

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

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — March 1, 1958

DRAMATIC MACK CASE holds threat of severe reaction —with FCC out to assert "independence," isolation from industry, etc. (pp. 1 & 8-9).

NETWORK STUDY HEARINGS, starting next week, given top priority by FCC. Networks, leading off rebuttal, may find change in Commission climate (p. 2).

FCC POSTPONES TOLL-TV processing until 30 days after Congress quits, in compromise action seen as rejecting dictation by Congress committees (p. 3).

SYMPOSIUM ON SPOT discloses leading national reps bullish on current conditions and prospects for rest of year; lists of top TV users (pp. 3-5).

OAKLAND, CAL. & LOCK HAVEN, PA. put new stations on air, bringing total to 534. Ingram-Pabst group's KTVU is 6th station in San Francisco bay area (p. 7).

TELEMETER SEEKS TO DROP wired pay-TV franchise for Los Angeles rather than face public referendum; Skiatron indicates it will follow suit (p. 9).

EDITORIALIZING ON THE AIR: Experts agree basic ingredients are heavy research, knowledge of issues involved, willingness to present other side (p. 10).

EXPERIMENTAL VHF IN MIAMI denied to WITV (Ch. 20), FCC seeing little contribution to "development of the TV art." Other allocations actions (p. 10).

### Manufacturing-Distribution

WESTINGHOUSE SEEKS 10% of color sales as RCA continues carrying ball, plans new line soon. Other set makers apathetic, though hypo needed (p. 11).

HI-FI SURGE BOOSTS 1957 SALES of phono makers to new records. EIA statistics show substantial increases in all phonograph-hi-fi brackets (p. 11).

GE ABANDONS FAIR TRADE as unenforceable, too costly; price cutting sweeps retail trade (p. 13).

RCA-ZENITH SETTLEMENT footnote: RCA says its share of payment totals \$4,800,000. Patent arbitration could cut RCA's net payment to \$1,800,000 (p. 14).

RCA GROSS AGAIN UP, tops \$1 billion, but net profit down 3.7%. Commercial manufacturing accounts for 50%, Govt. work 22.7%. NBC sales \$292,212,000 (p. 15).

ZENITH ACHIEVES HIGHEST profits and second highest gross in 1957 in face of industry recession. Philco pulls up gross and net (p. 15).

**THE MACK STORY—NOW THE EPILOGUE:** The strange and pitiable case of "Richie" Mack, whose flagrant indiscretions in the matters of money and political pressures were pointed up this week by House subcommittee investigating alleged wrongdoing at the FCC and other independent Federal agencies, is about to be closed. He will resign, more than likely, though he may be removed if he insists on keeping the job (for details of week's developments, see pp. 8-9).

The TV-radio industry, indeed all Federally regulated industries, would do well to contemplate possible repercussions of the much-publicized Mack case and the rest of the probings on Capitol Hill. Here are some of them, as we see things now:

(1) There's danger that a jittery FCC, its actions under continuous spotlight henceforth, will react with a strong backlash effort to demonstrate the independence and judiciousness so sadly lacking in the Mack case. The Commission may very well be disposed now to take harsh measures with the industries it regulates. This could come in the network (Barrow) case, in which critical hearings begin next week (see p. 2). And some even see a suggestion of "independence" and a semblance of defiance of Congress itself in Commission's action on pay TV this week (see p. 3).

(2) Makeup of the Commission is in for changes, perhaps substantial. With Mack out, the Administration that appointed him as a Fla. Democrat will presumably exert extraordinary caution to bring in a stable citizen to replace him -- to avoid the political hackery that has marked so many past choices. There's published talk of Doerfer being demoted from chairmanship, Ford upgraded to replace him; so far,

the Administration seems delighted with its choice of Ford, a govt. career man with an impeccable record both as a top FCC attorney and Dept. of Justice official.

There's even talk of a "ripper bill" -- though it's not given much credence -- which might abolish the FCC, creating a new board with an entirely new slate of members. That's unlikely, though, and it must not be forgotten that the FCC inquiry is supposed to be the first of a multi-pronged probe into other agencies as well.

(3) Easy approachability of commissioners may have had its day, a consumption devoutly to be wished by most practitioners at the FCC bar (see "Do You Know That . . ." column, p. 16). At all events, they're tight-lipped nowadays. And the flurry of "ethics" bills in Congress may end up by insulating commissioners and industry to a fault. Some provide severe criminal penalties for "influence" attempts, presumably embracing also Senators and Congressmen.

(4) Harris subcommittee, having tasted blood, may be out for more. Other members of the FCC, perhaps also ex-Chairman McConnaughey, "will be given opportunity to testify in the Ch. 10 case," according to Rep. Harris. Subcommittee may also decide to delve into other contested cases -- with a predilection on its part, and on the part of a suspicious press, to magnify every action of every commissioner into something "improper" or worse.

Quest for counsel to succeed the bumbling Prof. Schwartz continues, but Rep. Harris says there's no one in prospect at the moment. General view is that Schwartz "shot his bolt" on the Mack case, had very little else excepting trivia relating to expense accounts to show for the operations of his staff since last summer.

**NEXT CRISIS—HEARINGS ON NETWORK STUDY:** FCC is giving top priority to all-important network study hearings which get under way Mon., March 3, in Hearing Room B, Interstate Commerce Commission Bldg. Findings could crucially affect business practices throughout the telecasting industry -- and network and stations alike are concerned.

So important does Commission consider Barrow staff report hearings that it has slated 5 full days of them -- Mon. morning thru Fri. afternoon -- even skipping its regular meeting. After first week, intention is to run them as continuously as possible, taking time out only for other business of utmost importance.

First week's sessions will be devoted exclusively to network testimony -- ABC going on first with 4 witnesses, then CBS with 4, then NBC with 6. All the network presidents will testify, plus other topkicks. While no specific time limit has been allotted to them, FCC hopes to finish with networks in week or 10 days.

Total of about 65 witnesses, representing 34 organizations, will present testimony. After networks come the group-owned stations, to be followed by affiliate committees, spot sales reps and individual stations. Order of appearances remains unchanged from that listed in Vol. 14:6, p. 8, except that NTA Film Network will testify immediately after the 3 major networks. Commission sources won't hazard estimate as to how long hearings will take, but guess would be 15-30 hearing days.

Heavy attack on most recommendations of Barrow report is expected from virtually all witnesses except pres. Richard Moore of Los Angeles' Independent KTTV -- who looms as single witness who can be classified as openly "hostile" to networks.

Networks have devoted large amount of corporate time and energy to preparation of arguments against the Barrow recommendations, with particular emphasis on knocking down arguments for curbs on multiple ownership and abolition of option time -- which they find the most odious proposals in report.

Accident of the timing of FCC hearings -- coming on heels of charges of TV industry "influence" on Commission (see p. 1) -- won't make job of rebutting Barrow Report any easier. Certainly there's some indication that commissioners can't be expected to lean over backwards in favor of status quo. Hearings will be watched by Congress, where some members are anxious to curb network power.

Procedurally, here's how hearings will operate: Each witness will first present his direct, prepared testimony. Then he'll be questioned by special FCC

attorneys detailed to hearing from Broadcast Bureau -- Robert J. Rawson, chief of hearing branch, and Herbert M. Schulkind, asst. chief of rules & standards div. The commissioners, sitting en banc, will also ask questions.

This isn't rule-making hearing -- but on basis of Barrow Report and facts brought out at hearing, Commission is expected to propose rules and legislation. Any proposed rules will, of course, be subject to regular rule-making procedure.

**FCC POSTPONES SUBSCRIPTION-TV TESTS:** Commission formally agreed this week to hold up processing of applications for toll-TV -- but, by implication at least, it rejected the idea that House Commerce Committee has power to dictate to it.

In its "Second Report" on subscription TV, adopted Feb. 26, FCC announced that no applications for trial fee-TV operations will be processed until 30 days after adjournment of 85th Congress. House Commerce Committee's "sense-of-the-committee" resolution, adopted Feb. 6 (Vol. 14:6), had specifically requested FCC not to make fee-TV grants "unless and until" Communications Act is amended "so as to specifically empower the Commission to grant such authorizations."

In refusing to go this far, FCC plainly was attempting to avoid setting a precedent whereby its powers can be curbed or actions prescribed by means other than amending Communications Act, the Commission's Congressional charter.

House Committee resolution was one of 3 reasons cited by Commission for its action. Others were Senate Commerce Committee's endorsement of a resolution last week (Vol. 14:8) and pendency of anti-toll bills and hearings in both houses.

"In these circumstances, until Congress acts on the the pending bills or it becomes reasonably evident that no action may be expected on them, we consider it appropriate to maintain the status quo," said FCC report. "Prohibitory legislation would, of course, moot this entire proceeding."

Report (FCC 58-182, Doc. 11279) was approved unanimously by the 5 commissioners present at meeting, Mack & Ford being absent.

[For other reports on subscription TV, see story on p. 9.]

**HOW'S SPOT DOING? NOT BADLY, SAY REPS:** You will detect a note of caution, and there is a pardonable inclination to ballyhoo the medium, in the symposium on how spot TV is faring -- published on pp. 4 & 5. While the better-placed stations are doing quite well, generally, it's an open secret that network business is "soft" and there's no blinking the fact that it's fighting to fill up vacancies.

But national spot, which accounts for nearly one-third of TV's dollar volume and which enjoyed a substantial increase in 1957 (see McCann-Erickson-Printers' Ink reports, Vol. 14:5), is too often overlooked in "sizeups" of advertising business. Witness the much-discussed article in the Feb. 19 Wall Street Journal (Vol. 14:8).

Because spot represents as much as half the revenues of many TV stations, and because current downbeat talk about advertising in general is inclined to concern itself mainly with network when it comes to discussing TV, we asked the heads of 19 representative station rep firms to comment on current conditions and trends in spot and on what they see ahead for the rest of 1958.

Fourteen replied, including most of the important ones; 2 big ones said they preferred to avoid quotes and predictions. But the 12 who had something to say were quite positive, for the most part, about the current stability of spot. Their estimates for rest of year ranged from "looks great" to 5% or 10% better than last year.

Most agreed the day of "hard sell" is here, not only for themselves but for users of the spot medium -- and some couldn't resist beating the drums for it. Four indicated their corporate confidence in future by reporting plans to expand office space and/or add new offices and personnel. Only one comment might be called downbeat -- but you'll note that his list of TV stations isn't a very imposing one.

Yet there's no blinking at feeling of unease and uncertainty underlying some of the comments, generally a reflection of the business community's unsureness about

the course of business as a whole. And the TV-radio media could be as susceptible to "recession" or "depression" conditions as other businesses. To everyone in the business of selling or buying time, we recommend careful reading of comments below.

Note: Television Bureau of Advertising, whose job is to promote TV medium, network as well as spot, this week issued big brochure on TV viewing trends with lists of top network and spot advertisers of last 2 years. It estimates record high of \$448,734,000 spent on spot TV last year vs. \$397,606,000 in 1956, whereas McCann-Erickson-Printers' Ink puts figures at \$367,000,000 vs. \$325,000,000. TvB listings of top 10 network and top 10 spot TV users will be found on opposite page.

## Symposium on Spot TV—What the Reps Think

Comments in Reply to Television Digest's Questions About Current Trends and Prospects for Rest of 1958

Blair-TV (Edward P. Shurick, exec. v.p.): "Just finished our office managers' meeting [and we are] optimistic because tightening business conditions only emphasize the values that are spot TV . . . advertising's most successful means to move merchandise. But we must work harder [because business] is not going to come in over the transom. One way we're approaching the problem is to make creative calls with Blair-TV's Market Sense presentation—selling basics of spot TV at a quota of 3 per week per man. Our Test Market Plan is designed to attract new users to spot TV. Now we have introduced 'Purse-suasion' saturation in daytime to exploit TVs' special sales advantages with housewives . . . [There is a] golden opportunity for spot TV to corner more of advertising dollar if basic advantages of the medium are told not only through TV but through spot sales organizations . . . If we do this, we should enjoy a 10% increase during 1958."

The Bolling Co. (George W. Bolling, pres.): "Spot looks great for '58! The commitments for time and talent made in the third quarter of 1957 on the big institutional type campaigns are expiring. Some of the large budgets will be converted into 'hard sell' spot campaigns as more and more advertisers need additional support in soft or sagging markets. Already in '58 we have seen a few transitions from institutional advertising to dynamic spot advertising, and we confidently expect this trend will continue . . . We can expect more and more short flights of saturation campaigns and an increase in the number of advertisers buying valuable franchise positions."

CBS-TV Spot Sales (John A. Schneider, gen. mgr.): "I see a year of unmatched opportunity for the advertisers in 1958. With his sales costs rising and with the profit squeeze we are all experiencing, he has the opportunity for effective market-by-market control, efficient media impression costs, plus TV's unique sight, sound and motion. But spot TV will grow and prosper in direct relation to how well and how relentlessly we tell this story. Its ability to provide precisely the service that our economy needs at this time should result in our having the biggest 6 months in our history in the last half of 1958—but, again, only if we aggressively sell our unique values during the present 6 months. We are in control of our own fate."

Forjoe & Co. (Joseph Bloom, pres.): "In 1958, national TV spot will be reappraised and time will be purchased on a highly selective, specific market-station basis. The general wave of enthusiasm for and acceptance of the TV medium by the public, advertisers and agencies will continue to subside. The TV industry will try to find new and acceptable program products and formats. Concurrently, the overall media balance will be restored as newspapers and radio continue to expand their volume. In

1958, TV will have to hustle to maintain its spectacular gains. The return of 'hard sell' will probably be required."

Harrington, Righter & Parsons Inc. (John E. Harrington Jr.): "Any prognosticating at this time [is] most difficult, [for] even in normal times the very volatility of the spot TV medium gives one pause to go out on any kind of a limb. However, in our opinion, the national spot TV medium is in a healthy condition. The first quarter of 1958 is stronger than a year ago. Also, the placements of business for the last 2 months lead one to believe that the second quarter should continue at the same pace. So far as the last 6 months are concerned, there are just too many imponderables for solid prediction. All advertising media are off from 1957 at the present time and the networks have much time to sell. But we believe national spot will fill a great need for advertisers who are forced to economize . . . the sophisticated advertiser understands its flexibility, economy and efficiency. Also, the budget commitment for all practical purposes is but 2 weeks. National spot TV is based on selling branded merchandise [and] has rarely enjoyed any institutional business, whereas the networks have carried large amounts. Usually, when cuts are made, this is the first thing to get the ax."

George P. Hollingbery Co. (George P. Hollingbery, pres.): "Spot TV is a quick barometer to American business. When national spot business is good, American business is moving ahead with confidence. Ninety days ago the national advertisers started to trim their market lists—and what schedules there were, were short in duration. Jan. business was a result of this lack of confidence in the future. In the next 90 days, we believe that confidence in the future will be restored and the spot barometer will move back to where it was in the first part of 1957."

H-R Television Inc. (Frank M. Headley, pres.): "Prospects for TV spot in the remaining portion of 1958 are excellent. Although admittedly they have not shown a decided increase during the past month or two, I am confident there will be a strong rally in the second half of the year. The balance of the first half will probably continue to run below last year's figures, but a strong resurgence in the latter half of this year will more than compensate for the cautious beginning. It's my conviction that spot TV in 1958 will be up 10% over 1957—but everyone will have to go out and sell hard. Good salesmanship has always been important, but never has it been so vital as at present. The brighter economic situation, coupled with the increased number of stations on the air, has made spot sales far more competitive than ever before. TV has entered the era of salesmanship."

NBC Spot Sales: "We're extremely optimistic about spot business for 1958. Indications are that our dollar

volume for the first quarter will be 12-15% ahead of the first quarter last year, and we expect the upward trend to continue at least through June. Many of our major advertisers (like Lever and P&G) are coming in with heavy schedules for new as well as familiar brands. Cigaretts and gasoline and other accounts are also stepping up their use of spot TV in our markets. If general business conditions improve in the latter half of the year, we can look forward to the best year in the history of NBC Spot Sales."

John E. Pearson Co. (John E. Pearson, pres.): "It would require a real crystal ball to predict accurately which way the advertising ball will bounce during 1958. What with the various agency account shifts, the sponsor changes at the network level, spot business is bound to go through a period of uneasiness. Just what the end result will be any month, any period, is anyone's guess. [But] 1957 was a fairly good year for radio spot while TV spot suffered from new competition in certain markets and as a result profits were down for some stations who heretofore had enjoyed a boom. The recession has affected advertising plans for 1958 and, as the cliché goes, things will probably get worse before they get better . . . In the representative field, some of the bigger firms who represent big-market, big-power stations are learning that they have to go out and start selling for a change instead of peddling adjacencies and so-called 'reputation.' In many major markets, some so-called 'upstart' independents are whipping the socks off the network affiliates, rating-wise and dollar-wise . . ."

Edward Petry & Co. (Ernest Lee Jahncke Jr., v.p. & asst. to pres.): "Following last fall's dip, the business booked by [us] in the last 2 months is up over the same 2-month period a year ago. Since spot TV has come to be looked upon more and more as a *basic* advertising medium, it is not surprising to find that in this era of 'hard sell' national advertisers are placing increasing reliance upon it. Just as advertisers must sell harder to move their products, we know it will require harder selling to obtain spot business in 1958. Because of spot TV's very flexibility, which is one of its finest qualities, it would be foolish to try to predict the course of business for the full 12 months. On the record to date, however, it is reasonable to state that spot TV is off to an even better start in 1958 than in 1957."

Paul H. Raymer Co. (Paul H. Raymer, pres.): "Good salesmen are natural born optimists or they wouldn't be good salesmen. A man of considerable stature in our business called on me the other day and said that he had recently consulted the 16 representatives who are members of TvB. Their consensus about the immediate future of national spot TV business was that it might increase about 5%. I personally am more optimistic than that, but the report is significant. There is no question whatever about the tremendous future growth of our dynamic medium. However, certain adjustments are being made that must be completed before there is a substantial advance. In the long run, national spot will far exceed national network business."

Venard, Rintoul & McConnell Inc. (Lloyd George Venard): "We are expressing our opinion of the 1958 prospects for spot TV [by] tripling the size of our space on April 1 and adding a number of employes. This investment is definite dollar expression of the fact that we expect spot business to continue its expansion. On the other hand . . . we believe 1958 will be a year for courage, for hard selling with modern tools, and for accomplishments."

**TELEVISION BUREAU** of Advertising brochure out this week classifies 293 users of network TV during 1957 as against 321 in 1956—plus 4154 users of spot TV in 1957 vs. 4399 in 1956. But 1287 spot users spent more than \$20,000 in 1957 vs. 1206 in 1956; and 2867 spot users spent under \$20,000 vs. 3191 in 1956—indicating the increased amount spent on the medium. Top 10 network and spot TV advertisers and their 1957-56 rankings and expenditures:

**Top 10 Network TV Advertisers**

	Rank	1957	Rank	1956
Procter & Gamble	1	\$47,046,000	1	\$43,457,300
Colgate-Palmolive	2	19,375,700	2	19,880,300
Chrysler Corp.	3	18,915,800	4	18,198,300
Amer. Home Products	4	18,535,800	5	15,758,000
Lever Brothers	5	16,297,300	9	11,322,600
Gillette Co.	6	15,790,800	7	15,257,900
General Foods	7	15,550,600	6	15,688,789
Reynolds Tobacco	8	13,201,600	8	11,424,400
Ford Motor Co.	9	13,023,200	10	10,316,421
General Motors	10	12,733,400	3	19,086,600

**Top 10 Spot TV Advertisers**

	Rank	1957	Rank	1956
Procter & Gamble	1	\$25,916,800	1	\$17,522,500
Brown & Williamson	2	12,988,900	2	11,288,600
Continental Baking Co.	3	10,190,100	8	5,732,500
Sterling Drug Inc.	4	8,635,890	4	8,323,300
General Food Corp.	5	8,447,900	3	9,415,900
Colgate-Palmolive Co.	6	7,739,100	6	7,314,700
Lever Brothers Co.	7	7,643,000	—	—
Carter Products Inc.	8	6,995,300	—	—
Miles Laboratories Inc.	9	6,392,600	10	5,354,700
National Biscuit Co.	10	5,822,300	9	5,536,500
Warner-Lambert Co.	—	—	5	7,369,400
Philip Morris Co.	—	—	7	5,820,400

Rate increases: WBNS-TV, Columbus, March 1 raises hour from \$825 to \$1200, min. remaining \$200. WTIC-TV, Hartford, Feb. 1 added Class AA hour (7:30-10 p.m. Mon.-Sat., 6-10 p.m. Sun.) at \$1000, min. at \$170, Class A hour remaining \$800. WBRZ, Baton Rouge, Feb. 1 raised hour from \$400 to \$475, min. \$90 to \$110. WCTV, Thomasville, Ga.-Tallahassee, Fla., Feb. 1 raised hour \$350 to \$400, min. \$100 to \$125. KGLO-TV, Mason City, Feb. 1, hour \$350 to \$400, min. \$70 to \$80. KVAL-TV, Eugene, Jan. 15, hour \$300 to \$360, min. \$60 to \$86; combination hour with KPIC, Roseburg, from \$382.50 to \$434, min. \$76.50 to \$99. KULA-TV, Honolulu, Jan. 15, hour \$250 to \$300, min. \$50 to \$65. WBBM-TV, Chicago, Jan. 1 raised base hour from \$4100 to \$4500, 20 sec. \$875 to \$900. KPTV, Portland, Ore., Feb. 1, hour \$700 to \$800, min. \$180 to \$225. KGEO-TV, Enid-Oklahoma City, Feb. 5, hour \$600 to \$800, min. \$120 to \$200. KVOS-TV, Bellingham, Wash., April 1, hour \$550 to \$650, min. \$137.50 to \$162.50. WTRI, Albany, March 1, hour \$400 to \$500, min. \$75 to \$100. KDAL-TV, Duluth, March 1, hour \$450 to \$500, min. \$101.25 to \$110. WDSM-TV, Duluth, March 1, hour \$450 to \$500, min. \$101.25 to \$110. KHQA-TV, Hannibal, Mo.-Quincy, Ill., Feb. 1, hour \$350 to \$400, min. \$70 to \$80. KRBC-TV, Abilene, Feb. 1, hour \$225 to \$247.50, min. \$40 to \$48. Spot increases: KFDX-TV, Wichita Falls, min. from \$70 to \$80. WPTA, Ft. Wayne, min. \$72 to \$80.

Crosley Broadcasting Corp. reports, in 1957 Avco financial report released this week to stockholders but previously digested in these columns (Vol. 14:4), that it enjoyed higher sales but slightly lower profit than in 1956, contributing factor being expenses incurred in starting WLWI, Indianapolis (Ch. 13). Current report by Peter Lasker, Crosley stations' sales v.p., states Dec. 1957 and Jan. 1958 sales were up 15.7% from same preceding period.

Anti-trust inquiry into talent agencies Music Corp. of America and Wm. Morris Agency has been started by Justice Dept., N. Y. *Herald-Tribune* reported Feb. 26. Both agencies said they hadn't heard about it and Justice officials declined comment.

 <p><b>Television Digest</b> with <b>ELECTRONICS REPORTS</b> WYATT BUILDING, WASHINGTON 5, D. C.</p> <p>Weekly Newsletters Published Saturdays Television Factbooks Published in February &amp; August AM-FM Directory Published in January TV and AM-FM Addenda Published Weekly</p> <p>Copyright 1958 by Television Digest, Inc.</p>	<p>MARTIN CODEL, Publisher ROBERT CADEL, Bus. Mgr. ALBERT WARREN, Senior Ed.</p> <p>Associate Editors: DAVID LACHENBRUCH JAMES S. CANNON JAMES J. CASSIDY</p> <p>Editorial Associates: Paul Stone, Wm. J. McMabon, Jr. Wilbur H. Baldinger, Anne G. Bjarbu</p>
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**Personal Notes:** Franklin C. Snyder, recently with McCann-Erickson and ex-gen. mgr. of WXEL, Cleveland (now WJW-TV) named gen. mgr. of upcoming WTAE, Pittsburgh (Ch. 4) . . . Edward Petry returned to his desk this week after second operation; he was released from hospital last week . . . John J. Brennan, business mgr. of NBC o-&o stations and spot sales, shifts to Cal. National Productions as business affairs director . . . Don Perris, asst. to gen. mgr. of WEWS, Cleveland, named asst. gen. mgr. . . . Richard W. Holloway, recently gen. mgr. of WNIL, Niles, Mich. and ex-WSBT-TV, South Bend, joins WDEF-TV, Chattanooga, as national sales mgr. . . . Ben B. Baylor Jr., from WNHC-TV & WNHC, New Haven-Hartford, promoted to sales project director of all Triangle stations, headquartering in N. Y. . . . Ned Smith promoted from sales to gen. mgr. of KOVR, Stockton, effective April 1, succeeding Terry Lee, joining Hoffman Electronics (Vol. 14:8); Glenn Kelley named asst. gen. mgr. . . . Joe Costantino promoted to public relations director, KEYT, Santa Barbara; Wm. F. Mitchell to production mgr. . . . Mortimer B. Coley, ex-rep Burn-Smith, joins N. Y. sales staff of rep John E. Pearson, replacing F. A. Wurster, now San Francisco office mgr. . . . Jimmie Isaacs promoted to v.p. & network operations director of W. D. (Dub) Rogers' Tex. Telecasting Inc. (KDUB-TV & KDUB, Lubbock; KPAR-TV, Sweetwater-Abilene; KEDY-TV, Big Spring) in exec. realignment; E. A. (Buzz) Hassett named gen. sales mgr. of all stations; John Kreiger, operations director of KDUB-TV . . . George Guyan promoted to local sales mgr. of KVAR, Phoenix . . . A. Hartwell Campbell, gen. mgr. of WNCT, Greenville, N. C., last week was chosen "Tar Heel of the Week" by *Raleigh News & Observer* . . . Orville F. Burda, gen. mgr. of KDIX-TV, Dick-

**ADVERTISING NOTES:** John M. Tyson Jr., ex-Leo Burnett, named marketing director & plans board member of McCann-Erickson, Chicago . . . Arthur White, ex-Reddi Whip, elected v.p. of C. J. LaRoche in charge of Hollywood office . . . Donald Stuart Hillman, ex-N. W. Ayer, joins Emil Mogul, N. Y., as exec. TV-radio producer, succeeding Henry Colman, resigned . . . G. Maxwell Ule, senior v.p. of Kenyon & Eckhardt, named chairman of Advertising Research Foundation's reorganized technical committee . . . Wm. C. Pank, ex-Calkins & Holden, joins Reach, McClin-ton as v.p. & plans board member; Joseph Allentuck, ex-Buchanan, named comptroller . . . Wm. H. Aaron and Robert S. Cole elected v.p.'s; George H. Hartman Jr., secy-treas., of George H. Hartman, Chicago . . . Erwin D. Swann, ex-Schenley, joins L. H. Hartman, N. Y., as exec. v.p. . . . Joe Sperry, from Minneapolis office, named TV-radio production mgr., Campbell-Mithun, N. Y. . . . Myers B. Cather, v.p. of Grant Adv., Chicago, named mgr. of Detroit office, succeeding exec. v.p. L. R. McIntosh, who will devote full time to agency supervision.

inson, N. D., elected pres. of Theodore Roosevelt National Memorial Park & Bad Lands Assn. . . . Samuel B. Sullivan, ex-DeKalb, Ill. schools supt., joins Educational TV & Radio Center, Ann Arbor, as TV consultant . . . Van Beuren W. DeVries, mgr. of WGR-TV, Buffalo, elected a v.p. of Transcontinent TV Corp., which also owns WROC-TV, Rochester and 50% of WSVA-TV & WSVA, Harrisonburg, Va.; Eugene R. Kirschenstein promoted to business mgr. of its WGR-TV (Ch. 2) & WGR, Buffalo . . . Mrs. Ronnie (Laskey) Barth promoted to station traffic director, WRCV-TV, Philadelphia.

**Shake-up at MBS:** Mutual board announced this week that chairman Armand Hammer has taken over post of pres. from Paul Roberts, George Vogel replacing Bertram J. Hauser as exec. v.p. Thus 2 of the Hammer-Roberts-Hauser triumvirate which took over network when it was sold last Aug. by RKO Teleradio (Vol. 13:30,32) are now out. Action comes just 4 weeks after Roberts announced MBS had shown profit on its operations since last Sept. (Vol. 14:5). Vogel, an industry veteran, lately consultant to Colgate-Palmolive Co., was elected to MBS board, along with MBS Washington v.p. Robert F. Hurleigh. Los Angeles attorney Frank P. Barton continues as secy., and was reelected to board along with Hammer, who is also pres. of Occidental Petroleum Co., Los Angeles. Others reelected: H. Roy Roberts (no relation), Ojai, Cal. oilman; L. M. Harper, pres. of Los Angeles construction firm; Arthur Brown, pres. of Starrett Corp., N. Y.

### Obituary

Alden H. Kenyon, 63, senior v.p. of Peck Adv., N. Y., died in N. Y. Feb. 25. He was a v.p. of Biow when that agency dissolved in 1956, earlier had been pres. of W. Earl Bothwell and James A. Coveney. Surviving are widow, daughter.

Edmund S. Lennon, 59, sales v.p. of WATV, Newark-N. Y. (Ch. 13), also in charge of sales of radio WAAT, Newark, died Feb. 26 at his home in Summit, N. J. Surviving are his widow, 5 sons, 2 daughters.

Harry Cohn, 66, pres. of Columbia Pictures whose subsidiary Screen Gems is biggest TV film distributor, died Feb. 27 of coronary occlusion in Phoenix. Nephew Ralph M. Cohn is v.p. & gen. mgr. of Screen Gems.

Annual copyrighted agency report by Feb. 24 *Advertising Age* lists 1957 billings of 430 firms. Top 10 among 32 billing more than \$25,000,000 each are ranked this way (in millions): J. Walter Thompson, \$210 vs. \$194.5 in 1956; BBDO, \$209.5 vs. \$194.5; McCann-Erickson, \$207.5 vs. \$174; Young & Rubicam, \$200 vs. \$181; N. W. Ayer, \$107 vs. \$97; Ted Bates, \$103.4 vs. \$75.7; Benton & Bowles, \$93 vs. \$91; Foote, Cone & Belding, \$88 vs. \$74.5; Kenyon & Eckhardt, \$83 vs. \$82; Leo Burnett, \$80.2 vs. \$79.

Law prohibiting ad taxes such as voted last Nov. by Baltimore city council, which now plans to repeal levies (Vol. 14:7), was passed this week by Md. House of Delegates and sent to Senate in Annapolis, where favorable vote was expected. Measure would prevent local govts. from singling out advertising for special taxes.

Chrysler account resigned by McCann-Erickson when agency won big Buick business (Vol. 14:7) is split by Leo Burnett (corporate) and Young & Rubicam (Chrysler & Imperial). BBDO continues to handle DeSoto; Grant Adv., Dodge.

**New and Upcoming Stations:** Two new stations were authorized to begin operation as of March 2—and on-air box score rises to 534 (92 uhf). KTVU, Oakland, Cal. (Ch. 2) will begin as independent—sixth outlet in San Francisco Bay area. WBPZ-TV, Lock Haven, Pa. (Ch. 32), about 25 mi. west of Williamsport, will pick up ABC-TV programs off air from WILK-TV, Wilkes-Barre (Ch. 34), 80 mi. away, opening outlet in area which has been getting service from community antenna systems.

KTVU has 25-kw RCA transmitter and 100-ft. Ideco tower with 5-bay antenna on San Bruno Mt., South San Francisco. Studios and offices are in elaborate new building in Oakland's Jack London Square. Heading owners are ex-Don Lee v.p.'s Ward D. Ingram and William D. Pabst, each with 31.17%. Ingram is pres. & gen. sales mgr., Pabst is exec. v.p.-gen. mgr. Other owners are oilman Edwin W. Pauley, 31.17%, who was principal stockholder in rival applicant Television East Bay, and Stoddard P. Johnston, 6.17%, who headed rival Channel Two Inc. Option for 20% is held by Willet H. Brown, pres. of Don Lee, headquartered at KHJ-TV, Los Angeles. Kenneth Craig, ex-ABC, Hollywood, is program director; Richard Robertson, promotion director; Robert Arne, ex-Don Lee, chief engineer. Base hour is \$1000. Rep is H-R Television.

WBPZ-TV has 1-kw RCA transmitter and 100-ft. Stainless tower on Sugar Lusk Mt., 2.5 mi. from town. Owners also operate radio WBPZ and are headed by Donald C. Welch, with 4.46% of stock. Harris Lipez is gen. mgr. of TV-radio. WBPZ staffers assuming TV duties are Richard Yohe, sales mgr.; David King, program mgr.; Albert Stratmoen, chief engineer. Base hour is \$100. Rep is Devney.

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

KGHL-TV, Billings, Mont. (Ch. 8) has set March 15 target for programming as non-interconnected NBC-TV affiliate, reports gen. mgr. Jeff Kiichli. AT&T has set late spring target for hooking up with network. It has 25-kw RCA transmitter and new RCA traveling wave antenna on 417-ft. Ideco tower. Base hour is \$200. Rep is Young.

CKOS-TV, Yorkton, Sask. (Ch. 3) has ordered RCA transmitter and antenna for April delivery, plans programming by June 1, reports gen. mgr. R. L. Skinner. It has studio-office building nearly completed and will use 500-ft. Utility tower. Rep not chosen.

Two applications for TV stations were filed with FCC this week, bringing total to 120 (30 uhf). Applications: For Portland, Ore., Ch. 2, by Fisher Bestg. Co., 2/3 owner of KOMO-TV (Ch. 4) & KOMO, Seattle; for Huntsville, Ala., Ch. 31, by local group headed by insurance man John S. Gregory Jr. [For details, see *TV Addenda 26-E* herewith.]

WJDM, Panama City, Fla. (Ch. 7) went off air temporarily Feb. 27 when severe storm washed out tower and caused extensive damage to antenna, diplexer equipment, transmission lines and other equipment. It returned to air Feb. 28, using 2-bay RCA antenna mounted on 150 ft. pole with power of 3.5-kw.

**CBS Readies KMOX-TV, St. Louis:** CBS closed \$4,000,000 purchase of KWK-TV, St. Louis (Ch. 4) this week, announcing that long-delayed take-over of station in complex parlay (Vol. 14:1-2) will be effective March 16, call letters to be changed to KMOX-TV. Consummation of deal with KWK Inc. (\$2,500,000 for broadcasting assets, \$1,500,000 for buildings & real estate) followed modification by FCC of authorization for transfer by CBS of its CP for St. Louis Ch. 11 to 220 Television Inc. FCC deferred disposition of CP for 30 days following any action by Court of Appeals in pending plea by FCC to set aside stay of authorization won by onetime Ch. 11 applicant, St. Louis Amusement Co. At same time, CBS announced these KMOX-TV personnel: Gene Wilkey, from radio KMOX, gen. mgr.; Charles McAbee, from CBS-TV Spot Sales, N. Y., gen. sales mgr.; Leon Drew, from network's WXIX, Milwaukee, program mgr.; Harry Harvey, from KMOX, technical operations director; Tom Stanton, from radio KWK, promotion & publicity director.

**DuMont Buys Second Radio:** Cleveland's pioneer radio WHK (5-kw, 1420 kc), which was reputed to be the first commercial station in the city when founded 36 years ago, was sold for \$700,000 this week to DuMont Broadcasting Corp., which a year ago bought radio WNEW, New York for record \$7,500,000 (Vol. 13:12) and which also operates TV stations WABD, N. Y. (Ch. 5) and WTTG, Washington (Ch. 5). Owner *Cleveland Plain Dealer* thus gets out of broadcast operations, except for 40.63% interest it still has in WKBN-TV, Youngstown (Ch. 27) and radio WKBN; it also has held CP for uhf Ch. 19 in Cleveland since Dec. 1953, which will also be transferred to DuMont. Announcement of purchase of WHK, NBC affiliate since July 1956, indicated gen. mgr. K. K. Hackathorn would stay with station, DuMont's Bernard Goodwin stating no changes are contemplated in either personnel or policies.

Bermuda's first civilian TV station—ZBM-TV (Ch. 10)—is now on air. Owned jointly by Bermuda Broadcasting Co. (55%), Bermuda Press Ltd. (30%) & Mid-Ocean News Ltd. (15%), it carries programming of ABC, CBS, NBC and Associated-Rediffusion (British). It's actual second TV station in Bermuda, since U. S. military has had low-power station on air since July 1955 for personnel at Kindley Air Force Base. Reporting on station's debut, Britain's *Commercial Television News* ended long story with this anticlimactic comment: "In spite of some acid comments in the local press about 'flat Bermudian voices' and English announcers—and the fact that high winds blew down the tower during the second evening's transmission—the new station seems all set for success."

Eight video tape recorders were shipped this week by Ampex Corp. to stations, including first east of Mississippi. They went to Philadelphia's WFIL-TV and Pensacola's WEAR-TV (2 each), New York's WOR-TV, San Antonio's KENS-TV, Louisville's WHAS-TV, Los Angeles' KHJ-TV. Production model recorders previously shipped went to Seattle's KING-TV, Portland's KGW-TV, San Francisco's KRON-TV, Houston's KPRC-TV.

Translator starts: K78AI, Libby, Mont. began Feb. 18 repeating KHQ-TV, Spokane; K70BB, K77AI, K73AI, K80AL, K83AE, Redwood Falls, Minn. were testing Feb. 19, carrying all Minneapolis-St. Paul stations, including educational KTCA-TV.

New rep: WMBV-TV, Marinette-Green Bay, Wis. to Hollingbery March 1 (from Venard, Rintoul & McConnell).

**Incredible Case of Comr. Mack:** Everything seemed to fall into place suddenly Feb. 28 during FCC Comr. Richard A. Mack's testimony on Miami Ch. 10 case, in course of Harris subcommittee hearings on "improprieties" in regulatory agencies (p. 1). Having heard Mack testify for 1½ days, Congressmen apparently came to the conclusion that Mack was telling the truth; that his faults were weakness and ignorance, not Machiavellian cunning.

Harshness of questions softened as subcommittee members learned that Mack really didn't know how Miami attorney Thurman A. Whiteside was taking care of him financially; that he was apparently unaware Whiteside might be influencing him to vote for winner National Airlines.

Chairman Harris (D-Ark.) wrapped situation up with unusual 800-word written statement, which he stepped out of room to dictate during Feb. 28 hearing. In part, it reads:

"You have admitted receiving money or loans from a trusted friend, a man in whom you admittedly have explicit confidence. You have accepted a number of these so-called loans or payment of money during the time that you have been a member of the FCC. At the same time, you have admitted that you knew that he was interested in a matter pending before the Commission on which you were to pass, and on which you did pass judgment . . .

"The revelation from these hearings has presented one of the most fantastic operations I have ever known of. It is a disgraceful situation that undoubtedly has destroyed the confidence of a lot of people in this great agency. Steps should be taken to correct it.

"I cannot see anything through all of this revelation but a deliberate conspiracy to bring about certain results through the instrument of an important agency of the Federal Govt.

"I feel sorry for you. You are to be pitied, in my opinion, because I think you have been used as a tool in this unfortunate mess.

"It seems to me that the best possible service that you could render now as a member of the FCC would be to submit your resignation. Furthermore, it seems to me that the President of the United States, who is responsible under the law for your appointment, should unhesitatingly, under the circumstances revealed during these hearings, make a request for your resignation, and thus employ action that would establish the confidence so vitally necessary in this great agency of the Govt."

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Mack sat stunned, blinking away the beginnings of tears, finally said: "I will seriously consider your remarks. I haven't withheld anything. I appeared voluntarily. I tried to cooperate. In light of your statement. I'd like to be excused until sometime next week."

Harris said request was "reasonable," asked Mack to return March 5—and Mack agreed. Hearing then recessed, and Mack's legal asst. H. Earle Barber rushed to side of the grey-faced 48-year-old commissioner, led him slowly to rear of hearing room—where he put on his coat and hat and took his departure.

Reporters tried vainly to draw Mack out but he said only "no comment." Later, his counsel Wm. Porter, substituting for partner Roger Robb, said that he had no idea whether Mack planned to resign; that Mack was

in "good shape," taking situation "in his stride"; that he'd be back on the stand March 5, as far as he knows.

Committeemen were inclined to regard Mack as naive, not wilfully crooked. Reflecting Mack's naivete was his observation, when he told about frequent borrowings from Whiteside since their college days: "I must confess that throughout my career I have not been what might be called a money maker." Also: "I find it most difficult to slam the door in the face of a Congressman or a Senator or a friend, but I have always tried to steer the conversation away from the merits of any particular case."

With virtually all members of Harris group later stating they agree Mack should resign, question is raised about procedures to remove him if he refuses. President Eisenhower, during this week's news conference, said he was passing "no judgment at this time" because Attorney General Wm. Rogers is studying matter. "The only function of the President in a thing of this kind," he said, "is to appoint the man, and he is appointed to a term and the only way he can be removed is for cause, so therefore I assume that would be by a trial of some kind." The President himself or Congress can conduct an impeachment trial.

Attorney General Rogers this week denied reports Justice Dept. had recommended Mack's removal, said decision was up to President. "We've had reports from the FBI," he said, "but we haven't received the final report. The investigation isn't closed."

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What led up to climax in case was 4½ days of testimony by Whiteside and Mack on their financial dealings. Basic facts are these: In early 1953, when Mack was member of Fla. Railroad & Public Utilities Commission, Whiteside simply gave him 1/6 interest in Stembler-Shelden Insurance Agency, Miami, which handles National Airlines TV account. Then, he gave him all of Andar Inc., a holding company. Mack's earnings from these ownerships from 1953-57 were \$10,000-\$13,000 (exact amount isn't clear)—and Whiteside applied the money against loans he'd given Mack.

What it comes down to is that Whiteside loaned Mack money, then gave him the wherewithal to pay it back. Mack testified that he knew almost nothing about these companies, implicitly trusted Whiteside to take care of things. What had Mack done to earn the money? He said he supplied insurance company with list of truck and bus companies that could use liability insurance—and that's all. He avowedly didn't know it handled the airline business, and this week announced he was giving up his ownership in the agency immediately.

Whiteside testified he'd taken 7 promissory notes for loans. Mystery developed when he said he had turned them over to subcommittee. Harris said they couldn't be found. Mack said Whiteside had sent 2 or 3, marked "paid," back to him but that he had destroyed them.

Whiteside's testimony covered a maze of bookkeeping transactions that seemed impossible to unravel. Rep. Moss (D-Cal.), a businessman with good grasp of bookkeeping, called Whiteside's system "amazingly convenient."

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How did Whiteside attempt to influence Mack in favor of successful National Airlines' application? Whiteside testified that, without fee, he was doing a favor for Robert Anderson, attorney for Airlines. All he did, he said, was to tell Mack that Airlines' principals were of high quality. Mack testified to same thing.

Mack read prepared statement at beginning of his testimony, said he voted for Airlines because of principals' ability, their Fla. residence, their plans to devote considerable time to station. He said Airlines would have won even without his vote, for decision would have been 3-1-1—though he noted that he voted first, under FCC procedure in which junior member declares himself first.

Mack said Whiteside had also contacted him in connection with Miami Ch. 7 and a Charlotte, N. C. case—but subcommittee didn't ask for details.

Letter from Sen. Kefauver (D-Tenn.) was read into record to effect that he got concerned when he heard his friend A. Frank Katzentine might lose case because of "influence"; that he urged Democratic Comrs. Bartley & Hennock to vote on merits of case at time Katzentine held favorable recommendation of examiner.

Kefauver said he had met Mack and Mack spoke "feelingly" of indebtedness to ex-Chairman McConnaughey for help in getting him on Commission. Mack testified, however, that he didn't know what, if anything, McConnaughey or any other Republican might have done toward his appointment. All he knew, he said, is that Fla. Democratic Senators Smathers & Holland were for him.

Democratic members of subcommittee tried to get Mack labeled an "Eisenhower Democrat" but Mack said he hadn't supported Eisenhower.

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It isn't known yet whether Justice Dept. will take criminal action against Mack. During week, Harris read several provisions of laws which he said put Mack and others "in a very bad position." These included section of Communications Act prohibiting commissioners from engaging in "any other business." Mack's defense was that he wasn't "actively engaged" in the insurance firm. Another was section of Criminal Code applying to those who attempted to influence "the due and the proper administration of the law."

Congress is moving fast on legislation designed to curb influence. Senate Judiciary subcommittee under Sen. Ervin (D-N. C.) starts hearing March 5 on bill (S-2462) introduced by Sen. Jackson (D-Wash.). Rep. Wolverton (R-N. J.) introduced similar bill (HR-11022) which was referred to Commerce Committee.

Newspaper editorial comment has become more and more insistent. Said *N. Y. Times*: "Many officials in a position to pass upon such favors and a multitude of persons, including members of Congress, seeking them for themselves or their friends, are without doubt enmeshed in the business of extralegal influence peddling. It is only when the American public insists on a higher standard of morality among its public servants that this corrosive disease will be cured. We all have a share in Mr. Mack's case."

The *Washington Post* editorialized: "Filing an application for a [TV] license is, at best, a costly gamble . . . It is a matter of record that one applicant spent \$1,000,000 on his application—all of it legitimately—before obtaining a license. Anyone who takes such a gamble is entitled to expect that the game he enters is not going to be played with loaded dice. He is entitled to expect that the prize will be awarded on the merits of the exhibits and data and surveys and engineering research he has assembled at so much cost—and not on the basis of backdoor influence exerted by Congressmen, Administration moguls, political fixers or friends of rival applicants."

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Harris subcommittee will continue with Miami Ch. 10 case, though Harris says "we're about through." Hearing resumes March 3—with Whiteside, then Katzentine, on stand. National Airlines pres. G. T. Baker and his counsel Alexander Hardy are due next day, Mack day after. Caucus room of Old House Office Bldg. will again be scene.

The ousted Dr. Schwartz, who had predicted committee "whitewash," said Feb. 28 he was in full agreement with the Harris statement demanding Mack's resignation, that he wanted publicly to commend the subcommittee "for its efforts to get at the truth" and that the hearings so far have provided a "total vindication of my statement and position." Ex-subcommittee chairman Rep. Moulder (D-Mo.), noting that Doerfer and Lee had joined with Mack in the Ch. 10 vote, predicted to newsmen that the probe could also lead to their resignations.

Harris said he believed Col. Gordon Moore, Mrs. Eisenhower's brother-in-law, should come forward as a witness, but declined to state whether he would invite Moore.

**Toll Franchise Dropped:** Rather than face referendum next June, Paramount-owned International Telemeter Corp. asked Los Angeles city council last week end to drop its wired pay-TV franchise. Skiatron, which also has been awarded Los Angeles franchise, has indicated it will follow suit.

Question of revoking franchises is still scheduled for June 3 ballot as result of petitions filed by movie exhibitor-led "citizens' committee" (Vol. 14:4,7), but council has set hearing on franchise withdrawal for March 5. In letter requesting withdrawal of franchise, Telemeter pres. Louis A. Novins said his company plans to concentrate on wiring smaller cities where "the decision will be made in thousands of American homes and no vested interests can stop their free choice."

Skiatron last week received go-ahead from city council of Santa Ana, 30 mi. south of Los Angeles, for wired pay-TV system, and its strategy appears to be to ring Los Angeles with pay systems in suburban communities.

Meanwhile, "First National Conference on Pay TV" was called for June 28-29 in San Francisco by editor Don Rico of *Pay-TV Newsletter & Digest*, San Francisco news-

letter devoted to subscription TV.

Still smarting over resolutions adopted by House and Senate Commerce Committees, Zenith and Skiatron this week put out further statements attacking network lobbying. And Sen. Long (D-La.) inserted in *Congressional Record* FCC Chairman Doerfer's reply to his letter demanding investigation of charges some TV stations "have violated their duties as licensees" in campaigning against toll TV. Doerfer said he is studying Long's letter and will make full reply "shortly."

Another anti-subscription-TV bill, HR-10978 by Rep. O'Konski (R-Wis.), was introduced this week.

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FCC Chairman Doerfer will discuss "Broadcasting Looks to the Future" at April 11 session of Boston U's 2-day Conference on Enlightened Public Opinion. New building of school of public relations & communications will be dedicated April 12.

NCAA football games will be televised by NBC next fall for 4th consecutive season, contract signed this week calling for national telecasts on 8 Sat. dates and Thanksgiving, plus 4 regional telecasts.

**TV's Editorial Function:** As a leader in community affairs, a local TV station has duty to take firm stand on local issues—but only after thorough research to find the right position. This was view of 2 panelists—CBS news v.p. Sig Mickelson and Miami's WTVJ news v.p. Ralph Renick—at Feb. 26 Radio Television Executives Society round-table discussion in N. Y.

Mickelson announced that CBS-owned WHCT, Hartford (Ch. 18) will begin regular weekly 15-min. program of editorials March 2. He outlined these details: Rather than use regular news staff, station has employed entirely separate editorialist, who specializes in keeping himself completely informed on all local and regional issues. Experiment will be restricted to local topics. Editorialist will report his findings to WHCT management committee to determine station's viewpoint.

Person delivering editorial won't appear on screen. His voice will be heard and viewers will see only a moving tape with the editorial copy. Opposition point of view will be given equal opportunities; letters to management concerning editorials will be encouraged and representative sampling of them will be telecast on each program.

As to network editorials, problems are different. Mickelson said CBS has editorialized on 3 different occasions, has formulated these rules: (1) News and opinion should be separated, with editorials plainly identified. (2) Editorial must represent management opinion. (3) It must be product of thorough, exhaustive research. (4) Affiliates should be notified of full content sufficiently in advance of air time to give them opportunity to reject editorial. (5) Opposition spokesmen should have opportunity to obtain comparable time.

Renick, who is in charge of what he called "the first continuing TV editorial in history," explained that WTVJ has had daily TV editorial since Sept. 2, 1957, which he delivers on his evening news show. Booklet, *The Television*

*Editorial*, distributed at meeting and available from WTVJ on request, states that ratings of Renick's news show increased from about 15 before editorials were begun to 32.5 last month, and not only have stirred considerable favorable comment but often have had concrete results in civic betterment.

Renick's rules for TV editorializing: (1) One person must be sole, final authority. (2) Editorials should be restricted to local and state issues. (3) Station must conduct intensive and speedy research. (4) The one who delivers editorial must be well-known and respected, and must know his community well. (5) Editorial must be labeled as such and separated from news segments. (6) "Courage is important—to take a definite stand and then stick with it." (7) No editorial should be just a "blast"—course of action must be presented. (8) "Editorials should be clearly on side of righteousness and betterment."

**Canon 35 Protests Tabled:** American Bar Assn.'s ban on TV-radio-photo coverage of court proceedings stayed in lawyers' code book unchanged this week despite pleas by NAB and ANPA that Canon 35 be relaxed. Convening in Atlanta, ABA House of Delegates granted unprecedented hearing to broadcasters and newspapers on camera-&-microphone issue. Then House voted to defer any action pending annual ABA meeting Aug. 25-29 in Los Angeles, when recommendations by special committee for retention of Canon 35 (Vol. 14:1) will be presented. NAB freedom-of-information committee chairman Robert D. Swezey (WDSU-TV & WDSU, New Orleans) argued that TV-radio coverage of courts is needed to give public full knowledge of administration of justice, urged that fact-finding bar-media committee be named to test whether trials would be disturbed. ANPA counsel Elisha Hanson told House that "photographing, broadcasting & televising of trials under present-day methods can be done without degrading the court." They were opposed at hearing by Richard P. Tinkham, chairman of ABA committee on Canon 35, who argued that cameras & microphones can interfere with orderly court procedure, affect trial results.

**FCC Tight With VHF Experimentals:** FCC isn't going overboard in authorizing short-spacing experiments with vhf stations. This week, it turned down request of WITV, Ft. Lauderdale (Ch. 17) to operate simultaneously on Ch. 6 from its present site—Commission simply concluding: "The proposed program of experimentation does not offer sufficient promise of substantial contribution to the development of the TV art to warrant grant of application." Vote was close, however—Comrs. Doerfer & Craven dissenting from action of Hyde, Bartley & Lee, while Mack & Ford were absent.

WJMR-TV, New Orleans, is making similar experiment with Ch. 20 & Ch. 12.

There were several allocations actions: (1) Denied proposal to add a 4th vhf channel to San Antonio. (2) Added Ch. 13 to Panama City, Fla. (3) Started rule-making on proposals to shift KATV's Ch. 7 from Pine Bluff to Little Rock, Ark., Ch. 12 from Brainerd to Walker, Minn. (4) Terminated proposal to shift WMBV-TV's Ch. 11 from Marinette to Green Bay, Wis.—at request of WMBV-TV and its purchaser (*Evening Telegram*, Norman M. Postles & Walter C. Bridges) which said it wants to study situation before determining whether to move.

One CP was granted—Ch. 12, Logan, Utah, to Cache Valley Bcstg. Co. (Reed Bullen). [For details of week's actions, see *TV Addenda 26-E* herewith.]

**IUE Demands Annual Wage:** First big gun in 1958 labor contract negotiations with electronics industry was fired this week by IUE, union aiming demands at RCA for guaranteed annual wage, "substantial" pay increases, more fringe benefits covering 25,000 employes. Bargaining on full economic package to replace 2-year 1956 agreement probably will start in April. Present contract runs out June 1. Next in IUE's line of fire: GE & Westinghouse, whose 5-year contracts call for reopeners this year. Union pres. James B. Carey said 1958 negotiations "may well be the most significant the IUE has engaged in." Other developments on labor fronts: (1) NABET agreements with NBC & ABC, negotiated last month in Boston on national basis (Vol. 14:6), were rejected by publicist members of Hollywood Local 53, threatening strike on networks. CBS faced similar local rejection of national IBEW agreement (Vol. 14:8). (2) Hollywood musicians asked AFM pres. Petrillo for permission to picket major Hollywood studios in dispute over TV royalty payments (Vol. 14:8)—move which could halt movie production. (3) NAB filed 29-pp. brief with Labor Dept.'s wage & hour div. protesting proposed rule that TV-radio news stringers are regular employes of stations, subject to overtime provisions of Fair Labor Standards Act. NAB argued stringers are independent contractors, that many would lose jobs without FLSA exemptions.

**HI-FI RINGS TILL FOR PHONO MAKERS:** Reflecting hi-fi surge, those phono makers who put chips on high end of 1957 lines reaped a happy harvest, according to the latest EIA statistical wrap-up of phonograph-hi-fi business. Staggering 600% increase was scored in factory sales of radio-phonographs in over-\$300 bracket. Big increases were evident, also, in all high-end brackets.

Industry missed by a hair the prediction of 5,000,000 phonos, radio-phonos and player attachments (Vol. 13:51 -- actually sold 4,975,000 -- and scored a 19.2% increase over 1956. Year-end inventories were in fine shape -- 575,000 units -- of which 220,000 were 45rpm record changers.

Note these hi-fi successes: Sales of over-\$300 console radio-phonos jumped from 50,000 units in 1956 to 300,000 in 1957. Over-\$200 phonos, without radios, increased from 150,000 units to 420,000. Table-model phonos over \$150 increased from 60,000 units to 119,000 in 1957.

Entire radio-phono group boosted sales from 526,000 in 1956 to 1,048,000 in 1957, while phonos without radios showed a substantial increase -- up from about 3,300,000 to 3,700,000. Record player attachments were off, 213,000 vs. 312,000.

Trend toward portables was evident throughout 1957, specially in the radio-phono combination class where units selling for more than \$80 increased from 56,000 to 146,000; sales of \$50-\$80 units increased from 76,000 to 98,000 and only 5000 units remained in inventory at year end. Portables without radios increased sales in all price brackets: Over-\$100, up from 168,000 to 313,000; \$70-to-\$100 increased from 328,000 to 384,000; \$50-\$69, from 318,000 to 325,000; under \$50, up from 33,000 to 84,000. And, factory inventory of portable bracket was less than 10% of industry production for the year.

**COLOR TV—STILL NO BANDWAGON:** "Well, what's wrong with the Cadillac trade?" Thus, RCA chairman David Sarnoff's response when asked why he thought color TV, the bright hope of both the telecaster and the merchandiser, hasn't yet taken hold and is still regarded as a rich man's playtoy. Gen. Sarnoff wouldn't say any more, for he has some very capable executives assigned to the job of popularizing color. But he did indicate by his remark that RCA is content, if not satisfied, that it's making progress with color even if it's still regarded as a carriage-trade item.

Turning out splendid pictures, and with some 325 stations equipped for tele-casting color, it's potentially the one big hope held out for a hypo to the TV trade in the way of high-end sales. Yet, because prices continue high and lower-end sets are easier to sell, the attitude of the rest of the industry is one of just plain apathy -- and until this week it looked as though RCA-NBC (with assists from CBS-TV) would once again have to carry the color ball itself this year.

Westinghouse will actively seek 10% of this year's color sales, according to Edward Kelly, gen. mgr. of its TV-radio div. "We ran a survey among our dealers and distributors," he told us, "and find the demand for color is high enough to warrant our getting in." He indicated Westinghouse would make upwards of 18,000 color sets this year and said its prices would be "competitive." That can mean only that his 1958 color line will begin at \$495 or \$550, depending on RCA June line's starter.

But the attitude of the rest of the industry can best be described as let's-wait-and-see. It was expressed the other day by Philco pres. James M. Skinner when he told us, "You can say again what I said last year." In June 1957, Skinner went on record as stating color was still not a finished product, that Philco would have a color set in its line but that it would not push it.

Philco, GE, Admiral, Motorola & Sylvania had color sets on display at Jan.

marts in Chicago -- but, as of this week, their spokesmen indicated they would be no more active this year than they were last in promoting their color sets. Others who make limited quantities of color receivers are Emerson, Hoffman, Magnavox. Reports that Zenith is making plans can't be verified, though it now probably ranks third only to GE (if combined with Hotpoint) in sales of black-&-white sets. RCA is first.

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RCA's big 1958 color push starts in June when it introduces a new line of sets. Currently, it's staging a trade-in promotion on 11 color sets, having ceased production of the so-called 700 Series of early 1957 and of last fall's 800 Series. June line will be known as the Mark Series, according to Robert A. Seidel, exec. v.p. for consumer products. It may include some carryovers from 1957.

But don't look for the rumored \$399 set in that line. Seidel would not disclose pricing plans specifically -- but he did say, "Our costs keep going up." It may be recalled that the low end of the 700 Series had a \$495 list, when the 800 Series appeared in the fall the low end was \$550, ranged up to \$850. Some dealers are selling the \$495 models for \$395, the \$850 for \$600. It can be assumed the new series will start no lower than \$550. Then there's also the \$39.95 warranty for 3 months' service and one year's components and the \$99.95 warranty for full year -- not likely to be lowered.

How many color TVs are now in use, nobody except possibly RCA really knows-- but Sylvania's Frank Mansfield estimated 160,000 at end of 1956, 320,000 at end of 1957 (Vol. 14:5) and RCA does not dispute the figures. At least 300,000 are RCAs, and that company apparently has set a rule-of-thumb that real mass production will not be achieved until there are at least 1,000,000 color sets in use. RCA keeps up its promotion, during the last year increased its so-called "key color dealers" from 2500 to 4500. Seidel claims color sales in first 5 weeks of 1958 were double those of the same preceding year's period -- but what the figure was then, he doesn't say.

**More About Auto Radios:** In listing makers of auto radios (Vol. 14:8), we omitted to mention Motorola as the maker of all factory-installed radios for American Motors. That this is important is manifest from fact that Rambler is enjoying big popularity at the marketplace -- and Motorola tells us its orders are substantial. Motorola also claims that it ranks No. 1 in after-factory sales of auto radios.

**TV-Radio Production:** TV set production was 86,903 week ended Feb. 21 vs. 98,841 preceding week & 123,225 in 1957 week. Year's 7th week brought production to 723,457 vs. 785,965 last year. Radio production was 192,460 (70,792 auto) vs. 211,545 (68,874 auto) in preceding week & 307,909 (126,450 auto) last year. For 7 weeks, production totaled 1,572,934 (556,139 auto) vs. 1,941,105 (909,951 auto).

**Trade Personals:** Eugene A. Tracey resigns as Emerson sales v.p., his future plans undisclosed . . . John J. Graham promoted to new post of mgr., operations administration, RCA industrial electronics products . . . M. R. Duncan promoted to mgr. of product service & marketing administration, GE technical products dept. . . . Howard G. Strassner promoted to mgr. of manufacturing, Stromberg-Carlson telecommunication div., succeeded by Roy W. Jones as mgr. of production; Malcolm P. Herrick promoted to mgr. of quality control; Wm. J. Conley Jr. to mgr. of plant maintenance . . . A. Robert Baggs promoted to mgr. of marketing, RCA Victor Radio & Victrola div. . . . Joseph T. Cimorelli promoted to mgr. of manufacturing, receiving tube operations, entertainment tube products dept., RCA electron tube div. . . . W. J. Zaun promoted to new post of mgr., operations, govt. service, RCA Service Co.; T. Y. Flythe succeeds him as mgr., quality control . . . John R. Wagenseller promoted to mgr. of services, marketing dept. of RCA semiconductor div.

**ELECTRONICS PERSONALS:** G. Ross Kilgore, ex-director, Signal Corps electron device div., rejoins Westinghouse as mgr. of new applied research lab, Baltimore; Dr. Arthur Jensen, ex-RCA, named mgr., special electron devices section; Gerald Klein, ex-Signal Engineering Labs, named mgr., microwave tube section . . . Henry Lehne promoted to v.p. of Sylvania electronic systems div., continuing as gen. mgr.; R. Neal Breesman promoted to customer relations district mgr. at Dayton . . . Angus MacDonald promoted to director of engineering, Motorola military electronics center (Chicago) and communications & industrial electronics div. . . . S. D. Heller promoted to new post of v.p., BMEWS (ballistic missile early warning system) service, RCA Service Co.; K. M. McLaren promoted to v.p., missile test project . . . Frank V. Wallack Jr. named director of research, Westbury Electronics, Westbury, N. Y. (community antenna equipment) . . . Melville D. Bowers, specialist in servo-mechanisms for guided missiles, named head of electronic section, Edison Research lab.

**GE Abandons Fair Trade:** Moribund fair trade got a death blow this week from GE, world's largest electrical manufacturer, which told retailers it would stop trying to maintain consumer prices. Sunbeam promptly followed suit, removing the last small appliance manufacturer from the fair trade list.

