Aug. for set promotion during "shake-down" period. Base hour for first 90 days will be \$160, goes automatically to \$200 thereafter. A. Harnett from radio CJON will be program director, Oscar Hierlihy chief engineer. Reps will be Weed and All-Canada Television.

Five-megawatt uhf: With FCC expected to issue proposed rule-making to raise maximum uhf power from 1 megawatt to 5 next week, first station proposing to seek maximum is WJMR-TV, New Orleans, which is due to shift from Ch. 61 to Ch. 20 July 1, going to 1 megawatt. It will serve as proving ground for GE development project to achieve ceiling power with four 30-kw klystrons for picture, 2 for sound (Vol. 11:22). Station now uses 2 GE helical antennas, will modify them for 5 megawatts. Exec. v.p. George Mayoral, ex-GE sales engineer, says he hopes to complete job within a year—though progress depends on GE development program. He and chief engineer Jack Petrik, also ex-GE, will supervise construction.

Equipment shipments: RCA shipped 50-kw transmitter June 7 to upcoming WXEX-TV, Petersburg-Richmond, Va. (Ch. 8), which has Aug. 1 programming target. Du-Mont reports order for 50-kw amplifier from WTVD, Durham, N. C. (Ch. 11).

KSTP-TV, St. Paul has taken delivery of new 4-place Helioplane (cost: \$30,000, speed: 158 mph) which is being used for news coverage and business trips. Pres. Stanley Hubbard, who was World War I flier and a pioneer commercial transport pilot, flies the ship occasionally.

**TOTING UP TRADE LEDGER; LABOR RESTIVE:** Continued strong accent on military and industrial electronics, high optimism on TV-radio sales prospects for rest of year, almost total absence of color enthusiasm (or even interest) -- those were the distinguishing, dominant moods of RETMA's 31st annual convention this week at Chicago's Palmer House. Though official agenda was given over largely to internal matters of reorganization (for details, see p. 11), convention was spiced by glowing report that servicing of TV-radio receivers currently equals or exceeds annual retail dollar volume of receivers themselves, for first time in industry's history (see p. 1).

On debit side of trade ledger were these problems, present and prospective: TV inventories are on the rise at factory & distributor level, standing currently at estimated 2,300,000 at all levels; prices & profits keep going down, average factory price of TV set being estimated at mere \$130 for 12 months ending June 30 (compared to \$145 for calendar 1954 & \$170 for calendar 1953) and factory-to-retail markup down to only 25% from 40% in 1954, 60% in 1953. The one encouraging aspect of inventory picture is that retail stockpiles have been reduced in last 3 months, reversing normal industry pattern for this time of year.

Though serious, these problems were far outweighed by such considerations as the expanding electronics industry at large, in which more-&-more TV-radio firms are participants, both as manufacturers of non-TV electronic equipment and as customers for broadening applications of automation techniques. And they got more statistical evidence, if any more were needed, that the TV-radio receiver boom shows no sign of slackening. Robert S. Alexander, Wells-Gardner pres. & outgoing chairman of RETMA set div., reported that TV production in 12 months ending June 30 will establish all-time record of 8,300,000, with retail sales at 7,900,000.

That set & tube manufacturers think boom will continue rest of year is shown in their informal average "guesstimates" of 7,000,000-7,300,000 black-&-white, 35,000 color sales at retail for calendar 1955, or just about equal to last year's 7,300,000 total. Radio sales this year, they guessed, would be 12,500,000-13,000,000, including 4,500,000-5,000,000 auto sets, compared to total of 10,300,000 in 1954. For 1956, they estimated 6,500,000-7,000,000 black-&-white, 250,000-300,000 color sales.

Color talk was conspicuous by its absence. As figures indicate, manufacturers set little store by color in immediate future -- and they showed no disposition to possibly upset a strong black-&-white market by even going into any public discussion of color. In latter respect, at least, they are being abetted by networks, which are scheduling scarcely any color shows this summer (see p. 3).

Other brief highlights of major trade developments this week:

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**Labor:** It wasn't publicized much, but included in the guaranteed annual wage package granted United Auto Workers by General Motors were its Delco radio division workers represented by IUE. All of which, in opinion of union, has strengthened its hand in upcoming bargaining negotiations with GE, Westinghouse & Sylvania. So intent is IUE on winning annual wage provision that its national leaders are reportedly preparing to negotiate these contracts personally, leaving only ratification to the locals. Up to now, locals have been given broad latitude in negotiating contracts -- and in cases of RCA & Philco, they decided to yield on annual wage provision in exchange for more liberal wage and fringe benefits.

**\$100 Set:** GE's 14-in. table model at \$99.95, which it introduced month ago as its answer to second-set demand (Vol. 11:21), is doing "extremely well" in sales, though full national distribution won't be achieved until July 15, company tells us. Arthur Brandt, gen. sales mgr. of TV-radio dept., said "initial and repeat orders from dealers are magnificent." He reports it's doing well not only in its own right but as a sales magnet for other sets in store. Hallicrafters reportedly will intro-

duce a \$99.95 table model at next week's big furniture marts in Chicago, joining Emerson and Olympic as companies which have same-priced set.

**How's Business?** Pleasant reading, for most part, is "Where Business Is Best in U.S. Now" -- in June 17 U.S. News & World Report. It concludes West & Midwest are booming, sees pickup in New England, tabulates 22 cities in which average worker's income is up vs. year ago in all but one city (Portland, Me.); moderate or slight unemployment in all but 2 (Pittsburgh and Portland, Me. show substantial drops); employment up in 11 cities, down in 11 from year ago; dept. store sales up in all but New York (same), and Milwaukee (down); banking activity up in all but Philadelphia (same), New York (down). "Recession of 1954," magazine concludes, "seems only a distant memory. People are loaded with cash, and in a mood to spend it. Nothing quite like it has been seen before..."

**Job Outlook:** Labor Dept. Bureau of Employment Security reports, on basis of spring survey of 149 market areas, that rise in demand for workers is likely to continue through fall, assuming absence of strikes. As result of job gains already made, 8 major areas were removed from list of labor surplus markets, which had entitled them to special treatment under defense procurement program.

**Production:** TV output reversed 2-week decline in week ended June 10, going up to 110,766, compared to 91,648 preceding week and 110,944 in week ended May 27. It was year's 23rd week and brought production for year to date to 3,370,000, compared to 2,710,000 in corresponding 1954 period. Radio production went up to some 264,054 (137,609 auto), from 206,428 preceding week and compared to 266,946 week before. Radio output for 23 weeks was 6,370,000 vs. 4,540,000 same 1954 period.

**Trade Personals:** Ralph B. Austrian, ex-RCA & Westinghouse, recently with Pereira & Luckman architects, named DuMont west coast mgr., headquartered at 11845 Olympic Blvd., Los Angeles . . . John N. Phillips, mgr. of GE color TV product engineering, named mgr. of product planning, TV-radio dept. . . . Edward R. Taylor, Motorola v.p., represents TV-radio in appliance industry panel discussion June 21 at Merchandise Mart in conjunction with market week . . . A. Brewer Hunt, Canadian RTMA pres. in 1953-54, serving last 18 months as director of electronics branch in Canadian Dept. of Defense Production, returns to his old company, Northern Electric Co. Ltd., Montreal, on special assignment, reporting to M. P. Murphy, v.p. & managing director . . . L. L. Malin, ex-Admiral Pittsburgh factory branch mgr., named regional sales mgr. covering N. Y., Newark, Philadelphia & Altoona, in series of regional sales appointments; C. F. Weeks to cover Los Angeles, San Diego, San Francisco, Sacramento, Fresno & Phoenix; W. F. Hand, ex-Denver branch mgr., covers Denver, Albuquerque, El Paso & Salt Lake City; Joe K. Boone, ex-International Harvester, named north central mgr., covering Indianapolis, Evansville, Ft. Wayne, Louisville & Nashville . . . David P. McIlmoil appointed southwestern sales rep, Westinghouse electronic tube div., Los Angeles . . . Aaron Bowser resigns as Sylvania radio sales mgr. . . . Roger Minthorne Jr. appointed Scott Radio Pacific northwest sales mgr. . . . Wilfred L. Larson, pres. of Switchcraft Inc., Chicago, named representative of Assn. of Electronic Parts & Equipment Mfrs. on Radio Parts & Electronic Equipment Show board, governing body of annual electronic parts show in Chicago . . . George Geich, asst. to exec. v.p. Dorman Israel, has been designated chairman of Emerson Radio's new rotating associates management committee comprising 10 executives below div. chiefs . . . Oliver H. Straus, ex-National Co., elected v.p. of newly-formed Hycon Eastern Inc., Cambridge, Mass. (guided missiles, computers), affiliate of Hycon Mfg. Co., Pasadena . . . Joseph Delaney resigns as mgr. of RCA Victor's "Label X" record dept. to become v.p.-gen. mgr. of Cadence Records, replacing Sam Clark, new head of American Broadcasting-Paramount Theatres' record subsidiary.

H. Leslie Hoffman, pres. of Hoffman Electronics, is new pres. of RETMA's reorganized, unified board, taking over duties performed last year by Max Balcom as board chairman and Glen McDaniel, who gives up presidency but remains as gen. counsel. All other officers were re-elected at 31st annual convention this week at Chicago's Palmer House: exec. v.p. & secy., James D. Secrest; treas., Leslie F. Muter, Muter Co.; engineering director, Dr. W. R. G. Baker, GE; govt. relations mgr., Joseph H. Gillies, Philco.

These div. chairmen were also elected: set, H. C. Bonfig, CBS-Columbia, replacing Robert S. Alexander, Wells-Gardner; tube, Richard T. Orth, Westinghouse, replacing John Q. Adams, CBS-Hytron; parts, Herbert W. Clough, Belden Mfg. Co., Chicago (re-elected); technical products, James D. McLean, Philco (re-elected); military products, T. A. Smith, RCA, replacing A. K. Ward, RCA, chairman of old amplifier & sound equipment div.

Rear Adm. Walter A. Buck, 60, RCA operating services v.p., died June 12 at his home in Wynnewood, Pa., just 10 weeks after the death of his wife. Adm. Buck, ex-head of old RCA Victor div., became pres. of Radiomarine Corp. of America on retirement from the Navy in 1948, having just completed 2 years as Paymaster General and as chief of Bureau of Supplies & Accounts. Graduate of Kansas State U and Harvard Business School, he had joined the Navy as Ensign in 1917. He is survived by 2 sons, both in Navy, Lieut. Walter J. Buck, on duty in Korean waters, and Lieut. (j.g.) John A. Buck. Burial was at Arlington June 17.

Dorman D. Israel, Emerson exec. v.p., July 1 becomes chairman of IRE-RETMA's Joint Technical Advisory Committee (JTAC) for one-year term. An autonomous group, JTAC's function is to examine technical factors in radio communications, advise Govt., industry and engineering profession. Other members: vice chairman Ernst Weber, Brooklyn Polytechnic Institute; Ralph Bown, Bell Labs; Ralph N. Harmon, Westinghouse Broadcasting Co.; John V. L. Hogan, consulting engineer; I. J. Kaar, GE; A. V. Loughren, Hazeltine; Philip F. Siling, RCA.

Emo D. Porro named engineering asst. to Stanford Research Institute director Dr. J. E. Hobson.

**Topics & Trends of TV Trade:** Questionable advertising practices have replaced servicing as the chief complaint of consumers in TV-radio field, says Assn. of Better Business Bureaus on basis of survey of 78 member bureaus released at BBB convention this week in Minneapolis.

Kenneth Willson, national BBB president, reported that complaints about advertising broke down in this order of frequency: comparative pricing, bait ads, layouts involving misleading price in relation to a featured illustration, failure to disclose that models advertised are obsolete, misleading trade-in allowances. Other complaints included use of superlatives, misleading screen size descriptions, false credit terms and deceptive free trial offers.

Willson reported that 26 bureaus have organized programs to control abuses, and 30 more have sponsored fair trade practice codes. At week's end, convention adopted resolution calling for closer cooperation between bureaus, advertisers & media to halt questionable practices.

Note: Federal Trade Commission's trade practice rules for TV-radio merchandising, subject of hearings extending for 3 years, are scheduled for release June 28.

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TV-radio and related firms were prominent among the national advertisers in newspapers in 1954, according to ANPA Bureau of Advertising reports. On its list of 1404 national newspaper advertisers spending \$25,000 or more last year (not counting their local co-op schedules):

Admiral	\$ 439,465	Philco	1,349,976
Alliance Mfg.	79,790	(TV-radio, \$605,164)	
AT&T	85,825	RCA	1,569,702
Avco Mfg. Co.	1,379,852	(TV-radio, \$930,788)	
(TV-Radio, \$396,892)		(NBC, \$10,499)	
Channel Master	40,142	Raytheon	43,726
CBS	406,984	Sentinel	167,464
DuMont	190,786	Sparks-Withington	34,101
Emerson Radio	204,951	Stromberg-Carlson	83,341
GE	3,792,542	Sylvania	789,859
(TV-radio, \$438,602)		(TV-radio, \$557,481)	
Hallicrafters	86,683	Westinghouse	2,184,427
IT&T	700,460	(TV-radio, \$618,479)	
(Capehart, \$85,998)		Zenith Radio	794,015
Packard-Bell	46,129	(TV-radio, \$220,649)	

Note: Among top 100, headed by General Motors (\$37,391,415), Westinghouse ranked 35th, RCA 56th, Avco 66th, Philco, 67th.

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DuMont entered radio & high-fidelity phonograph fields with introduction this week of 2 unpriced table radios, one 3-speed phono console at \$150, one AM-FM radio-phono console at \$275. At same meeting of eastern regional distributors, new line of 16 TV models was also introduced, ranging from \$170 to \$500. William C. Scales, gen. mgr. of receiver sales div., said company plans to expand radio line to include clock sets in fall. Company previously had made radios only for incorporation in its TVs. TV line comprises eleven 21-in. sets—\$170, \$180, \$200, \$220, \$230, \$240, \$250, \$260, \$270, \$290, \$320; five 24-in.—\$330, \$340, \$400, \$410, \$500.

Westinghouse's new line, introduced this week for showing at Chicago's furniture marts, features printed-circuit components in 70% of the chassis of more expensive "Riviera" series, mounted on 2 printed circuit boards. Full line ranges from \$140 for brown metal table model to \$490 for 24-in. limed oak combination, latter set being a carryover from old line. The 21-in. series ranges from \$160 to \$370, 24-in. from \$240 to \$490. Less-expensive "Catalina" series has vertical chassis, while "Riviera" sets have front tuning, simplified controls, 90-degree aluminized tube, plug-in all-channel tuner.

RETMA of Canada publishes 5th edition of its trade directory (31 pp.), listing membership by divisions, sources of supply of parts & accessories manufactured in Canada, alphabetical list of foreign manufacturers & their Canadian reps. It's free from RETMA of Canada, 200 St. Clair Ave. West, Toronto.

RETMA-IRE 1955 radio fall meeting is scheduled Oct. 17-19 at Syracuse Hotel, Syracuse, N. Y.

**BUSINESS FAILURES** among TV-radio-electronic manufacturers declined to 26 in year ended April 30, compared with 33 in preceding year. This was stated in report of credit committee to 31st annual RETMA convention this week at Chicago's Palmer House. Of the 26 manufacturers which failed, 12 were components producers, 5 TV-radio set manufacturers, 3 made electronic instruments, 3 phonograph or high-fidelity equipment, 2 recorders, one hearing aids. Average age of these companies was 6½ years.

Committee chairman Edward C. Tudor, pres. of Industrial Development Engineering Associates (I.D.E.A.), stated liabilities of these companies totaled \$14,460,000, compared to \$24,800,000 for the 33 companies in preceding year. Tudor attributed failures chiefly to "poor management," inability of companies to meet competition successfully, and sales below cost or at a price which "could not provide a fair or reasonable profit." Highlights of other RETMA actions:

**Spurious Radiation:** In annual report, outgoing pres. Glen McDaniel said RETMA soon will be able to establish procedure for stamping RETMA seal on each set complying with its radiation standards. Responses of manufacturers to questionnaires on subject have been encouraging, "with a few exceptions," he said.

**Reorganization:** As predicted (Vol. 11:23), RETMA was reorganized, with abolition of separate electronics industry & TV-radio industry committees and return of their functions to single board, creation of military products div., reallocation of directors among 5 divs., consolidation of amplifier & sound equipment div. as section within technical products div.

**Promotion:** Advertising & public relations committee approved plans for National Radio & TV Week Sept. 18, endorsing promotional kit with theme "For Better Home Entertainment." NARTB and NARDA are also participating in public display of sets (Vol. 11:3).

RETMA treas. Leslie F. Muter was presented 1955 "Medal of Honor" at banquet June 16. In presenting award, outgoing board chairman Max Balcom pointed out that Muter attended old RMA's first organization meeting April 18, 1924 and the first meeting June 23 when first by-laws were adopted.

Control of Webster-Chicago Corp. is being acquired by Chicago industrialist Titus Haffa, who has added to his holdings more than 40,000 shares purchased from founder-chairman R. F. Blash, now in virtual retirement. Haffa becomes acting chairman, is said to be considering making offer to purchase all other outstanding stock. He and family own Dormeyer Corp., big Chicago appliance manufacturer, and Haber Corp. (screw machine products), among other companies. Webster-Chicago in 1954 earned net of \$564,198 (\$1.09 on 519,794 shares) on sales of \$31,746,046; this compared to \$927,162 (\$1.87) profit on \$27,757,891 in 1953 (Vol. 11:15).

American Television & Radio Co., 300 E. 4th St., St. Paul, Minn. (Albert A. Goffstein, pres.), manufacturers of auto radio vibrators since 1931, is now producing line of custom full-door console TVs under own ATR brand, will show sets on 17th floor of Chicago's American Furniture Mart next week.

Magnavox to introduce its first color set, a 21-in. console called Magnacolor, at Chicago marts June 20-July 2, along with 2 full-door 24-in. black-&-white consoles at \$425.

Battery-operated radio-phono combination, priced at \$60, was introduced this week by RCA, along with 3 conventional phonographs at \$15, \$30 & \$40.

**Financial & Trade Notes:** Storer Broadcasting Co. was approved for listing on N. Y. Stock Exchange this week, will be traded there from July 5. In June 14 letter to shareholders accompanying 35¢ dividend (upped from 30¢), pres. George B. Storer explained changes in capital structure that make \$1.40 annual rate possible:

"Through the sale of 262,750 shares of common stock to the public, \$4,000,000 in bank indebtedness was retired and all of the 7% preferred stock, amounting to \$1,500,000 [held mostly by Jefferson Standard Life] was called for retirement. In addition, interest on the balance of the company's bank loans was reduced voluntarily by the 4 participating banks: the Society for Savings, Cleveland, Chase Manhattan Bank of N. Y., Bankers Trust Co. of N. Y. and National City Bank of Cleveland. Your management believes that these savings, amounting to \$352,500 per year, should be passed on promptly to the holders of the company's common stock."

