

seven in each of the broadcast services, am, fm and tv.

The new assistant attorney general also revealed for the first time that the Justice Dept. was investigating the whole field of network operations—prices, discounts, rebates, rejections, kinescoping, production, demand, program ownership, contracts. He told how the investigation had been in progress for two years and that in March 1956, the FBI was called in to assist.

He added that the question of option time, network must buys and network activity in the station representation field was also being looked into by the G-men. And he noted that perhaps one of the answers might be to force the networks to divest themselves of owned stations.

He estimated at that time that the completion of the over-all investigation would take from one to two years. It was then that he promised that the "Westinghouse matter" would be brought to a head before the end of the year.

The FCC's own network study was instituted with an \$80,000 Congressional appropriation in July 1955. The study staff, under the direction of Roscoe L. Barrow, dean of the U. of Cincinnati's law school, was named that fall. For the fiscal year ending June 30, 1957, an additional \$140,-

000 was appropriated by Congress.

The FCC's network study is being supervised by a four-man committee: Chairman McConnaughey and Comrs. Rosel H. Hyde, Robert T. Bartley and John C. Doerfer. The 12-man study staff has spent most of its time in acquiring background knowledge, seeking information through questionnaires and meetings with all segments of the industry, and sifting and collating the information it has collected. Its final report is scheduled to be delivered the end of this fiscal year. There have been reports, however, that one or two reports may be submitted earlier.

This is the third government antitrust suit filed against RCA. In 1932, RCA entered into a consent decree which broke up what was then called the radio trust. At that time General Electric, Westinghouse and AT&T were forced to divest themselves of their ownership in RCA. The government tried to have the 1932 judgment reopened several times, but the courts refused to do so.

In November 1954, the Justice Dept. brought a civil suit against RCA in New York, charging that RCA's patent system and practices tended to give the company a monopoly. The charge was also levied that RCA since 1932 has attempted to monopolize radio-tv research, patent holdings, patent acquisitions and issuance, and patent

exchanges. It was also charged that RCA acquired tv patents with the intent of achieving control over potential and actual competitors. Named as co-conspirators, but not as co-defendants, were GE, Westinghouse, AT&T, Bell Labs and Western Electric.

The complaint was directed particularly at RCA's "package licensing" practice. This refers to the principle by which licensees of RCA pay one royalty for the use of all radio-tv patents. The 1954 complaint also alleged that RCA refused to issue certain licenses in the radio-tv field and that RCA was engaged in a campaign of "harassment" by instituting more than 250 patent infringement suits.

The patent antitrust suit followed a grand jury investigation of the electronics industry in 1952. This was dropped in January 1953.

Other present major litigation, involving RCA and its patent practices, include Zenith's suit. The infringement suit instituted by the late Edwin Howard Armstrong was settled.

Similar government antitrust litigation against AT&T and International Business Machines Corp. concluded earlier this year with consent decrees in which patents of both these companies were thrown open on a reciprocal and non-exclusive licensing basis.

FOUR DAYS TO CELEBRATE 30 YEARS

Network, on Miami holiday, can look back on rapid progress, growth

TWENTY years ago, NBC celebrated what its officials called "a century of progress in a decade of broadcasting."

This week, in the sparkling new Americana Hotel at Bal Harbour, Miami Beach, NBC and its radio and television affiliates will celebrate three times that—the 30th anniversary of the nation's pioneer network.

Despite the sudden shadow cast by the Justice Dept.'s antitrust suit and the imminence of a court defense against it (see story, page 27), top officials of NBC will gather with hundreds of affiliate executives and their wives—an estimated 750 persons in all—for four days of business and fun starting Wednesday.

Although separate radio and television affiliates meetings are scheduled Friday morning and afternoon, mostly it's a convention for fun (see complete agenda, page 31).

There'll be a banquet Thursday night with the principal address by NBC President Robert W. Sarnoff and a talk also by Niles Trammell, president of WCKT (TV) Miami but better known to the affiliates through his 24 years in key NBC executive posts, including nine years as president.

On Friday the affiliates themselves will be hosts at a luncheon honoring Brig. Gen. David Sarnoff, board chairman of RCA, who proposed the formation of NBC in the first place and has kept an alert eye and an informed hand on the direction of its affairs ever since.

There'll be a golf tournament, too (Thursday), and a dinner and dance to close out

the festivities Saturday night. During the four days three major NBC-TV programs—the *Perry Como Show*, one *Tonight* and two *Today* shows—will originate from the Americana convention site.

In the origination of programs as well as the banquet and dinner, at least, the 30th birthday convention will find kinship with that first ten-year "Century of Progress" celebration—which obviously took its name from the fact that Lenox Riley Lohr, installed that year as NBC's second president, had previously organized and run the Chicago "Century of Progress Exposition."

The record makes plain, however, that there was more to justify the "Century of Progress" billing for the 1936 celebration than just the former connection of an official with the Chicago exposition. For radio, it had indeed been a notable decade.

Four networks had come into being where none existed before, two of them operated by NBC (the Red and the Blue, so designated because of the different colored lines used to differentiate the circuits on engineers' maps). Radio had moved ahead with swift strides, revolutionizing the country's concepts of home entertainment as it did so. Television, though still experimental, was on the way—at that 1936 convention the NBC affiliates got their first official demonstration of the new medium.

The first of NBC's three decades started, after the organizational preliminaries, on Nov. 15, 1926, with a four-and-a-half-hour program featuring, among many others,

Mary Garden singing in Chicago, Will Rogers wisecracking in Independence, Kan., and Walter Damrosch conducting the New York Symphony Orchestra in New York. Twenty-one charter affiliates and four other stations carried the inaugural broadcast—which was repeated, with virtually all of the original talent, as a highlight of the 1936 celebration.

NBC-Blue was established Jan. 1, 1927, as an adjunct of the original network, which became NBC-Red. On that same day the nation's radio listeners heard the first coast-to-coast broadcast—the Rose Bowl football game from Pasadena, Calif. (Alabama tied Stanford, 7-7).

The first year brought a succession of newsmaking developments. President Coolidge broadcast his Washington birthday address over a coast-to-coast network of 42 NBC stations (NBC now has 188 radio affiliates). The NBC Pacific Coast network was organized April 11, and in July U. S. and Canadian stations were linked by broadcast. The Dempsey-Tunney prizefight in Chicago on Sept. 22 was carried by 69 stations, the largest hookup to that time.

Radio was steadily expanding its reach. President Coolidge was heard opening the Pan-American Conference in Havana on Jan. 16, 1928, and a year later NBC carried a symphony concert in what was described as the first shortwave broadcast from England. By Dec. 23, 1928, NBC was a permanent coast-to-coast network, with 58 stations. In the meantime, NBC had launched its

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