This latest jolt came just at a time when fair trade advocates were trying to stem their waning fortunes. Politically potent small business groups persuaded Rep. Oren D. Harris (D-Ark.) chairman of the House Commerce Committee to introduce a bill (HR-10527) amending the Federal Trade Commission Act and charging the Commission with enforcement of fixed prices. Sen. Humphrey (D-Minn.), influential member of the Senate Small Business Committee, himself once a strong fair-trading druggist, said he's "studying several drafts of new fair trade legislation" but has not decided what to introduce, if anything.

The National Association of Retail Druggists and its Bureau of Education on Fair Trade—principal lobbyists for Federal price fixing laws—were credited with authorship of the Harris bill which skillfully skirts any direct mention of fair trade, says its purpose is to "equalize rights in the distribution of identified merchandise." Practically, the bill would make it lawful for the manufacturer or distributor to establish resale prices on goods in interstate commerce.

Abandonment of fair trade by GE and Sunbeam started a wave of price cutting in small appliances across the nation. Word of the proposed action leaked out early in the week and, within hours, major retailers had slashed GE appliance prices as much as 60%.

Reason for GE's move, according to W. H. Sahloff, v.p. for housewares and radio receivers: (1) Adverse legal decisions in 11 states have made fair trade enforcement impossible. (2) Fair-trading dealers "have been placed in an untenable competitive position when located next to non-fair trade areas." Trade sources noted that the high cost of policing GE prices, reputedly \$500,000 annually, also may have been a factor. Sunbeam's reason: "To stay competitive with GE."

Congressional advocates of fair trade took the GE-Sunbeam action in stride, promised to press for effective fair trade laws this year. They speculated that GE—and many others—would be back on the fair trade bandwagon once enforceable laws go on the statute books. In its annual report, the Senate Small Business Committee promised "to study carefully the proposals of proponents of Federal fair trade laws, with full cognizance of the economic problems confronting independent manufacturers and retailers."

Two factors make 1958 a ripe year for fair trade talk—in not conclusive action—in Congress: (1) It is an election year, with Congressmen currying favor of vote-producing small business groups in their home districts. (2) The business letdown will stimulate all kinds of plans to help the little retailer compete with the discount house and large department store.

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**DISTRIBUTOR NOTES:** GE names v.p. Wm. C. Wichman as gen. mgr., GESCO div., succeeding v.p. Charles R. Pritchard, named special consultant . . . Philco transfers Carl Krumrei to gen. mgr. of Los Angeles branch, succeeding Wallace Ostman, resigned (Vol. 14:6); he is succeeded as Chicago branch gen. mgr. by Charles Hakimian, ex-Norge-Chicago pres., who rejoins Philco . . . Canadian Admiral promotes Andy Hause to mgr., Toronto branch, Wallace Johnston to product mgr., TV-radio div.; Keith Comly to mgr. of appliances, succeeded by Doug Wood as traffic mgr.; names E. J. Mullen gen. mgr. of subsidiary Ensign Acceptance Corp. . . . Zenith appoints Nelson & Small, Portland, for Me. & 3 counties of N. H., replacing Emery Waterhouse, Portland . . . Admiral appoints Reines Distributors, Albany, its northeastern N. Y. distributor, for central N. Y.; Reines opens offices at 102 W. Division St., Syracuse . . . Stromberg-Carlson appoints James Gedney, Lakewood, Colo., for special products div., Denver & Rocky Mt. area . . . Leo J. Meyerberg Co., San Francisco (RCA) adds 13 counties of San Joaquin Valley formerly serviced by Edco, Fresno, to northern Cal. territory; names Jack Smith Fresno district mgr. . . . Hotpoint promotes Floyd M. Slasor Jr. to Buffalo district product service mgr. . . . Graybar promotes W. K. Collum to mgr. of Roanoke branch . . . GE Los Angeles names Jack Fitzpatrick, ex-Kierulff (Motorola), to new post of exec. sales mgr. for TV in southern Cal. . . . Hotpoint names Thomas H. Marden, ex-Paul Jeffrey, Syracuse, district sales mgr., Buffalo . . . Graybar promotes L. A. Russ to operating mgr.; Evansville, Ind.; C. J. Fiely to operating mgr., Louisville; W. J. Hewitt to supervisor, Lexington . . . Precision Radiation Instruments names Lloyd Dopkins, ex-Granco, gen. sales mgr. of Radio Craftsmen div. with headquarters in N. Y. . . . Sterling Hi-Fidelity Inc., N. Y. (Nordmende, German hi-fi), appointed American distribu-

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tor for Norwegian DNH speaker line . . . Tafel Electric & Supply Co., Louisville (Westinghouse), promotes George Lawler to gen. mgr., succeeding Paul Tafel Sr., retired . . . West Texas Appliance Co., San Antonio (Philco), names Tom Paradee, ex-Strauss-Frank, Dallas (Sylvania) as sales mgr. . . . Calbest Electronics appoints Craig Corp., Los Angeles (Columbia phonos), for hi-fi components in southern Cal. . . . Bell Sound Systems appoints McDowell Redlingshafer Sales Co., Kansas City, for tape recorders & hi-fi equipment in Kan., Neb., Ia., Mo.; adds Okla. to territory of W. R. Hays Co., Dallas . . . Erie Resistor names Ferguson Electronics Supply, Detroit, for Erie, Teflon, Corning Glass electronic components . . . General Precision Labs appoints educational TV products div. of National Theatre Supply (27 branch offices) for educational closed-circuit TV systems.

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CBS-Hytron's J. H. Hauser, distributor sales mgr., tube div., reports realignment of distributor sales organization: Reporting to W. W. Posey, east central regional sales mgr.: J. H. Denelsbeck, Columbus; H. Munna, Detroit; S. R. Selby, Indianapolis; W. F. Good, Cleveland; D. R. Smith, Pittsburgh. Reporting to F. M. Hickey, northeast regional sales mgr.: J. E. Doane, Boston; J. F. Gilbert, N. Y.; R. R. Clauss, Philadelphia; B. F. Hayes, Syracuse; W. J. Cote, Newark; W. H. Dunn, Washington, D. C. Reporting to H. L. Reichert, midwest regional sales mgr.: J. F. Conti, St. Louis; R. R. Pegler, Kansas City; A. F. Baldensperger, Dallas; F. E. Castle, Houston; R. S. Dunn, Chicago. Reporting to W. J. Fitzpatrick, west coast regional mgr.: L. M. Hitt, San Francisco; J. M. Bearse, Seattle; E. W. Stack, A. Trafford, Los Angeles. Heimann Co. is Minneapolis rep.; A. J. Nelson Co., Denver; Cary Chapman & Co., Atlanta (southeast).

**RCA-Zenith Settlement:** In wake of last week's criminal anti-trust indictment of RCA by N. Y. Federal Grand Jury for alleged patent-distribution monopolies (Vol. 14:8), RCA revealed this week that it came out of last year's Zenith anti-trust settlement (Vol. 13:37-38) with better terms, cash-wise, than many in industry had speculated.

Under terms of Zenith agreement, RCA, GE and Western Electric agreed to pay Zenith and tube-making subsidiary Rauland approximately \$10,000,000 over 10-year period—but each company's share in payments had never been spelled out publicly. In annual report this week (see p. 15), RCA revealed that its contribution to settlement will total only \$4,800,000—payments not to begin until 1960. RCA also stands to get \$700,000 to \$3,000,000 from Zenith when each company's back patent royalty claims are arbitrated. Here is text of RCA's statement on terms of settlement—first official report on settlement by any of companies involved in suit:

“Under the terms of the settlement agreement Zenith and Rauland agreed to make payments to RCA for use of RCA patents on which RCA had sued them for infringement; the aggregate amount of such payments by Zenith and Rauland to RCA to be determined by arbitration between a maximum of \$4,700,000 and a minimum of \$2,800,000. RCA agreed to pay Zenith and Rauland for Zenith and Rauland patents used by it in an amount to be arbitrated between a maximum of \$2,100,000 and a minimum of \$1,700,000. RCA's contribution to the settlement of the litigations is \$4,800,000, to be paid at the rate of \$600,000 in 1960 and \$700,000 during each of the succeeding six years. (This is equivalent to an immediate cash payment of \$3,961,843 at 3¼% interest.) Five-year royalty-free cross-license agreements have been entered into by RCA with Zenith and Rauland under domestic and foreign patents issued before September 1, 1957 relating to electrical phonographs, radio and black-and-white television receivers and tubes. These licenses do not include any developments

Automobile radio production (see p. 12) was off for the 7th straight week, down 38% from year ago (566,139 vs. 909,951), reflecting record new car inventory. *Ward's Automotive Reports*, statistical oracle of the car industry, says industry faces a severe and protracted adjustment in factory operations. New car stockpile was estimated at 900,000 by week end—“69 days supply and highest ever reached in automotive industry”. Sales for first two months were estimated at 692,000 vs. 959,000—off 267,000 from same 1956 period.

Closed-circuit color TV system he designed and built himself won 17-year-old Stephen Kent Burns, Romeo, Mich., one of final awards in 17th Westinghouse Science Talent Search among high school seniors. He's one of the 40 finalists in Washington this week to vie for 5 top prizes—scholarships worth \$3000 to \$7500 to be awarded March 3. Burns is headed for MIT this fall.

“Home electronics div.” is new name of Sylvania's radio and TV div.—“to describe more effectively the division's present activities and to allow for future expansion into other product lines,” according to Marion E. Pettegrew, senior v.p. and div. head. New products would be those which “can be marketed through our existing distribution channels.”

in the field of color television nor in other areas of research nor in pay TV. RCA has notified its domestic licensees of its willingness to modify its licensing agreements with them.”

RCA statement didn't give details on status of its discussions with other licensees looking toward modified license agreements. It did, however, report that GE and Western Electric “paid RCA in 1957 a net cash sum of \$24,500,000 and RCA agreed that their licenses under inventions subject to their respective patent license agreements from RCA are now paid up,” noting that “RCA already has paid-up licenses from General Electric and Western Electric on inventions made by these companies prior to Jan. 1, 1955 in the general field of radio purposes.”

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Attorney General Rogers, at press conference in Washington this week, declined comment on incongruity of chief trust-buster Victor Hansen's statement last week impugning RCA's defense contributions with huge prime Air Force contract award to RCA last month for anti-missile radar system which will eventually cost \$721,000,000 (Vol. 14:4). In answer to question, he did say Justice Dept. has received no complaint from Defense Dept. about last week's anti-trust suit.

He also said, in response to another question, that Govt. hasn't yet decided whether to appeal anti-trust suit against RCA-NBC in Philadelphia-Cleveland station-swap case, which was thrown out of court by Federal Judge Kirkpatrick, who upheld RCA-NBC argument that Justice Dept. is barred from acting on a transfer already approved by FCC (Vol. 14:2). Rogers pointed out that Justice Dept. has 90 days to appeal, which would bring deadline to mid-April. Most observers are certain that Justice Dept. will appeal this important case directly to Supreme Court.

House Judiciary anti-trust subcommittee, headed by Rep. Celler (D-N. Y.), announced this week that it will investigate Justice Dept.'s 1956 consent decree settlement of anti-trust suit against AT&T and Western Electric which opened those company's patents to all comers and required Western Electric to divest itself of sound recording equipment subsidiary Westrex (Vol. 12:4). Some Democrats have expressed opinion that settlement was too soft. Hearings will start about March 25.

Reports & comments available: on Hoffman Electronics, in analysis by Edmund W. Tabell of Walston & Co., 265 Montgomery St., San Francisco. On Consolidated Electronics Industries, in memo by Bache & Co., 36 Wall St., N. Y. On Texas Instruments, in research study by Goodbody & Co., 115 Broadway, N. Y.

RCA Victor Distributing Corp., which markets RCA and other products to retailers in 10 merchandising areas, increased its 1957 volume by 6% over 1956, says company's annual report. During year new distributing locations were established in Davenport, Ia. & Springfield, Mo.

Hi-fi specialty stores in U.S. now number 2143, according to National Credit Office, N. Y., including retailers and distributors of both components and packaged sets—but not vendors of packaged sets alone.

Edison Radio Amateur Award for 1957, sponsored by GE, was presented this week at Washington banquet to James E. Harrington, Lake Charles, La., for maintaining the only communications when hurricane Audrey smashed Cameron, La.

Rep. Mahon (D-Tex.), chairman of House defense subcommittee on appropriations, will address the industry-govt. dinner at Statler Hotel, Washington, on March 20 during EIA's 3-day annual spring conference.

## Financial Reports:

**B**IGGEST ENTITY in the "electronics entertainment" and associated fields, RCA for the third successive year has increased sales while exceeding the \$1 billion income mark—but, also for the third successive year, has suffered a drop in net profit. Annual report for 1957 shows \$1,176,277,000 revenues, up 4.3% from preceding year, net profit after taxes amounting to \$38,549,000 (\$2.55 per common share), down 3.7%. The 1956 report showed \$1,127,774,000 sales & \$40,031,000 net profit (\$2.65); 1955, \$1,055,266,000 & \$47,525,000 (\$3.16). The 1955 profit was an all-time high.

Manufacturing services accounted for nearly 73% of RCA's income, broadcasting (TV & radio) for nearly 25%. These were the 1957 revenue sources: Manufacturing services and sales to commercial customers, \$588,628,000 (50%); manufacturing services & sales to U. S. Govt., \$266,992,000 (22.7%); broadcasting, \$292,212,000 (24.9%); communications, \$26,036,000 (2.2%); training school (RCA Institutes Inc.), \$2,409,000 (.2%).

In 1956, the manufacturing revenues were: commercial, \$575,274,000 (51%), Govt., \$240,184,000 (21.3%). Broadcasting accounted for \$286,415,000 (25.4%), communications \$23,665,000 (2.1%), training \$2,236,000 (.2%).

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RCA's annual report is only place NBC's gross income figures are disclosed, and the 1957 report notes that TV network billings increased 22%. Yet, over-all, NBC's 1957 increase was only about \$6,000,000 over 1956, though 1956 ran better than \$40,000,000 ahead of 1955's \$246,173,000. There are no further breakdowns on NBC.

The diminution in profits is explained in report released by Brig. Gen. David Sarnoff, chairman, as due to "softening of general economic conditions and the highly competitive situation in the radio-TV industry . . ."

Profits before Federal income taxes actually ran \$77,049,000 vs. \$80,074,000 in 1956. Total tax bill, including social security, property, state & local, was \$87,032,000, or \$6.28 per common share. Dividends paid last year totaled \$23,909,000, including \$3.50 on preferred, \$1.50 on common. Firm's payroll totals 78,000, including 7200 abroad, receiving \$417,350,000, or 35¢ out of each sales dollar. It boasts 10,000 suppliers, nearly 75% of them in Govt.'s classification of "small business."

Though it recently was named prime contractor on one of the biggest defense contracts of all time (Vol. 14:4), RCA report simply notes that govt. work (\$267,000,000) was 11% higher than preceding year, that current backlog is about \$250,000,000, including initial portion of Ballistic Missile Early Warning System (BMEWS) for Air Force. Among other defense activities were completion of Talos Defense Unit at White Sands Proving Grounds, N. M., first fully automatic base for firing and guiding missiles; development of "the most precise tracking radar in existence" for guided missile range instrumentation; development of single-sideband system of high-altitude, long-range radio communications; major participation in 2 large scatter-transmission systems.

**Z**ENITH RADIO, in the face of the industry recession, enjoyed second highest gross and highest net in its history in 1957—not including proceeds to come out of recent patent settlement with RCA, GE & Westinghouse (see p. 14). In preliminary report to stockholders at Feb. 27 special meeting, exec. v.p. Hugh Robertson disclosed sales of \$160,018,978, up 13% from \$141,529,855 in 1956 and comparing with \$166,733,276 in record 1953. After-tax profit for 1957 was \$8,165,577 (\$16.58 per share), up 32% from \$6,178,717 (\$12.55) in 1956 and comparing with \$8,034,491 (\$16.31) in 1955.

Though industry production and shipments of TVs in 1957 were lowest in 5 years, Robertson said Zenith produced and shipped to its distributors the greatest number of sets in its history while distributor shipments to dealers were also at record high. He claimed "highest percentage of total industry volume that the company ever had." Factory shipments in 1958 to date are "continuing substantially ahead of the same period a year ago."

Proposed 2-for-1 stock split was approved, and on March 31 Zenith changes from an Illinois to a Delaware corporation, increases authorized shares from 500,000 no par to 2,000,000 par \$1; outstanding shares will be increased from 492,464 to 984,928. Next dividend March 31 to stockholders of record March 14 will be \$1, equivalent to 50¢ per share on the split stock. In 1957, Zenith paid 75¢ per share quarterly plus \$2 extra.

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Philco's comeback is reflected in 1957 sales increase to \$372,629,000, up about 5% from \$356,568,000 for 1956. Consolidated net income rose to \$4,363,000 (\$1 per share) from \$567,000 (under 1¢) in 1956. Figures include for first time those of wholly-owned Canadian subsidiary, though pres. James M. Skinner Jr. states "this does not significantly affect earnings for the year or the consolidated financial position at year-end." Earnings for both years were computed on basis of the 3,984,787 shares outstanding at Dec. 31, 1957 after 4% stock dividend of Dec. 27. Net worth increased \$3,832,000 during year, current net assets decreasing \$1,274,000 mainly because the 15-mo. promissory notes issued to purchase Bendix laundry inventory became current liabilities during year. Civilian inventories were \$11,638,000 below 1956 level.

**Dividends:** Zenith, \$1 payable March 31 to stockholders of record March 14 (after 2-for-1 stock split); Sylvania, 50¢ April 1 to holders March 10; Hoffman Electronics, 25¢ March 31 to holders March 17; 20th Century-Fox, 40¢ March 29 to holders March 14; Amphenol, 30¢ April 25 to holders April 11; Webcor, 15¢ March 29 to holders March 14; General Dynamics, 50¢ May 9 to holders April 11; Whirlpool, 25¢ March 10 to holders March 3; Canadian Westinghouse, 25¢ April 1 to holders March 14; Canadian GE, \$2 April 1 to holders March 15; Philco, no action; GE, 50¢ April 23 to holders March 14.

Jerrold Electronics earnings in fiscal year ended Feb. 28 will be less than the \$161,529 (15¢ per share) for year earlier (Vol. 13:20) despite sales increase to about \$5,900,000 from \$5,142,702, according to pres. Milton J. Shapp. He attributed decline in net to high sales costs and product development expenses. Corrective measures, he said, should bring profit for first 6 mo. of fiscal 1959 vs. loss of \$77,798 in fiscal 1958 period (Vol. 13:45).

Edgar N. Greenebaum & Associates, financial specialists in electronics & nucleonics, moves offices to Inland Steel Bldg., 20 W. Monroe St., Chicago 3 (phone, Financial 6-2137), as of March 1.

# COMMON STOCK QUOTATIONS

Week Ending Friday, February 28, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

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

120 Broadway, New York 5, N. Y.

## NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chnge	1957-8		Stock and Div.	Close	Wk. Chnge
High	Low				High	Low			
14 1/2	6 1/2	Admiral	8 1/4	-1/8	376 1/2	270 1/2	IBM 2.60	328 1/2	-4
27	16 1/2	AmBoschl.05g	19 1/4	+1/8	37 1/2	25 1/4	IT&T 1.80	29 1/2	-1/8
24 1/2	11 1/2	AmBcstg-Para.1	13 1/4	-1/2	50 1/2	33	I-T-E CirB .45e	36	-1 1/2
43 1/4	29 1/2	AmMach&F 1.60	34 1/2	-3/8	10 1/2	7 1/2	List Indust 1/4 e	7 1/2	-
179 1/4	160	AT&T 9	172 1/2	+1/2	56 1/2	29 1/2	Litton Ind	38 1/4	-1/8
33 1/2	19 1/2	Ampholn 1.20	24 1/2	+1/4	22	11 1/4	Loew's	14 1/4	-
36 1/4	28	Arvin 2	26 1/4	-1 1/4	44	28 1/2	Magnavox 1 1/2 b	35 1/2	-3/8
7 1/4	4 1/2	Avco .10e	6 1/2	+1/8	50 1/4	23 1/2	Mallory 1.40b	27 1/4	+3/8
47 1/4	21	Beckm Inst 1 1/4 f	21	-1/4	131	73 1/2	Mpls. H'll 1.60a	80	-1/2
66 1/4	42	Bendix Av 2.40	48 1/2	+1/4	51 1/4	35 1/4	Motorola 1 1/2	39 1/4	-1/2
52 1/2	27 1/2	Burroughs 1	30 1/4	-1 1/8	9 1/2	7	Nat'l Thea 1/2	8 1/2	-1/8
25 1/2	15 1/2	Clevite 1.15g	17 1/2	+3/8	38 1/2	28	Paramount 2	33 1/4	-1 1/4
36 1/4	23 1/2	CBS "A" 1b	24 1/2	-1	18 1/2	11	Philco 3/4 f	14	-3/8
35 1/2	22 1/2	CBS "B" 1b	24	-1	40	27	RCA 1a	33	-1
20 1/2	11 1/2	Col Pictures 3/4 t	14	+1	23 1/4	16 1/2	Raytheon 1 1/4 t	21 1/2	-3/8
54 1/4	25 1/2	Cons Elec .40a	29	+3/8	8 1/4	4 1/4	Republic Pic	6 1/2	-3/8
35 1/2	18	Cons Electron	22 1/4	+3/8	39 1/4	29 1/4	Sang Elec 1.80	33	+1/4
27 1/2	12 1/2	Cor-Dub .20e	14	-3/8	18	12 1/2	Siegler .80	14 1/2	+3/8
106 1/4	57 1/4	Corning Glass 1a	78	+3/8	6 1/4	2 1/2	Spartan	3	-
6 1/2	3 1/4	Davega	3 1/4	-	26 1/2	17 1/2	Sperry Rand .80	19	-1/8
47	27 1/2	Daystrom 1.20	30 1/2	+1/4	9 1/2	5 1/4	Standard Coil	7 1/2	-1/8
19 1/2	13 1/2	Decca 1	15	+1/8	18 1/2	13 1/2	Stanley-War 1	15 1/4	-1/8
15 1/2	13	Disney .40b	16 1/4	-1/4	41 1/2	27 1/4	Stew Warner 2b	30	-1/8
115	81 1/4	East Kod 1.55e	102	+1/4	29 1/4	18 1/4	StorerBcstg 1.80	22	-1/2
34	22 1/2	Emer Elec 1.60	32 1/4	+1/2	46 1/4	29 1/4	Sylvania 2	35 1/4	-1/4
6 1/2	3 1/4	Emerson Radio	5	-1/4	31 1/2	15 1/2	Texas Instru	27 1/4	-3/4
10 1/4	6 1/4	Gabriel .60	8	-1/4	89 1/4	46	ThompProd 1.40	42 1/4	-1/2
68 1/2	46 1/4	Gen Dynamics 2	60	-3/8	37 1/2	21 1/2	Tung-Sol 1.40b	24	+1/8
72 1/2	52 1/2	Gen Electric 2	60 1/4	-3/8	30 1/4	19 1/2	20thC-Fox 1.60	24	-1
8 1/2	4	Gen Inst .15g	5 1/2	-1/4	25 1/2	15	Unitec Art 1.40	18 1/2	+1/8
47 1/4	30 1/4	GenPrEquip 2.40	38 1/4	-3/8	30 1/2	18 1/4	Univ. Pict 1a	22	-
30 1/4	22 1/2	General Tire .70b	27 1/2	+3/8	28 1/2	16 1/2	Warn Bros 1.20	17 1/2	-1/8
45 1/4	36 1/4	Gen Telephone2	42 1/2	-3/8	68 1/2	52 1/2	Westingh El 2	60 1/4	-1 1/4
25 1/4	17 1/4	Hoffman Elec 1	22 1/2	+1/8	140	91 1/4	Zenith 3a	138 1/4	+5 1/2

## AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/4	-	44 1/2	29 1/4	Hazeltine 1.40b	33	+3/8
52 1/2	19 1/2	Allied Con 1a	38 1/4	+2 1/4	3 1/2	2 1/4	Herold Ra .20	2 1/2	-1/8
21 1/2	11	Amer Electro 1/2	13 1/2	+3/8	6 1/4	3 1/2	Int Resist .20	4	+1/8
11 1/4	6 1/4	AssocArtProd	9 1/4	-	8 1/4	4	Learn	5 1/2	-1/8
12 1/2	4 1/2	Audio Dev .05d	8 1/4	-1/4	1 1/2	3/4	Muntz TV	1/2	-
13 1/4	6 1/4	Belock Inst 1/4 t	8 1/2	-1/8	3 1/2	2 1/2	Muter Co. 1/4 t	3	-
1 1/4	3/4	C & C TV	1 1/2	-	9 1/4	5 1/2	Nat'l Telefilm	6	-
5	2 1/2	Clarostat .15g	3 1/2	-1/4	2 1/2	1	Nat Union El	1 1/2	-
6 1/2	3	DuMont Lab	3 1/4	+1/8	11 1/4	3 1/4	Norden-Ketay	3 1/2	-1/8
7 1/2	2 1/2	Dynam Am	3 1/2	-1/4	5	3	Oxford El .10d	3 1/4	-
12 1/2	8	Electronic Com	12 1/4	-1/4	20 1/2	10 1/4	Philips El	13 1/2	-
12 1/2	5 1/2	Electronics Cp	6 1/4	-1/2	12 1/2	6 1/2	Servomech .40	6 1/2	-3/8
31 1/2	16	Fairch Cam 1/2 g	28 1/4	-1 1/2	9	3 1/4	Skiatron	3 1/2	-1/2
30	8 1/4	General Trans	19 1/2	-1/8	8 1/2	2 1/2	Technicolor	3 1/2	-
20 1/4	14 1/2	Globe Un .80	14 1/2	-1/4	5 1/2	3 1/2	Trans-Lux .20g	4 1/2	-1/8
4 1/2	2 1/2	Guild Films	2 1/2	-1/8					

## OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	2	2 1/4	Magna Theatre	3	3 1/2
Aerovox	3 1/2	4	Maxson (W. L.) .05	5 1/4	6 1/2
Airborne Inst	40	43	Meredith Pub 1.80a	26	28
Altec Co .80	7 1/2	8 1/4	National Co. (4% stk)	11 1/4	12 1/2
AMP Inc .50	17	18	Oak Mfg. 1.40	15	16
Amplex	50 1/2	53	Official Films .10	14	15
Baird Atomic	10	11	ORRadio	13 1/2	15
Cinerama Inc	1 1/2	1 1/2	Pacific Mercury TV	5	6
Cinerama Prod	1 1/4	2	Packard-Bell .50	11 1/2	12
Cohu Electronics	7	7 3/4	Panellit	4 1/2	5 1/2
Collins "A" .35	12 1/4	14	Perkin-Elmer	24 1/2	26
Collins "B" .35	12 1/2	13 1/4	Phillips Lamp (14% of par)	32 1/2	35
Cook Elec. 40d	18 1/2	19 1/4	Reeves Soundcraft (stock)	2 1/4	3
Craig Systems	4 1/4	4 3/4	Selectvision Inc.	1 1/2	1 1/4
DuMont Bcstg	7 1/2	7 1/2	Sprague Electric 1.20	31	33
Eitel-McCullough (5% stk)	26 1/2	28 1/2	Taylor Instrument 1.20	29	32
Elec Assoc (stk)	7 1/2	8 1/2	Tele-Broadcasters	2 1/4	3 1/2
Erie Resistor 40b	7 1/2	8	Telechrome 30	6 1/2	6 1/2
Friden Ind. 1	39 1/4	42	Telecomputing	4 1/4	4 1/2
Giannini, G. M.	12 1/4	14	Teleprompter (stock)	6	6 1/2
Graco Products .05	1	1 1/4	Time Inc. 3.75	56	59
Gross Telecasting 1.60	16 1/4	17 1/4	Topp Industries (stock)	9	9 1/2
Hewlett-Packard	22 1/2	23	Tracerlab	5 1/2	6
High Voltage .10g	25 1/4	27	Trav-Ler	1 1/2	1 1/2
Hycor	2 1/2	2 3/4	United Artists	5 1/2	5 3/4
Indiana Steel Products 1.20a	19 1/2	19 3/4	Varian Associates	15	16
Jerrold	1 1/4	2 1/4	Victoreen Inst	4 1/2	4 1/2
Ling Industries	1 1/2	2 1/4	Webcor .15e	12 1/4	13
Leeds & Northrup .60b	19 1/2	22	Wells-Gardner	6 1/2	6 1/2
Machlett Labs .25g	14	15	WJR Goodwill Station .50d	11 1/4	12

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

# Do You Know That . . .

THE LATE WAYNE COY, who served as FCC chairman from Dec. 29, 1947 to Feb. 21, 1952, could play politics with the best—or worst—of them and there are those who still think his turbulent regime was the epitome of New Deal high-handedness. But never did suspicion of scandal ever attach to Wayne Coy, nor was any question ever raised about his "fraternization" with those in the industry with whom he was personally most compatible. In our book, he was the soul of honor, a really great public servant whether you agreed with his policies or not.

Chairman Coy had a way of handling Congressional seekers after special favors that not enough of his colleagues have emulated. He always asked them to put requests in writing—and usually that was the end of it.

The story is told (and we have reason to believe it's true) that one of the most highly placed men on Capitol Hill, a personal friend of Coy's and colleague of their world-shaping days together in the early New Deal, waited on him at his FCC office one day and literally begged him to commit himself for a constituent in a competitive case.

The decision meant a lot to him politically, this legislator frankly told Coy, who reiterated his stock promises of "judicial notice" and "due consideration"—and asked the legislator to "put it in writing."

"Wayne, all I can say is that you're a sonofabitch," was the legislator's parting shot as he left Coy's office—but he said it admiringly and he never asked a special favor again. Postscript to this episode, incidentally, was that Coy eventually voted against the constituent.

Frequent method of Senators and Congressmen is to have their assistants or secretaries make the calls to commissioners, or simply to permit the FCC claimant to quote them as favoring their request—and it often works, as evidenced in recent Harris subcommittee testimony. It works all too often when the commissioners are under Congressional fire or when one is up for reappointment.

As for White House influence, it's talked about a lot—and certainly has been exerted in the past, though probably never with the knowledge of the President himself. That the attorneys for the very people who seek special influences dislike the system, is manifest from the observation of one of the leaders of the FCC bar commenting on the current proceedings: "Maybe they'll clean things up so that we can really practice law again."

"[TV] finds itself in a curious position today. On the one hand, it is encountering increasing criticism over the quality of its mass-appeal . . . programming; on the other, it is discovering new frontiers of service that are possible only because of the success of its mass-appeal programs . . . Most of the unrest over quality appears to originate with a very small but very articulate minority. The minority representative [says that if networks] would only program for thinking people like himself, we would elevate the stature of TV and we would win new friends who count. Possibly, but we would also lose our mass audience and with it the economic supports that permit us to continue non-profitable programs of more limited appeal."—Robert W. Sarnoff, pres., NBC.

NAB TV code film emblem—seal of broadcasters' organization with film reel superimposed on one corner—has been supplied by Code Review Board to 19 members of Alliance of TV Film Producers, CBS TV Film Sales, NBC's Cal. National Productions, all affiliate subscribers. NAB also is distributing TV Code documentary film, "A Welcome Guest in the House," produced by Westinghouse.

THE  
AUTHORITATIVE

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

MAR 11

# Television Digest

with **ELECTRONICS** **REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — March 8, 1958

**NETWORK HEARING STARTS.** ABC maintaining allocations inequities are root of problem, CBS insisting "tampering" can jeopardize whole system (pp. 1 & 4).

**TV FACTBOOK No. 26** off presses: Reference "bible" of TV and related electronic industries has more than 75 updated and new directories, tables, etc. (p. 2).

**REPLACEMENT FOR MACK** on FCC may affect "balance of power" on policy. Grand jury investigation now delving into "influence" angles (pp. 2 & 8).

**SEPARATION OF TV-RADIO** joint ownerships may be next crusade against the "ins"; of 531 TV stations, 347 have radio counterparts, usually profitable (p. 3).

**SOME ODD HOBBIES** among industry folk: Making fine jewelry, raising orchids, running fire engine, making pipe organ, collecting objects of art (p. 8).

**BARTLESVILLE COMEBACK** follows telemovie system changes to regain subscribers, but wired-TV operators aren't yet ready to claim success (p. 11).

**COLUMBIA & DISNEY BAN TV** releases, lining up with other studios in Theatre Owners' drive to save post-1948 features for paying audiences (p. 11).

**WESTINGHOUSE CONFERENCE** on local TV-radio public service brings 325 participants to Baltimore for 4-day sessions, 175 stations represented (p. 16).

### Manufacturing-Distribution

**FTC AD COMPLAINT** against Admiral may be settled by consent judgment; possibility looms mfrs. must police distributor-dealer advertising (p. 12).

**HI-FI COMPONENT MAKERS UNITE** to compete with package phono mass advertising (p. 12).

**PRICE CUTTING AFTERMATH** of fair trade abandonment leaves radios comparatively unscathed; chance for new Federal legislation lessened (p. 15).

**COLOR SET SALES UP 50%**, but not yet "booming," reports RCA, which refuses to sell setup to Russians for Brussels Fair. New tube reported in London (p. 15).

**NETWORKS' FIRST LICKS ON THE BARROW REPORT:** Impressive defense of networking was mounted this week by ABC & CBS -- NBC gets its innings next week -- as FCC kicked off its network hearing. Networks didn't stint in preparation for hearings, despite fact they'll get considerable assist from vast majority of witnesses to follow in the estimated 30 days of hearings -- and despite well-known fact that many of Commissioners have grave doubts about the "corrective" measures recommended by staff under Roscoe Barrow, dean of Cincinnati U Law School.

ABC's basic tenet in testimony: Root of all network problems is lack of competitive station facilities, and allocations changes are the solution.

CBS's argument: Networking is so complex, and inter-relationships are so delicate, that governmental tampering can jeopardize entire structure.

Threaded through their presentations, too, was the plea that no tinkering be done in time of recession, when networks are first to feel pinch.

Both pointed to risky nature of networking to fact that loss of very few sponsors could mean difference between profit and loss, and to tremendous costs of experimenting with programs that fail.

Much of networks' testimony was directed at retention of option time and network ownership of stations -- but neither ABC nor CBS went along with any of Barrow staff's 37 recommended changes.

Leonard H. Goldenson, pres. of American Broadcasting-Paramount Theatres, led ABC's presentation -- backed by ABC-TV pres. Oliver Treyz, TV station relations v.p. Alfred Beckman, and Selig J. Seligman, gen. mgr. of KABC-TV, Los Angeles.

CBS's presentation was much longer, pres. Frank Stanton setting stage, fol-

lowed by economic advisor Dr. David M. Blank, TV station relations & engineering v.p. Wm. B. Lodge, and CBS Inc. v.p. Richard S. Salant.

All 6 commissioners heard testimony, all asked questions, and Commission counsel were Robert Rawson and Herbert Schulkind.

Hearings resume 10 a.m. March 10 in Interstate Commerce Commission hearing room B, with NBC pres. Robert W. Sarnoff as leadoff for 5 other NBC witnesses who may take up most of week; they're to be followed by National Telefilm Associates' Ely Landau, then by multiple owners. Hearings shift to an FCC hearing room March 11. [For digests of this week's testimony, see pp. 4-5.]

**THE STANDARD REFERENCE BOOK OF TV:** There's nothing phoney, nothing in the nature of mere "special edition," in the 1958 Spring-Summer edition of TV Factbook No. 26, off the presses this week. Product of year-round staff effort, this semi-annual "bible" of the telecasting and associated electronic entertainment fields runs 488pp., and updates 75-odd directories and statistical tables compiled over the last 13 years. Old-timers will recall the precursor of the Factbook as a 4p. Supplement listing all early stations, CPs, applications.

More than half of the Factbook is devoted to U.S. & Canadian TV stations and networks, to the more than 500 foreign stations, to complete lists of all CPs outstanding and applications pending -- with detailed data on facilities, names of executives, digests of rate cards, etc.

Among related directories are TV-radio manufacturers, community antenna systems, attorneys & engineers, live & film program producers, color-equipped stations, trade associations, research firms, unions, equipment makers; also, updated allocations tables, lists of station sales & transfers, newspaper-owned stations, statistical tables on TV-radio billings, on advertising expenditures, TV-radio receiver production, sales, inventories, etc.

New are first lists of phono-hi-fi manufacturers ever compiled, applicants for TV cable systems, transistor manufacturers, station ownerships by theatrical interests. Factbook again has edge-index for quick reference, and with each volume there is a 35x23-in. wall map in color showing the city and time-zone locations of all U.S. & Canadian stations, all network routes, all private relays.

Copies are available at \$5 (\$3.50 each for 5 or more); extra maps, \$1.50.

**FCC POLICY SHIFT WITH MACK OUT?** One of the most critical FCC appointments in years is due, now that Comr. Richard A. Mack has resigned (for details of week's developments, see p. 8). New man may well hold balance of power in many important decisions to come, and his philosophy could do much to determine general characteristics of Commission -- "laissez faire" or "big stick" or something between.

Reason is that there's no fairly clear "majority bloc" at FCC at the moment. Not too long ago, one could generally expect that Republican Comrs. McConnaughey, Doerfer, Lee and Democrat Mack would vote together on some policy matters. And, Republican Hyde and Democrat Bartley frequently stood together in dissent in matters of "diversification," "concentration of control," etc. Democrat Craven, an engineer not long in office, has tended to lean toward majority's thinking.

Newest member, Republican Ford, doesn't appear inclined to line up with any camp. For example, at the network hearing this week (p. 1), he showed interest in reviving questions of vhf allocations, deintermixture, more use of uhf. He's known to be desirous of exploring possibilities of uhf, which he sees as the only means of obtaining more stations, more competition; he's also disturbed about McFarland Act and the hobbles it puts on FCC, making it "abdicate" power to select station licensees in cases of transfers of ownership.

Mack's replacement presumably will be high-type, for too many eyes will focus on FCC henceforth for the Administration to chance more political hacks. Many candidates for the vacancy will be mentioned, as usual -- but only one "hot" as yet seems to be John S. Cross, asst. chief, State Dept. telecommunications div. He's

53, has been with State Dept. since 1948, has represented U.S. at many international communications conferences. Born in Ala., his legal residence is Ark., and he's a 1923 electrical engineering graduate of Alabama Polytechnic Institute.

It's recalled that same State Dept. div. gave FCC (1934-37) one of its ablest and most distinguished members, Dr. Irvin Stewart, now pres. of U of West Va.

\* \* \* \*

FCC's problems aren't lessening, by a long shot. Not only are members due to go before Harris investigative subcommittee next week, in connection with Miami Ch. 10 case, but Justice Dept. disclosed this week that a "very broad" grand jury investigation is going into many phases of FCC activity.

It had been thought that only the Ch. 10 case was under grand jury scrutiny early this week, when attorney Thurman A. Whiteside and insurance agent Charles F. Shelden were subpoenaed. At week's end, however, Justice Dept. spokesmen hinted that another competitive TV case was being explored; that other Commission members, including former commissioners, are involved.

In letter filed with Federal District Court in Washington March 4, Attorney General Wm. Rogers said Justice Dept. is informed that Federal laws have been violated by "persons, companies, corporations and firms unknown to the Dept." The alleged violations, he said, cover: Use of money, gifts, etc. "with intent to influence" FCC; receiving "money or gratuities while acting for or on behalf of the U.S. in an official capacity"; making of false statements "in matters within the jurisdiction of a dept. or agency of the U. S.;" obstructing justice, perjury.

Justice Dept. doesn't regard its inquiry as small potatoes. That's clear from fact it put 4 special attorneys on it: Robert J. Rosthal, J. Frank Cunningham, Wm. P. Clancy, James J. Sullivan.

Political battle has become very fierce. Exposure and resignation of Democrat Mack has made Democrats eager to find Republican scapegoats; they'll try to find them within FCC, other agencies, high councils of Administration. They haven't really bagged any big game yet, but they aren't going to stop now. On other hand, Republicans are trying their best to get several Senators tarred with the brush of attempted "influence" in Miami Ch. 10 case.

**SEPARATION OF TV-RADIO SEEN LIKELY:** Long range, the separation of TV and radio network and station operations -- a separation that has been in effect at CBS for several years, and that is gradually being effected also at ABC & NBC -- may be the precursor of eventual corporate separation, possibly forced by govt. fiat.

Now that radio is back on its fiscal feet, and doing very well (Vol. 14:5), it won't be surprising if Congress and/or the FCC will declare them competitors who should not dwell in the same tent. Though only hinted in Barrow Report, this may well be one of the most drastic results of the upcoming Barrow inquiry -- and there are many among the jointly-owned TV-radio operations who recognize and fear it.

Some 60% (347 out of 531 on-air TV stations) have radio counterparts, according to new TV Factbook No. 26. Many of the radio stations sired the TVs and supported them during their salad days. Nobody paid joint ownership much mind then, or while radio was slipping; but now that radio's up again, climbing nicely and generally self-sufficient and profitable, the argument of parental support won't carry much weight and the main argument will have to be pioneering, risk, etc.

There are some who think newspaper ownership, maybe even multiple ownership, will eventually be curbed, too. It's recalled that President Roosevelt tried to put a damper on expanding newspaper ownership through 2 FCC chairmen, but couldn't make it stick; also, that Chairman Fly imposed the 5-limit (vhf) in TV, which did stick.

\* \* \* \*

Whether the radio networks can exist on their own without station ownership, may be proved or disproved by an independent operation like Mutual, which has no station properties. After months of red operation by both its predecessor owner

General Teleradio and by purchasing Paul Roberts group, which took over last Aug., Mutual recently reported a slight operational profit (Vol. 14:5).

That TV-radio station owners are retaining joint operation on sufferance, is quite evident. All it will take is a crusade by a strong-minded legislator or strong FCC figure to persuade Congress that both facilities should not be in the same hands -- particularly if there's even a semblance of TV-radio-newspaper monopoly in area. Former Sen. Wheeler, for example, easily put through the sense-of-Senate resolution limiting AM powers to 50 kw; the late Rep. Ewen Davis (D-Tenn.) put through the famous amendment bearing his name requiring "equitable distribution" of the radio wave lengths among states according to population, then as now a physical impossibility.

And it was Commission chairman Fly who not only imposed the station multiple ownership limit, but during his tenure newspaper grants of all kinds were held up for several years pending the "investigation" inspired by President Roosevelt.

And in light of what's transpiring on Capitol Hill now, it won't be surprising if the honeymoon of broadcasters and recent regulatory administrations is over. If a new New Deal is elected, if new people are appointed to the FCC who come into office with reformer zeal, their demands upon and restrictions of the "ins" may well make previous "crusades" pale by comparison.

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**Networks Defend Themselves:** AB-PT pres. Leonard H. Goldenson was leadoff man in FCC network hearings this week—beginning of an exhaustive probe into the structure and practices of national TV networks that is expected to last month or more. Currents and cross-currents in the telecasting industry generally, with accent on business practices, were already discernible in the first 5 days of testimony, of questioning by the 6 sitting commissioners and of cross-examination by Commission counsel.

There was disposition on part of some industry people to believe they weren't doing too well, simply because of searching character of some of the questions from the bench and out of feeling that Commission counsel, sometimes not too well informed either about the certain intricacies of the industry or about the Barrow Report itself, were disposed to make a "prosecution" of the case.

Actually, our own observation was that the commissioners, themselves preoccupied with plenty of other troubles, were far from hostile, are honestly bent on fact-finding, are determined to act judiciously. FCC counsel, it would appear, are suffering from an excess of caution for fear of being "crossed" by commissioners. On the whole, while sometimes dry and dreary, the hearings are being conducted on a high plane.

Quite a few out-of-town observers, notably station owners, managers and reps, were in and out of the hearings. Networks found they had no more ardent supporters for most of their basic policies, especially option time and "must buy," than their own affiliates—and each network will be bulwarked by independently-formed affiliates' committees, scheduled to testify later.

Station Representatives Assn., with Eugene Katz as spokesman, is expected to be main advocate of stricter control of networks, may plump against option time and certain other practices—but its primary objective, it's clear, is to get NBC & CBS out of the spot rep business. They don't want the networks to represent any but their owned

stations, and they will argue that the networks have used and can use their enormous influence over affiliates to wean them away from independent reps.

First week ended with ABC & CBS cases completed, topkicks of each strongly opposing practically all conclusions of Barrow Report though accenting different aspects. ABC's prime objective, Goldenson made clear, is competitive equality with CBS-TV & NBC-TV. He took pride in ABC-TV's programming strides, but flatly rejected any govt. help in struggle to achieve financial equality. His main point was that with adequate access to the prime marketplaces, and with enough competitive affiliates produced by allocations revisions, ABC would be in good shape.

Goldenson plumped for immediate start of rule-making to add 3rd, and possibly 4th, vhf stations in those of the top 100 markets with only one or 2. This, he suggested, could be accomplished through drop-ins, shifts from smaller cities, and 15 mileage cuts. Don't wait for TASO's allocation studies, he said, for they may be a long time coming.

Defending option time, Goldenson gave as example fact that ABC had to commit some \$35,000,000 in all to get *Disneyland*, wouldn't have done it without the assurance of clearances. Defending station ownership, he said ABC's ownership of 5 profitable vhf stations gave it cushion in event a program gamble like *Disneyland* failed. If ABC had only 3, he said, it would be a "very perilous" situation.

To point up speculative nature of networking business, Goldenson noted that Metropolitan Life wouldn't have provided \$65,000,000 financing if AB-PT didn't have extensive real estate holdings (mostly theatrical). "Our network lost money each year from its inception until 1955. We have operated at a profit in 1956 & 1957, but our 1957 profit figures are substantially below 1956," he said.

\* \* \* \*

ABC-TV pres. Oliver Treyz stressed importance of option time, said that failure to get adequate clearances would raise cost-per-thousand so high that advertisers would go to other media. And, he said, new programs couldn't be launched without assurance of the potential circulation provided by option time. He also pointed to the program-to-program audience flow enhanced by guaranteed clearance.

ABC-TV station relations v.p. Alfred R. Beckman

went into Barrow recommendations on affiliation agreements, compensation and rate-making practices, and asserted: "If adopted in the aggregate and carried to their logical conclusion, they would have the effect of changing completely the nature of the present system of TV network broadcasting from a field in which free competition is the keystone to a closely regulated business of the common carrier or public utility type."

Selig J. Seligman, v.p. & gen. mgr. of KABC-TV, Los Angeles, defended network ownership of stations. He asserted that owned-&-operated stations have "high degree of local autonomy"; that their service is enhanced by network's long-range planning, programming, prestige, etc.; that they're "major testing ground" for recruiting network personnel.

\* \* \* \*

CBS pres. Frank Stanton keyed his presentation to this question: "Is it in the public interest to have networks or not? A network has an obligation way beyond those of spot advertisers, reps and film syndicators."

"In large part," he said, "the [Barrow] Report has puzzled us, because many of the findings seem to us not to ring true—as though colored by a predisposition to a point of view . . . It is my conviction that the recommendations of the Report, on the whole, threaten to arrest the healthy development of the medium and, perhaps, to damage its driving force beyond repair."

Networks must be healthy to afford experimentation, he said, and he pointed to \$1,695,000 loss on *Boing-Boing*, \$1,359,000 loss on *The Seven Lively Arts*.

Pointing to TV's role in the economy, Stanton said that network advertising contributed substantially to rise in the gross national product from \$209.2 billion in 1946 to \$434.4 billion in 1957, and to personal consumption expenditures in same period from \$146.6 billion to \$280.5 billion.

He then gave some statistics on CBS operations: \$14,700,000 annually for AT&T lines; 6419 employes, 3057 of them fulltime (vs. 427 fulltime in 1949); \$44,000,000 annual payroll. CBS-TV news operation cost more than \$11,000,000 in 1957—and produced "substantial loss." CBS News has more than 600 correspondents in 263 cities around the world. In 1957, CBS produced 3172 hours of programs by itself or with independent packagers—about 9 times Hollywood's total feature film output.

"The balance between profit and loss in the case of networks," Stanton stated, "is so delicate that the failure to sell a single half hour a week for a year can cost a network almost \$3,000,000."

\* \* \* \*

Stanton's defense of option time: "It would take the defection of only a few key stations in major markets to deprive a network TV advertiser of so substantial a part of the nationwide circulation which he seeks that the order would be withdrawn." Slowly but inevitably, he said, there would be "fatal erosion" of network service.

"Must-buy," Stanton said, is what makes networks national media, competing with other national media. "Once we are fragmentized," he stated, "we are no longer a nationwide advertising medium." He noted that Barrow's own poll of ad agencies turned up only 7 advertisers who said they had to take more stations than they want—and each of these got only 2 or 4 more than desired.

CBS Spot Sales, Stanton said, accounted for only 5% of nation's spot business through the 8 independently-owned stations it represents, thus scarcely "dominates"

rep field. He said CBS has no plans for expanding in that area.

Network ownership of stations was said to be essential as "a stable source of income to provide against the substantial risk of loss on unsponsored programs." Said Stanton: "There is no assurance of continued profits at the level of the peak year, 1956. For, even in 1957, with increased sales volume the profits of CBS-TV declined perceptibly, and, so far, the outlook for 1958 is, to say the least, not better." He noted that CBS-owned stations produced 16% of network's gross in 1957 but 46% of profits.

CBS economic advisor Dr. David M. Blank presented analysis designed to show high degree of competition between network TV and other national media. Networks don't have advertisers "over a barrel," he said, because sponsors can and do shift readily to other media when TV costs seem too high.

\* \* \* \*

Wm. B. Lodge, CBS station relations and engineering v.p., covered affiliation practices, rates & compensation. Reciting CBS's practices, he urged Commission not to substitute regulation for the numerous business judgments which a network must make. He gave as example the study that CBS made in determining shift of affiliation from WCHS-TV to WHTN-TV, Huntington-Charleston, W. Va. Basically, it came down to management, for all other factors were about equal. Chief owner of WCHS-TV had died, and there was fight between majority & minority stockholders. Lodge described pressures brought to bear on CBS—from Senators, Congressmen, Governor, etc.

Lodge reported that multiple owners get no preference in CBS's choice of affiliate; that CBS radio affiliation no longer gives station first call on affiliation.

Lodge also described growth of Extended Market Plan to 32 stations, Extended Program Service to 108. He urged that affiliations be extended from 2 to 5 years.

Reviewing station compensation, he said "it does not seem reasonable to attempt to repeal the law of supply and demand by requiring equal compensation terms in all markets . . . The Report seems aimed at taking all financial incentive out of broadcasting."

CBS Inc. v.p. Richard S. Salant launched strong attack on Report's proposal that networks be regulated directly. Whole Report is fuzzy on that score, he said, with a dangerous potential—control of programming. "Make no mistake about it," he asserted, "if such power were vested in you, the areas of program judgment into which outside forces would try to press you and future Commissioners are almost limitless." He noted, among other things, that Sen. Bricker (R-O.), author of network-regulation bill, "stated that one of the reasons for such proposed regulation was to provide a govt. 'checkrein' to make sure that TV networks broadcast unbiased news."

With direct regulation, Salant said, Commission will have enormous temptation to intervene in affiliations, rates—almost anything. Public, he concluded, is the perfect arbiter.

### Jobs Wanted

Note to TV Station Owners: We have names of several station management, sales and program executives presently available for employment—and will furnish them for direct contact by employers addressing bona fide descriptions of job openings to the publisher, *Television Digest*.

**January Network Sales:** Network time sales slipped slightly in Jan. from Dec. record (Vol. 14:6) but they were second best in history, amounting to \$49,594,212, up 14% from \$43,501,996 in Jan. 1957. Only NBC showed less in Jan. than in Dec. Figures are first to be released by TvB as result of computations by Leading National Advertisers Inc. and Broadcast Advertising Reports which have undertaken the job of compiling them monthly since discontinued by Publishers Information Bureau. Figures are based on one-time rates, hence are discountable by as much as 25% to calculate real revenues. The Jan. LNA-BAR figures, compared with those for same month of 1957 and those for Dec. 1957:

	Jan. 1958	Dec. 1957	Jan. 1957
ABC .....	\$ 9,134,917	\$ 8,614,646	\$ 6,715,581
CBS .....	22,072,167	21,980,607	20,231,474
NBC .....	18,387,128	19,146,483	16,554,941
<b>Total</b>	<b>\$49,594,212</b>	<b>\$49,741,736</b>	<b>\$43,501,996</b>

**Correction:** Television Bureau of Advertising explains that the disparity between TvB's figures and those of McCann-Erickson pertaining to 1957 spot TV advertising (Vol. 14:9) is due to fact that TvB's are based on one-time expenditures and, like PIB's monthly network figures, are designed to serve merely as an index to trends. The McCann-Erickson figures, purporting to show total expenditures by advertisers, discount the one-time figures by about 18%. Hence TvB reported record high of \$448,734,000 spent on spot TV in 1957, whereas McCann-Erickson-*Printers' Ink* put figures at \$367,000,000. As if to compound the confusion, *Broadcasting Magazine's* own estimates put 1957 "national non-spot" at \$292,408,000 (Feb. 24, 1958). Note: The McCann-Erickson figures, long established and first ever compiled for TV, cover all other media, too, and comparative tables for 1947 thru 1957 are featured in 1958 Spring-Summer *TV Factbook No. 26*, just off the presses.

Standard measurements for TV art work have been developed jointly by AAAA and Station Representatives Assn., which have devised "framing guide," now available to TV stations and ad agencies. The 11x14-in. guide is not copyrighted, and electros, mats & reproduction proofs are available from Marbridge Printing Co., 225 Varick St., N. Y. Basic standard measurements are 11x14-in. for art-work area, of which 9x12-in. is covered by TV camera and 7x9½-in. is considered minimum area which will show up on home sets.

**Top 10 agency billings** in copyrighted compilation by Feb. 24 *Advertising Age*, as reported by us in Vol. 14:9, were domestic figures only for 1957. Including international billings, totals (in millions) & rankings listed by magazine for last year were: J. Walter Thompson, \$285; McCann-Erickson, \$262; Young & Rubicam, \$230; BBDO, \$210.5; N. W. Ayer, \$107; Ted Bates, \$103.4; Foote, Cone & Belding, \$96; Benton & Bowles, \$93; Grant Adv., \$90.5; Kenyon & Eckhardt, \$86.

Three Wisconsin stations, all ABC-TV outlets, have "hooked up" as Badger Network—WFRV-TV, Green Bay (Ch. 5) and WKOW-TV, Madison (Ch. 27) picking up live programs off air from WISN-TV, Milwaukee (Ch. 12).

John Blair & Co., pioneer rep firm (with Blair-TV & Blair TV Assoc. divs.) will build 10-story office building of own at Michigan Ave. and Erie St., Chicago.

Intellectual snobbery and gobbledygook by Robert Lewis Shayon in March 8 *Saturday Review*: "It's a little bit odd and somewhat alarming", he writes in a cynical but not-very-well informed commentary on the Ch. 10 disclosures, "to go through the FCC file of outstanding TV construction permits and pending applications, observing how often applicants are listed as 'also owning' one or more out-of-town stations. You'll also find legions of bankers, theatre owners, newspaper publishers, and refrigerator-agency operators among the applicants—even an occasional mayor, jeweler, and chief telephone operator. You'll search long and in vain, however, to find a single teacher, professor, writer, philosopher, sociologist, physicist, or TV critic (*sic!*). This category of citizens does not own or operate any of the instruments of our popular culture. It just writes (generally despairingly) about a mass media: 'their status-conferral function, enforcement of social norms, and narcotizing dysfunction.' In the cool clinical semantics of Dr. Paul F. Lazarsfeld: 'The forward-looking groups at the edges of the power structure do not ordinarily have the large financial means of the contented groups at the center.'" Foregoing quotes, while not in full are not out of context, either, so help us!

**Rate increases:** KOCO-TV, Enid-Oklahoma City, Feb. 5 raised base hour from \$600 to \$800, min. \$120 to \$200. WTHI-TV, Terre Haute, March 1 raised hour from \$500 to \$600, min. \$100 to \$120. KVAR, Mesa-Phoenix, March 1 added Class AA hour (6:30-10 p.m. Mon.-Fri., 5:30-10:30 p.m. Sat. & Sun.) at \$500, min. at \$100, Class A hour going from \$450 to \$350. WGEM-TV, Quincy, Ill.-Hannibal, Mo. March 1 raised hour \$300 to \$400, min. \$60 to \$80. KOMU-TV, Columbia, Mo. March 1 raised hour \$250 to \$300, min. \$50 to \$60. Combination rate: Additional 10% discount is made for combined sales on WSJV, Elkhart-South Bend and WKJG-TV, Ft. Worth. Rate cut: WMUR-TV, Manchester, N. H. March 1 cut base hour from \$700 to \$500, min. \$165 to \$100. Spot increase: WRBL-TV, Columbus, Ga. has raised base min. from \$80 to \$90.

**Ad Tax Scheme Squelched:** Statewide ban on special ad taxes in Md., where Baltimore initiated once-contagious revenue-raising plan (Vol. 14:9), was finally enacted this week. Supported by Md. Advertising Council, Robinson bill prohibiting local taxing bodies from singling out advertising won unanimous approval of State Senate after 82-16 passage in House, was promptly signed by Gov. McKeldin. New law prevents local govts. from (1) imposing sales tax on advertising unless business generally is taxed at same time & rate, (2) levying gross receipts tax on media.

**Signs of the Radio & TV Times:** Since 1924, 833 daily newspapers in the U.S. & Canada have suspended; since 1954, 35; during 1957, 12. On the other hand, newspaper circulation in 1957 went up 1.8% over 1956. Authority for these statements: American Newspaper Publishers Assn., which also reports 7 new dailies started last year. The 12 "suspensions" actually included several that merged or went weekly or semi-weekly.

Advertising management institute—billed as first of its kind—will be conducted Aug. 18-23 by Advertising Federation of America at Michigan State U, East Lansing, co-sponsored by journalism & communication arts schools there.

New rep: KRSD-TV, Rapid Sity, S. D. names Devney.



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**WILLIAM WIGHT**, Managing Ed.

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

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**Personal Notes:** David C. Adams, NBC exec. v.p.-corporate relations, elected March 7 to board of directors; B. Lowell Jacobsen, personnel director, elected NBC v.p.-personnel . . . Anthony C. Kraye Jr. promoted to business mgr. of NBC o-&o stations and NBC Spot Sales . . . J. Smith Henley, ex-assoc. gen. counsel of FCC and now with Justice Dept., slated for Senate confirmation as Ark. Federal district court judge . . . Walt Harris, ex-KOVR, Stockton & radio KFRC, San Francisco, named production mgr. of new KTVU, Oakland-San Francisco . . . Carleton D. Smith, NBC v.p. & gen. mgr. WRC-TV, Washington, elected pres., United Givers Fund . . . Joseph H. Ream, CBS Washington v.p., was married March 1 to Mrs. Virginia Brown Miller of Washington . . . Donald E. Campbell promoted to business mgr. of Transcontinent TV Corp.'s WROC-TV, Rochester, N. Y. . . . William F. Cooke named to head newly established CBC national sales office in Toronto . . . John M. Couric promoted to NAB mgr. of news, succeeded by Larry Sims, ex-J. M. Mathes Adv., N. Y. . . . Louis J. F. Moore retires as v.p. & radio div. director of rep Meeker Co. . . . Julian Ludwig named west coast sales representative of Flamingo Telefilm Sales, supervising new Hollywood office . . . Frank Noble promoted to regional mgr. of Teleprompter Corp. for Mich., Ind., parts of Ohio . . . George Condon, ex-20th Century-Fox, named publicity director of WBBM-TV, Chicago, succeeding Herb Grayson . . . John Jarstad promoted to program director of KTVW, Tacoma . . . Jason Rabinovitz, asst. treas. of Loew's Inc., appointed to new post of gen. mgr. of MGM-TV . . . Milton J. Salzburg, ex-Cornell Films, named sales executive of National Telefilm Assoc. . . . Frank Dennis named director USIA press & publications service; Richard L. Cushing, director of public information; Albert Harkness Jr., chief of policy and plans . . . Murray Heilweil, NBC-TV merchandising mgr., shifts to NBC Radio as marketing director.

### Obituary

Charles E. Butterfield, 65, first AP radio editor, then for 27 years conductor of an AP column devoted to radio & TV, died March 3 in Lakeland, Fla. He had retired in 1954 after 48 years of newspaper work.

Donald Miller, 65, special sales-promotion presentations director of CBS Radio Spot Sales, died March 1 in Norwalk (Conn.) General Hospital following heart attack. Surviving are widow, son, daughter.

Ward C. Mayborn, 78, father of Frank W. Mayborn, pres. of KCEN-TV & KTEM and editor-publisher of *Temple Telegram*, died at Sherman, Tex., March 1. Surviving are 3 sons.

Bernard Corson, 45, asst. mgr. of WLS, Chicago, under Glenn Snyder, died in Chicago March 2.

**ADVERTISING AGENCIES:** Arthur A. Bailey promoted to v.p., Foote, Cone & Belding in charge of Los Angeles office, succeeding exec. v.p. Roy Campbell, retiring; Nelson Carter promoted to v.p. & gen. mgr. . . . Robert Matthes, ex-N.W.Ayer, named TV-radio mgr. of Cunningham & Walsh, San Francisco . . . John Elliott Jr., BBDO v.p., N.Y., and Thomas C. Dillon, v.p. & Los Angeles office mgr., elected directors . . . John Coulson and Guy Safford elected v.p.'s of Leo Burnett, N. Y. . . . T. Jack Henry, McCann-Erickson v.p., named mgr. of Detroit office, succeeding senior v.p. Paul Foley who will divide time between Detroit & N.Y. offices . . . Frank Walsh, ex-McCann-Erickson, named research director of Erwin Wasey, Ruthrauff & Ryan; John D. Hayes named international dept. v.p. . . . Richard McCarthy promoted to v.p. marketing, Conti Adv. . . . Robert P. Breckenridge, ex-Lever Bros., joins Weiss & Geller as v.p. & marketing director . . . John H. (Jack) Byrne, v.p. of MacManus, John & Adams, heads agency's new international section, headquartering in N.Y. . . . Frank A. Birdsall, Gotham-Vladimir v.p., named mgr. of San Francisco office.