First quarter earnings after all charges, states letter, were \$811,989 (\$1.44 a share) including \$143,912 increased depreciation authorized under 1954 code, as against \$803,235 (\$1.43) in same 1954 quarter. [For table of previous years' quotes and earnings, see Vol. 11:18.] Letter continues:

"A slight recession occurred in some areas served by our stations during the latter months of 1954 and during the first two months of 1955, but there has been substantial improvement in March and April of this year. While there has been some concern over the future of radio broadcasting within the industry, our company's radio stations are now completing a period of adjustment which, we believe, has put them on a sound basis to operate successfully under today's conditions.

"Your company is rapidly equipping its television stations for color telecasting. However, there is much to be learned in this field and expenses involved for both equipment and experimenting are substantial. Nevertheless, our management believes that color receivers will soon be purchased by the public in sufficient quantity to warrant your company's preparing itself to provide color telecasting service to these purchasers."

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**DISTRIBUTOR NOTES:** RCA appoints M. E. Silver Corp., Motorola's Rochester, N. Y. outlet, replacing own subsidiary branch; RCA also appoints Ryan Supply Co., Emerson outlet in Jackson, Miss. (Thad Ryan, owner) . . . Motorola appoints Bristol Distributing Co., Fargo, N. D. (Howard Bristol, pres.), replacing Fargo Glass & Paint Co. . . . Stromberg-Carlson appoints Mechanical Engineering Corp., Norfolk, and Southern Electric Corp., Staunton, Va. . . . Hallicrafters appoints Frank Millman Distributors, 121 Clinton Ave., Newark . . . DuMont reports resignation of H. Joseph Sarlin, ex-gen. sales mgr. of its N. J. factory branch, replaced recently by Igoe Bros., Newark . . . Times Appliance Co., N. Y., Westinghouse distributing subsidiary, names C. J. Ward v.p.-gen. mgr., succeeding Col. Arthur F. Callahan, retired . . . B. T. Crump Co., Richmond (Philco) appoints L. McCarthy Downs exec. v.p. & gen. mgr. . . . Emerson Radio of Pennsylvania appoints Samuel Gershman v.p. . . . G. W. Onthank Co., Des Moines (Admiral) promotes Harold L. Haff to gen. sales mgr. . . . Olympic of Pittsburgh appoints I. A. Frankel gen. sales mgr. . . . Westinghouse Electric Supply Co. reports resignation of Wm. Constance as mgr. of Vernon, Cal. branch.

Indiana Steel Products Co. net profit was \$195,741 (69¢ a share) for quarter ended March 31, reports pres. Robert F. Smith, taking into account 2-for-1 split approved last Feb. 15. Working capital went up to \$1,504,320. In same 1954 quarter, profit was \$203,018 (\$1.43).

Philco Corp. profit-sharing plan, which holds more than 10% of company's outstanding common stock, purchased 3100 more shares in May, bringing total holdings to 522,857 shares. Other advance reports on May transactions involving officers & directors: Percy M. Stewart sold 1000 DuMont "A," now holds 1000; Herbert J. Allemand bought 5000 National Union Electric Corp., holds 8000.

Among officers' and directors' stock transactions reported by SEC for April: H. Webster Crum bought 400 Avco, holds 400; Benjamin H. Namm sold 4400 Avco, holds 1912; James B. Conkling bought 100 CBS "B," holds 100; Wm. C. Decker sold 3000 Corning Glass, holds 10,118; Amory Houghton sold 30,000 Corning Glass personally and 147,500 thru trusts, holds 57,687 personally and 1,577,500 thru trusts; Arthur A. Houghton Jr. sold 52,500 Corning Glass personally and 154,950 thru trusts, holds 315,680 personally and 1,614,490 thru trusts; Alfred H. Avery sold 2333 Electronics Corp. of America, holds 164,334; John A. Long sold 22,333 Electronics Corp. of America personally and bought 20,000 thru family trust, holds 144,334 personally and 20,000 thru family trust; Wm. Rogers Herod sold 600 GE, holds 4938; Robert Parton bought 1506 GE, holds 7621; R. W. Turnbull bought 1044 GE, holds 3891; Walter E. Green sold 500 General Precision Equipment, holds 2855; Wilfred M. McFarland bought 100 Hazeltine, holds 210; C. E. Underwood sold 100 Hoffman Electronics, holds 4900; Frank M. Freimann bought 500 Magnavox, holds 49,285 personally and 29,484 thru trust; John Rovestad bought 500 Oak Mfg. Co., holds 3055; Elof Sandstrom bought 1000 Oak Mfg. Co., holds 6511; James M. Skinner Jr. sold 8000 Philco, holds 8670; Leslie J. Woods sold 200 Philco, holds 7693; Robert L. Werner bought 200 RCA, holds 345; Norman B. Krim bought 1500 Raytheon, holds 1830; Harold C. Mattes sold 600 Raytheon, holds 8634; E. F. McDonald Jr. bought 500 Zenith, holds 10,462 personally and 31,931 thru holding company.

Underwriting of National Telefilm Assoc. public offering of 312,500 shares of common stock at \$5 per share (Vol. 11:22) has been completed, with check for \$1,328,125 turned over to NTA pres. Ely Landau by underwriter Charles Plohn. Company will apply shortly for listing on American Stock Exchange. It's 65% owner of GE-supported National Affiliated Television Stations Inc. (NATS), which has been set up to help stations achieve profitable operations (Vol. 11:14).

**Armed Forces Communications & Electronics Assn.'s** new officers: George W. Bailey, pres.; Maj. Gen. James D. O'Connell, 1st v.p.; Rear Adm. Henry C. Bruton, 2nd v.p.; Maj. Gen. Gordon A. Blake, USAF, 3rd v.p.; W. W. Watts, RCA, 4th v.p.; Brig Gen. George W. Goddard, USAF (Ret.), 5th v.p.; Frank W. Wozencraft, counsel; George P. Dixon, exec. v.p.

James H. Goss elected pres. of Canadian GE, succeeding Harold M. Turner, who moves up to chairman. Harold H. Miller, gen. mgr. of room air conditioning dept., succeeds him as mgr. of home laundry dept., Louisville; Paul M. Augenstein promoted to succeed Miller.

Erie Resistor Corp., which paid 10¢ common stock dividend in March, took no action last week on second quarter dividend, though declared regular quarterly 30¢ on preferred payable June 15 to holders June 10.

Norden-Ketay Corp. has made agreement to acquire all stock of Scientific Specialties Corp., Boston (precision instruments), which will continue to be headed by its present pres. Dr. Roland B. Holt.

**Dividends:** Motorola, 37½¢ payable July 15 to stockholders of record June 30; Packard-Bell, 10¢ July 25 to holders July 1 (raised from 5¢).

**Electronics Reports:** Air Force again denied this week that its weapon system concept will be used to detriment of established electronics industry (Vol. 11:7, 17, 21, 23). Addressing RETMA membership luncheon June 15 in Chicago, Lt. Gen. C. S. Irvine, Air Force deputy chief of staff, materiel, outlined these techniques used by Air Force to prevent weapon system management contractors (usually aircraft manufacturers) from taking over development and production of parts or sub-systems from other industries:

"(1) We review the system contractor's proposal [to] determine those items to be furnished by the prime contractor, by the associate contractor and by the Air Force. (2) During negotiations with the weapon system contractor we closely examine the proposed subcontract structure to assure that a substantial spread of subcontracting is planned. (3) We insert a clause in the contract to the effect that the contractor is not to deviate from the subcontract structure agreed upon in negotiations without prior written approval of the Air Force. (4) We then require that Air Force prime contractors implement their own programs to discharge these contractual responsibilities. This insures that a company follows both the letter and the spirit of our subcontract philosophy. Our goal is to encourage subcontracting."

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Machine that actually reads numbers was unveiled in New York this week by Burroughs Corp., which built it, and First National City Bank, which is field testing prototype model. It's claimed to be "first workable equipment to read directly from a source document without the need for human intervention or an intermediate coding operation." Bank is using device to read serial numbers on travelers' checks, in place of human punch-card operators. Machine consists of scanning device and punching machine connected by cables. Its 7200-check-an-hour rate is about the capacity of 10 skilled card operators, and the bank says traditional error factor of 1% has been reduced to "considerably less than 1/10 of 1%."

Automation and its effects on design in communications is topic of speech by Sol Cornberg, NBC director of studio & plant planning at June 13 meeting of International Design Conference in Aspen, Colo. He designed the sets for *Today*, *Tonight*, *Home* shows, helped design NBC's "Color City" in Burbank, Cal., has book titled *Television Techniques* soon due from Harper & Bros.

Color radar for civilian use will be tested at CAA's Technical Development & Evaluation Center at Indianapolis this year on "simulator" which reproduces traffic conditions around an airport. Due to be installed there is radar set built by Gilfillan Bros. and incorporating Lawrence tube. Color radar was first demonstrated to public early this year (Vol. 11:5).

Built in 1913 by old Marconi company, once nation's most powerful Trans-Atlantic wireless station, the RCA radio plant on Canal Road, New Brunswick, N.J., has been dismantled and equipment moved to Rocky Point, L.I., and 850-acre area has been sold to a realtor.

Sylvania plans new factory in Amherst, N.Y., suburb of Buffalo, for electronics systems div., turning out military & industrial electronics products.

D. R. Tashjian appointed mgr. of engineering, Westinghouse electronics div., Baltimore, replacing F. S. Mabry, now consultant to div. mgr.

J. H. Compton, stationed in London since 1951, elected v.p. of Westinghouse Electric Co. of Europe, headquartering in Paris.

Dr. Harris M. Sullivan, ex-v.p. of Central Scientific Co., Chicago, named mgr., GE electronics lab, Syracuse.

Station in trouble: San Francisco's KQED (Ch. 9, educational) undertook what it plainly labelled a "do or die" campaign for public contributions this week—otherwise it must sign off by June 30, just 15 months after debut. It seeks \$65,000 to continue 13-man staff, having operated first year on less than \$114,000, and gen. mgr. James Day states that this will give it "breathing spell" of at least 6 months during which it can develop new finance program. If appeal fails, it would be second of 14 educational TVs thus far undertaken which had to give up ghost—other having been USC-affiliated uhf KTUE, Los Angeles (Ch. 28) which had to quit last year after Allen Hancock Foundation withdrew financial support (Vol. 10:32, 43). San Francisco area's commercial KRON-TV, KPIX, KGO-TV & KOVR (Stockton) are donating spots & short shows for fund appeals for station.

"Instruction by TV is much more effective than actual live instruction" for some young soldiers with below-average intelligence. This finding was reported by Maj. Gen. K. F. Hertford, chief of Army research & development in testimony released recently by House Appropriations subcommittee. Said Gen. Hertford: "This could be a reflection of our modern life where these youngsters are taken into the Army and have been used to being glued to a TV screen. They concentrate more when they see something on TV than if they are behind the barracks and a man is actually showing them how to do things. [This discovery] has given us leads in mass training where we do not have sufficient instructors." He added that men who will not look at a training film "will look at a TV screen."

Ford Foundation's Fund for Adult Education contributed more than \$4,600,000 to educational TV in year ended June 30, 1954, it discloses in annual report just released. Of that sum, \$3,000,000 was granted to Educational TV & Radio Center at Ann Arbor; about \$100,000 each to 8 educational stations on air at that time; \$507,000 to American Council on Education (Joint Committee on Educational TV); \$81,000 to National Assn. of Educational Broadcasters. Funds spent for *Omnibus* (CBS-TV) are covered in annual report of Ford's TV-Radio Workshop, not yet released.

Stanford U's Radio-TV Institute conducts 13th annual summer session June 27-Aug. 23, in cooperation with KPIX, educational KQED & radio KNBC. Institute offers four \$100 scholarships presented by KPIX gen. mgr. Philip G. Lasky, based on scholarship, need of assistance & possible future contribution of student to TV-radio. Tuition fee is \$250 for credit students, \$170 for non-credit students. Admission application should be addressed to Prof. Norman Philbrick, acting executive head, Stanford U dept. of speech & drama. Enrollment is limited to 75.

Educational WQED, Pittsburgh (Ch. 13) will offer summer high school courses for 6 weeks starting June 27, giving students chance to earn credit for courses failed during regular school year. Pittsburgh high schools have discontinued summer courses because of lack of funds.

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Sources of TV interference, listed by British Post Office on basis of complaints investigated last year, shows electric sewing machines leading list. Of 83,514 individual complaints, Post Office found sewing machines at fault in 8956 cases; hair dryers were second with 6954, then power lines 3789, vacuum cleaners 3269, incandescent lamps 2569, drills 2492. Biggest source of interference to AM sets was radiation from TV receivers.

New 1955 "BBC Handbook," 224-page book explaining structure and functions of British Broadcasting Corp., plus review of its 1954 activities, is available from BBC, International Bldg., 630 Fifth Ave., N.Y.

Reasons for swap of TV-radio stations in Philadelphia and Cleveland, between NBC and Westinghouse (Vol. 11:22), were outlined in application for transfer filed with FCC this week. In the exchange, NBC would get Philadelphia's WPTZ & KYW, while Westinghouse would acquire Cleveland's WNBK & WTAM, NBC paying \$3,000,000 into the bargain. NBC told Commission: "The economic health of a company in the network business has been dependent on profits from some other source. This is the ownership of stations," indicating that Philadelphia outlets offered prospects of greater profits. Westinghouse stated that NBC initiated swap; that NBC had been offered another Philadelphia station but preferred to acquire Westinghouse's. Westinghouse added: "The acquisition by NBC of its own radio and TV stations in Philadelphia would have meant the end of NBC affiliation with the Westinghouse stations . . . Westinghouse could have (a) retained its stations in Philadelphia, operating them with substantially reduced income without NBC affiliation and possibly on an independent basis, or (b) transferred the Philadelphia stations to NBC and acquired and operated stations in another locality . . . Westinghouse made this business decision in the belief that the ownership and operation of stations in Cleveland, with NBC affiliation, was of greater benefit to Westinghouse and the public than the ownership and operation of stations in Philadelphia without network affiliation."

Trans-Canadian TV microwave, reaching 3800 mi. from Sydney, N. S. to Vancouver, B. C. is due for completion early in 1958 at cost of \$40-\$50,000,000. It's being built by Trans-Canada Telephone System, a combination of Govt. and private telephone companies. Built and now in use is section from Windsor, Ont. to Quebec, Que. Next is 1200-mi. Toronto-Winnipeg link due for fall 1956, 800-mi. Winnipeg-Regina-Calgary section early 1957, 710-mi. Quebec-St. John-Sydney link mid-1957, 580-mi. Calgary-Vancouver section early 1958. Approximately 140 relay stations will be required. Initially, 2 TV channels in each direction will be available—but only one of each will be used, other employed as emergency standby. In addition, some 120 phone circuits will be provided.

Heavy support for CBS pres. Frank Stanton's proposal for "Lincoln-Douglas" debates on TV by presidential candidates (Vol. 11:21, 23) came this week from newspapers in key metropolitan cities, as Chairman Harris (D-Ark.) of House transportation & communications subcommittee introduced bill for necessary amendments to Communications Act (HR-6810). Harris didn't specifically endorse bill, but said he felt it deserved "careful consideration." Amendment to Communications Act would permit networks and stations to have political candidates as guests on news shows, documentaries, panels, etc., without being subject to equal time provisions. Meanwhile Senate Rules Committee, by 5-3 vote (Democrats in favor, Republicans against), approved increase in political spending ceilings—largely resulting from cost of TV time (Vol. 11:16-18). Measure would raise ceiling for national committee spending in presidential elections from \$3,000,000 to about \$12,000,000, with Senatorial and Congressional limits raised correspondingly.

Latest community antenna system: Entron pres. H. M. Diambra reports that system in Midland, Ontario, on Georgian Bay, got big sendoff recently, including film coverage by WGR-TV, Buffalo and 8-p. special section in local *Free Press Herald*. Pres. of operator Tower TV Ltd. is W. H. Pinchin; v.p. is W. H. Cranston, publisher of *Free Press Herald*. Bell Telephone of Canada is handling wiring.

Next Armed Forces TV stations: Dhahran Airport, Saudi Arabia, due to start July 1; Kindly Air Force Base, Bermuda, July 3; Okinawa, Aug. 15.

Subscription TV front: (1) Though most major principals in case want delay in filing reply comments, now due July 11, efforts to seek postponement fell through this week. Almost all parties had agreed to ask for delay until Sept. 15, but attempts to file unanimous request failed, and none wanted to go to Commission alone. (2) CBS released Elmo Roper survey showing that 62% of Columbus, O. families oppose pay-as-you-look under "most favorable circumstances," and that 93% oppose it if they'd be charged for all programs. Some 65% of interviewees said they'd vote against authorizing toll TV. (3) Jerrold Electronics Corp., which claims it can break any scrambled code, showing feasibility of widespread TV "bootlegging," is preparing to tell FCC it's ready to demonstrate that fact—and to show wired system is the only practical method of distributing pay-TV programs. (4) Rep. Emanuel Celler (D-N. Y.), chairman of important Judiciary Committee, is first congressman to come out publicly with strong opposition to tollvision. June 18 N. Y. *Herald Tribune* carried letter in which he expressed concern over pay-TV's possible effects on free TV, low-income families, etc., concluding: "I shall continue to oppose all efforts to foist fee TV on the American public."

Trade name "Ampar" will shortly herald entry of American Broadcasting-Paramount Theatres Inc. into phonograph record field, as forecast (Vol. 11:16). Subsidiary will be headed by Sam Clark, ex-gen. mgr., v.p. & co-founder of Cadence Records. Earlier plans to buy out an existing company have been abandoned; new firm will be backed by "ample resources" of parent TV-radio-theatre company, which presumably will extend its Walt Disney ties into recording field, will issue disks in all 3 speeds and all classifications, contracting the pressing to custom manufacturers at first. Said AB-PT pres. Leonard Goldenson: "The new record company will seek, at once, to enlist under its label the very finest of artists . . . we will not enter the market in strength until about the first of the year but we expect to 'be in business' in several months in the children's and package-goods fields." Note: AB-PT also is negotiating to purchase Baird Electronics, Cambridge, Mass., manufacturers of physical optics, spectrographs, etc. Company also is noted for its transistor-circuitry research.

