Giveaway Fade-Away? . . . . AN EDITORIAL

WITHOUT regard to the legality of its action, let's applaud the FCC for its forthright approach to the snow-balling money-giveaway parasite.

The ruse of "judicial law-making," wherein program reforms or restrictions were smuggled into favorable decisions, was avoided. There are no mischievous Blue Book or Port Huron implications in the release of the proposed regulations, which, as written, would knock out most of the fabulous network money and merchandise programs, as well as those locally originated. An open hearing is provided for.

Section 316 of the law is specific in banning lotteries, gift enterprises and similar schemes. It uses the same language embraced in the postal regulations. One other provision of the law—and only one—gives the FCC specific authority over programs, and that bans use of obscene, profane or indecent language over the air. It also was adapted from the postal regulations.

Whether the FCC, with propriety, can lay down regulations of the breadth and scope of those proposed is a matter for strict judicial interpretation. We have always understood that each case must be considered on individual merits because of the hair-line balance between what is and is not "lot" or "chance." The FCC in the past has thought so too, because invariably it has referred such cases to the Department of Justice. And in each such instance the Department has ruled that the cases were "unprosecutable," implying that it wouldn't risk losing in the courts.

In proposing to lay down hard and fast rules, the FCC appears to be venturing into dangerous territory. It literally has thrown the book at broadcasters and sponsors alike. The broadcaster, however, has his station license on the line, whereas the advertiser simply must mend his ways. The proposed rules even go beyond the anti-giveaway language of the NAB code.

Reaction, as always, will depend upon whose ox is gored. ABC, with skyrocketing Hoopers, because of its heavy prize contest programming, can be expected to contend that the proposed rules go far beyond the law. Unquestionably it had cleared as far as it could with the postal authorities before scheduling the programs. NBC, CBS and probably Mutual can be expected to view the FCC's not unexpected action with equanimity.

One immediately salutary effect will be to dampen the ardor of advertisers and networks for the giveaway pattern. Why build up a program if its fate may be extinction? It will tend to open up a host of prospects for radio—both network and spot—advertisers who are getting free rides via the commodity giveaways.

The NAB code, by way of self-regulation, can do this job. It would be far better for radio itself to set the guideposts than to have an agency of Government undertake it. But, though we find ourselves in the unique position of applauding an FCC move having direct bearing upon programming, we do so with the frank recognition that the law itself bans lotteries.

And, we submit, it would not have evolved this way without a man of the stature of Wayne Coy as the FCC chairman. Or stated another way, if Left-Winger Clifford J. Durr were still on the Commission.

ZIV BUYS 'WORLD'

1½ Millions Is Price

FREDERIC W. ZIV'S purchase of the World Broadcasting System from Decca Records last week for a reported $1,500,000 united the nation's largest producer of transcribed radio shows and the oldest and largest transcription library in the industry. [CLOSED CIRCUIT, July 26].

Mr. ZIV Mr. SINN Mr. KENDRICK

The deal was the latest in a series of shrewd and boldly-planned business coups that have buttressed the Ziv Company's steady-increasing pre-eminence in the packaged show field.

World Broadcasting, which includes World Features, World Feature Library, and World Programs, becomes a wholly-owned subsidiary of the Ziv Co. It will be reorganized as an Ohio corporation, with a board of directors including Mr. Ziv, John L. Sinn, executive vice president of the Ziv Co., and Maurice H. Koodish, Ziv attorney. It was understood that WBS headquarters will remain in New York for the present.

No personnel changes within the World organization are planned, according to a joint announcement from the Ziv Co. and Decca. The WBS offices in New York, Chicago and Hollywood will keep their separate identity for the present but later will merge with the Ziv offices in those cities.

Commenting on the company's latest acquisition, Mr. Sinn said on Friday: "the World library has always been considered the finest library from the standpoint of quality and talent and it is our intention to maintain this high standard and to enlarge and expand the service to the stations. We believe it is a natural tieup for the Ziv Company to own and operate World Broadcasting because now we can serve the stations with a library, programs and television—a completely rounded service."

Expansion of the World library and other services is planned, according to Mr. Sinn, with the addition of many well-known performers now under contract to the Ziv Co. Subscribers to the World library now total 670 AM, FM, and television stations.

A spokesman in the WBS New York office indicated that a new position in the Ziv organization is planned for A. J. Kendrick, now general manager of World, with headquarters in New York.

Herb Gordon who left WBS early this summer and is now an administrative executive with the Ziv Co. "will be actively associated with the administration of the World library . . ." Al Sambrook will continue in charge of station relations for World, with Maynard Marquardt heading the Hollywood office and W. C. Hutchings as head of the Chicago office.

Decca bought World Broadcasting System in July 1943 for an undisclosed sum from Percy L. Deutsch, who in 1929 had formed WBS and Sound Studios, later merged as a single organization.

When Mr. Deutsch formed WBS he became one of the first recording executives to enter the field of making transcriptions solely for broadcast use. In 1931 the vertical cutting method developed by Electrical Research Products Inc. (now Electrical Products Division of Western Electric) was adopted by World under leasing arrangement.

World was reorganized in 1936 with ERPI holding all of its preferred stock (3,000 shares at a par value of $100 a share) and 5,845 shares (about 18%) of the WBS common stock. However, the ERPI holdings were transferred to Decca at the time of the 1943 sale, giving it full control. The WBS physical properties at that time included recording studios in

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Decca Firm Sued By Anti-Trust Div.

Government Charges Conspiracy To Control Record Market

DECCA RECORDS Inc., New York, and Decca Records Co., Ltd., of Great Britain, were sued by the anti-trust division of the Department of Justice on Tuesday, Aug. 3, for allegedly conspiring to control the world record market.

The detailed complaint filed against Decca in U. S. District Court, Southern District of New York, last week alleged that the defendants (Decca and Decca Ltd.) and "the co-conspirator" (Electric and Musical Industries Ltd., Great Britain) have been engaged in an illegal combination and conspiracy in restraint of trade in records in the U. S. and abroad since 1943.

Such activities, the government charges, are in violation of Sections 1 and 3 of the Sherman (anti-trust) Act.

All three firms are accused of plotting to divide the world's rec-

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