Ralph M. Cohn, founding v.p.-gen. mgr. of Screen Gems Inc., Columbia Pictures TV subsidiary, was elected pres. of that firm and a v.p. of parent film producing company at Hollywood board meeting this week, which named 52-year-old Abe Schneider as studio's new pres., succeeding the late Harry Cohn. Ralph Cohn is the son of the late Jack Cohn, co-founder of Columbia, and a nephew of Harry Cohn.

Dr. Lee de Forest, 85-year-old patriarch of electronics engineering, will be honored at special luncheon during NAB convention in Los Angeles May 1. Rear Adm. Charles F. Horne (USN ret.), v.p. of General Dynamics' Convair div., will speak at the luncheon on "Guided Missiles—The Less Glamorous Ones."

Ralph J. Renton, FCC asst. chief engineer in charge of technical research div., promoted to assoc. chief engineer; Arnold G. Skrivseth promoted from asst. chief to acting chief of technical research div.

William Wight, ex-public relations director of Philco Corp., joins *Television Digest* as managing editor.

Broadcasters' Promotion Assn. names John F. Hurlbut, WFBM-TV & WFBM, Indianapolis, and Don Curran, KTVI, St. Louis, as program chairmen for annual meeting at Chase Hotel, St. Louis, Nov. 16-19.

Annual Peabody Awards luncheon will be held April 2, Hotel Roosevelt, N. Y., by Radio & TV Executives Society. Awards chairman Bennett Cerf and Dean John E. Drewry of U of Ga. Journalism School will make presentations.

Independent WTTG, Washington (Ch. 5) DuMont-owned, starts March 10 to carry live telecasts of Senate rackets hearings 10 a.m.-3:30 p.m., showing films of any later activity at 8-9 p.m.

MBS Affiliates Advisory Committee meets in Washington March 28. Chairman Armand Hammer, who recently took over post of pres. from Paul Roberts (Vol. 9:14), will explain top-level executive changes and plans for future.

Washington TV-Radio Correspondents Assn. annual dinner will be held March 29 in Sheraton-Park Hotel. Vice President Nixon will be guest of honor.

Academy of TV Arts and Sciences will present the industry's "Emmy" awards April 15 at Los Angeles' Coconut Grove.

# Do You Know That . . .

OF THE HOBBYISTS we know in the broadcasting business, the most varied in his pursuits — and perhaps the most prolific — is Walter J. Damm, founder-gen. mgr. of the *Milwaukee Journal's* WTMJ-TV & WTMJ, chairman of NBC-TV Affiliates Executive Committee, one-time pres. (1930-31) of NAB, longtime leader in industry affairs. Currently, his interest is focused on handworked silver and copper jewelry—and the products he turns out are something for the book. He makes lovely necklaces, earrings, filigree and beaten silver brooches with the finesse of a professional.

Not long ago, it was shell jewelry that occupied Damm's spare time, and before that he and Mrs. Damm were absorbed in breeding Pekinese dogs. For many years, too, they devoted their leisure to raising orchids in their own hothouse. Also ardent orchidists, incidentally, are Basil Cooper, the FCC examiner, and his wife.

Oddest hobbies we know are those of Ben B. Saunders, owner of KICD, Spencer, Iowa. His pride and joy is a 1916 Pierce-Arrow fire engine, for which he paid \$250, and he'll rush it to a fire at the drop of a volunteer's bucket. Until recently, he was half owner of a 72-year-old steamboat of the Mark Twain era that plied nearby Lake Okajobi. His model railroad is possibly the most extensive one in America owned privately; it has 95 engines, 650 cars, 2200 ft. of tracks. He's also a collector of Indian jewelry, always wears an Indian belt buckle with 156 inlays.

\* \* \* \*

Fulton Lewis Jr., the commentator, builds church organs as a pastime; he has just finished one with 61 stops which he donated to St. David's Episcopal Church, Washington. It's worth \$27,500, took 5 years to build. Lewis is an accomplished pianist and organist, having worked

his way through the U of Virginia (Class of '24) playing for the silent movies in the Lafayette Theatre.

Dr. Burton Browne, pres. of the Chicago ad agency bearing his name, which specializes in electronics accounts, has turned his "Gaslight Club," an atmosphere rendezvous, from a hobby into a highly prosperous business; they're in Chicago & N. Y., planned for Washington & Paris.

Howard Chernoff, the ex-W. Va. broadcaster, formerly gen. mgr. of KFMB-TV, San Diego, retired a few years ago to devote his time to the city's zoo, of which he's a trustee and donor; he's also advisor to a tribe of Arizona Indians, and he's an amateur magician of considerable skill. Another magician, who gets paid for personal appearances, is news editor Porter Randall, of KFJZ, Ft. Worth. Also an expert at card tricks is Norman Gittleton, gen. mgr. of WMUR-TV, Manchester, N. H.

Among the Washington TV-radio attorneys, Henry (Buck) Weaver raises rare Irish wolfhounds; Arthur Scharfeld collects Chinese jade, porcelain and other Oriental art; Paul M. Segal, a gourmet, is an expert in Chinese cookery, can even bone a duck; Lester Cohen paints in oils and water colors, expects to have his own show soon; Morton Wilner is a bird-watcher, with his 3 young sons; Seymour (Sy) Krieger, whose fame as an Amherst varsity center (Vol. 14:3) included staying the entire 60 minutes of a game with Harvard which Amherst lost 60-0, is a superb wood-worker, builds fine furniture; Ben Cottone, ex-FCC gen. counsel, is a "bug" on foreign cars, currently owns an Alfa-Romeo sports model and Jaguar family car.

Station broker Allen Kander collects paintings. ANPA counsel Elisha Hanson, once prominent in newspaper-radio cases, raises pigeons. And NAB radio v.p. John Meagher is self-proclaimed rummy champion of the industry!

Editor's Note: We'd like to hear more from our readers about their own unique hobbies and those of their friends in the TV-radio fields.

**Harris Hearing—No End in Sight:** Other FCC commissioners are in for an uncomfortable time, probably during the week of March 10, before House subcommittee investigating "improprieties" in the Federal regulatory agencies (see p. 2)—but a lot of people are going to be surprised if inquiry elicits anything like the revelations which produced Comr. Mack's resignation this week. Presumably, each member who voted for National Airlines in Miami Ch. 10 case will simply defend his vote on basis of reasons listed in the official final decision. Rep. Harris, chairman, hasn't indicated whether Commission will be queried on other contested cases.

Mack's resignation, which came March 3, was inevitable. He wrote President Eisenhower: "Perhaps I should have been more careful in the handling of my personal affairs, but I have not violated my oath of office in this instance or in any other during my career in public life . . . I feel in my heart that I have done no wrong and my conscience is clear." President accepted immediately, writing "[I] agree with you that your usefulness as a member of the Commission is so seriously impaired that you are wise to tender your resignation."

Mack is due to return to Harris hearing witness chair March 12, his appearance this week being delayed because of what his attorney Wm. Porter termed "state of shock" and "nervous exhaustion." Rep. Harris has urged him to come back and spill everything he knows.

\* \* \* \*

Hearings should be faster and more coherent, now that subcommittee has unanimously named Washington attorney Robert W. Lishman as \$14,800-year counsel, succeeding the kicked-out Dr. Bernard Schwartz. The 54-year-old Lishman was born in Boston, was graduated with honors from Harvard Law School, first practiced law in New York, where he became asst. corporation counsel in 1934. He came to Washington in 1942 as counsel for RFC, started private practice in 1944. His law firm, Harter, Calhoun, Lishman & Williams, has handled cases before regulatory agencies, though none before FCC.

Schedule of witnesses in resumption of hearing 10 a.m. March 10 in Caucus Room, Old House Office Bldg.—always subject to change: Miami attorney Thurman A. Whiteside; A. Frank Katzentine, owner of WKAT, Miami, a loser in Ch. 10 case; Comr. Mack; other FCC members, including ex-chairman George McConaughy. Also likely to be called is Col. Gordon Moore, Mrs. Eisenhower's brother-in-law, who has denied having anything to do with helping National Airlines win Ch. 10 and has offered to repeat denial under oath.

With Mack gone, some Senators and Congressmen are demanding that Ch. 10 decision be voided—with WPST-TV

presumably to continue operating under some trusteeship arrangement. Such demands have been made by Sen. Monroney (D-Okla.), Sen. Neuberger (D-Ore.) Rep. Moulder (D-Mo.). Katzentine, whose appeal of decision is pending in Court of Appeals, may ask Court to void grant; other 2 losers, L. B. Wilson Inc. and North Dade Video, may do same. Losers in other decisions in which Mack voted for winner may seek similar wedge to reopen cases.

\* \* \* \*

Some real political heat was generated this week—before House Speaker Rep. Rayburn (D-Tex.) squelched it. National Airlines pres. G. T. Baker, no meek witness, demanded that Harris group get testimony of several Democratic Senators involved in Ch. 10 case—Smathers & Holland (Fla.), Kefauver (Tenn.), Magnuson (Wash.), Monroney (Okla.). The accused Senators denied attempting to “influence” FCC, said they merely urged Commission to vote on “merits” of case or (in the instance of Magnuson & Monroney) to decide that as a matter of policy that no franchised airline is entitled to a TV grant.

Harris said Senators could testify if they chose. Senators said they’d testify if “invited.” Rayburn stopped this reluctant Democratic Alphonse-Gaston act by stating: “We are not going to ask them to come over here. We can’t get started on that. If a Senate committee called me, I’d tell them to go dig potatoes, deep.” He said Senate has its own investigating committees and that Senators can use their own floor to say whatever they please.

President Eisenhower was again queried on subject this week. “There must be certainty,” he said, “that these so-called independent commissions are really independent . . . I think it is a very tragic thing for the U.S. to begin believing that someone that has got a real top-flight lobbying outfit and knows how to reach somebody is getting the kind of decision that it wants in the case.”

Republican National Committee sought to get a little campaign mileage out of the affair by noting that Senators Smathers & Holland gave Mack fine endorsement when he was nominated and “waxed increasingly eloquent in laying claim to Mr. Mack as one of their very own.”

National Airlines pres. Baker and counsel Alexander Hardy did good job of defending themselves, sticking to basic story that they didn’t hire Whiteside to “influence” Mack; that if Whiteside did anything for Airlines it was without their knowledge. Baker declared: “Don’t try to put around my neck the activities of Mack and Whiteside.” He asserted that Mack had been “crucified” while Senators got off free. And he made point of fact that Mack didn’t vote for applicants for which Whiteside had worked in Miami Ch. 7 and Charlotte Ch. 9 cases.

ASCAP-BMI dispute will bring an imposing array of musical, theatrical and literary talent before the Senate Commerce subcommittee March 11-20 to testify in favor of the Smathers bill (S-2834) to divorce broadcasters from music publishing and recording business (Vol. 14:8). Witnesses include: March 11—Oscar Hammerstein II; Dr. Louis Pichierri, director of music, Providence schools; Prof. Arlan Coolidge, chairman of the dept. of music, Brown U; Arthur Schwartz, composer; Joan Whitney, composer. March 12 Vance Packard, author; Eddie Dowling, actor. March 13—Dr. Edward Hanson, director, Eastman School of Music; Kim Cannon, composer; Eddy Rogers, composer; Dr. Douglas Moore, prof. of music, Columbia U. March 19—Mrs. Du Bose Heyward, author & playwright; Rex

Among the wild, unguided missiles launched from the investigation was comment this week from Rep. Moulder that Commission has written TV equipment specifications so as to give “monopoly” to a few manufacturers. “Other suppliers,” he charged, “have patents on such technical equipment and processes which are equally as good and at a much cheaper price, but they are frozen out by the specifications.”

As any FCC or industry engineer can testify, technical standards for both black-&-white and color resulted from joint effort of all manufacturers interested, working for years through National TV System Committee. Agreements on standards have been virtually unanimous—with no dissent from even the bitterest of patent enemies, such as RCA & Philco. And no manufacturer has ever complained that standards foreclosed it from making better or cheaper equipment.

Rep. Moulder’s cockeyed complaint, however, serves to point up: (a) That a member of Congress can break into print with any sort of charge, based on real or fancied grievances, in the present climate of the FCC. (b) That disgruntled people, whether defeated applicants or manufacturers unable to live up to FCC-required specifications, are still inclined to run to their Senators and Congressmen for support.

On the other hand, the record of Senatorial interferences in semi-judicial cases thus far disclosed may have the effect of making Capitol Hill people extremely chary henceforth about exerting undue pressures—perhaps even about making charges without previous investigation.



Inevitable aftermath of current imbroglios involving FCC will be rash of proposals for reform, disputes on merits. This week, for example, Harvard administrative law prof. Philip C. Neal suggested that FCC licensing of TV stations “ought to be subject to competitive bid, just the way govt. contracts are.” Said he in interview on Boston’s WGBH-TV (Ch. 2, educational): “I don’t suppose we would think of giving away all leases on public land and yet here we’re giving away TV licenses that are just about that valuable.” In Washington, Committee for Competitive TV (John E. English, chairman) disputed CBS pres. Frank Stanton’s statement at FCC network hearing that it’s now “too late” to develop uhf. It said “present non-competitive situation with monopolistic characteristics will be retained unless (1) the FCC initiates rule-making looking toward a switch to all-uhf . . . over a period of 10 years or less, or (2) the FCC reduces mileage requirements between vhf stations and reduces their powers to accommodate more frequencies in areas where channels will not fit at the present time.”

Stout, author; Booton Herndon, writer. March 20—Paul Creston, composer; John Schulman, copyright lawyer. Committee stated others to testify (no date set) include Gov. Clement of Tenn.; Sammy Kaye, Gene Autry, Jane Pickens, Eddy Arnold, Ray Bloch. Committee attaches say opponents of the Smathers bill, including broadcasters, will be heard sometime after April 15.

Screen Actors Guild sought strike authorization this week from members in contract dispute with producers of TV film commercials, ballots to be returned by March 18. Bargaining for higher pay scales since Jan. 20, union argues they are justified by “phenomenal” growth of TV industry since first agreement on commercials was won in 1953 following 12-day strike.

**WMTV, Madison, Wis. (Ch. 33)** is being sold by WTVJ Inc. interests (Mitchell Wolfson) to Lee P. Loomis group for \$399,333 (including \$288,333 still owed founding Gerald A. Bartell family), according to application filed this week with FCC. Sellers acquired station last year from Bartell family for \$350,000 plus a \$200,000 option on buildings and land. The option also is to be turned over to new owners (Vol. 13:30). Buyer is new Forward Television Inc., owned 51% by Lee Radio, licensee of KGLO-TV, Mason City, Ia. (Ch. 3), 49% by Lee Bcstg., licensee of KHQA-TV, Hannibal, Mo.-Quincy, Ill. (Ch. 7). Ownership interlocks with Lee newspaper chain which includes *Mason City Globe-Gazette*, *Hannibal Courier Post*, *La Crosse (Wis.) Tribune*, latter 27.5% owner of WKBT-TV, LaCrosse (Ch. 8). After transfer, Herbert R. Ohrt will be pres. & gen. mgr. of WMT, also gen. mgr. of KGLO-TV & KHQA-TV, headquartering in Mason City. Walter J. Rothschild, national sales mgr. for all new stations, will continue to headquarter in Quincy, Ill.; Merritt Mulligan moves from KHQA-TV to become WMTV station mgr.; Donald G. Harrer, WMTV operations mgr., moves from KGLO-TV. The WMTV Jan. 31 balance sheet shows \$33,829 loss to date, current assets \$58,638, current liabilities \$43,799, property & equipment \$319,307, fixed liabilities \$368,333. Note: Way is now clear for WTVJ Inc. to take over option on 40% of WLOS-TV, Asheville, N. C. (Ch. 13) and bring holdings there to approximately 80%—N. C. court having approved transfer of option from Charles & Roger Peace, despite protests. Peace family owns *Asheville Citizen and Times* and *Greenville (S.C.) News-Piedmont*, latter holding 48% of WFBC-TV, Greenville (Ch. 4). Previous WTVJ stock purchases from minority owners and purchase of option involve approximately \$1,000,000. Broker for sale of option and most of stock purchases was Blackburn & Co.

**KFBB-TV, Great Falls, Mont. (Ch. 5)** with radio KFBB is being sold for \$600,000 to Z-Net (E. B. Craney, pres. & principal owner) and Idaho Radio Corp. (A. W. Schwieder, pres., 7.3%), according to application filed with FCC, rather than to Craney & Schwieder personally, as reported earlier (Vol. 14:5). Craney operations include KXLF-TV, Butte (Ch. 4), with satellite KXLJ-TV, Helena (Ch. 12) and 5 Montana AMs. Idaho Radio Corp. operates KID-TV, Idaho Falls (Ch. 3) & KID. Taking over Great Falls stations from Joseph P. Wilkins and associates is new Cascade Services Inc., with Craney as pres., Schwieder as v.p., Z-Net and Idaho Radio as 49.98% owners each. KFBB-TV operating report dated Oct. 31, 1957 shows net operating profit of \$111,638 for year to date after expenses of \$182,835. Combined Oct. 31 balance sheet for TV-AM shows \$375,555 surplus, current assets \$201,003, fixed assets \$208,597, liabilities \$47,635, capital stock \$70,000.

**WKXP-TV, Lexington, Ky. (Ch. 27)**, which began operation last Sept. as WLAP-TV, may shortly be sold along with radio WLAP, Lexington. Price and buyers are undisclosed, but Cincinnati newspapers this week indicated Hulbert Taft Jr., pres. of WKRC-TV there and holder of interests in TV stations in Columbus, Birmingham & Knoxville (see *TV Factbook No. 26*), is involved in negotiations being conducted by broker R. C. Crisler.

Stanley Hubbard's KSTP Inc., St. Paul, this week purchased radio WGTO, Cypress Gardens, Fla. (10-kw D, 540 kc), near Winter Haven, for \$175,000, thru broker Blackburn & Co. He bought it from KWK Inc., St. Louis.

Sale of WATV, N. Y.-Newark (Ch. 13) with WAAT to National Telefilm Assoc. for \$3,500,000-plus (Vol. 13:49-51) is just about in the clear—with this week's withdrawal of much-publicized proposal of N.Y. Board of Regents to step in and buy the station. FCC granted Regents' request that its petition to get Ch. 13 labeled "educational" be dismissed. Jacob L. Holtzmann, chairman of Regents TV committee, didn't give reasons for pulling out but said: "We are working on new plans and hope to make an announcement soon." Speculation is that some arrangement is being made for acquisition of time on commercial station. Good guess is that Regents pulled out because it didn't have money to buy and had serious doubts about winning prospective legal battle. It's believed FCC majority favors NTA purchase, but deal is undergoing routine Justice Dept. examination. FCC approval of sale should come soon, since contract expires March 31.

San Francisco's radio KYA (5-kw D, 1-kw N, 1260 kc) fetches \$1,000,000 in sale by owners J. Elroy McCaw and John Keating to Gerald Bartell group, approved by FCC March 5. Bartell lineup also includes WOKY, Milwaukee; KRUX, Glendale, Ariz.; WYDE, Birmingham; WILD, Boston; KCBQ, San Diego; WAKE, Atlanta. Keating & McCaw also own 50% of KONA, Honolulu (Ch. 2), 50% of KTVR, Denver (Ch. 2), 100% of radio WINS, N. Y. McCaw also owns KTVW, Tacoma (Ch. 13), has interests in radios KELA, Centralia, Wash.; KALE, Richland, Wash.; KDAY, Santa Monica, Cal. [For other radio station transfers, see *AM-FM Addenda J.*]

Harry Pollock will control KNAC-TV, Ft. Smith, Ark. (Ch. 5), FCC this week having approved purchase of 50% from George T. Hernreich for \$175,000, which will boost his stock interest to 83.33% (Vol. 14:6). Hernreich acquired his stock from Salome Nakdimen for \$75,000 plus assumption of \$75,000 in obligations. After this sale to Hernreich, Pollock bought 33.33% and his family-owned Harry Newton Co.'s 16.67% from Mrs. Nakdimen for \$61,500. Pollock also agreed to lend station \$125,000 (Vol. 13:19, 26).

Transfer of KOCO-TV, Enid-Oklahoma City (Ch. 5), formerly KGEO-TV, to new Caster-Robison Television Corp. (Vol. 14:7, 8) was approved this week by FCC. L. E. Caster, ex-pres. of WREX-TV, Rockford, is reducing holdings from 75% to 41.5%; Ashley L. Robison retains 25%; Phil Banta, ex-pres. of KGEO-TV, regains 10%. Remaining stock will be held by following Rockford businessmen: Scott Webster, 10%; Frank Franzen and Ken K. Clark, 5% each; Joe Baisch, gen. mgr. of WREX-TV, 2.5%; Clint Maslen, 1%.

Mary Pickford and husband Charles (Buddy) Rogers are buying radio KFBI, Wichita, for \$450,000 from gen. mgr. Hale Bondurant (50%) and Henry & Elmer Balaban (50%), latter also part owners of WTVQ, Rockford, Ill. (Ch. 39) and WICS, Springfield, Ill. (Ch. 20) as well as of radios WIL, St. Louis & WRIT, Milwaukee. Broker: Hamilton, Stubblefield, Twining & Assoc.

Three applications for TV stations were filed with FCC this week, bringing total to 123 (32 uhf). Applications: For Bakersfield, Cal., Ch. 17, by local group headed by owner of KLYD there; for West Sacramento, Cal., Ch. 40, by group of Sacramento sales execs., for Wailuku, Maui, Hawaii, Ch. 8 satellite of KHVH-TV, Honolulu (Ch. 13), owned by Henry Kaiser's Hawaiian Village. [For details, see *TV Addenda 26-F* herewith.]

**Upturn in Bartlesville?** "Customer comeback" to first wired subscription-TV system in Bartlesville, Okla. was reported cautiously this week by Video Independent Theatres pres. Henry S. Griffing as result of rate & other changes designed to halt wave of home cancellations (Vol. 14:7).

"We feel we have a good chance now of coming through our first crisis stronger than ever, but we're not yet ready to shout 'Hallelujah,'" Griffing told United Theatre Owners of Okla. convention in Oklahoma City.

He said number of subscribers had mounted to about 600 since revamped schedules were announced, effective March 1. Three weeks earlier they had dropped to about 300 from high of 531 in 6 mo. of operation. System-saving measures included: (1) Price cut to \$4.95 from \$9.50 monthly. (2) Movies on one of 2 channels, Muzak on other. (3) Sunday art films. (4) Community antenna service for Tulsa's 3 regular channels.

"When we started this program we predicted it would take at least a year to find out whether telemovies are economically feasible," Griffing reminded movie exhibitors. "We haven't found any reason to change that prediction.

"We're like chemists looking for an unknown formula. We are trying various combinations of ingredients to see if we can find a profit potion that will prove an antidote to the boxoffice poison [free movies on TV] that has afflicted our theatres."

Griffing said "some of the things we think we know

First Soviet TV contract under new U. S.-USSR trade agreement (Vol. 14:8) was reported signed this week by Ziv International, whose pres. Ed Stern flew into London after 5-day negotiations in Moscow for Russian showings of *Sea Hunt*, *Science Fiction Theatre*, *Favorite Story*. Comedian Bob Hope obtained Soviet visa for trip to Moscow, starting March 14, to film TV show there—with Russian girls in it, he hoped. U. S. TV networks were reported planning to film other shows in Russia, but no firm schedules had been set at week's end, and State Dept. announced no developments in direct TV-radio negotiations with Soviet representatives on diplomatic level.

TV Legion of Decency to evaluate films on home screens—particularly those from pre-1948 movie packages—probably will be organized by Bishops Conference, according to *Catholic Standard*, official organ of Washington (D. C.) diocese. Church authorities earlier saw little need for special Catholic agency to carry out encyclical by Pope Pius XII on TV-radio censorship (Vol. 13:50). But diocesan publication indicates Bishops now plan TV film-rating system more rigid than that applied to theatrical movies by Legion of Decency. Reason: features made 10 years or more ago may be suitable for adult audiences but not for home showings.

Columbia Pictures, reflecting declines in other sectors of movie industry (Vol. 14:6), reports net loss of \$395,000 in 2nd fiscal quarter ended Dec. 28, 1957 vs. net income of \$486,000 (39¢ per share) in same period year earlier. For 6 months ended Dec. 28 loss was \$820,000 vs. earnings of \$1,329,000 (\$1.11) in previous half year.

Allied Artists earned \$172,000 in 26 weeks ended last Dec. 28 vs. loss of \$452,000 in first fiscal 6 mo. year earlier. No provision for Federal income tax was made in June 30-Dec. 28, 1957 period because of loss carry-forward.

now" about wired-TV are: (1) Price must be low. (2) "Fair" contract for utility poles is necessary. (3) System must offer more than movies so long as free films can be seen in quantity. (4) Telemovies idea can't sell itself; viewers must see performance. (5) Any movie produced in recent years seems new to most subscribers who had been going to theatres infrequently or not at all.

Meanwhile, Los Angeles city council voted 10-5 to repeal ordinances granting wired pay-TV franchises to Paramount-owned International Telemeter Corp. and Skiatron, which had requested action to forestall citizens' referendum on issue in June (Vol. 14:9).

Council originally voted 8-6 for ordinances, but all hands agreed in debate at this week's session that pay-TV would meet crushing defeat in any referendum—to which all ordinances are subject in Los Angeles if enough petitions can be obtained.

Following repeal of city franchises, chairman Julius F. Tuchler of anti-pay-TV citizens' committee announced he'd start a statewide initiative (requiring 322,000 signatures) for law banning toll-TV anywhere in Cal.

Washington pay-TV fronts were relatively quiet following formal agreement by FCC to postpone processing of any applications for trial operations until 30 days after 85th Congress adjourns (Vol. 14:9). Chairman Harris (D-Ark.) of House Commerce Committee said, however, that he'd press Commission for further postponement of any tests if Congress fails to act on controversy this session.

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**Theatres vs. TV Movies:** Two more studios—Columbia Pictures & Walt Disney Productions—lined up this week with Theatre Owners of America in exhibitors' campaign to keep post-1948 feature movies off TV screens, joining such other recent recruits as MGM & 20th Century-Fox (Vol. 14:6).

TOA pres. Ernest G. Stellings announced he had obtained this pledge from Columbia distribution v.p. Abe Montague: "It is the policy of Columbia Pictures that they are not interested in making any further sales of feature pictures to TV at the present time, nor do they have any plans for the future, and possibly never."

At same time, pres. Leo F. Samuels of Disney's Buena Vista releasing agency said that Disney theatrical films *Snow White*, *Cinderella*, *Bambi* won't be given to TV. Policy goes for pre-1948 as well as post-1948 movies, he said. Disney reasoning is simple: Theatrical reissues of children's film classics every 5-7 years are practically sure-fire for paid admissions.

Movie trend was not all away from TV, however. Paramount Pictures, which last month sold \$50,000,000 pre-1948 feature package to MCA subsidiary Management Corp. of America (Vol. 14:6), plans to enter TV film production in summer. Subsidiary Paramount Sunset Corp. will develop TV film series based on successful theatrical features—*Conquest of Space*, *Shane*, *Perils of Pauline*—according to v.p. & gen. mgr. James A. Schulke.

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TV revenues accounted for big income increase of Republic Pictures in quarter ended Jan. 25, for which it reported profit of \$911,725 (41¢ per share) vs. \$219,483 (6¢) in 1957 period. In fiscal year ended last Oct. 25, Republic had operating loss of \$1,863,420 before tax credit of \$500,000; in report for that year, pres. Herbert J. Yates predicted substantial quarterly earnings in 1958 as revenues from films sold to TV offset boxoffice decline.

**FTC RULE ON TV ADS EXPECTED SOON:** Renewed speculation over ultimate Federal Trade Commission rule on advertising TV tube screen sizes arises from continued postponement of hearings on pending complaint against Admiral (Vol. 14:46). Informed but unquotable sources predict freely that the complaint will be settled -- and soon -- by a consent judgment. This would give FTC a precedent in law with which to force compliance by TV set manufacturers and others with Rule 9 of Trade Practice Rules for the Radio & TV Industry promulgated in 1955 (Vol. 11:27) which establishes code for advertising TV screen sizes.

Point at issue in Admiral case is whether footnotes explaining "21-in.", "21", and the like, are so small and far removed from the rest of ad copy as to constitute deception of the public and/or inadequate disclosure.

However, there are other and more important implications in the prospective Admiral settlement. Will FTC try to force manufacturers to police distributor and dealer advertising? Can dealers in intrastate commerce be brought into line on ads which they prepare themselves? We have found manufacturers' legal depts., their ad executives and agencies deeply concerned about the answers.

FTC lawyers were noncommittal in response to direct questions, but left no doubt in our minds that they are merely awaiting a favorable decision in the Admiral case to reopen the issue at the factory, distributor and retail levels. One desk we saw was piled high with ads, checked, presumably, for compliance with Rule 9.

FTC believes distributor and dealer ads can be brought into rule compliance if factory co-op advertising funds pay for any part of insertion cost, we gathered from our conversations. Or, even if the manufacturer furnishes suggested ad copy or mats as a guide to local ad copy writers.

Magnitude of policing all TV advertising is a source of major concern. If the manufacturers are convinced penalties will result from noncompliance with the rule, it may bring about standardization of screen size measurements on square inch basis. Apparently, such a result would please FTC lawyers, although they won't say so.

**TV-Radio Production:** TV set production was 89,466 week ended Feb. 28 vs. 86,903 preceding week & 117,891 in 1957 week. Year's eighth week brought production to 812,923 vs. 914,887 last year. Radio production was 176,851 (54,473 auto) for week vs. 194,460 (70,792 auto) in preceding week & 344,507 (131,108 auto) last year. For 8 weeks, production totaled 1,749,785 (620,612 auto) vs. 2,262,608 (1,044,483 auto).

**HI-FI COMPONENT MAKERS READY MASS PITCH:** High stakes in the hi-fi business -- some \$800,000,000 due at retail in 1958, probably \$1 billion in 1959 -- have both the "component" and "package" makers readying national consumer promotion programs to get their share of the market. Manufacturers of tuners, amplifiers, speakers, changers, etc., in a first major effort, are planning to break out of the tight hobbyist market and reach the general public through the same big consumer magazines favored by the package brand names.

Bigger advertising budgets and greater brand acceptance have been getting some 70% of the market for package makers, while components industry has relied primarily on reaching "the hi-fi bug" through the specialized audiophile press for its 30%.

To carry its story to the public, the component group -- 70 strong -- has banded together in the Institute of High Fidelity Manufacturers. "Our members are too small to do that job alone," Institute pres. Joseph Benjamin, exec. v.p. of Pilot Radio, told us. "Now as an industry, we are ready for the job -- but I can't give details [of the ad campaign] until March 20."

Although component business has been booming (\$160,000,000 at retail in 1956,

\$200,000,000 in 1957, and prospects of \$250,000,000 in 1958), packaged phono increase (Vol. 13:51) has been bigger in dollars and is concentrated in area above \$125 line which divides "standard" phonos from "hi-fi" phonos. Standard units have been holding steady at about \$150,000,000 a year while packaged hi-fi phonos -- especially at high-dollar and high-sound quality levels usually associated with components -- have boomed from about \$250,000,000 in 1956 to \$350,000,000 in 1957 and have prospect of a further increase to \$450,000,000 in 1958.

Whether current package phono boom (Vol. 14:9) is worrying component makers, neither Benjamin nor Edwin Cornfield, Institute exec. secy., will say. But fact is that public is obviously impressed with the package story which attacks indirectly -- and sometimes directly -- the component story. Package makers' copy concentrates on factory-matching of components in finished phonograph by professional engineers, design and assembly by factory professionals -- and "you pay only one markup" for the assembled package which fits the furniture decor of the home.

Upgrading of component distribution will be second target of coming push. Only 2143 dealers are hi-fi specialists who concentrate on component systems, Cornfield told us. On the other side of the fence are 110,000 dealers who sell radio and/or TV, according to EIA count, who can be considered outlets for package phonos. Component campaign will be built around a dealer plaque designating dealer as "certified" by the hi-fi Institute.

Ad campaign itself will "cost less than \$1,000,000" this year, Cornfield told us. Pitch will not be "anti-package," but "pro-components." Institute spokesmen insist component industry has no ill will toward package makers -- after all, "some of our members make both."

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**Trade Personals:** Cliff Slaybaugh, RCA international sales mgr. for engineering products, flew on March 6 to attend the fifth assembly of Inter-American Association of Broadcasters convening at Punta del Este, outside Montevideo, Uruguay, March 10-14, will visit Brazilian RCA operations before returning; NAB delegates to convention are Harold Fellows and Gilmore Nunn . . . John T. Hickey promoted to asst. to Motorola pres. Robt. W. Galvin, for long range planning; Dr. Lester Hogan, Harvard U, succeeds him as mgr. of semiconductor div., Phoenix, in June . . . Glen McDaniel, ex-RETMA (EIA) pres. & gen. counsel, onetime RCA v.p., recently partner in N. Y. law firm of Lundgren, Lincoln & McDaniel, has moved to Los Angeles where he is now v.p., Litton Industries Inc., 336 N. Foothill Rd., Beverly Hills, Cal. . . . Harry M. Fackert promoted to eastern district sales mgr. of RCA semiconductor div.; George E. Reiling to central district sales mgr., Robert D. Wick to mgr. of industrial sales and acting mgr. of govt. sales; Irving H. Von Zelowitz to sales coordination mgr. . . . Donald W. Gunn promoted to sales v.p., Sylvania electronic tubes div. . . . Willard H. Sahloff, v.p. & gen. mgr., GE housewares and radio receiver div., awarded a "Loyal Son of Rutgers" pin for outstanding service to alma mater Rutgers U. . . . Dr. E. M. Baldwin, ex-Hughes Aircraft, named gen. mgr. and v.p., Fairchild Semiconductor Corp. . . . Murray T. Grode promoted to asst. gen. mgr. of Bulova Watch special products div. (radios) . . . William H. Buck, ex-Raytheon, has been named adv. mgr. for the electronics and instrumentation div. of Baldwin-Lima-Hamilton Corp. . . . Myron C. Pogue promoted to new post of mgr., market research; Paul D. Williams named asst. director of research, Eitel-McCullough, San Bruno, Cal. . . . Robert Snider named western regional mgr., Jerrold jobber products div., with offices at 12106 E. Firestone Blvd., Norwalk, Cal.

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**DISTRIBUTOR NOTES:** Hotpoint Co. promotes Philip H. Weil to sales mgr. for HASCO, Baltimore-Washington; ex-Baltimore sales mgr. Paul M. Burtis remains in sales capacity; ex-Washington sales mgr. Chet Ludka named advertising & sales promotion mgr. . . . Ewald Distribution Co., Louisville (RCA), promotes James A. Price to gen. sales mgr.; Felix Sandman to electronics sales mgr.; Frank Secor to appliance sales mgr. . . . DuMont appoints Radio Electronics Sales Corp., Worcester, for TV-radio-hi-fi . . . Electro-Pliance Inc., Milwaukee (Philco), promotes Wm. Baker to sales mgr. for TV & appliances succeeding Wm. Seemuth who resigned as exec. v.p. without revealing future plans . . . Graybar promotes H. Bryson to mgr. at Indianapolis; A. C. Larson to mgr. at Springfield, Ill.; E. W. Windahl to asst. district mgr. at Minneapolis . . . Columbia Records appoints Strauss-Frank Co., San Antonio (Sylvania) for records & phonos replacing Medaris Co., Dallas . . . Jerrold Electronics opens midwest regional sales office in St. Louis, headed by Lou Waelterman; plans new sales & engineering offices in Amarillo, Dallas, Uvalde, Tex.; St. Paul & Dubuque, Ia. . . . Cabot Records appoints Joseph M. Zamoiski & Co., Washington-Baltimore (Zenith, Mercury records) for D. C., Baltimore & Richmond . . . Symphonic Radio & Electronics appoints Graybar, Los Angeles, replacing J. N. Caezan Co. . . . Olympic Radio appoints Lew Bonn Co., Minneapolis, for parts of Wis., Minn., N. D. . . . GESCO, N. Y., names Ken Emmer, ex-GESCO, Newark, as head of advertising & sales promotion, succeeding John Anderson, now with rep R. P. Hussey . . . American Geloso, N. Y., U. S. sales rep for Geloso Italian tape recorder appoints Electronic Distributors, Schenectady; Radio Parts, Pittsburgh; Ward Harris Co., San Francisco; Payette Radio Ltd., Montreal.

Dr. Alfred H. Williams, ex-pres. of Philadelphia Federal Reserve Bank, elected director of International Resistance Co., Philadelphia.

## Financial Reports:

**Fund Portfolio Changes:** Television-Electronics Fund reports net assets of \$146,105,143 and 14,248,589 shares outstanding in 1st fiscal quarter ended Jan. 31 vs. \$135,100,234 and 13,038,227 in preceding quarter. During 1st quarter these were changes in its portfolio:

New stocks added: 10,000 shares Hewlett-Packard, market value \$231,250; 3000 Union Carbide, \$276,000.

Stocks eliminated: 7500 Chance Vought Aircraft, market value \$196,875; 17,000 Elgin National Watch, \$133,875.

Holdings were increased in Babcock & Wilcox, Columbia Pictures, Corning Glass, Curtiss-Wright, Dictaphone, Douglas Aircraft, Electronics Assoc., Fansteel Metallurgical, Food Machinery & Chemical, Friden Calculating, GM, General Precision Equipment, Goodyear, Hoffman, Liquidometer, Magnavox, P. R. Mallory, Philco, Sperry-Rand, Stewart-Warner, Storer Bcstg., Taylor Instrument, Telecomputing, Tung-Sol, United Aircraft, United Utilities, Vitro.

Part of holdings were sold in Addressograph-Multigraph, AB-PT, Beckman Instruments, Bell & Gossett, Bendix Aviation, Boeing Airplane, CBS "A," Dresser Industries, Eastman Kodak, Eitel-McCullough, General Railway Signal, General Tire & Rubber, Giannini, Hammond Organ, Hazeltine, International Nickel of Canada, Litton, Lockheed Aircraft, Martin, W. L. Maxson, Motorola, North American Aviation, Northrop Aircraft, Oak, RCA, Reliance Electric & Engineering, Ryan Aeronautical, Square D, 20th Century-Fox, Zenith.

Unchanged during quarter were holdings in ACF Industries, Admiral, Aerojet-General, Allegheny Ludlum, Allis-Chalmers, American Bosch Arma, American Chain & Cable, American Machine & Foundry, AT&T, Ampex, Amphenol, Barry Controls "B," Bullard, Bulova Watch, Burroughs, Carborundum, Carrier, Cincinnati Milling Machine, Clark Controller, Clevite, Conrac, Consolidated Electrodynamics, Consolidated Electronics, Cornell-Dubilier, Cutler-Hammer, DuMont Labs "A," DuPont, Eastern Industries, Eaton Mfg., Elox, Emerson Electric, Ex-Cell-O, Garrett, General Bronze, General Dynamics, GE, General Mills, General Telephone, Globe-Union, Harris-Intertype, Indiana Steel Products, Industrial Electronics, IBM, IT&T, Johnson Service, Leeds & Northrup, Machlett Labs, Marchant Calculators, Mergenthaler Linotype, Minneapolis-Honeywell, Minn. Mining & Mfg., National Acme, National Cash Register, Neptune Meter, Otis Elevator, Paramount Pictures, Penn Controls, Pullman, Robertshaw-Fulton, Royal McBee, Servomechanisms, Sprague Electric, Statham Instruments, Sylvania, Technicolor, TelAutograph, Television Assoc., Texas Instruments, Thompson Products, United-Carr Fastener, Varian Assoc., Walt Disney Productions, Westinghouse Air Brake, Westinghouse Electric.

Tung-Sol's 1957 sales went up to \$64,106,913 from \$53,838,822 in preceding year, total including 7½-mo. revenues (\$6,280,012) of Chatham electronics div. acquired in May and a major producer of power & hydrogen thyatron tubes, aircraft power supplies, selenium rectifiers, radiation detection equipment. The rate of 1957 gain made even without Chatham should be carried through 1958, according to March 1 report by chairman Harvey W. Harper and pres. Louis Rieben. Net earnings were \$3,129,916, or \$3.31 per share, on 893,502 shares outstanding; this included \$339,031 earned by Chatham. The 1957 profits compared with \$2,909,397 (\$3.83 on 704,931 shares) in 1956. Per-share earnings decline was due in part to increased shares and also "to failure of price increases to match the pace of rising costs." Proxy statement for March 25 annual meeting discloses pres. Rieben's salary at \$49,833, his stockholdings 11,774 common shares; exec. v.p. Milton R. Schulte's salary \$38,026, stockholdings 3186 shares; v.p. Donald Harper's salary \$37,378, stockholdings 4783 shares; v.p.-treas. H. Merle Darling's salary \$36,961, stockholdings 3605 shares. Chairman Harper holds 87,397 stockholdings 3605 shares. Chairman Harper holds 87,397.

Pacific Mercury, manufacturer of Sears, Roebuck Silvertone label TV sets in addition to electronic organs & electrical components, earned \$286,000 (41¢ per share) on sales of \$10,690,419 in 6 mo. ended last Dec. 31. No comparison with same period year earlier available because of change in fiscal accounting, but company earned \$557,754 (80¢) in year ended June 30, 1957 (Vol. 13:41).

Litton Industries' planned acquisition of Aircraft Radio Corp. (Vol. 13:52) has been called off, joint announcement by companies stating number of Aircraft Radio shares deposited for exchange didn't meet 80% requirement.

**PROXY STATEMENT** for RCA's annual meeting in N. Y. May 6 disclosed that new RCA pres. John L. Burns was engaged March 1, 1957 under 10-year contract at salary of \$150,000 first year and increase of \$12,500 annually until rate of \$200,000 is reached. He holds 250 shares of RCA common stock. Other officer-director 1957 salaries, fees & stockholdings: Frank M. Folsom, ex-pres., now chairman of exec. committee, \$165,000 with retirement June 1, 1959 and 5-year contract thereafter as consultant at \$25,000 a year (holds 13,557 shares of stock); Elmer W. Engstrom, senior exec. v.p., \$110,000 (1573 shares); Harry C. Hagerty, director & chairman of finance, incentive & stock option committee, \$16,600; George L. Harrison, director & chairman of contributions & salaries committee, \$6800 (1000); Mrs. Douglas Horton, director & consultant, \$6550 (400); Harry C. Ingles, retired v.p. & consultant, \$13,550 (100); Charles B. Jolliffe, v.p. & technical director, \$72,500 (1224); Edward F. McGrady, retired v.p. & consultant, \$18,500; Charles M. Odorizzi, exec. v.p., sales & services, \$100,000 (1426); David Sarnoff, chairman, \$200,000 (15,000); Robert W. Sarnoff, director of RCA & pres. of NBC, \$125,000 (651); Walter Bedell Smith, director & member of exec. committee, \$16,300 (100). John T. Cahill, director (500 shares), drew \$2850 in director fees, and firm of Cahill, Gordon, Reindel & Ohl, of which he's senior member, received \$350,000 for legal services. John Hays Hammond Jr., director (100 shares), drew \$1100 and his research lab received \$60,000 for 1957 and \$15,000 for first 3 months of 1958. New director Paul M. Mazur, partner of Lehman Brothers, bankers, is shown as owning 700 shares, new director Andre Meyer, of Lazard Freres & Co., 10,000 shares.

Raymond A. Rich's compensation as pres. of Avco for the 1957 period he served in that job, after quitting as Philco appliance div. v.p. was \$96,428, according to Avco's proxy statement for April 13 annual meeting in Wilmington. Other major officer-director salaries and stockholdings: Victor Emanuel, \$150,000 (26,000 common shares); James D. Shouse, chairman, Crosley Bcstg. Corp., \$87,500 (4050 shares); Kendrick R. Wilson Jr., pres., \$77,517 (2500); Lloyd P. Smith, v.p. & pres. of research & advanced development div., \$73,333 (1500); Arthur R. Kantrowitz, v.p. & director of Avco research lab, \$70,000 (11,000); Matthew A. McLaughlin, v.p. & gen. counsel, \$63,124 (1075). During year, Emanuel was granted option to purchase 50,000 shares, Wilson 18,000, Shouse 5000, McLaughlin 5000—Emanuel at 6½, others at 5½.

Electronics Corp. of America sales in 1957 were \$8,037,533, up 15% from \$6,973,305 in 1956. Net profit was \$182,653 (22¢ per share) vs. net loss of \$476,467 preceding year. Current assets on Dec. 31 were \$5,188,307, current liabilities \$1,086,334. Proxy statement for March 26 annual meeting in Cambridge, Mass. discloses pres. Arthur G. B. Metcalf's 1957 remuneration as \$48,750, stockholdings 135,999 shares out of 707,428 outstanding; senior v.p. John A. Long, \$45,000 (136,000 shares); operations v.p. Burton E. Shaw, \$35,000. ECA v.p. Dr. Harlow F. Avery, owner of Trans-Pecos Clinic, Pecos, Tex., holds 95,000 shares, auto man Jack Chrysler holds 100 shares of common and \$50,000 of 5% convertible debentures due Dec. 1, 1975.

Dividends: Erie Resistor, 5¢ payable March 15 to stockholders of record March 5; Corning Glass, 25¢ March 31 to holders March 14; Decca Records, 25¢ March 31 to holders March 17; Arvin Industries, 50¢ March 31 to holders March 10; RCA, 25¢ April 28 to holders March 17.

**Price Cutting Skips Radios:** Prairie fire of price cutting that swept small appliance retail market last week—following abandonment of “fair trade” March 26 by GE, Sunbeam, Schick, Ronson and a host of other manufacturers—left small radios comparatively unscathed. Our spot check of major manufacturers, distributors and big dealers shows that the public enjoyed a field day in toasters, mixers, electric blankets, shavers, etc., but that radio prices held up well under tremendous pressure. Radio sales are good, prices as firm as they were a month ago in most markets.

RCA spokesman said there's no evidence “yet” that end of fair trade has seriously affected radio prices generally. “But it will be a week before we know for sure,” he said. Philco reported “no appreciable impact” from price cutting, added it is “working hard to meet heavy distributor demand for new line.” Benjamin Abrams, Emerson pres., described price cutting spree as a “7-day wonder,” said N. Y. distributor reported increased sales.

Midwest radio sales have not been materially affected, Admiral said, “but orders from east coast have boomed.” In far west, price cutting was less prevalent. Major outlets looked for a move upward in week or 10 days.

Big dept. stores and discounters revelled in store traffic generated by the price cutting; small retailers—most likely to get hurt—took a wait-and-see attitude, tried to hold prices. Some pulled merchandise off shelves.

Fate of Federal fair trade legislation in Congress remained in doubt, may have been hurt by GE's action. Harris bill (HR-10527), now in House Commerce Committee (Vol. 14:9), was dormant, no action scheduled. Lawyers for Senate Small Business and Commerce committees took dim view of Harris bill, contending it would clear the way for “widespread price fixing by making ineffective Section One of the Sherman Anti-Trust Act.” Although avoiding comment, Justice Dept. is expected to maintain its opposition to any Federal fair trade legislation.

**Color Forging Forward:** New York, Los Angeles, Philadelphia, Indianapolis—in that order—led the nation in color TV sales, with Indianapolis ahead of N.Y. and L.A. and nudging Philadelphia on a per-capita basis. This was report of Martin F. Bennett, RCA v.p.-merchandising, at luncheon of Indianapolis Ad Club this week, when he stated nation-wide sales of color sets so far this year are running about 50% ahead of year ago; also, that during each of last 6 weeks of 1957 RCA Service Co. color installations increased by 30% over week immediately preceding.

Color sales of 1957 are still an RCA secret, so no comparisons are available, but industry estimates are about 120,000 sets for year—most of them RCA. Bennett said RCA last year found answer to question how to develop color TV into a truly mass medium: “Exposure.” Said he:

“When you introduce the public to color TV you get the response you are looking for—interest, excitement and finally sales. I am not going to say that color is over the top. But I feel confident in saying that we are beginning to see a ground swell which, if it continues its present rate, will sweep color into the mass media market before the year is up.”

This week, Howard S. Cullman, U.S. commissioner-general for the upcoming Brussels Exposition, was dis-

**Sentinel TV Discontinued:** Production of TV by its Sentinel div. has been discontinued by Magnavox, which bought the company in Feb. 1956 (Vol. 12:8). Magnavox merchandising director George H. Fezell said, however: “We'll still keep Sentinel hi-fi going for distributors who aren't particularly interested in TV, but who do want a hi-fi line.” Distribution of the 6-model phono line (\$89 portable to \$289 radio-phono console) will continue thru distributors. Sentinel div. did not market radios. In letter to 37 distributors, Magnavox v.p. Leonard Cramer said that Sentinel business last year was “disappointing,” particularly TV. Sentinel move will have no effect on direct-to-dealer distribution of Magnavox or Spartan brands. Magnavox bought Sentinel, according to Cramer, because it had TV production facilities Magnavox thought would be needed for expansion into color. When color TV failed to boom, Magnavox sold Sentinel's Evanston plant and moved production to Magnavox lines at Greeneville, Tenn.

RCA pleaded not guilty in U. S. District Court, N. Y. to anti-trust indictment (Vol. 14:8), Judge Weinfeld granting 30 days for filing motions in criminal conspiracy case. Meanwhile, Justice Dept., which lost unrelated civil anti-trust suit vs. RCA & NBC growing out of Philadelphia station deal with Westinghouse (Vol. 14:2), filed anticipated formal notice of appeal directly to Supreme Court, bypassing Court of Appeals.

**ELECTRONICS PERSONALS:** Brig. Gen. Earle F. Cook, commander of the Army Signal Engineering Labs, Ft. Monmouth, named chief of Signal Research & Development Div., Washington, succeeding Brig. Gen. Richard J. Meyer in May . . . Dr. George L. Haller, gen. mgr. of GE defense electronics div., elected a v.p. . . Ross E. Hupp, founder of Hupp Instrumentation Co, recently purchased by Erie Resistor, named research & development mgr., Erie-Pacific div., Hawthorne, Cal. . . Cmdr. H. R. Livingston (USN ret.) named gen. mgr. Micamold dip., General Instrument . . . George Boros, ex-Melpar, named information director of Entron Inc., Bladensburg, Md. . . Art Linkletter, TV entertainer, and Gen. K. B. Wolfe (USAF ret.), elected directors of Cohu Electronics.

closed as having informed House subcommittee that RCA rejected Russian bid for a closed-circuit color exhibit. Instead, plan is to have one in U.S. exhibit hall, consisting of one color camera in a 450-seat theater where people can watch on color sets what actually is on stage in front of them.

Virtually all news about color TV and, except for CBS's color schedule, most of the national activity continues to revolve around RCA (Vol. 14:9). However, London UP dispatch this week reported National Research Development Corp. has new color TV tube “so thin it can be hung on a wall like a picture.” Lord Halsbury, managing director, is quoted as saying 21-in. tube is only 5-in. deep, that U.S. patents have been taken out, but that plans haven't been completed for commercial development.

Correction: Steelman listing in Vol. 14:6 Special Supplement, “Leading Manufacturers of Standard & Hi-fi Phonos,” was incorrect and should have read: STEELMAN PHONOGRAPH & RADIO CO., INC. (Div. of Herold Radio & Electronics Corp.)—2-30 Anderson Ave., Mt. Vernon, N. Y. Mount Vernon 4-1500. R. J. Kalb, chairman; P. E. Featherstone, gen. sales mgr.; H. A. Frank, national sales mgr.

# COMMON STOCK QUOTATIONS

Week Ending Friday, March 7, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

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

120 Broadway, New York 5, N. Y.

## NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chng	1957-8		Stock and Div.	Close	Wk. Chng
High	Low				High	Low			
14 3/4	6 1/2	Admiral.....	8 1/4	.....	376 1/2	270 1/2	IBM 2.60.....	337	+8 1/2
27	16 1/4	AmBosch 30e...	20 3/4	+1	37 1/2	25 1/4	IT&T 1.80.....	31 1/2	+2 1/2
24 1/2	11 1/2	AmBcstg-Para.1	14 1/2	+3/4	50 3/4	33	I-T-E CirB .45e	38	+1 1/2
43 1/2	29 1/2	AmMach&F 1.60	35 1/4	+1 1/4	10 1/2	6 1/2	List Indust 1/4e.	7 1/2	+1/4
179 3/4	160	AT&T 9.....	171 1/2	-1 1/2	56 1/2	29 1/2	Litton Ind.....	38 1/2	-3/8
33 1/2	19 1/2	Amphenol 1.20.	24 1/2	+1/2	22	11 1/4	Loew's.....	13 1/4	-1/2
36 1/4	26	Arvin 2.....	26 1/2	+1/4	44	28 1/4	Magnavox 1 1/2b.	36 3/4	+1 1/2
7 1/4	4 1/2	Avco .10e.....	6 1/2	-1/4	50 1/4	23 1/2	Mallory 1.40b..	26 1/2	-1/2
47 1/2	20 1/2	Beckm Inst 1 1/4f	1	.....	131	73 1/2	Mpls. H'll 1.60a	83	+3
66 1/4	42	Bendix Av 2.40.	48 1/2	.....	51 1/2	35 1/4	Motorola 1 1/2..	41	+1 1/4
53 1/2	27 1/2	Burroughs 1... 30 1/4	30 1/4	-1	9 1/2	7	Nat'l Theat 1/2..	8 1/2	+1/2
25 1/2	15 1/2	Clevite 1/4e....	17 1/4	.....	38 1/2	28	Paramount 2... 34 1/2	34 1/2	+1/2
36 1/4	23 1/2	CBS "A" 1b....	25 1/4	+1/2	18 1/2	11	Philco.....	15	+1
35 1/2	22 1/2	CBS "B" 1b....	25	+1/2	40	27	RCA 1a.....	33 1/4	+1/2
20 1/2	11 1/2	Col Pictures 1/4t	16 1/2	+2 1/2	23 1/2	16 1/2	Raytheon 1 1/4t.	22 1/2	+1/2
54 1/4	25 1/2	Cons Elec. 40... 31 1/2	31 1/2	+1 1/2	8 1/4	4 1/4	Republic Pic....	3 1/4	+1/4
35 1/2	18	Cons Electron... 24	24	+1 1/4	39 1/2	29 1/2	Sang Elec 1.80.	63	.....
27 1/2	12 1/2	Cor-Dub .20e.. 13 1/4	13 1/4	.....	18	12 1/2	Siegler .80.....	14	-1/4
106 1/4	57 1/4	Corning Glass 1a	79 1/4	+1 1/2	6 1/2	2 1/2	Spartan.....	3 1/2	+1/2
6 1/4	3 1/2	Davega.....	3 1/2	-1/4	26 1/2	17 1/2	Sperry Rand .80	18 1/2	-1/4
47	27 1/2	Daystrom 1.20.. 30 1/2	30 1/2	-1/2	9 1/2	5 1/4	Standard Coil..	7 1/2	+1/2
19 1/2	13 1/2	Decca 1.....	16	+1	18 1/2	13 1/2	Stanley-War 1..	15 1/2	+1/2
18 1/2	13	Disney .40b... 17	17	+1/4	41 1/2	27 1/4	Staw Warner 2b	29 1/2	-1/2
115	81 1/4	East Kod 1.55e.	105 1/4	+3 1/2	29 1/4	18 1/2	StorerBcstg 1.80	22	.....
34	22 1/2	Emer Elec 1.60.	34	+1 1/4	46 1/4	29 1/4	Sylvania 2.....	36	+3/4
6 1/2	3 1/4	Emerson Radio.. 5	5	.....	31 1/2	15 1/2	Texas Instru... 29 1/2	+1 1/2	
10 1/4	6 1/4	Gabriel .60.... 7 1/2	7 1/2	-1/2	89 1/2	41 1/2	ThompProd 1.40	42 1/2	+1/2
68 1/4	46 1/4	Gen Dynamics 2	59 1/2	-1/2	37 1/2	21 1/4	Tung-Sol 1.40b.	25	+1
72 1/2	52 1/2	Gen Electric 2.. 61 1/2	61 1/2	+1 1/2	30 1/2	19 1/2	20thC-Fox 1.60.	25 1/2	+1 1/2
8 1/2	4	Gen Inst. .15g.. 5 1/4	5 1/4	-1/2	25 1/2	15	United Art 1.40.	18 1/2	-1/4
47 1/4	30 1/4	GenPrEquip 2.40 37 1/2	37 1/2	-1/2	30 1/2	18 1/4	Univ. Pict 1a... 22 1/2	+1 1/2	
30 1/2	22 1/2	General Tire .70b 26 1/2	26 1/2	-1/4	28 1/2	16 1/2	Warn Bros 1.20.	18 1/2	+1 1/2
45 1/4	36 1/4	Gen Telephone 2	43	+1/2	68 1/2	52 1/2	Westingh El 2... 62 1/2	+1 1/4	
25 1/4	17 1/4	Hoffman Elec 1.	23 1/2	+1/4	140	91 1/4	Zenith 4.....	139 1/4	+1 1/2

## AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/2	-1/2	44 1/2	29 1/4	Hazeltine 1.40b.	35	+2
52 1/2	19 1/2	Allied Con 1a..	41	+2 1/4	3 1/2	2 1/4	Herold Ra .20..	2 1/4	+1/2
21 1/2	11 1/4	Amer Electro 1/2	13 1/2	-1/4	6 1/2	3 1/2	Int Resist .20... 4	.....	
11 1/4	6 1/2	AssocArtProd..	9 1/4	.....	8 1/4	4	Lear.....	5 1/2	-3/8
12 1/4	7 1/4	Audio Dev. .05d.	7 1/2	+1/2	1 1/2	3/4	Muntz TV.....	3/4	+1 1/2
13 1/2	6 1/4	Belock Inst 1/4t.	8 1/4	+1/4	3 1/2	2 1/2	Muter Co. 1/4t..	3	.....
1 1/4	3/8	C & C TV.....	3/8	.....	9 1/2	5 1/2	Nat'l Telefilm..	6	.....
5	2 1/2	Clarostat .15g.. 3 1/2	3 1/2	.....	2 1/2	1	Nat Union El... 1 1/4	-1/2	
6 1/4	3	DuMont Lab... 4	4	+1/4	11 1/4	2	Norden-Ketay... 2 1/2	-1/4	
7 1/4	2 1/2	Dynam Am.... 3 1/2	3 1/2	+1/2	5	3	Oxford El .10d.. 3 1/4	.....	
12 1/2	8	Electronic Com. 13	13	+1/4	20 1/2	10 1/4	Philips El..... 13	-3/8	
12 1/4	5 1/2	Electronics Cp.. 7 1/4	7 1/4	+1	12 1/2	6 1/2	Servomech .40.. 7 1/2	+1/2	
31 1/2	16	Fairch Cam 1/2g.	29 1/2	+3/8	9	3 1/2	Skatlon..... 4	+1 1/2	
30	8 1/4	General Trans.. 22 1/4	22 1/4	+2 1/2	8 1/2	2 1/2	Technicolor..... 4	+1 1/2	
20 1/4	14 1/2	Globe Un. .80... 14 1/2	14 1/2	.....	5 1/2	3 1/2	Trans-Lux .20g.	4 1/2	-1/4
4 1/2	2 1/2	Guild Films.... 2 1/2	2 1/2	.....					

## OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2	2 1/2	Magna Theatre.....	2 1/2	3 1/4
Aerovox.....	4 1/4	4 3/4	Maxson (W. L.) .05.....	5 1/2	5 3/4
Airborne Inst.....	40	44	Meredith Pub 1.80a.....	26 1/2	29
ALTEC Co .80.....	8	9	National Co. (4 1/2 stk).....	11 1/4	12
AMP Inc. .50.....	17 1/2	17 1/2	Oak Mfg. 1.40.....	14 1/4	16
Ampex.....	51 1/4	55	Official Films .10.....	1 1/4	1 1/4
Baird Atomic.....	9 1/4	10 1/2	ORRadio.....	15 1/2	17
Cinerama Inc.....	1 1/4	2 1/4	Pacific Mercury TV.....	4 1/2	5 1/2
Cinerama Prod.....	2	2 1/2	Packard-Bell .50.....	11 1/4	12 1/4
Cohu Electronics.....	7 1/4	8	Panellit.....	4 1/2	5 1/2
Collins "A" .35.....	13 1/4	15	Perkin-Elmer.....	25	27
Collins "B" .35.....	13 1/2	14 1/2	Philips Lamp (14% of par)...	34 1/4	36
Cook Elec. .40d.....	18	19	Reeves Soundcraft (stock)...	2 1/4	3 1/4
Craig Systems.....	4 1/2	5	Selectvision Inc.....	1 1/2	1 3/4
DuMont Bcstg.....	6 1/4	7 1/4	Sprague Electric 1.20.....	30	33
Eitel-McCullough (5% stk)...	26 1/2	29	Taylor Instrument 1.20.....	29	32
Elec Assoc (stk).....	37	38	Tele-Broadcasters.....	2	2 1/4
Erie Resistor .40b.....	5 1/2	6 1/2	Teletelcom .30.....	6 1/2	7 1/4
Friden Ind. 1.....	42 1/4	44	Telecomputing.....	4 1/2	4 1/2
Giannini, G. M.....	12 1/4	13	Teleprompter (stock).....	5 1/4	6 1/2
Granco Products .05.....	1	1 1/2	Time Inc. 3.75.....	57 1/2	60
Gross Telecasting 1.60.....	16 1/4	18	Topp Industries (stock).....	8 1/2	9 1/2
Hewlett-Packard.....	22	24	Tracerlab.....	5 1/2	6 1/4
High Voltage .10g.....	28 1/2	30	Trav-Ler.....	1 1/4	1 1/2
Hycon.....	2 1/2	2 3/4	United Artists.....	5 1/2	6
Indiana Steel Products 1.20a.	19	19 1/4	Varian Associates.....	15 1/2	16
Jerrold.....	1 1/2	2	Victoreen Inst.....	4 1/4	4 3/4
Ling Industries.....	1 1/2	2 1/4	Webcor .15e.....	13	14
Leeds & Northrup .50b.....	20	22	Wells-Gardner.....	6 1/2	7
Machlett Labs .25g.....	14	15	WJR Goodwill Station .50d...	11 1/4	12 1/4

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

**Westinghouse Workshop:** National conference on local TV-radio public service programming—industry innovation tried out successfully by Westinghouse Bcstg. Co. year ago in Boston (Vol. 13:9)—had 4-day smash repeat run in Baltimore this week. Despite deliberate hold-down on invitations by host Westinghouse to keep it manageable, second annual conference drew 325 active participants—50 more than in 1957—including delegates from 175 stations across country.