Hearing on amendment to "protest" section of Communications Act (HR-5614) is scheduled June 22 by House transportation & communications subcommittee under Rep. Harris (D-Ark.). Subcommittee hasn't released list of witnesses yet, but only groups known to be preparing to appear are FCC (favoring measure) and Federal Communications Bar Assn. (which won't take decisive stand). Senate communications subcommittee under Sen. Pastore (D-R. I.) will probably hold hearings on similar bill (S-1648) week of June 27. Because of strong Congressional pressures for quick final decisions, amendment has good chance of passage.

Injunction to block sale of radio WMFJ, Daytona Beach, has been sought in Deland, Fla. by TV-radio producer Ted Granik and attorney Wm. Cook, both of whom are part owners of WJNO-TV, Palm Beach. They contend that seller W. Wright Esch has broken contract to sell station, with CP for WMFJ-TV (Ch. 2), to them. Price was to be \$7000 yearly for life of Esch and his wife, who are around 60. Esch is going ahead with construction of TV, having changed call recently to WESH-TV.

TV history will be made when Soviet Foreign Minister V. M. Molotov is questioned by newsmen on CBS-TV's *Face the Nation* Sun. June 26, 4:30-5 p.m. Originating from San Francisco, show marks first time a Russian official has submitted to newsmen's questions on TV panel program. It'll be recorded for CBS Radio same night, 10:05-10:30 p.m.

MARTIN CODEL'S  
AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
OF THE  
VISUAL BROADCASTING  
AND ALLIED ELECTRONICS  
ARTS AND INDUSTRY

SUN 27 1955

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# Television Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 26

## SUMMARY - INDEX OF THE WEEK'S NEWS—June 25, 1955

FEWER THAN 250 NEW STATIONS, beyond today's 433, seen likely by CBS—as it attacks pay-TV proponents' promises of stimulated expansion (p. 1).

PAY-TV PIQUES POLITICIANS, Reps. Celler and Chelf introducing opposing bills, most Congressmen dubious; latest moves in "Tollvision War" (pp. 2 & 5).

ALLOCATION REVIEW in light of vhf-uhf problems is started by group of top engineers, headed by MIT Prof. Edward Bowles, for Senate investigators (p. 3).

MOVIE COMPANIES' network shows cause concern: Having failed to lick TV, is Hollywood now trying to take it over? Free plugs, program control are issues (p. 4).

HOLLYWOOD LINEUP: MGM is latest to sign network pact; all other major producers are listed, with their present and future TV activities spelled out (p. 5).

\$8400 RATE ON WRCA-TV, highest on record, was \$6200 year ago; new Class AAA 20-sec. spot is \$2050 net, 10-sec. \$975 net; color rates, too (pp. 7 & 15).

MORE STEP-UP MODELS, more at \$100, top-tuning, side-tuning, color plans noted at Chicago marts; Philco convention to reveal its models, plans (p. 11).

BILLS TO PROTECT NEWSPAPERS and TV-radio stations from discrimination by FCC in grants introduced in Congress; "protest" amendments debated (p. 8).

ANOTHER TV CODE: Britain's new rules for TV commercials protects parents against nagging by kiddies, OK's liquor ads, may let bookies on TV later (p. 9).

DES MOINES' KRNT-TV gets under way as Ottawa's French outlet gets started; next will be Notre Dame's uhf WNDU-TV; other upcoming reports (p. 10).

CEILING & FLOOR of station power extended by FCC, which finalizes rule permitting powers as low as 100 watts, proposes to raise uhf to 5000 kw (p. 10).

SENATE PROBERS to "farm out" most of TV study to expert groups, Magnuson says, to be climaxed by autumn "legislative, not investigative" hearings (p. 16).

**FEWER THAN 250 NEW TV STATIONS IN SIGHT:** Overlooked in the hurly-burly of deadline filings in the subscription TV case June 9 (Vol. 11:24) was an intriguing analysis in CBS's printed comments (pp. 40-42) -- relating to prospects of increase in number of TV stations in the U.S. CBS researchers, who have an enviable record of coming up with right answers, dating from the time present pres. Frank Stanton headed the dept., conclude that only 673 stations are in sight, due to economic limitations.

The 673 include the 433 now in operation as well as prospective new starters emerging from CPs still outstanding and applications still on file at FCC.

Our own records indicate CBS may be over-generous, for the immediate future at least, assuming TV installations and operation continue so costly as to preclude the small-town and sparsely-settled-area outlets commonplace in radio. For example, only 26 stations began this year to date, while 16 quit the air. Of the 157 CPs outstanding, only about 30 are due to start before end of 1955 -- and quite a few never will be built. Furthermore, there will certainly be more casualties. And the application backlog has been reduced drastically, while new applications are now rare.

\* \* \* \*

Though designed to refute arguments of subscription-TV proponents, the CBS analysis is provocative from standpoint of TV economics -- wholly apart from pay-TV angle. Its thesis is that no great increase is likely -- toll TV or no toll TV. Here's how CBS-TV Research arrives at that conclusion:

- (1) More than 97% of U.S. population is now within range of TV signals.
- (2) Of 1838 channel assignments allocated in FCC plan, 589 are now in use, or will be used by existing CP-holders or applicants -- leaving 1249 unused.
- (3) Of the 1249 unused channels, 1074 are in areas now served or about to be served. The 175 left "are all in thinly settled areas not likely to support a TV station." Even the FCC has said, in report to Senate, that it isn't Govt.'s function "to create TV services where there is no demand or economic basis [for them]."

(4) Of the 1074 unused channels in areas now served, 809, almost all uhf, "are in communities served by stations in adjacent larger communities. Pay TV would reach these areas in the same way that free TV now reaches them. The same factors which make it profitable for an advertiser to utilize a New York station -- for instance, to serve Stamford, Conn. -- would operate in the area of pay TV."

(5) Of remaining unused channels, 181 are uhf in cities which are vhf-only. "It is a gratuitous assumption," CBS asserts, "that the uhf problem can be solved by persuading the set owner to bear the cost of not one but 2 additional devices on his vhf set. Again the same economic factors which induce the use of vhf stations for advertising programs would be operative for pay-TV programs."

(6) This leaves mere 84 channels, CBS says -- 19 vhf in vhf-only cities, 22 uhf in uhf-only cities, 43 uhf in vhf-uhf cities. CBS's conclusion: "It has not been demonstrated that pay TV would bring about a more rapid utilization of these 84 channels; even if it were wholly successful in doing so, it would bring an additional service to only a limited number of areas, all of them already served, at the price of the sacrifice of the nation's system of free TV."

\* \* \* \*

Note: We again urge you to read, unhurriedly, full texts of the comments filed by at least the major parties in the fee-TV proceeding. The skill and experience that went into their preparation has produced some of the finest analyses of TV to date -- economic, program, historical, political, legal. Regardless of your stand on toll TV, there's something in them for everyone. Our Special Digest of all the comments, published June 11, tells you where to write for original texts.

**POLITICOS FIND PAY-TV JUICY ISSUE:** Arena for subscription-TV fight began to shift from the FCC to Congress this week -- a move long expected. The net result will be to diminish chances of pay-TV approval -- for the simple reason that the popular vote-getting stance is to oppose it (Vol. 11:24).

Delay in final decision on pay-TV is also implicit in the Congressional agitation. But substantial delay is in prospect anyway, since all major parties except NBC asked FCC to postpone from July 11 to Sept. 9 the deadline for additional formal comments. Theatres' Joint Committee based petition on the tremendous volume of work involved, was joined by ABC, CBS, NARTB, Skiatron, Telemeter, Zenith. Of the majors, only NBC abstained. FCC is certain to grant postponement.

First to introduce a bill was Rep. Celler (D-N.Y.), chairman of the important Judiciary Committee, whose HR-6899 would prohibit stations or their agents from charging for programs. He doesn't think toll TV has a chance, telling us:

"I'm in no hurry for hearings on the bill. I don't think there will be need for any, because I don't think the FCC could possibly approve subscription TV. I don't know where anyone got the idea the public was in favor of it. The reaction to my bill has been tremendous -- about 30-to-1 endorsing it -- and I know most of my colleagues go along with me."

Counterattacking Celler bill, Rep. Chelf (D-Ky.), also a member of Judiciary Committee, promptly introduced HR-6913 to forbid FCC from deciding the fee-TV issue against "the expressed will and desire of the people," and directing Commission to solicit public opinion via letters, cards, telegrams, etc. In June 21 speech to House, Chelf complained about summer TV fare, said he favors letting public have a chance to pay for something better, declared "I do not advocate pay TV," concluded "some form of 'pay-as-you-see' TV is inevitable." He told us he'd like to see tests conducted all over country, including such cities as Louisville and Nashville.

When reminded that FCC mail is now running overwhelmingly against pay TV, Chelf said: "I'm sure the commissioners can judge pressure mail and form letters. We can. We get them all the time." Theatre exhibitors Trueman Rembusch and Alfred Starr, speaking for Organizations for Free-TV, were delighted with Chelf, stating: "The quickest way to kill pay-to-see TV for once and for all is to subject the question directly to the people." They said they're already thinking of ways of getting the issue on ballot in regular elections.

If final decision is to hinge on expressions of public opinion, the networks' current announcements of lavish fall program schedules (see p. 4 & Telecasting Notes, p. 9) are certain to have a powerful effect.

Chairman Percy Priest (D-Tenn.), of House Interstate Commerce Committee, has no desire to get his group into the act yet, saying: "I don't think it's a legislative problem at this time. I have no intention of holding any hearings on it in the near future. The Commission should finish its consideration first, and I'm keeping a completely open mind on the subject until it does."

Similar position is taken by Sen. Magnuson (D-Wash.), chairman of the Senate Commerce Committee, who says that he may look into pay-as-you-see TV next fall "if the Commission hasn't resolved the question by then."

Additional Congressional objectors: Sen. Welker (R-Ida.) had reprinted in June 20 Congressional Record a long editorial blasting toll TV, written by James P. Gossett, of Gooding (Ida.) Leader. Rep. Bass (R-Tenn.) said that pay-TV would discriminate against low-income groups; that all his mail on subject is in that vein.

This week's activity is undoubtedly just the beginning. More bills and speeches can be expected -- predominantly in opposition to tollvision.

[For other subscription-TV activity this week, see p. 5.]

**AN ALLOCATIONS STUDY 'AT THE SUMMIT':** Senate investigators have given carte blanche to a group of nation's top allocations & communications engineers in their attempt to re-evaluate FCC's TV allocation plan in light of vhf-uhf problems.

This is first of series of "expert" groups due to tackle knotty TV issues for Senate Commerce Committee, according to Chairman Magnuson, who expects hearings next fall to receive summation of findings (see separate story on p. 16).

The high-powered ad hoc engineering committee met for first time June 21 with Magnuson and other Senators and staff members. Following the meeting, Magnuson made it clear he had torn up his original "assignment sheet" (Vol. 11:25) and decided to let the engineers work out their own agenda, goals, timetable, methods of study.

Committee is headed by Prof. Edward Bowles of MIT, who from 1942-52 occupied high posts in War & Defense Depts. including 2 years as scientific warfare advisor to Defense Secy. He's generally regarded as an outstanding choice, an impartial chairman highly respected in industry, Govt. and education.

Philco research director Donald G. Fink was elected secy. He's former editor of Electronics Magazine and veteran of such far-reaching industry technical projects as NTSC, the Condon ad hoc committee on color TV and Joint Technical Advisory Committee's study on spectrum conservation. Other engineers attending first meeting:

Haraden Pratt, IRE executive secretary and former telecommunications advisor to President Truman; Dr. Allen B. DuMont & Robert Wakeman, DuMont allocations engineer; Washington consulting engineers C.M. Jansky & Stuart Bailey; NBC allocations expert Wm. Dutter; ABC engineering v.p. Frank Marx; CBS engineering v.p. Wm. Lodge; Westinghouse Bcstg. engineering v.p. Ralph Harmon; Washington consulting engineer T.A.M. Craven; FCC Broadcast Bureau chief Curtis Plummer.

Group made no decisions at first meeting, hasn't yet mapped out program. It will delve deeply into allocation principles, criteria, etc. A fact-finding group, it's not expected to come up with any "recommendations" as such, will leave that to Senate Committee. Engineers will meet infrequently, do much of work by correspondence, each member to be assigned specific fact-finding tasks.

\* \* \* \*

No "freeze" on FCC actions with regard to uhf problems is contemplated while ad hoc committee conducts its study. In press conference following engineers' first meeting, Sen. Magnuson made it clear he wants Commission to continue its case-by-case consideration of deintermixture petitions.

The Commission will hold first oral arguments on deintermixture Mon. & Tue., June 27-28, involving Peoria, Evansville, Madison, Hartford, Albany. Total of 33 parties will participate, each being allowed 20 minutes for argument.

**THE TV-MOVIE 'MARRIAGE'—WHO'S BOSS?** Three short years ago, 20th Century-Fox pres. Spyros Skouras called TV the "enemy" of the movies (Vol. 8:14) and his confreres in the then depression-ridden cinema world echoed his sentiments. To which the TV industry replied: "We need you -- and you can't lick us; so why not join us?"

Today, Mr. Skouras is making TV films and is being paid to turn out an hour-long network show beginning next fall. Every major movie producer is now in TV -- made unanimous by the announcement this week of MGM's new half-hour series on ABC, beginning next season. Hollywood's philosophy has changed. Attitude now appears to be: "No, we can't lick 'em; but maybe we can take 'em over."

[For list of major movie producers and their new TV activities, see p. 5.]

\* \* \* \*

Hollywood has found TV and movies are truly interdependent. And the TV industry, which for years has been crying out for Hollywood's properties and know-how, is beginning to discover that if it's not careful it may be taken for a ride.

It's evident that Hollywood didn't marry for love. Considering that the movie industry was depending on candy and popcorn sales 3 years ago, it's extracting a terrific price for its part in the partnership. As regards spate of new studio-owned shows which debut next fall, 2 potential pitfalls are evident:

(1) Though they're traditionally big advertising spenders in other national media (except radio), the movie producers are buying absolutely no network TV time. Yet they get about 8 minutes of advertising during each hour of the forthcoming new programs -- before large audiences in prime time, paid for by another sponsor -- to tell viewers, in effect, "turn off your set and go to the movies." They're making great capital of it, too. For example, Loew's Inc. pres. Nicholas Schenck stated:

"Here at MGM we have made a study of TV and have in mind the point-of-view of motion picture exhibitors. We are now evolving a program which will be good popular entertainment and will serve the mutual interests of our customers and ourselves. A portion of our MGM Parade will be devoted to information about the studio's forthcoming pictures to be played exclusively in motion picture theatres."

(2) Assuming the programs are successful (the "movie touch" isn't necessarily magic -- there are plenty of turkeys in theatres, too), will this new TV-movie affinity take control of top programs out of hands of the networks? Except for Disney-ABC joint ownership of Disneyland, no details of network-movie producer contracts have been released. If trend to movie package shows results in Hollywood control of many top programs, it's fair to ask: Have the networks paid too high a price? They should recall only too well their bitter experiences in radio's heyday when the ad agencies controlled most programs. We remember their vows not to let it happen in TV.

\* \* \* \*

An entirely different kind of offshoot of the TV-movie mating is the promise of the biggest spectacular of them all -- a 3-hour color premiere of one of the most important British films in years, produced at cost of \$2,000,000.

Paying \$500,000 for one-shot rights to Alexander Korda's forthcoming picture "Richard III" (Laurence Olivier, Ralph Richardson, Cedric Hardwicke, John Gielgud, Claire Bloom), NBC will show film immediately before its U.S. theatrical release, which will be on 2-a-day, advance price roadshow basis. This is second premiere of a new Korda film planned by NBC -- first being Rex Harrison's "The Constant Husband" (for \$200,000), due to be shown on color TV Oct. 9 (Vol. 11:23).

Actions speak louder than words, and NBC's expensive burst of programming innovations obviously is aimed not only at recouping billings leadership from CBS, but -- perhaps more important -- at answering fee-TV partisans in language everyone can understand: "Free TV is giving the public first-run movies (Richard III, The Constant Husband), hit Broadway-cast plays (Peter Pan, Saint of Bleecker Street, One Touch of Venus, Skin of Our Teeth) and lavish original productions (spectaculars). So what else can you give them, besides a coin box?"

Note: Latest telecast of a stage success from Broadway -- CBS-TV's June 22 one-hour adaptation of "Three for Tonight" -- was another smash hit, drawing acclaim from critics. It ought to be repeated, preferably in color.

**E**MBOLEDENED BY TREND of public and Congressional opinion in their favor in subscription-TV struggle (p. 2), theatre exhibitors' spokesmen Alfred Starr and Trueman Rembusch this week even dared prod the enigmatic movie producers.

They noted with "shocked surprise" the failure of producers to file comments with FCC or to take a stand. Since Paramount was only one to file, through subsidiary International Telemeter which has a coinbox pay device, exhibitors said they must assume Paramount dominates the rest. They sought to wean others to their side by warning that Paramount holds patents, might be in position to call the tune for all producers; that release of first-run pictures to pay-TV would bring "endless litigation," etc. Other toll-TV developments:

(1) NARTB board voted this week to take more active role opposing pay-as-you-see, will have 3-member committee promote "full disclosure by appropriate means of pertinent facts and information to Congress and the American public concerning pay TV."

(2) Canadians have rejected tollvision. A. Davidson Dunton, chairman of CBC board of governors, said it just isn't practical, in testimony during governmental inquiry in Toronto.

(3) Milton Shapp, pres. of Jerrold Electronics Corp., major wired system manufacturer and operator, reports that 2 important unidentified entities in the entertainment industry have come to him for discussions since he first argued case for confining pay-TV to wire (Vol. 11:24).

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**M**OVIE PRODUCERS are all in TV now — in one way or another—with the exception of trouble-beset RKO, which may be on brink of selling its 700-film backlog (see p. 4). Big film companies selling package shows to networks on the *Disneyland* formula (20th Century, Warners, MGM) have sponsors already signed. Here's an up-to-the-minute lineup of Hollywood majors and their TV activities:

Metro-Goldwyn-Mayer's *MGM Parade*, latest to be announced, probably will be slotted by ABC-TV Wed. 8:30-9 p.m., immediately after *Disneyland*, with American Tobacco & General Motors as sponsors. It will draw heavily on old theatrical short subjects, with little new material outside the inevitable movie stars and "behind-the-scenes" sequences plugging current theatrical attractions.

