

CBS Radio, terms the coming year an "important landmark in network radio's return to financial stability." He further indicates that the network's new Program Consolidation Plan "may well put the network in the black in 1959. The implementation of this plan," he states, "is the first real move to align networking with today's economics."

Mr. Hayes believes, "The future of network radio lies in the direction which we have taken, a new relationship between affiliates and their network. In addition, it will result in increased values to advertisers. The coming year," he concludes, "should bear out this thesis."

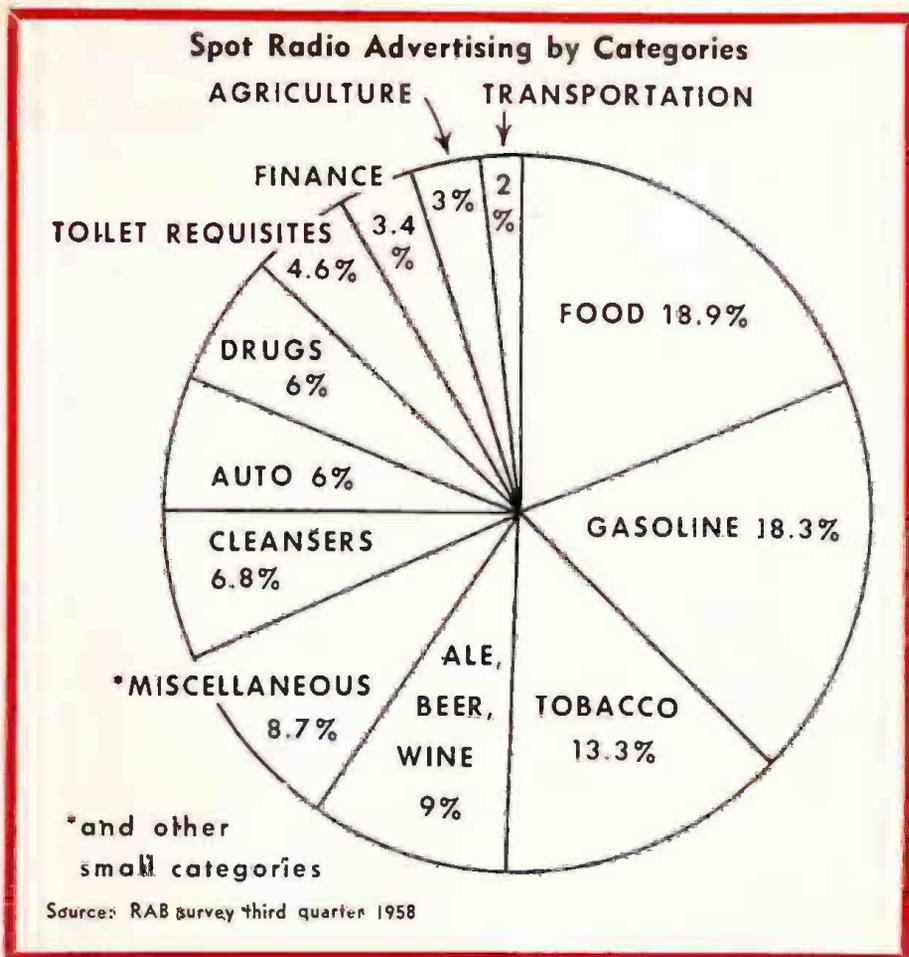
(CBS Radio has 199 affiliates; it programs about 50 hours a week plus special public affairs programs "frequently to regularly;" option time is 30 hours a week and the network operates at 100 percent of clearance; compensation to affiliates is in terms of the hours of programming in the basic plan.)

Matthew J. Culligan, executive vice president in charge of NBC Radio, declares, "By the end of 1958 NBC Radio had 48 percent of all sponsored hours on the three major networks. Net billings were up 17 percent over 1957 figures. Overall clearances continued to climb enabling NBC Radio to raise its clearance guarantee to advertisers from 75 percent to 85 percent. The network's compensation to affiliated stations increased on an average of 52 percent over 1957.

"The outlook for 1959 is even brighter," Mr. Culligan says. "The top 15 advertisers returned to NBC Radio in 1958 and dozens of companies used the network for the first time. We expect these advertisers to be with us again in 1959."

As a final note, Mr. Culligan discusses a recent affiliation agreement that has caused much comment in the industry: "The affiliation with the Storz Broadcasting Co.'s KOMA Oklahoma City is symbolic of a complete upheaval in the network-affiliate relationship area."

(NBC Radio has 201 affiliates; it programs 70 hours a week; option time is 37½ hours a week and the clearance guarantee to advertisers is 85 percent; contracts with affiliates were revised April 1, 1958, and now apply to the participation method of



sales which accounts for 90 percent of NBC Radio's business—a commercial minute is the basic unit of compensation to affiliates).

Edward J. De Gray, vice president in charge of ABC Radio, declares, "Network radio in 1959 will continue the upward swing which began about a year ago. While a number of changes have taken place in the industry during the past year, the medium in the coming months will begin to assume a degree of stability.

"Encouraging news from advertisers," Mr. De Gray states, "leads me to believe that ABC Radio business will follow the general trend."

Mr. De Gray also states that he believes the network's affiliate lineup will grow in 1959 and that its staple news programming will achieve even greater importance in the year ahead.

(ABC Radio has 286 affiliates; it programs 42 hours a week; option time is 63 hours a week; clearance varies with some shows such as *Breakfast Club* hitting 94 percent, while the average for commercial shows is 75 percent; compensation to affiliates is on the basis of com-

mercial programming carried.)

Blair A. Walliser, executive vice president of Mutual Broadcasting System, declares, "The fate of network radio for the next 25 years will be decided in 1959. The modern network is the hard-working partner of the local station. The modern radio network fulfills its function best by a policy of what we at Mutual choose to call Dynamic Compatibility.

"We feel this is the happy marriage of community programming best provided by the local station with world-wide news, sports, special events and public service which only a network can efficiently maintain.

"When Mutual initiated this policy on June 2, 1957, it had 350 affiliated stations. At the end of 1958, Mutual had 453 stations—an expansion of 103 affiliates in 18 months.

"More and more stations," Mr. Walliser concludes, "are requesting affiliation."

Over-all, the outlook for radio in 1959, as can be seen, is not only based on advertiser acceptance of a growing medium, but just as solidly on the enthusiastic launching of new sales development efforts. . . .