Panels and other workshop proceedings spilled from Lord Baltimore Hotel to Johns Hopkins U campus, to WBC's WJZ-TV, as far afield as Harper's Ferry, W. Va., where big event was on-camera reconstruction of Civil War events to demonstrate how station can dramatize local history.

Broadcasters, educators, scientists, civic officials, performers joined in panels whose far-ranging topics included "The Care & Feeding of Ideas," "Disc Jockeys & Public Service," "Religious Programming," "Radio & TV in the Space Age," "The Audience—or, Who's Out There?" Some highlights from talks and panels:

WBC pres. Donald H. McGannon—"As broadcasters, we can no longer afford to give lip service to the phrase 'public interest' as contained within the statute under which we are all licensed. We must look upon it not as a legislative device of entrapment but as a mandate literally passed to us by the American people."

Dr. Fred L. Whipple, Harvard College Observatory—"Soundest investment you ever made [would be] devoting a minimum of 10 min. each week to highlighting scientific or other intellectual activities in the local community."

Dr. Frank Baxter, TV-celebrated U of So. Cal. professor—"Challenge your audience with something better than programs which are painless & effortless . . . There is a hunger out there for matters of intellectual interest. We are not giving it to them."

NTA v.p. Ted Cott—"The broadcaster must accept his own judgment and be a man of distinction & courage when dealing with fragile ideas."

Sen. John F. Kennedy (D-Mass.)—Broadcasters & politicians have one thing in common: They can't please everyone and still maintain their responsibilities to the public.

David Susskind, exec. producer & v.p. of Talent Assoc. Ltd.—TV plays down to "the lowest common denominator of taste." Audience "appreciates quality and only tolerates anything less."

Westinghouse Paul Revere Award for service organization making most effective use of TV-radio was presented to National Tuberculosis Assn. Westinghouse History Award went to radio WSB, Atlanta, and Atlanta Historical Society for *Witness* series on why South lost Civil War.

Protest against 2 translator grants in Lewiston, Ida., filed by KLEW-TV (Ch. 3), will be heard in evidentiary hearing, FCC ruled this week—but it refused to keep translators from telecasting meanwhile. KLEW-TV alleged that competition from translators, which will repeat KREM-TV & KHQ-TV, Spokane, will eventually destroy the local station. Commission said subject should be explored in hearing but that translators can telecast meanwhile because: "We believe that where only a single TV broadcast service is available to the general public, there exists a demonstrable need for the introduction of additional TV service and programming, afforded by utilizing the proposed translators."

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

MAR 17 1958

# Television Digest

with **ELECTRONICS REPORTS**

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 11

## SUMMARY-INDEX OF THE WEEK'S NEWS — March 15, 1958

JOHN S. CROSS, nominated as replacement for Comr. Mack, regarded as safe, conservative. Rep. Harris and rest of Ark. delegation pleased (p. 1).

ANOTHER LOOK AT MIAMI GRANT sought in unprecedented FCC petition to court; Harris hearings on FCC drone on but with audience missing (pp. 3, 4 & 5).

NETWORK HEARING proceeds without FCC enthusiasm, everyone eager to finish. NBC presents brilliant case, NTA and Corinthian testify (pp. 3 & 8).

MUSIC MONOPOLY CHARGES against BML, ASCAP heard in Senate & House hearings which keep ASCAP busy in dual roles of prosecutor, defense counsel (p. 6).

TOP 100 SPOT ADVERTISERS listed by TvB with their expenditures. Will shortly have complete list of all 1957 spot advertisers spending \$20,000 and up (p. 6).

BIG POST-1948 MOVIE DEAL with NBC by Republic Pictures is challenged in court action by studio stockholders who protest \$2,000,000 "bargain" (p. 6).

CBS SPLITS TV OPERATIONS with Lou Cowan head of all network programs, sales, affiliations, etc.; Merle Jones all stations, spot, film, etc. (p. 7).

N. Y. EDUCATIONAL DEAL with WOR-TV would give schools use of Ch. 9 for 9-5 daily, 9-noon Sat. for \$365,000 yearly lease (p. 8).

FCC DISPOSES OF OLD DOCKET cases, including protests on Rochester share-time CPs, Daytona Beach site move. Instructions in Seattle Ch. 7 case (p. 10).

COMMUNITY ANTENNA SYSTEMS burgeon as new stations start. U.S. & Canadian growth figures derived from analysis of new Factbook listings (p. 16).

### Manufacturing-Distribution

UPCOMING STEREO DISCS persuade TV-radio makers to go slow on tape recorder plans for fall market (p. 11).

CONSENSUS OF TV RECEIVER MAKERS is that prices will remain at current levels until general business improves despite rising costs (p. 11).

No. 1 FISHERMAN and big game hunter in the industry, in our book, is Admiral's Ross D. Siragusa, who's a whiz at sea and hunts with bow-&-arrow (p. 13).

MOTOROLA SALES & PROFITS for 1957 hold close to 1956 record levels. Drop forecast for 1958, due mainly to slackened TV-radio markets (p. 14).

JUDGE BLASTS TUBE MAKERS for inadequate protection against counterfeiters; says false branding costs public \$5,000,000 (p. 15).

EARL MUNTZ BUYS SONORA in company with Chicago TV executive Frank Atlans, plans TV, radio, hi-fi line with electronic organ to sell at \$295 (p. 15).

**REACTIONS TO NOMINATION OF CROSS TO FCC:** What manner of man is John S. Cross, whose name President Eisenhower rushed to the Senate almost immediately after Comr. Mack wilted and resigned? We've talked to him and to many who have worked with him, and pass along these facts and impressions to you -- pending Senate Commerce Committee March 26 hearing on his nomination, which should be exhaustive:

He has the essential Democratic political backing. Rep. Harris (D-Ark.), whose committee forced resignation of Mack, is mighty pleased with the nomination of a fellow Arkansan. Entire Ark. Congressional delegation, which includes powerful committee chairman Sen. McClellan & Fulbright, endorses him. In fact, it did 3 years ago, too, when Cross went after the job, but Mack had more pull -- despite the efforts of Cross' father-in-law, former Rep. Claude Fuller (D-Ark.).

Whether Cross is confirmed by Senate or not -- and it's expected he will be -- there will be tighter, tougher and, it is to be hoped, more judicious regulation of TV-radio. But whether a dominantly govt.-career-manned agency can do the best sort of job remains to be seen. Congressional pressures will continue, perhaps more subtly, more covert than before -- but Senators & Congressmen will always pressure.

The 53-year-old govt. career employe Cross, asst. chief of State Dept.'s Telecommunications Div. under veteran diplomat Francis Colt deWolf, shapes up as an

honest man with an engineering background and considerable experience in non-broadcast communications. He seems safe, conscientious, non-controversial.

His self-appraisal jibes with what others tell us: "I'm no world-shattering sort of fellow, and my appointment won't change the face of the world, but I think I can help the FCC." He's not as modest as that sounds, actually. He has air of self-confidence, likes to be called "Captain Cross" (he attained that rank as a communications officer in the Navy during World War II). He feels he can handle the FCC job without too much trouble.

No one talks Cross down as incompetent or weak. However, those inclined to be critical are disappointed that President, in an unduly hasty effort to blot out public's memory of Mack's weakness, did not engage in "massive retaliation" and find a man of such national stature that everyone would sing hosannas. Instead, reaction is more like this: He's okay. Good guy. Respectable background.

Cross is well known in official broadcast circles because of his participation in many international negotiations on TV-radio spectrum, frequently as vice chairman of U.S. delegations headed by FCC's Comr. Hyde. It's interesting and somewhat amusing to see how engineers and lawyers differ sharply in their sizeups:

Former Comr. Webster (engineer): "I'm very much pleased. Have known him for years. He'll make a good commissioner. Very direct. Independent. Open and above-board. Did good job in the State Dept."

Former Comr. Sterling (engineer): "I have high regard for him. He's well qualified. I like to see them pick a man who knows about the industry & the art."

Industry engineer: "I'm glad. I'm prejudiced, of course, being an engineer. He thinks quickly on his feet. His skills are non-broadcast, in a sense. Has good sense of humor--and best collection of stories since [former FCC chairman] Porter."

These are views of 3 lawyers who've seen him in action: (1) "He's sometimes hard to convince, but once he agrees he becomes a good member of the team." (2) "He's bull-headed, not a diplomat. A clean guy, rather conservative, with a limited scope." (3) "Stubborn. Decided opinions. Personally a nice guy. Not brilliant. Brusque, not highly diplomatic."

We asked Cross for his philosophy of FCC regulation. "Well, I believe in getting the facts before making a decision," he said. "If you're referring to this 'buddy-buddy' stuff of people coming around and pressuring for decisions in their favor -- that stinks." Though he's had some dealings with TV spectrum, he said he has no opinion about vhf vs. uhf, standards, etc.

\* \* \* \*

FCC makeup will be almost entirely govt. career men, if Cross is confirmed. All have had long city, state and/or Federal service. Comr. Bartley has probably had the most non-govt. experience -- having worked for Yankee Network, old FM Broadcasters Assn. Some critics wish President had tapped another field -- businessman, broadcaster, perhaps. Or, possibly a distinguished retired Admiral or General -- if he insisted on govt. man.

Cross' background, briefly: Born in Birmingham, Ala. Sept. 18, 1904 but now has official residence in Ark., where he owns motel in Eureka Springs (run by his wife in summers). He went to military school, got electrical engineering degree from Alabama Polytechnic Institute in '23. First came civil engineering work for Studebaker and S.C. & Mich. state highway depts. Then -- an off-beat interlude just before the 1929 crash, when he sold securities in Detroit, piled up \$100,000 by speculation, owned expensive cars, Irish hunting horse, etc.

After the crash, in 1932, he joined Interior Dept. During World War II, he was in Naval Operations, handling major communications projects. In 1946, he came to State Dept., has participated in dozens of international negotiations, including NARBA. He has 2 sons -- an Army infantry lieutenant and a regular Navy ensign. He's a good-sized man. Looks healthy.

**FCC MOVES IN ON MIAMI Ch. 10 CASE:** Unprecedented FCC move in Court of Appeals this week to call back its much-investigated Miami Ch. 10 award to National Airlines -- for a look at "influence" aspects aired by House investigators -- may encourage the losers in other contested TV decisions to try for similar extra shake of the dice.

Neither the House probers nor anyone else has come up with anything more than hints or inferences that they have real facts to back up suspicions in other cases, however. And Commerce subcommittee headed by Rep. Harris (D-Ark.), impatient to get on with its probe of other Federal agencies besides FCC, ended cleanup week on Miami without adding much to its sum of knowledge about Ch. 10 (p. 4).

Unique FCC motion to remand entire Miami case -- filed March 13 in D.C. Court where appeals from Commission by losing applicant WKAT and intervenor Eastern Airlines are pending -- was not immediately granted. Parties had 5 days to answer.

But there was little doubt that Court would concur in Commission's "definite view that the public interest requires that the proceeding be reopened." FCC said it wants to explore -- "by whatever manner may prove appropriate" -- the headlined disclosures by Harris subcommittee, revolving around National Airlines' WPST-TV, which already had forced Comr. Richard A. Mack to resign (Vol. 14:10). [For details of Commission's legal move, see p. 5.]

\* \* \* \*

Despite gamble in WPST-TV case reopening to be risked by subsidiary Public Service TV Inc., National Airlines pres. George T. Baker is ready to take his chances with FCC on keeping multi-million-dollar property. He promptly welcomed Commission's move: "We want this clean. We want it all to come out on the record."

Loser WKAT's Col. A. Frank Katzentine is on spot, too, because of his admitted attempts to pressure FCC to stick with initial examiner's decision favoring him -- although he insists he only wanted FCC to vote on "merits" of Ch. 10 case.

Definitely encouraged by FCC's move are other 2 losers -- L.B. Wilson Inc. and North Dade Video -- who naturally hope that Baker and Katzentine will knock each other out. And while Ch. 10 proceedings drag on -- perhaps for years, with further appeals from any FCC redetermination always possible -- contestants in other grants which have been mentioned by suspicious House probers may line up to demand similar reconsideration of their lost cases.

Cropping up again & again in Hill hearings have been questions (so far not pursued) about such grants as Boston Herald-Traveler's WHDH-TV (Ch. 5); Crosley's WLWI, Indianapolis (Ch. 13); Fla.-Ga. TV Co.'s WFGA-TV, Jacksonville (Ch. 12).

**FCC NETWORK REPORT BATTERED FOR 2nd WEEK:** Barrow Report took another fierce beating in FCC's network hearing this week, while less-&-less support for any of its recommended changes appears in sight. By and large, commissioners seem to show little enthusiasm for their enormously time-consuming chore, as experienced telecasters tore apart what they labeled "theories" and "assumptions."

With by far the majority of affiliates springing to defense of the networks, it looks at this writing as though only Los Angeles Times' independent KTTV (Dick Moore) and Station Representatives Assn. will support any aspects of Barrow Report -- and even they may not be as vehement as first indicated (see p. 8).

There are expectations, nonetheless, that Commission will eventually and reluctantly take some recommendations and start specific rule-making on them. Process would probably take year or 2 -- and chances of any drastic changes ultimately are considered extremely slim.

There were 4 days of testimony this week, 3 of them NBC's. Hearing resumes for one day March 17, then takes hiatus until March 25 because some commissioners are slated to testify before Harris subcommittee on Miami Ch. 10 case (p. 4).

\* \* \* \*

NBC's presentation was extremely effective, impressively documented -- termed by several observers as one of best ever heard before FCC. It cited dollars, hours,

percentages, numbers of stations, statements of policy, graphs, success & failure stories -- everything conceivable -- to counteract Report.

The NBC testimony, like that of ABC's & CBS's last week (Vol. 14:10), aimed biggest guns on retention of owned-&-operated stations and option time -- but it covered whole spectrum of Report's recommendations.

The NBC team comprised: Robert W. Sarnoff, pres.; Hugh M. Beville Jr., v.p. for planning & research; Charles R. Denny, exec. v.p. for operations; Thomas B. McFadden, v.p. for owned stations and for spot sales; Walter D. Scott, v.p. for TV network sales; David Adams, exec. v.p.

Even National Telefilm Associates' Ely Landau, seeking foothold for his film in prime station time, plumped for option time -- in fact asked for more -- and urged that ABC, CBS & NBC not be weakened.

Joining networks in defense of multiple ownership were NTA and Corinthian stations (through pres. C. Wrede Petersmeyer). On March 17, Mrs. A. Scott Bullitt takes stand for her 3 Northwest stations, to be followed by Time Magazine group. After the hiatus, other multiple owners are due--starting with Meredith and Storer. [For digests of this week's testimony, see pp. 8-10.]

**"The Pot and the Kettle":** With FCC still in top billing but slipping, House hearings on misconduct in Federal regulatory agencies were featured this week by return appearances of 2 "heavies" in now-celebrated Miami Ch. 10 melodrama--ex-FCC Comr. Richard A. Mack and Thurman A. Whiteside--and by growing boredom.

House Commerce legislative oversight subcommittee headed by Rep. Harris (D-Ark.) set out to wrap up its investigation of FCC's award of Ch. 10 to National Airlines, tie up loose ends left from weeks of sensation-studded hearings--and move on to fresh headlines.

At week's end subcommittee's Miami cleanup was not yet finished, loose ends were coming untied again, story was off front pages, press tables were vacated, audience--which jammed hearing rooms earlier--had deserted. And to the apparent annoyance of Harris, FCC moved to steal Ch. 10 show by asking Court of Appeals to remand entire case for reconsideration (see pp. 3 & 5).

"They can't get out from under by this action," Harris said, referring to commissioners whom he planned to summon one by one week of March 17 to explain why they voted as they did in Feb. 1957 grant of National Airlines' WPST-TV. "They are going to come in here."

Also billed for week's extended Miami performance is Mrs. Eisenhower's brother-in-law Col. George Gordon Moore, friend of National Airlines' pres. George T. Baker. His name is one of many dropped by witnesses in efforts to show that improper political pressures were applied from all sides in Ch. 10 case--in which radio WKAT's Col. A. Frank Katzentine was loser.

\* \* \* \*

Next on schedule (subject to change): Possible exploration of other (but yet-unspecified) FCC grants, preparation of interim report on FCC with probable recommendations for code of ethics for commissioners. Still ahead: Investigations of CAB, SEC, other agencies on which new subcommittee counsel Robert Wm. Lishman started work this week.

Name-dropping reached its loudest volume following

largely unproductive reappearances by Mack, whose resignation from FCC was forced by subcommittee (Vol. 14:10), and Whiteside--whose intricate financial deals benefiting Mack were alleged by subcommittee to have influenced his vote for National Airlines. In one session alone names of ex-Teamsters pres. Dave Beck, House Minority Leader Martin (R-Mass.), Washington Cadillac dealer Floyd Akers, ex-Defense Secy. Charles E. Wilson, Sen. Green (D-R.I.) were inserted into hearing record--but with little relevancy--as people who "might" help get precious grant.

The usually jaunty, smiling Mack was a chastened witness this time--and he was treated with compassion by subcommittee members who had brought on his downfall. He chain-smoked, tapped one heel nervously while subcommittee tried to find out sources of all his bank deposits (\$79,608.76) from May 27, 1955 to end of Feb. 1958 during period when his FCC salary was \$20,000.

Mack produced personal records accounting for most deposits in Washington's Munsey Trust Co. and First National Bank of Ft. Lauderdale. They listed \$20,220 loans from his father, banks, friends, insurance; \$4750 from 20% interest in Whiteside's Stembler-Shelden Insurance Agency; \$1600 from Andar Inc. holding company set up for him by Whiteside; \$6433 rent from Coral Gables home. But he couldn't tell where \$7986.25 of total deposits came from--except that it wasn't income.

"At the present time I am unemployed," Mack said. "It costs a lot of money to go to a bank and look over the accounts and I just haven't been able to do it. I know these things you are referring to are not income."

Subcommittee let it go at that, and didn't press Mack on whether Whiteside and other home-state Fla. friends "put considerable pressure" on him to vote for National Airlines. "They thought they did," Mack said. "They came to talk to me. No one put any pressure on me. I don't react to pressure very well. It's pretty hard to slam the door on an old friend."

Rep. O'Hara (R-Mich.) offered that "as a human being" he felt sorry for Mack. Rep. Williams (D-Miss.), told Mack he hoped that "in the future you may get back on the right track and continue your service to your state." Chairman Harris said goodbye: "On behalf of the committee, Mr. Mack, I thank you for your cooperation. We wish you the best."

"I appreciate your courtesy," Mack said as he left

stand, his face flushed. "When you get down to Florida, come to see me."

On entering big (but almost empty) Caucus Room in the Old House Office Bldg. for his swan-song appearance, Mack shook hands with Col. Katzentine, who was waiting his turn to testify. But he pointedly ignored his longtime friend Whiteside, also waiting, who had stood subcommittee up earlier in week by pleading he was under grand jury subpoena in Justice Dept.'s separate investigation of Ch. 10 case.

Subcommittee got nowhere in attempts to pin down Whiteside on details of his financial transactions involving Mack. Whiteside glared at the investigators, who glared back at him. Rep. Moss (D-Cal.) finally said subcommittee would have to take look at records impounded by grand jury—that Whiteside's explanations of Mack's "participating ownership account" in Stembler-Shelden agency were too confusing to understand.

"The courtesy has been overwhelming," Whiteside said with heavy sarcasm when Harris finally dismissed him from stand.

\* \* \* \*

In his turn on stand, Col. Katzentine introduced 23 pp. statement denouncing National Airlines and its pres. Baker, who had charged that he was unfit for Ch. 10 license because he associated with gamblers. "National left no stone unturned, no rock unthrown, and no tar bucket intact in its attempt to blacken my name and traduce my character," Katzentine asserted.

In resulting questioning by subcommittee on who tried to influence whom in case, Rep. Wolverton (R-N.J.) finally observed that when FCC looks at "whole record" in reconsideration of grant "they may find the pot calling the kettle black."

Nowhere yet has there been any disposition on the part of the legislators to blame Congressional pressure tactics for a good share of the FCC "mess"—and Senators named as seeking to influence Ch. 10 case (Vol. 14:10) are altogether unlikely to come forward as witnesses.

Three Senators—Kefauver, Magnuson, Schoeppel—did write Harris this week denying any unusual intervention. Magnuson, chairman of Senate Commerce Committee, as spokesman, asserted their contacts with FCC related only to policy question of whether a CAB-licensed airline should also be an FCC-licensed TV operator. But that Senators and Representatives probably feel they stand above reproach for contacting regulators is manifest from remark of Rep. Williams, who stated to Katzentine: "I fail to see any impropriety on your part as a citizen in seeking assistance from members of Congress."

Senators Monroney (D-Okla.) and O'Mahoney (D-Wyo.) got into Ch. 10 act by introducing bill to prevent airlines from getting TV station licenses. In joint statement they said: "We think it is obviously absurd for Congress to permit a law to stand under which an airline is eligible to receive a TV license." They thought law should "eliminate the complexities that have brought about the present absurdity in the National Airlines case."

TASO editorial committee has been set up to write its final report. TASO exec. director Dr. George R. Town will be chairman, each of the 6 panels will supply a member (to be named next week), and there will be 2 members-at-large: Dr. Robert M. Bowie, Sylvania; Dr. Charles E. Dean, Hazeltinc. FCC chief engineer Edward W. Allen will be observer.

**Legal Aspects of Remand:** In filing motion for remand of Miami Ch. 10 case (see p. 3)—advising Court of Appeals of D.C. it wants to give grant another look in light of House committee disclosures—FCC gen. counsel Warren E. Baker told court Commission "is not presently in a position to advise [as to] the exact nature of further proceedings [which may] prove to be required or appropriate." It's a new wrinkle in FCC regulatory procedure, hasn't been done before.

But Baker told us that in any event, pending final determination, the operation of WPST-TV by Public Service Inc. will not be disturbed. The Ch. 10 station is Miami area's ABC outlet, its operations in hands of TV-radio veterans Walter Koessler, gen. mgr., and Bob Hanna, national sales mgr.; Jack Barry, operations mgr.

Reconsideration of Ch. 10 case, which FCC voted March 12 to seek from Court, could be handled by: (1) Turning everything back to an examiner for completely fresh start. (2) Holding oral arguments on issues raised by Harris subcommittee which also are being studied by grand jury and probed by FBI. (3) Taking briefs from all parties. These points were made in FCC motion to remand case:

(1) Since filing of appeals by WKAT and Eastern Airlines "public charges have been made in the course of a Congressional investigation that one of the Commissioners [Mack] who participated [in grant] should have disqualified himself."

(2) "Additionally, matters have been brought out [by the Harris subcommittee] indicating that some of the applicants . . . including the grantee, may have conducted themselves in a manner which might affect the Commission's basic determinations in the comparative proceedings."

(3) FCC has no "petition or affidavit" relating to charges on Hill and "is thus not in a position to state whether any changes in its previous determination in this proceeding may be necessary or appropriate." But it wants to explore "these and any other relevant matters of substance" relating to Ch. 10.

Despite its action calling back Ch. 10 case, FCC this week also filed in court a regular brief answering arguments of WKAT—which had appealed decision before the Mack affair ever came up. Commission insists that original decision wasn't "arbitrary or capricious or in any way contrary to the public interest."

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Showing of educational movies at the Capitol this week elicited comment from Sen. Morse (D-Ore.) that another FCC investigation should try to find out why more TV channels have not been awarded educational stations. Without further comment, he said a "prima facie case exists" against FCC, to which chairman Hill (D-Ala.) of the Senate Labor Committee replied that staff, perhaps full committee, would look into the situation. Committee also heard report on Hagerstown, Md. closed-circuit school TV network, scheduled visit to project Monday, March 17.

RCA will build super-power radio transmitters if FCC permits clear-channel stations to hike power to a maximum of 750 kw, according to E. C. Tracy, mgr., RCA broadcast & equipment dept. He said the new transmitters, made up of 250 kw modules, would use the RCA BTA-50G amplifier as a driver unit. No price was given. GE recently announced similar plans for superpower transmitter production (Vol. 14:7).

**ASCAP vs. BMI, ASCAP vs. ASCAP:** In a virtuosic feat, ASCAP played double bookings on Capitol Hill this week. Simultaneous Senate & House hearings on alleged music monopolies saw ASCAP in roles of prosecutor of BMI for crimes against composers—and defense counsel for itself against similar charges filed by some of its own members.

In tiny Capitol hearing room, ASCAP's Songwriters Protective Assn. pulled out all stops in effort to convince Senate Commerce communications subcommittee, headed by Sen. Pastore (D-R.I.), that broadcaster-controlled BMI is silencing good American music and endangering livelihood of the best American music makers.

In equally tiny hearing room in Old House Office Bldg., ASCAP lawyers sought to dissuade House Small Business subcommittee, headed by Rep. Roosevelt (D-Cal.), from swallowing complaints by a group of ASCAP members that big licensing agency is run by "powerhouse" for benefit of few wealthy publishers & composers.

Senate hearing was on bill (S-2834) by Sen. Smathers (D-Fla.) prohibiting broadcasters from engaging "directly or indirectly" in music publishing or recording business (Vol. 13:34). Effect might put BMI out of business, leave licensing field to ASCAP, against whose one-time control BMI was organized in first place.

Such ASCAP headlines as author-producer Oscar Hammerstein II were in chorus of witnesses in favor of anti-BMI bill. Solo part was taken by movie-Broadway composer Arthur Schwartz, who charged BMI was "combination" which debased country with rock-'n-roll music, discriminated against recording companies not licensed to broadcast. "The 2 leading networks have used their recording companies (RCA-Victor, CBS Inc.'s Columbia Records) as collaborators in promoting the artists' recordings & music under their joint control," he testified.

Hearing recessed until March 19 after 9 anti-BMI witnesses had been heard. Pastore promised full hearings for networks and stations on BMI's side of case later.

No bill was before Roosevelt subcommittee on House side. Hearing was platform for Vienna-born composer Hans J. Lengsfelder and group of fellow ASCAP members who charge that ASCAP "powerhouse" board of directors uses "weighted vote" to decide who gets royalties in organization's complex scale of payments. Small-time members don't get what they are entitled to, he said.

Note: ASCAP members of Songwriters Protective Assn. are plaintiffs in \$150,000,000 suit against BMI in N.Y. federal court. Lengsfelder group of ASCAP members is suing ASCAP in N.Y. Supreme Court for accounting of all funds disbursed in last 6 years.

**ADVERTISING AGENCIES:** Walter C. Raithel Jr. elected v.p., Chicago office of BBDO . . . Howard W. Calkins elected pres. of Albert Frank-Guenther Law, continues as chairman . . . William M. Englehaupt, ex-Earl Ludgin, elected v.p. & chairman of plans board, MacFarland, Aveyard, Chicago . . . Ed Spitzer promoted to merchandising director of Kudner Agency . . . Leslie Silvas, ex-Calkins & Holden, elected v.p. of Warwick & Legler, N. Y. . . . Samuel Dalsimer, v.p. of Grey Adv., elected to executive committee; Bib Brownold, 35 years with Grey, now a v.p. & director, retires June 1 . . . Richard C. Moses, west coast exec. v.p. heads new Donahue & Coe office, Los Angeles.

Frank Silvernail, veteran timebuying specialist, formerly with NBC, retires from BBDO March 31.

**WATCHDOG** of the TV business, Television Bureau of Advertising this week released expanded list of the top national & regional spot TV advertisers of 1957—and promises early in April a report on all advertisers spending \$20,000 or more for spot time. TvB also has available breakdown of top 25 by products advertised. Though we ran top 10 network and top 12 spot users last issue (Vol. 14:9), fact that spot is so much in the news these days (and will be more so soon, at FCC network hearings) impels us to publish TvB's list of top 100 herewith:

1. Procter & Gamble	\$25,916,810	51. Grove Laboratories	\$1,688,460
2. Brown & Williamson	12,988,920	52. U. S. Borax	1,653,640
3. Continental Baking	10,190,060	53. H. J. Heinz Co.	1,621,790
4. Sterling Drug Inc.	8,635,890	54. Wesson Oil	1,618,070
5. General Foods Corp.	8,347,900	55. Standard Oil (Ind.)	1,597,460
6. Colgate-Palmolive	7,739,080	56. Piel Bros.	1,594,130
7. Lever Brothers Co.	7,612,980	57. General Motors	1,552,630
8. Carter Products	6,995,260	58. Pabst Brewing Co.	1,480,060
9. Miles Labs	6,322,640	59. M. J. B. Co.	1,473,340
10. National Biscuit	5,822,320	60. Peter Paul Inc.	1,458,710
11. Warner-Lambert	5,690,870	61. Theo. Hamm Brewing	1,433,310
12. Philip Morris	4,941,470	62. Interstate Bakeries	1,432,080
13. Robert Hall	4,928,930	63. Helaine Seager Co.	1,427,250
14. Int. Latex	4,722,660	64. Burgermeister Brewing	1,421,400
15. Coca-Cola Co.	4,207,890	65. Minute Maid Corp.	1,414,570
16. Adell Chemical Co.	4,109,800	66. Hills Bros. Coffee	1,404,070
17. Bulova Watch Co.	4,050,400	67. Phillips Petroleum	1,387,820
18. Liggett & Myers	4,001,840	68. Standard Brands Inc.	1,308,750
19. American Chicle Co.	3,726,800	69. Robert Curley Ltd.	1,304,020
20. Am. Home Products	3,589,680	70. Milner Products Co.	1,296,950
21. Ford Motor Co.	3,436,050	71. Glamorene Inc.	1,280,540
22. American Tobacco Co.	3,145,930	72. Tea Council	1,280,080
23. Charles Antell Inc.	3,066,630	73. American Bakeries	1,232,170
24. Pepsi Cola Co.	3,038,650	74. Carling Brewing Co.	1,231,440
25. P. Lorillard & Co.	3,018,660	75. Maybelline Co.	1,168,860
26. Shell Oil Co.	2,993,100	76. Pacific Tel. & Tel.	1,158,090
27. Esso Standard Oil	2,933,060	77. Socony Mobil Oil Co.	1,139,720
28. R. J. Reynolds	2,887,630	78. Best Foods Inc.	1,124,940
29. Kellogg Co.	2,829,510	79. Quaker Oats Co.	1,123,470
30. Anheuser-Busch	2,792,410	80. United Vintners Inc.	1,113,880
31. Food Mgrs. Inc.	2,781,640	81. Great A & P Tea Co.	1,066,120
32. Nestle Co. Inc.	2,530,320	82. Plough Inc.	1,059,920
33. Corn Products Ref. Co.	2,477,860	83. Ralston-Purina Co.	1,059,010
34. Block Drug Co.	2,347,400	84. General Cigar Co.	1,056,760
35. Max Factor & Co.	2,290,850	85. Borden Co.	1,049,160
36. Avon Products Inc.	2,287,750	86. Rayco Mfg. Co.	1,037,940
37. Falstaff Brewing	2,196,180	87. Dr. Pepper Co.	1,031,720
38. J. A. Folger & Co.	2,194,020	88. Wm. B. Reily & Co.	1,025,840
39. Beech-Nut Life Savers	2,180,520	89. Sardeau Inc.	1,023,340
40. Nehi Corp.	2,154,430	90. Sunshine Biscuit Co.	991,960
41. Bristol-Myers Co.	2,131,010	91. Saleway Stores Inc.	990,700
42. Texas Co.	1,992,030	92. Pharmaceuticals Inc.	940,150
43. William Wrigley Jr.	1,968,000	93. Ward Baking Co.	939,110
44. Gillette Co.	1,888,790	94. Associated Products	919,230
45. Harold F. Ritchie	1,885,110	95. Kroger Co.	905,290
46. Ballantine & Sons	1,814,930	96. Proctor Electric Co.	902,410
47. Schlitz Brewing	1,752,250	97. General Mills, Inc.	901,190
48. Marathon Corp.	1,749,690	98. Langendorl Bakeries	891,260
49. Nat. Dairy Products	1,713,450	99. Gold Seal Co.	868,240
50. Seven-Up Co.	1,712,270	100. Simmons Co.	864,270

**Republic's TV Deal Hit:** First sale by major studio of post-1948 movies to TV—Republic Pictures' \$2,000,000 deal with 6 NBC o-&o stations (Vol. 14:3-4)—was challenged in N. Y. Supreme Court this week by 2 stockholders who protested "bargain prices." They asked Judge Gavagan for order permitting inspection of Republic's books and delaying annual meeting 45 days after that.

Charles D. Reader & John Marchese, who together control 9200 of 2,004,190 shares outstanding, said company's 1957 financial report (Vol. 14:6) is "shocking in its revelations" and that: "The consideration received by Republic by reason of its sales of [218] feature films is so grossly below the recognized value of the films sold as to cast serious doubts upon the competence of present management."

Republic spokesman said charges in stockholders' petition were "ridiculous." Judge Gavagan postponed action on it until March 18.

In other movies-to-TV developments: (1) United Artists was reported bucking campaign by Theatre Owners of America to save post-1948 features for theatrical screens (Vol. 14:10). (2) Twentieth Century-Fox signed first TV co-production agreement since it went into TV film business 3 years ago, joining with N. Y. producers Monty Shaff & Diana Green for film series based on Evelyn Barkins' novel *I Love My Doctor*.

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**Personal Notes:** James G. Riddell elected ABC exec. v.p., and after July 1 all depts. formerly reporting to pres. Leonard Goldenson will report to him; he has been gen. mgr. of WXYZ-TV & WXYZ, Detroit, since 1946, was promoted to pres. in 1950, having been with WXYZ since 1931 under old ownership . . . Simon B. Siegel, financial v.p.-treas. of AB-PT, has been elected to board, as has Riddell . . . W. D. (Dub) Rogers, pres. of Texas Telecasting Inc. (KDUB-TV, Lubbock; KPAR-TV, Sweetwater-Abilene; KEDY-TV, Big Spring), named pres. of Lubbock Chamber of Commerce . . . Stephen Flynn promoted from NBC-TV director of TV sales traffic operations to director of sales services; H. O. Lumb promoted from mgr. to director of personnel; George H. Fuchs from mgr. to director of labor relations . . . John W. Esau, ex-mgr. of now defunct KTVQ, Oklahoma City (Ch. 25), elected a v.p. of N. W. Ayer, Philadelphia . . . Walter M. Windsor named gen. mgr. of KNAC-TV, Ft. Smith, Ark.; Richard M. Peters promoted from commercial mgr. to succeed him as gen. mgr. of KCMC-TV, Texarkana . . . J. Robert Covington, v.p. & managing director of radio WBT, Charlotte, N. C., promoted to promotion & public relations v.p. of parent Jefferson Standard Bestg. Co., operator of WBTW & WBT and WBTW, Florence, S. C. . . . Don Webster promoted to production mgr. of KJEO, Fresno, Cal. . . . Eugene G. Zacher named film director, also continuing as production director, of WROC-TV, Rochester, succeeding David D. Manning, now asst. gen. mgr. & program director of KLFY-TV, Lafayette, La. . . . Parker Wheatley, ex-Lowell Institute, named director of public affairs; Spencer Allen, news director, KMOX-TV, St. Louis . . . Eric G. Larson named national promotion director of *TV Guide*, succeeding Fred H. Stapleford recently appointed asst. to publisher of *Philadelphia Inquirer* . . . Robert L. Brown named national sales mgr. of KBTW, Denver . . . Jack Fieldsteel named field sales mgr., DuMont stations . . . Rev. John F. Fisler, ex-TV dept., National Council of Churches of Christ in the U. S. A., named TV-radio director, N. Y. Protestant Council, succeeding Miss Leslie Bidwell . . . Edwin Cohen, supervisor of National Educational TV Film Service since 1955, on April 1 joins Educational TV-Radio Center, Ann Arbor.

Frank Folsom, RCA exec. committee chairman & exec. pres., named Diamond Jubilee recipient of U of Notre Dame Laetare Medal awarded annually to outstanding American Catholic layman.

**Obituary**

Rep. John J. Dempsey (D-N. M.), 78, father of William J. Dempsey, of Dempsey & Koplovitz, Washington communications lawyers, died in Washington Hospital in Washington March 11. Twice governor of N. M., first elected to Congress in 1935, he also is survived by widow, 2 daughters.

**CBS Splits TV Operations:** CBS-TV Division workload has increased so greatly, accounting for some \$240,000,000 of CBS Inc.'s 1957 sales of nearly \$355,000,000 (Vol. 13:13), that an operational split was ordered into effect this week—div. pres. Merle S. Jones becoming pres. of new CBS-TV Station Div. and staff v.p. Louis B. Cowan becoming pres. of new CBS-TV Network Div. CBS Radio, also nicely on the upgrade as reported in company's annual report, continues as a completely separate entity under pres. Arthur Hull Hayes.

The Paley-Stanton policy of promoting from the ranks is again reflected in the shuffling of duties. Merle Jones, who has been pres. of the former CBS-TV Div. since Jan. 1, 1957 when pres. Jack Van Volkenburg retired, and who has been a company career man since 1936, now heads all operations relating to the 6 company-owned TV stations (acquisition of one more in Philadelphia pends FCC approval, Vol. 13: 51); also heads CBS-TV Spot Sales (13 stations), CBS-TV Film Sales Inc., Terrytoons and all other non-network TV depts.

"Lou" Cowan, who joined CBS in 1955 as v.p., creative services, having given up his own flourishing program business, Louis C. Cowan Inc. (now Entertainment Productions Inc.), heads all operations pertaining to network programming, sales, production, affiliate relations, etc. He was elected March 12 to the CBS Inc. board, on which Jones also continues to serve.

Jones is 42, a broadcasting veteran, having started in 1933 with the old WAAW, Omaha, his home town, after graduation from the U of Neb. law school. He then served with KMBC, Kansas City, in 1936 became asst. gen. mgr. of KMOX, St. Louis, CBS-owned. He rose successively to mgr. of western div., Chicago, gen. mgr. of CBS Hollywood stations and then of Pacific div., became v.p. for CBS-owned TV stations in 1956, then TV exec. v.p.

Cowan, 48, was induced to join the network after a highly successful career as creator and seller of top-rated programs, including such shows as *\$64,000 Question*, *\$64,000 Challenge*, *Stop the Music*, *Meet the Veep*, *Kay Kaiser's College of Musical Knowledge*, *Quiz Kids*. He's winner of 2 Peabody, 4 Institute for Education by Radio-TV, 3 *Variety* Showmanagement awards. He's on boards of national Book Committee, International Council of Museum of Modern Art, the Dalton Schools, Spiegel Inc.

Ed Murrow, CBS's news ace, is being urged for Democratic nomination for U. S. Senator from N. Y., his voting address being Pawling, N. Y., though he's a native of state of Wash. He says he's not interested, but lots of publicity was given the proposal this week, along with endorsement of Gov. Harriman and disclosure that suggestion first came from Judge Samuel I. Rosenman, advisor to Presidents Roosevelt & Truman.

Ralph Steetle, executive director, Joint Council on Educational TV, has accepted invitation to attend 2nd session on TV of International Broadcasting Organization (OIR), comprising iron curtain countries, to be held in Moscow April 10-17; he leaves by plane April 6.

Bernard Strassburg promoted to chief of FCC telephone div., succeeded as chief of rates & revenue requirements branch by Sydney L. O'Guin.

**New & Upcoming Stations:** KGHL-TV, Billings, Mont. (Ch. 8) was due to begin regular operation, with NBC affiliation, as of March 15—bringing on-air total to 535 (92 uhf). It's town's second outlet, KOOK-TV (Ch. 2) having been operating since Nov. 1953. It's equipped with 25-kw RCA transmitter, new RCA traveling wave antenna on 417-ft. Ideco tower. P. N. Fortin, 50% owner, heads local business group interested in station; they also operate radio KGHL. Jeff Kiichli is gen. mgr. of TV-radio; Warren Marshall, sales mgr.; Gertrude Nyberg, program director; Douglas Wildfoerster, ex-DuMont, N.Y., production director; Wilber Myhre, ex-KGEZ-TV, Kalispell, Mont., chief engineer. Base hour is \$200. Rep is Young.

Havana, Cuba gets 6th outlet March 19 when "Canal 12," as station calls itself, begins 14-hour daily all-color schedule (6 a.m.-2 a.m.) from new Havana-Hilton Hotel studios. Group of U. S. admen and newsmen are to be flown to Havana in special plane March 18 to attend inaugural. Station's 10-kw RCA transmitter has 60-ft. antenna atop 400-ft. hotel structure. Station was founded and is headed by Gaspar Pumarejo, veteran Cuban broadcaster who founded CMUR-TV (now CMBF-TV), with Eduardo Cabelero & Manuel Lierandi as v.p.'s, Lorenzo Barquin as chief engineer. Jose A. (Babby) Quintero is N. Y. rep at 205 W. 88th St. (Endicott 2-6255).

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

KVIQ-TV, Eureka, Cal. (Ch. 6), which will operate in association with KVIP-TV, Redding, Cal. (Ch. 7), has changed target to April 1. By then it hopes to have FCC authorization for intercity relay permitting off-air pickup of KVIP-TV programs. It has 5-kw RCA transmitter and 200-ft. self-supporting tower with 3-bay antenna. Co-equal owners are KVIP-TV and pres.-gen. mgr. Carroll R. Hauser. Base hour will be \$150. Rep will be Hollingbery.

KTWX-TV, Sheridan, Wyo. (Ch. 9), planned as satellite of KTWO-TV, Casper, Wyo. (Ch. 2) has changed target to May 15, reports pres. Burt I. Harris, also pres. of Harriscope Inc., TV producer & packager. Transmitter hasn't been ordered. KTWX-TV will be sold as bonus to KTWO-TV, NBC-TV affiliate, which has \$150 base hour. Rep is Meeker.

**Barrage on Barrow Report:** Everyone seems anxious to get network hearings over with (p. 3). Commissioners' and counsel's questioning of witnesses gets more perfunctory. And when a witness suggests that a portion of his statement be incorporated in record without his reading it, there's a sense of relief all around. Seldom are witnesses hooked and made to wriggle.

However, Commission is well aware that whole business was started in Congress, pushed primarily by 2 influential men—Sen. Bricker (R-Ohio) and Rep. Celler (D-N.Y.)—and that a lot of money was spent on Barrow project. Therefore, Commission must see it through. Also highly distracting is "show in the main tent"—Harris subcommittee hearings (see p. 4)—where commissioners will testify next week.

**WOR-TV & Educators Join Hands:** A really happy solution to problem of educational TV in N. Y. metropolitan area seems to be at hand. It's the agreement whereby Teleradio's WOR-TV (Ch. 9) turns over its facilities to N. Y. State Board of Regents for entire period 9 a.m.-5 p.m. daily and 9-noon Sat., starting Sept. 1. Announcement follows Regents' withdrawal last week of much-publicized proposal to acquire WATV's Ch. 13 (Vol. 14:10).

What's needed now to wrap up deal is state legislature's appropriation of \$369,000 to run station for 7 months. To operate full year, Regents will give WOR-TV \$365,000 for facilities, will spend \$150,000 for programming, \$30,000 for administration.

Plans call for offering lessons for students from elementary to high school levels, Regents to use call WREG during its time period. Currently, WOR-TV signs on at 1:45 p.m., plans to extend sign-off when educators start and to operate commercially as usual after the educators complete their "broadcast day."

Unprecedented agreement could well produce one of most important educational projects in the country—and FCC approval, if any is needed, presumably would come through without a hitch.

In announcement, Thomas F. O'Neil, pres. of WOR-TV owner RKO Teleradio Pictures, stated: "We felt that we should implement this educational program with the benefit of our experience—by taking the initiative. It is only through TV that thousands of students may benefit from the greatest minds in the country."

Jacob Holtzmann, prominent N. Y. attorney and chairman of Regents' TV committee, expressed "heartfelt thanks" to O'Neil. Said he: "It is impossible to measure the great public service value of this offer at this time, but it is concrete proof of TV's willingness to cooperate with educators to the extent of sacrificing commercial time. In the agreement, all operating costs are included and no charge is made for capital investment by the owners."



NAB petitioned FCC to permit radio broadcasters to log frequency monitor readings at beginning and end of broadcasts instead of every 30 minutes.

Indicative of way industry regards hearing is fact that several organizations have dropped plans to testify. These include multiple owners Modern Bcstg. (Edgar Stern), RKO Teleradio (O'Neil), Southwestern (Reynolds), Utah Bcstg. (Glassman), WKY group (Gaylord). More dropouts are expected. Reasons: (1) Networks have done such an effective job. (2) Other competent spokesmen are carrying the ball.

That the national reps will demand withdrawal of the networks from the spot representation field, except perhaps for their owned-&-managed stations, is quite certain—but it isn't at all certain whether they will also object to network option time and "must buys." Their stations are too vehement on that score.

We erred, however, in indicating in this column last week that Station Representative Assn.'s spokesman will be Eugene Katz alone. Actually, when their turn comes

in about 2 weeks, the SRA group will have 5 spokesmen, in this order: Lloyd Griffin, Peters, Griffin, Woodward Inc.; Lew Avery, Avery-Knodel; Frank Headley, H-R Representatives; Eugene Katz, The Katz Agency; John Blair, Blair-TV.

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NBC pres. Robert W. Sarnoff set stage for his team's presentation with this statement: "I have read the Report with admiration and consternation. It is impressive in its painstaking and voluminous material relation to TV . . . But then, after laying a solid base of descriptive material on issue after issue, the Report takes off on a theoretical flight; argues a series of abstract doctrines; and arrives at conclusions unrelated to the facts and unsupported by them . . . The structure of theory built up by the staff is used to advance a social and economic philosophy—that what is strong should be weakened, what is big should be fragmented, and what is secure should be made insecure."

Sarnoff stressed importance of network-owned stations as a stable source of income. He said NBC network lost over \$4,000,000 from 1947 to 1954, averaged net profit of \$1,270,000 a year 1947-57. It lost \$3,000,000 in 1950, made \$1,000,000 in 1951, made \$500,000 in 1952, lost \$250,000 in 1953—has been in black since (figures not given).

By contrast, he stated, owned stations' total net profit averaged \$3,330,000 from 1947 to 1957, has been in black since 1950. He said that loss of mere 3 half-hours' revenue weekly for a year would wipe out all network profits. While network's profits dropped 53% from 1956 to 1957, owned stations' profits slipped only 18%.

Network invested \$25,000,000 in plant during 1947-54 loss years, has put \$26,000,000 into color, plans additional \$28,000,000 for color in next 5 years.

In response to questions from commissioners, Sarnoff said the network competitive situation would improve with more stations. But he thought all-uhf or vhf mileage cuts aren't the answer. He endorsed selective deintermixture and excise tax cut on all-channel sets—and he urged Commission to wait for TASO technical data before consideration of reallocation.

Sarnoff said that NBC radio network has been in red since about 1952 but that situation is improving lately; that TV is supporting radio; that NBC-owned radio stations help substantially.

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Hugh M. Beville Jr., NBC v.p. for research & planning, had a brilliant presentation—much of it devoted to the "missing chapter" in Barrow Report, inter-network competition. He launched broad attack on Report's assertion that networks dominate the "relevant market" of national TV advertising and that other media can't be substituted for TV. He said NBC has only 6.1% of the national advertising market.

Discussing inter-network competition, Beville described how networks compete for outside-produced films, for major programs, sports events, performers, producers, writers, directors—"even computing devices" for election coverage.

Program-by-program and day-by-day, Beville showed how networks jockeyed for position, shifting lineups, taking advantage of "lead in" audiences. "No change in brand loyalty or corporate position," he stated, "can match the speed with which the American viewer can switch the TV dial from one network to another."

Beville defended option time as networks' only guarantee it can match circulation of such competitors as

radio, magazines, Sunday supplements, newspapers, direct mail, outdoor, car-cards, etc. And, he remarked ruefully, "there would seem to be no question about substituting national TV for national radio." He noted that Cadillac put only 2% of budget into TV, rest into magazines & newspapers, while Lincoln spent 49% on network TV, 21% on newspapers.

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Charles R. Denny, NBC exec. v.p. for operations, due soon to become an RCA v.p., covered network's need for owned stations, asserted this ownership constitutes no "concentration of control." The onetime FCC chairman said that NBC owns only 1.4% of all stations; that they have 3% of industry's tangible assets; that there's abundance of competition in their markets. The stations garner 9% of network time sales, 8% of national & regional spot, 5% of local, 7% of total broadcast revenues, 10% of total broadcast income before Federal income tax.

If Report's recommendations are followed, said Denny, NBC would have to give up WRC-TV, Washington and WRCV-TV, Philadelphia—for financial and network-operations reasons. And he cited NBC's pioneering record in establishing stations and operating them at tremendous losses when there were only 10,000 TV sets extant.

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Thomas B. McFadden, NBC v.p. for owned stations & spot sales, had another exceptionally skilled presentation. His theme: Stations use NBC as rep because it does good job for them—42% higher than average of other stations in their markets. He asserted that spot sales is completely separate from other NBC depts.; that NBC has never used its network position to persuade clients to choose it as rep; that NBC affiliation is no prerequisite to representation, or vice versa; that it has solicited some NBC affiliates as clients, without luck; that other reps have more stations; that NBC has never attempted to force changes in stations' spot rates.

On questioning, McFadden said he'd like to add one or 2 more stations to list but couldn't handle more than that and give adequate service. FCC Chairman Doerfer seemed reluctant to believe that spot sales couldn't expand if it wanted to—but McFadden insisted that his list is now a "tidy package;" that more would handicap salesmen.

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Walter D. Scott, TV network sales v.p., concentrated on essentiality of option time in order to guarantee circulation in competition with other media. He reported that advertisers "are generally disinterested in buying time and programs outside of option time." He noted: "The average evening option time clearance in the time ordered on basic stations is 93% while in station time it is only 64%. This is what makes or breaks a network sale."

Scott described what happens when program is moved from option to station time and vice versa. For example, NBC News clearance dropped from 97% to 71% when moved to station time, Jane Wyman Show from 97% to 69%, Ted Mack Hour from 90% to 53%. Conversely, Ted Mack Hour bounced from 56% to 95% when moved back to option time, Twenty-One from 28% to 95%, Eastman Kodak's film shows from 44% to 82%, Bob Cummings Show from 46% to 98%. More often than not, he said, sponsor cancels because of insufficient clearances.

Option time, Scott said, means firm orders and opportunity to plan long in advance. Among other things, he noted that it takes 90 man-hours to obtain starting lineup

for show in option time, 450 for one in station time. He concluded:

"The 'softness' in the market, which the staff shrugged off as a possibility, is upon us now. An advertising retrenchment is under way, and because of the size of the transactions involved in network TV advertising, our medium is particularly sensitive to this retrenchment."

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David Adams, exec. v.p., was NBC's cleanup man. His theme: Barrow Report apparently wants to make common carrier out of broadcasting.

Adams noted, for example, that Report urges Commission to "watch the development of the rate situation closely and continuously" and that rules be adopted to prohibit networks from attempting to "influence" non-network rates. "This watching," he said, "is either tantamount to direct or indirect rate review, or is meaningless."

"The recommendations that the Commission should maintain 'continued surveillance' of compensation arrangements is parallel to jurisdiction over the division of charges among common carriers."

"In fact," he went on, "every one of these proposals seems to be modeled on the common carrier provisions of the [Communications] Act. Either these proposals look toward some kind of Commission action or they do not. If they do not, the networks should not be required to file elaborate reports on the details of their business actions, with which the Commission will not concern itself. On the other hand, if these recommendations do look toward some kind of Commission review of the subject matter—as seems evident—they would inject the Commission into a field with which it is not equipped to deal; and they would extend a form of common carrier regulation to broadcasting in violation of the express philosophy of the Communications Act."

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National Telefilm Assoc. pres. Ely A. Landau was first non-network witness to appear—and he surprised at least one commissioner, Lee, with recommendations that each option time period be extended from 3 to 4 hours, instead of urging abolition of option time.

Specifically, Landau suggested these changes: (1) Four-hour option periods. (2) Networks limited to 3 of

the 4 in 3-station markets, 2 of the 4 in 2-station markets, one of the 4 in one-station markets. He stated that networks would thus give up only a little—but that this little would mean much to NTA and other program producers.

Landau said that the "well of feature films is fast running dry;" that TV film producers must have entree to prime evening time. For next fall, he said, NTA is spending \$12,000,000 in order to offer independents in 4-station markets (he hopes for 17 by then) one 3-hour "Big Night" each week—equal in strength to network competition.

Networks must have option time, Landau asserted, so they can offer advertiser guaranteed circulation. Without it, he said, whole industry would be hurt.

Landau irked Comr. Craven by criticizing Commission for "not acting firmly and expeditiously" to improve allocations picture. Acidly, Craven asked: "Do you have an engineer on your staff?" Landau conceded his lack of expertness in allocations, but gave opinion that transition to uhf could be answer to station shortage. He suggested that all vhf stations be required to simulcast on vhf & uhf until "bugs are worked out."

Asked by commissioners whether NTA is a "true" network, whether it plans to offer non-entertainment features, Landau said he's working on some live "Sports Spectaculars" and on one-hour filmed news project.

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C. Wrede Petersmeyer was sole non-network multiple owner to testify this week. He's pres. of Corinthian Bestg. Corp., the J. H. Whitney organization controlling KOTV, Tulsa; KGUL-TV, Galveston-Houston; WANE-TV, Ft. Wayne; WISH-TV, Indianapolis.

Attacking one-to-a-customer concept of Report, Petersmeyer asserted that "mere place of residence of the owner" should carry no more weight than proven experience—and he noted that Commission has frequently so ruled. He pointed to fact that Corinthian managers are local residents; that staffs are; that personnel has record of strong civic activity as company policy; that in real payoff, programs, stations emphasize local activities.

Petersmeyer stressed fact that multiple owners can bolster their younger and smaller stations with heavy investments in plant, promotion, etc.—and he cited \$400,000 plant expenditures for uhf WANE-TV.

**Old FCC Cases Decided:** FCC took a day out from its laborious network hearing this week (p. 3) to knock off a lot of old docket cases.

One bewhiskered affair was protest of radio WSAY, Rochester, N.Y. against share-time grants to WHEC-TV & WVET-TV (Ch. 10)—which Commission finally turned down this week. WSAY filed protest March 17, 1953, and it's been before FCC and courts ever since. In this week's decision, Commission concluded that Gannett's ownership of WHEC-TV isn't undue "concentration of control"; that there's nothing wrong with the share-time agreement; that radio WVET's commercial practices aren't of "great derogatory moment"; that WVET-TV was financially qualified; that radio WHEC's & WVET's treatment of WSAY's request to rebroadcast their programs wasn't serious.

Commission dismissed protest of several Orlando stations against move of WESH-TV, Daytona Beach (Ch. 2) toward Orlando. Basically, Commission was satisfied WESH-TV would remain a Daytona Beach station.

KARD-TV, Wichita (Ch. 3) grant was reaffirmed after KFH dropped its petition for rehearing, having been paid by KARD-TV for expenses. Case had been sent back to

FCC by court for "clarification and procedural reasons."

Commission instructed staff to draft decisions looking toward: (1) Denial of petitions to reconsider grant of KIRO, Seattle (Ch. 7)—filed by defeated applicants KXA & KVI. (2) Grant of Ch. 4, Cheboygan, Mich. to Midwestern Bestg. Co., denying Straits Bestg. Co. (3) Dismissal of Ch. 18 application for Baton Rouge by Port City TV Co., which decided not to go ahead.

Initial decision recommending revocation of CP for KAKJ, Reno (Ch. 4) was issued by examiner Herbert Sharfman. Grant was made to one Robert C. Fish, who has since, according to Sharfman, "evanesced into the Canadian fastness." Meanwhile, a syndicate of Tulare, Cal. businessmen had taken over, invested heavily. Syndicate wants to sell grant to Edward J. Jansen. Sharfman said he's sorry, but some of principals deceived Commission about ownership, so permit must be revoked.

Malco Theatres obtained Ch. 54 CP for Memphis, while Ch. 70 translator was granted to WHDL, Olean, N.Y., Ch. 70 to Conewango TV Inc., N. Warren, Pa.

Wilmington, N.C. Ch. 3 grant should be in works, now that competitors United Bestg. (Richard Eaton) and WGNI have agreed to merge, 50% each.

**STEREO DISCS CRIMPING TAPE:** Before fall arrival of stereo discs was assured, some TV-radio makers thought hard about going after tape recorder business. But now that stereophonic sound -- a rocket that's booming tape recorders -- will be available on discs (Vol. 14:8), tape is being shelved definitely by some, tentatively by others.

Said Philco pres. James M. Skinner Jr., whose company went into tape recorder market last year: "We might do a bit more this year than last, but even then it won't be a big activity." Sylvania, another 1957 starter, now plans (according to TV-radio gen. sales mgr. Robert L. Shaw) to "wait and see what effect stereo discs have on phonos before making bigger commitments to our tape recorder schedule."

"Westinghouse is staying out of tape recorders," according to TV-radio gen. mgr. Edward Kelly. Instead, it's planning to improve its position in phono market by adding portables to hi-fi line. Magnavox will stay out of tape; likewise Admiral.

Motorola is "considering tape recorders," we learned from Edward Taylor, v.p. consumer products, but it won't release decision until June distributor convention. RCA, a leader in tape, will keep pressing, of course; currently it's experimenting with magazine-mounted tapes.

Even now, stereo discs are a major threat to tape, in the mind of another major executive. "It's sooner than most people think," said he -- and he tells us he won't go into tape recorders at all because, as he put it, "stereo records will kill tape, along with monaural hi-fi, just as sure as you're sitting in Washington." His present plan is to stereo-ize "across the board" in his phono line.

**CONSENSUS ON TV RECEIVER MARKET:** Prices ought to be going up because of spiraling costs -- but they won't as long as the recession continues, unemployment mounts and economic uncertainty prevails. That's the consensus we get from a survey of the top producers, who mostly agreed that the market is exceedingly "soft" right now yet are working steadfastly and hoping against hope for an upturn by the time new models are ready. You get a hard, realistic appraisal from Motorola's annual report -- not too hopeful about its consumer products for the rest of this year, albeit making excellent progress in other areas (see Financial Notes, p. 14).

Those industry leaders whom we asked for comments on price trends -- Admiral, Emerson, GE, Magnavox, Motorola, Philco, RCA, Sylvania, Westinghouse -- were of one accord in their replies. Typical was that of Edward Taylor, Motorola consumer products v.p.: "We hope market conditions will improve so that we might ask for a price increase. But if they don't, we won't."

While forecasting second quarter upturn in the general business climate (see p. 12), Sylvania's B.K. Wickstrum said his company expects "to absorb manufacturing cost increases to maintain 1957 price levels." Philco spokesman gave impression that prices will remain "steady" for the foreseeable future.

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Plenty of justification for price hikes was cited by most of those checked. Said James M. Toney, RCA v.p. & gen. mgr., TV div.: "Justification is an understatement. Retail prices have not reflected 3 years of steadily increasing costs." But it's clear price increases are not anticipated by RCA, either.

Another big manufacturer expressed concern that production figures of recent weeks are seasonally much too low. "It's far too early for that," he said. "We're operating on a schedule admittedly somewhat reduced from last year -- but not nearly in the same proportion as the all-industry figures you publish each week. Our June

merchandise isn't going to be any cheaper but I don't believe it will be higher than June models a year ago."

Inventories of portables and 21-in. table models, this mfr. stated, are actually in short supply now; current inventories are in middle bracket items, and the movement of high-end models is at a virtual standstill.

Only exception to the general tenor was Emerson pres. Benjamin Abrams, who predicted June set prices approximately 10% higher than last year.

Retail sales of TVs, off 9% for 2 months, have some makers worried but others say decline is not as bad as they'd been led to expect. Most agreed inventories are in good balance -- estimated 1,950,000 units at end of Feb. vs. 2,225,000 last year. A projection of the slackening rate of production (see below) indicates total sales of 1,525,000 units in the first quarter vs. 1,680,000 last year.

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Recession atmosphere has clouded picture of major changes in TV lines for June. Several makers say they'll stand pat with minor freshening of current lines. Others plan to hold 1959 styling and feature innovations to a single model. Early example: Emerson introduced last week a single 17-in. portable (\$178 list) which features contoured-finished back and controls moved from the customary top or side location to vertical panel on front. We've heard that GE will introduce major style change in one model of its spring portables, but spokesman won't confirm details. And, whatever Motorola shows, it will be earlier this year than last; distributor showings begin June 23 in Chicago -- instead of July -- and go on road to 5 regions.

Portables will make up 30 to 35% of spring production -- up from 28% last year, and will cut into table model share of mix which has been slipping steadily from 54% in 1955 to 32% last year. Console push probably will continue, but with less enthusiasm than industry showed last June when it went all out for hi-fi sound, automatic tuning, period furniture styling. Most makers say consoles are not moving now; a few say they are still happy with high-end sales. Sylvania, for one, plans to extend its "Sylouette" super-thin styling to other console models.

**"An Inventory Sellout":** More optimistic than most about the business outlook, Sylvania senior v.p. for marketing, B.K. Wickstrum, told Washington newsmen this week the current recession is "an inventory sellout which has about run its course." He was speaking of business in general, predicted upturn "toward end of the second quarter" and 2% over-all increase this year in the national economy (GNP). He said:

"I don't think we can talk ourselves into a severe recession if we tried." He cited these factors indicating early upswing: (1) Personal savings at all-time high. (2) New housing, between 1,000,000 & 1,100,000 units. More state and local spending for public buildings, roads, etc. (4) "Built-in" wage increases. (3) Improving machine tool orders. Only expenditures for capital equipment continue to slide, he said.

As for TV, he predicted 6,800,000 set output in 1958 -- "maybe 7,000,000," of which 35% will be portables, with 200,000-250,000 color sets. (Last year's output: 6,400,000 units.) He applauded "lack of dumping" this year, said inventories are in better shape than at any time in 3 years. Picture tube business, he said, is running 11% ahead of last year at this time, should total 15,000,000, or 2,000,000 more than last year. Electronic industry volume will reach \$14 billion in 1958, or about \$1 billion more than 1957, and is headed for \$24 billion in 1966.

Of Sylvania in particular, economist Wickstrum said sales would approximate \$400,000,000 in 1958 vs. \$343,000,000 in 1957, of which 27% will be govt. business.

**TV-Radio Production:** TV set production was 87,508 week ended March 7 vs. 89,466 preceding week & 97,949 in 1957. Year's 9th week brought production to 900,431 vs. 1,012,836 last year. Radio production was 180,165 (52,069 auto) for the week vs. 176,851 (54,473 auto) in preceding week & 345,342 (135,700 auto) last year. For 9 weeks, production totaled 1,929,950 (672,681 auto) vs. 2,594,319 (1,180,183 auto).