Walt Disney Studios paved the way with *Disneyland*, jointly owned with ABC, Wed. 7:30-8:30 p.m., sponsored by American Motors, Derby Foods (alt.), American Dairy Assn. (alt.). Disney's *Mickey Mouse Club* begins next fall Mon.-Fri. 5-6 p.m. with newly made films and old theatrical cartoons, with 14 of the 20 quarter hours already sold. Special one-shot *Dateline Disneyland* Sun., July 17, 7:30-9 p.m., is sold to American Motors, Swift & Co., Gibson Greeting Card.

The *Warner Bros. Presents* debut date, also ABC-TV, is Sept. 13, Tues. 7:30-8:30 p.m. as weekly hour series sponsored by Liggett & Myers, GE (alt.), Monsanto Chemical (alt.). Warners also has organized new TV film producing subsidiary.

Twentieth Century-Fox will have own hour show on CBS-TV, alt. Wed. 10-11 p.m., sponsored by GE, has also organized big TCF Productions, already shooting 2 other half-hour filmed TV series.

Paramount is part owner of York Productions (with Martin & Lewis), which June 12 took over NBC-TV's ail-

(4) Editorial stand against telecast pay-TV was taken by *Broadcasting-Telecasting Magazine*. In June 20 issue, it endorsed trying it via wired systems. In addition, it deplored Zenith's recent publicity tactics (Vol. 11:25), stating: "Several industry leaders have stooped to personal vilification in the war of the mimeograph . . . but none has stooped lower than spokesmen for Zenith. Nor was it accidental that coincidentally with the deadline for FCC comments on subscription TV, Zenith demonstrated a new electronic gun which can shoot the commercials out of TV. The dictionary says the antonym of zenith is nadir. In this case the dictionary is wrong. Zenith has meant the nadir of taste in recent publicity."

(5) RCA pointed out that current fight is nothing new, noting that NARTB's June 9 brief to FCC quoted from chairman David Sarnoff's testimony before House committee in 1924, in which he expressed faith in radio's ability to succeed without public payment. At that time he stated: "The greatest advantage of radio lies in its universality, in its ability to reach everybody, everywhere, anywhere, in giving free entertainment, culture, instruction, and all the items which constitute a program; in doing what no other agency has yet been able to do, and it is up to us in the radio art and industry, with intelligence and technique and broadness of spirit and vision as to the future, to preserve that most delightful element in the whole situation—freedom of radio."

Note: Digests of arguments on subscription TV, pro & con, as filed with FCC up to June 11, are available in 4-p. Supplement published with our Vol. 11:24, containing story on "The Tollvision War—At Deadline." Extra copies of Newsletter with Supplement available to subscribers at \$1 each; extra Supplements 50¢ each.

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ing *Colgate Comedy Hour* (renamed *Variety Hour*) Sun. 8-9 p.m., producing it live, at least for time being. Though long in TV business through its ownership of Los Angeles' KTLA, former ownership of WBKB, Chicago, and interest in DuMont Network, Paramount Pictures has never been particularly active in TV film production. It recently released small block of Class B features to TV.

Columbia Pictures is old-timer in TV film production and distribution, and through its high-ranking Screen Gems subsidiary is understood to be readying a *Columbia Presents* program.

Universal-International was one of first majors to plunge into TV film-making through its United World Films, got its fingers burned after making one 13-chapter series, retrenched 4 years ago, is now dipping its toes into the TV stream again via 90-min. spectacular for NBC-TV July 2. It's also currently filming TV commercials, plans gradual TV film comeback.

Republic Pictures has made more money out of TV than movies for last few years, is active in TV film distribution and processing, leases its studios to outside TV film producers, has released several big batches of oldies to TV.

RKO, in-&-out of movie production field for last few years, is certain to sell its huge feature backlog to TV when it gets big enough offer—General Teleradio now considered most likely purchaser (Vol. 11:24), reportedly having offered more than \$25,000,000.

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Comedy writing talent search, announced by NBC last April (Vol. 11:18), has already produced more than 1000 applicants, according to program development director Leonard Hole, who said 900 specimens of writing are being read by NBC's creative comedy committee and 30 writers "have shown sufficient promise for us to ask for additional submissions."

**Personal Notes:** Edgar B. Stern Sr., chairman, WDSU-TV & WDSU, New Orleans, named by Ford Foundation to committee to advise on distributing \$50,000,000 to colleges & universities to help increase faculty salaries . . . George W. Brett, Katz Agency sales v.p., retires from that post July 1, will continue with rep firm and as director of TvB until end of year . . . Robert C. Wood, Storer midwest sales mgr., promoted to national sales mgr., reporting to v.p. Tom Harker . . . Jones Scovern named business mgr., Free & Peters . . . John B. Lanigan named sales mgr. of NBC-TV daytime programs, succeeded as eastern sales mgr. by John Dodge . . . E. K. Jett, gen. mgr. of WMAR-TV, Baltimore, leaves July 20 for 3 weeks in Europe . . . Robert Sarnoff, NBC exec. v.p., and Mrs. Sarnoff now in Europe, returning mid-July . . . Pegeen Fitzgerald named mgr. of retail merchandising, WRCA-TV & WRCA, N. Y. . . Richard A. Moore elevated to pres., John R. Vrba sales v.p., Robert W. Breckner program v.p., *Los Angeles Times'* KTTV . . . Hardie Frieberg named eastern div. v.p., Television Programs of America Inc. . . . Frederick (Fritz) Jacobi promoted to mgr. of publicity for NBC film div., succeeding Charles Henderson, now mgr. of network field exploitation . . . L. Boyd Mullins promoted to new post of merchandising & research mgr., KRON-TV, San Francisco; Thomas Mulhalley appointed director of public affairs . . . Burt Lambert, ex-Ziv, becomes sales supervisor, and Bennet Korn, ex-WHEN & WQXR, will be sales exec., WABD, N. Y. . . Joseph J. Battaglia Jr. named traffic mgr., N. W. Ayer TV-radio dept. . . . James F. Brown resigns as national sales mgr., KBTV, Denver, to become commercial mgr. of Denver's radio KOSI . . . George Ruppel, controller, promoted to Mutual v.p.-treas., Roy Danish to v.p. in charge of station programs.

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NBC news dept. shifts, under public affairs v.p. Davidson Taylor's policy of rotating foreign correspondents: Newsman Leif Eid shifted from Washington to Paris, Frank Bourgholtzer from Paris to Bonn, Robert McCormick from Bonn to Washington, film correspondents Robert Hecox from Hong Kong to Rome and Henry Toluzzi from Rome to Hong Kong. Domestic changes announced by Wm. R. McAndrew, news chief: John H. Thompson, ex-program director, KNBC, San Francisco, named Pacific div. mgr. of news & special events; Chester E. Hogan promoted from N. Y. desk to Chicago mgr. of news & special events; Rex Goad moved up from Washington news editor to night newsroom supervisor, N. Y.; Henry Cassidy takes over *World News Roundup*; Bill Henry, *Los Angeles Times* columnist, joins staff; Chet Huntley, commentator, joins west coast staff; John Rich, ex-Tokyo & Korean correspondent recently on fellowship leave, rejoins N. Y. staff. Note: NBC's McAndrew will direct coverage of Big 4 "Meeting at the Summit" starting in Geneva July 18; CBS's Eric Severeid, chief Washington correspondent, goes to London June 29 to switch summer jobs with Howard K. Smith, and will cover Big 4 conference also.

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Amon Carter, 75, publisher of *Ft. Worth Star-Telegram*, pioneer TV-radio operator (WBAP-TV & WBAP), oil magnate and one of Texas' most prominent leaders, died in Ft. Worth June 23. His TV-radio interests are handled by the veteran Harold Hough, and his son Amon Jr. is now expected to head newspaper-radio properties.

Wyllis Cooper, 56, TV-radio & film writer, recently with CBS-TV, died June 22 in hospital near his home in Glen Gardner, N. J. His best known radio shows were *Lights Out*, *Tales of the Foreign Legion*, *Quiet Please*; for TV he handled *Escape* and *Stage 13* on CBS.

Fred Rickey, 34, TV producer of NBC's forthcoming *Wide Wide World* and for 6 years executive producer in charge of color for CBS, died June 24 of heart attack.

**NARTB's TV BOARD**, convening June 23 at Hot Springs, Va., appointed special committee to consider broad-gauged national study of viewer attitudes toward TV programming. It acted after Code Review Board chairman G. Richard Shafto reported that a pilot study conducted last fall under its auspices indicated need for such a national survey. Unlike CBS's proposed field study of what public wants of TV (Vol. 11:22), NARTB's survey would determine viewer attitudes toward what they're getting now in programming. Appointed to committee are Ward Quaal, WLWT, Cincinnati, chairman; Joseph E. Baudino, Westinghouse; Clair R. McCollough, WGAL-TV; Merle S. Jones, CBS; Frank M. Russell, NBC.

In his report, Shafto said Code Review Board's monitoring recently has been devoted to review of children's programming and late-afternoon & early-evening program schedules. Effectiveness of TV code stimulated radio board to ask for appointment of committee to study ways of putting teeth into its Standards of Practice for Radio, including possible use of "a symbol in sound" for radio stations comparable to TV Seal of Good Practices.

Research committee submitted "interim report" to TV board on progress of Politz pre-testing for county-by-county or market-by-market census of TV set ownership. NARTB declined to disclose contents, but spokesman said "it gave no grounds for optimism or pessimism." Committee was instructed to continue field tests and to issue another report in Sept. Full board also approved operating budget of \$850,000—\$400,000 in TV—for fiscal year which began April 1.

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**Community TV activity:** Question of property rights in TV signals relayed by community TV systems was considered this week by NARTB board, which decided to set up committee to look into it. By and large, stations are pleased with extra circulation; however, several small-town operators feel that systems make serious dent in their audiences by bringing in out-of-town signals. Another community-TV microwave was sought this week, Black Hills Video Co., filing application for link to bring San Antonio signals to system in Victoria, Tex. It proposes to carry 2 channels, using Philco TLR-2C equipment, installed for \$33,566. System operator would pay \$1000 monthly. Black Hills is same organization seeking extensive Denver-Rapid City microwave in competition with Bartlett Management; they're now going through hearing.

Clair R. McCollough, WGAL-TV, Lancaster, Pa., was re-elected chairman of NARTB's TV board at semi-annual meeting this week at Hot Springs, Va. Campbell Arnoux, WTAR-TV, Norfolk, was re-elected vice-chairman. Henry Clay, WKH, Shreveport, and E. K. Hartenbower, KCMO, Kansas City, were also re-elected chairman & vice-chairman, respectively, of radio board. Kenneth L. Carter, WAAM, Baltimore & J. Frank Jarman, WDNC, Durham, were elected co-chairmen of membership committee; Ward L. Quaal, WLWT, Cincinnati, re-elected chairman of by-laws committee; Wm. D. Pabst, KFRC, San Francisco, chairman of finance committee; Campbell Arnoux, chairman of TV finance committee.

**More honorary degrees:** Mitchell Wolfson, pres. of WTVJ and co-owner of Wometco Theatres, from U of Miami; Wm. C. Decker, pres. of Corning Glass Works, from Penn state (distinguished alumni award).

Carlos A. Franco, veteran of agency field, recently resigned gen. sales mgr., Crosley Bestg. Corp., forms Carlos Franco Assoc. Inc., adv. & marketing consultants, 420 Madison Ave., N. Y.

Mrs. Marie Natvig, witness in Lamb case who changed testimony in midstream, was sentenced to 8 months to 2 years for perjury, Federal Judge Holtzoff calling her a "danger to the community."

**NEW RATE CARD No. 15** released for NBC key WRCA-TV, New York, effective June 1, reveals once again how the high cost of TV time is going still higher. It posts the highest rate yet quoted in TV—\$8400 an hour for so-called Class AA time, \$5040 a half hour, \$3360 for 15-min., \$2940 for 10-min., \$2100 for 5-min. Class AA embraces prime periods: 10:30-11 p.m. daily and 6-7:30 p.m. Sun. When last quoted, June 1, 1954, Class AA hour rate was \$6200, half hour \$3720, 15-min. \$2480, 10-min. \$2170, 5-min. \$1550.

Newly established Class AAA rate for one 20-sec. spot between 7:59-10:30 p.m. Mon.-thru-Sat. & 7:29-10:30 p.m. Sun. costs \$2050 net and 10-sec. \$975. Class AA spot rates (7:30-7:59 p.m. Mon.-thru-Sat., 6:59-7:29 p.m. Sun., 10:30-11 p.m. daily) cost \$1400 for 20-sec., \$690 for 10-sec. There are various other rate changes, too, including schedule of color spot charges (see p. 15).

These give you an idea of the soaring costs of TV sponsorship—even with the usual frequency discounts the bill comes high in the nation's biggest market with its reputed 4,700,000-plus sets-in-use. NBC key's prime rival, CBS-TV's WCBS-TV, now charges \$6500 an hour, \$3900 half hour, \$2600 for 15-min. in its Class AA time, which is 7:30-11 p.m. Mon.-thru-Sat. and 6-11 p.m. Sun. That's up from \$6000, \$3600 & \$2400 last year, when this was called Class A time. Spots range from \$1700 for 20-sec. and \$850 for 10-sec. in Class AA time down to \$300 & \$125 for early-morning (before 9 a.m.) and after-midnight time.

You have to be an actuary as well as timebuyer to dope out many of the complex rate cards not only of the big stations but some of the little ones. All rate cards of all U. S. & Canadian stations will be updated and digested in our *TV Factbook No. 21*, which will be off the presses in about a month. Meanwhile, here are those of WRCA-TV and WCBS-TV:

#### DIGEST OF WRCA-TV RATE CARD CARD NO. 15 (June 1, 1955)

Hour	30 Min.	15 Min.	10 Min.	5 Min.	20 Sec.*	10 Sec.*
Class AA—10:30-11 p.m., daily;						
\$8400.00	\$5040.00	\$3360.00	\$2940.00	\$2100.00	\$1400.00	\$690.00
6-7:30 p.m., Sun.						
4500.00	2700.00	1800.00	1575.00	1125.00	1095.00	565.00
Class B—6-7 p.m., Mon.-Sat.						
3500.00	2100.00	1400.00	1225.00	875.00	850.00	420.00
3-5:59 p.m., Mon.-Sat.; 6-7 p.m., Sun.						
3150.00	1890.00	1260.00	1102.50	787.50	650.00	295.00
Class C—9 a.m.-6 p.m., Mon.-Fri.; 11 p.m.-midnight, daily.						
3125.00	1875.00	1250.00	1041.67	937.50	600.00	300.00
5-6 p.m., Sat. & Sun.						
1850.00	1110.00	740.00	647.50	462.50	350.00	150.00

\* Class AAA (7:59-10:30 p.m., Mon.-Sat.; 7:29-10:30 p.m., Sun.); 20 Sec. \$2050, 10 Sec. \$975. Class AA (7:30-7:59 p.m., Mon.-Sat.; 6:59-7:29 p.m., Sun.; 10:30-11 p.m., daily). Class A (7-7:30 p.m., Mon.-Sat.; 6:29-6:59 p.m., Sun.). Class B (11-11:15 p.m., daily). Class C (5:59-7 p.m., Mon.-Sat.; 5:59-6:29 p.m., Sun.). Class D (3-5:59 p.m., Mon.-Sat.; sign-on-5:59 p.m., Sun.; 11:15 p.m.-sign-off, daily). Class E (sign-on-3 p.m., Mon.-Sat.).

Subject to frequency discounts, with exception of Class AAA announcements.

Color—20 Sec. station breaks \$500, 10-Sec. \$250 added to regular station-break rate; commissionable.

Time reserved for network: Class A (7:30-10:30 p.m., daily; 5-6 p.m., Sat. & Sun.). Class B (5-6 p.m., Mon.-Fri.; 3-5 p.m., Sat. & Sun.). Class C (10 a.m.-1 p.m., daily; 3-5 p.m., Mon.-Fri.).

#### DIGEST OF WCBS-TV RATE CARD NO. 15 (May 1, 1955)

Hour	30 Min.	15 Min.	10 Min.	5 Min.	Min. or 20 Sec.*	10 Sec.*
Class AA—7:30-11 p.m., Mon.-Sat.; 6-11 p.m., Sun.						
\$6500.00	\$3900.00	\$2600.00			\$1700.00	\$850.00
6-7:30 p.m., Mon.-Sat.; 5-6 p.m., Sun.						
6250.00	3750.00	2500.00	\$2084.33	\$1875.00	1250.00	625.00
Class B—6-7 p.m., Mon.-Sat.						
4500.00	2700.00	1800.00	1500.00	1350.00	900.00	450.00
3-5:59 p.m., Mon.-Sat.; 6-7 p.m., Sun.; 9 a.m.-5 p.m., Sun.; 11 p.m.-midnight, daily.						
3125.00	1875.00	1250.00	1041.67	937.50	600.00	300.00
Class D—Sign-on-9 a.m., midnight-sign-off, daily.						
1500.00	900.00	600.00	500.00	450.00	300.00	125.00

\* Class AA (7:59-10:30 p.m., Mon.-Sat.; 6:29-11 p.m., Sun.). Class A (7:15-7:59 p.m., Mon.-Fri.; 10:30-11 p.m., Mon.-Sat.; 6:59-7:59 p.m., Sat.; 5:59-6:29 p.m., Sun.). Class B (5:59-7:15 p.m., Mon.-Fri.; 5:59-6:59 p.m., Sat.; 11-11:15 p.m., daily). Class C (8:59 a.m.-5:59 p.m., 11:15 p.m.-midnight, daily). Class D (sign-on-8:59 a.m., midnight-sign-off, daily).

Subject to frequency discounts.

**Network Accounts:** Eyes of whole TV & ad world will be on NBC-TV's *Wide Wide World* show Mon. June 27, 8-9:30 p.m., pet project of NBC pres. Pat Weaver, who foresees it as "a way of taking people everywhere by TV." Show involves more than 1000 performers & technicians, including 250 engineers, 15 directors & 4 producers. Twelve remote units & 40 cameras will be used to bring in 15 pickups, some from Canada & Mexico, and including network color mobile unit. AT&T has expressed interest in sponsorship if and when it goes on regular program schedule . . . Crosley (appliances) is 3rd sponsor for NCAA football games on NBC-TV this fall, thru Earle Ludgin & Co., leaving only one quarter to be sold; other sponsors are General Cigar & Schick, with Dow Chemical signed for post-game show . . . Emerson Drug & Lentheric (perfumes) to be alt. sponsors of *Chance of a Lifetime* on ABC-TV starting July 3, Sun. 9-9:30 p.m., thru Lennen & Newell and Cunningham & Walsh . . . U. S. Rubber buys 2 partic. in NBC-TV's color "spectaculars" this fall, Sun. 7:30-9 p.m., thru Fletcher D. Richards Inc. . . . Warner-Lambert (cosmetics) buys alt. sponsorships in 5 *Robert Montgomery Presents* this summer on NBC-TV, Mon. 9:30-10:30 p.m., thru Ruthrauff & Ryan . . . Chunky Chocolate Corp. to be alt. sponsor of 30-min. of *Super Circus* on ABC-TV starting Sept. 25, Sun. 5-6 p.m., thru Hilton & Riggio . . . Del Monte extends 1955 purchases on NBC-TV's *Today*, *Home & Tonight* to total of 93 partic., thru McCann-Erickson.

