

# NETWORKS, ON CELLER STAND, TELL OF INSIDE OPERATIONS

Appearances by Stanton of CBS and Sarnoff of NBC occupy most of House subcommittee's attention as New York hearings come to close. Uneasy prospect: Chairman Celler says he may have to reopen them in D. C. Congressmen commend CBS chief for frank testimony.

DEEP probing into the way networks run their business occupied most of the third, and perhaps final, week of New York hearings before the Celler antitrust subcommittee.

The New York phase of the probe ended late Thursday afternoon on a note of uncertainty as to whether or not the hearings would be resumed "at a later date" in Washington. Chairman Emanuel Celler (D-N. Y.) announced that they "may" be so reopened but did not amplify his statement. Previously, however, Rep. Celler had indicated while Robert W. Sarnoff, NBC president, was on the stand that he might have to "reassemble" the subcommittee if certain answers to questions were not forthcoming at that time.

Questioning was lively at times last week as two network presidents—Frank Stanton, CBS, and Mr. Sarnoff of NBC—went into details of such topics as affiliation contracts, talent fees, film programming and alleged favoritism granted to the networks' inside programs as against non-owned program properties.

Chairman Emanuel Celler (D-N. Y.) paid a glowing tribute to Dr. Stanton at the completion of his testimony. But the impression was evident that the subcommittee feels it is grubbing out priceless operating secrets that have never before been revealed. It looked for a time as though confidential salary and fee data from talent contracts might be unveiled to eager competitors, but most of this material was unidentified. There was some disturbance, however, among industry witnesses over unveiling of several confidential network affiliation arrangements.

Witnesses testifying during the second week were:

Monday—Alan R. Cartoun, vice president-advertising director, Longines-Wittnauer Watch Co., accompanied by Clark Getts, Getts Lecture Bureau; Carl Haverlin, BMI president; Earl Gammons, former CBS Washington vice president; Ralph W. Hardy, CBS Washington vice president; Dr. Stanton.

Tuesday—Dr. Stanton; Walter Winchell, MBS-NBC-TV newsman.

Wednesday—Dr. Stanton; Robert W. Sarnoff, president, NBC; James A. Stabile, ABC.

Thursday—Mr. Sarnoff; Robert Moore Jr., superintendent, Sheraton Corp., closed-circuit tv network; Murray Carpenter, president, WTWO (TV) Bangor, Me.

Other subcommittee members attending one or more sessions: Reps. Peter W. Rodino (D-N.J.), Byron B. Rogers (D-Colo.), James M. Quigley (D-Pa.), Kenneth B. Keating (R-N.Y.) and Hugh Scott (R-Pa.). Also present: Herbert N. Maletz, chief counsel; Kenneth R. Harkins, co-counsel; Samuel R. Pierce Jr., associate counsel, and Leonard Appel, Thomas H. McGrail and Julian H. Singman, assistant counsel.

## Alan R. Cartoun Longines-Wittnauer

Messrs. Cartoun and Getts described the history of *Longines Chronoscope*, quarter-hour program on CBS-TV. Under questioning, Mr. Cartoun said the show began on CBS-TV in 1951 as a production of the watch company,

with its agency, Victor A. Bennett Co., New York, purchasing time from CBS-TV.

Answering queries, Mr. Cartoun said CBS-TV shortly after the show began in 1951 at 11 p.m., informed Longines that the program was contrary to the network's policy of itself controlling all special events presentations. Thereupon, Longines furnished CBS-TV with a list of the special guests well in advance of each performance so the network could pass on them.

In the summer of 1953, however, CBS-TV President J. L. Van Volkenburg, told the company the show was being terminated because "programs in the opinion area must be the direct responsibility of CBS Television."

The program was off the air "several months," but was reinstated as a CBS-TV production with Mr. Cartoun continuing as director

duced under "the supervision and control" of CBS-TV. The card was carried two or three weeks, Mr. Getts continued, but was dropped "suddenly when one of the guests, I was told privately, was no favorite of the network."

Mr. Getts said that after his termination, he protested to CBS President Frank Stanton, who said he would look into the matter. When he asked again to see Dr. Stanton, he never heard from the CBS president, Mr. Getts said.

The subcommittee entered in the record a telegraphed reply by CBS Records artist and repertoire man Mitch Miller to a telegraphed charge by singer Frank Sinatra last week [B•T, Sept, 24] that Mr. Miller almost ruined his career by insisting that he record BMI instead of ASCAP songs.

Mr. Miller said Sinatra history at Columbia "during my tenure" shows that he recorded 57 songs in 31 months of which 51 were ASCAP and five BMI, two of the latter "hits." He said he is "prepared to confront Sinatra on witness stand if your committee so requests." An accompanying affidavit by Mr. Miller was withheld pending "perusal by counsel."

## Carl Haverlin

President, BMI

Mr. Haverlin cited similar figures to indicate that most of Mr. Sinatra's telegram "seems to

## WITNESSES FOR THE DEFENSE



STANTON OF CBS



SARNOFF OF NBC

on the CBS-TV payroll and also continuing with Longines. The network dispensed with services of Mr. Getts' bureau and secured the special guests itself. Additional costs to Longines, under CBS-TV ownership, was only \$300 or \$400 more weekly than it was while being produced by Longines. The show was sold to CBS-TV for a "token" sum, with the understanding it would revert back to Longines when no longer used on the CBS-TV network.

Then, in the summer of 1955, CBS-TV took the program off the network altogether, explaining that it did not fit the current structure as re-evaluated by the network, Mr. Cartoun explained. Since then, Longines has not been able to secure comparable network time for the show, he continued.

Near the end of the 1951-53 period, discussions were renewed on whether CBS-TV or Longines should produce the show, Mr. Getts said, adding that he went to see Mr. Van Volkenburg and told him of "the great damage that would accrue to me if this change were made, and other matters." The network agreed to carry a card saying that the program was pro-

duced under "the supervision and control" of CBS-TV.

The BMI president said that in the songwriters' suit against BMI and others "no one has furnished . . . any figures to suggest" that BMI songs are more often recorded by broadcast-connected recording companies than those which are not. ASCAP, he said, "has many times our performances" and "several times our income."

On the two basic issues before the Justice Dept. for 15 years, whether broadcaster ownership of BMI stock is wrong and whether broadcasters have discriminated against ASCAP and in favor of BMI, Justice "has taken no action because no action was called for," he continued.

ASCAP witnesses before the subcommittee, he said, are asking the House group "to assume the existence of a conspiracy more widespread and gigantic than has ever existed in this country." He called ASCAP testimony "an attack on the integrity of 4,000 broadcasters . . . leading citizens of their communities."

He called the charges "an obvious attempt, in my mind, to prejudice the outcome of a law