## Do You Know That . . .

**FISHERMEN ABOUND** in the TV-radio executive ranks, some of them darn good ones—but those who have hunted big game in the wild country are relatively rare. At least, we've been able thus far to learn about only a few.

Finest all-around outdoor sportsman we know is Ross D. Siragusa, pres. of Admiral Radio Corp., who incidentally looks very much like Perry Como, except that he's somewhat older (52) and much more dynamic in demeanor. Ross has fished the seas for just about everything, and also hunts—with bow-&-arrow only!

He found shooting game was too easy, won't use a gun anymore. About 5 years ago he took his sons Ross Jr. & Dick to the Yukon in Alaska on a hunting expedition. He bagged a wild goat with bow-&-arrow; the boys, using rifles, got sheep, goat, caribou, moose. Ross Sr. also has brought down deer in Wisconsin with bow-&-arrow, and once bagged a javelina (boar) on the Mexican border—"my toughest encounter because of the beast's irascibility."

Fishing with Siragusa for bonefish on the flats near Cat Cay a few years ago, we watched him hang into a permit, a large-size pompano that rarely takes a hook. He played it with 4¾-oz. spinning equipment, 6-lb. test monofilament line, for exactly 2 hours, 20 minutes by our clocking, and our guide must have maneuvered our motorboat over 10 miles of water, mostly shallows. He had the fish up to the side of the boat, ready for the gaff, when the

line snapped—it had worn thin over the rod's tip and it was determined later that it had broken at only 2-lb. stress, evidence of remarkable light-touch handling.

It looked in the water as though it might have weighed as much as 45 lb., which would have equalled the world's record. *We* were completely "bushed" from the ordeal of watching—he wouldn't let us relieve him at the rod—but Ross' first remark, after the prize got away, was a calm: "Well that's fishermen's luck for you. Let's go out and try again."

Siragusa says he has caught several permit since then, none under 30 lb. His biggest catch ever was a 600-lb. blue marlin, 13 ft. 6 in. from tip to tail, which he landed about 3 mi. off his Cat Cay beach in 1955. His record with the lightning-speed bonefish is probably better, over all, than baseball's Ted Williams, who claims a one-day record of 40. Ross has taken a total of some 600 bonefish in his time; pulled in 10 one day, of which 4 averaged 10 lb., six ran 6-8½ lb. He won't go for anything smaller, unless it's for marlin bait, and one day he pulled in 25 averaging 2 lb. each in a space of only 2 hours.

A contest between Ted Williams and Ross Siragusa would be a classic—and, based on first-hand knowledge, our money would be on the latter.

Note: We'll have a report later on other crack fishermen in the industry, including some fresh-water experts; also on several other big game hunters—notably some who have been on African safari and who have some fascinating experiences to recount.

**Trade Personals:** Peter Humeniuk, ex-TV-radio mgr., Canadian GE, named mgr. of engineering of GE's TV receiver dept., Syracuse, succeeding Jack F. McAllister, transferred to power tube dept.; D. P. MacIntyre succeeds Humeniuk at Toronto and he's replaced as mgr. of materials by G. Brosseau . . . Frank Folsom, RCA exec. committee chairman, elected a director of S. H. Kress & Co., variety chain . . . Richard Gorman is now adv. mgr., Admiral Corp., succeeding v.p. Edmond I. Eger, resigned . . . Joseph Marty resigns as special asst. to Zenith v.p. Leonard Truesdell to join Zinser Personnel Service, Chicago . . . George Forman resigns as Emerson director of adv. & sales promotion . . . Ernest Paskell, ex-Battelle Institute, named supervisor semiconductor operations, Delco Radio div. of GM . . . George W. Chane, ex-Ernst & Ernst, management consultants, elected to new post of v.p., management engineering, RCA . . . H. C. Edgar promoted to new post of mgr., distribution & sales, RCA International . . . William N. Brown, ex-Zenith v.p., named v.p.-marketing of Dictograph Products Inc.

**ELECTRONICS PERSONALS:** C. Harry Knowles, ex-Bell Labs, joins Motorola semiconductor div. to direct video vhf & uhf transistor development . . . Lee L. Bushong promoted to mgr. of manufacturing equipment development, GE semiconductor products dept. . . Anthony J. Randazzo Jr., ex-Rome (N. Y.) Air Development Center, named mgr., Packard-Bell Rome office . . . Dr. Henry S. Katzenstein promoted to new post of director, research dept., Olympic Radio & TV military engineering div.; Abe Cohen promoted to head military product development; Ruby Blumkin to head of military product design . . . Dr. Ewart M. Baldwin, ex-Hughes Aircraft, named v.p. & gen. mgr., Fairchild Semiconductor Corp. . . Paul E. Brandt, ex-Signal Corps, named to new post of regional mgr. (N. Y., N. J., Pa.) of Hoffman Lab div.

**DISTRIBUTOR NOTES:** Graybar announces retirement of Robert C. Litchfield, gen. appliance sales mgr., after 35 years. His duties will be assumed by 3 product sales mgrs.: Jack West, housewares; Bob Laber, Hotpoint appliances; Tom Huston, all other appliances. They report to John Reine, appliance v.p. . . Westinghouse names Harry Stein gen. sales mgr. of Westinghouse Appliance Sales Corp., N. Y.; transfers Harold E. Risler from mgr. of Clarksburg, W. Va., WESCO branch to mgr. at Columbus, replacing Paul Kenny, resigned . . . Sylvania appoints Emery-Waterhouse, Portland, for Me. & northern N. H.; Choquette Co., Providence, for R. I. & 4 Cape Cod counties of Mass. formerly handled by Sylvania Boston branch . . . Sylvania names J. Joseph Spelman, ex-Stromberg-Carlson, to new post of Pittsburgh district sales mgr., home electronics div. . . GE opens new radio receiver sales district (D. C., Va., Md.) headed by J. T. Sharkey, ex-Atlanta district mgr., with headquarters in Arlington, Va. . . GE, Fresno, moves to new office & warehouse at 2788 S. Maple Ave. . . Motorola appoints Lafayette Radio, Jamaica, N. Y. (also known as Radio Wire TV Inc.) for semiconductors and transistors . . . Capehart names John T. Caviezel, ex-Bell & Howell, regional merchandiser for parts of Ohio, Ill., Wis., Mich., Ind. with headquarters in Schiller Park, Ill.; Michael T. Guttman for southern Cal. & Ariz. with headquarters at La Crescenta, Cal. . . W. J. Lancaster Co., San Francisco (Motorola), promotes Paul Holter to sales mgr. of Motorola div. . . Major Appliance Corp., Burlington, Vt., (Admiral) moves to 141 North Ave. . . Gramavox Radio & Phono Co., N. Y., appoints Pace Electronics, N. Y. (Siemens, Braun, Novak, Hitachi) for radio-phono combinations . . . Capitol Records promotes Roland Fribourhouse to new post of mgr. of Hollywood office Capitol International; promotes Julius Varady to N. Y. mgr. . . Urania Records div. of American Sound Corp. appoints All State Distributors, Chicago, for Ill., Wis., Ind. . . Sylvania appoints Fridley Bros. Inc., St. Louis, for TV, radio, hi-fi.

## Financial Reports:

**M**OTOROLA comes forth this week with another quite healthy financial report, showing 1957 sales of \$226,361,000 were within ½ of 1% of its 1956 record high of \$227,562,168 while earnings amounted to \$7,824,431 (\$4.04 per share) vs. \$7,966,817 (\$4.12). Working capital at year's end was \$52,215,832, investment in plant & equipment \$27,167,597, shareholders' equity \$66,172,446—all substantially ahead of 1956 and all at new highs.

Year saw new sales highs in 2-way radio & microwave business, gains in auto radio sales (to Ford, Chrysler, American Motors) and in phonographs and transistors. Military electronics business (data systems, airborne navigation equipment, radar, etc.) remained at about 1956 level, and "decline common to the industry was experienced in the sales of TV and home radios, particularly in the 4th quarter when there was hesitancy in the general economy."

Fourth quarter sales were \$60,338,156 vs. \$64,872,986 in same 1956 quarter. Earnings were \$2,474,009 vs. \$3,148,853. As for 1958 prospects, chairman Paul V. Galvin & pres. Robert W. Galvin state over their joint signatures:

"The year 1958 will be strongly influenced by general economic conditions and new products. Our consumer products and automotive products divisions anticipate a lower volume . . . The degree of this downturn will, however, be favorably influenced by the introduction of new types of products in the latter half of the year. In our communications and industrial electronics, military electronics and semi-conductor divisions, we expect increases in volume . . . The net effect will be somewhat reduced sales and earnings for the corporation in the year 1958.

"Our long-term confidence in the stability and growth of each of our divisions is illustrated by the completion in early 1958 of a new TV production plant and a new laboratory and administration building for our consumer products and automotive divisions."

\* \* \* \*

Indiana Steel Products Inc., magnetic products, had record sales of \$12,494,526 in 1957 vs. \$11,329,592 in 1956. Earnings also went to new high of \$807,280 (\$2.75 per share) from \$764,336 (\$2.61). Wholly-owned Canadian subsidiary suffered loss in first half due to higher costs and in second half due to the business recession. At end of year net working capital went up to \$1,870,423, long-term debt was reduced to \$925,000. Favorable future prospects are seen by pres. Robert F. Smith in light of expansion of missile and related electronics programs, increased use of magnets to replace wire-wound fields in small electric motors, and "the remarkable growth of the high fidelity sound industry."

Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing, Mich.), one of the few TV-radio station combinations whose stock is publicly held, earned net of \$674,239 (\$1.68 per share on 400,000 shares outstanding) on revenues of \$2,733,846 in 1957 vs. \$741,926 (\$1.85) on \$2,815,408 in 1956. Reductions, says annual report, "reflected decline in business activity . . . however, we experienced a stimulating increase during the latter part of the year." Radio WJIM enjoyed 8% increase in gross time sales. New Flint studios added to operating costs. At year's end, current assets exceeded current liabilities by \$2,376,938, retained earnings amounted to \$2,882,526 following payment of \$380,000 in dividends vs. \$235,000 in 1956. [For reports on previous years, see Vol. 13: 12]

Allen B. DuMont Laboratories Inc., in second year of operation since spinoff of TV station operations, reports loss of \$534,616 on sales of \$43,582,435 in 1957 vs. net loss of \$3,886,734 on sales of \$47,401,006 in 1956—the 1956 loss having been reduced \$1,262,430 by tax carryback. Annual report quotes pres. David T. Schultz as expressing confidence 1958 will be profitable after pointing out how all tube manufacturing has been consolidated in Clifton plant, all equipment manufacturing in E. Paterson plant. Latter half of 1957, he noted, showed improvement in TV receiver operations, producing "profitable results" after decision to concentrate on quality end introduced in June. Scientific instrument, mobile radio, industrial TV and military business were said to look better for 1958, and international div. expanded its export business last year. As for DuMont's development, in collaboration with Chromatic TV Labs, of Lawrence single-gun color TV tube, report says: "Results to date appear promising for the design of a color TV receiver of lower cost and improved performance than is now available."

Collins Radio Co. sales fell to \$47,044,606 in the 6 months to Jan. 31, 1958 from \$64,283,279 in same period preceding year—net income amounting to \$559,590 after tax credits & non-recurring adjustments of \$825,000 as against \$2,345,035 in 6 months ended Jan. 31, 1957. Report says operations in company's own plants accounted for \$44,701,956 in 1958 period and \$48,238,000 in 1957 period, remainder representing Collins-designed equipment produced by other manufacturers at govt. direction. Backlog Jan. 31 was \$110,000,000 vs. \$118,000,000 six months earlier.

Disappointing 4th quarter, says Aerovox pres. W. Myron Owen in 1957 annual report, accounted to large extent for drop in net sales to \$20,893,000 from \$25,096,000 in 1956. But net earnings were \$276,300 (32¢ share) as against loss of \$909,900 in 1956. Working capital at year's end increased to \$5,709,034 from \$5,280,253, current assets were \$7,338,346, current liabilities \$1,629,346. Wire tantalum capacitor is now in production, and firm claims to be first to have wax-free tubular capacitor using Mylar plastic film as a dielectric.

Webcor Inc., specializing in hi-fi, had record earnings of \$1,961,000 (\$3.01 per share) on peak sales of \$40,374,000 in 1957 vs. loss of \$994,753 on \$34,305,000 in 1956. Pres. Nick Malz pointed to "continued improvement in manufacturing efficiency, careful cost control, and advanced selling & marketing techniques, coupled with national advertising." Company spokesman said biggest sales increase was in commercial div., including hi-fi & tape recorders, while govt. div. scored biggest profit increase.

Emerson Radio earned \$297,699 (15¢ per share) in 13 weeks ended Feb. 1 vs. \$196,509 (10¢) in first fiscal period year earlier.

Boston Herald-Traveler Corp., which recently began operation of WHDH-TV (Ch. 5), owns radio WHDH and publishes morning & Sunday *Herald*, evening *Traveler*, earned \$813,335 (\$2.16 per share) on revenues of \$25,196,427 in 1957 vs. \$646,477 (\$1.72) on \$23,652,226 in 1956. Net income in 1955 was \$758,990 (\$2.01) on \$21,278,572.

Proxy statement for Raytheon's annual meeting in Boston April 10 discloses that pres. Charles F. Adams received \$80,650 salary in 1957, holds 13,440 shares of Raytheon common stock; Harold S. Geneen, exec. v.p. received \$50,650, (200 shares); Percy L. Spencer, v.p. & gen. mgr., microwave & power tube operations, \$56,983 (1313); David R. Hull, v.p. & gen. mgr., equipment operations, \$53,750.

**Judge Blasts Tube Makers:** A Bronx County (N.Y.) judge took TV tube manufacturers to task this week for winking at a \$5,000,000 counterfeit tube racket. Judge Joseph's biting comments from the bench were made as he imposed sentences on 10 men and 6 service corporations convicted of illegal misbranding and resale of defective tubes (Vol. 13:47). No tube maker was on trial.

"The court," he said, "condemns the manufacturing corporations, and particularly RCA, as the court has more particular knowledge of RCA; they are greatly responsible for what is before this court and what has transpired in the industry."

RCA replied promptly that it had taken measures against tube counterfeiters "immediately upon learning of the scheme uncovered by the grand jury in 1956 [and] we believe that the steps we have already taken have been effective." RCA exec. v.p. for electronic components, W. W. Watts, asserted additional steps now are being taken to insure against counterfeiting, including development of permanent branding inks.

Judge Joseph condemned the industry for 2 corollary practices: (1) Allowing credit on defective tubes returned to distributors within warranty, without first establishing effective means for destroying those tubes or removing them from circulation. (2) Giving credit on tubes actually collected by the factory, but which were known to be fraudulently rebranded and coded so as to appear to be in warranty.

Judge went on to recommend to grand jury a law to penalize any manufacturer knowingly giving credit for a fraudulent tube; making counterfeiting a felony; requiring branding at the factory; improving checking methods; establishing state agency to license dealers or servicemen, among others. He took the occasion to commend GE for initiating action to build a case against tube counterfeiters. A GE spokesman told us the company had assigned its own detectives to secure evidence.

Currently, EIA tube div. subcommittee, under chairman L. B. Davis, gen. mgr. of GE's electronic components div., is preparing recommendations to block counterfeiting but had postponed formal action pending recommendations of the Bronx court.

Stereo tape players, transistor radios and the more expensive phonos—among all the home entertainment instruments—will show the greatest sales gains this year, according to March 10 *Billboard* survey of record dealers. Customers' first choice will be phonos selling between \$100 & \$200; second, \$75-100; third, over-\$200. The 45rpm changers placed last in uptrend potential. The 226 record dealers responding to questionnaire reported best selling brand in low-priced phonos was Decca, followed by RCA and Columbia. RCA was best selling brand over-\$100, followed in high-end by Magnavox. V-M was first in 2 of 3 medium-priced phono categories and in 3 of 4 tape recorder categories.

RCA got third 3-month extension this week to file counterclaim to Philco's triple-damage anti-trust suit (Vol. 13:24). Philadelphia Federal district court Judge Kraft set June 12 as final date when RCA must state grounds and alleged damages for patent infringements by Philco and subsidiary Lansdale Tube Co.

King of the discounters, Steve Masters, is subject of special report in March 14 *Printers' Ink*. Quote: "Manufacturers must realize our type of selling on low margin is growing. We are the dynamic forces who will be giants of retailing in the very near future."

**Muntz Back in the Field:** Earl Muntz, the Los Angeles used car dealer and founder of Muntz TV Inc., from which he severed affiliation when it went into receivership 2 years ago (Vol. 12:2), is back in the TV & radio business—with electronic organ and hi-fi added. With Frank Atlass, executive of WBBM-TV, Chicago and son of CBS div. v.p. H. Leslie Atlass, he has purchased Sonora Radio & TV Corp. for undisclosed price, will operate it as Sonora Electronics Inc. He's pres., 75,000-sq. ft. plant is at 325 N. Hoyne, Chicago 12. Distribution will be direct-to-dealer. Besides line of radios and hi-fi, Sonora plans to have on market within 60 days a 5-octave, 66-key organ to sell for \$295 as table model, \$395 as console—"first American-made unit under \$695." Muntz says 250,000 organs will be sold in U. S. this year, noting that a \$695 Thomas organ is currently being heavily promoted to some 20,000,000 school children and that a \$295 Japanese-made reed-type electric organ is being introduced on Chicago market week of March 16 via big radio promotions. Note: It was recently reported Muntz and young Atlass were acquiring interests in a TV station in the Dominican Republic in association with J. A. Trujillo, son of the Dominican dictator, but project was dropped after investigation (Vol. 14:7).

New type electron tube construction, known as "Framelok Grid," was announced this week by Sylvania which claims it will improve over-all performance of many types of electronic equipment, including TV and radio sets. First use will be in beam power pentode for horizontal deflection in TV, frequent source of breakdown, according to electronic tube div. pres. M. D. Burns, but will be extended "for use in such tube types as video and audio amplifiers, vertical deflection and a wide range of low and medium power tubes." It's claimed new construction achieves greater "ruggedness," maximum stability and uniform characteristics.

Texas Instruments, transistor manufacturer whose diverse operations spread into such fields as missile systems and oil exploration, expects sales of nearly \$20,000,000 in quarter ending March 31—up \$4,750,000 from 1957 period—according to exec. v.p. P. E. Haggerty. He didn't estimate earnings, but said they'd be well above \$790,000 (25¢ per share) in first quarter last year. Company has said it will report net profit around \$1.10 for 1957 vs. 72¢ in 1956 (Vol. 14:5).

Philco plans 11-page ad splurge in April 28 *Life* to push an across-the-board selection of electronic and appliance products, according to promotion v.p. Raymond B. George. "Specials" announced for annual one-day "Philco Day, U.S.A." sales push April 25 include: 21-in. TV table model (with indoor antenna) at \$189.95; table radio at \$29.95; hi-fi receiver with record cabinet & diamond needle at \$159.95; new small \$19.95 transistor radio.

Defense Dept. spending for electronics increased more than \$350,000,000 in the first 6 months of gov't. fiscal 1958, reflecting increased spending for missiles and avionics. EIA reports total was \$1,893,500,000 vs. \$1,513,000,000 in first 6 months of fiscal 1957. Second quarter electronics spending was \$967,500,000 vs. \$926,000,000 last year.

Factory sales of transistors were up in Jan., tube sales down, according to EIA. Transistor sales were 2,955,247 valued at \$6,704,383 vs. 1,436,000 (\$4,119,000) in Jan. last year. TV picture tube sales in Jan. were 621,910 valued at \$12,341,927 vs. 760,860 (\$13,594,525) in Jan. last year; 26,805,000 receiving tubes valued at \$23,264,000 vs. 37,571,000 (\$13,170,000) last year.

# COMMON STOCK QUOTATIONS

Week Ending Friday, March 14, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

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

120 Broadway, New York 5, N. Y.

## NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chng	1957-8		Stock and Div.	Close	Wk. Chng
High	Low				High	Low			
14 1/2	6 1/2	Admiral	8 3/8	+3/8	376 1/2	270 1/2	IBM 2.60	336 1/2	-1/2
27	16 1/2	AmBosch 30e	22 1/2	+1 1/2	37 1/2	25 1/4	IT&T 1.80	32 1/2	+1
24 1/2	11 1/2	AmBcstg. Para. 1	15 1/2	+1	50 1/2	33	I-T-E CirB. 45e	37 1/2	-1/4
43 1/2	29 1/2	AmMach&F 1.60	37	+1 1/2	10 1/2	6 1/2	List Indust 1/4e	7 1/2	+1/4
179 1/2	160	AT&T 9	171 1/2	+1 1/2	56 1/2	29 1/2	Litton Ind.	38 1/2	+1 1/2
33 1/2	19 1/2	Amphenol 1.20	24 1/2	-3/8	22	11 1/2	Loew's	13 1/2	-1/4
36 1/2	26	Arvin 2	28	+1 1/2	44	28 1/2	Magnavox 1 1/2b	36 1/2	+1/8
7 1/2	4 1/2	Avco 10e	6	-1/8	50 1/2	23 1/2	Mallory 1.40b	27 1/2	+1 1/2
47 1/2	20 1/2	Beckm Inst 1 1/2f	24 1/2	+3 1/2	131	73 1/2	Mpls. H'll 1.60a	86 1/2	+3 1/2
66 1/2	42	Bendix Av 2.40	49 1/2	+1 1/2	51 1/2	35 1/2	Motorola 1 1/2	39	+1 1/2
53 1/2	27 1/2	Burroughs 1	31	+3/4	9 1/2	7	Nat'l Thea 1/2	8 1/2	+1/8
25 1/2	15 1/2	Clevite 1/4e	18	+1/4	38 1/2	28	Paramount 2	34	-1/2
36 1/2	23 1/2	CBS "A" 1b	27 1/2	+1 1/2	18 1/2	11	Philco	15 1/2	-1/4
35 1/2	22 1/2	CBS "B" 1b	27 1/2	+2 1/2	40	27	RCA 1a	33 1/2	-1/2
20 1/2	11 1/2	Col Pictures 3/8t	15	+1 1/2	23 1/2	16 1/2	Raytheon 1 1/2t	22 1/2	-1/2
54 1/2	25 1/2	Cons Elec. 40	32 1/2	+1 1/2	8 1/2	4 1/2	Republic Pic	6 1/2	-1/2
35 1/2	18	Cons Electron	24 1/2	+1 1/2	39 1/2	29 1/2	Sang Elec 1.80	33	-1/4
27 1/2	12 1/2	Cor-Dub 20e	13 1/2	-1/2	18	12 1/2	Siegler .80	14 1/2	+1/4
106 1/2	57 1/2	Corning Glass 1a	83	+3 1/2	6 1/2	2 1/2	Spartan	3	+1/2
6 1/2	3 1/2	Davega	3	-1/8	26 1/2	17 1/2	Sperry Rand .80	18 1/2	+1/4
47	27 1/2	Daystrom 1.20	33 1/2	+3 1/2	9 1/2	5 1/2	Standard Coil	7 1/2	+1/8
19 1/2	13 1/2	Decca 1	14 1/2	-1 1/2	18 1/2	13 1/2	Stanley-War 1	16 1/2	+1/2
18 1/2	13	Disney 40b	17 1/2	+3/8	41 1/2	27 1/2	Stew Warner 2b	30	+1/2
115	81 1/2	East Kod 1.55e	104 1/2	-1/2	29 1/2	18 1/2	StorerBcstg 1.80	22 1/2	+1/2
34	22 1/2	Emer Elec 1.60	33 1/2	-1/2	46 1/2	29 1/2	Sylvania 2	35 1/2	-1/4
6 1/2	3 1/2	Emerson Radio	5 1/4	+1/4	31 1/2	15 1/2	Texas Instru	29 1/2	+1/4
10 1/2	6 1/2	Gabriel .60	7 1/2	-1/4	89 1/2	41 1/2	ThompProd 1.40	46 1/2	+1/4
68 1/2	46 1/2	Gen Dynamics 2	57 1/2	-2	37 1/2	21 1/2	Tung-Sol 1.40b	25 1/2	+1/4
72 1/2	52 1/2	Gen Electric 2	61 1/2	-1/2	30 1/2	19 1/2	20thC-Fox 1.60	25 1/2	+1/2
8 1/2	4	Gen Inst. 15g	5 1/2	+1/8	25 1/2	15	United Art 1.40	18 1/2	-1/2
47 1/2	30 1/2	GenPrEquip 2.40	37 1/2	-1/4	30 1/2	18 1/2	Univ. Pict 1a	19 1/2	-2 1/2
30 1/2	22 1/2	General Tire .70b	26 1/2	+1 1/2	28 1/2	16 1/2	Warn Bros 1.20	18 1/2	-1/2
45 1/2	36 1/2	Gen Telephone 2	41 1/2	-1 1/2	68 1/2	52 1/2	Westingh El 2	62 1/2	-1/2
25 1/2	17 1/2	Hoffman Elec 1	23 1/2	+1/2	140	91 1/2	Zenith 4	138	-1 1/2

## AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/2	-1/2	44 1/2	29 1/2	Hazeltine 1.40b	35 1/2	+1/2
52 1/2	19 1/2	Allied Con 1a	40 1/2	+3/8	3 1/2	2 1/2	Herold Ra .20	2 1/4	.....
21 1/2	11	AmerElectro 1/2	14 1/2	+1/2	6 1/2	3 1/2	Int Resist .20	4	.....
11 1/2	6 1/2	AssocArtProd	9 1/4	.....	8 1/2	4	Lear	5 1/2	+1/8
12 1/2	4 1/2	Audio Dev .05d	7 1/2	-1/4	1 1/2	3/8	Muntz TV	7 1/2	.....
13 1/2	6 1/2	Belock Inst 1/4t	9 1/2	+3/8	3 1/2	2 1/2	Muter Co. 1/4t	3 1/2	+1/2
1 1/4	3/8	C & C TV	3 1/2	.....	9 1/2	5 1/2	Nat'l Telefilm	6	.....
5	2 1/2	Clarostat .15g	3 1/2	.....	2 1/2	1	Nat Union El	1 1/4	.....
6 1/2	3	DuMont Lab	4 1/4	+1/4	11 1/2	2 1/2	Norden-Ketay	3	+1/2
7 1/2	2 1/2	Dynam Am	3 1/4	+1/8	5	3	Oxford El .10d	3 1/4	.....
12 1/2	8	Electronic Com.	13	.....	20 1/2	10 1/2	Phillips El	13	.....
12 1/2	5 1/2	Electronics Cp	7 1/2	-3/8	12 1/2	6 1/2	Servomech .40	8 1/2	+1 1/2
31 1/2	16	Fairch Cam 1/2g	25 1/2	-4	9	3 1/2	Skiatron	3 1/2	-1/2
30	8 1/2	General Trans	21 1/2	-3/4	8 1/2	2 1/2	Technicolor	3 1/2	-1/2
20 1/2	14 1/2	Globe Un .80	15 1/2	+3/4	5 1/2	3 1/2	Trans-Lux 20g	4	-1/2
4 1/2	2 1/2	Guild Films	2 1/2	-1/8					

## OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.	2	2 1/2	Magna Theatre	2 1/2	3
Aerovox	4 1/4	4 3/4	Maxson (W. L.) .05	5 1/2	5 3/4
Airborne Inst.	44	47	Meredith Pub 1.80a	27 1/4	29
Altec Co .80	7 1/2	8 1/2	National Co. (4% stk)	11 1/4	14
AMP Inc 50	18 1/2	19 1/4	Oak Mfg. 1.40	14 1/2	16
Amplex	53	56	Official Films .10	1 1/2	1 1/4
Baird Atomic	8	9 1/2	ORRadio	15 1/2	17
Cinerama Inc	1 3/4	2	Pacific Mercury TV	4 1/2	5 1/4
Cinerama Prod	1 1/2	1 3/4	Packard-Bell .50	12	13
Cohu Electronics	7 1/2	7 3/8	Panellit	5 1/2	5 1/2
Collins "A" .35	13 1/4	15	Perkin-Elmer	25	27
Collins "B" .35	13 1/2	14 1/4	Phillips Lamp (14% of par)	34 1/4	37
Cook Elec. 40d	18	19	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems	4 1/2	5	Selectivision Inc.	1/4	3/4
DuMont Bcstg	7 1/2	7 3/4	Sprague Electric 1.20	31 1/2	33
Eitel-McCullough (5% stk)	26 1/2	28	Taylor Instrument t.20	30	33
Elec Assoc (stk)	37 1/2	40	Tele-Broadcasters	2 1/4	3 1/2
Erie Resistor 40b	6	7	Teledrome 30	7 1/4	7 1/4
Friden Ind. 1	46	49	Telecomputing	5 1/4	6 1/4
Giannini, G. M.	14 1/2	16	Teleprompter (stock)	6	6 1/2
Granco Products .05	1 1/2	1 1/2	Time Inc. 3.75	58	59
Gross Telecasting t.60	16 1/4	18	Topp Industries (stock)	9 1/2	9 1/2
Hewlett-Packard	22 1/4	23	Tracerlab	5 1/4	6 1/2
High Voltage .10g	32	34	Trav-Ler	1 1/4	2
Hycon	23 1/2	2 1/2	United Artists	5 1/4	6 1/2
Indiana Steel Products 1.20a	18 1/2	19	Varian Associates	15	16
Jerrold	1 1/2	2	Victorean Inst	4 1/2	4 1/2
Ling Industries	6 1/2	6 3/4	Webcor .15e	12 1/2	12 1/2
Leeds & Northrup 60b	20 1/4	22	Wells-Gardner	6 1/2	6 1/2
Machlett Labs .25g	14	15	WJR Goodwill Station .50d	11 1/2	12 1/2

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

**Community Antenna Surge:** Sprightly development of community antenna systems in Canada in recent months and steady growth of U. S. systems, are the more obvious facts to be gleaned from study of up-to-date directory of systems included in our new *TV Factbook No. 26*. Canadian upsurge is similar to that in U. S. a few years ago, when each new station in virgin TV territory spawned cluster of new CATV systems.

Canadian systems total 130 vs. 89 six months ago, number of subscribers has reached 51,045 (vs. 38,076), while the potential given by the 130 is 129,723 (vs. 106,555). These figures exclude the ambitious plans of Dery Multivision Service, Quebec City, which says it wants to build system with 150,000 potential.

The thriving U. S. CATV industry continues to fill out, in terms of new systems and of added subscribers. Directory section now takes up 16 *Factbook* pages vs. 14 six months ago. Some pertinent current statistics:

- (1) U.S. systems operating, 556 vs. 522 six mo. ago.
- (2) Total U.S. homes reached by operators supplying figures, 448,325 vs. 397,700. Total potential estimated by U.S. operators, 863,183 vs. 737,745.
- (3) Average number of U.S. subscribers, 1057; Canadian, 464.
- (4) Average potential per system in U.S., 2069; Canadian, 1081.
- (5) U.S. systems with more than 1000 subscribers, 149; Canadian, 14.

Another index of CATV progress in U.S. is membership of National Community TV Assn. It has exactly 300 of nation's 556 operators—and they're the larger ones, reaching 339,534 of the 448,325 homes served by all systems. NCTA started 6 years ago with 19 members.

Lineup of states with most systems retains same order: Pa., 95; Ore., 52; W. Va., 39; Wash., 35; Cal., 32.

The *Factbook* directory is compiled by questionnairing all operators, and each listing contains—in addition to circulation figures—address, key personnel, phone, starting date, make of equipment, call letters of stations received.

Sale of stock in Selectivision Inc. by P. J. Gruber & Co., investment house, was temporarily restrained this week by order of the N. Y. State Supreme Court. Attorney General Lefkowitz said his office had uncovered a scheme to promote the pay TV enterprise in the Forest Hills, N. Y. area by the use of deceptive literature which represented that 15,000 homes in the area were already wired and that \$4,000,000 had been invested in the project. Actually, Lefkowitz said, only about \$150,000 had been invested by Selectivision. A hearing on the case, originally set for March 13, was postponed until April 2 in Supreme Court.

Pro football's TV-radio income bulked large in 12-teams' 1957 profit survey in March 10 *Sports Illustrated*. Estimated TV-radio income was \$1,470,000 vs. \$1,238,000 in 1953; net profit, \$880,000 vs. \$68,825. Story quoted national league commissioner Bert Bell: "One reason the player payroll has been able to go up so far is TV. Take the TV money out last year, and you'd cut down profits by more than half." Intangible benefit of TV—huge reservoir of new fans—can't even be measured, story adds.

List of TV transmitters, translators and monitors meeting FCC's "type acceptance" or "type approval" requirements, up to date as of Feb. 21, was released by Commission this week. Full text is reprinted herewith as part of *TV Addenda 26-G* (blue sheets).

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

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — March 22, 1958

**INDUSTRIAL ELECTRONICS** will dominate next electronics era—following radio, radar, TV, missiles—according to Dr. Baker (p. 1 & Special Report).

**BOWLES REPORT ON TV** allocations, FCC function, etc. submitted to Sen. Magnuson. Committee split over venture into economics, sociology (pp. 2 & 4).

**RADIO NETWORKS'** economic difficulties dramatized by ABN program cutback. FCC concerned about defense implications of radio network weakness (p. 2).

**FCC PROBE BOGS DOWN** again in Miami Ch. 10 morass while commissioners wait to testify. No progress made on legislative reform of agencies (p. 3).

**MULTIPLE OWNERS** defend themselves in FCC network hearings. Bullitt and Time Inc. witnesses on stand. Commissioners show differing philosophies (p. 5).

**BMI DEATH-SENTENCE BILL** wins little apparent Senate support in first round of hearings for ASCAP proponents; broadcasters testify in April (p. 9).

**CHIEF ENGINEERS** of FCC, through the years, seldom involved in politics or zealots' roles. Who they were and where they are (p. 11).

### Manufacturing-Distribution

**JAPANESE RADIO AND PARTS** "invasion" disturbs EIA, which hopes for relief via quotas or voluntary limitations. Also seeks excise tax cut to 5% (pp. 12 & 14).

**STEREO IS BRIGHT STAR** for fall market; it's talk of EIA convention. IRE in N. Y. gets pre-view of components necessary to stereoize (p. 12).

**ZENITH'S SUCCESS STORY** set forth dramatically in annual report detailing basis for record 1957 in face of industry recession; finances strong (p. 13).

**DEFENSE CUTS HURT** component and equipment manufacturers; orders not yet coming in from post-Sputnik defense expansion (p. 15).

**12,000-LINE TV TUBES**, transmitting & receiving, developed by CBS-Hytron for military (p. 18).

**AFTER RADIO-RADAR-TV-MISSILES ERAS—WHAT?** Industrial electronics looks like next major boom in electronics, in opinion of Dr. W.R.G. Baker, Electronics Industries Assn. pres. who recently retired as GE v.p., is now research v.p. for Syracuse U.

In March issue of Proceedings of the IRE, Dr. Baker evaluates the 4 previous and current "eras" -- dominated, respectively, by radio, radar, TV, missiles -- and he does it in such simple, straightforward fashion that we believe it merits reading by all whose job it is to anticipate trends. Therefore, we've reprinted it as a Special Report, enclosed herewith to all subscribers.

Dr. Baker gives broad analysis of characteristics of each era, plus his opinion on why companies wax & wane through the transitions.

Industrial electronics is defined: "All electronic equipment or applications other than consumer goods, military goods, and entertainment services." Since TV became a fiercely competitive low-profit business, and since military has never been a high-profit market, the industry has long sought to promote industrial electronics as a new high-return field. But it's hard to break through, as Dr. Baker shows.

Dr. Baker has long been a leader in industry -- and at N.Y. IRE Convention March 24-27 will receive IRE's rare "Founders Award." His ability to get competitors to work together is amply demonstrated by fact he has been chairman of most major industry groups in recent years -- Radio Technical Planning Board, first & second National TV System Committees (for black-&-white and color standards), pres. of IRE in 1947, etc. He suffered stroke last year, hasn't recovered completely physically, but works from his home in Syracuse.

**AND NOW THE 'BOWLES REPORT' ON TV:** Yet another "study" of TV and the FCC has come through -- that of the "Bowles Committee." This is the group appointed by Senator Magnuson (D-Wash.) to advise Interstate Commerce Committee on allocations. This week, chairman Edward L. Bowles, consulting engineer who teaches at MIT and advises pres. Charles F. Adams of Raytheon, handed his report to Magnuson.

Little has been heard from group since establishment June 21, 1955 -- except that deep split developed among members, because some felt Bowles was straying too far from technicalities of TV allocations -- into economics, sociology, etc.

Fundamental conclusion of report is that FCC isn't doing proper job; that someone else has to do it. There's roughly 50-50 split among committee members on final report -- but several original members resigned or couldn't participate because they're with FCC. Report is 12 pages, backed by 287-page "Supporting Brief."

Only time will tell whether Magnuson, et al, will pick up the Bowles Report and run with it or let it gather dust on shelf -- but betting in industry is on the latter. Here are the 4 recommendations:

"(1) An independent audit of the uhf-vhf allocations problem. (2) An objective review of the Commission's mandate, management, operation & budget. (3) Establishment of a Communications Office or Authority as part of the Executive structure. (4) An authoritative classified review of the radio spectrum requirements of the nation as a whole, conducted at Executive level." [For details, see p. 4.]

**NETWORK RADIO--AN FCC & INDUSTRY DILEMMA:** Though FCC is pressing TV networks hard to justify their business practices, in current hearings on Barrow Report (p. 5), commissioners are quite concerned about viability of radio networks -- for their vital defense, emergency & news functions.

This concern was heightened this week when American Broadcasting Network cancelled 3 costly live shows (Jim Backus, Merv Griffin, Oscar Anderson) as of April 4 -- amid reports that AB-PT actually is seriously considering discontinuing the radio network completely, merely retaining its owned-&-operated stations.

For the foreseeable future, according to ABN pres. Robert Eastman, network will continue with morning Breakfast Club, 5-min. hourly news, evening news commentary programs -- cutting daily service from about 8 to 5 hours from April. More news will be added and "news-alert warning system" will be established; latter will "instantaneously alert the entire radio network to a major news break." "As the radio network becomes stronger," ABC said, "it will expand and add to its schedule." ABC also made point that it recently signed \$1,000,000 in new & renewed business.

AB-PT pres. Leonard H. Goldenson was questioned about radio network's health by Comr. Lee, who has responsibility for FCC's defense activities. Goldenson said that network is losing more than radio owned-&-operated stations can earn; that radio network would be jeopardized if AB-PT were forced to divest itself of 2 TV stations -- as recommended by Barrow Report. Lee then noted that dropout of ABN would have "defense implications." Other commissioners, notably Hyde, have shown similar concern in questioning of heads of ABC, CBS & NBC.

CBS pres. Frank Stanton testified that -- of combined radio owned-&-operated stations and network income -- former accounted for 55% of total in 1954 but 122% in 1957, meaning network operated at loss.

NBC pres. Robert W. Sarnoff testified that NBC Radio has been in red since 1952 but that it's showing continued improvement. He told affiliates in 1956 that loss was \$2,000,000 in 1955, has released no later figures. MBS has no stations of its own, has indicated it achieved profitable operation nonetheless, but recent shakeup of top management there (Vol. 14:9) is generally regarded in the trade as betokening income troubles.

Radio has made a comeback, certainly, but networks aren't getting much of it. McCann-Erickson's authoritative figures, released through Printers' Ink Magazine (and reprinted on p. 27 of our TV Factbook No. 26), show radio advertisers' expendi-

tures going from \$567,000,000 in 1956 to \$648,000,000 in 1957. However, networks' share rose only from \$60,500,000 to \$64,000,000 -- while local business went from \$345,500,000 to \$380,000,000 and spot increased from \$161,000,000 to \$204,000,000.

FCC's official figures show networks' time sales dropped from the peak of \$133,723,098 in 1948 to \$44,839,000 in 1956 (Vol. 14:1). Non-FCC estimates indicate slight rise was probably achieved in 1957.

It's clear that TV networks are now propping up radio networks, turnabout in less than a decade from situation wherein parent radio supported and helped to nurture the infant TV. But there's no telling how long this can go on. FCC faces a dilemma, too. On the one hand, it's considering drastic proposals to clip the TV networks' economic wings. On the other, it very well knows the values of radio networks, doesn't want to kill them off by cutting their TV "subsidies" too deeply.

**'THE SYSTEM'—CAN LAWS CORRECT IT?** Slow-moving House investigation of FCC practices (see below) no longer produces hot news -- let alone legislative recommendations to correct abuses in all 6 federal regulatory agencies, although they were the professed objective of House Commerce subcommittee when it started last year.

House investigators have become so bogged down in sometimes sordid details of Miami Ch. 10 case -- and in partisan striving to make political hay out of charges and counter-charges of "influence" on FCC -- that they've had little time to spare for the real job Congress gave them to do.

Numerous suggestions for reforming agency procedures -- including "code of ethics" proposed within subcommittee by Rep. Wolverton (R-N. J.) -- have been heard on Hill. But subcommittee hasn't begun to draft any basic legislation -- or seek competent testimony on what revisions in laws are needed.

It remained for ex-FCC chairman Paul Porter to call subcommittee's attention to its basic legislative task this week during testimony as counsel to Ch. 10 loser. "I certainly hope that this committee and other committees will take a long look at the system," he said. He read into record these excerpts from 1954 D. C. Bar Assn. Journal article by Navy gen. counsel F. Trowbridge vom Baur:

"It is common knowledge [that] private interviews in administrative litigation have been the rule rather than the exception...It is also commonly rumored that some personal influence has been exerted by means of these ex parte communications. [It also is] common practice for Congressmen to address private communications & telephone calls to [agencies], demanding decision in a particular way."

House subcommittee could carry on from there. If it doesn't, Senate Commerce Committee may -- and it had proposals under study this week which would throw FCC away with the dirty investigative water.

Abolition of FCC was advocated by ex-Sen. Clarence C. Dill (D-Wash.) who once was chairman of Commerce Committee. Co-author of 1927 Radio Act and 1934 Communications Act, he wrote Chairman Magnuson (D-Wash.) that "people generally have lost all confidence in the Communications Commission." Dill wants to replace FCC with single communications administrator and 3-judge Communications Court of Appeals.

Enactment of such drastic legislation is unlikely. But Magnuson told us this week: "It has some potency because it's drafted by the man who wrote the Communications Act -- and he feels that the FCC should be abolished." In any event, Magnuson's committee plans to get down to work on reform bills after Easter recess.

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**Harris Probe—Odds & Ends:** "I'm getting tired of this business," House Commerce Committee Chairman Harris (D-Ark.) complained as his legislative oversight subcommittee slogged through another week of FCC investigation centered on Miami Ch. 10 (Vol. 14:11). "It runs over & over & over again." But end still wasn't in sight at week's end.

FCC commissioners waited all week to be called to

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Capitol Hill to explain their votes in much-explored, much-challenged Feb. 1957 Miami grant to National Airlines. Their appearances—now set again tentatively for week of March 24—had been scheduled to round out that opening phase of House probe, which started out last year to cover 6 regulatory agencies.

Subcommittee never got around to commissioners, however. Instead, it spent week on twice (and thrice)

told testimony, questioning secondary & incidental characters in Ch. 10 case on who said what to whom. One result was that public interest in proceedings in big Caucus Room of Old House Bldg. waned so that there were few more spectators than reporters for many sessions—and many of them were school children touring Capitol.

Toward end of week Harris, acknowledging to reporters that both Democrats & Republicans on subcommittee may have played partisan politics by repetitious questioning, wondered: "Is their purpose in prolonging this inquiry to keep us out of some other organizations?" But he also opined "there is not a Democrat but what is ready to conclude" Ch. 10 case.

Rep. Wolverton (R-N. J.), ranking minority member of group, protested that Republicans, too, were eager to proceed to other regulatory areas—but he indicated he may want to call 10-12 unspecified Ch. 10 witnesses next week after commissioners are heard. And he said subcommittee should look into pre-1953 operations of FCC before Eisenhower Administration took over.

\* \* \* \*

Much of week's testimony revolved—endlessly—around charges by WKAT's Col. A. Frank Katzentine, loser in Miami grant, that he was robbed of it by Republican pressure politics & chicanery, aided & abetted by Democratic Comr. Richard A. Mack, whose resignation was forced by subcommittee (Vol. 14:10). "Amazing!" was frequent comment by subcommittee members as testimony—largely denials of Katzentine assertions—went into record of month-old hearings. Among those heard:

Col. George Gordon Moore, Mrs. Eisenhower's brother-in-law: Denied he had anything to do with Ch. 10 grant, despite his friendship with National Airlines pres. George T. Baker; denied he ever heard of White House "clique" interested in case.

Harry Plotkin, Washington lawyer, ex-asst. gen. counsel of FCC: Denied he obtained inside FCC information on Ch. 10 votes and forwarded it to Katzentine when he was with law firm representing Katzentine.

Harry McDonald, ex-SEC chairman: Denied he promised Katzentine he would try to "pull Moore off" case.

Lou Poller, former broadcaster who was active with Katzentine in 1956 Kefauver-for-President campaign: Denied giving Katzentine advance news that FCC would turn him down in favor of National.

John S. Knight, publisher of *Miami Herald* (WCKT & WCKR): Acknowledged he had conversation with National Airlines v. p. Alexander Hardy about grant, but denied reporting to Katzentine that FCC vote was "in the bag" for National.

H. Earl Barber, legal asst. to Comr. Mack, who re-

signed soon after boss did: Admitted he owed \$600 to Thurman A. Whiteside, Miami lawyer who interceded for National Airlines and also was Mack's friend & creditor.

Milt Dean Hill, ex-Republican National Committee aide, now National Airlines public relations counsel in Washington: Claimed he lied to v.p. Hardy in office memo, explaining \$2.40 telephone call, which boasted that he had been in touch on Ch. 10 case with Cleveland Republican Charles Steadman—"the man closest to" George C. McConnaughey, then FCC chairman.

Paul Porter, ex-FCC chairman and Katzentine's Washington counsel: Said he had to act as both "lawyer & psychiatrist" for his client, tried to dissuade Katzentine from approaching Mack in effort to switch vote from National Airlines.

\* \* \* \*

Longtime Democrat Porter, on stand all day March 21, also injected own note of partisanship into hearings. He reminded Republican Congressman Wolverton—most pious of all House FCC investigators, who is sponsoring bill to protect regulatory agencies from all outside influence—that he himself had tried to influence FCC.

Porter introduced March 30, 1953 letter from Wolverton (then Commerce Committee chairman) to Paul A. Walker, then FCC chairman, which Porter had dug out of FCC license files. Letter said Wolverton was "very much interested" in application by South Jersey Bcstg. Co. (WKDN, Camden) for Philadelphia Ch. 17, for which Westinghouse also had been applicant. Wolverton asked that FCC consider South Jersey's case at once. Reply by Walker turned down Wolverton's request as "deviation" from FCC procedure. (WKDN won CP for uhf station following Westinghouse withdrawal, still holds it.)

Incensed at Porter, Wolverton challenged him to point out any "impropriety" in request to FCC. Porter blandly assured Wolverton that his only purpose in introducing letter was to show "there is absolutely no impropriety in any Congressman—even though this was a contested case at the time—making a representation on behalf of his constituent."

Earlier in week President Eisenhower and Attorney General Rogers joined in assuring Republican Women's Conference in Washington that Administration would act promptly to correct any agency irregularities uncovered by House investigators. President said agencies are "staffed by fallible human beings," but that "prompt, decisive & fair corrective action" would maintain public's "confidence in the integrity of Govt." Rogers said Justice Dept. was continuing "full investigation" of allegations in hearings to make sure any guilty persons "will pay the full penalty of law."

**The Bowles Approach:** Difficulties arose with Bowles Committee on TV Allocations named by Senator Magnuson (p. 2) when chairman Edward L. Bowles, MIT professor, got permission from Magnuson to "broaden scope of the study" because "the assignment clearly could not be limited to technical considerations." Those differences persist in final report.

These committeemen endorse report: Dr. Allen B. DuMont and his alternate Robert P. Wakeman; Donald G. Fink, Philco; Haraden Pratt, consultant; A. Earl Cullum, consultant. Partial endorsement:

C. M. Jansky and alternate Stuart L. Bailey, consultants. Opposition: Wm. S. Duttera, NBC; Wm. B. Lodge, CBS.

T.A.M. Craven became commissioner after start of Committee's work, didn't participate in recommendations, nor did Curtis B. Plummer and Edward F. Kenahan, who were FCC's representatives. Westinghouse stations' Ralph Harmon says: "No comment." ABC's Frank Marx resigned some time ago, dissatisfied with Committee.

Final report states: "An overall, nationwide allocations plan involves considerations which cover a vast area

including economics, social objectives, political aspects and technical factors." Report also says allocations can't be straightened out without "full consideration of the place of networks," the role of "coaxial & microwave transmission facilities, closed-circuit, implications of pay TV," etc.

FCC isn't capable of doing this "audit," says Report, so it should be turned over to "professional staff of exceptional scope, exceptional qualifications and national repute"—and there are several institutions that can handle job. "Auditors" should be given 1-3 years, \$500,000 to start. Trouble with Commission, Report says, is that it relies on industry information: "It is as if the industry were a philanthropic foundation and the Govt. an eleemosynary institution. This situation is not simply unhealthy, it is tantamount to an abdication of responsibility."

Report states that "Commission's mandate under the Communications Act" should be examined by a group headed by a "distinguished, public spirited, highly qualified citizen." It should look into FCC's organization, budget and management and Communications Act.

Regarding govt. use of spectrum: "The formation of communications policy for both short-range and long-range planning for both domestic well being and military security can only be accomplished by an agency at such high level that it has access to classified information and with such authority that it is enabled to determine the best course, to prevent conflicts which might otherwise arise through ignorance on the part of one agency of what is being done by another, or of the picture as a whole."

Summary: "To argue that it is too late to take any corrective steps is but to condone the lack of decisive action by the Commission over the past 5 years and to endorse this pattern as a tradition."

\* \* \* \*

Committee members Jansky & Bailey had these reservations: (1) "The concept of a Communications Office or Authority as a part of the Executive structure of the Govt. should be re-evaluated in the light of our present knowledge." (2) They want the 287-page "Supporting Brief" to be recognized as Bowles' opinion, not Committee's.

Said NBC's allocations engineering director Bill Dutera: (1) An independent "audit" is okay only as long as it's advisory to FCC and sticks to technical considerations. (2) Congress is adequate watchdog of Commission. (3) A "President's Communication Policy Board" would be fine to coordinate govt. & non-govt. use of spectrum and to handle international radio problems—but that subject wasn't within Bowles Committee's directive.

CBS's Bill Lodge had these comments: (1) Criticism of FCC allocations actions is based on hindsight, but Commission's decisions "were based on reasonable assumptions at the time." (2) There's no need for an "audit" or a review of Communications Act administration. (3) "As things turned out, our Committee has been unable to correct the now-evident, but frozen-by-use, shortcomings of the FCC's plan. After expenditure of say, \$1,000,000 or \$2,000,000 of Federal funds, the 'independent audit' might not have the answer either. On the other hand, I must confess to some uneasiness that a too-theoretical approach by such a study could jeopardize public service, public investment in receivers, program quality, and private investments. Further, a review of the FCC machinery would not appear to guarantee against future errors in judgment, which we must accept on occasion in both Govt. and business."

**Multiple Ownership vs. Single:** FCC commissioners' philosophies on "diversification," multiple-ownership, etc. were aired March 17, sole day devoted to network (Barrow Report) hearing this week—and the roughly 3-3 lineup of members on such policies was quite evident.

Witnesses were Mrs. A. Scott Bullitt, who controls KING-TV, Seattle (KING); KGW-TV, Portland (KGW); KREM-TV, Spokane (KREM). Representing TLF Broadcasters Inc., the Time Inc. subsidiary, were Weston C. Pullen Jr. and Hugh B. Terry; its stations are KTVT, Salt Lake City (KDYL); KLZ-TV, Denver (KLZ); WOOD-TV, Grand Rapids (WOOD); WTCN-TV, Minneapolis (WTCN); WFBM-TV, Indianapolis (WFBM).

Balance of the multiple owners planning to testify—Meredith, Storer & Westinghouse—are scheduled to appear March 31. Hearing then recesses until April 8, when network affiliates' groups come on.

In addition to the 5 multiple owners which dropped out of hearing last week (Vol. 14:11)—Modern Bcstg. (Stern), RKO Teleradio (O'Neil), Southwestern (Reynolds), Utah Bcstg. (Glassman), WKY Television System (Gaylord)—these individual stations have also cancelled: KFRE-TV, Fresno; WMBD-TV, Peoria; WWJ-TV, Detroit.

\* \* \* \*

Good deal of byplay among commissioners occurred during Mrs. Bullitt's appearance. Chairman Doerfer made his thinking so clear in his "questions" that he admitted jocularly: "I guess I've been making a speech." Windup of his remarks was this:

"When you get down to it, perhaps the basic question is character, whether in a multiple owner or a single owner."

Doerfer voiced opinion that, if Commission required hearings on station sales, employe morale would suffer during delay; that investors would shy from tying up capital for long periods; that incentive would be diminished; that multiple owner can't "brainwash" public any more than single owner can.

Comr. Bartley noted that he voted for Mrs. Bullitt's station purchases, hence is willing to weigh cases individually—but that "in general, I favor local ownership."

Comr. Hyde observed that Govt. has policy against monopoly in other regulated fields—despite fact they don't have spectrum scarcity problem inherent in TV—and made no bones about his leanings toward diversification.

Comr. Ford wondered why investors are willing to tie up funds in long competitive hearings for initial CPs but not in possible hearings on sales. Mrs. Bullitt opined: "A lot of applicants wouldn't do it again." Comr. Craven indicated belief that initial hearing doesn't require as great a tieup of capital.

\* \* \* \*

Mrs. Bullitt's prepared testimony stressed pioneering done by her organization when KING-TV & AM were losing \$12,000 monthly in 1949, and she detailed the extensive & expensive coverage done by her stations through pooling of personnel & equipment. One particularly costly event was Dave Beck hearing in Washington, carried live and

fed to other stations—but part of the time underwritten solely by her Seattle & Portland stations.

After describing stations' prize-winning programs, Mrs. Bullitt concluded: "Local ownership per se does not create the ability to serve the community with sensitivity. . . . My effort here today has been to present to you some of the facts which show that the freedom of successful single owners to expand their operations is one which is very much in the public interest. I hope you will not find it necessary further to restrict that freedom in an effort to cure what I am convinced are phantom evils."

\* \* \* \*

Weston C. Pullen Jr., Time Inc. v.p. for broadcasting, with whom the late FCC chairman Wayne Coy was associated after leaving public office, also emphasized program quality and local manager's "almost complete autonomy in the conduct of his day-to-day broadcast affairs, subject of course to the policies and directives of his board."

Pullen described stations' expansion of programming, with heavy emphasis on news facilities, and TLF's record in plant improvement. He asserted TLF has no advantage over single owners in dealing with networks, reps, film distributors, etc.—that each manager has complete responsibility for program clearances, renewal negotiations, rate increases, station compensation.

Pullen pointed to fact TLF's TV & radio stations are affiliated with 3 networks, said they don't get any special advantage from belonging to multiple owner. Though all TLF stations are represented by Katz Agency, Pullen said 4 of the 5 had Katz before TLF bought them. He said TLF achieves some savings this way but that money is ploughed back into programming. He added that, in his opinion, rep compensation was "upside-down"; that a salesman's percentage should increase with volume.

Among advantages of group ownership cited by Pullen: sharing of station-produced public service films, exchange of programming & selling ideas, services of Washington Time-Life bureau newsman detailed to stations.

Pullen defended acquisition of stations via purchase—said Time Inc. had no qualms about competitive hearings. "Over the years," he said, "we have concluded that our original judgment was well-founded, for the uncertainties and delays inherent in comparative proceedings made it imprudent from a business point of view for us to commit substantial funds for indefinite periods of time with an absence of predictable results and the concomitant negative effect upon other opportunities to employ our resources."

Pullen said Time Inc. gives stations no editorial direction. Why did Time enter the business? "Our whole business approach is that of communicating to the public. We have a lot of talent. We're interested in profit. We wanted to take a more active part in the broadcasting picture."

\* \* \* \*

Veteran broadcaster Hugh B. Terry, founder & pres. of TLF subsidiary KLZ-TV, Denver, flatly contradicted Barrow Report's assumption that local and single owners can provide better service. "Since Time Inc. purchased KLZ & KLZ-TV," he said, "they have rendered a better service to the community than ever before. The staff is better paid, facilities have been improved and public service time and over-all program service have been increased both quantitatively and qualitatively."

Interesting angle brought up by Terry, who has managed KLZ since 1941: "The freedom of action in the

general field of programming and newscasting is possibly greater than could ever be enjoyed under local owners who may, of necessity, be affected in their judgment by local friendship, local pressures and other considerations of a subjective nature."

Terry's answer to Commission's search for program quality: "Marginal and submarginal licensees should be penalized [through license renewal proceedings], but certainly the newcomer should not be favored at the expense of a multiple owner by virtue of false presumptions arising solely from his place of residence and lack of broadcast interests and experience."

Much of Terry's testimony was devoted to description of KLZ-TV's programs and numerous awards garnered, plus rundown of staff's record of civic activity. "In addition to financial backing," he asserted, "we have the unqualified moral backing of the company to produce a program service commensurate with the reputation of the parent company."

\* \* \* \*

CBS pres. Frank Stanton took another swipe at Barrow Report March 17, speaking at ceremonies marking CBS takeover of KMOX-TV, St. Louis (Ch. 4): "What some men have put together, others are trying to put asunder. There are efforts, here and there, to atomize, fragmentize and generally pound the networks into small pieces. Such proposals are made—usually, I believe—by people who do not foresee the consequences of what they propose, which would be, simply and suddenly, to cut all the cords of the parachutes and let everything tumble to earth as it would . . .

"It is ironic that the proposals are usually heard more often in Washington, home of the Federal Govt., than anywhere else. For surely the strengths of a *United States of America* become more essentially obvious every day. I venture to say that the combined uniting force of the TV camera and the network is the greatest uniting force we have had in America since St. Louis was a frontier trading post. It is still so new that more people realize its *extent* than realize its *necessity*."

### Obituary

Arde Bulova, 69, chairman of Bulova Watch Co., onetime owner of New York's WNEW and other radio stations that were supervised for him by the late Harold A. Lafount, of Utah, member of the old Federal Radio Commission, died March 19 in Encino, Cal. His firm is one of the nation's largest watchmakers, in recent years has also made small radios. His widow, 4 sisters survive.

Mrs. Philip J. Hennessey Jr., wife of the partner of Smith & Hennessey, Washington communications law specialists, died March 21 at her home, 7540 Hampden Lane, Bethesda, Md. Besides her husband, 2 young sons survive.

Edward T. Ingle, 60, onetime director of TV & radio for the Republican National Committee, ex-NBC, veteran newspaperman, died at Garfield Hospital in Washington March 21. Surviving are widow, 2 brothers.

James E. Sauter, 56, pres. of Air Features Inc., veteran daytime radio serial producer, wartime head of USO Camp Shows, recently semi-retired because of heart trouble, died of a cerebral hemorrhage in N. Y. March 18.

Montgomery Wright, 65, onetime RCA public relations man, recently with Voice of America, died March 19 of a heart attack in his N. Y. home.

# Television Digest

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**Personal Notes:** Louis S. Simon, sales mgr., promoted to gen. mgr. of KPIX, San Francisco, Philip G. Lasky being named Westinghouse executive in charge of West Coast TV-radio operations; he and Herbert L. Bachman, gen. mgr. of KEX, Portland, report to Lasky . . . Mike Shapiro has resigned as exec. v.p. & managing director, KTUL-TV, Tulsa, William D. Swanson being promoted to succeed him . . . Franklin C. Snyder, McCann-Erickson v.p. & director of accounts, Cleveland, original mgr. of present WJW-TV, Cleveland, wound up his agency job this week, will take vacation before reporting April 14 as managing director of upcoming WTAE, Pittsburgh (Ch. 4), due on air in early Sept.; his sales mgr. will be Alan Trench, engineering supervisor James H. Greenwood, both from radio WCAE, and he will report to Leonard Kapner, WCAE Inc. pres. . . . Leo A. Ribitski, ex-program mgr. of WNAO-TV, Raleigh, named program mgr. of WSUN-TV, St. Petersburg, succeeding Charles W. (Chad) Mason, resigned to become gen. mgr. of upcoming WEDU, Tampa (Ch. 3, educational) due in fall . . . Douglas B. Kahle, ex-radio KWIN, Ashland, Ore., and other stations in Colo., Cal., Wyo., joins Allen Kander as Pacific Coast representative . . . Edgar H. Twamley, ex-mgr. of radios WBEN, Buffalo & WOC, Davenport, recently engaged in Cal. real estate, named western representative for station broker Paul H. Chapman Co., headquartering at 33 W. Micheltorena St., Santa Barbara, Cal. (Woodland 6-7713) . . . Frank G. King, ex-sales v.p. of KOVR, Stockton, named national sales director of new KTVU, Oakland-San Francisco (Ch. 2) . . . Robert P. Engelke, ex-NBC, named ABC-TV mgr. of sales development . . . Sterling (Red) Quinlan, ABC v.p. in charge of WBKB, Chicago, has completed novel, tentatively titled *Merger*, based on TV-radio industry, which Doubleday will publish next autumn . . . Howard B. Anderson, midwest mgr. of ABC Film Syndication, promoted to new post of mgr., central sales div., headquartering at 360 N. Michigan Ave., Chicago . . . Victor E. Carmichael named v.p.-gen. mgr. of radio KWK, St. Louis, following transfer of KWK-TV (Ch. 4) to CBS, now operating it as KMOX-TV (Vol. 14:9) . . . Donald P.

Roger W. Clipp, of Triangle Stations (WFIL-TV, Philadelphia, etc.), named chairman of TV Code Review Board of NAB, succeeding Wm. B. Quarton, WMT-TV, Cedar Rapids. E. K. Hartenbower, KCMO-TV, Kansas City, was appointed to board; Donald H. McGannon, pres. of Westinghouse group, reappointed. Other members: Mrs. Hugh McClung, KHSL-TV, Chico, Cal.; Richard A. Borel, WBNS-TV, Columbus.