Among advertisers currently reported using or preparing to use TV station time: Pacific Chemical Co., Seattle (Balance detergent), thru Miller, Mackay, Hoeck, Hartung, Seattle; Wilson Chemical Co., Tyrone, Pa. (White Cloverine salve), thru Walter J. Cattick, Philadelphia; Slenderella Intl., Darien, Conn. (reducing plan), thru Management Assoc. of Conn., Darien; Fisher Nut Co., St. Paul, thru Bozell & Jacobs, Minneapolis; Armstrong Rubber Co., West Haven, Conn. (Armstrong tires), thru Biow-Beirn-Toigo, N. Y.; AlumaRoll Products Co., N. Y. (AlumaRoll awnings), thru Sherman Lawrence Adv., N. Y.; Spirling Products Co., Hicksville, N. Y. (TV antennas), thru Gerald H. Keller Adv., N. Y.; Tuxedo Candy Co., San Jose, Cal. (Roxbury candies), thru Foote, Cone & Belding; Cliquot Club, thru Harold Cabot, Boston.

Rate increases: KWK-TV, St. Louis, adds new Class AA hour (7-10 p.m. daily) at \$1200, min. at \$250, Class A remaining \$1000. KHJ-TV, Los Angeles, raises base hour from \$1000 to \$1200, min. \$180 to \$220. KRLD-TV, Dallas, adds new Class AA hour (7-10 p.m. Mon.-Sat. & 6-10 p.m. Sun.) at \$1100, min. at \$225, Class A remaining \$950. KLZ-TV, Denver, raises hour from \$550 to \$650, min. \$120 to \$150. WSL-TV, Roanoke, adds new Class AA hour (8-10:30 p.m. daily) at \$600, min. at \$120, Class A hour remaining \$500. WBRE-TV, Wilkes-Barre, raises hour from \$400 to \$450, min. \$70 to \$90. KELO-TV, Sioux Falls, S. D., hour from \$300 to \$350, min. \$60 to \$70; WJTV, Jackson, Miss., from \$200 to \$300 & \$40 to \$60; WLBT, Jackson, Miss. from \$250 to \$300 & \$50 to \$60; CKWS-TV, Kingston, Ont., from \$200 to \$250; CKCK-TV, Regina, Sask. from \$200 to \$235.

Record-breaking \$2,000,000 in gross billings was racked up by NBC-TV for *Today*, *Home & Tonight* in week ended June 17. Biggest sponsors signed during week were Del Monte, Roto Broil, Glidden Paints, Gruen, G. Washington Coffee, Westclox, General Time, Calgon (water conditioner).

Mutual Broadcasting System, in rate card No. 18 effective July 1, lowers 6-10:30 p.m. gross rates about 50%, making same single rate for all hours; maximum discount is cut from 63% to 47½%, annual rebate from 12½% to 7½%.

**DIVERSIFICATION' ISSUE**, as well as subscription TV (p. 2), got attention of Congress this week. In Senate and House, bills were introduced which would direct FCC to ignore or minimize newspaper and TV-radio interests of applicants when making grants.

FCC granted one CP meanwhile—Ch. 6 to KAVE, Carlsbad, N. M. Pres. and 50.9% stockholder is Val Lawrence, mgr. of KROD-TV, El Paso (Ch. 4). Also authorized were shifts of KONA, Honolulu from Ch. 11 to Ch. 2 and WTVR, Scranton, Pa. from Ch. 73 to Ch. 44.

Sens. Hayden (D-Ariz.) and Capehart (R-Ind.) co-sponsored S-2321, which would prevent Commission from denying a license to a newspaper unless grant would "create a monopoly" of news media to an extent "contrary to the public interest." In comparative hearings, bill provides that newspaper ownership be ignored unless applicants are equal in all other respects—whereupon newspaper affiliation may be considered either an advantage or a disadvantage. Bill also would direct Commission to give no weight to newspapers' editorial policies.

In House, Rep. Harris (D-Ark.), chairman of Interstate Commerce Committee's subcommittee on communications and transportation, introduced HR-6977, which simply states that FCC shall not discriminate against principals with interests in "any medium primarily engaged in the gathering and dissemination of information." Rep. Beamer (R-Ind.) introduced identical bill, HR-6968, said it's also meant to prevent discrimination against applicants with other TV-radio interests. He noted that similar language was included in draft of McFarland amendments to Communications Act in 1952, was deleted because FCC promised not to discriminate against newspapers. "But history hasn't borne that out," he said.

With Congressmen charging that FCC is discriminating against newspaper and multiple TV-radio owners, and with Court of Appeals blasting Commission for just the reverse (Vol. 11:25), commissioners are understandably

Amendment of FCC rules to permit vhf drop-ins through use of directional antennas and low power was requested by UHF Industry Coordinating Committee (Vol. 11:24) in petition filed July 21 following 2-hour meeting of uhf telecasters with commissioners. Petition asks that mileage separations be waived on case-to-case basis where it would serve public interest. Committee also asked freeze of at least 90 days on all grants and modifications which would aggravate intermixture problems, and that all pending deintermixture proposals be resolved during that period. Station operators meeting with FCC members described conditions in their particular areas. Commissioners asked questions, showed awareness of uhf plight, but didn't commit themselves. Meeting with FCC members were uhf committee chairman Harold Thoms, WISE-TV, Asheville, N. C.; vice chairman Fred Weber, WFPG-TV, Atlantic City, N. J. (now off air); John Johnson, WTOB-TV, Winston-Salem; Edward Thoms, WKJG-TV, Fort Wayne, Ind.; Herbert Nelson, WFAM-TV, Lafayette, Ind.; counsel Ben Cottone. Commissioners present were Chairman McConaughey, Hyde, Doerfer, Bartley, Webster.

WTVU, Scranton, Pa. (Ch. 73) applied this week for permission to leave air July 1 for 60 days in order to install new RCA transmitter and antenna to permit operation on recently-allocated Ch. 44, with 13.2-kw visual ERP. Other Scranton outlets are WARM-TV (Ch. 16) & WGBI-TV (Ch. 22).

perplexed. As one says: "You know, some of these cases could be decided by no more than the toss of a coin."

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Hearing on "protest" section of Communications Act was conducted by House Interstate Commerce Committee this week; it was exploring HR-5614, introduced at request of FCC. Commission chairman George McConaughey testified that amendment is "urgent"; that existing law is being used by competitors to keep stations off air because Commission is not permitted to give short shrift to insignificant allegations by protestants. Comr. John Doerfer testified that section should be repealed altogether; that it "gives economic protection to broadcasters and others who are not in the broadcasting field, contrary to the original purposes of the Communications Act"; that commissioners, not protestants, should be trusted to protect the public interest.

Attorney Henry Fischer, speaking for Federal Communications Bar Assn., reported that FCBA's executive committee, by close vote, endorsed the FCC-sponsored amendment, with relatively minor changes.

Attorney Benedict Cottone, representing UHF Industry Committee, asserted that law should be left alone; that it protects uhfs from "super-power" vhfs; that if protest is filed against a grant, grantee must not be permitted to get on air because an operating station is almost impossible to dislodge, regardless of seriousness of charges against it; that station should be permitted to continue or start operating, after protest is lodged, only when public interest "imperatively" demands it.

Ervin F. Lyke, pres. of WVET-TV, Rochester, N. Y., which shares Ch. 10 with WHEC-TV, supported amendment. He stated that stations are in danger of being forced to go silent because of protest filed by radio WSAY. Protest had been dismissed by FCC, is now pending in Court of Appeals. Lyke declared that if court rules WSAY is entitled to FCC hearing, "the Commission apparently has no option but to take WVET-TV & WHEC-TV off the air" until it conducts full hearing and makes final decision.

Senate subcommittee, under Sen. Pastore (D-R. I.) will hold hearing on same subject July 7.

"Territorial exclusivity" ruling of FCC, proposed more than year ago (Vol. 10:14), was finalized without change this week. Commission said it realizes rule is "no cure-all for the economic and other problems which confront many TV stations today." It explained: "All that the amendment does is to give stations greater freedom on an overall basis in negotiating and contracting with networks and advertisers for their programs. We are hopeful that the amendment may enable some stations which have heretofore been precluded from obtaining network programming because of the 'first call' rights of stations in other communities to obtain such programs." Decision is Notice 55-706, Doc. 10989.

Up-to-date FCC rules on experimental & auxiliary broadcast stations (Part 4 of Rules), including all changes since 1950, will be published in *Federal Register* June 25, and as separate document shortly thereafter. Copies of both (latter is usually more accurate, handier) will be available from Supt. of Documents, Govt. Printing Office, Washington.

Cheaper transcripts of FCC hearings will be available starting July 1, Commission having awarded stenographic reporting contract to new company—American Reporting Assoc., 306 Ninth St. NW, Washington. Price for ordinary copy will be 11.4¢ per page (vs. 20¢). Charge for daily copy will be 28.5¢ (vs. 55¢); immediate copy 45.6¢ (vs. 70¢).

**Telecasting Notes:** Networks' "special program" plans for next season—obvious answer to fee-TV—are being doled out to the public in dribs & drabs. This instalment-plan system of announcing the greatest season TV has ever seen is possibly due to fact that special shows are being signed up one at a time. More than likely, however, it's a tactical weapon in the counter-publicity against toll TV's masterful promotional barrage. A sensational announcement a week—like this week's NBC story on the color-TV premiere of Korda's *Richard III* (p. 4)—creates maximum impact, keeps the networks and the wonders of free TV on public's tongue . . . Pat Weaver's pet project *Wide Wide World* (first: Mon. June 27, 8-9:30 p.m.) was subject of at least 6 weekly press releases and "leaks" to trade press, each containing some new information, making it a story all over again . . . CBS's spectaculars next fall—Bing Crosby, Noel Coward, Mary Martin, Paul Gregory, etc.—have been announced one-at-a-time, latest report being that Bing's 2 shows will be *Rip Van Winkle* and Maxwell Anderson's un-Bingish *High Tor* . . . Among other spectacular announcements, leaks and rumors from NBC doled out this week: Maurice Chevalier signed for Dec. 4 spectacular; Sadler's Wells Ballet in *Sleeping Beauty*; Frank Sinatra in musical version of *Our Town*; repeats of *Peter Pan* and *Babes in Toyland*; Sol Hurok concert featuring Marian Anderson & Artur Rubenstein; first performances of 2 new American operas on *Opera Theatre* plus 5 operatic classics with newly-penned English lyrics and the 6th performance of Yuletide standby *Amahl & the Night Visitors*, with some of the operas in color—all this in addition to previous "sensational" announcements . . . Network strategy is summed up beautifully in CBS's fee-TV comments filed with FCC (see p. 1): "It is fallacious to assume [that] additional money would produce a higher calibre of dramatic material and talent than is now available on free TV. Free TV certainly now offers enough money and acclaim to attract the best talent in acting, writing, directing and musicianship. The TV producer, writer and performer are well paid" . . . "Good TV programs," CBS continues, "are the result of brains,

taste and talent. There is no great pool of talent which TV does not reach. It will not improve the caliber of the talent or intelligence employed, or raise the level of taste, if the general level of payment is enormously increased" . . . "Children's spectacular" is latest hypo for DuMont's WABD, administered by gen. mgr. Ted Cott. Called *Wonderama*, it will be programmed every Sun., 12-6 p.m.—"will have a cast of hundreds and will include live presentations, remote pickups and newly made film material." No cowboy-&-Indian shooting matches, no "death struggles on Mars" are promised—but clowns, zoos, how-to-do-it handicrafts, puppets, folk lore, illustrated classics, cooking lessons, etc. . . . "On the basis of current biz—\$2,000,000 gross for the 2nd quarter, representing a 200% increase over the same period last year—CBS TV Film Sales figures to wind the year with an all-time peak of \$8,000,000, more than double that of 1954," says June 22 *Variety*. This gross "would put CBS Film on a par with or higher than the top 4 firms in TV film—Ziv, TPA, MCA & Screen Gems" . . . Theatrical success for Disney's *Davy Crockett* seems to be following same film's 2-time TV success on ABC's *Disneyland*. It's now in 5th week at N. Y.'s Globe Theatre, and grossing high on first-runs in Detroit, Cincinnati, Denver, Philadelphia, but disappointing in Pittsburgh & Seattle . . . Entering theatrical distribution field, National Telefilm Associates will book *Tales of Hoffman*, *Cry the Beloved Country*, *Breaking the Sound Barrier* into theatres before release to TV (Vol. 11:18). According to pres. Oliver Unger, this will also "enable NTA to explore all ramifications of toll TV" . . . Return of "name band" popularity as result of TV is predicted in *N. Y. Herald Tribune* article by Guy Lombardo, who has been name bandleader for quarter century and now has own TV film show. He cites success on TV of such bands as Dorsey Bros., Sauter-Finnegan, Ray Anthony, Lawrence Welk . . . NBC buys *Meet the Press* from Lawrence Spivak, who continues under long-term contract as producer & panelist; it's presently sponsored by Pan American Airways & Johns-Manville . . . Cue from spectaculars: CBC planning some 2-hour shows next season, citing success of *Hamlet*.

**A**TTENTION NARTB: Advertising code for Independent TV Authority, upcoming British commercial TV system, doesn't ban liquor commercials, but does forbid advertising of "products for treatment of alcoholism." Other taboo products & services specifically mentioned: money lenders, matrimonial agencies & correspondence clubs, "fortune tellers and the like," undertakers, betting tipsters, bust developers, contraceptives, smoking cures.

No betting ads will be permitted for the first 6 months, by mutual agreement between bookies' trade association (legal in England) and ITA. Bookies weren't sure they were interested in advertising on TV, anyway. Among other highlights of British code:

"The irrelevant use of data and jargon must never be resorted to to make claims appear more scientific than they are . . . documentary evidence of testimonials may be required . . . visual presentation of doctors, dentists, nurses, midwives . . . should not be used in connection with medicines and treatments."

Children's advertising code contains specific anti-nagging clause: "Care should be taken that [children] are not encouraged to make themselves a nuisance to other people in the interests of any particular product or service." Other children's prohibitions: ads which encourage kiddies "to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels, etc."; appeals to youngsters' sense of loyalty or duty on behalf of commercial product; ads which induce children to believe they will be inferior or subject to ridicule for not owning a product.

John A. Kennedy, onetime operator of W. Va. radio stations, who bought KFMB-TV, San Diego in 1950 for \$925,000 (Vol. 6:46 & 7:17) and sold it in 1953 for \$3,150,000 (Vol. 9:5, 9, 13), has purchased *Sioux Falls* (S. D.) *Argus-Leader*, largest daily in state (circ. 53,000). He's native of St. Paul, worked on Iowa newspapers before becoming Hearst correspondent in Washington, then going into radio. Newspaper has no TV-radio affiliation.

Purchase of radio outlet by WEHT, Henderson, Ky. (Ch. 50) was approved by FCC this week. It pays H. M. Bitner \$116,000 for WEOA in neighboring Evansville, Ind. (Vol. 11:24). Also approved was sale of KVOR, Colorado Springs, Colo. by James D. Russell, who retains 50% of Colorado Springs' KKTV (Ch. 11). Paying \$120,000 for KVOR are equal partners John S. Riggs (27% of WELM, Elmira, N. Y. & 50% of WAIR, Winston-Salem) and Robt. Greene of Lakeview, N. Y. (Vol. 11:15).

The \$3,864,540 transaction, whereby Roy N. Whittenburg family increased holdings in Globe-News Publishing Co., Amarillo from 35.6% to 91.8% (Vol. 11:19), was approved by FCC this week. Globe-News properties include KGNC-TV, Amarillo (Ch. 4) & KGNC; *Amarillo News* and *Globe Times*; *Lubbock Avalanche* and *Journal*; radio KFYO, Lubbock.

WBLN, Bloomington, Ill. (Ch. 15) is being sold by Cecil W. Roberts for token \$1 and assumption of some \$200,000 in liabilities, to Worth S. Rough, ex-gen. ingr. of WCBC, Anderson, Ind., holder of CP for WCBC-TV (Ch. 61). New owner is getting \$10,000 NATS operating loan.

DES MOINES AREA's third vhf, KRNT-TV (Ch. 8), started regular test patterns June 20, is slated to become basic CBS Aug. 1—433rd station on the air (106 of them uhf). Headquartered in KRNT Theatre Bldg., called "largest legitimate theatre in the country," it's controlled by Cowles family, who own *Des Moines Register* and *Tribune*, *Minneapolis Star* and *Tribune*, *Look Magazine*, KVT, Sioux City, Ia. (Ch. 9) and 47% of WCCO-TV, Minneapolis (Ch. 4). Kingsley Murphy family has option to buy 40% after sale of radio KSO (Vol. 11:23).

KRNT-TV has 50-kw GE transmitter, 12-bay RCA antenna atop 709-ft. Ideco tower. Gen. mgr. is Robt. Dillon, with Paul Elliott as commercial mgr.; Dick Covey, program director; Wm. Hippie, local sales mgr.; Charles Quentin, chief engineer. Base rate is \$650. Rep is Katz.

Canada's 27th outlet to go on the air, CBC's 8th, is CBOFT, Ottawa, Ont. (Ch. 9), which ended tests June 24, now is operating as French-language counterpart to CBC's COBT (Ch. 4) which now is exclusively English-language and has hiked its power to 50.1 kw ERP. It's 4th station in CBC's French network, only one in North America with unhyphenated 5-letter call. It connects via microwave with CBC's CBFT, Montreal; other French-language outlets are privately-owned CFCM-TV, Quebec City and CJBR-TV, Rimouski, Que.