H. Earl Barber, legal asst. to FCC Comr. Mack, also has resigned, will return to Miami. Mack's engineering asst. John E. Doane, a career Commission employe, will be placed elsewhere on staff; same is expected for career secretaries Frankie L. Fox and Lillian Watson. Confidential asst. Frances Kreeger leaves Commission April 1.

Campbell, ex-Storer, appointed administrative asst. to E. K. Jett, v.p. & director of WMAR-TV, Baltimore . . . David H. Polinger, ex-WAPA, San Juan, P. R., joins WABC-TV, N. Y. . . . Lawrence J. Pollock promoted from ABN director of research to research & sales development director of WABC-TV, N. Y. . . . Glenn G. Griswold, ex-gen. mgr. of KFEQ-TV, St. Joseph, Mo. named mgr. of KOMU-TV, Columbia, Mo. (Ch. 8) . . . Edgar S. Wood, ex-KDKA-TV & WTVN-TV, named director of news & public affairs, WLW-C, Columbus, succeeding Spencer Allen who has joined KMOX-TV, St. Louis (Vol. 14:11) . . . Ross Parker, from WNEP-TV, named chief engineer of combined WNEP-TV, Scranton & WILK-TV, Wilkes-Barre; Hal Berg, from WILK-TV, program director . . . Tom Wisheart promoted to gen. mgr. of KAVE-TV, Carlsbad, N. M. . . . Tom Cinquina, ex-Chicago mgr. of Forjoe sales rep, joins John Blair radio rep office there . . . Tom Frawley named news director of WHIO-TV, Dayton . . . Robert W. Ferguson, exec. v.p., WTRF-TV, Wheeling, elected pres. of W. Va. Bcstrs. Assn. . . . Al Kees promoted to asst. chief engineer of KPIX-TV, San Francisco, succeeding Bill Burgess, resigned to join Lockheed . . . Warren L. Braun, ex-mgr. of engineering, rejoins WWSA-TV, Harrisonburg, Va. as asst. gen. mgr. . . . Jack Wartlieb promoted to production mgr. of WBBM-TV, Chicago, succeeding Don Dillon . . . Dave Lee, ex-promotion director of WTCN-TV, Minneapolis, named public relations director of KMGM-TV there . . . Alan Herbert, program director of radio WCFR, Springfield, Vt., elected pres. of new UP Bcstrs. Assn. of Vt.; John Sullivan, WCAX-TV, Burlington, elected v.p. . . . John D. Kelly, ex-Storer, appointed sales mgr. of radio WINS, N. Y. . . . George Dorsey Jr., ex-Universal-International Pictures, ex-WRC-TV, Washington, named mgr. of Allied Motion Picture Center Inc., Washington . . . Robert M. Koenig is pres. of new Advantage Film Sales, 1040 N. Las Palmas, Hollywood, formed to syndicate TV film commercials for use by local sponsors . . . William R. Gibbs, ex-Young & Rubicam, named director of MGM-TV commercial & industrial div., succeeding Virgil Ellsworth, resigned . . . A. Harry Becker, Washington communications attorney, has moved to Pennsylvania Bldg. (Executive 3-3003) . . . Stephen A. Flynn promoted to NBC-TV sales services director, Joseph J. Iaricci to contract services mgr., Angus Robinson to central div. network sales mgr., Chicago . . . Robert L. (Bud) Swats Jr., ex-*Time & Life* and NBC Radio, Detroit, named mgr. of CBS-TV network sales, Detroit.

Correction: John W. Esau, reported here last week as newly elected N. W. Ayer v.p. is not the John Esau, ex-mgr. of KTVQ, Oklahoma City, and KTUL, Tulsa, who is now gen. mgr. of KWWL-TV, Waterloo, Ia. (Ch. 7)

Maurice B. Mitchell, ex-CBS, NBC & NAB executive, now pres. of Encyclopaedia Britannica Films Inc., which is associated with Wm. Benton's Encyclopaedia Britannica Inc. (of which station broker Allen Kander is a director), is author of "A Forward Look in Communications" featuring newly released 1958 *Britannica Book of the Year*.

Leonard H. Marks, partner of Cohn & Marks, leaves March 28 by plane for New Delhi where, at the behest of the Indian Embassy and under auspices of State Dept.'s cultural exchange program, he will lecture on constitutional law and trade regulations; he returns about May 1.

Broadcasters Club of Washington opened for drinks this week, plans formal opening in April, at 1737 DeSales St. N.W.

**MGM Plans Live TV:** First major movie studio to produce live TV shows will be MGM if negotiations with Robert Saudek Assoc. (*Omnibus*, etc.) are completed. Spokesman for MGM's parent Loew's Inc. this week confirmed reports that bargaining with Saudek—although "still in the talking stage"—has been under way several months, plan being for MGM to join in 6 "spectaculars" per year at minimum cost of \$350,000 each. In other movie-TV developments this week: (1) ABC bought TV rights to new Biblical action series from Guild Films for \$1,465,000. (2) N. Y. Supreme Court Judge Dineen reserved decision on plea by Republic Pictures to dismiss stockholders' challenge of studio's \$2,000,000 sale of post-1948 features to NBC stations (Vol. 14:11). (3) United Artists announced out-of-court settlement of Federal court suit against No. Cal. theatre owner James Nasser for "unauthorized" TV exhibition of 4 movies; terms weren't disclosed.

Protest against U. S. films on British TV elicited BBC announcement this week that plans are already afoot to reduce amount of American material to 9.09% of broadcast time in April. Assn. of Cinematograph, TV & Allied Technicians complained that "9 out of 12" American films "are based on crime and violence," adding "only reassuring feature [is] that 90% of victims are Americans." Spokesman for Independent TV said American films occupy about 13% of broadcast time.

Jack Benny lost parody case in Supreme Court this week, 4-4 decision upholding Court of Appeals ruling that his CBS-TV "Autolight" burlesque of Loew's Inc. movie "Gaslight" (Vol. 14:5) violated copyright laws. Tie decision by high court carried no opinions, so scope of effect on parodies generally wasn't clear, but lower court had held that Benny's use of "substance" of movie's script constituted plagiarism.

Tele-Broadcasters Inc., only radio station grouping whose common stock is traded over-the-counter, reports 1957 revenues of \$771,078 and operating profit of \$79,104 plus gain of \$43,553 on sale of radio stations. In 1956, revenues were \$423,063, operating profit \$28,612 plus gain of \$13,694 on sale of radio stations. At start of year, firm had earned surplus of \$7846 as against deficit of \$20,866 year before. Current assets totaled \$131,751, other assets \$2404, property & equipment \$538,923, intangible assets \$479,472—for total assets of \$1,170,551. Current liabilities were \$268,330, long-term liabilities \$724,130, total capital stock & surplus \$178,091. Firm's president is H. Scott Kilgore, veteran broadcaster; its headquarters are 41 E. 42nd St., N. Y. During 1957, it acquired radios KALI, Pasadena, Cal.; WPOW, New York City; KTIX, Seattle—adding these to previously owned WPOP, Hartford & KUDL, Kansas City after selling WKKL, Concord, N. H. & WKVX, Knoxville. Last Jan. 1, it also acquired 2-year lease and 10-year renewal option on XEGM, Tijuana, Mexico (2.5-kw N & 3.5-kw LS on 950 kc) with offices in San Diego, and this week it applied to purchase KVSM, San Mateo, Cal. from Albert Zugsmith group, for more than \$600,000 (see 1958 *AM-FM Addenda I*).

Frank Sinatra's entry to station ownership through \$2,000,000 purchase of 3 radios—KJR, Seattle; KXL, Portland; KNEW, Spokane—has been approved by FCC (Vol. 13:52). Sellers are Lester M. Smith & wife and Lincoln Dellar & wife, each holding 25%.

**ADVERTISING NOTES:** Bob Cole succeeds Franklin C. Snyder April 1 as v.p. & director of accounts, Cleveland office of McCann-Erickson, Snyder going to Pittsburgh to manage upcoming WTAE, Pittsburgh (Ch. 4) [see Personal Notes] . . . Deane Uptegrove, exec. v.p. & director of H. B. Humphrey, Alley & Richards Inc., N. Y., elected pres., succeeding Charles Holcomb who resigned last June . . . Arthur W. Weil Jr. and Lawrence D. Benedict elected v.p.'s of Donahue & Coe, N. Y. . . . Peter Geer, son of pres. Solon Geer, named v.p. & director of Geer, DuBois & Co., N. Y. . . . Robert T. Nathe, Robert C. Kelly and Charles A. Winchester elected v.p.'s of Doherty, Clifford, Steers & Shenfield, N. Y. . . . John C. Sterling, chairman of *This Week* magazine is new head of Advertising Council, succeeding Louis N. Brockway, exec. v.p. of Young & Rubicam . . . John H. Eckstein, ex-adv. & promotion director for ABC-TV, named broadcast accounts director, Wexton Co., N. Y. . . . Carl Phares Jr., ex-Alexander Grant & Co., named Kudner controller & asst. treas. of Kudner, N. Y.; Richard W. Clemmer, ex-NBC, joins Kudner as TV producer . . . Robert H. Alter promoted to regional sales mgr. of RAB, succeeding John T. Curry who has joined Grey Adv. . . . Mayers Co. Inc., Los Angeles, becomes independent agency Sept. 1, dissolving 15-month affiliation with Cunningham & Walsh as Los Angeles div.

Rambeau, Vance, Hopple Inc. is new name for William G. Rambeau rep firm, with Robert R. Vance Jr., Edwards Hopple & Martin Rokeach named v.p.'s and Wm. G. Rambeau as pres. New subsidiary College Radio Corp. sells time on college radio stations.

New reps: WITI-TV, Milwaukee, to Blair TV Assoc. May 1 (from Branham); KTVH, Hutchinson-Wichita, to Blair TV Assoc. June 1 (from H-R Television); WINK-TV, Ft. Myers, Fla. to Walker (from McGillivra).

Venard, Rintoul & McConnell rep firm names Clyde Melville Co., Dallas, to handle Southwest accounts.

CBS Inc. annual report released this week calls its TV network "the world's largest advertising medium" (1957 advertiser expenditures, nearly \$240,000,000 before discounts and including talent & production, according to PIB, Vol. 14:6)—and repeats previously reported (Vol. 14:7) record revenue sales figure of \$358,409,000 vs. \$354,780,000 in 1956, net profit \$22,193,000 (\$2.90 per share vs \$2.13). Year ended with total current assets of \$160,875,000, current liabilities \$67,878,000, value of plant, investment, other assets \$154,992,000, long-term liabilities \$56,643,000, capital stock \$19,703,000, capital surplus \$12,876,000, net earnings retained for use in business \$65,770,000. Report states CBS Radio network increased revenues during year; Columbia Records' sales went up nearly 40%; CBS-Hytron, though still losing money, increased unit sales of transistors by 70%; CBS International sales and profits "substantially improved" over 1956, selling kits of parts for TV sets as well as TV station equipment in Argentina, Brazil & Mexico last year.

Pay-TV proponents found a champion this week in Senator Neuberger (D-Ore.), who took to Senate floor March 21 to denounce "premature propaganda campaign" waged by networks. He said he hasn't made up his mind about merits of toll TV but that networks' actions remind him of kind of case "buggy-whip producers" could have made against Henry Ford, or what someone with "monopoly on smoke signals" might have done to block first printing press. Pay TV should be "tested in the market place," he asserted.

**Battle of Broadcast Music:** First round of legislative fight by ASCAP-supporting Songwriters Protective Assn. to knock out BMI by enactment of Smathers Bill (S-2834) ended this week, referee declaring himself confused.

"I doubt that there is anybody in the world who knows how I feel about this, because I don't know myself," Chairman Pastore (D-R. I.) of Senate Commerce communications subcommittee said after 2 weeks of hearings on BMI death-sentence measure sponsored by Sen. Smathers (D-Fla.).

Pastore recessed proceedings until April 15, when networks & stations which control BMI will start 5 scheduled days of counter-punching on broadcast music issues. After that will come rebuttal by SPA, sur-rebuttal by BMI. Then whole record of testimony will be sent to FCC & Justice Dept. for study & comment—and possible additional hearings—before subcommittee votes on bill, Pastore said.

\* \* \* \*

Rat-a-tat-tat charges of BMI "monopoly," discrimination against ASCAP and "degradation" of music which marked opening of SPA's Senate assault on broadcasters' organization (Vol. 14:11) continued to fill Capitol hearing room this week, SPA counsel John Schulman winding up March 20:

"We believe that legislation is essential to preserve the public's right to hear other music, particularly other new music, as well as that bearing the BMI brand. Congress should make it clear that the purpose of a broadcast license is to serve the public, not to sell music & phonograph records produced & owned by the licensee."

But Pastore never got clear answer from any SPA witness to "big, serious" question which subcommittee chairman posed earlier in hearings: "If we sever BMI's jugular vein, do we get back to monopoly as we had in 1940?" He referred to ASCAP's once-tight music controls (against which broadcasters organized BMI) which were loosened by Justice Dept. anti-trust consent decree.

Smathers himself showed little interest in own bill, which would prohibit broadcasters from engaging "directly or indirectly" in business of music publishing or recording. He appeared briefly at outset of hearings, agreed with Pastore that measure needed clarification—such as whether local dept. store owner who also owned radio station could sell phono records. But he absented himself this week, leaving hearings to Pastore and Sen. Potter (R-Mich.), who had few questions.

\* \* \* \*

House Small Business subcommittee headed by Rep. Roosevelt (D-Cal.), meanwhile, slowed down to virtual stop in hearings in which ASCAP itself was on defensive against charges by group of own members that "power-house" board of directors monopolized its operations (Vol. 14:11).

After hearing ASCAP dissidents led by composer Hans J. Lengsfelder, Roosevelt called on ASCAP officials, including accounts supervisor Richard Murray, to explain & justify ASCAP rules & procedures which Lengsfelder charged discriminate against small-time members.

Murray said that ASCAP received "less than a dozen

complaints a year" from its 5000 writer-publisher members over rates of performance payments. ("That's amazing," Roosevelt commented.) But Murray admitted that "our interpretations [of ASCAP rulings] are as complicated as the income tax laws."

Roosevelt finally suspended his subcommittee's investigation of ASCAP practices until at least March 25, asking ASCAP counsel Herman Finkelstein in interim to submit further explanatory briefs.

\* \* \* \*

In Senate sector of broadcast music battle such anti-BMI salvos as these were heard from pro-ASCAP witnesses:

Burton Lane, composer. ("Finian's Rainbow") and Songwriters Protective Assn. pres.—"This [BMI] monopoly power by its very makeup has damaged and will always be a threat to songwriters & publishers who are not under the control of broadcasters & BMI . . . [SPA has] no connection with ASCAP."

Martha Rountree, ex-Meet the Press and Press Conference producer, now pres. of radio WKTF, Warrenton, Va.—"Over 90% of the single records available for broadcasting today which we are sent [by publishers & recording companies] are BMI."

Seymour M. Lazar, Beverly Hills lawyer—"Broadcasters use BMI to keep the bargaining position of ASCAP down [and] through 'advances' or 'subsidies' BMI has directly controlled & suppressed ASCAP music. Broadcasters organized BMI to suppress ASCAP music in order to avoid paying ASCAP royalties." (In his testimony SPA counsel Schulman acknowledged that ASCAP boasts its music represents 80%-90% of broadcast performances, noted that in fiscal 1957 BMI received \$9,500,000 from networks & stations, ASCAP about \$20,000,000.)

Mrs. Du Bose Heyward, widow of "Porgy & Bess" author—"I do believe that it is wrong for the broadcasters to be in the music business. Why should they be permitted to promote music they own?"

\* \* \* \*

Rex Stout, detective novelist and Authors League v.p.—"I have observed with growing apprehension how the broadcasting industry combine is abusing its public trust for commercial gain, in exercising censorship & arbitrary control repugnant to the American tradition of freedom of expression [to] manipulate the music field . . . [BMI] acts not only like a company union, but it acts like a company union licensed by the Govt. of the United States."

Eddie Dowling, composer-author-actor-playwright-producer—"[BMI is] as menacing an amalgamation of power as has ever appeared on the American scene. . . . The influence [of broadcasting facilities] is currently being employed in an industry-wide effort to suppress music that the broadcasting industry does not control."

Paul Creston, symphonic composer and National Assn. for American Composers & Conductors pres.—"I believe that in the field of music as well as in other American business enterprises, merit should be the determinant of recognition and that the broadcasters holding a vital power in the recognition of music should not be allowed to further their own music interests."

— ■ —

TV film handling techniques are covered in new *Film Manual, 1957-58* issued by NAB (35pp., \$1 to non-members). Booklet discusses organization of station film dept., purchasing, technical aspects, etc.

**New & Upcoming Stations:** No more new stations are due in March and only 2 are now scheduled for April debuts: KVIQ-TV, Eureka, Cal. (Ch. 6), which will operate in affiliation with KVIP-TV, Redding, Cal. (Ch. 7) [for details, see Vol. 14:11], and educational KNME, Albuquerque, N. M. (Ch. 5), as reported below. John Boler's KXAB-TV, Aberdeen, S. D. (Ch. 9) has been delayed by weather, won't get going until later in spring as affiliate of KXJB-TV, Valley City-Fargo, N. D. (Ch. 4). On-air boxscore remains at 535 (92 uhf).

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

KNME-TV, Albuquerque, N. M. (Ch. 5, educational) plans mid-April start now that KOB-TV (Ch. 4) has provided transmitter, reports Bernarr Cooper, director of TV-radio for grantee U of New Mexico. Microwave connection between campus studio building and transmitter is ready and connection of transmitter with KOB-TV auxiliary tower on Sandia Crest is scheduled within 2 weeks.

KCMT, Alexandria, Minn. (Ch. 7) has ordered RCA equipment and plans late spring start, reports mgr. Glenn Flint for grantee Central Minnesota TV Co., whose owners are dominantly local (Joseph A. Perino, pres. mgr. of electric company) but also include E. C. Reineke, pres. of WDAY-TV, Fargo, N. D.; Thomas K. Barnes, WDAY-TV gen. mgr.; Julius Hetland, WDAY-TV technical director. Transmitter house at Westport, 20 mi. SE of Alexandria, is completed and footings have been poured for 1000-ft. Stainless guyed tower, which will have RCA traveling wave antenna. Studio-office building in Alexandria is nearly ready. Rep not chosen, though WDAY-TV has Peters, Griffin, Woodward Inc.

WJCT, Jacksonville, Fla. (Ch. 7, educational) now has no specific target, but expects to have 5-kw GE transmitter, donated by WMBR-TV there, hooked up by April 1, reports Heywood Dowling, pres. of grantee Educational Television Inc. Alford antenna has been installed on WFGA-TV tower at 843-ft. level. WMBR-TV studios will be used, but transmitter and film equipment will be located in WFGA-TV transmitter house.

Two vhf drop-ins were authorized by FCC this week—Ch. 3, Harrisburg, Ill.; educational Ch. 8, Carbondale, Ill. WSIL-TV, Harrisburg (Ch. 22) is authorized to shift temporarily to Ch. 3, pending outcome of potential competitive hearing for the new channel. Commission denied petitions of 3 uhfs—WICS, Springfield (Ch. 20); WCHU, Champaign (Ch. 33); WTVP, Decatur (Ch. 17)—to deintermix area by taking away or making educational the Ch. 3 held by WCIA, Champaign. FCC also turned down Sarkes Tarzian's petition to add Ch. 13 to Cartter, Ill. [For details, see *TV Addenda 26-H* herewith.]

Owners of WFBC-TV, Greenville, N. C. (Ch. 4), headed by Roger C. Peace and Robert A. Jolley, are buying radio WORD, Spartanburg, S.C. for \$136,000 from WORD Inc. Selling principal, with 49.9%, is Irwin Kahn, also pres. & 30.9% owner of WNOK-TV, Columbia, S.C. (Ch. 69) & WNOK. Broker: Paul H. Chapman Co.

Television Zoomar's super studio lens being demonstrated in San Diego area this week, sales mgr. Bill Pegler completing tour of Midwest & Southwest.

Power increase: KOB-TV, Albuquerque (Ch. 4) March 1 boosted power to 27-kw at Sandia Crest site, 10,833 ft. above sea level.

Full control of KRGV-TV, Weslaco, Tex. (Ch. 5) & KRGV will be held by Mrs. Lyndon B. Johnson's LBJ Co., which is increasing holdings to 100% by acquiring additional 50% from radio rep O. L. Taylor for \$100,000, according to application filed with FCC. Taylor is to remain as consultant to LBJ Co. for 10 years, with \$5000 minimum annual fee. LBJ Co. is licensee of KTBC-TV, Austin, Tex. (Ch. 7) & KTBC; owns 29% of KWTX-TV, Waco, Tex. (Ch. 10) & KWTX; KWTX Bestg. Co. owns 50% of KBTX-TV, Bryan, Tex. (Ch. 3). LBJ acquired original 50% of KRGV-TV from Taylor in 1956 for \$5000 and loan of \$140,000 (Vol. 12:11, 14) and on April 1, 1957 took over 50% of radio KRGV under \$50,000 option agreement. Un-audited Jan. 31 LBJ Co. balance sheet shows \$1,190,110 surplus, \$690,166 current assets, \$345,296 current liabilities, \$423,019 permanent (fixed) assets, \$155,000 long-term indebtedness, \$746,794 other assets such as notes receivable and stocks.

Sale of 25% of KTVI, St. Louis (Ch. 2) to *St. Louis Globe-Democrat* (Newhouse) has been consummated, now that KWK-TV (Ch. 4), in which newspaper held 23%, has been transferred to CBS, which began operating it March 16 as KMOX-TV (Vol. 14:9). Newhouse acquires KTVI stock from co-owners Paul Peltason & Harry Tenenbaum for more than \$500,000, paying \$31,000 for 310,000 shares, remainder being loan to station and assumption of obligations (Vol. 13:43). Option for approximately 10% of KTVI is held by Louisiana Purchase Co. stockholders, rival applicant for Ch. 2 (Vol. 14:6, 8). When this is consummated, *Globe-Democrat* will own 22.7%, Peltason & Tenenbaum, 33.6% each. [For other Newhouse TV-radio-newspaper holdings, see *TV Factbook No. 26*, pp. 379 & 383.]

Control of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) and radio WMAM will now be held by Morgan Murphy interests—FCC this week having approved transfer of 75% from present stockholders for \$211,764 cash, deal also including assumption of \$360,000 obligations (Vol. 13:52, 14:2). Murphy's *Superior Telegram* will own 55%; Walter C. Bridges, 10%; Norman M. Postles, 10%; Charles Goldberg, 7.5%; John Stang, 7.5%; pres. W. E. Walker, 5% (formerly 50%); gen. mgr. Joseph D. Mackin, 5% (formerly 23.3%). New owners also control WEAU-TV, Eau Claire (Ch. 13) and are affiliated with WISC-TV, Madison (Ch. 3). [For other Morgan Murphy interests, see *TV Factbook No. 26*, p. 378.]

WKXP-TV, Lexington, Ky. (Ch. 27) has been acquired by Radio Cincinnati Inc. (Hulbert Taft Jr., pres.) for \$200,000, including liabilities. Radio affiliate WLAP has been sold to John B. Poor, RKO Teleradio Pictures v.p., for \$322,500. Sellers, each with 1/2, are Frederic Gregg, Charles Wright & Harry Feingold, who acquired CP for Ch. 27 when they purchased radio WLAP from Gilmore N. Nunn for \$346,000 last year (Vol. 13:3). New WKXP-TV owner, operator of vhf stations in Cincinnati, Columbus, Birmingham & Knoxville, plans to feed it programs from WKRC-TV, Cincinnati (Ch. 12). Transactions were handled by R. C. Crisler.

W-TWO, Bangor, Me. (Ch. 2) has been sold for undisclosed sum by pres. Murray Carpenter and wife to Maine Bestg. Co., operator of radio WLBZ, Bangor, owned by the Wm. H. Rines interests. Latter also operates WCSH-TV, Portland (Ch. 6) & WCSH and radio WRDO, Augusta. Exchanges of programs are planned, no personnel changes contemplated.

# Do You Know That . . .

**C**HIEF ENGINEERS of the FCC, by and large, have been above reproach. They've hewed to job of advising Commission, rarely ran off on pet tangents of their own. What prompts this observation is the recent cock-eyed attack by Rep. Moulder (D-Mo.), in which he accused Commission of tailoring its TV standards to favor some manufacturers, freezing out others who could make better and cheaper equipment (Vol. 14:10).

FCC's engineering has been off kilter at times, particularly in radio & TV allocations—even Commission will agree—but causes have been political usually, not ignorance nor off-beat zeal of Commission engineers. Their reputations are clean—only exception we can recall is an equipment-sales scandal in several field offices years ago, involving men who've left Govt.

Musing over Moulder's charges, we were impelled to look up records of FCC and old Federal Radio Commission. Here's some background on the men who have held down the top job over the years.

When FRC was established in 1927, it had 5 commissioners and a secretary—but no staff. So other govt. agencies loaned men on temporary basis. Navy Capt. S. C. Hooper was first, serving until July 25, 1928. After leaving, he became an Admiral, was director of Naval Communications 1928-32, held several other top positions until retirement, died April 6, 1955.

Bureau of Standards then detailed Dr. J. Howard Dellinger to the job, which he held Aug. 1, 1928-March 31, 1929. He returned to Bureau, retired from govt. service in 1948, served as consultant to various organizations, including Radio Technical Commission for Aeronautics. Now 72, he retired completely Jan. 1 this year, lives in Washington.

Comdr. T. A. M. Craven, the FCC commissioner, was detailed by Navy as asst. to Dellinger Aug. 27, 1928. He left for private consulting practice in 1930, returned to FCC as chief engineer Dec. 2, 1935. He served as a commissioner July 1, 1937-June 30, 1944, resigned to become a v.p. of Cowles Broadcasting Co. In 1949, he joined firm of Craven, Lohnes & Culver, engineering consultants, came back as a commissioner July 1, 1956 for 7-year term, succeeding retiring Comr. Edward M. Webster.

Army sent Capt. Guy Hill over to FRC, and he became acting chief April 1, 1929. We can't find anyone who knows much about his activities after he left March 1, 1930. He's said to have gone to South Africa, remaining there until death a few years ago.

Translator starts: K7OBC, Twentynine Palms & Marine Corps Base, Cal. began tests March 4 repeating KRCA, Los Angeles; K76AI, Powers, Ore. began Feb. 26 repeating KPIC-TV, Roseburg; K81AA, W. Richland-Benton, Wash. began Feb. 20 repeating KHQ-TV, Spokane. K70AT, K80AI & K75AF, Ely, Nev. reported March 17 that they were on regular test pattern schedule, repeating KSL-TV, KTVT & KUTV, Salt Lake City; Ely programs are also being rebroadcast by K73AH, K78AE & K83AD, McGill, Nev. W70AA, Olean, N. Y. plans May 15 start repeating WBUF, Buffalo.

First all-night TV schedule in Canada started March 14 over CKVR-TV, Barrie, Ont. After-midnight schedule will include movies, news, weather, sports.

Congress made FRC a permanent organization in 1930, and Dr. C. B. Jolliffe, from Bureau of Standards, became its first permanent chief engineer. He held job through transition to FCC in 1934-35, joined RCA in 1935—is now its v.p. & technical director.

Craven held post next, was succeeded Jan. 1, 1938 by asst. chief E. K. (Jack) Jett, who was elevated to commissioner Feb. 15, 1944 and served until resigning to head up Baltimore Sunpaper's WMAR-TV, where he's v.p. & TV director.

George P. Adair moved up to take over from Jett, held job Feb. 16, 1944-March 30, 1947, resigning to establish firm of his own in Washington, and it's still flourishing.

George E. Sterling had mighty long career in govt. service. An early wireless man, author of a standard handbook on radio, he became a radio inspector for Commerce Dept.'s Bureau of Navigation in 1923, served in Commerce Dept.'s radio div., then with field force of FRC & FCC. He was made FCC chief engineer March 21, 1947, a commissioner Jan. 2, 1948, retired Sept. 30, 1954. He now splits time between his Peak Island, Me. summer home and his daughters' homes in Baltimore.

Curtis B. Plummer joined Commission in 1940, moved up ranks, served in chief's chair April 3, 1950-May 2, 1951. New Broadcast Bureau was established and he became its chief, held that job until Aug. 1, 1955 when appointed Chief of Safety & Special Radio Services Bureau—position he still holds.

Incumbent Edward W. Allen holds distinction of longest tenure—since June 27, 1951. He came to Commission from Patent Office in 1935 (he's also a lawyer) and was chief of technical information div. before moving up to chief engineer.

Asst. chief John A. (Doc) Willoughby served as acting chief engineer, between Sterling and Plummer, was asst. to the chief before retiring Oct. 31, 1957, still lives in Washington.

\* \* \* \*

FRC & FCC have had a lot of distinguished assistant chiefs, too. They're somewhat harder to track down. Here are some who come to mind: V. Ford Greaves, who went to FRC west coast office, retired and lives in Paradise, Cal.; Andrew D. Ring, who heads Washington consulting firm; Commodore Edward M. Webster, who later became a commissioner, took on consulting chores after retiring June 30, 1956; Philip F. Siling, now director of RCA Frequency Bureau in Washington; George O. Sutton, also an attorney, who practices law in Washington; Capt. W. G. H. Finch, who later served in Navy and now runs FM station WGHF, Brookfield, Conn.; Gerald C. Gross, now asst. secy. general, International Telecommunication Union, Geneva.

Community antenna association meetings: NCTA annual, 1958, Mayflower Hotel, Washington, June 10-12; NCTA annual, 1959, Penn-Sheraton Hotel, Pittsburgh, June 17-19; Pacific Northwest Community TV Assn., semi-annual, 1958, Davenport Hotel, Spokane, March 18-19; NCTA annual western regional conference, 1958, Multnomah Hotel, Portland, Ore., Nov. 4-6.

New "Tele-Trol" units offered by Jerrold are Model TD receiver-demodulator and Model TM transmitter-demodulator—for offair pickup and distribution use by stations, microwaves, closed-circuit and community antenna systems.

Latest Ampex Videotape apparatus deliveries: To WISH-TV, Indianapolis (Ch. 8), WBZ-TV, Boston (Ch. 4).

**IMPORTS & EXCISE TAX WORRY THE EIA:** Delegates to spring conference of Electronic Industries Assn. in Washington this week were generally agreed that business in consumer products lines is wobbly now, the near future uncertain, except for some items like radios and hi-fi -- and that the threat of an accelerated "Japanese invasion" of the American radio set, tube, transistor and parts markets (Vol. 14:6) isn't helping this year's prospects much. As ex-pres. H. Leslie Hoffman of Los Angeles put it, "We are being hurt now and we will be hurt more."

That was week's main topic of curricular and extra-curricular discussions -- that and a renewed determination to seek excise tax relief on TV and radio sets and on phonographs by pushing once again for reduction from present 10% down to 5%.

The Japanese problem impelled EIA's consumer products, parts and tube & semiconductor divisions and the board of directors, acting chairman Robert Sprague presiding, to set up a special committee of directors "to explore available avenues for protection of the domestic industry with power to act, if necessary, before the next board meeting in mid-May." Motorola's Paul V. Galvin heads committee, which includes Hoffman, Russ Cramer (Radio Condenser Co.) and Ray Ellis, chief of EIA int'l dept.

It's a tough and possibly insuperable problem the American industry faces, its main hope being that the Govt. can be persuaded to impose an import quota system inasmuch as present foreign policy precludes higher tariffs. Items affected are in so-called "luxury" class and, since Japan still buys more from us than she sells us, the industry cannot very easily sustain hardship arguments and seek escape clauses.

But it rankles to contemplate that maybe 1,000,000 radios -- the nice-selling transistorized portables -- will probably come in from Japan this year (figure was 641,000 last year) besides an incalculable number of radios and hi-fi's from West Germany. Also, that Japanese transistor production is leaping to a 50,000,000 total this year, mostly destined for the U.S. and Japan's other world markets.

There's thought Japan may impose voluntary ceiling on its exports, as it reportedly has done in the cases of shirts and stainless steelware, in order to keep its U.S. dollar-aid relationship on firm footing. Some even cling to belief American buyers will patriotically reject any flood of Japanese receivers, despite their lower prices (only \$19.95 list quoted on some transistor sets) -- and of course there's deep resentment that some items come in under usurped American-advertised labels.

[For further report on import situation, see p. 14.]

**STEREO IS INDUSTRY'S BRIGHT STAR FOR FALL:** Stereo sound and "remote-control" TV were principal topics of corridor talk among consumer products and components manufacturers at this week's EIA spring meeting in Washington. Stereo was widely touted as the bright new star on the fall market horizon. Remote-control -- a gimmick which Zenith's "Space Command" proved would titillate the fancy of the buying public -- was discussed as a "sure feature" in many fall lines -- although none would admit to a definite commitment at this time.

"You're in the room," was the enthusiastic comment on stereo from Leslie H. Muter, pres. of Muter Co. (resistors, condensers, speakers, etc.). It's the one big thing in "entertainment electronics" that seems to have real market potential -- that and remote-control TV which, as another manufacturer put it, "really excites" the man who is looking for something new in TV.

Stereo is getting the long, hard look on several fronts right now. Quietly, CBS Labs this week demonstrated to the record industry a "compatible" stereo record with a cartridge for compatibility with existing records, which has a diamond head

and which may go to phono makers for about \$10. It's production tooled item, ready for mass production, and it's the product of the researches of Peter Goldmark, pres. & research director of CBS Labs; B. B. Bauer, ex-Shure engineering v.p.; W. S. Bachman, director of engineering research & development.

CBS is thus joined in the competitive race with Electro-Voice, Webster Electric, Sonotone, Ronette, et al -- and of course claims its unit is the best.

\* \* \* \*

Race to bring stereo to market this fall gets a big boost in N.Y. this week with IRE scientists going into it exhaustively and first showing at IRE convention of "flip-over" cartridge -- 2 needles, plays all records, regarded by some in the trade as essential to mass marketing of stereo so as not to obsolete existing record libraries. Up to now, announced and planned stereo cartridges have been single-needle variety which won't play standard 78rpm records.

Electro-Voice, which showed first stereo cartridge to industry back in Jan. (Vol. 14:4) believes its "flip-over" cartridge will intrigue the product engineers from the phono-maker factories who are putting the new stereo packages together. While we haven't seen it, we're told "flip-over" has basic 0.7 mil stereo needle, plays 33 & 45rpm monaural records; second needle uses 3 mil point to play 78s. Sales v.p. Lawrence LeKashman says he will be off tools with new Model 66 this week with a price to original equipment manufacturers "under \$2." His cartridge is power point type "which plugs into any monaural or stereo arm."

\* \* \* \*

Meanwhile, single needle stereo cartridges are beginning to flow to phono makers, prices ranging from \$2.50 to \$4 for single-needle versions with sapphire heads. Component makers are far ahead of packagers. Hi-fi shows around the country are featuring displays of extra amplifiers, extra speakers needed to stereoize. In special section of N.Y. Times (March 19), celebrating 10th anniversary of the LP record, component makers advertised combinations for converting to stereo -- one complete outfit retailing for \$274.

**TV-Radio Production:** TV set production was 88,598 week ended March 14 vs. 87,508 preceding week & 121,927 in 1957. Year's 10th week brought production to 989,029 vs. 1,134,763 last year. Radio production was 170,434 (41,942 auto) vs. 180,165 (52,069 auto) preceding week & 343,054 (135,937 auto) last year. For 10 weeks, production totaled 2,100,384 (714,623 auto) vs. 2,924,770 (1,316,120 auto).

**THE STORY OF ZENITH'S SPURT:** Zenith Radio's annual report, dated March 7 but mailed to stockholders this week, is released coincident with persistent but unverifiable reports that pres. E. F. McDonald Jr. is ailing again in Chicago after a respite in Florida. Be that as it may, the annual report is a masterpiece from a stockholder relations and publicity standpoint. And it has plenty to brag about.

Profusely illustrated in color, picturing all Zenith consumer products on the obvious and tenable theory that satisfied stockholders are a good customer base, it sets forth again the company's previously announced (Vol.14:9) record 1957 sales of \$160,018,978 and net profit of \$8,165,577 (\$16.58 per share) in a market that was downbeat for nearly all its competitors; income was up 13% from the \$141,529,855 of 1956, profit up 32% from \$6,178,717 (\$12.55). In addition, the firm's strong financial position is reflected in current assets of \$65,076,882, current liabilities of \$19,889,063, earned surplus of \$60,853,452 -- latter item including the \$10,000,000 due Zenith and tube subsidiary Rauland at rate of \$1,000,000 a year in settlement of patent litigation with RCA-GE-Western Electric (Vol. 14:9).

Some of reasons for firm's phenomenal showing in face of industry recession are indicated in details of report: Good product generally, and especially success of remote TV tuning (without wires); upsurge in radio sales, expected to show "even

greater growth in 1958 because of the stimulating effect of transistor usage in portable sets and larger higher frequency receivers"; 33% increase in TV-radio exports in face of industry decline of 9%, and plans to expand further into foreign fields; Phonevision campaign, with its attendant vast publicity. In Phonevision, the stockholders are told, Zenith will profit from producing and selling decoders.

There are too many other aspects of the report to detail here -- but we commend it to all management as a worthy model for effective self-dramatization.

**The Export-Import Trade:** Detailed data is still sparse—and it's anybody's guess at this time just how far Japanese electronics products, and those of other countries, will encroach upon the American market henceforth (see p. 12). What is known is that, as of last year, our electronics exports were 10-15 times greater than imports; that every receiver that went overseas had a full complement of tubes and parts that might not otherwise have been sold; that approximately 5% of U.S. receiving tube production and 8% of picture tubes went into exports, besides those that were incorporated in end equipment.

EIA's international dept. is authority for the foregoing, and as basis for discussions of the import threat at Washington conferences this week, it also reported that U.S. commercial exports of electronics equipment and parts during 1957 declined only slightly from the record \$330,000,000 of 1956, and that some 10% of the industry's non-military production went into world market.

Included in these shipments were 298,000 radios, 156,000 TVs, 22,000,000 receiving tubes, 766,000 TV picture tubes, 2,700,000 transistors & diodes, 34,700,000 capacitors, 36,600,000 resistors, 461,000 loudspeakers. In addition, there were substantial sales of military electronic equipment to friendly foreign governments and income from licensing and technical agreements with overseas manufacturers.

"The import picture," says EIA, "is considerably more difficult to analyze due to the outdated govt. statistical categories in the field and, in many cases, the equally poor export data of our major foreign suppliers." Electronics Div., Business & Defense Services Administration, has estimated 1957 electronic imports around \$20,000,000 vs. \$13,000,000 in 1956.

Radio apparatus imported in 1957 was valued at \$15,300,000, up from \$8,500,000—Japan accounting for \$5,600,000, West Germany \$5,000,000, U.K. \$1,900,000, Netherlands \$1,300,000. Imports of TV apparatus, picture tubes & sets were \$300,000 in 1957 vs. \$193,000 in 1956.

Japan's own export statistics show it shipped 641,000 portable radios to the U.S. in 1957 vs. 368,000 in 1956. Expectation is that 1,000,000 transistorized portables will be sent to the U.S. market this year. A trade source estimates Germany sent 200,000 radios last year vs. 117,500 year before. Great Britain supplied only about 10,000 vs. 5586. Japan's receiving tube sales in U.S. were more 14,000 units, whereas Britain doubled its tube exports to 2,500,000.

There are no figures on transistors, though the radios shipped here were mostly transistorized and it's reported Japan's booming transistor industry is hiking its production to 50,000,000 units this year from 8,000,000 last year (Vol. 14:6). Nor are figures available on phonos from Germany. British record changers totaled 534,000 in first 9 months of 1957 and 569,000 in all of 1956.

**Trade Personals:** Henry E. Bowes has been promoted from Philco v.p. & gen. mgr., TV div., to v.p.-marketing for all Philco divs. He succeeds John M. Otter, exec.-v.p. for distribution who assumes duties not yet announced . . . Marvin G. Whitney, administrative asst., John Stevens, director of engineering & manufacturing and Charles A. Nichols, chief engineer, promoted to v.p.'s of Hoffman Electronics consumer products div. . . . Karel van Gessel promoted to v.p. & managing director of Sylvania International div., including supervision of subsidiaries in Switzerland, Cuba, Mexico, Brazil . . . H. J. Benham promoted to mgr., central service region (Chicago) of RCA technical products service dept. . . . Edward J. Wilder promoted to new post of asst. sales mgr., Gates Radio, Quincy, Ill. . . . Carroll M. White leaves EIA's mobile radio communication dept. to become exec. secy. of Special Industrial Radio Service Assn., 600 Munsey Bldg., Washington . . . George Avakian, ex-Columbia Records, joins World Pacific Records as full partner . . . Abraham B. Cohen resigns as engineering mgr. of University Loudspeakers to set up own business . . . Stanley Rosenberg, gen. mgr. of Telectro Industries Corp. (tape recorder) also named secy.-treas. . . . Jack D. Hughes, Littlefuse Inc., elected an EIA representative on board of Electronics Parts Distributors Show, succeeding Roy S. Laird, Ohmite . . . Vincent T. Frungillo promoted to mgr. of manufacturing cost control, Sylvania TV tubes div.

**DISTRIBUTOR NOTES:** Modern Distributing Co., Cincinnati (Sylvania, V-M), has ceased operations; successor not named . . . Philco names Larry London adv. & sales promotion mgr. of Los Angeles branch; promotes Edward Cherry to succeed him in Chicago branch; names James Lucas, ex-Norge to assist Cherry . . . Columbia Records promotes Reginald Gussman to sales mgr. New England-upstate N. Y. district of phono div., replacing Birch Ripley, resigned . . . Kierulff & Co., Los Angeles (Motorola), names Sam Grasinger, ex-Sun Ray Stove, sales mgr. of Motorola div., succeeding Jack Fitzpatrick who resigned to join GE . . . Morton Cherof resigns as partner in Emerson Radio of Conn., Hartford.

Canadian GE promotes Bruce W. Donaldson to mid-west district mgr., Winnipeg, succeeding R. N. Fournier, transferred to Toronto headquarters as gen. mgr., wholesale dept. R. J. Bridgman succeeds Donaldson as sales mgr. of appliances, Toronto. Alfred M. Hurley promoted to mgr. of newly formed Alberta district, Calgary, succeeded by Arthur W. Goldstone in apparatus & supplies sales, Quebec district. Goldstone's London, Ont. branch combines with Windsor district.

H. Leslie Hoffman, pres. of Hoffman Electronics Corp., past president of Electronic Industries Assn., has been voted recipient of 1958 EIA Medal of Honor, to be presented at annual convention dinner in Chicago May 22.

"Radio Is Close to You" is theme of May National Radio Month.

**Defense Cut Hurts:** Right now, the entire electronic industry is feeling the effects of last summer's big cut in defense spending. And, the post-Sputnik expansion in original armament planning has not yet been reflected in orders for components and equipment from the prime govt. contractors.

That was consensus of manufacturers, big and small, attending EIA's spring conference in Washington this week. The going has been rough since the first of the year. Varying degrees of optimism—and pessimism—permeated the conference in direct ratio to the individual's interest in consumer business. Those with a big stake in industrial and defense spending believed 1958 would turn out about as good or a little better than 1957.

Those more dependent on Mr. John Public to buy their wares were less encouraging. Most manufacturers thought unit sales in radio and TV would stick close to 1957 figures, but, with rising costs, profits would be down.

We asked when defense orders for components and equipment might be expected from prime contractors. A few—very few—said they might start coming in next month, April. Most said the big bulk of new orders won't start to flow until Aug. or Sept. Second half of 1958 ought to be good unless Defense Dept. changes its mind again or Congress goes on another economy spree, neither of which seems likely at this writing.

Particularly encouraging were remarks by Robert C. Sprague, chairman, Sprague Electric Co., past pres. of EIA, who predicted a steady increase in electronic purchases by the military with 25% of defense spending in 1959 going for electronics. He noted that last year's industry dollar volume reached \$7.6 billion of which \$3.9 billion represented sales to the Armed Services and that this compared with only \$500,000,000 as recently as 1950.

**Japanese TV No Threat:** Although Japanese production of radios & transistors is considered a formidable threat to U. S. markets (see p. 12), TV in Japan is strictly a domestic situation. Unless Japan begins to seek ways to use its transistor production in manufacture of TV, there's no present possibility of TV threat to U. S.

By U. S. criteria, Japan is long way from saturation of own market. Japan has population of 90,000,000 vs. 160,000,000 here, but sets-in-use are just under 1,000,000 vs. 47,000,000 in U. S. Set production was about 600,000 in 1957 vs. 6,400,000 here, and is estimated at 1,000,000 units in 1958 vs. 7,000,000 in U. S.

TV began in Japan with 189 units in 1952, rose to 136,505 in 1955 and reached 312,098 in 1956 when average set had factory value of \$160 and retailed at about \$220—with 92% of production 14-in. sets. Of some 34 makers, 10 did 90% of business.

TV hardly exists in breakdown of total Japanese TV-radio equipment & components import-export analysis available from Commerce Dept. (Document 25458, 12 pp., \$2). TV receivers represent but 0.2% of value of imports; TV-radio parts, 2%; radio receivers, 0.4%. TV sets represent but 0.6% of exports; parts, 9.3%—while radio receivers represent whopping 56%.

Color TV in Japan is still 3 years away, according to recent reports in *Japan Times*, Tokyo English-language newspaper, which also reported that manufacturer Tokyo Shibura was asking Govt. permission to import 30 color picture tubes from U. S. and \$500,000 in TV receiver parts in order to join Nippon Electric and Matsushita Electric in color TV experimentation.

**GE To Make Phonos:** Only major TV-radio manufacturer not now on the flourishing phono bandwagon, GE announced this week that it will offer a phono line this fall. Its housewares & radio receiver div., Bridgeport, Conn., gets the line; W. P. Von Behren gen. mgr. of the radio dept., heads up the operation. Portable and console sets, made in GE's Utica radio plant will be shown at June summer market in Chicago.

GE's entry into the phono field has been regarded as "inevitable" in trade circles for 2 years, but announcement ends speculation whether Bridgeport, Syracuse or Auburn (where GE now makes all hi-fi components except tuners and changers) will market the line. Some trade sources guessed Syracuse, since TV unit there has distribution setup for big ticket items; wholesaling channels out of Bridgeport are tailored to mass movement and multiple distribution pattern for housewares.

Assignment of phonos to Bridgeport was regarded in some quarters as clue that GE will aim for penetration into low-end phono market, leaving high-end to audiophile market already catered by Auburn.

**Transistorized Battery TV:** Prototype TV receiver, entirely transistorized, and miniature 4-lb. TV camera are linked in first demonstration of transistorized closed-circuit TV system by RCA scheduled for IRE convention in N.Y. March 24. Described as "laboratory unit," receiver has 14-in. picture tube, 26 transistors, one high-voltage rectifier; camera uses miniature ½-in. Vidicon pickup tube, standard 8mm motion picture lens. Dr. James Hillier, v.p. of RCA Labs, says equipment, which is strictly developmental, is "a long step toward even more flexible TV receivers, cameras and closed-circuit systems for home and industry." But he does not predict when they may be ready for market. Receiver can be operated by a rechargeable storage battery, dry battery within the set, 12-volt auto battery through a connection with the cigarette lighter or household current. It weighs about 20 lbs. Camera, similarly, will operate from batteries or household current.

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**ELECTRONICS PERSONALS:** Adm. E. Dorsey Foster (USN ret.), v.p. & gen. mgr. of RCA electronic datum-processing div., elected director of Delaware Income Fund . . . Lt. Col. Louis H. Wilson (USAF ret.) named head of new RCA defense electronics products office, Colorado Springs . . . Donald C. Dickson, ex-Hoffman Electronic, appointed product mgr. for diodes, Motorola semiconductor div. . . Norman Caplan, ex-Bendix Aviation, named mgr., communications products dept., RCA Telecommunications div. . . William M. Richardson, ex-Ramo-Wooldridge, heads Washington office of BJ Electronics div., Borg Warner . . . Alfred E. Teachman, ex-MIT's Lincoln lab, joins Page Communications, Washington, as project mgr. . . David C. Pinkerton promoted to mgr. of advance engineering of GE communications products dept., succeeding R. P. Gifford, recently named mgr. of engineering . . . Chester A. Grondzik, ex-Emerson, appointed works mgr. of Entron Inc., Bladensburg, Md. . . Dr. Alan M. Glover appointed gen. mgr. of new RCA semiconductor and materials div., William T. Warrender gen. projects mgr., with headquarters at Somerville, N. J.

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TV sales to Canadian dealers in 1957 declined to 470,823 sets vs. 612,871 year earlier, RETMA of Canada reports. Radio sales were 577,930 vs. 577,205.

## Financial Reports:

Hazeltine's gross 1957 income, including royalties, was \$61,562,484, consolidated net income after taxes and all known charges being \$2,030,612. Gross billings less provision for contract adjustments, royalties and miscellaneous were \$55,700,484. Annual report for 1956 listed "total billings under govt. contracts and subcontracts" as \$42,708,480 (Vol. 13:12) and earnings of \$1,873,162. Chairman W. A. McDonald and pres. P. F. LaFollette reported 1957 billings on govt. contracts and subcontracts "reached a new high for any wholly peacetime year," but 3 factors accounted for net profit not keeping pace with rise in sales; (1) Reduced royalties. (2) Varying policies of Defense dept. (3) Rising costs. Notice to stockholders of annual meeting in Dover, Del., April 8 showed these executive-director salaries and stock holdings: chairman McDonald, \$65,048 (owns 2625 shares); pres. LaFollette, \$49,388 (2000 shares); v.p. L. B. Dodds, \$51,745 (522); exec. v.p. W. M. McFarland, \$38,680 (734); v.p. J. B. Dow, \$34,024.

Decca Records earned \$3,972,514 (\$2.48 per share) on sales & royalties of \$31,774,276 in 1957 vs. \$4,543,902 (\$2.84) on \$26,832,460 in 1956, pres. Milton R. Rackmil explaining decline in income last year was due to lower returns from Universal Pictures (Vol. 14:6,) in which Decca has 81.4% interest. Decca record div.'s pre-tax income rose to new high of \$5,232,718 last year vs. \$4,424,056 in 1956. Rackmil said he expects company to maintain regular 25¢ quarterly dividend rate this year. Note: Universal Pictures, also headed by Rackmil, lost \$400,000-\$450,000 in first fiscal quarter ended Jan. 31, annual meeting in N. Y. was told recently. In same period year earlier company earned \$163,786 (12¢). Universal has suspended feature production at studios "to take stock," plans to resume July 1.

Oak Mfg. Co. top officer-director remunerations for 1957, as reported in proxy statement for April 24 annual meeting in Chicago offices: Elof Sandstrom, chairman, \$60,194 (holds 8140 shares of common stock); Robert A. O'Reilly, pres., \$60,194 (2450 shares); Edward J. Mastney, v.p., \$33,455 (2275); Harry J. Veitch, v.p., \$33,455 (188).

Dividends: Motorola, 37½¢ payable April 11 to stockholders of record March 28; Hoffman, 25¢ March 31 to holders March 17; Howard W. Sams, 12¢ April 25 to holders April 15; Loew's (Marcus), \$1 March 31 to holders March 14; Universal Pictures, dividend omitted; Columbia Pictures, dividend omitted.

American Electronics Inc. earned \$603,650, or 93¢ a share on 651,794 shares outstanding in 1957 vs. \$376,128 (73¢ on 517,860 shares) in 1956.

Siegler Corp. earned \$389,179 (26¢ per share) on sales of \$22,616,971 in 2nd fiscal quarter ended last Dec. 31 following merger of Unitronics Corp. (Olympic Radio & TV, David Bogen, Presto Recording) and Hufford Corp. (guided missiles equipment) vs. \$267,934 (36¢) on \$6,706,463 in same period year earlier. For 6 months, consolidated net income was \$757,781 (50¢) on \$39,279,806 vs. \$539,953 (73¢) on \$13,587,849. Lower Siegler profit rate in comparison with sales was attributed by pres. John G. Brooks partly to expenses of mergers last Sept. and unexpected decline in sales of Centralia Heater and General Water Heater divs. Olympic div. reported "remarkable" calendar year sales & earnings increases with TV set sales up 19% over 1956, he added. Export TV sales increased 45%, export radio 37.2%, with business expanding particularly in Latin American markets, where Olympic pres. Morris Sobin saw outlook for even better 1958. He claimed Hallamore div. was biggest supplier of closed-circuit TV systems to military, doubling sales in 6 mo. ended Dec. 31.

Philco's 1957 officer-director salaries and stockholdings as disclosed in proxy statement for April 8 annual meeting in Philadelphia: pres. James M. Skinner Jr., \$72,083, owns 10,157 shares of common; exec. v.p.'s Joseph H. Gillies, \$45,000 (6122 shares); Larry F. Hardy, \$45,000 (6590); John M. Otter, \$50,000 (8504); Leslie J. Woods, \$45,000 (7073); treas. Wm. R. Wilson, \$32,500 (15,331). Ex-chairman Wm. Balderston, who retired Jan. 1, received \$55,875 (stockholdings not disclosed). Proxy asked stockholders to vote on proposal to lift \$50,000,000 capital borrowing limitation.

Reports & comments available: On Westinghouse, in *Review of Hirsch & Co.*, 25 Broad St., N. Y. On Hoffman, in report by H. Hentz & Co., 60 Beaver St., N. Y. On CBS, in opinion by L. O. Hooper of W. E. Hutton & Co., 14 Wall St., N. Y. On Electronic Specialty Co., in review by Henry J. Low of Gude, Winmill & Co., 1 Wall St., N. Y. On Boston Herald-Traveler, in brief by Schirmer, Atherton & Co., 50 Congress St., Boston. On 1958 production & sales of TV sets, in survey by Arnold Bernhard & Co., 5 E. 44th St., N. Y.

International Resistance earned \$469,870 (35¢ per share) in 1957 on sales of \$15,374,721 vs. \$523,416 (39¢) on \$16,787,913 in 1956. Pres. Charles Weyl attributed 10.2% drop in profits and 8.4% in sales to "cutbacks & stretch-outs in military spending beginning in mid-1957 and to severe reductions in orders from manufacturers of consumer products in Nov. & Dec."

Texas Instruments earned \$3,765,362 (\$1.11 per share on 2,256,988 shares outstanding) on sales of \$67,338,574 in 1957 vs. \$2,349,103 (72¢ on 3,008,275) on \$48,699,398 sales in 1956.

**OFFICERS-&DIRECTORS** stock transactions as reported to SEC for Feb.: Allied Artists—Maurice Goldstein bought 1000, holds 13,100; Sam Wolf bought 3100, holds 20,050. Avco—George E. Allen bought 1000, holds 2500; Rudolph H. Deetjen bought 1500, holds 2500; Arthur H. Jones bought 200, holds 200; Kendrick E. Wilson Jr. bought 900, holds 2500. CBS—Arthur L. Chapman bought 500 "A," holds 500; Lewis Gordon bought 100 "A," holds 460; Clarence H. Hopper bought 100 "B," holds 202; Merle S. Jones bought 100 "B," holds 100. Columbia Pictures—Alfred Hart bought 2000, holds 5919. Corning Glass—Paul T. Clark exercised option to buy 500, holds 500; Frederick H. Knight sold 200, holds 2985. Davega—Leonard Cohn bought 1000, holds 16,023. Decca Records—Milton R. Rackmil bought 200 as co-trustee, holds 10,400 as co-trustee, 1713 personally.

DuMont Labs—George G. McConeghy bought 100, holds 200. Emerson—Max Abrams bought 4700, holds 105,209 personally, 13,355 in trusts, 65,001 in foundations. GE—Ralph J. Cordiner exercised option to buy 4500, holds 18,155; Ray H. Luebbe sold 1000, holds 7460; C. K. Rieger sold 325, holds 3134; Chauncey Guy Suits sold 750, holds 4274; Arthur F. Vinson sold 1167, holds 5745. Guild Films—D. Van Alstyne Jr. sold 4000 and 1500 more through Van Alstyne Noel & Co., holds 9507 personally, 6333 in Van Alstyne Noel. Loew's—K. T. Keller sold 200, holds none; J. Howard McGrath bought 500, holds 500. National Telefilm Assoc.—Bernard Tabakin

sold 500 "A," holds 3100. Paramount Pictures—Maurice Newton bought 300, holds 1000; Randolph C. Wood sold 8040, holds 31,860.

Philco—John M. Otter sold 500, holds 7934. RCA—Ewen C. Anderson acquired 150, holds 327; Orrin E. Dunlap Jr. acquired 123, holds 536; Elmer W. Engstrom acquired 145, holds 1573; Ernest B. Gorin acquired 139, holds 539; Charles B. Jolliffe acquired 131, holds 1224; Charles M. Odorizzi acquired 125, holds 1426; Emanuel Sacks acquired 163, held 1065; Robert W. Sarnoff acquired 160, holds 651; Theodore A. Smith acquired 135, holds 476; Edward M. Tuft acquired 138, holds 402; W. W. Watts acquired 126, holds 366; Robert L. Werner acquired 149, holds 936—all under RCA incentive plan. Republic Pictures—Douglas T. Yates sold 10,000 through Tonrud Inc., holds 196,337 in Tonrud, 3777 personally; Herbert J. Yates bought 10,000, holds 67,160. Siegler—Robert L. Purcell sold 2000, holds 10,008; Donald Royce sold 1500, holds 11,916.

Skiatron Electronics & TV—James M. Landis exercised April, 1957 option to buy 25,000, sold 4000, holds 27,275; Arthur Levey sold 11,200 in private transactions, holds 355,181; J. R. Poppele exercised option to buy 1000, sold 1000, holds 4900. Tung-Sol—Anthony Scala bought 1000, sold 1000 from joint account, holds 2030 personally, 30 in joint account. Warner Bros.—B. S. Taplinger sold 500, holds 500. Westinghouse—Tomlinson Fort sold 200, holds 1351; Leslie E. Lynde bought 300, holds 2128.

**On Raising Capital:** Electronics and related electronic entertainment firms raised substantial amounts of new capital during latter half of 1957 via publicly-sold and privately-placed securities issues. Jan. 27 *Investment Dealers' Digest* lists these public issues (all common shares unless otherwise specified):

Amphenol Electronics, \$5,500,000, 200,000 shares @ 27½, thru Hornblower & Weeks. Walt Disney Productions, 400,000 @ 21¾, Goldman Sachs & Co., Lehman Bros., Kidder, Peabody & Co. Electro Instruments Inc., 150,000 @ 12½, Bear, Stearns & Co. with Paine Webber, Jackson & Curtils. Electronic Research Associates, 100,000 @ 3, Singer, Bean & Mackie. Emerson Electric, \$3,390,000 conv. sub. 5½% debentures, Smith, Barney & Co., Van Alstyne, Noel & Co. with Newhard, Cook & Co. Haydu Electronic Products, 100,000 @ 3, Barry & Co. Hewlett-Packard Co., 300,000 @ 16, Blyth & Co. Hycon Mfg. Co., 400,000 @ 3, Dempsey-Tegeler & Co.

Minneapolis-Honeywell, 331,237 @ 85, Eastman, Dillon & Union Securities. National Telefilm Associates, \$5,000,000 sub. notes, 6s, 1962, and 350,000 sh. @ 7¾, Cruttenden, Podesta & Co. with Cantor Fitzgerald & Co. and Westhelmer & Co. Narda Microwave Corp., 90,000 @ 3, Milton D. Blauner & Co. Perkin-Elmer Corp., 75,000 @ 20, Blyth & Co. Sanders Associates, 100,000 @ 15, Kidder, Peabody & Co. Siegler Corp., 320,000 @ 15, 5000 @ 20½, William R. Staats & Co. Telestudios Inc., 180,000 @ 1½, Joseph Mandell Co. Texas Instruments Inc., conv. 4.48% pfd. called for payment, Morgan Stanley & Co. Tracerlab Inc., 112,661 @ 6, Lee Higginson Corp. Tung-Sol Electric, 100,000 conv. 5% pfd. @ 50, Harriman Ripley & Co. Victoreen Instrument Co., \$700,000 cov. sub. debentures, 6s 1967, Saunders, Stlver & Co.

Also reported for July-Dec. period were these privately placed securities, all term notes and nearly all through insurance companies, for Aeroquip Corp., \$1,000,000; Aircraft Radio, \$1,600,000; Audio Devices, \$1,000,000 (thru Carl M. Loeb, Rhoades & Co.); C&C Films, C&C Pan Atlantic TV Co. and C&C International Film Corp., \$225,000 jt. notes/1960 @ \$78.22. C&C International Film Corp., \$61,856 gtd. notes, 6s @ \$94.13. C&C Pan Atlantic TV Co., \$1,292,782 gtd. notes, 6s, 1960 @ \$94.13; Perkin-Elmer, \$2,000,000; Siegler Corp., \$3,000,000; Tung-Sol Electric, \$5,000,000.

General Instrument Corp. has completed purchase of Radio Receptor Co. (Vol. 13:15), remaining 14% of outstanding stock of 35-year-old electronics firm being acquired this week. Integration of Radio Receptor's research, engineering & manufacturing operations (semi-conductor devices for TV, radio, industrial & commercial uses, and heat-sealing apparatus) is well under way.

**Electronics Portfolio Report:** Electronics Investment Corp., mutual fund founded & headed by ex-San Diego broadcaster Charles E. Salik, reports net assets of \$14,756,141 as of Jan. 31. Portfolio included \$11,320,284 shares of common stock, \$419,105 preferred, \$933,824 bonds, \$1,050,366 U. S. Govt. obligations. Portfolio changes during Oct. 31 - Jan. 31 quarter:

Purchases: 500 shares of Airborne Instruments Lab (making total of 4000); 2900 AB-PT (total 12,900); 200 American Machine & Foundry (total 5200); 1700 Amphenol (total 6700); 2000 Ampex; 2000 Bell & Gossett (total 12,000); 898 CBS "A" (total 2999); 2000 Eitel-McCullough; 1750 General Telephone (total 7000); 3500 Hewlett-Packard; 3000 High Voltage Engineering; 1600 Hoffman Electronics (total 6800); 2000 P. R. Mallory (total 10,000); 5000 Midwestern Instruments (total 11,000); 500 Raytheon (total 9800); 400 Sprague Electric (total 5400); 3000 Statham Instruments (total 8000); 1000 Varian Assoc.; 2000 Westinghouse (total 5000); 3500 Eastern Industries conv. pfd. (total 8500); \$15,000 Epsco 5½% conv. notes 1963; \$200,000 Federal National Mortgage Assn. 4.2% due Oct. 10, 1958; \$50,000 Federal Loan Bank notes 3.3% due July 15, 1958.

Sales: 2100 Amp Inc. (holds 1852); 5000 Allis-Chalmers; 10,000 Clevite; 3000 Cutler Hammer; 500 Daystrom (holds 9500); 2500 Epsco (holds 7500); 300 IBM (holds 1025); 1700 Minn. Mining & Mfg.; 3300 Square "D" (holds 5700); \$100,000 Federal Home Loan Bank notes 3.95%.

Motorola's transistorized portable TV should be "on the market in a couple of years," pres. Robert W. Galvin told reporters in San Francisco. He said it would cost \$500 at retail if produced now and, while it won't be that much later on, it will still be in "premium class."

Magnavox plans \$1,000,000 expansion of its Greeneville & Jefferson City, Tenn. plants, enlarging assembly, cabinetmaking, warehouse facilities.

**Sales Down, Profits Up:** Hoffman Electronics Corp., with about half of its gross income now derived from defense contracts of subsidiary Hoffman Laboratories Inc. under pres. James D. McLean, suffered drop in 1957 sales to \$40,968,617 from 1956 total of \$46,580,279. But net income went up to \$1,655,372 (\$2.25 per share on 735,610 shares outstanding) from \$1,601,974 (\$2.19) in 1956—this in spite of decrease in TV set sales, \$2,500,000 expended on research & development, \$2,000,000 plant & machinery program. Radio and hi-fi sales held up, says annual report, and semi-conductor sales increased. Firm has contracts for solar energy controls in Vanguard. During year, Hoffman closed out company-owned consumer product distributorships in all but Los Angeles & Portland. Ratio of profit to sales was 4% against 3.4% in 1956.

Biggest business of them all, AT&T in 1957 paid its over-\$30,000 officers-directors: Frederick R. Kappel, pres., \$187,500 (owns 1000 shares); Eugene J. McNeely, exec. v.p., \$130,370 (260 shares); Cleo F. Craig, chairman of board until May 31, 1957 & member of executive committee, \$113,283 (1000), Clifton W. Phalen, exec. v.p., \$107,750 (205); Arthur W. Page, \$11,600 as director & member of exec. committee, \$25,000 as consultant (170). Ex-pres. Craig now receives \$70,243 annually from pension fund. Figures are from proxy statement in advance of annual stockholders' meeting on April 16 in N. Y. Top GE salaries for 1957: Philip D. Reed, chairman, \$168,740, owns 35,651 shares of common; Ralph J. Cordiner, pres., \$264,973 (41,639); Robert Paxton, exec. v.p., \$170,603 (28,294).

Top Westinghouse officer-director 1957 salaries and stockholdings, as reported in proxy statement for April 2 annual meeting: Gwilym A. Price, chairman, \$138,779, owns 6116 shares of common; Mark W. Cresap Jr., pres., \$109,979 (1627 shares); E. V. Huggins, v.p. & chairman, exec. committee, \$53,239 (2054); J. K. Hodnette, exec. v.p., \$97,767 (2463); L. E. Osborne, resigned vice chairman & director, \$95,100.

Excitement over educational TV in N. Y. is beginning to build up, now that state GOP legislative leadership has endorsed appropriation of \$370,000 to finance programming on WOR-TV (Ch. 9) for 7 months starting Sept. 1. Last week, N. Y. State Board of Regents and WOR-TV agreed to let education have full use of its facilities 9 a.m.-5 p.m. weekdays, 9 a.m.-noon Sat. (Vol. 14:11). Indicative of enthusiasm generated is comment of TV critic Jack Gould in March 18 *N. Y. Times*: "The art of teaching is going to be brought out in the open where all can savor it. The availability of 43 hours of education a week on TV is bound to make many persons a little more aware of the continuing adventure of learning. Whatever the headaches, controversies and disappointments—and there will be some of all—the introduction of educational TV on Ch. 9 is decidedly worth the effort."

Transistorized portable clock radio, introduced this week by Emerson as "world's first," weighs about 2 lbs., has 8 transistors, lists for \$88. Combination is about size of an ordinary novel; maker claims clock will operate 3-5 years on single battery.

Hearings on Langer bill (S-582) to ban beer & liquor advertising in interstate commerce have been postponed to April 22-24 from April 14 by Senate Commerce Committee.

RCA shipped 12-kw transmitter March 13 to WICS, Springfield, Ill. (Ch. 20), planning boost to 512-kw at new site.

# COMMON STOCK QUOTATIONS

Week Ending Friday, March 21, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

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

120 Broadway, New York 5, N. Y.

## NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chnge	1957-8		Stock and Div.	Close	Wk. Chnge
High	Low				High	Low			
14 1/2	6 1/2	Admiral.....	8 3/8	-1/4	376 1/2	270 1/2	IBM 2.60.....	343 1/2	+7
27	16 1/2	AmBosch 30e..	21 3/8	-1	37 1/2	25 1/4	IT-T 1.80.....	32	-3/8
24 1/2	11 1/2	Am Bcstg-Para.1	16 1/2	+1	50 3/4	33	I-T-E CirB .45e	36 3/4	-1
43 1/2	29 1/2	AmMach&F 1.60	37	-1/2	10 1/2	6 1/2	List Indust 1/4 e.	7 1/4	+1/2
179 1/2	160	AT&T 9.....	171 3/4	+1/4	56 1/2	29 1/2	Litton Ind.....	43	+4 1/2
33 1/2	19 1/2	Amphenol 1.20.	24 3/8	-1/8	22	11 1/4	Loew's.....	13 3/8	+3/8
36 1/2	26	Arvin 2.....	27 3/8	-1/8	44	28 1/2	Magnavox 1 1/2 b.	36 3/8	-1/2
7 1/4	4 1/4	Avco .10e.....	6 1/8	+1/8	50 1/4	23 1/2	Mallory 1.40b...	26 1/2	-1 1/2
47 1/2	20 1/2	Beckm Inst 1 1/4 f	21 1/2	-2 1/2	131	73 1/2	Mpls. H'll 1.60a	86 1/2	-1/4
66 1/2	42	Bendix Av 2.40.	49	-1/2	51 1/2	35 1/4	Motorola 1 1/2...	39 3/4	+3/8
53 1/2	27 1/2	Burroughs 1....	32	+1	9 1/2	7	Nat'l Thea 1/2...	8 3/8	-1/8
25 1/2	15 1/2	Clevite 1/4 e....	17 1/2	-1/2	38 1/2	28	Paramount 2....	33 3/8	.....
36 1/2	23 1/2	CBS "A" 1b....	29	+1 1/2	18 1/2	11	Philco.....	15 1/2	+1/4
35 1/2	22 1/2	CBS "B" 1b....	28 1/2	+1 1/2	40	27	RCA 1a.....	33 1/2	+1/8
20 1/2	11 1/2	Col Pictures 3/4 t	14 1/2	-1/2	23 1/4	16 1/2	Raytheon 1 1/4 t.	22 1/2	+3/8
54 1/2	25 1/2	Cons Elec .40...	34 3/8	+2 1/4	8 1/4	4 3/4	Republic Pic...	6 1/8	-1/8
35 1/2	18	Cons Electron...	24	-1/8	39 1/4	29 1/4	Sang Elec 1.80.	32	-1
27 1/2	12 1/2	Cor-Dub .20e...	14	+1/4	18	12	Siegler .80.....	13 3/8	+1/4
106 1/4	57 1/4	Corning Glass 1a	84 1/2	+1 1/2	6 1/4	2 1/2	Sparton.....	.....	.....
6 1/2	3 1/2	Davega.....	3	.....	26 1/2	17 1/2	Sperry Rand .80	18 1/2	-1/2
47	27 1/2	Daystrom 1.20..	32 1/2	-3/4	9 1/2	5 1/2	Standard Coil...	7 3/8	-1/4
19 1/2	13 1/2	Decca 1.....	14 1/2	.....	18 1/2	13 1/2	Stanley-War 1...	16 3/8	+1/8
18 1/2	13	Disney 40b....	20 1/4	+3 1/2	41 1/2	27 1/4	Stew Warner 2b	29 1/2	-3/8
115	81 1/2	East Kod 1.55e.	104 1/2	.....	29 1/4	18 1/2	StorerBcstg 1.80	22 1/2	.....
34	22 1/2	Emer Elec 1.60.	33 1/4	-1/4	46 1/4	29 1/4	Sylvania 2.....	35 1/2	-1/2
6 1/2	3 1/2	Emerson Radio.	5 3/8	+1/8	31 1/2	15 1/2	Texas Instru...	30 1/4	+3/8
10 1/4	6 1/4	Gabriel .60.....	8	+3/8	89 1/2	41 1/2	ThompProd 1.40	46	-5/8
68 1/2	46 1/2	Gen Dynamics 2	59 1/2	+1 1/4	37 1/2	21 1/4	Tung-Sol 1.40b.	26 3/8	+3/8
72 1/2	52 1/2	Gen Electric 2..	60 1/2	+1 1/2	30 1/4	19 1/2	20thC-Fox 1.60.	24 1/2	+1/8
8 1/2	4	Gen Inst. .15g..	5 1/4	-1/8	25 1/2	15	United Art 1.40.	19 1/4	+1 1/2
47 1/4	30 1/4	GenPrEquip 2.40	37 3/8	+1/4	30 1/2	18 1/2	Univ. Pict 1a...	20 1/2	+3/8
30 1/2	22 1/2	General Tire .70	26	-1/2	28 1/2	16 1/2	Warn Bros 1.20.	18 3/8	.....
45 1/4	36 1/4	Gen Telephone2b	42 3/8	+1 1/8	68 1/2	52 1/2	Westingh El 2...	61 1/4	-1/4
25 1/2	17 1/4	Hoffman Elec 1.	23 1/2	+3/8	140	91 1/4	Zenith 4.....	142 3/4	+4 3/4

## AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3	-1/8	44 1/2	29 1/4	Hazeltine 1.40b.	33 3/8	-1 1/2
52 1/2	19 1/2	Allied Con 1a..	42	+1 1/2	3 1/2	2 1/4	Herold Ra .20..	2 1/4	.....
21 1/2	11	Amer Electro 1/2	13 1/4	-1/4	6 1/4	3 1/2	Int Resist .20...	4 1/2	+1/8
11 1/4	6 1/4	AssocArtProd...	9 1/2	+1/4	8 1/4	4	Lear.....	5 1/4	-1/8
12 1/2	4 1/2	Audio Dev .05d.	8 1/4	+5/8	1 1/2	3/4	Muntz TV.....	1/2	+1/8
13 1/2	6 1/4	Belock Inst 1/4 t.	8 3/4	-5/8	3 1/2	2 1/4	Muter Co. 1/4 t.	3	-1/2
1 1/4	3/4	C & C TV.....	3/8	-1/8	9 1/4	5 1/2	Nat'l Telefilm..	5 1/2	-1/8
5	2 1/2	Clarostat .15g..	3 1/2	.....	2 1/2	1	Nat Union El...	1 1/4	.....
6 1/2	3	DuMont Lab....	4	-1/4	11 1/2	2 1/2	Norden-Ketay...	3 1/2	+1/8
7 1/2	2 1/2	Dynam Am.....	3 1/2	-3/8	5	3	Oxford El .10d..	3	-1/4
12 1/2	8	Electronic Com.	12 1/4	-1/4	20 1/2	10 1/4	Philips El.....	13	.....
12 1/2	5 1/2	Electronics Cp..	7 1/4	-1/8	12 1/2	6 1/2	Servomech .40.	8	-3/8
31 1/2	16	Fairch Cam 1/2 g.	23 1/2	-1 1/4	9	3 1/2	Skiatron.....	3 1/2	.....
30	8 1/2	General Trans...	21 1/4	+1/4	8 1/2	2 1/2	Technicolor....	3 1/4	-1/8
20 1/4	14 1/2	Globe Un .80...	13 1/2	+1/4	5 1/2	3 1/2	Trans-Lux .20g.	4 1/4	-1/4
4 1/2	2 1/2	Guild Films....	3	+1/4					

## OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2	2 1/2	Magna Theatre.....	2 1/2	3
Aerovox.....	4 1/2	5	Maxson (W. L.) .05	5 1/2	6
Airborne Inst.....	42	45	Meredith Pub 1.80a	28 1/2	30
Altec Co .80.....	7 1/2	8 1/2	National Co. (4% stk)	11 1/4	13
AMP Inc .50.....	18 1/2	19	Oak Mfg. 1.40.....	14 1/2	15
Ampex.....	55	60	Official Films .10	1	1 1/2
Baird Atomic.....	7 1/2	8 1/2	ORRadio.....	16 1/2	18
Cinerama Inc.....	1 1/2	2	Pacific Mercury TV.....	5 1/2	6
Cinerama Prod.....	1 1/2	2	Packard-Bell .50.....	11 1/4	13
Cohu Electronics.....	6 1/2	7 1/2	Panellit.....	8	9
Collins "A" .35.....	12 1/2	14	Perkin-Elmer.....	24 1/4	25 1/2
Collins "B" .35.....	12 1/2	14	Philips Lamp (14% of par)	34 1/2	36
Cook Elec. .40d.....	18	19	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems.....	4 1/2	5	Selectvision Inc.....	1/8	1/2
DuMont Bcstg.....	7 1/2	8 1/4	Sprague Electric 1.20.....	30	33
Eitel-McCullough (5% stk)	26 1/2	29	Taylor Instrument 1.20.....	27	30
Elec Assoc (stk).....	33 1/2	35	Tele-Broadcasters.....	2 1/4	3 1/2
Erie Resistor .40b.....	6 1/2	7	Telechrome .30.....	7 1/4	8
Friden Ind. 1.....	46	49	Telecomputing.....	4 1/4	5
Giannini, G. M.....	14 1/2	15	Teleprompter (stock).....	5 1/2	6
Granco Products .05.....	1 1/2	1 1/2	Time Inc. 3.75.....	60	65
Gross Telecasting 1.60.....	16 1/2	18	Topp Industries (stock).....	9 1/2	10 1/2
Hewlett-Packard.....	22 1/4	23	Tracerlab.....	5 1/2	6
High Voltage .10g.....	33 1/4	35	Trav-Ler.....	1 1/2	2
Hycon.....	2 1/4	2 3/4	United Artists.....	5 1/2	6
Indiana Steel Products 1.20a	18 1/2	19	Varian Associates.....	14 1/4	16
Jerrold.....	1 1/2	2	Victoreen Inst.....	4 1/4	5
Ling Industries.....	6 1/2	7	Webcor .15e.....	11 1/4	13
Leeds & Northrup .60b.....	21 1/2	23	Wells-Gardner.....	6 1/2	8
Machlett Labs .25g.....	14 1/2	16	WJR Goodwill Station .50d	11 1/4	12 1/4

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

**A 12,000-line Picture Tube:** CBS-Hytron sprang an eye-catcher this week, on eve of IRE convention in N.Y.—transmitting & receiving CR tubes capable of giving up to 12,000 lines of resolution, handling up to 400-mc bandwidth (compared with commercial TV's standard 525 lines, 6 mc). Tubes were designed under military contract—for missiles, long-range radar, map making, navigation—but CBS-Hytron foresees industrial uses such as automation control, computer read-out and information transfer. Commercial TV is frozen at 525-line standard, but techniques employed in new tubes will undoubtedly improve both black-&-white and color TV.

Though tubes are currently 7-in. & 5-in. diameter, developers say that smaller units are in the works; that within a year units capable of operating in satellites will be available.

Two factors are primarily responsible for achievement: (1) Use of very thin short-persistence phosphors, evaporated on tube face rather than settled on, similar to those developed by Naval Research Lab (Vol. 13:17-18). (2) Very small (.0005 to .001-in.) beam, highly uniform, scanning tube face with very little distortion ("inherent deflection linearity better than 1%"). Latter is accomplished in gun design—and CBS-Hytron isn't telling anyone how it's done, yet.

Tubes were developed at Newburyport, Mass. lab under direction of Norman F. Fyler, who says: "Patent investigations indicate that the device represents a broad new concept in CR tube design." More than 100 tubes with 6000-line resolution have been on test 18 months; the 12,000-line prototypes are recent. Fyler is satisfied that resolution achieved will be greater than that of commercial photography.

For prospective satellite use, it's envisioned that enclosed camera will photograph section of earth (or moon), develop picture which TV camera will scan. As satellite passes U.S. reception point, it will transmit picture to earth. What puzzles us is this: How can any picture, taken hundreds of miles above earth, show detail of military value—even with 12,000 lines of resolution? We can't get an answer on that. Fyler will describe system in more technical detail March 25-26 at Essex House in N.Y., but isn't giving paper at IRE convention.

CBS-Hytron pres. Arthur L. Chapman says that tubes will be demonstrated publicly later; that demonstrations for other military contractors have been made for 8 months. He said tubes are too costly for TV receivers but that gun improvements may be applied to picture tubes without exorbitant cost.

**Colorcasting "Contest":** Maybe Havana's new "Canal 12," with its plans for all-color programming 14 hours a day (Vol. 14:11) renders the issue academic—but, in fairness, the record of who carries most colorcasts should be set straight and all we can do is take claimants' word for it. Crosley's WLWT insists its 17 1/4-hours-a-week represents more local live colorcasting than any other TV station; in addition, it carries a half-hour color film weekly and 12 hours of network color for a scheduled total of 29 3/4 hours—besides occasional one-time specials, both local and network. WHDH-TV, Boston, claiming to be tops in color, recently reported 3 hours daily of local live color Mon.-Fri., 45 min. Sat. (Vol. 14:7), and WBAP-TV, Ft. Worth, also demanding rank, claimed 1 1/2 hours local live color daily (Vol. 14:5). Any other contestants?

# Electronics: What's Coming After the Missile Age?\*

W. R. G. BAKER†, FELLOW, IRE

*Reprinted with permission from March, 1958 Proceedings of the IRE*

**Summary**—The electronics industry has experienced four major periods of development: the radio era, the radar era, the television era, and the missile era. The radio and television eras, both being consumer-goods eras, were strongly influenced by the economic climate and by certain contractual arrangements peculiar to the electronics industry, whereas the radar and missile eras were dominated by factors related to the urgent development of new military weapons.

Following a discussion of the characteristics of these eras, the author looks into the future to the possibility of the fifth surge in the industry, which he calls the industrial electronics era—a broad term which is intended to include all electronic fields other than consumer goods, military goods, and entertainment services, and including the field now covered by the electrical industry. The paper concludes with a discussion of the major traits and the absence of any one predominating trait in this new era of the future.

## INTRODUCTION

AS ENGINEERS, we are inclined to think of the growth, of electronics primarily in terms of a succession of technical discoveries and developments. We think of electronics first as a field of technical endeavor, and quite naturally so.

However, electronics is also a business, a vast twelve billion dollar business. As we shall see in the following discussion, the growth of electronics, whether considered as a business or an engineering art, is strongly influenced by economic and other factors, as well as by purely technical achievements.

Our discussion of the growth of the electronics industry will be centered on the graph in Fig. 1, opposite, which shows the industry volume as a function of time, divided into four major eras.

It indicates the end of the radio era as of 1939 with an annual volume of about one billion dollars. The radar era peaks in 1943 at about five billion dollars of annual business, but by 1946 the annual volume had decreased to just under two billion. The television era is indicated as starting in 1946 and peaks at just under six billion in 1950. Then the missile era is shown as starting in about 1950 with a peak annual volume of just under twelve billion in 1956.

It should be noted that these eras are not too distinctive. The name of the era indicates only the predominant electronics business in that particular period of time. Hence, the total annual volume at any particular point represents the entire business of the elec-

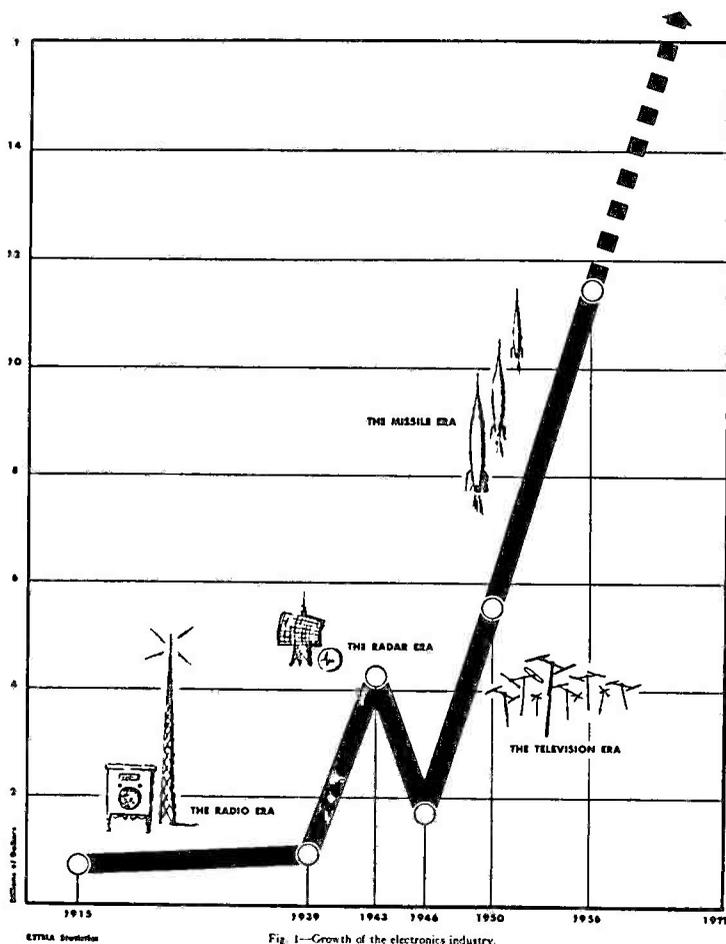
tronics industry, which may, of course, be broken down into its component parts.

In addition, in each era there is an overlap representing products of the preceding period and, to some extent, products of the following era. It is interesting to note that in the entire span of forty-one years there have been four major surges in the electronics industry. Two of these have been caused by demand for consumer products, and two have been the results of war or defense military activity.

In the following, we will consider the general characteristics on an industry-wide basis of the two types of eras shown and then guess as to the possibilities of what might produce the fifth era.

## CONSUMER-GOODS ERAS

Lumping the radio and television ages together, we will notice certain characteristics common to both these consumer-goods eras. These characteristics were partly



\* Original manuscript received by the IRE, October 9, 1957; revised manuscript received, January 2, 1958.

† Vice-President for Research, Syracuse University, Syracuse, N. Y.; formerly, Vice-President, General Electric Co., Syracuse, N. Y.

influenced by the economic climate and partly by certain contractual arrangements rather peculiar to the electronics industry.

In the first place, both radio and television rendered a new entertainment service to the American public, one that they could afford and buy either outright, or with the assistance of liberal consumer credit. Moreover, in both of these periods there was a full play of the free enterprise climate with severe competition present during each era.

Both of these new services produced a great product demand. Since in the early stages of each age the profit margins were rather attractive, there resulted an influx of new companies. Because of the product demand the marketing problem was not too serious in the initial stages, but as saturation began to make itself felt, the selling function became increasingly important.

Another point of similarity was that because each of these consumer eras represented a new technology, the engineer was perhaps of major importance. The next important factor was a manufacturing organization capable of assembling rather complex electronic equipment.

Each consumer era developed a singular economic cycle. This cycle is not peculiar to the electronics industry. It has appeared in the automobile industry and many others. The general characteristics of the economic cycle are an increase in the product supply until it exceeds demand, with the result that the producers reduce the price to the loss point just to stay in business. Coupled with the effect of saturation, this means extreme competition for a shrinking market. In the consumer area, the market may become saturated; that is, the market at a specific price level has been essentially satisfied. Hence, further market expansion is dependent on replacement business and new home formations.

In some instances, saturation may also be caused by failure to do a creative job; that is, failure to create new products, failure to develop products for different income levels, or failure to determine how the consumer can be motivated to buy a somewhat modified product. In any event, the end result of this economic cycle is a period of severe attrition and finally a balance between supply and demand through companies which have a profitable business.

One of the results of the economic cycle is a form of standardization. The rate of technological advance slows down and the marketing aspect begins to assume a predominant position. Style becomes an important factor in an attempt to offset the deceleration of the technology, and a more serious effort is made to determine consumer motivation.

The foregoing are not all of the characteristics of the consumer-goods eras but they are representative of the major trends.

Before turning to the characteristics of the eras dominated by military products, let us look a little more closely at the television era. This period is somewhat of a repetition of the radio era. But certain companies had distinctly benefited by the work they had undertaken during the radar age and many had an advantageous position because of facilities put in place during the war.

Three major factors made the television era different from the radio era: first, the continuing influence of

military business. Secondly, the economic cycle accelerated more rapidly than during the radio era. This was probably due to the great increase in the technological effort during the war and its accompanying increase in manufacturing facilities. Finally, the tremendous acceptance by the public of television as a new form of entertainment.

The factor that was overlooked by many at the beginning of the television era was the influence of a continuing military load due to the cold war which was accelerated by the conflict in Korea. Somehow, many small companies—and others not so small—lived through the severe dip that the electronics business took in 1946. But after the Korean War, the cold war forced the television era to taper off into the missile era.

## MILITARY ERAS

Now let us turn to the two eras which were dominated by military products and look at their major characteristics. In the radar and missile ages we find a number of important factors. The design and production of war material was a controlling factor. New weapons and weapons systems required major advances of the technology of both end products and components. As a result, the industry expanded rapidly and many new companies entered the electronics industry with or without government money.

The radar era undoubtedly saved many companies which were having financial difficulties during the closing period of the radio age. It should also be noted that the industry had started work on monochrome television in the period just prior to the radar era and a few sets had been built. As a result, enough was known about television so that during the radar era this technology was either directly or indirectly improved. As for those individuals and companies that had not appreciated previously the great potential of the electronics industry, they were now really alerted.

During the latter part of the radar era, planning started for the television age. Based on past experience, it was expected that the economy would revert to a peacetime level. Although a transition of this sort is not without its problems, it was aided by the fact that certain technological advances in the radar period were directly applicable to television. This was particularly true of basic components such as the picture tube.

The end of the radar era found two types of companies in the industry: those which had been an important factor in the consumer goods industry and had improved their position during the war, and those which had entered the industry through military work. Many small companies that were dependent upon government contracts for their support faced a difficult transition to civilian production at the end of the radar era. Their plight is indicated by the sharp drop in industry volume during this time.

The missile era, which is still in its early stages, is really more than just missiles. But the indications are that it will truly be a missile age in the not too distant future. In its early stages, this era includes not only major advances in aircraft but also further advances in more complex weapons and weapons systems.

One of the early manifestations of the missile era has been a gradual drawing together of the aircraft industry, including propulsion, with the electronics industry. In some instances this has caused the aircraft industry to go into the electronic business. The reverse is not true, except that some large companies are engaged in propulsion as well as electronics.

The missile age has also provided an outlet and hence greater security for the smaller electronics companies that were formed during the war or even after the radar era. One of the interesting by-products of the radar era was the conversion, or perhaps we could call it transformation, of top scientists and engineers into the owners and operators of small companies. Meanwhile, the large companies with strong engineering departments and extensive facilities are especially equipped to assume a major position in this era.

Another characteristic of the missile era has been the increased impact that missiles have had on the weapons system concept.

It is problematical whether the missile era can provide business for those primarily engaged in consumer goods. Perhaps the inability of this era to provide business for these firms will accelerate the attrition that started for them toward the end of the television era. To some extent this trend is now in effect.

Certainly, the missile era will require a new look at the components section of the electronics industry. Perhaps those companies deeply engaged in missiles will have to take on the major components. If this is true, the growth of the components industry in terms of companies may be retarded. The situation may even result in severe attrition in the components field.

What about the missile era? How long can it last and what is the basic philosophy of this era? Certainly, if we are concerned with only the next five or perhaps ten years, maybe we have no worry. But if we are concerned with a longer period, then we should consider the possibility of the fifth surge in the industry. A straw in the wind, and perhaps there is no straw or no wind, is the recent action of Great Britain.

Britain for certain reasons, perhaps largely economic, arrived at conclusions that the defense of Great Britain is possible only as the collective defense of the free world; that there is no real defense against attack with nuclear weapons; and that the influence of Britain in the world was dependent upon the health of her internal economy and her success in export trade.

Britain has perhaps given up the idea of total preparedness and total security, if such preparedness and security are measured in terms of a large Army, Air Force, and Navy. The doctrine of massive retaliation which has previously been enunciated by both Winston Churchill and Secretary of State Dulles has a great impact on military business in general, and the missile era in particular. Apparently, the British feel that a large ground force is unnecessary in nuclear warfare. Certainly no one can say that ground troops will never be used. The control of small peripheral wars will undoubtedly require troops and the more conventional weapons rather than missiles. But these troops might be provided by the United Nations.

Presumably the day of the battleship in its traditional role is over. The carrier seems to still maintain its position but whether or not it will be eventually replaced by a missile ship is not apparent at this time. It appears that basic changes will come in the treatment of airpower.

What does all this mean? Is it possible that defensive and offensive action will center on about fifteen or twenty different types of missiles launched from stationary and moving platforms? If so, the missile era will truly have arrived.

#### THE FUTURE

Now, what about the future of the consumer goods area? What new consumer goods services are on the horizon?

Excluding modifications of present products by such components as transistors and other technological advances, we have at least two possibilities: color television and subscription television.

With respect to color, there is little doubt that some day it will be a very important service. It may not be in the same demand area as measured by monochrome since it is not in the same class as a new service. Its future will probably be determined by such factors as its technical development, its performance, the economics of the product line, and the program material.

Subscription television is a most interesting modification of an existing service. It seems to the author that its success is dependent upon just one factor. Can subscription television provide program material of such merit that the American public will pay for the program? We will not say that subscription television cannot be made a success. It most certainly will be a major undertaking and will encounter great opposition.

A factor of increasing importance in the fourth and fifth eras will be components. The requirements of these periods will be entirely different than for the entertainment eras.

It is probable that new materials, techniques, and processes may result in an entirely different line of components. Perhaps there will be just as radical a change as is represented by semiconductors. Such a change may offer those companies with adequate research and engineering facilities a new opportunity in the component area.

Unless some new consumer service appears, there probably is not enough demand for the present garden variety of components to sustain all of the existing component companies. Also, there is little incentive for the larger companies to enter the more usual component production. Unless a company can make a real contribution in the component area, it probably would have a difficult competitive position with respect to the companies already entrenched.

#### THE FIFTH ERA

It seems quite safe to assume that some portion of the electronics volume in the fifth era will be made up of those electronic businesses that were included in the preceding four eras. But will there be some predominant business in the fifth era as there was in the preceding ages?

The author's guess is that the fifth era will have no one predominating trait but will comprise many important product lines. For that reason the economics of this era may be more healthy and vital than the preceding periods. Also, it appears that there will exist a group of product lines which will dominate the era. Based on these product lines the next age might well be called the era of industrial electronics.

We would like to define the scope of industrial electronics since, as the term is used here, it is far more comprehensive than usually interpreted.

By industrial electronics, we mean all electronic equipment or applications other than consumer goods, military goods, and entertainment services. This field would include communications, control, computers—of all types and for all applications, industrial applications of television, the field covered by the electrical industry, medical and irradiation applications including radioactive isotopes, and all types of instrumentation.

It is interesting to consider the possible major new components of the electronics industry in the fifth era. We can see even now that the computer, data processing, and related applications will be important. The real possibilities of medical electronics and irradiation are still relatively unexplored, as is the field of ultrasonics.

Because of its history, it seems that many people traditionally look upon electronics as a means of accomplishing new objectives that cannot be attained by any other scientific or engineering means. Electronics

tends to be overlooked as a means of doing something better or cheaper or faster, and is considered rather as a way of doing something that is beyond the ability of any other technology. For this reason its infiltration into already highly developed industries has been exceedingly slow.

We have in mind especially the electrical industry. It is here that a number of large electronics companies have almost unlimited possibilities in the fifth era. They have the research, engineering, and manufacturing facilities. But, even more important, they have the marketing facilities, the customer relations, and complete knowledge of the equipment and systems to which electronics should be applied.

This new task is not any easy one. It will require education and selling work by engineers and marketing people in the entire electrical industry area. It will require a continuous survey of not only the technology of the electronics industry but also the electrical industry. It will require the maximum in creative and imaginative ability. It will cost money and it is a real considered risk. But the prize will be well worth the game.

In the last analysis the electronics industry has reached the position it holds today because, above all, it has been forward-looking. It is the presence, or absence, of this most important of all ingredients that will in the end determine the fate and fortunes of the industrial electronics era, just as surely as it has influenced the eras which preceded it.

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — March 29, 1958

**FUTURE OF RADIO NETWORKS:** NBC president points out healthy aspects despite current losses. Says affiliates will lead 4000 AMs foreseen by 1960 (pp. 1 & 16).

**THEATRE OWNERS WOULD BUY UP** post-1958 films to keep them off TV in plan approved by TOA directors. Cite success against pay TV, distributor pledges (p. 2).

**CROSS' CONFIRMATION FOR FCC** considered certain. Senate committee vote due April 16. Senators' questions, not too difficult, answered carefully (pp. 2 & 7).

**AM-FM STEREO BROADCASTING** considered "sleeper" by receiver makers who envisage big market for FM receivers, accelerating impact of hi-fi on FM (p. 3).

**ABC REVENUES BOOST AB-PT** to peak sales for 1957 but profit drops sharply. TV gains, better theatre business, fewer theatres reported (p. 3).

**HOWARD MEIGHAN & AMPEX** join to form new companies to exploit Videotape magnetic tape TV recording system; he resigns as Hollywood executive (p. 5).

**NETWORK EXECUTIVES** often join stations, but Buddy Sugg going to NBC as v.p., Jim Riddell to ABC as exec. v.p. may point to reversal of trend (p. 5).

**HIDDEN MESSAGE BAN** voted by TV Code Review Board following review of subliminal perception processes. No station reported planning use now (p. 6).

**HARRIS HEARINGS EASE OFF** as Comrs. Hyde & Bartley give impressive testimony, draw praise from Congressmen. Other TV cases being studied (p. 7).

**FEAR OF TRANSLATORS** expressed by KLEW-TV, Lewiston, Ida. as it drops protest. Says FCC policy will stifle conventional small-town stations (p. 9).

### Manufacturing-Distribution

**COMPATIBILITY PROBLEM** faces record makers striving for early entrance into stereo field. CBS shows new system to engineers in N. Y. (p. 11).

**"LAZY MAN'S" TUNING DEVICE** will be featured by most TV manufacturers in upcoming new lines (p. 11).

**FEW TV TECHNICAL ADVANCES** described at IRE convention. Stress placed on "Missiles Era." Picture-on-the-wall TV still believed years away (p. 13).

**CBS MANAGEMENT OPPOSES** merging Class A & B directorships; stockholdings of directors set forth, also top 1957 salaries. What other firms paid (p. 14).

**WHO SAYS NETWORK RADIO IS DOOMED?** Last week's unhappy news about ABC's decision to curtail its unprofitable radio network operation (Vol. 14:12) impelled NBC president Robert W. Sarnoff to do a bit of ruminating, predicting and philosophizing about the future of network radio -- and he's bullish despite fact his radio network is losing money, too. In fact, it has lost some \$9,000,000 since 1953, the year TV overtook radio in gross advertising billings. Like CBS, NBC's o-&-m stations are profitable but the network loses more than they can make. Yet -- "we are now talking about a break-even point [in radio networking, per se] without rubbing a rabbit's foot..."

Radio is basically a healthy advertising medium, has attracted fresh money to its tremendous cumulative audience, conceding the living room to TV but fashioning itself "as companion in the kitchen, on the beach, in the car, at summer camp." Key to network radio's future is affiliate loyalty -- and NBC is now getting it in more clearances. Sarnoff predicts 4000 radio stations by 1960 [there are about 3200 AMs now]; those who hew to their networks, rather than choose "the jukebox route," will stand out program-wise "like beacons in their communities," he says.

There's so much meat and merit in what the younger Sarnoff expounds in the current issue of his personal "newsletter" that, whether you agree with him or not, it's well worth reading by all management -- hence our reprint on p. 16.

Note: Current upsurge of radio billings appears to be continuation of last year's record, as shown in McCann-Erickson figures (see TV Factbook No. 26, p. 27). Radio advertising as whole hit new all-time high of \$648,000,000 in 1957, going up

from \$567,000,000 in 1956 and 10-year low of \$558,700,000 in 1955. This was while TV was climbing to \$1,315,000,000 in 1957 from \$1,029,900,000 in 1956 and \$1,025,300,000 in 1955. But radio's rise was mostly local and spot. Radio networks fell to \$64,000,000 in 1957, \$60,500,000 in 1956, \$84,400,000 in 1955 -- a slide that began shortly after TV emerged. Radio networks' all-time high was \$210,600,000 in 1948.

**MOVIE HOUSES' NEW STRATEGY AGAINST TV:** Point of despair was apparently reached this week by Theatre Owners of America in self-preservation battle to bring back box-office audiences by keeping movies off TV screen. Seeing every home becoming a movie house, TOA set out grimly to buy all post-1948 features which might go to TV.

Non-profit, tax-exempt trust fund -- amount of war chest not estimated, but it obviously would require millions -- was authorized in resolution voted by TOA directors and executive committee in San Francisco. All theatre operators would be asked to join scheme to acquire title to movies held for sale by distributors.

Direct-action plan by TOA to seize what it regards as source of its troubles ignores counsel, often heard in Hollywood itself, that there's nothing the matter with the movies that good pictures won't cure -- citing enormous successes of such super-colossals as Around the World in 80 Days, Ten Commandments, Bridge on the River Kwai. There's also question of legality of any ganging up to hoard available movies -- good, bad & indifferent -- to lure audiences out of their homes.

Ambitious TOA trust fund would provide: (1) Payment to distributors for product in cash & bonds. (2) Distribution of films to theatres by exhibitors who would keep percentage of gross rentals, balance going to retire bonds. (3) Recapture by distributors of title to features if bonds are defaulted.

\* \* \* \*

Save-our-theatres-by-stopping-TV scheme was announced even as another Hollywood studio enlisted voluntarily in TOA's campaign against post-1948 releases to TV (Vol. 14:10) -- and even as TOA president Ernest G. Stellings boasted successes. Allied Artists pres. Steve Broidy said his studio will keep features for theatrical showings alone "as long as we can successfully service this market." Reporting on developments in TOA's opposition to broadcast & cable pay TV (Vol. 13:50) as well as movies seen for free by home TV viewers, Stellings said in speech:

"We've seen pay TV effectively stymied, if not killed. We have seen distributor chief after distributor chief pledge [himself] against the sale of any of his post-1948 film library to TV, and for the moment at least we've stopped this flow."

**CROSS' EXAMINATION LIGHT, APPROVAL DUE:** Looks like John S. Cross is in as an FCC commissioner, succeeding the unfortunate Richard A. Mack, after March 26 hearing on his nomination before Senate Commerce Committee. However, Committee is cautiously waiting until April 16 before voting; no one doubts it will recommend confirmation.

Cross' appointment could seriously affect, as we noted before (Vol. 14:10-11), FCC's "balance of power" on critical issues -- multiple ownership, diversification, deintermixture, etc. Philosophy and character of the man will certainly have powerful impact -- since FCC is divided roughly 3-3 on such important issues.

The once-burnt Committee, which 3 years ago spent only 30 min. in pleasant-ries with nominee Mack before speeding his name to Senate floor next day (Vol. 11:25), this time kept Cross on stand nearly 2 hours. The leading interrogator, incidentally, was Sen. Smathers (D-Fla.), who sponsored Fla. Democrat Mack so warmly in 1955 -- and came to regret it so painfully recently when Mack was forced to resign.

Senate Committee's examination of Cross was more extensive than usual for FCC nominees -- but scarcely a deeply penetrating search. He has a clean reputation, record of long govt. service and support of whole Ark. Congressional delegation -- including Democratic Senators McClellan & Fulbright, men to reckon with. [For more on Cross examination, see p. 7.]

**STEREO—A SLEEPER FOR AM-FM STATIONS?** You station operators might do well to follow closely the developments in stereo recording, which we've been covering intensively in our trade pages (p. 11 & Vol. 14:2,4,5,8,11,12), for they carry implications well beyond the "novelty" factor. In opinion of some extremely knowledgeable receiver marketing executives, stereo could add powerful impetus to trend sparked by hi-fi -- which has increased interest in FM station ownership to point that stations are on increase, channels are being fought over and the FCC has been conducting a brisk business in shifting FM channels to meet demand.

Manufacturers have obvious interest in broadcast stereo, as well as in home stereo recording. When an AM-FM combination puts out stereo signals, listener must have second set, an FM, to get it. Single FM station can do it, too, by multiplexing 2 signals, and consumer must have 2 speaker units to take advantage of stereo effect. Those who gauge public tastes insist a real market is on horizon.

Broadcast stereo is free from some of the problems of home recording stereo. Home record-player industry is struggling with costs, with engineering standards, with compatibility, record availability, etc. But broadcasters can afford expensive professional equipment, if potential audience appears worth cultivating. AM-FM stereo or "binaural" broadcasting has been tried here and there in recent months, very effectively at times. It has been done with AM-TV station combination.

Where FM was once quite moribund, the hi-fi and "good music" demand increased number of stations from 520 to 580 in last year alone [see our 1958 AM-FM Directory] -- and there are 62 applications for new FM stations pending right now, with rate of filing definitely accelerating.

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**AB-PT Gross Up, Net Down:** Improved TV operations and "a substantial rebound in theatre business at the turn of 1958" enabled American Broadcasting-Paramount Theatres Inc. to boost its gross income to \$215,877,000 in 1957, from \$206,916,000 in 1956 but net profit dropped to \$4,894,000 (\$1.10 per share) from \$8,477,000 (\$1.96)—the 1956 figure having included \$742,000 (18¢) from capital gains. Last year's earnings fell, says pres. Leonard Goldenson in annual report, "due to the restricted return from the ABC div. for the first 9 months coupled with the decline in the motion picture industry in the fourth quarter."

ABC operating income now exceeds that of theatres, 1957 ABC revenues amounting to \$109,393,000, up from \$98,759,000 in 1956; theatres grossing \$95,280,000, down from \$100,565,000; merchandise sales, etc. \$11,204,000, up from \$7,592,000. Year ended with AB-PT operating 537 theatres vs. 573 year earlier, 38 having been disposed of, 2 new ones acquired.

Report points out that 1957 gross income peak was largely due to ABC-TV volume, which by fourth quarter gave it "the largest percentage increase in gross time billings of all the networks." Owned-stations also showed "fine progress and improved profits." AB-PT subsidiaries, whose separate P&L figures are not given, "showed good results in 1957"; these include Am-Par Records, ABC Film Syndication, Disneyland Park, and 25-30% interests in Microwave Associates Inc., Technical Operations Inc., Dynametrics Corp.—latter 3 being electronic research & development firm recently occupying adjoining new plants in Burlington, Mass.

Pres. Goldenson, testifying recently before FCC in network hearing (Vol. 14:10), disclosed that TV network-

ing lost money until 1955, was profitable in 1956 & 1957 (though latter was the lower), while stations were profitable. Last week, in disclosing plans to curtail radio network (Vol. 14:12), it was verified that radio network as such was continuing to lose more than the profitable owned-&-operated radio stations earned. TV and radio operations have been separated under own presidents, neither of whom is on AB-PT board. New on 15-man board, however, are newly-elected exec. v.p. James G. Riddell (see p. 5) and financial v.p.-treas. Simon B. Siegel.

Strong financial position of firm is shown in increase of working capital in year to \$45,848,000 from \$41,200,000. Net fixed assets were \$68,917,000 at end of 1957 vs. \$69,501,000 year before; long-term debt, \$52,209,000 vs. \$45,637,000; net worth, \$83,718,000 (\$18.62 per share) vs. \$83,883,000 (\$18.55).

Note: Little-known aspect of AB-PT operation is AB-PT Pictures Corp., formed late in 1956 as additional source of feature films for theatres—this despite fact AB-PT is itself a spinoff from Paramount Pictures Corp. under govt. consent decree separating movie production from theatre ownership. So far, it has produced only moderate-budget pictures, including the science fiction *Beginning of the End* and teen-age show *Eighteen and Anxious*. Says report: "As experience is gained by this subsidiary, pictures with greater production and star value will be considered. To keep production and distribution costs to a minimum, studio facilities are rented and distribution is handled by an established firm in that field."

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"The motion picture business foolishly saved the TV industry from the public's contempt by supplying it with films. When we gave TV our films, we gave them life. All of us made a big mistake . . . We had no alternative. The stockholders demanded it. You can't fight stockholders."—Spyros Skouras, pres., 20th Century-Fox, in Paris interview with Art Buchwald, *N. Y. Herald Tribune*.

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**Personal Notes:** Alfred J. Scalpone, CBS Hollywood v.p. in charge of network programs, most likely successor to Howard S. Meighan, CBS-TV West Coast v.p., who resigned this week to become pres. of new Ampex-associated Videotape Productions of New York Inc., which he will control, and of Videotape Productions of California Inc. (see p. 5); new CBS coast appointment expected to be made in Hollywood by new CBS-TV network pres. Lou Cowan while there week of March 31 . . . Harry G. Ommerle, CBS-TV v.p. in charge of network programs, N. Y., promoted to network programs v.p., reporting to Hubbell Robinson Jr., exec. v.p. in charge of network programs; Michael Dann, ex-Henry Jaffe Enterprises and ex-NBC program sales v.p., named v.p. and successor to Ommerle . . . Earl Rettig, pres. of NBC's Cal. National Productions, also named exec. v.p. of its Figaro Inc., succeeding the late Emanuel Sacks . . . Mike Shapiro, ex-KTUL-TV, Tulsa & KDUB-TV, Lubbock, returns to WFAA-TV, Dallas, as station mgr. . . . Andrew D. Ring, Washington engineering consultant, recently returned from consulting trip to Near East, is off again on European tour, due back about April 15 . . . James T. Butler, ex-radio WIRL, Peoria, appointed asst. mgr. of WISN-TV & WISN, Milwaukee . . . Herman Lowe, veteran Washington correspondent of *Variety*, resigns as of July 1 to become director of development & public relations, Albert Einstein Memorial Hospital, Philadelphia; successor will be Jack Levy . . . J. Douglas Nixon named asst. director of radio network planning for CBC, Toronto . . . Herbert E. Buck Jr., ex-WWTB, Tampa, named operations mgr. of KRSD-TV, Rapid City, S. D. . . . Allen Duncan resigns as news & public relations director of WJDM, Panama City, to open Allen Duncan Assoc. Inc., adv. & public relations, same city . . . Rod Belcher, ex-KOL, Seattle, named news editor of KTNT-TV, Tacoma . . . John Joseph Cole elected pres. of Guild Films, succeeding Reub Kaufman who continues as chairman of the exec. committee . . . Mort Abrahams, producer (*Suspicion*, *Producers' Showcase*, et al), named director of National Telefilm Assoc.'s creative programming dept.; James B. F. Boyce, ex-Young & Rubicam, named eastern station relations mgr. . . . John J. Heffernan, ex-NBC-TV Film Sales, joins CBS-TV Film Sales as Terrytoons sales mgr. . . . Gerald S. Corwin promoted to Minneapolis mgr. of National Telefilm Assoc., succeeding Don Schwartz, recently named gen. mgr. of KMGM-TV (now KMSP) . . . Charles H. Cowling, ex-national sales mgr. of KTVT, Salt Lake City, now heads American Radio-TV Station Representatives, 140 Robertson Blvd., Beverly Hills (Olympia 2-8494) servicing Los Angeles accounts of Grant Webb & Co. . . . Michael Joseph, ex-Founders Corp., joins Avery-Knodel.

Dr. George L. Hall, development director of Educational TV & Radio Center, Ann Arbor, resigns effective June 30 to head Casper College, Casper, Wyo.

**ADVERTISING AGENCIES:** Paul C. Harper Jr. promoted to exec. v.p. of Needham, Louis & Brorby, Chicago; Blair Vedder, Kenneth C. T. Snyder & George Soter named v.p.'s . . . Frank Brady elected exec. v.p. of Cohen & Ale-shire, N. Y. . . . William E. Matthews and Everett Erlick promoted to v.p.'s of Young & Rubicam . . . Ward Hagan, v.p. of Young & Rubicam, Montreal, transferred to N. Y. as v.p., international div. . . . Rollin C. Smith Jr. appointed a senior v.p. of Ogilvy, Benson & Mather, N. Y. . . . Howard C. Shank and Norton J. Wolf promoted to v.p.'s of Benton & Bowles . . . Wayne Thompson named a v.p. of Richard L. Sims & Assoc., Houston & Los Angeles . . . Mrs. Alice M. Westbrook elected a v.p. of North Adv., Chicago . . . Vergil D. Reed, v.p. of J. Walter Thompson, retires June 30, will join faculty of Michigan State U as professor of marketing.

How the late Dalton LeMasurier and wife Dorothy survived an airplane crash in Wyo. last May, how he died of a brain hemorrhage caused by the impact of the crash and she survived 19 harrowing days of crippling exposure in the mountain wilds while scores of planes carried on search (Vol. 13:32), is told in March *Reader's Digest* story titled "The Woman Who Wouldn't Give Up." He was founder-owner of KDAL-TV & KDAL, Duluth, whither they were flying from Pasadena in their own Beechcraft. Mrs. LeMasurier, now 46, now owns control of the stations, with v.p.-gen. mgr. Odin S. Ramsland & v.p.-chief engineer Robert Dettman each owning 10%.

CBS Foundation fellowships, worth \$8000 each for study at Columbia U, 1958-59 (Vol. 14:44), have been awarded to: Clayton Lee Edwards, radio WTAR, Norfolk; Bernard N. Eismann, CBS News, N. Y.; Randall Gover, WWL-TV, New Orleans; Edmonde A. Haddad, radio KNX, Los Angeles; Gerhard Schwartzkopff, CBS News, Bonn; Guy Searls, CBS News, Hong Kong; Donald H. Weston, KMSO-TV & KGVO, Missoula, Mont.; Walter E. Whitaker, U of Ala. broadcasting services.

New MBS Network Policy Committee includes chairman Armand Hammer, treas. H. Roy Roberts, exec. v.p. George Vogel, v.p. Robert F. Hurleigh. Other new appointments at MBS: Robert Marcato, ex-ABC-TV Film Syndication, to new post of national sales mgr.; Charles Godwin, ex-Sponsor, to station relations dept.; Bob Novak, ex-Martha Rountree Productions, to programming dept.

Annual duPont Awards for 1957, plaque and \$1000, were presented this week to: KRON-TV, San Francisco, for scientific series *Explorers of Tomorrow*; KARD-TV, Wichita, for "scope and consistently high purpose of its extensive public service programs"; NBC commentator Clifton Utley, of Chicago, for news analysis which "consistently distinguished between fact and inference."

Harvard College bought time on CBS Radio March 28 for undergraduate-produced one-shot *Case for the College*, will also carry it commercially on Radio Luxembourg and free on Armed Forces Radio System, Voice of America, Far East Broadcast Co., Radio Inchon (Korea) & WCJB, Quito, Ecuador.

Opening day speakers at NAB convention in Los Angeles' Biltmore Hotel, April 29-May 1: keynote address by CBS pres. Frank Stanton; address by FCC Chairman Doerfer; luncheon speech by McCann-Erickson pres. Marion Harper Jr.

Walker Representation Co. rep firm became Walker-Rawalt Co. Inc. March 1, v.p. C. Otis Rawalt becoming full partner of Wythe Walker.

**Meighan Joins with Ampex:** Videotape's upsurge—there are now some 100 Ampex recorders in use in networks and stations—is manifested anew in resignation of Howard S. Meighan as CBS-TV v.p. for West Coast operations as of April 1, to tie up with Ampex Corp., Redwood City, Cal., to form Videotape Productions of New York Inc., Videotape Productions of California Inc., Videotape Midwest Inc. TV-radio pioneer Meighan has been with CBS since 1934, was first pres. of CBS Radio, devised the capital gains formula under which CBS lured away leading programs and stars from NBC (e.g., Jack Benny), headed up plans for and development of CBS's TV City in Hollywood.

He will own majority of stock, Ampex minority, of each company. First 2 companies will be California corporations with headquarters in Hollywood, and with of-

fices in N. Y. Meighan also goes on Ampex payroll as consultant.

Plan is to produce TV commercials instantaneously on Videotape, which can be quickly integrated by networks and stations into any programs—whether taped, filmed or live. Videotape recorders permit instant playbacks of both picture and sound, whereas present film commercials require up to 3 weeks. Magnetic tape system claims, besides quick previewing and greater flexibility for advertisers, the advantage of high fidelity equivalent to live performance. It was sensation when first introduced in 1956 (Vol. 12:15, et seq), and won an "Emmy" award in 1957.

Ampex's success in selling its apparatus is indicated in weekly reports of sales and deliveries to stations. This week's deliveries, for example: To KDKA-TV, Pittsburgh; WJZ-TV, Baltimore; WJBK-TV, Detroit; WBKB, Chicago; KPRC-TV, Houston; KPIX, San Francisco; KRON-TV, San Francisco; WGN-TV, Chicago; KYW-TV, Cleveland; KTTV, Hollywood; WUSN-TV, Charleston, N. C.

## Do You Know That . . .

**S**O SELDOM DO THE NETWORKS recruit their multitudinous vice presidents from station ranks—the trend, rather, seems to have been the other way—that the election of the popular and able P. A. (Buddy) Sugg to v.p. in charge of NBC's owned-&-managed stations and of its Spot Sales div., and the choice of the dynamic James Gilmour Riddell as exec. v.p. of ABC, supervising all depts. formerly run by pres. Leonard Goldenson, raised many an eyebrow in recent weeks.

Actually, 50-year-old Buddy Sugg (who doesn't like it bruited around that those initials stand for Proctor Arnold) returns as of April 1 to his alma mater—for he started as a control engineer at the old KPO, San Francisco, owned by NBC (now KNBC); rose to network supervisor of engineering; took leave in 1940 to rejoin the Navy as a lieut. j.g.; came out a much-decorated captain in 1945; then went to work for WKY, Oklahoma City, became its gen. mgr. and master-minded the *Daily Oklahoman's* expansion into TV there and in Montgomery, Ala. and Tampa, Fla. He takes over his N. Y. job April 1.

Affable, outgoing Scotsman Jim Riddell, 46, Glasgow-born and crack golfer, started at Detroit's WXYZ as an office boy in 1931, stayed with the station when King-Trendle sold it to ABC, became pres. & gen. mgr. in 1946, has headed WXYZ-TV since its inception in 1948. He goes to N. Y. July 1 as second in command of all AB-PT radio & TV operations.

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Managers of owned-stations are frequently shifted by the network into network posts—but it's not often that independent station topkicks are lured to the big town for network posts. CBS's policy of staff promotions, of course, brought Merle S. Jones—the "S" is for Silas! and he's now 52—up through the ranks of station and branch management (St. Louis, Hollywood) to pres. of the CBS-TV network div., now of the stations div. NBC station relations v.p. Harry Bannister left management of *Detroit News'* WWJ & WWJ-TV to go to N. Y. And Bill Hedges, NBC special services v.p., was founder-gen. mgr. in the '20s of pioneer radio WMAQ, Chicago and its experimental TV, taken over by NBC just 27 years ago.

They're exceptions to the rule that makes networks happy hunting grounds for station owners seeking local

executives. Despite the high pay scales, the big-city network boys apparently prefer to move to the smaller cities—and more often than not they do make good, frequently becoming station owners or part owners.

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For example, NBC's veteran chairman, pres. & v.p. Niles Trammell, who started in radio in 1923 as an RCA Communications salesman after a distinguished Army career, retired after 30 years with NBC to become head and part owner of Miami's WCKT (TV) & WCKR. James M. Gaines, who ran the NBC gamut from station relations in 1942 to TV-radio stations v.p., quit in 1953 to serve 9 months with Teleradio as v.p. before going to San Antonio to head the Halff stations, WOAI & WOAI-TV; he's now their pres., also v.p. of Blanco Oil Co.

Fred M. Thrower joined NBC in 1929, went to ABC as network sales v.p. 1942-51, to CBS-TV in same capacity 1951-52, then accepted job as v.p. & gen. mgr. of *New York Daily News'* independent WPIX. Hamilton Shea, now co-owner with the Transcontinent group of WSVA-TV & WSVA, Harrisonburg, Va., started with NBC as a controller in 1948, ran owned-stations in 1951, managed Cleveland and N. Y. stations before he "left the concrete jungle for the beauty and peace of the Shenandoah Valley."

Harvard graduate Robert D. Swezey joined NBC legal staff in 1939, became gen. attorney & secy. of Blue Network 1942, v.p.-gen. mgr. of Mutual in 1944, was hired away by the Stern interests of New Orleans to become exec. v.p. of their station operations (WDSU-TV, WDSU, et al). Mutual's first gen. mgr., Fred Weber, who started in NBC station relations in the early days, quit MBS to run radio WDSU in New Orleans, sold his interest (including CP for TV) to the Sterns, took over operation of WFPG, Atlantic City, founded ill-starred uhf WFPG-TV, headed TV-radio stations in Huntington, W. Va. before joining the Friendly Group (Laux-Berkman) as v.p. and traveling factotum for its various stations.

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CBS's first Washington representative was Harry C. Butcher, an Iowa farm boy lured away from the National Fertilizer Assn. by Bill Paley in 1929; he was Washington v.p. 1935-42, then went to war as Gen. Eisenhower's naval aide, after the war set up in business for himself with radio KIST, Santa Barbara, Cal. He became part owner of TV station KEYT there, later sold, now owns KIVA

(TV), Yuma, Ariz. (Ch. 11) as well as his radio station.

Donald W. Thornburgh joined CBS as a network salesman in 1930, became asst. mgr. of Chicago office, went to Los Angeles as v.p. in 1936, quit in 1949 to join *Philadelphia Bulletin's* newly acquired WCAU & WCAU-TV, is now its pres.; stations have been sold for record \$20,000,000 to CBS (Vol. 13:51) and the popular Thornburgh will stay until his retirement in about 2 years.

Onetime NBC page boy Otto P. Brandt was ABC station relations v.p., 1950-51, also heading owned stations and spot sales, when Mrs. Scott Bullitt engaged him to manage her KING & KING-TV, Seattle; he now also directs her other stations in Spokane & Portland.

ABC is also the alma mater of Ted Oberfelder, who joined its WJZ promotion dept. in 1944, then managed WABC, became v.p. for o-&-m stations in 1954, quit to head a small rep firm awhile, then last year acquired radio WKIX, Raleigh, N. C., which he actively manages. Gayle V. Grubb, now heading Storer's San Francisco sales office, preceded Buddy Sugg at WKY, served some 17 years in Oklahoma City and quit to join ABC in 1945, becoming its San Francisco v.p.

Then there's Comdr. Mortimer W. Loewi, onetime Wall Street operator, who quit world of finance to run DuMont network & stations, now heads WITV, Ft. Lauderdale, Fla., which he founded in 1953; he also owns the exotic "Out of This World" resort there.

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Numerous other network alumni are in key station posts who were top executives but didn't quite win their exalted v.p. letters. Roger Clipp, gen. mgr. of the Triangle (Annenberg) group, started with NBC as commercial engineer in 1929, was asst. mgr. for o-&-m when he went to WFIL, Philadelphia, in 1935. Lee Wailes, Storer exec. v.p., was an NBC executive 1931-40. Don McGannon, head of Westinghouse stations, came from DuMont Network. John T. Murphy, Crosley stations v.p., quit NBC station relations to join WLW, Cincinnati.

Jay W. Wright returned to head KSL-TV, Salt Lake City, after a long stretch as a top CBS engineer in N. Y., where he served with Jim Middlebrooks, now engineering director for the Bullitt stations. Carl J. Burkland, exec. v.p. of WAVY-TV & WAVY, Portsmouth-Norfolk, came from CBS top echelons. Eugene S. Thomas, v.p.-gen. mgr. of *Omaha World-Herald's* new KETV, was sales chief of WOR & WOR-TV for Macy's and Teleradio before becoming exec. v.p. of its WOIC, Washington (now *Washington Post's* WTOP-TV); he is a past president of the N. Y. Advertising Club.

Meredith's Kansas City gen. mgr. of KCMO & KCMO-TV, E. K. Hartenbower, was with NBC from 1933, rose from salesman there to ABC Central div. sales mgr. before joining KCMO in 1944. Richard B. Rawls, gen. mgr. of Meredith's KPHO & KPHO-TV, Phoenix, is an ex-ABC station relations director. Norman Knight, pres. of Teleradio's WNAC & WNAC-TV, Boston, is also an ABC alumnus, as are Dick Moore, pres. of *Los Angeles Times'* KTTV and O. M. (Pete) Schloss, chairman of WIIC & WWSW, Pittsburgh.

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Note: Researching the foregoing, our curiosity was piqued as to where other ex-network presidents & v.p.'s are now—and we'll have some interesting reports on them later. Suffice to say now that NBC has the most graduates, ABC next, CBS fewest—but latter has the most (and wealthiest) retired v.p.'s.

**Quietus on Subliminal:** Outright ban on TV use of subliminal perception processes—for advertising or any other purpose—was voted this week by NAB's TV Code Review Board, hardening its earlier opposition to hidden messages (Vol. 14:4). In 2-day Washington meeting Board approved this amendment to rules for submission to NAB's TV board May 1 at Los Angeles convention:

"The use of the TV medium to transmit information of any kind by the use of the process called 'subliminal perception,' or by the use of any similar technique whereby an attempt is made to convey information to the viewer by transmitting messages below the threshold of normal awareness, is not permitted."

Action followed 4 months of "review & consideration" during which at least one station—Paramount's KTLA, Los Angeles—scheduled experimentation with subliminal process, then postponed it indefinitely (Vol. 14:6). No TV station now has such plans, according to board chairman Wm. B. Quarton of WMT-TV, Cedar Rapids.

"Whether the process works or not, or to what degree it might work was not our main concern," Quarton said. "We acted because we believe the American public has a right to approve or reject what comes over the home screen and this requires that the public be consciously aware of what it is viewing. Basically we concluded that 'subliminal' would not be good for the public, the advertiser or the broadcaster."