Conforming to British precedent of signing off for dinner hour (when the family is supposed to be otherwise engaged and mother putting the small children to bed), CBOFT from 6-7:15 p.m. Mon.-Sat. is putting on only test patterns and music. Its equipment is 6-kw RCA transmitter, 4-slot wavestack antenna on 488-ft. guyed tower shared with CBOT. Combined operations are now in new building in suburban Westboro. C. P. Wright is mgr.; W. E. Powell, commercial mgr. (Toronto); Georges Huard, TV operations mgr.; Maxted Gilbert, chief operator. Base hour rate is \$230. Rep is CBC.

Note: Next starter apparently will be U of Notre Dame's WNDU-TV, South Bend (Ch. 46), which has test patterns scheduled to begin July 2, joins NBC July 15; it ran off short "equipment test" evening of June 20, and gen. mgr. Bernard C. Barth reported some 80 phone calls from viewers in all-uhf South Bend-Elkhart area, most of them stating signal was "sharp and clear."

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

KLEW-TV, Lewiston, Ida. (Ch. 3), began construction June 20, having set tentative Nov. 1 target, reports v.p.-gen. mgr. Tom Bostic. Grantee is subsidiary of KIMA-TV, Yakima, Wash. (Ch. 29), which also operates satellite KEPR-TV, Pasco, Wash. (Ch. 19), holds CP for satellite KBAS-TV, Ephrata, Wash. (Ch. 43), and is applicant for Ch. 8 satellite in Walla Walla. KLEW-TV will not be satellite operation, will use 5-kw GE transmitter and 3-bay antenna. Network affiliation not determined. Rep not chosen. Station is in middle of hot fight between group seeking to build 3-channel uhf experimental satellite and group operating extensive community antenna system (Vol. 11:23).

WOSU-TV, Columbus, O. (Ch. 34, educational), has 12-kw RCA transmitter and 3 studio camera chains & vidicon film chain ordered for delivery as soon as studio-transmitter building is ready—in about another month. Station will probably be on air late this fall, reports Prof. Robert C. Higby for grantee Ohio State U. Ideco 550-ft. tower & RCA antenna have been ready since last summer.

CEILING AND FLOOR of TV station power were extended by FCC this week when it finalized rules permitting both vhf and uhf stations to operate with as little as 100 watts ERP, at same time issuing proposed rule-making to lift uhf maximum from 1000 kw to 5000 kw.

Low-power rules were finalized as proposed—with one important exception. Originally, Commission intended to permit 100-watt stations only in cities under 50,000. Final rules permit them anywhere—as long as they provide same minimum signal level over principal city now required by rules. There's no height minimum.

No big rush of applications for low-power satellite stations is expected initially, though several are known to be on tap. However, many in industry expect gradual reduction of installation and operating costs will eventually bring mushrooming of stations in towns too small to support higher-power outlets. Several manufacturers have been prepared, well in advance, to offer equipment far cheaper than that required by previous rules—and they made strong impression at recent NARTB convention (Vol. 11:22).

FCC doesn't like to call low-power stations "satellites," and this week's decision expressed hope that they'll "eventually increase power and become full-fledged TV stations in all respects."

Final decision was 6-p. document, Notice 55-704, Doc. 11237, available from Commission or from us. It's effective Aug. 1.

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Proposal to lift uhf power ceiling to 5 megawatts is simple document stating Commission's belief hike is "an additional step in bringing to the viewers the best possible TV service." It threw in cautionary note that receiver makers shouldn't assume that proposed power increase relieves need for better uhf sets and tuners. It added that data on uhf tuner sensitivity would be valuable in weighing merits of station power increase, asked set and tuner makers to supply technical data on uhf sets, broken down into those made before 1955, those being made this year, those planned for next year. It asked for information on receiver noise, transmission line loss, antenna gain, possibilities of reducing problems such as tuning difficulties, cost of improving performance, propagation measurements.

Deadline for comments is Sept. 1. Notice is 55-705, Doc. 11433. Commission will supply copies—or we'll be glad to get one for you.

Though rule was just proposed, WJMR-TV, New Orleans, now Ch. 61 but shifting to Ch. 20, filed immediately for increase—will go on with 5 megawatts experimentally if rules aren't finalized by time equipment is ready; preparation is expected to take about a year (Vol. 11:25).

WHTN-TV, Huntington, W. Va. (Ch. 13), which got STA last week to start from temporary 300-ft. tower formerly used by pre-freeze WSAZ-TV, plans Sept. 15 test patterns, Sept. 25 start on ABC, reports v.p. Fred Weber, also pres. of off-air WFPG-TV, Atlantic City (Ch. 46). It has 5-kw RCA driver and 20-kw GE transmitter due July 15. Custom-designed RCA 6-section 154-ft. slotted antenna is due Sept. 15. Base hour will be \$450, rep Petry.

WQMC, Charlotte, N. C. (Ch. 36), plans return to air about Oct. 1, reports owner Hugh Deadwyler, who acquired station last Dec., then went off air in mid-March (Vol. 11:1, 2). Move of transmitter & studios to undisclosed new site is planned.

CJON-TV, St. John's, Nfld. (Ch. 6), which got 2-kw RCA transmitter June 13, now plans test patterns by July 5, advises pres. Geoff Stirling, revising July 15 target.

**HOW THINGS SHAPE UP FOR FALL MARKET:** More step-up models, some step-downs, top and side tuning, color merchandising plans -- these kept the semi-annual Chicago markets buzzing this week. More light on industry trends will be shed when Philco shows its reportedly "hot" new TV-radio line to distributors at Miami Beach convention June 27-29 (see below) and when Emerson first displays its new wares at New York's Hotel Plaza June 28-29. (For details of others' new models shown this week, see p. 13.)

Prices appear to be in a "2-way stretch," judging from the lines shown thus far to dealers. On the one hand, there's determined effort by several manufacturers -- notably RCA, Admiral, Zenith & Westinghouse, among those which have introduced lines thus far -- to keep prices firm at low end while dropping in more step-up sets in 21-in. consoles & 24-in. tables in effort to induce sell-up trend.

Counterbalancing sell-up is re-emergence of \$99.95 set in deference to growing second-set market which, according to RETMA statistical chairman Frank Mansfield, currently accounts for one out of every 5 retail sales. GE's 14-in. "portable" at \$99.95 to \$129.95 (Vol. 11:21,25), displayed on a scale to emphasize its light weight (32 lbs.), attracted lots of interest at Merchandise Mart. Its cabinet is drawn skin-tight around tube face, giving appearance of larger viewing area.

Trav-Ler Radio came out this week with 17-in. table at \$99.95, Hallicrafters reportedly has one on production line, and Olympic Radio retained its 14-in. table at \$99.95 in line shown this week in Chicago.

Jack Beldon, marketing mgr. of GE TV-radio dept., told us that retail sales of the under-\$100 set "have exceeded our fondest expectations," though it won't be in full national distribution until July 15. He said few customers had even asked about screen size, being more engrossed in low price. However, several big competitors, pinning their confidence on step-ups, openly disparage \$99.95 set. They argue that it's a move in the wrong direction, a reversion to small screens and low discounts. Such sets, with admittedly limited production, give public psychological impression that no TV set is worth more than \$100, they say.

Controls were placed every which-way on new sets -- some on top, some on side, some hidden. One dealer quipped as he went down on his knees to peer under a set: "I'm looking for the controls." But dealers generally felt the new tuning locations improved the appearance of sets, though some complained they would make it tougher on the consumer because in some cases brightness & contrast controls, which usually go together, are at different locations on the receiver.

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There was lots of talk and all sorts of rumors were rampant about color merchandising, partially prompted by willing dealer orders for at least floor models of RCA's new sets (at \$795 & \$895) at its showings. Colorcasting is virtually dormant for the summer (Vol. 11:25) but there's no mistaking plans of some to give it the "big push" this fall, with NBC & CBS providing plenty of attractive shows. At RCA, it's apparent they think fall color trade will give impetus to the Sarnoff conviction that 1956 will be the "year of decision." If it isn't, Gen. Sarnoff certainly went out on a limb when he told stockholders last month:

"I expect that in 1956 and the years ahead, RCA earnings from sales of color TV sets will substantially exceed its earnings from sales of black-&-white during those years" (Vol. 11:19).

Guesswork abounded about Philco color plans, due to be revealed at Miami. We could get no verification that it will have a 21-in. color set in Sept., coinciding with its sponsorship of the Miss America finals from Atlantic City. There was flat denial that it has abandoned its "Apple" project -- the one-gun tube -- but silence when we queried whether it was ready. Logical questions growing out of rumors:

Has Philco signed patent-licensing agreement with RCA, as have all the other leading manufacturers save Zenith -- and will it go to RCA's 21-in. color tube? Is it tying up with the CBS 22-in. rectangular, about which little has been said lately other than that it has cost CBS-Hytron a lot of money? Could it be that Philco will adopt Lawrence one-gun tube promised by Paramount's Chromatic TV Labs? Everybody expects something definitive from Philco; nobody expects it will again talk down the imminence of color, as it did at last year's convention.

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Dealers are also color-conscious, many getting their houses in order for the fall-winter push. NARDA chairman Mort Farr, in a NARDA-sponsored "bull session" with fellow dealers and newsmen set for June 25 at Merchandise Mart, proposes what he calls "a new chance to re-establish the value of dealer franchises" by limiting distribution of color sets to those dealers who can provide service and are able to perform the "special selling job required." In exchange for this, he said, dealers are willing to forego their original demand for 40% markup, feeling they can make up the difference in service contracts with their customers.

"Sales of 30,000 color sets this year are equivalent in dollar volume to sales of 180,000 black-&-white 17-in. sets," he said. "We've got to go after that 1% market which is available to us for color. And we can't do it merely by putting a color set on our floors and waiting for customers to come in. We've got to go out after the customers we know can afford color and demonstrate it to them with color programs. If necessary, we've got to invite them with color parties. As for the servicing, it takes the better part of a day to service a set properly -- and you just can't send out a hammer-and-chisel guy to work on a color set. It takes skill and it costs money -- about \$10 a call, I'd guess -- and folks want quality."

Brief highlights of other major trade developments this week:

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**For Trade & Public to See:** Having done it via closed-circuit last year, Philco this year lets public in on its new TV-radio line even as it's first shown to its 1200 distributors in convention at Fontainebleau Hotel, Miami Beach. Occasion will be variety show titled "Convention in Miami Beach" on ABC-TV Tue. June 28, 8-9 p.m. Besides new TV-radio line, "preview of future electronic developments now in the research and engineering stage" will be interspersed with big-name variety stars, with John Daly as m.c. More than 100 stations will carry show. Philco's next big TV extravaganza will be its second sponsorship of Miss America finals on ABC-TV from Atlantic City Sept. 10 -- possibly in color. Last year's show was big hit, drew 34.2 Nielsen audience rating.

**Discount Houses:** No help from Justice Dept. should be expected by those in trade trying to do battle with discount houses. That was made abundantly clear by Judge Stanley Barnes, chief of Justice's anti-trust div., on NBC-TV's Youth Wants to Know program June 19. Replying to question, he said he felt discount houses were fair to consumer, added: "You don't have to buy from a discount house unless you want to. If you want to get a cheap price and nothing more, you can go to a discount house. If you want to get some other type of service, such as delivery of your goods or a fancy gift wrapping or something of that kind, you can go to some other place and pay more, but it should be up to the consumer to decide where he wants to go, and not a law that says he can't go there."

**Fair Trade:** Important decision bearing on fair trade laws everywhere was handed down this week by Indiana Superior Court, which ruled that price-fixing pact between Arvin and an Indianapolis dealer was unconstitutional. If sustained by State Supreme Court, ruling would void Indiana's 18-year-old Fair Trade Act. State Judge Pike ruled: "By this act, a manufacturer can make a contract with one man and make that binding on all others in the state. I believe this is restraint of trade." Powerful National Retail Furniture Assn., meanwhile, voted 2-to-1 to oppose all fair trade laws, adopting resolution declaring: "The conclusion is inescapable that fair trade pricing as a system of resale price maintenance is impracticable in the home goods industry." On other hand, American Fair Trade Council Inc., in statement to

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House Judiciary subcommittee considering fair trade repeal, warned that some form of price maintenance would continue, regardless of fate of fair trade laws.

**Financing of TV Sets:** International Consumer Credit Conference in Louisville heard suggestion that national policy on financing TV receivers be established at 10% down, 24 months to pay. Suggestion came from L.A. Brumbaugh, Valley National Bank, Phoenix, because "in our area, dealers sell the idea that TV sets become obsolete within 2 years." That doesn't coincide with any official appraisal of TV set obsolescence. Once it was estimated that 8 years was the life expectancy, but now H.J. Schulman, chairman of RETMA service committee & CBS-Columbia service director, tells us nobody can calculate life expectancy because some of the earliest sets are still working well. Conference also heard prediction from Francis W. Smith, pres. of Associated Credit Bureaus of America, that the \$28-to-\$30 billion of installment credit now outstanding on retail books should reach \$50 billion by 1956.

**Production:** TV output jumped to 131,801 week ended June 17, uptrending considerably from the 110,766 in the preceding week and 91,648 week ended June 3. It was year's 24th week and brought production for year to date to about 3,500,000, against 2,850,000 in corresponding 1954 period. Radio production totaled 268,822 (125,629 auto), compared to 264,054 week ended June 10 and 206,428 week before. Radio output for 24 weeks was 6,635,000 vs. 4,750,000 in corresponding 1954 period.

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**Topics & Trends of TV Trade:** Dun & Bradstreet lists 182 TV-radio-appliance retail failures in first 5 months, with liabilities of \$5,444,000, compared to 220 failures, \$20,675,000 liabilities first 5 months of 1954; May failures were 36, liabilities \$947,000 vs. 44 & \$1,543,000 in May 1954 . . . TV enters "middle age," which Channel Master Corp. sees as good cue for antenna replacements, noting too many set owners put up with inferior reception, ghosts, snow; current ad pitch: there's big potential but dealers must learn to go after the business . . . Motorola Canada Ltd. offering dealers \$1000 worth of life insurance for every 3 sets purchased; they can get up to \$10,000 from N. Y. Life Ins. Co., without examination, between June 30-Aug 31 . . . Admiral's Ross Siragusa recently offered share of company stock, from own personal holdings, for every 3 sets bought . . . Sears, Roebuck's new fall catalog, out this week, lists new line of 36 models, with 21-in. Silvertone console leader cut to \$160, 24-in. console to \$255 . . . Hoffman Electronics first shows new line to distributors July 6-9 at Huntington Sheraton Hotel, Los Angeles . . . Magnavox switching ad account to Foote, Cone & Belding after 13 years with Maxon Inc. . . . TV-radio, national magazine and dealer advertising is planned to back up RETMA's "National Radio & TV Week" starting Sept. 18.

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Muntz TV's amended Chapter X reorganization plan was approved June 18 by Chicago Federal Judge Knoch, who set Oct. 18 as deadline for creditors & stockholders to file approval or rejection of plan. Failure to file will be regarded as acceptance, court ruled. Amended plan calls for issuance of preferred stock (\$1 per share par value) for 25% of each non-preferred claim, with remainder of claim secured by promissory note payable 8 years after all preferred claims are paid in full. Plan must be approved by  $\frac{2}{3}$  of creditors and simple majority of stockholders.

TV shipments to dealers totaled 2,329,449 in first 4 months, when production was 2,771,426, compared to shipments of 2,065,871, production of 1,904,718 in first 4 months of 1954, reports RETMA in state-by-state tabulation (county-by-county tables available to RETMA members on request). New York led, with 221,182; California second, 191,435; Pennsylvania third, 146,844. April shipments were 361,102, compared with 690,097 in 5-week March and 410,032 in April 1954.

**N**EW TV MODELS introduced at Chicago markets this week (see p. 11)—in addition to those previously reported:

Bendix Radio—Full line of 10 sets, all 21-in., ranges from \$140 table model to open-face mahogany console at \$290. Table models are \$140, \$150, \$170 (2 sets); consoles are \$180, \$200, \$220, \$230, \$260, \$290. Gen. sales mgr. Hodge C. Morgan said short line "will do much to eliminate slow turnover and regular dumps as well as to keep overhead costs in line and credit losses to a minimum." He said line reflects results of \$500,000 merchandising survey to determine consumer preferences on TV sizes & prices.

Olympic Radio—Emphasizing combinations, new line includes 7 basic 3-way models in 17, 21 & 24-in. Its 14-in. table model at \$99.95 is carried over. Table models are \$130 for 17-in., \$160 & \$200 for 21-in. The 21-in. consoles are \$180, \$230, \$250, \$270, \$300; 24-in. console \$290. Combinations are 17-in., \$200; 21-in., \$300, \$330, \$380, \$400; 24-in., \$380 & \$420.

Raytheon—Added a 21-in. "lowboy" console at \$200 in mahogany, \$210 in blonde. Company has discontinued policy of introducing full lines, intends only to add "drop-ins" as market conditions warrant, said v.p.-gen. mgr. Henry F. Argento. He said "low-boy" styling is ideal for modern homes & apartments.

Trav-Ler Radio — Also a believer in a market for \$99.95 set, pres. Joe Friedman starts line with 17-in. "fabricoid" table model at that price, points out that it won't cost a great deal more than cost of major repairs for "obsolete sets" in a year. Like GE's 14-in. set at \$99.95 (Vol. 11:25), Trav-Ler set is frankly aimed as second set or replacement, said Friedman. Other 17-in. tables are priced at \$120, \$140, \$150; 21-in. \$125, \$160, \$180; 24-in., \$200. The 21-in. consoles are \$180, \$200, \$230, \$250, \$270; 24-in., \$240, \$300, \$380. Combinations (21-in.) are \$350 & \$370.

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Federal Trade Commission's long-awaited *Trade Practice Rules for the Radio & Television Industry* (20-p.) will be released June 28. Copies are available from FTC, or we'll get one for you.

Bendix TV-radio receiver div. has purchased General Mills automation equipment for TV production line at plant in Towson, Md.