State legislatures were heard from on subliminal issue, too. At Albany, N.Y. State Senate—without discussion—passed bill barring below-threshold advertising within state, sent it to Assembly this week for concurrence. At Sacramento, Cal., State Senate earlier voted unanimously to urge Congressional enactment of law against use of process on TV (Vol. 14:8).

In another action by NAB Code board, staff was instructed "to proceed immediately with supplementary monitoring of those Code stations whose history has been in substantial violation of the Code's provisions." NAB spokesman told us that "relatively few" of 305 subscribers to Code were included in supplementary monitoring, that "virtually all" apparent violations involved infractions of advertising rules. Staff findings will be reported at April 28 board meeting in Los Angeles.

Quarton named subcommittee headed by incoming board chairman Roger W. Clipp of Triangle Stations (Vol. 14:12) to study possible Code revisions covering time standards for advertising copy, multiple spotting, contests. Other members: Richard A. Borel, WBNS-TV, Columbus; Donald H. McGannon, Westinghouse.

First showings of TV Code documentary film produced by Westinghouse and titled "A Welcome Guest in the House" (Vol. 14:9) were scheduled this week in 23 cities. Prints are available to Code members on loan basis.



FCC's network hearing is delayed another week because of commissioners' appearances before Harris subcommittee (see p. 7). Multiple owners Meredith, Storer & Westinghouse are now due to testify April 8. Hearing then recesses, resumes April 15, ABC-TV Affiliates Committee leading off, followed by CBS-TV & NBC-TV affiliates groups.

New network affiliate: KBTX-TV, Bryan, Tex. (Ch. 3) joins CBS-TV April 1 under Extended Market Plan. It's also hooked up via microwave with KWTX-TV, Waco (Ch. 10); manager is the veteran M. N. (Buddy) Bostick.

**Cross Catechism:** John S. Cross, asst. chief of State Dept.'s telecommunications div., handled himself carefully during March 26 confirmation hearing before Senate Commerce Committee, left Committee members with impression he could be counted on to do a respectable job at FCC.

Not noted for self-deprecation, Cross did best to set Senators' minds at rest. At outset of hearing he submitted 14pp., 4700-word biographical sketch detailing his Federal service since 1931, with emphasis on work at State Dept. since 1946. [For our biographical and personality sketch, see Vol. 14:12.]

"I am almost overwhelmed at the extent of my activities," Cross said in sketch, adding: "I have earned the respect of my govt. and industry associates who consider me a capable & honest public servant on whom they can rely for fair & just treatment." It was "voluminous statement," Sen. Pastore (D-R. I.) observed. "Pretty long-winded," Cross said. Sen. Schoepel (R-Kan.) was impressed. "From the technical side, you come very well qualified," he said.

Cross achieved rank of Captain in the Navy in World War II. His job in Naval Communications, he said, "was comparable to that of an operating v.p. of a large worldwide communication organization. Of course, I had considerable help on all this as otherwise it would have been impossible to accomplish a task of this magnitude. However, it was my responsibility and many millions of dollars were expended on my judgment and administration in building the outfit from practically nothing to a highly efficient organization of worldwide scope . . . Few, if any, officers in communications had combined technical and administrative authority of such magnitude as mine."

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Catechism on Cross' credos and opinions as a public official produced these responses from nominee:

On Congressional intervention: "If any member of

Congress attempts to influence my vote on a matter, I wouldn't take kindly to it, sir." But he wouldn't be "so stand-offy" that he'd object to member of Congress calling on him to inquire about status of any case.

On White House intervention: "It would be identical, sir, absolutely." And he'd feel no overwhelming obligation to White House for appointment—"not from a special favor standpoint, sir, not at all."

On FCC member accepting "honorariums" for speeches: "I think that's a matter of individual conscience. It certainly wouldn't sit well with me."

On public servant accepting "favours which later may embarrass him": "I feel very strongly about that."

On educational TV: "Well, I'm in favor of it." He'd want to know facts of any situation before deciding whether any commercial applicant for unused educational channel should be approved.

On pay TV: "That's something I only know from what I've read in the trade press." But on tests proposed by FCC, "I think the Commission is within its rights, so to speak, to make that decision." On other hand, he has no "preconceived" ideas, thinks advice by Congress on issue should be considered respectfully.

On FCC censorship of programming: "When you get to tinkering with what they're [networks & stations] going to say and what they are going to do, from the standpoint of the Govt., you've reached a pretty sad state of affairs." At same time, he doesn't think present public service programming by networks is adequate. "Public interest is paramount."

On whether FCC should be authorized to regulate broadcasting profits: "I would certainly hope not."

On multiple ownership of stations: "Monopoly is bad, but there are such things as benevolent monopoly." In general, he doesn't oppose newspapers owning stations.

On use of spectrum: "Sooner or later" FCC must have complete study made by "impartial group" to determine whether assigned frequencies are being utilized efficiently by military & industry.

On his personal politics: "Is there any question about my being a Democrat? No, sir."

**Harris Hearings Calm Down:** A totally different aspect has come over Harris subcommittee's hearings on "improper conduct" of FCC commissioners, as result of this week's brilliant 3-day performance on witness stand of Comr. Rosel H. Hyde, buttressed by similar presentation by Comr. Robert T. Bartley, which lasted only half day March 28. Comr. Lee takes stand March 31, followed by Chairman Doerfer. Former Chairman McConaughy is scheduled for April 2.

Hearing is off front pages of newspapers, doesn't get much attention inside. But there's more to come. It's doubtful whether there will be anything like the disclosures in Miami Ch. 10 case which led to resignation of Comr. Richard A. Mack, but Harris group eventually is going into Commission decisions awarding Pittsburgh's Ch. 4 (WTAE), Boston's Ch. 5 (WHDH-TV), Indianapolis' Ch. 13 (WLWI). However, if these produce "sensations," it will be even more surprising than the Mack story.

At beginning of Hyde's testimony, he seemed embattled, as subcommittee questions made it appear as if there were something grossly improper in his acceptance of hotel accommodations from NAB groups for making speeches, while taking \$12 per diem from Govt. for other expenses he incurred on trips. Before he was through, however, Congressmen were apologizing all over the place.

Said Harris (D-Ark.): "No one who knows you doubts in the slightest your integrity and honesty. There have been improprieties but no intent to make them. It's just a pattern that has grown up over the years." Earlier, Harris had said:

"I am understanding of the fact that you're distressed over the situation, and appropriately so. You'd like to do what would be proper. I understand your embarrassment. But we look through & beyond these puny issues. Our goal is to establish procedures so govt. officials can proceed without embarrassment."

Just before he got off stand, Hyde said: "This has been a sickening thing. There have been reckless charges. The charges hit the headlines. The answers have less chance to catch up. I'm confident you'll deal with this in perspective and a sense of proportion. I hope you will

look at my actual record. There is no effect at all of friendship, of social contacts. I trust you'll find the charges utterly unfounded."

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The usually mild-mannered ex-Chairman Hyde was forceful, unhesitant and respectful throughout most of testimony. But his dander was roused when subcommittee counsel Robert Lishman suggested possibility of "penal" offense based on recent opinion of Comptroller General Joseph Campbell—holding there is violation of statutes in accepting free hotel accomodations and taking govt. \$12 per diem at same time. This ruling, Hyde said, was exactly opposite to 1954 opinion of Comptroller General, under which he had operated. Lishman later said, apologetically, that there was no intention of charging Hyde with anything.

Lishman's demeanor, generally, is quiet, straightforward—in strong contrast to the headline-seeking Dr. Bernard Schwartz, whom subcommittee fired after violent argument.

Total per diem accepted by Hyde on 5 trips investigated by subcommittee was—\$184. Hyde said that he'd be happy to pay it if there's any question of impropriety—"I'm no money grasper"—and that he usually lost money on trips. A teetotaling Mormon, he drew laugh when he told about an industry cocktail party for which host allotted \$22 for his "entertainment." "I had my usual ginger ale," he said.

Subcommittee got nowhere discussing Miami Ch. 10 with Hyde. He said he had never discussed it informally with Mack—except that Mack said "it's a tough case"; that he vaguely recalled meeting National Airlines publicist Milt Dean Hill but never discussed case with him; that only letter of recommendation he'd received was one from former MBS pres. Edgar Kobak who urged Ch. 10 to go to A. Frank Katzentine—which he ignored.

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Hearing got into basic questions when Rep. Bennett (R-Mich.) asked Hyde why it took 14 months for FCC to reach final decision in Ch. 10 case after staff had been instructed to draft decision for National Airlines. Hyde replied delay was unavoidable because of Administrative Procedures Act and 1952 amendments to Communications Act. He urged removal of procedural burdens imposed by latter.

Rep. Wolverton (R-N.J.), still smarting under disclosure by Katzentine attorney Paul Porter last week (Vol. 14:12) that he pushed Commission to give "quickie" grant to Camden, N. J. uhf application, said he was in favor of law or rule making an attorney subject to disbarment if his client tried to use "influence" with FCC or other agencies. He took so much time, was so repetitious, that Harris finally cut him off—and Wolverton pouted from then on. Wolverton also asserted that Govt. should give officials sufficient funds for trips so that there'd be no excuse for accepting industry hospitality.

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Comr. Bartley was queried about 8 trips. In virtually all cases, Govt. paid his travel, associations (mostly NAB and its regional groups) paid hotel, and he accepted \$12 per diem for other expenses. Bartley noted that he was an assistant to his uncle Sam Rayburn, House Speaker, when McFarland Bill was considered in 1952; that Congressmen working on bill understood that commissioners could accept "honorariums" for making speeches. He said

he regarded payment of hotel bills as "a form of honorarium." He also reported losing money on most trips.

Bartley noted that the late Sen. Tobey had conducted hearing into manufacturers' loans of color TV sets to commissioners—found no impropriety in it. As for set servicing: "If any manufacturer has been servicing my sets, I'd like to know about it, because I have several on the blink." He said Govt. shouldn't have to buy experimental sets for commissioners, said there's nothing wrong in accepting sets on loan.

Rep. Flynt (D-Ga.) spoke up for Bartley, asserting subcommittee has "no evidence of impropriety whatsoever." Regarding Miami Ch. 10 case, Bartley said he'd been subject to no pressures. He asked for some legislative help—such as removal of protest rule, removal of "separation of functions" rule—to speed FCC processes. As it is, he said, a TV applicant "gets more due process than a murderer."

There was more to-do in Court of Appeals this week. National Airlines, which previously said it was glad FCC is asking that case be remanded for reconsideration in light of Mack's participation (Vol. 14:11), now asks Court to keep case. Airlines counsel asserted that Commission can review case, change its decision if necessary, without taking it back from Court.

Eastern Air Lines, which tried vainly to intervene in case when it was before Commission, this week asked Court to order FCC to let it intervene if case is sent back.

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Columnist Drew Pearson devoted March 27 column to attack on Comr. Robert E. Lee. Lee wouldn't comment, but his friends are furious, asserting virtually every Pearson charge is disproved by public record. Examples of charges and answers: (1) "He voted to give more stations to the big networks." Actually Lee voted against CBS in St. Louis, voted for deintermixture, favoring uhf, in all 9 cases. (2) "Voted for Senator Dirksen's law firm in Peoria, Ill. after a member of the firm, Charles Caley, had approached him." Caley is pres. of WMBD-TV, no partner of Dirksen's, and Lee voted against him.



FCC appropriation of \$8,900,000 for fiscal 1959—only \$50,000 less than full budget requested by Administration (Vol. 14:3)—was voted by House this week as part of \$6.549 billion bill for independent offices. Money given FCC by House, which sent bill to Senate, was \$600,000 more than fiscal 1958 appropriation, increase including funds to create 45 additional positions to eliminate backlog of AM radio and safety & special radio services.

The \$50,000,000 aid-to-educational-TV bill (S-2119) introduced by Sen. Magnuson (D-Wash.) last year (Vol. 13:20-21) will be subject of hearings before Interstate Commerce Committee starting April 24. Bill provides for \$1,000,000 for each state & territory for equipment, with states & territories to supply buildings & land, underwrite operations & maintenance. Measure was given slim chance last year, isn't given much more now.

NBC's WRC-TV, Washington (Ch. 4) started broadcasting from new studios on Nebraska Ave. this week, abandoning Sheraton-Park Hotel site. Allied Motion Picture Center Inc. (John T. Gibson, pres.) will occupy quarters vacated by NBC. Norwood Studios Inc. and Washington Video Productions Inc. will open offices with AMPC, which claims it will have most complete movie facilities on East Coast outside N.Y.

**Local Service vs. Translators:** FCC faces tough policy question that promises to give it considerable trouble: Should translators, which repeat big-city signals, be allowed in small towns at risk of harming small, local conventional stations? So far, Commission's answer has been "yes."

It granted 2 translator CPs in Lewiston, Ida., and they plan to repeat KREM-TV & KHQ-TV, Spokane. Local KLEW-TV (Ch. 3) entered protest; Commission granted protest, set it for hearing, but declined to stop translators from building (Vol. 14:10). This week, KLEW-TV withdrew protest, reluctantly and bitterly, stating:

"Because of the Commission's failure to stay these grants, the proposed translators are now under construction and the Lewiston residents are being urged to purchase uhf receivers or converters for their present sets. Long before this matter could be disposed of by hearing process before the Commission, or the Courts if the Commission's decision should be appealed, the residents of the Lewiston-Clarkston area would have invested a substantial sum of money in uhf receivers and converters. Under these circumstances there would be a very heavy financial loss to the viewers should protestant succeed in its efforts. It scarcely needs to be pointed out that protestant would reap nothing but ill will from such a favorable decision on its protest . . .

"If the principles enunciated by the Commission are to be followed, the gradual demise of local programming in all single-station markets is inevitable. What is more, the chance for evolution in such areas from single to 2- or 3-station operations is nil. These are prospects which should not be taken lightly."

\* \* \*

Deintermixture of Peoria, through removal of Ch. 8, was upheld by Court of Appeals this week. FCC's action had been challenged by WIRL-TV, which won Ch. 8 in comparative hearing, but Judges Prettyman, Fahy & Burger (Burger writing decision) had this to say: "The long range goal of the Commission was to encourage uhf, and removal of potential vhf competition is a rational choice of means to achieve this goal. The short range, or 'interim' goal, was to 'improve the opportunities for effective competition among a greater number of stations.' It was not arbitrary to conclude that the goal would be better approached in Peoria by allotting it 4 technically

Control of WLOS-TV, Asheville, N. C. (Ch. 13) will be held by Mitchell Wolfson's WTVJ Inc., which already holds 36.9%, according to application filed with FCC. It's paying \$277,940 for 4276 shares (35.26%) held by Charles B. Britt group, to bring holdings up to 72.1%. After transaction is consummated, new owners plan to exercise option, acquired from *Asheville Citizen and Times*, for 4276 additional shares of unissued stock (Vol. 14:10). WLOS-TV licensee Skyway Bcstg. Co. has application pending before FCC for sale of radios WLOS & WLOS-FM to C. W. Hogan for \$105,000 (Vol. 14:3). WTVJ interests own 20% of WFGA-TV, Jacksonville (Ch. 12) and 75% of WMTV, Madison (Ch. 33), with sale of latter to owners of KGLO-TV, Mason City, Ia. awaiting FCC approval (Vol. 14:10). WLOS-TV unaudited income statement shows \$541,481 1957 income, \$504,070 expenditures and deductions. Broker for sale of stock by Britt group was Blackburn & Co.

Assn. of Maximum Service Telecasters meets at Biltmore Hotel, Los Angeles, April 27.

equal uhf channels, rather than one superior vhf channel and 2 inferior uhf channels . . . [WIRL-TV's] views were presented [in rule-making proceeding], but were not adopted, and we can see no basis for saying the Commission's decision was beyond its authority, or that the underlying fact findings were not supported by substantial evidence, or that appellant was denied the procedural rights due a protesting party in a rule making proceeding."

More time to build, sought by CP-holder KSLM-TV, Salem, Ore. (Ch. 3), should be denied, examiner Charles J. Frederick stated in initial decision. Grantee got CP Sept. 30, 1953, obtained 5 extensions, then sought to sell to Storer Broadcasting Co. and move closer to Portland. It argued that contract with Storer prevented it from starting construction before March 20, 1957. Frederick wasn't persuaded, said: "An applicant should not be permitted to set up its own 'road block' and then be rationally heard to say that it was unable to go forward." FCC's denial of Storer purchase, he said, "should have been ample warning, or at least a strong portent, that the Commission meant that [KSLM-TV] should go ahead with the construction of the station which the Commission had authorized 3 years previously. . . ."

One applicant for Norfolk's Ch. 13 pulled out—Norfolk-Newport News TV Corp. (Emil J. Arnold, pres.)—leaving 3 to fight it out: WVEC-TV (Ch. 15), WTOV-TV (27) and Virginian TV Corp. (R. R. Richardson Jr., pres.).

Grant of Ch. 13, Alliance, Neb., to Western Neb. TV Inc. (L. L. Hilliard, principal of KOLT, Scottsbluff) was recommended by examiner H. Gifford Irion. Hearing was on question of applicant's finances, which were concluded to be adequate.

CPs granted: Ch. 6, Nampa, Ida., to KYME, Boise (Roger L. Hagadone); Ch. 76 translator, Twentynine Palms, Cal., to Morongo Basin TV Club.

KGUL-TV, Galveston (Ch. 11), recently authorized to shift to Houston, was granted waiver of rules to identify itself as "Houston-Galveston."

Allocations petitions filed: (1) By Paul E. Johnson, Mt. Airy, N.C., to add Ch. 2 to Mt. Airy, substitute Ch. 8 for Ch. 2 in Greensboro, N.C., Ch. 13 for Ch. 8 in Florence, S.C., Ch. 55 for Ch. 2 in Sneedville, Tenn., add educational Ch. 8 to Charleston, S.C. (2) By WWLP, Springfield, Mass., to substitute Ch. 76 for Ch. 75 in Concord, N.H., Ch. 69 for Ch. 74 in Bennington, Vt.

Richard B. Biddle interests will control WOWL-TV, Florence, Ala. (Ch. 15), FCC this week approving stock reorganization under which he now controls 1000 shares of 2000-share issue (half in name of his radio WOWL); John Thompson, his stepfather, buys 250 shares for \$25,000; O. B. Miley increases holdings to 500 shares, including ex-shares of James B. Gambill & G. W. McBurney, paying \$37,500 for total; C. V. Green owns 250 shares.

Hugh Ben LaRue, exec. v.p. & gen. mgr. of KTVR, Denver, (Ch. 2), currently in sales negotiations (Vol. 14:8) is buying radio KHIL, Ft. Lupton, Colo. from orchestra leader Harry L. (Tiny) Hill for \$80,000. Broker: Blackburn & Co.

Call change: KMGM-TV, Minneapolis (Ch. 9) changed to KMSP—FCC seeing "insufficient likelihood of confusion," as charged by KSTP Inc.

Translator starts: W73AA, Palmerton, Pa., also serving Slatedale and Slatington, began March 19 repeating WBRE-TV, Wilkes-Barre.

**Another Picture on Wall:** While Westinghouse and Syl-  
vania work toward putting the TV picture on the wall via  
electroluminescence (see p. 13), GE is researching ways to  
do it via projection—and in color—at its Schenectady labs.  
We learned this from Dr. William Glenn, GE physicist who  
described a new projection development this week before  
the Optical Society of America in Washington, later con-  
ducted news conference.

Dr. Glenn's basic paper showed how colorless, trans-  
parent slides can be projected on a screen in color using  
system of diffraction gratings. He added, however, that  
the technique may have eventual importance in color TV  
for both home and theater applications, bringing high  
brightness, perfect color register and greater simplicity  
to present projection systems.

His system, Dr. Glenn said, would eliminate the color  
wheel from the Swiss Eidophor method planned for color  
TV projection in theaters, and would eliminate sequential  
color and substitute simultaneous color which actually re-  
produces a greater part of the visible spectrum than the  
ordinary 3-primary system of color TV does.

GE's first step will be to develop a commercial Eido-  
phor system for color TV projection using Glenn's system.  
This could be marketed in less than 5 years. A smaller  
version of Eidophor is now under development for bars and  
public places. Color TV projection at home, he said, will  
be possible with a still smaller version.

Electronic housekeeping? New RCA pres. John L.  
Burns, speaking March 28 at Northeastern U, Boston, in  
vein that chairman David Sarnoff is noted for, envisaged  
home of future wherein everything will be controlled from  
a "Household Electronic Center." For example: "Simply  
by pushing a few buttons [it] will set up the family sched-  
ule for an entire day: rouse you from your sleep in the  
morning, close the windows, start the coffee-maker &  
toaster, cook the bacon & eggs, open the garage door,  
warm the car. While you and your wife are away from  
home during the day [it] will take care of such chores as  
washing the dishes, doing the laundry, regulating the heat,  
cleaning the house, guarding against burglary and fire,  
paying the milkman. When you return home in the eve-  
ning, the Electronic Center will see to it that the dinner is  
ready and the TV set is tuned in to your favorite pro-  
gram."

Canon 35 Contempt: Omaha Circuit Judge James  
English faces contempt of court citation by Neb. Attorney  
General Clarence S. Beck in state's Supreme Court for  
permitting KMTV and its radio KFAB to broadcast part  
of murder trial proceedings. Beck cited Canon 35 of  
American Bar Assn., banning microphones & cameras in  
courtrooms, which was adopted by Supreme Court in 1951  
as section in code of judicial conduct. In editorial broad-  
cast March 27, KFAB v.p. & gen. mgr. Lyell Bremser  
lashed out at "horse-&buggy" rule, pledged "our moral  
support" to Judge English.

Debate over Canon 35, American Bar Assn. interdiction  
against cameras in courtrooms, is scheduled for annual  
meeting of Ohio Assn. of Broadcasters in Cleveland's Hotel  
Carter April 11. Colo. Supreme Court Chief Justice Otto  
Moore, who permitted first TV-radio access to murder  
trial in Colo., will present case against Canon 35; Chicago  
attorney Wayland B. Cedarquist takes other side. Among  
other talks at convention: "The Broadcaster and the FTC,"  
by FTC Comr. Robert Secrest, former Ohio Congressman.

**Network Pacts Rejected:** NABET members voted  
1057-825 to reject 2-year national contract negotiated by  
their leaders with NBC & ABC (Vol. 14:9), according to  
nearly complete ballot tabulation at union's Chicago head-  
quarters this week. And, in another rank-&-file revolt,  
"Caucus of Performers in TV Filmed Commercials" pro-  
tested Screen Actors Guild agreement with makers of  
commercials which followed strike authorization vote (Vol.  
14:10), group complaining that union failed to obtain  
re-run payments for "wild spot" commercials. Action by  
NABET members forces resumption of parleys to replace  
agreement which expired Jan. 31. Meanwhile, SAG served  
formal contract-cancellation notice on Republic Pictures &  
subsidiary Studio City TV Productions (neither now in  
film production) in dispute over failure to negotiate addi-  
tional payments to actors for post-1948 features leased to  
NBC stations (Vol. 14:4).

Money to operate WOR-TV, N. Y. for educational TV  
daytime (Vol. 14:11-12) appears assured, N. Y. state leg-  
islature this week approving bill giving educators \$600,000  
for TV, sending it to Gov. Harriman. Just how educators  
will use facilities is the question, explored in amusing fash-  
ion by Jo Ranson in March 26 *Variety*: "The Mafia and  
Madison Ave. maneuverings are child play compared to  
the intrigue of some intellectual educators currently  
finagling to get aboard the N. Y. Board of Regents-WOR-  
TV platform . . . Educators have much in common with  
the acting profession. They thrive on credits and it's al-  
leged that a kinescope of an educational program bearing  
the production credits of a metropolitan group could  
easily be scuttled in upstate N. Y. on many grounds, but  
principally on the 'who-do-the-big-town-educators-think-  
they-are-anyway' beef."

TV audience survey in 209 markets, issued this week  
by American Research Bureau, includes percentage of TV  
homes (with uhf conversion also); stations received in  
each market; proportion of homes able to receive each  
station; frequency of viewing, and stations viewed most  
(with 1st & 2nd preferences) for both daytime and eve-  
ning. ARB director James W. Seiler said survey notes all  
significant changes in broadcasting facilities, network affil-  
iation. New are county-by-county coverage of California  
and complete information on community antenna recep-  
tion. "A-to-Z" (Abilene to Zanesville) report involved  
systematic directory sampling with 200-500 completed tele-  
phone interviews in each market.

Community antenna operators lost out this week, in  
3rd Circuit Court of Appeals, in their effort to reverse  
Tax Court ruling that subscribers' initial payments for  
connections should be classified as ordinary income. Tax  
Court decision was upheld unanimously. Operators had  
argued that initial charges are "contributions to capital."  
National Community TV Assn. is polling its board to de-  
termine whether to appeal to Supreme Court.

Power increases: WIMA-TV, Lima, O. (Ch. 35) began  
programming March 19 with 195-kw. WSAU-TV, Wausau,  
Wis. (Ch. 7), which has been operating from new Rib Mt.  
site, completed installation of 25-kw RCA transmitter and  
boosted power to 316-kw March 21.

Recommended reading: Timebuyers' attitudes toward  
program ratings, as disclosed by NBC Spot Sales Opinion  
Panel, reviewed in March 24 *Broadcasting* magazine. In-  
cludes opinion quotes from 45 agency timebuyers out of  
326 replies to survey.

**STEREO STRIVING FOR COMPATIBILITY:** Big question mark in the future of stereophonic sound is true compatibility -- a system of recording monaural and stereo sound on the same disc, each of which can be reproduced with good quality.

Problem came dramatically to life this week when Columbia Records and CBS Labs demonstrated its new recording system (Vol. 14:12) before a large group of engineers attending IRE convention in N.Y. Reaction was mixed. As an attentive listener, we came away with the impression that stereo was sacrificed in order to achieve high-quality monaural reproduction -- and we weren't alone in this opinion.

It was agreed, however, that a big step forward had been taken toward compatibility. Some found both the monaural and stereo "agreeably pleasant." Still others expressed the opinion stereo is being brought along too fast, needs refinement, more engineering before going on the market. Compatibility was recognized as of prime importance if millions of records now in libraries are not to be made obsolete.

Dr. Peter Goldmark, pres. of CBS Labs and pioneer in the development of LP records, in the manner of ebullient creators, told his listeners Columbia Records would be ready this fall to switch all production to compatible discs. Goddard Lieberman, Columbia Records pres., on the other hand, said a final decision has not been made, that there would probably be period of transition during which duplicate monaural and stereo recordings would be issued. Many of those present doubted stereo ever would take over monaural records as stereo has taken over tape.

If compatible records are an early flop -- or take too long to develop -- the phono makers feel they are protected by "flip-over" cartridges with two needles -- one for 45, 33 & stereo, other for 78. Manufacturers we have contacted plan to play it safe and use "flip-over" cartridges in forthcoming stereo phono lines, not depend on release of compatible recordings.

Chief engineer Wm. Faulkner of V-M, a major supplier of record changers to the phono industry, expressed opinion "perfection in stereophony will not come for some time, but present systems provide pleasant listening."

Week's stereo developments revealed one thing: Disc stereo is on its way to become a great new business in the home entertainment field -- but some inventions must yet be made and much engineering needs to be done before it reaches the state of perfection of which it is theoretically capable.

**REMOTE TUNING—NOW A MAJOR TREND:** Nearly all major TV set makers will have remote-control tuners in their new lines to show distributors in June. That's for sure now -- and there's no denying credit to Zenith for setting the pace with its "Space Command" unit and its timely and effective promotion. Zenith's round-screen "port-hole" innovation of a decade ago may have been a flop, and its publicity-rich Phone-vision campaign sort of moribund right now, but it really hit the jackpot with its appealing lazy-man's remote tuning device.

Cost seems to be main deterrent to immediate widespread use of "wireless" remote-control tuners, as it was with wired units which it seems also developed too many "bugs" in operation. Moreover, it's not adaptable to old sets. But it now seems that most of the engineering "bugs" have been ironed out.

There's no denying that remote-control has strong customer appeal; that it is a gimmick that helps sell sets, especially the too-slow-moving high-end items.

Its success with remote control may or may not account for unverifiable trade talk that Zenith now is in third or fourth place in unit sales -- after RCA and GE-Hotpoint -- and perhaps running a close race with aggregate private brands including

Silvertone line made by Warwick & Pacific Mercury which also have enjoyed a surprise upsurge in the last year or two. Admiral, Motorola, Philco, Sylvania, Westinghouse still are to be reckoned with and doubtless would dispute the reports. Only EIA knows; it gathers weekly production and sales figures -- but it is honor-bound not even to whisper or hint at figures or relative rankings.

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After hearing such enthusiastic comments on remote-control tuning at the EIA conference last week, we decided to check further into plans for the upcoming TV lines, found that manufacturers who have it will keep it, make improvements; most others will have units in one shape or another -- wired or "wireless," "fork tuner" or "coil," with or without volume control, most with on-off switch, all with channel changer. It's a trend already well established.

Only disparaging comment we heard came from Sylvania which had remote control in its 1957 line, took it out in 1958, doesn't plan to revive it. "Too costly, not enough sales appeal," a spokesman told us.

Trend is definitely away from remote-control units wired to the set. However, some makers, like Allen B. DuMont Jr., mgr. of DuMont Labs receiver div., believe "wireless" types are not yet sufficiently reliable to bring to market. He says, too, wired unit does better job, can't get lost -- or turned into space toy by the kids.

\* \* \* \*

Big RCA definitely plans to introduce remote tuning in its upcoming line. Just which variety is not disclosed -- but it certainly will operate without wires. Magnavox likewise will have remote-control. Philco, which claims to have been first with wire remote-control in 1950, has engineered several units since that time and is expected to have a new version in June -- probably wireless.

Motorola's v.p. for consumer products marketing, S.R. Herkes, said: "We have wireless remote tuning; we'll continue to have it and may expand on it." Motorola's remote is called "Golden Satellite," uses a coil which sends signal to turn the set on or off, change channels. Zenith's "Space Command" uses tuning fork principle. In addition to on-off and channel changing, it "mutes" sound. GE now has remote control which changes channels only; refinements and additions are in the works. Admiral's "Son-r" is a wireless unit which, we are told, certainly will be continued in new line. Emerson reports working on a "wireless" remote, now has wired unit.

How much does remote-control add to retail price of the set? A substantial amount, yes. However, few if any of the units can be purchased apart from the set so the exact additional cost at retail cannot be computed. Such figures as we were able to get indicated a range from \$40 for the wired version to a top of \$100 for more complicated "wireless" devices.

**TV-Radio Production:** TV set production was 91,416 week ended March 21 vs. 88,598 preceding week & 129,754 in 1957. Year's 11th week brought production to 1,080,445 vs. 1,264,517 last year. Radio production was 170,655 (40,218 auto) vs. 170,434 (41,942 auto) preceding week & 328,540 (126,352 auto) last year. For 11 weeks production totaled 2,271,039 (754,841 auto) vs. 3,241,321 (1,442,472 auto).

Industry TV sales in 1958 should be 6,000,000 units despite slow first quarter, Motorola pres. Robert W. Galvin told sales meeting this week. He said that back in Oct., Motorola had discounted expectations for first 6 months of this year, lowered sales targets accordingly, was now on course or slightly ahead. "We're not ready to join gloom parade," he said, pointing to distributors' 5% increase in car radio sales, 28% increase in hi-fi, over comparable 1957 periods. He expects 10% April-Sept. increase in portable radio and addition of 700 production workers on TV lines for April, May & June. But there was gloom elsewhere. Current depressed condition of entire appliance

industry should be considered a norm which will continue for years, Chris Witting Jr., Westinghouse consumer products v.p., told Edison Electric Institute meeting in Chicago this week. He said that shortages of consumer goods following World War II created abnormal boom which has been over since 1955; that coming population and income rises will create demand for appliances but won't equal industry ability to produce; that "we must consider that today's market is normal"

Annual convention of Armed Forces Communications & Electronics Assn. scheduled at Sheraton-Park Hotel, Washington, June 4-6.

**IRE Emphasis on 'Missiles Era':** With electronics now in a predominantly "missiles era," so well described by EIA pres. Dr. W. R. G. Baker (Vol. 14:12 & Special Report), this week's IRE convention in N. Y., attended by some 55,000, with nearly 1200 exhibition booths, gave relatively little attention to "entertainment electronics." Principal exception was stereophonic recording (see p. 11).

Among the few papers scanning the technical TV frontier were 2 on "picture-on-the-wall" or "mural" TV—but both put commercial possibilities years into future.

Dr. Robert M. Bowie, Sylvania research lab v.p., reported successful scanning of flat electro-luminescent screen "by means of electronic vertical and horizontal computer circuits into which were built a special circuit for suppressing annoying cross effects otherwise observed." Here's his comment on commercial possibilities:

"We are all painfully aware that the public has demonstrated its unwillingness to pay very much more for an improvement even if the improvement is color. It appears doubtful that the public will pay extra to have its TV as a mural decoration . . . All in all, it appears that the commercial advent of mural TV is not imminent. Before the day of mural TV arrives, however, there will be ample use for the technique of the Sylvatron and similar devices in other forms of data display such as battlefield surveillance, missile tracking, stock market listings and many others where the high speed and low costs of mural TV will not apply."

Frank J. Healy, Sylvania Lighting Products pres., disclosed that first military contract for prototype using "Sylvatron" for automatic target tracking of surface ships had been obtained from U. S. Naval Training Device Center, Port Washington, N. Y.

Westinghouse came up with new flat-screen device nicknamed "Elf"—from "electroluminescent" and "ferroelectric." Novelty of Westinghouse's approach is use of ferroelectric storage & control. Dr. E. A. Sack reported that experimental models ¼-in. thick had achieved brightness 3 times that of conventional screens, with 200-1 contrast. His view of commercialization:

"It should be remembered that commercial TV represents the most demanding application for any solid state display. High picture quality, rapid picture rate and minimum cost are rigid requirements of a commercial device. Therefore, it seems clear that military equipment—including applications which cannot be performed with any present-day conventional devices—will be operating with a solid state screen long before the average American enjoys 'mural size' TV on the living room wall."

TV bandwidth reduction techniques were described by W. F. Schreiber & C. F. Knapp, Technicolor Corp.—as much as 4-to-1, through use of computer coding. So far, they said, only 2 brightness levels have been achieved, but full tone scale is feasible.

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Sylvania got its 110-degree set on market almost twice as fast, using "parallel approach" in planning, as it would have with conventional "sequential approach," according to Robert R. Thalner, Sylvania Home Electronics chief engineer.

With "sequential" method, he said, engineering doesn't start until styling is done. Then procurement & production follow finalization of engineering design. In "parallel" technique, job is broken into components, and all planning goes ahead simultaneously.

Sylvania's planning, Thalner said, put its 110-degree set on market 6 months before anyone else did: "The set's acceptance by the public is history and the slim TV receiver of today was born." He warned, however: "To reap the full benefits from the parallel approach, every related part of your planning program—including suppliers—must be dovetailed. Valuable time can be lost unless your suppliers have a planning philosophy to match your own. No matter how well oriented your planning is, a default by a supplier at a crucial point could very easily disrupt your entire program. Without the daily, and sometimes hourly, contact between responsible managers that this system demands, it would be foolhardy to attempt it."

General Instrument announced an "economy priced" miniature silicon power rectifier. Chairman Martin Benedek said that they can be produced for 40¢-\$1.50 each, compared with \$1-\$20 for present units; that TV receivers alone have "annual sales potential of \$5-\$10,000,000 annually"; that "within 2 years silicon rectifiers would replace other types in virtually every set made."

**Trade Personals:** Marvin G. Whitney, John Stevens, Charles A. Nicholas promoted to new posts of v.p., Hoffman consumer products div. . . . Dr. Robert M. Bowie promoted to v.p. of Sylvania Research labs; Melvin E. Lowe named manager Missile Systems lab . . . Howard Spellman, traffic sales mgr. of RCA International Sales, retires after 50 years . . . B. T. Setchell, pres. of Setchell-Carlson Inc., New Brighton, Minn. TV-electronics mfrs., assumes duties of gen. sales mgr. formerly held by Harold E. Tyler, now on indefinite leave of absence . . . Theodore A. Flynn named to new post of sales promotion mgr., Packard-Bell . . . Nello Coda promoted to chief engineer, Erie Resistor electronics div.; George P. Taylor to mgr. of electrical engineering; Leonard V. Waytenick to superintendent of electro-mechanical div.; Francis R. Young to chief engineer . . . Leon Seldin, ex-IT&T, rejoins DuMont as asst. sales mgr., instrument div. . . . Ray Zipf, ex-Interstate Supply Co., named St. Louis district sales mgr. for Sylvania . . . Deirdre Budge, ex-Parents Magazine, named to new position of

women's editor, RCA information dept. . . . Alfred H. Tamarin elected a v.p. United Artists Record Corp. & United Artists Music Corp.

George Silber, Rek-O-Kut pres., elected chairman of Institute of Hi-Fi Mfrs., succeeding Avery Fisher, Fisher Radio pres., who remains board member.

**Obituary**

Paul W. Hessinger, 50, ex-general manager of RCA Victor Mexicana, Mexico City, died in a Philadelphia hospital on March 2 after a long illness. He joined RCA in 1930, served in the Mexican post 1950-1956. Two years ago he transferred to RCA International Div., Clark, N. J., as a financial analyst.

Comdr. Sydnie A. Greenleaf (USNR rct.), 79, who helped develop radio compass, once directed national hook-up of amateur radio operators for Naval Communications Reserve, died at Naval Hospital, Bethesda, Md., March 22. Surviving are widow, 4 daughters.

## Financial Reports:

**CBS INC. MANAGEMENT** is asking its stockholders to vote, at annual meeting April 16 in studio at 49 E. 52nd St., N. Y., against proposal of Mrs. Stella K. Sterne, stockholder, that capital structure be revised to have only one class of directors and that right of cumulative voting now reserved for Class A directors be privileged B group. Seven of each class are to be elected to one-year terms. Company holds present system is working well and sees no reason for change.

There are 4,342,598 of Class A, 3,538,802 of B outstanding. Class A directors nominated, and their holdings: Henry C. Bonfig, v.p., 206 shares A, option on 7831, no B; Louis G. Cowan, pres. of CBS-TV Network, 100 A purchased March 12, 1958, option on 7500 A at \$25 under employment incentive agreement; Arthur Hull Hayes, pres. of CBS Radio, 126 A, option on 8037 A; J. A. W. Inglehart, partner, W. E. Hutton Co., 12,154 A, 4326 B; Robert A. Lovett, partner, Brown Brothers Harriman & Co., 4589 A; Millicent C. McIntosh, pres. of Barnard College, 12 B; Samuel Paley, retired, 21,012 A, 34,691 B.

Class B directors: Arthur L. Chapman, pres., CBS-Hytron, 500 A and option on 7725 A; Ralph F. Colin, counsel, 3154 A; Merle S. Jones, pres., CBS-TV Stations, 100 B, option on 7725 A; Leon Levy, pres. of Delaware River Terminal Inc., 46,236 A, 125,270 B; Goddard Lieber-son, pres., Columbia Records, 206 A, option on 7673 A; William S. Paley, chairman, 126,285 A, 707,108 B; Frank Stanton, pres., 111,517 A, 32,877 B. Chairman Paley's stock represents 2.91% & 19.98%, respectively, of each class, or 10.57% of all outstanding shares of the corporation.

Report discloses that director Inglehart, as agent for recent \$20,000,000 deal for purchase of WCAU-TV, WCAU and related properties (Vol. 13:51), gets \$100,000 fee personally, his firm another \$100,000, if contracts are consummated. It also shows top 1957 officer-director salaries as follows: Bonfig, \$53,230; Chapman, \$62,615; Hayes, \$76,923; Jones, \$94,932; Lieber-son, \$89,999; Paley, \$299,807; Stanton, \$299,807. Law firm of Rosenman, Goldmark, Colin & Kaye was paid \$207,460 for legal services.

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**Storer Broadcasting Corp.** holds annual meeting at Miami Beach offices April 8, meanwhile supplements recent annual report (Vol. 14:8) with this report on officer-director 1957 compensations and stockholdings: George B. Storer, chairman, \$75,150 (holds 1,089,140 shares Class B); J. Harold Ryan, senior v.p., \$20,050 (5500 common & 100,000 Class B). Lee B. Wailes, exec. v.p., \$64,017 (13,000 & 150); Stanton P. Kettler, v.p. operations, \$59,017 (11,200 & 150); William E. Rine, v.p., radio operations, \$52,827 (10,000 & 150); George B. Storer Jr., v.p., TV operations, \$41,512 (2000 & 150); Charles V. McAdam, director, \$100 (5000); Mervin B. France, director, no compensation nor stockholdings; John E. McCoy, v.p., planning & finance, and secy., compensation not given, holds 600 & 150.

**Twentieth Century-Fox** earned \$6,511,218 (\$2.49 per share) in 52 weeks ended last Dec. 28 vs. \$6,198,419 (\$2.34) previous year, consolidated report showing film rentals (including TV) increased to \$117,537,070 from \$112,780,869. Sharp decline was noted in 4th quarter last year, earnings dropping to \$887,360 (36¢) from \$3,016,320 (\$1.14) in same 1956 period.

**Percy West**, of First National City Bank, N. Y., elected a director of Emerson Radio.

**Admiral's** first 1958 quarter is down from 1957, but second-quarter upturn should continue through rest of year so that business should make "notable gain" over 1957. This comment by pres. Ross Siragusa highlights 1957 report released this week, reflecting feeling that's general throughout industry. Admiral report shows 1957 sales dropped to \$172,663,167 from \$185,880,606 in 1956, profits to \$965,067 (41¢ per share) from \$1,504,024 (64¢) —consolidated figures including operations of subsidiaries in Mexico, Italy, Brazil, for first time. TV-radio sales, report states, maintained about same proportion of industry total, while home freezers and air conditioners went up in face of industry downturn and defense orders were about same. Canadian Admiral was said to be largest manufacturer of TVs in that country, and half-owned Admiral of Australia also ranks as the top TV set producer in that country.

More top officer-director salaries for 1957, as reported in current proxy statements: Sylvania (stockholders' meeting in Boston's Sheraton Plaza Hotel, April 24)—Donald G. Mitchell, chairman-pres., \$150,000 (owns 3396 shares common); Robert E. Lewis, senior v.p., \$54,069 (8428 shares); Frank J. Healy, senior v.p., \$53,855 (3874); Max F. Balcom, consultant & ex-pres., chairman, \$36,000 under 5-year retirement contract (3600). Indiana Steel Products Co. (meeting April 10, Valparaiso, Ind.)—Robert F. Smith, pres., \$54,000 (1128 shares, wife 250); Anthony J. Astrologes, v.p.-treas., \$30,000 (762). Decca Records (meeting April 8, N. Y.)—Milton R. Rackmil, pres., \$42,500 and \$125,000 as pres. of Universal Pictures; Leonard Schneider, exec. v.p., & gen. mgr., \$49,000; Samuel Yamin, secy., \$32,500.

**Sprague Electric** earned \$2,220,101 (\$1.78 per share) on sales of \$46,187,481 in 1957 vs. \$2,176,297 (\$1.75) on \$44,659,844 year earlier, chairman Robert C. Sprague & pres. Julian K. Sprague reporting that "modest gain" reflected small increases in both commercial & military business. However, final quarter last year showed decline from 1956 period because of "sharp curtailment in the procurement of military electronic equipment as well as a degree of softness in the market for entertainment electronics," and reduced operations are expected during first 6 months this year.

**Oak Mfg. Co.** earned \$1,084,130 (\$1.65 per share) on sales of \$20,875,613 in 1957 vs. \$1,784,105 (\$2.72) on \$24,902,554 in record high 1956. Decline in profits & sales was attributed in annual report to "sharp fall off" in component orders from TV set makers in Nov. & Dec. Defense business ran slightly ahead of 1956, trend expected to continue in 1958, according to chairman Elof Sandstrom & pres. Robert A. O'Reilly.

**Amphenol** had record high earnings of \$1,686,594 (\$3.02 per share) on sales of \$31,410,903 in 1957 vs. \$1,257,987 (\$2.88) on \$27,318,319 in 1956. Results last year included returns from Danbury-Knudsen Inc., acquired in Aug. (Vol. 13:32).

**Avco** earnings slipped to \$2,797,723 (30¢ per share) on sales of \$70,580,470 in first fiscal quarter ended Feb. 28 from \$3,119,876 (34¢) on \$83,194,479 year earlier, when comeback from net loss of \$16,387,847 in 1956 was started (Vol. 14:4, 9).

**Dividends:** Gross Telecasting, 40¢ on common and 7½¢ on Class "B," both payable May 9 to stockholders of record April 25; Packard-Bell, 12¢ April 25 to holders April 10; Warner Bros., 30¢ May 5 to holders April 12.

**AT&T Settlement Aired:** Long-promised Congressional investigation into the 1956 consent decree settlement of the Govt. anti-trust suit against giant AT&T (Vol. 12:4) got underway this week before a House Judiciary subcommittee, amid partisan charges of "favoritism" and "persecution." Nub of the issue—whether settlement did or did not make a vast store of AT&T patents readily available to the industry—was scarcely touched on as company witnesses detailed negotiations leading up to the decree.

Chairman Celler (D-N. Y.) charged that the Govt.'s original purpose—to separate Western Electric from parent AT&T—had not been accomplished because of the "soft attitude" of Justice Dept. Horace P. Moulton, AT&T v.p. & gen. counsel, countered that such divorcement was not "justified" and would have been "contrary to the public interest." He insisted, moreover, that the decree was a harsh one; that it "restricts future business activities of the Bell System to furnishing regulated communications services, manufacturing equipment of the type useful in providing these services, and doing work for the Govt." Said he: "There is nothing in existing law that so confines the activities of any other regulated business."

Ranking Republican on subcommittee, Rep. Keating (R-N. Y.), replied to Celler that original complaint "may have asked for much more than Govt. could reasonably expect in court" and "an attitude of intransigence" might have resulted in "no relief at all."

Committee questioning disclosed Defense Dept. "memo" to the Justice Dept. stating that bringing the anti-trust suit to trial would hamper company's defense work by taking too much time of key executives. T. Brook Price, ex-AT&T gen. counsel, testified that, after Defense Dept. intervention, then-Attorney General Brownell suggested the company accept a consent decree.

Investigation is expected to go on for several weeks with strong possibility it may never get around to the merits of the case but confine itself to probing Justice Dept. procedures under Republican administration.

**Govt. Eyes Co-op Funds:** TV industry's excise tax problems were complicated this week by an Internal Revenue Service proposal to collect excise taxes on certain cooperative advertising allowances. In switch from previous "informal" policy, IRS now seeks to tax the co-op ad pools built up by long-standing industry practice. Proposed rule published in *Federal Register*, March 22 (pp. 1931-32) and available from Govt. Printing Office for 15¢, states "any unpublished ruling of IRS, insofar as it is inconsistent with the regulations in this part, is revoked." It gives industry 30 days to file comments or seek public hearing. Subject will be principal topic at meeting of EIA tax committee in Washington, April 1. Chairman Lewis D. Spencer, Motorola, said legal complications are "enormous," expects extensive litigation since tax would cost industry "millions."

Intercontinental TV via satellites is envisaged by President Eisenhower's Science Advisory Committee in "Introduction to Outer Space" report released by White House this week. Citing present transoceanic transmission obstacles, Committee headed by Dr. James R. Killian Jr. said: "To solve this knotty problem, satellites may be the thing, for they can serve as high-flying radio relay stations. Several suitably-equipped & properly-spaced satellites would be able to receive TV signals from any point on the globe and to relay them directly—or perhaps via a second satellite—to any other point." Outer space stations would be powered with solar batteries—"able to keep working for many years."

## COMMON STOCK QUOTATIONS

Week ending Friday, March 28, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

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

120 Broadway, New York 5, N. Y.

### NEW YORK STOCK EXCHANGE

1958					1958				
High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
9 1/4	7	Admiral.....	8 1/2	-1/8	350	300	IBM 2.60.....	345	+1 1/2
22 3/4	19 3/4	AmBosch .30e.	21 1/2	+1/2	32 3/4	29 1/4	IT&T 1.80.....	32	.....
16 3/4	13	AmBcstg-Para-1	15 1/2	-3/8	41 1/2	36 3/4	I-T-E CirB 45e	38	+1 1/4
37 1/2	32 1/4	AmMach&F 1.60	36 1/2	-1/8	7 1/2	6	List Indust 1/4e.	7	-1/4
174 1/4	167 3/4	AT&T 9.....	171 1/2	-1/8	43 3/4	36 1/2	Litton Ind.....	41 1/2	-1 1/2
26 1/2	22 3/4	Amphenol 1.20.	25 1/2	+1 1/2	15 1/2	13 1/2	Loew's.....	13 3/4	+1 1/2
29 1/2	26	Arvin 2.....	27 1/2	-3/8	37	30 1/4	Magnavox 1 1/2b.	36	-3/8
7 1/4	5 1/2	Avco .10e.....	6	-1/8	28 3/4	26	Mallory 1.40b...	26	-3/8
25 3/4	20 1/4	Beckm Inst 1 1/4f	23 3/8	+1 1/2	88 3/4	76	Mpls. H'll 1.60a	85 3/4	-1/4
53	44 3/4	Bendix Av 2.40.	48	-1	42 1/4	38 1/2	Motorola 1 1/2... 37 3/4	-2 1/4	
32 1/4	28 3/4	Burroughs 1....	30 3/4	-1 1/2	8 1/2	7 1/2	Nat'l Thea 1 1/2..	9	+1/2
18 3/4	15 3/4	Clevite 1/4e....	16 3/4	-3/4	38 3/8	30 3/4	Paramount 2....	33 3/8	-1/2
29 1/4	24 1/2	CBS "A" 1b....	27 1/2	-1 1/2	17	12 3/4	Philco.....	16	+1/2
28 3/4	24 1/2	CBS "B" 1b....	27 3/4	-3/8	35	30 1/4	RCA 1a.....	32	-1 1/2
16 1/4	12 1/2	Col Pictures 3/4t	14 1/4	+1/4	24 1/2	21 1/2	Raytheon 1 1/4t..	24	+1 1/2
35	27 3/4	Cons Elec .40...	33 3/4	-1/2	7 1/2	5	Republic Pic....	6	-1/8
25 1/4	19 1/2	Cons Electron...	26 1/2	+1 1/2	34 3/4	32 1/4	Sang Elec 1.80.	32 1/2	.....
16 1/2	13	Cor-Dub .20e...	13	-1	16 1/2	13 1/4	Siegler .80.....	13 1/2	-3/8
85	74 3/4	Corning Glass 1a	84	-1 1/2	3 3/8	2 3/4	Sparton.....	3 3/8	+1/8
3 3/8	3	Davega.....	3 3/8	+1/8	20 1/8	18	Sperry Rand .80	18	-1/8
35	30	Daystrom 1.20...	33	+1 1/2	8 1/4	6	Standard Coil...	7 1/2	+1/8
16 1/4	13 3/4	Decca 1.....	14 3/4	+1/4	16 3/4	14 1/2	Stanley-War 1..	16 3/4	+1/8
21 1/2	14	Disney .40b....	19 3/4	-1 1/2	32	29	Stew Warner 2b	29 3/4	-1/4
106 3/4	97 1/2	East Kod 1.55e.	105	+1 1/2	24 1/2	20	Storer Bcstg 1.80	22 1/2	.....
34 3/4	29	Emer Elec 1.60.	33	-1/4	37 1/2	31 1/2	Sylvania 2.....	36 3/4	+1/4
5 1/2	4 1/2	Emerson Radio...	6	+1/8	30 1/2	26 1/4	Texas Instru... 30	-1/4	
8 1/2	7	Gabriel .60.....	8 1/2	+1/8	55 1/2	41 3/4	ThompProd 1.40	44 1/2	-1 1/2
65 3/4	55 1/2	Gen Dynamics 2	57 1/2	-1 1/2	26 1/2	23 1/4	Tung-Sol 1.40b.	25	-1 1/2
64 1/4	59 1/2	Gen Electric 2..	60 1/2	-3/8	25 1/2	21 3/4	20thC-Fox 1.60.	24	-1/8
6	4 3/4	Gen Inst. .15g...	6 3/4	+1 1/2	20 3/8	15 1/4	United Art 1.40.	20	+1/4
41	34 1/4	GenPrEquip 2.40	36 1/2	-1 1/4	22 3/8	19	Univ. Pict 1a...	21 1/2	+1 1/2
30	25	General Tire .70b	25	-1 1/2	19	16 1/2	Warn Bros 1.20.	19 1/4	+1/4
43 3/4	40 3/4	Gen Telephone2	42 3/4	+1/2	65 1/2	60 1/4	Westingh El 2..	62	+1 1/2
24 3/4	21	Hoffman Elec 1.	24 3/4	+1/2	151	120 3/4	Zenith 3a.....	147	-3 1/2

### AMERICAN STOCK EXCHANGE

3 3/8	3	Allied Artists..	3 3/8	+1/8	2 1/2	2 1/2	Hazeltine 1.40b.	33 3/4	-1/2
45	34 1/2	Allied Con 1a..	40 1/2	-1 1/2	4 1/2	4 1/2	Herold Ra .20...	2 3/4	+1/8
15 1/2	13 3/4	Amer Electro 1/2	14	+1/4	6 1/4	4 1/4	Int Resist .20...	4 3/8	+1/4
9 1/2	8 3/4	AssocArtProd..	9 3/4	+1/4	3 1/2	3 1/2	Lear.....	4 1/2	-1/4
9 1/2	7 1/4	Audio Dev .05d.	8 3/4	-1/2	7	5 1/2	Muntz TV.....	1/2	.....
10	7 3/4	Belock Inst 1/4t.	8 3/4	-3/8	7	5 1/2	Muter Co. 1/4t..	3	.....
1/2	3/8	C & C TV.....	3/8	+1 1/2	7	5 1/2	Nat'l Telefilm...	5 1/4	-1/8
3 3/4	2 1/2	Clarostat .15g..	3 1/2	.....	1 1/2	1	Nat Union El... 1 1/2	+1/8	
4 3/8	3	DuMont Lab... 4	.....	.....	6 1/2	2 1/2	Norden-Ketay.. 3	-1/8	
4 1/2	2 1/2	Dynam Am.... 3 1/2	-1/8	.....	3 3/8	3	Oxford El .10r... 3	.....	
13 1/2	10	Electronic Com.	12 1/4	.....	8 3/8	6 1/2	Philips El..... 14	+1	
7 1/2	6 3/4	Electronics Cp..	7	-1/4	6	3 3/4	Servomech .40.	7 1/2	-1/8
31 1/2	19 1/2	Fairch Cam 1/2g.	24 3/4	+1 1/2	4 3/8	3 1/2	Skiatron..... 3 3/4	-1/4	
24 1/2	17 1/4	General Trans..	21	-3/4	.....	.....	Technicolor.... 3 3/4	.....	
.....	.....	Globe Un .80...	15 3/4	-1/4	.....	.....	Trans-Lux .20g.	4 1/2	-1/8
3 3/8	2 1/2	Guild Films.... 2 1/2	-1/8	.....	.....	.....	.....	.....	

### OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	1 1/2	2 1/2	Magna Theatre.....	2 1/2	3
Aerovox.....	5	5 1/2	Maxson (W. L.) .05	5	5 3/4
Airborne Inst.....	41 3/4	44	Meredith Pub 1.80a	30 1/4	33
Altec Co .80.....	7 1/2	8 1/2	National Co. (4% stk)	11 1/4	13
AMP Inc .50.....	18	19	Oak Mfg. 1.40.....	13 1/2	15
Ampex.....	55 1/2	60	Official Films .10	1	1 1/2
Baird Atomic.....	7 1/2	9	ORRadio.....	18 3/4	19 1/2
Cinerama Inc.....	1 1/2	1 3/4	Pacific Mercury TV	5 1/4	6
Cinerama Prod.....	1 1/2	2	Packard-Bell .50	12	13
Cohu Electronics.....	6 3/8	7 1/2	Panellit.....	5 1/2	5 3/4
Collins "A" .35	12	13	Perkin-Elmer.....	24 1/2	26
Collins "B" .35	12	13	Philips Lamp (14% of par)	34 1/4	36
Cook Elec. 40d	17 1/2	18 1/2	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems.....	4 1/2	5	Sprague Electric 1.20	30	33
DuMont Bcstg.....	7 1/2	9	Taylor Instrument 1.20	28	30
Eitel-McCullough (5% stk)	26 1/2	29	Tele-Broadcasters.....	2 1/2	3 1/2
Elec Assoc (stk)	34 3/4	37	Teledrome .30.....	8 3/8	9 1/4
Erie Resistor .40b	6 1/2	7	Telecomputing.....	4 1/4	4 3/4
Friden Ind. 1.....	47 1/2	50	Teleprompter (stock)	6	7
Giannini, G. M.....	14 3/8	15	Time Inc 3.75.....	61 1/2	65
Granco Products .05	1 1/2	1 1/2	Topp Industries (stock)	9 3/4	10 1/2
Gross Telecasting 1.60	17	18	Tracerlab.....	5 1/4	6 1/4
Hewlett-Packard.....	22 1/2	24	Trav-Ler.....	1 1/2	1 1/2
High Voltage .10g	30	31	United Artists.....	5	5 1/2
Hycor.....	2 1/2	3	Varian Associates.....	15 3/8	16
Indiana Steel Products 1.20a	18 3/4	19 1/4	Victoreen Inst.....	4 1/2	5
Jerrold.....	1 1/2	2	Webcor .15e.....	13	13 1/2
Ling Industries.....	2 1/4	2 1/2	Wells-Gardner.....	7 1/4	8
Leads & Northrup .60b	20 1/4	22	WJR Goodwill Station .50d	11 1/4	12 1/4
Machlett Labs .25g	15 1/2	16 1/2			

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

# Network Radio—No Time for Requiem

BY ROBERT W. SARNOFF

President, National Broadcasting Co.

UCH IS BEING WRITTEN about the parlous state of network radio. A financial and programming retrenchment by one radio network has touched off speculation on the precarious future of *all* radio networks. In the sense that this speculation ventilates the true facts of network radio's lean financial position, it is helpful; in the sense that it implies a new crisis facing the networks generally, it is harmful because it is incorrect.

I can speak with some authority on the relationship of trouble to network radio. Since 1953, the NBC Radio Network has had a cumulative loss of about \$9,000,000. In one particularly grim year, our losses totalled more than \$3,000,000. Since radio's salad days of the late '40s, we have gone through countless organizational changes in the radio network, through severe cost-pruning exercises, through repeated crises meetings with affiliates, through endless ventures into new programming—always with the goal of finding an operational pattern that would permit radio network survival in the age of television.

## New Awareness of Radio's Values

To me personally, the current talk of crisis seems strangely outdated. If it were 3 to 5 years ago, I could better relate it to our own experience. Then, many network affiliates were at the breakaway point. Most of our major sponsors had pulled out; radio salesmen couldn't get a foot in the doors of the bigger agencies; the network's annual dollar volume was melting away to nothing.

But today all this is changed, not only with NBC but with network radio as an entity and as a concept. There is a new philosophical awareness of its values, which is reflected in the amount of interest it stimulates, and a practical awareness which is reflected in a tangible intake of dollars. Radio salesmen walk about Madison Avenue today like men reprieved. They can discuss million dollar deals with key executives without apology for star gazing. Most of the advertising giants who underwrote the radio networks in their pre-TV heyday are now back in, although not in the massive fashion of a decade ago.

True, the major radio networks are on record that they lost money last year. But the important consideration, at least as it relates to NBC, is that our loss was substantially less than that of the previous year. For the first time since 1953, the loss graph reversed direction, and the reversal continues at an accelerated pace into this year. We are now talking about a break-even point without rubbing a rabbit's foot when we do. I believe we will reach it, and soon.

## Why The Renewed Confidence

Several things have happened in the last 18 months to give me this confidence. In August of 1956, I put a new and youthful management team in the radio network headed by Joe Culligan, then 38 years old, a salesman with a missionary belief in the power of salesmanship and with an inborn desire to sell iceboxes to Eskimos. The problem facing him, to sell some of the then current program product against the power and glamour of TV, was even more challenging than iceboxes. As a first step, Joe and his associates revamped the product—top, middle, and bottom.

They established a strong news-on-the-hour operation,

and a unique hot-line service to handle news flashes; they introduced a morning program lineup of broad commercial appeal; they created a *Stardust* plan at night which lured the greatest stars of TV back into radio as a profitable sideline. They freshened up *Monitor* with new program inserts. They threw out most of the old selling concepts and introduced a flexible pattern that let radio pick up the nickels-&-dimes left over from TV, plus fresh money attracted by the tremendous cumulative radio audience that could be reached at hard-to-resist cost.

Above all, they conceded the living room to television—and fashioned an image of radio as a companion in the kitchen, on the beach, in the car, at summer camp.

As these programming and sales concepts began leaving their imprint, the new management took a further step on the comeback trail at our affiliates' meeting last year in New York. With a bluntness unusual in any business relationship, we told our radio affiliates a basic decision faced them: If they wanted to maintain the NBC Radio Network service, they would have to carry more of our programs in network option time and on a more systematic basis. A national network lives by its national circulation. If it hasn't that circulation to sell to national advertisers, it can't exist.

## Affiliates Asked to Choose

We asked the affiliates to weigh this decision in terms of their own self-interest, but on a long-range basis. By 1960, there probably will be 4000 radio stations [there are now about 3200 AMs, 580 FM] in the United States of which only a few hundred can expect to be network affiliates. These are the stations, we maintained, which will stand out like beacons in their communities; these are the stations that alone will have the distinctive plus of reliance on, and identity with, the worldwide programming resources of a national network.

So the choice facing them was to go the jukebox station route—in which case the network couldn't survive—or stay with the network and build for the long-term future as part of a communications network that not even TV can rival in totality of national coverage and its speed of communicating with *all* the people.

The response to that meeting was dramatic. Clearance of our network programs has since increased an average 15%. With the additional circulation thus delivered, national advertisers have found the NBC Radio Network an increasingly valuable buy. As sales have increased, compensation to the stations has increased. The amount of money we are paying NBC radio affiliates has quadrupled over 2 years ago.

I am consciously a little boastful in recounting the progress of the new radio management. It has, without exaggeration, snatched NBC Radio back from the Potter's Field of broadcasters. It has also given new vitality to the concept of network radio as a national communications instrument and as an effective vehicle for national advertising.

My primary concern therefore is that an occasional failure of a programming concept, with the inevitable losses involved, not be interpreted as confirmation that all network radio is on the skids. It isn't.