**Trade Personals:** Alton K. Marsters, ex-Colt Mfg. Co., onetime sales v.p. of American Optical Co., named CBS-Hytron gen. sales mgr. . . . R. A. Schieber, Westinghouse TV-radio manufacturing mgr., promoted to works mgr., replacing J. M. Allen, now on div. operating staff under gen. mgr. E. J. Kelly . . . Wm. Brown named director of engineering for consumer products, Webster-Chicago . . . George A. Peck, Stromberg-Carlson TV-radio production mgr., named alumni trustee of Clarkson College of Technology . . . Herbert Kushner, ex-Link Radio, named asst. mgr. of technical services, DuMont mobile communications dept., headed by his ex-chief, Fred M. Link . . . A. Holland Phillips named to GE tube dept.'s district office at Clifton, N. J. . . . George M. Zvoloski appointed Sparton district mgr. for Illinois (except Chicago); Voyd L. Smith named northwest Texas mgr., Lubbock; Russell H. Francis covers Utah, headquarters Salt Lake City; Verlyn D. Gilkey will cover northern Indiana area . . . Donald E. Heinsch, ex-Crescent Industries, named exec. v.p. of Wilcox-Gay Corp., operating under Chapter X reorganization plan; Edward Jahns promoted to mgr. of engineering & development div., Glen Clifford production mgr., Larry Robbins adv. & sales promotion mgr. . . . W. P. Ready, ex-gen. sales mgr., National Co., now in similar post with Wallace's Telaides Inc., Jamaica Plain, Mass. . . . Jay H. Quinn resigns as sales & adv. mgr., Fairchild Recording Equipment Co., which he helped found in 1948 . . . Leonard P. Blakely and Martin Silver, former sales mgr. and broadcast div. mgr. of Tel-Instrument Co., Carlstadt, N. J., form L&M Associates, sales & engineering reps (352 Boulevard, Hasbrouck Heights, N. J.) . . . Norman Freeman, ex-Clarostat, named mid-Pa. district mgr. of Morris F. Taylor Co., Silver Spring, Md., electronic manufacturers' reps.

**DISTRIBUTOR NOTES:** Admiral appoints Electric Appliance Distributors Inc., 908 Green Ave., Altoona, Pa. (H. Paul Good, pres.) . . . DuMont appoints O'Day Equipment Co., Fargo, N. D., replacing Cook Appliances Inc. . . . Westinghouse Electric Supply Co. appoints Charles J. Vondran mgr. of Indianapolis branch . . . Graybar, Cincinnati (Emerson) names W. D. Giebel appliance sales mgr., succeeding Blaine Lind, now Madison, Wis. branch mgr. . . . Krich-New Jersey Inc., Newark (RCA) reports resignation of parts mgr. Samuel Robbins to form Leader Electronic Supply Corp., 88 Lock St., Newark, specializing in parts sales to service dealers.

Crosley-Bendix reorganization under new pres. Chester H. Gifford merges electronics div. with appliance & laundry divs. Parker H. Erickson continues as exec. v.p.; F. E. (Bud) Howell, v.p. of appliance & laundry divs., becomes v.p. of sales & distribution, including TV-radio; D. B. (Randy) Blatz gets new post of gen. controller; W. A. MacDonough, gen. mgr. of distribution & merchandising, becomes director of adv. & sales promotion for all consumer goods; A. E. Cascino continues as director of marketing, John Mihalic as director of manufacturing & engineering, Harold C. Tipping as director of industrial & community relations. Govt. products div. is unaffected by merger, Clarence G. Felix continuing as v.p. in charge.

"Better late than never" is how pres. Albert A. Goffstein of American Television & Radio Co., St. Paul, describes his company's recent entry into TV—24 years after its founding with TV in its title. "We had always intended to go into TV, and we're just now catching up with our name," Goffstein told us. Company has manufactured auto radio vibrators since 1931, is RETMA member and RCA licensee. It's marketing eleven 21-in. full-door consoles under "ATR" brand, all \$495, with dealer discounts of 40%, thru furniture & music stores, will skip TV-radio-appliance dealers for time being. It has no distributors.

Named on Queen's birthday honours lists: Baronet: Sir George H. Nelson, chairman & managing director, English Electric Ltd. M.B.E.: H. G. Cheel, gen. mgr., General Electric Co. Ltd.; H. W. Cox, E.M.I. Engineering Development Ltd.; R. J. Porker, senior TV supt., Cable & Wireless Ltd. C.B.E.: P. H. Spagnoletti, director & gen. mgr., Kolster Brandes Co.; F. N. Sutherland, gen. mgr., Marconi's Wireless Telegraph Ltd.; J. N. Tothill, gen. mgr., Ferranti Ltd. From the BBC, Queen Elizabeth bestowed knighthood on Harold Bishop, director of technical services; bachelor, A. J. M. Ozmond, asst. head of TV design; S. H. Matthew, asst. program accountant; C.B.E., W. L. Streeton, head of programme contracts dept.

Honorary degrees: Dr. Wm. B. Shockley, Bell Labs director of transistor physics research, now on leave as research director of Defense Dept.'s weapons system evaluation div., from U of Pennsylvania; Dr. Walter H. Brattain, Bell Labs physical research dept., and Dr. John Bardeen, ex-Bell Labs and now U of Illinois professor of physics & electrical engineering, from Union College; Harold S. Black, Bell Labs systems research div., from Worcester Polytechnic Institute.

G. C. W. Browne, controller of telecommunications in Canadian Dept. of Transport, presented with short-wave portable radio by RETMA of Canada in honor of his 41 years of govt. communications service; he retires Aug. 18.

S. Merrill Skeist, ex-W. L. Maxson Corp., elected contracts v.p. & director, Polarad Electronics, Long Island City, N. Y.

Michael Palmieri, ex-gen. mgr. of Burnell & Co., elected exec. v.p., gen. mgr. & director of Elsin Electronics Corp., Brooklyn.

Harry R. Clark, ex-pres. of Telechrome, named sales v.p., Linear Equipment Labs, Copiague, N. Y.

Maj. Gen. Wm. Henry Harrison, pres. of IT&T, elected a director of Intertype Corp.

Stewart-Warner quit making TVs and radios in U. S. after last Xmas (Vol. 10:51, 52)—but its electronics div., with \$50,000,000 backlog, did 7.8% more business in first 5 months of this year than same 1954 period. Earnings for 5 months ended May 31 were \$1.60 a share, should be \$2.05 for first 6 months vs. \$1.13 in first half of last year.

Mergers: Westinghouse Air Brake subsidiary Melpar Inc. takes over Corvey Engineering Co., Alexandria, Va., electronics-logistics research firm employing 150. F. L. Jacobs Co., Detroit auto parts manufacturers, acquires Eicor Inc., Oglesby, Ill., makers of dynamotors, inverters and alternators for electronics and aviation industries.

"Automatic" factory: Westinghouse announced it will break ground soon in Youngwood, Pa., near Pittsburgh, for multi-million dollar plant to be devoted to automatic production of semi-conductor devices, including transistors, rectifiers, high frequency detectors and photocells.

Three new transistors, alloy-junction germanium pnp type, have been announced by RCA—2 of them for hearing aid applications, one for portable radio output stages.

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Electronics Trust has been formed in London with registered capital of £2,000,000 to specialize in investments in electronics and related fields, a la Television-Electronics Fund, Group Securities Inc.'s electronics & electrical equipment group, and recently formed Electronics Investment Corp., San Diego (Vol. 11:17).

Capitol Records Inc., now controlled by EMI of England, has designated v.p. Wm. H. Fowler to inquire into diversifying into other electronics fields, particularly U. S. market for EMI products. He headquarters in N. Y.

**Color Trends & Briefs:** NBC-TV's efforts to push color in big way next fall are evident in new supplements to rate cards for its own WRCA-TV, N. Y. and WNBQ, Chicago. Advertisers holding station-break positions adjacent to or within regular color shows will either convert to color or risk losing position to those who want color.

WRCA-TV's Supp. 1 to rate card No. 15 specifies that all 20-sec. station breaks and 10-sec. IDs, adjacent to or within regularly scheduled color shows, will be available in color only, starting June 1. Present advertisers in those spots aren't required to convert until Sept. 1. Extra charge is \$500 for 20-sec., \$250 for 10-sec. Here's setup:

"If a station break adjacent to or within a regularly scheduled color program has not been converted to color by Sept. 1, 1955, NBC will make it available to a client wishing to use color. When such client wishes to buy in color, NBC agrees to give 2 weeks notice to the incumbent monochrome buyer to either convert the spot to color within the 2 weeks, or vacate the position. The incumbent monochrome advertiser must notify NBC, within one week of such notification, of his intention to either convert his station break to color or vacate the position.

"Such relinquishment will not affect the advertiser's continuance in station breaks adjacent to or within monochrome programs scheduled on non-color program dates.

"The color facilities charge does not apply to advertisers who continue to occupy with monochrome a color station break position after Sept. 1, 1955." Color facilities charges have 3 months rate protection.

WNBQ's Supp. 1 to rate card No. 9 has same provisions, except that 20-sec. is \$190, 10-sec. \$95, and "required" date is Sept. 15.

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"Color is coming along steadily, but it has a long way to go before moderately priced sets will be available in large volume. A new technological change such as color simply cannot go ahead any faster. It represents far more than simply doubling the number of receiver tubes in a TV set, and making the picture tube 3 times as complicated. A great deal of development work lies ahead, witness the fact that the original estimates of color set production by the entire industry for 1955 have already been revised downward. At one time the estimates ranged from 100,000 to 300,000, with about 100,000 destined to be sold. Today, the industry is talking about 75,000 to 100,000 being made, and some 50,000 being sold. Be that as it may, color is coming, but it is not just outside the door."—From statement by Don G. Mitchell, Sylvania chairman-pres.

Sole network color feature scheduled next week is pair of pickups June 27, 8:09-8:20 & 8:44-8:54 p.m., during NBC-TV's *Wide Wide World*, of Louis Armstrong and Woody Herman bands from Washington. All Ford and RCA commercials will also be in color. Aside from that, and probable short *Home* and *Today* segments from time to time, only color shows definitely scheduled so far this summer are NBC-TV spectaculars July 25 & Aug. 2.

**Color TV film standard:** Test 35mm & 16mm color film & slides, long under preparation by SMPTE as final standards for TV industry (Vol. 10:43), are now available from headquarters, 55 W. 42nd St., N. Y. The 35mm film, 700 ft., is \$95; 16mm, 280 ft., \$50; 10 slides, \$25.

**"Colorless" conventions:** As of now, no network plans to colorcast political conventions in Chicago and San Francisco. At recent meeting of network representatives in San Francisco, AT&T asked networks for color plans, found they'd been dropped.

Equipping itself with "Vitasean" live color facilities, DuMont's WAED, N. Y. will offer advertisers free tests of commercials. Station's color-filmed *Sunday Supplement* has been suspended pending facilities changes.

**Financial & Trade Notes:** Hallicrafters earned \$363,438 (44¢ a share) on sales of \$18,635,074 in 9 months ended May 31, compared to net loss of \$1,029,935 on \$23,226,340 in same period year ago. For quarter ended May 31, earnings were \$88,197 (11¢) on \$5,799,089 vs. loss of \$80,598 on sales of \$7,514,119 in 1954 quarter. In message to stockholders, chairman Wm. J. Halligan & pres. Raymond W. Durst noted that unit TV sales in 9-month period were 20% ahead of same 9 months year ago; in communications equipment, 46% ahead in unit sales, 26% in dollar volume. They also stated that Hallicrafters got additional \$4,000,000 in govt. contracts in June.

H. R. Blash continues as chairman of Webster-Chicago, N. C. Owen as pres., says official company statement which admits Titus Haffa, Chicago industrialist, has acquired "substantial block of stock" (Vol. 11:24)—stated by Mr. Haffa to amount to "more than 125,000 shares" of 519,750 outstanding. Haffa bought holdings of Blash, whom he said he would later succeed as chairman, and of secy. Herman Bichele, v.p. Walter Altenburg, et al. He and family control Dormeyer Corp. and Haber Corp.

General Electric has revised its 1954 earnings report downward, showing net profit of \$198,913,221 (\$2.30 a share) instead of announced \$212,613,221 (\$2.46); retroactive change in tax law relating to estimated expenses required adding \$13,700,000 in provision for taxes & renegotiation. Earnings remain highest on record, up 20% from 1953 level.

Avco Mfg. Corp. reports sharp drop in sales and profits for 6 months ended May 31, 1955. Profit was \$447,983 (3¢ a share) or sales of \$136,708,269, down from \$3,106,481 (33¢) & \$199,060,391. Pres. Victor Emanuel blamed increased costs, continued price weakness in TV-appliances, strike in Avco's farm implement section.

Ampex Corp., San Francisco (magnetic-tape recorders) reports net income of \$365,736 or 69¢ a share on 528,740 capital shares, for fiscal year ended April 30 vs. \$25,691 (6¢ on 411,340 shares) in 1954 period. Profit is after taxes and \$503,000 on research & development.

Television-Electronics Fund assets increased 72% in 6 months to April 30, up from \$55,868,018 (\$9.47 a share) to \$96,182,332 (\$11.33). Assets passed \$100,000,000 since April 30, according to pres. Chester D. Tripp.

General Instrument Corp. reported June 24 enough proxies (51%) to ratify acquisition of Automatic Mfg. Corp., Newark, whose 1500 shares will be exchanged for 555,000 of GIC (Vol. 11:24).

Sentinel Radio earned \$83,422 (22¢ a share) on sales of \$12,415,185 in fiscal year ended March 31, compared to \$151,301 (40¢) on \$13,532,457 in preceding fiscal year.

Graybar Electric Co. sales in 1954 totaled \$366,027,713 vs. \$384,388,765 in 1953; profit was \$2,688,359 (\$4.43 per share) vs. \$3,228,159 (\$5.24).

Lavoie Laboratories Inc., Morganville, N. J., offered 58,000 shares of \$1 par common stock to public this week at \$5 per share, using no underwriters.

**Dividends:** Emerson Radio, 10¢ regular & 5¢ extra payable July 15 to stockholders of record July 5; American Phenolic, 12½¢ July 29 to holders July 15.

Gifts of 4 to 20 shares of stock in Washington Post Co., each share worth \$60, were bestowed this week on 65 employes of its WTOP-TV & WTOP and 25 of its WMBR-TV & WMBR, Jacksonville, by chairman Eugene Meyer—apportioned on basis of length of service and responsibility of position. Altogether, 711 employes of the publishing-broadcasting companies now own about \$500,000 worth of the stock, with top executives including WTOP Inc. pres. John S. Hayes having acquired other shares previously.

**S**ENATE PROBERS will call on more "experts" to study various TV problems—along general lines of engineering study of allocations, begun this week (see p. 3). "The TV industry is too big, too complex, has too many problems for a study at the staff or Committee level alone. We must call on experts."

Thus Chairman Magnuson outlined the methods his Commerce Committee will use in its TV investigation (which he prefers to call a "study"). "We'll farm out as much work as possible," he told informal June 21 press conference. Then, when all studies have been completed, probably next fall, "we'll hold our hearings, which will be legislative—not investigative—in nature." He said he has in mind:

(1) Study of TV economics, free speech, political time, etc.—possibly by a large private foundation, "such as Brookings Institution, Carnegie or Ford Foundation."

(2) Network study—by FCC, for which \$80,000 is being appropriated by Congress (Vol. 11:22-24). This study would take 6 months, the Senator said, and his Committee is most interested in terms and details of network-station contracts.

(3) Looking into FCC procedures—he said he hopes to ask American Bar Assn. "or a similar impartial group" to take over-all look at this question, come up with "uniform code" for Commission procedures.

(4) Communications Act amendments—ex-Sen. Clarence Dill (D-Wash.), one of authors of Communications Act of 1934, is looking into this now, will advise Committee what changes are necessary on basis of developments at the hearings.

The Senator sketched a wide area of inquiry for the TV study—with fall hearings covering such subjects as military use of channels which are suited to TV ("we'll ask the military how much they're using and how much they need"). Also, political time, satellites & boosters, AT&T networking charges, subscription TV ("if FCC hasn't finished with it by then").

He was not optimistic about one prime project of the Committee—exemption of uhf-equipped sets from 10% Federal excise tax. He noted that Finance Committee Chairman Byrd (D-Va.) is opposed to any new tax legislation this session, but added there was outside chance the exemption provision could be tacked onto a House-passed tax measure from the Senate floor. Congress is hoping to wind up 1955 session end of next month.

NBC has run into more opposition against its proposed station sales and purchases. WGR-TV, Buffalo, this week asked hearing on NBC's pending acquisition of WBUF-TV, Buffalo (Ch. 17), WKNB-TV, New Britain (Ch. 30) and Philadelphia-Cleveland swap with Westinghouse (Vol. 11:22, 25). WGR-TV asked all these be consolidated in hearing to explore NBC "monopoly", look into RCA's anti-trust history.

Committee studying AT&T rates for TV and aiming to forestall increases reported to NARTB board this week, was directed to continue work and increase size, if necessary. AT&T has been active, meanwhile, in efforts to convince telecasters that rates are too low. Its representatives have been calling on stations, showing figures indicating low rate of return from TV.

Application for satellite in Cheboygan, Mich. on Ch. 4 by WPBN-TV, Traverse City, Mich. (Ch. 7) was only one filed this week. Total now stands at 147 (including 16 uhf). [For details, see *TV Addenda 20-X* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

## New TV Factbook—Pre-Print Orders

**T**ELEVISION FACTBOOK No. 21, the Fall-Winter edition of the TV-electronics industries' first and most widely used and quoted "almanac," will be off the presses about Aug. 1—containing basic data on all U. S., Canadian and World TV stations and networks (including digests of station rate cards and complete rate cards of the networks); digests of all CPs outstanding and applications pending for new stations, with details on principals involved, facilities, etc.; all allocation tables brought up-to-date. All other departments are updated, too, such as the directories of the FCC, TV sales reps, program producers & distributors, set-&tube manufacturers, radio attorneys, engineers & consultants, laboratories, etc. Also updated are TV-radio production figures, time sales and other statistical tables. Included with each *Factbook* is revised copy of our 43x29-in. Map of TV Cities and network interconnections, in color, suitable for framing. One copy of the *Factbook* goes to each of our full-service subscribers. Extra copies, if pre-print orders are placed for 20 or more, are \$1.50 each; single copies, \$4.00.

Rumors that Ch. 2-6 are in jeopardy because of military demands keep recurring, keep getting unequivocal denials at responsible levels of Govt. (Vol. 11:5). For one, Harold M. Botkin, ODM asst. director for telecommunications, whose job it is to coordinate all govt. spectrum use, says he hasn't even heard subject mentioned since he last dismissed it—"and I assumed the rumor was dead." Some in industry (and at FCC) feel it's good tactics for TV to demand more vhf space to counteract possible military efforts to do likewise at expense of TV.

Guatemala's first TV station, TGBO-TV, Guatemala City (Ch. 3), with transmitter on 12,300-ft. Agua Volcano (Vol. 10:50), plans to start this summer. DuMont this week shipped it 5-kw transmitter and dual camera chain. Among owners, along with Guatemala business men, are ex-FCC chairman Paul Porter, now Washington attorney; Col. Frank Katzentine, owner of Miami Beach radio WKAT; J. H. Wilson Jr., Pan-American Airways.

Bill to permit "Lincoln-Douglas" debates on TV-radio between presidential candidates, without subjecting stations and networks to equal time demands from minority candidates, as proposed by CBS pres. Frank Stanton (Vol. 11:21, 23, 25), was introduced June 24 by Sen. Payne (R-Me.) of Senate Commerce Committee. His S-2306 is identical to HR-6810, introduced by Rep. Harris (D-Ark.).

AM-PAR Record Corp. is name of new AB-PT phonograph record subsidiary established last week (Vol. 11:25) under pres. Samuel H. Clark, with headquarters at 1501 Broadway, N. Y. It's expected to enter market with AM-PAR brand early next year.

Some 33,000,000 people saw Archie Moore knock out Bobo Olson in Pabst-sponsored light heavy-weight championship bout June 22, according to Trendex ratings prepared for ABC-TV, which says it was biggest audience ever to watch a televised fight.

He couldn't take it: CBS cancelled its widely-publicized TV-radio "scoop"—the appearance of Soviet Foreign Molotov on June 26 *Face the Nation*—because the guest wouldn't consent to the program's customary free questioning by panel of interviewers.

New FCC Comr. Richard A. Mack will be sworn in July 7, 10 a.m., Room 6121. He replaces Frieda B. Henock, who is understood to be joining Washington law firm of Davies, Richberg, Tydings, Beebe & Landa.

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## PAY-AS-YOU-SEE TV

1955

# THE ABC'S OF THE CONTROVERSY

**Editor's Note:** There are so many requests from laymen for an explanation of what subscription TV is, with its pros and cons, that a handy primer is a time-saving blessing. New York Times TV-radio critic Jack Gould provided just such a document in the form of a full-page appraisal June 19. His summary is impartial and non-technical, and provides a good digest of the major arguments. As a service to our subscribers, we will provide reprints of this article at nominal rates: 25 for \$1.50; 50 for \$2.50; 100 for \$4.00.

**By JACK GOULD**

**S**UBSCRIPTION television appears certain to be the subject of the most hectic and widespread controversy in broadcasting's three decades. In interest, complexity and duration it should easily be the spectacular of disputes over use of the airwaves.

The challenge posed by subscription TV is the introduction of an additional concept of broadcasting. Since 1922 the public has been entertained, enlightened or enraged through the courtesy of the advertiser with something to sell. Now it is proposed that the public also pay fees for what it sees.

Those in favor of subscription video say it would open vast new horizons in television entertainment and culture. Represented on the "pro" side are the three companies that have developed systems of toll video and many Hollywood, theatrical and sports interests that envision a vast new market for their wares.

Those opposed to toll TV say it would mean an end to the continuous free show in the nation's front parlor and threaten the existence of movie houses. The opponents include the Columbia Broadcasting System, the National Broadcasting Company, the American Broadcasting Company and the Joint Committee on Toll TV, also known as the Committee Against Pay-As-You-See TV, comprised of motion-picture theatre owners.

Most directly affected by the toll video dispute are the 125,000,000 persons who regularly watch television. Theirs is the somewhat novel prospect of recognizing that a home may be more than a castle; it may also be a box-office.

For the entertainment world there is the possibility of admission receipts dwarfing even an impresario's wildest dream—conceivably \$3,500,000,000 a year.

For the advertising world there is a stake of awesome magnitude—this year program sponsors will spend \$950,000,000 in home TV.

The dispute's ramifications lead not only into uncharted economic fields, but also into largely unknown legal, technical, social and cultural spheres. Whatever approach is taken to toll TV, only one certainty emerges: There is hardly a single point on which there is any agreement.

### THE PRESENT SET-UP

Today there is in operation a total of 429 commercial TV stations and ten non-commercial educational outlets. These stations broadcast over twelve channels (Nos. 2 through 13) in what is known as the very high frequency band (V.H.F.) and over seventy channels (Nos. 14 through 83) in the ultra-high-frequency band (U.H.F.).

It is the matter of channels—the space on the air—that distinguishes the controversy over subscription TV from disputes involving other mass media. The number of channels, unlike the number of printing presses, is subject to a physical limitation; there is not enough room on the air for everyone who might want to broadcast in every community. In addition, certain channels have a technical advantage over others. Accordingly, some communities may have seven choice channels; others, only one.

### F. C. C. Rules Airwaves

How to make the best use of the available channels in each community is the responsibility of the Federal Communications Commission, the agency established by Congress to supervise the airwaves. The agency's authority derives from Federal law stipulating that the airwaves are the property of the people. A broadcaster only receives a license to use a channel; he does not own it. The F.C.C., in short, has the power to grant or withhold the permit necessary to broadcast.

In the toll TV controversy the task of the F.C.C. is to decide whether it can authorize pay-as-you-see to use broadcasting channels and, if so, under what conditions. Last February the agency invited comments on what it should do. It was swamped with a record mail—more than 25,000 communications as of last night. Now those for and against toll TV have until July 11 to enter rebuttals to one another's arguments.

What happens after that is part of the subscription TV controversy itself. To understand why, it is necessary to outline the ABC's of toll TV.

### HOW TOLL TV WORKS

The underlying theory of subscription television is to make a program available only to those viewers willing to pay for it. But the basic technical problem is to find means of keeping the program away from those not willing to pay.

This trick is done by use of the principle of the combination lock that protects a bank safe; in this instance it protects a

television program. The toll TV broadcaster transmits his program with a certain electronic combination. Then he sells this combination to the set owner who wants to see his show.

Why this is feasible is better appreciated when it is first understood how a television picture travels through the air to a receiver. The TV image is not sent as the whole picture you see on the screen. Rather it is sent in the form of little pieces that are then reassembled at the receiver. There are many different ways both to send the pieces and to put them back together again. This is the heart of all systems of toll TV.

### The Toll Systems

There are three major proposed methods of transmitting toll television:

**Phonevision.** This is the system developed by the Zenith Radio Corporation, of which the president is Eugene F. McDonald, generally regarded as the pioneer of toll TV.

The principle of Phonevision is to "scramble" the picture and sound at the transmitter. In effect, the components of the image and voice are mixed up electronically so that on today's conventional receiver the picture would be only jagged lines and the sound unintelligible.

On the receiver equipped to receive Phonevision there would be a device containing five knobs, each of which could be adjusted to one of seven positions. A given program would be assigned a special code number, say 54627. The dial corresponding to each digit would be set accordingly: a normal picture and sound then would be received.

Under the Zenith plan the necessary code information could be obtained from a program card. Punching out an insert on the card containing the digits for a specific show would represent a record of what was seen. A viewer would mail in the used card and then receive a bill.

**Skiatron.** This is the method advanced by Skiatron TV, Inc., headed by Matthew Fox, and Skiatron Electronics and Television Corporation, of which Arthur Levey is president.

Like Phonevision, Skiatron provides for coding, or "scrambling," the picture at the transmitter, and then decoding, or "unscrambling," the picture at the receiver.

The Skiatron device has provision for the insertion of a standard International Business Machine card on which is superimposed a printed electronic circuit. This circuit would act as an "unscrambler" when a button on the device was pressed. Pressing the button would automatically punch the card, making a record of the show seen.

**Telemeter:** This is the system proposed by Paramount Pictures, of which Barney Balaban is president, through its subsidiary, the International Telemeter Corporation.

The Telemeter system differs from the other two both in how it would conceal the box-office attraction from the nonpaying audience and its collection of admission fees.

Telemeter proposes to transmit two images on one channel, a development that in time might lead to applications beyond toll video. One image would consist of an advertisement of the program to be charged for; this would appear on existing sets. The second image would be the box-office attraction and could be seen only to sets equipped with a Telemeter attachment.

As the name suggests, Telemeter is basically a coin machine that would collect the money before each show was seen. There would be a slot to accept nickels, dimes and quarters and also automatic provision for a credit allowance if a viewer did not have the right change available. The boxes containing the coins would be picked up periodically, as in the case of pay telephones. Telemeter believes this method preferable to collecting a sizeable bill after shows have been seen.

A point is raised about pay-as-you-see methods: Would it be

feasible to "jump the meter" or break the codes and see box-office attractions for nothing? Technically, almost any method of concealment can be broken, but advocates of toll video insist it will be too much trouble to be practical on any significant scale.

### What Will Toll TV Cost?

There are two cost elements to be considered, the initial investment and the upkeep. The price of installing the various devices has been estimated at between \$25 and \$100. Some systems propose to lease their equipment; others to sell it. In most instances it would have to be installed by a service man.

The box-office top most frequently mentioned for a toll TV program is \$2; the proposed minimums have been anywhere from 5 to 25 cents. Whatever the chosen price, multiply it by 35,000,000—the number of sets now used—for a rough idea of the money potential for a single program.

How much toll TV might there be? No definitive prediction is possible; the answer is part of all the basic quarrels. Some say there could not be more than a limited number of hours per night or per week; others have said toll TV might be programmed around the clock.

With a potentially big pie to divide, just about everybody might have a hand in controlling pay-as-you-see. Most predictions envision a three-way split of the money. A percentage would go to the company whose technical system of pay-as-you-see was used, a percentage to the broadcaster and a percentage to the program producer. Since a single corporate entity might fulfill more than one role, the anti-trust laws willing, actual control of toll TV could take many forms.

### Commercials

The general assumption has been that toll TV would operate without the familiar interrupting commercials. As a matter of box-office policy it is not believed the public would be eager to put up cash to be regaled by plugs.

However, the question of advertising still has to be determined as a matter of fundamental policy. Already there have been proposals that the public might not object to some commercials if they led to a reduction in the box-office price.

### THE LEGAL ISSUE

The legal debate over toll TV centers on the question of what is "broadcasting." In turn, this raises the matter of whether the Federal Communications Commission has the power to act on toll TV or whether the whole issue must go to Congress.

Section 3 of the Federal Communications Act of 1934 defines broadcasting as "the dissemination of radio communications intended to be received by the public, directly or by the intermediary of relay stations."

The opponents of toll television, who urge Congressional action, argue that a program that is scrambled is not intended to be received by the public but is intended to be withheld from all members of the public except those able and willing to pay. Further, it is contended that toll TV constitutes a discriminatory use of a public property—the airwaves—as opposed to advertiser-sponsored TV, which is available to everyone on an equal basis.

The supporters of toll TV, who contend the F.C.C. can act on its own, argue that a box-office program is intended to be received by the entire public. To ask the public to pay for the equipment necessary for subscription TV, they maintain, is legally no different than asking the public to purchase a receiver in the first place.

### THE CASE FOR

Here is a summary of the argument in favor of subscription television:

TV broadcasting as it now exists is governed by what an advertiser can afford to do and by what he believes will stimulate the sales of his product. If there are some areas of programming in which the needs of the sponsor and the needs of the viewing public are compatible, there are other important areas in which they are not. It is in the incompatible areas that toll TV proposes to operate.

One of the areas is prime TV programming material—the brand new, full-length motion picture, right off the Hollywood griddle, to be offered without commercial interruptions. Here the inadequacy of an advertiser's resources are evident.

The average cost of production of a Hollywood feature is about \$900,000. Yet, as itemized by Paramount Pictures in its comments to the F.C.C., here are the single-performance costs, including talent and time on the air, of some of TV's currently most expensive shows:

1. Producers' Showcase	\$351,446
2. Max Liebman Presents	313,039
3. Best of Broadway	173,725
4. Shower of Stars	167,710
5. Milton Berle	162,504
6. Godfrey and His Friends	152,902
7. Omnibus	147,201
8. Disneyland	146,144
9. Comedy Hour	138,652
10. Jackie Gleason	130,839

This huge economic disparity, according to toll TV's advocates, is what precludes from the home screen the newest and best that Hollywood can offer.

Similarly with sports. Worried over the competitive inroads of free TV, promoters have backed away from the medium. There has been only one championship bout on home TV since 1951; theatre television has been able to outbid the advertiser. Football is restricted and in some areas so is baseball. If baseball attendance continued to drop, further blackouts can be expected. Toll TV, on the other hand, could assure the economic vitality of sports and at the same time retain them for home viewing.

Each New York baseball club receives between \$500,000 and \$750,000 a season for allowing broadcasts of its game; toll TV—at 50 cents a seat—might mean \$50,000 for each of seventy-seven home games, or \$3,850,000 a season.

Broadway plays of full length could be offered regularly via toll TV, not merely occasionally. The two-hour running time of a play is prohibitive for most advertisers. Without the presence of the advertiser, who, as a business man, is normally averse to offending a prospective customer, greater artistic freedom could prevail.

In the whole field of so-called regular minority programming, such as the symphony concert, opera, ballet or straight educational feature, toll TV offers the only practical hope. Groups interested in such forms of programming may not be large enough to warrant the attention of an advertiser but they are large enough to support such attractions themselves. In addition, toll TV could represent a new source of revenue for a cultural institution such as the Metropolitan Opera or even for a school or college. Merely because an advertiser cannot afford to do certain things in TV is no reason to deny the public a chance to have these things by other means.

Toll TV does not constitute a threat to free TV. There is a limit to the amount of distinctive or qualitative programming for which a charge could be

made; in addition, there probably is a limit on how much the public would be willing to pay in a week for home entertainment. There still would be opportunity for both forms of TV, with the public benefiting from the rivalry for its attention.

Further, toll TV need not be a detrimental factor in communities where there is a single station. While temporarily a toll TV program might black out the only free program, the introduction of public financing of TV could lead to the industry's expansion in areas that do not have sufficient population to interest advertisers.

In any case, toll TV holds enough promise to warrant a chance to prove itself in the marketplace. The broadcasters did not complain when they lost attractions to theatre television or when some of their stations were "blacked out" by sports promoters. Their only basic fear is the first competition they ever have faced in their own medium.

### THE CASE AGAINST

Here is a summary of the argument in opposition to toll television:

The advocates of subscription video are trying to pull the wool over the public's eyes by ignoring the elementary economics of the entertainment world: Stars, producers and writers in the show business go where the most money is.

If toll TV can outbid advertiser-sponsored TV for attractions not on the screen, then obviously it can outbid free TV for attractions that are. Toll TV won't stop with the ready-made shows of Broadway and Hollywood; it also will seek the ready-made box-office names familiar to the home TV audience. The public will not pay 10 cents to see Jackie Gleason if it can see him free, but it will pay 10 cents rather than not see him at all. And Mr. Gleason already has shown an interest in working for toll TV; other stars inevitably

will follow suit and, to enhance their box-office potential, would stay off free TV.

The economic dominance of toll TV would assert itself even further. With the available audience divided between free and fee TV, the advertiser would have less incentive than ever to meet TV's sizable costs. If his sales message is going to reach fewer people, he is going to trim his costs, not enlarge them. Only the loss of a few choice evening hours to toll TV is required to mark the beginning of free TV's end.

The rosy cultural future envisioned by toll TV is unrealistic and illusory. The inexorable law of the box office will result in toll TV catering to majority audiences much as existing TV does; the sponsors of toll TV will not be overly concerned with devising ways to make less money rather than more. Especially if facilities for toll TV are subject to a physical limitation, the public will be offered more of Lana Turner than of ballet.

Meanwhile, if the box-office held increasing sway over TV, the public-service programming that is now a by-product of advertising-sponsored TV, such as many news and political events, would be lost. There would not be the income from the popular shows to foot the bill for sustaining video.

Actually, television today provides much if not most of the fare promised by toll TV. Virtually all the stars of Broadway and Hollywood now appear on the home screen. Television dramas are bought by stage and screen producers. There is a trend toward doing Broadway shows after their run and a likelihood of original ninety-minute works before long.

As for movies, free TV's expanding economy is making possible the acquisition of some better pictures. Were it not for the golden promises of toll TV, existing TV might obtain newer releases. In the realm of sports, the loss of some attractions is offset by the presence of others. You may not see a championship fight but you can see the World Series or the Army-Navy game.

### Broadcasters' Choice

The toll TV advocates cannot talk away the fact that subscription video proposes to operate on channels made possible by advertising-sponsored TV. When a toll TV program is on the air, it often may black out a program that has gone into millions of homes without charge.

The proposal that toll TV might be confined to a special category of broadcasters—such as the hard-pressed ultra high frequency station owners—is unrealistic. If it is democratic for a listener to have a choice of both types of programming, then it is democratic for a broadcaster to be free to decide which type he will offer. And producers of toll programs, as with today's advertisers, will turn to the big major stations that can deliver the largest ready-made audiences.

To say that toll TV only wants a chance is to evade the issue. Once toll TV is inside the door, free TV's days economically are numbered. Let toll TV prove itself and today's networks and broadcasters will be forced to enter the field to protect their investment.

For the public the question is a simple one; TV can be free: why pay for it?

### THE EFFECTS

Subscription TV would affect other fields of entertainment.

**The Motion Picture Industry:** The impact of subscription television on the movies undoubtedly would be great, though how great is a controversy in itself. This impact would be different for the industry's two main divisions: (1) the producers of films, i. e., Hollywood; (2) the exhibitors of films, i. e., the movie houses.

For Hollywood toll TV would be pure bonanza, the most efficient and far-reaching method of distributing pictures imaginable.

For the exhibitors the prospect of toll TV is a nightmare. The Joint Committee on Toll TV, headed by Alfred Starr, a Nashville theatre owner, asserts bluntly that subscription video

constitutes a significant danger to the continued existence of motion picture theatres." With new movies going for home demonstration, the neighborhood theatre hardly would be in an enviable position. Small wonder the exhibitors are championing free TV, once regarded by them as the economic evil of all time.

**The Broadway Theatre:** Both Moss Hart, president of the Dramatists Guild, and Ralph Bellamy, president of the Actors Equity Association, believe toll TV could prove a major boon to the legitimate theatre, stimulating production and providing a king-sized "angel." Skeptics have wondered, however, where all the necessary good plays would come from and if the content of many—"Bus Stop" and "Cat on a Hot Tin Roof," for example—would be suitable for TV's mixed family audience.

**Educational Broadcasting:** Subscription TV is seen as a possible form of deliverance for educational broadcasting, which has been assigned its own TV channels by the F. C. C. but has been plagued by economic headaches. A small TV audience—say 10,000—would still be a big school class. A \$1 fee for a course under these circumstances might lead to some new economic thinking on the nation's campuses.

### THE FUTURE

The consensus of virtually all participants in the controversy is that the toll TV war will take the form of words rather than deeds for months, perhaps years, to come.

After receiving the rebuttals to the first flood of opinions, the F. C. C. can order an oral hearing, turn to Congress for guidance, order some experimental toll TV to learn more about the systems, or propose standards. Once the F. C. C. reached a determination, then there could be legal challenges on many different grounds, with the final decisions resting with the United States Supreme Court.

