

# Storm Brews as Congress Weighs Fee Plan for Broadcast Licensing

WASHINGTON, Jan. 20.—Legislation to charge fees for radio-TV applications and license is showing signs of developing into a controversial issue.

Similar legislation last session failed to be taken seriously on Capitol Hill, but the Senate Expenditures Committee, which is thinking up new ways to supply Uncle Sam with much-needed revenue, is now considering the possibility of recommending that the Treasury Department work out a proposed schedule of fees.

Some solons have suggested that the fees be stiff enough to put the Federal Communications Commission (FCC) on a near break-even basis.

The legislation is sure to run into terrific opposition. With FCC appropriations currently running over \$6,000,000 a year, any fee schedule would have to set a fairly substantial charge for issuance of licenses. A nominal \$2 charge for filing an application would be fig-

ured as capable of raising only about \$500,000 on the basis of current and predicted activity in this field, which covers special service and amateur as well as commercial broadcast applications.

Congressmen supporting the FCC fee plan have talked of charges as high as \$1,000 for licenses to new stations, depending upon the power of the station, and as high as \$100 for renewals. With some 800 AM, 350 FM and 100 TV licenses coming up for renewal each year, the \$100 fee would bring in about

\$125,000. A similar take could be expected from smaller fees on renewals of special service and amateur licenses.

The possible income from heavy charges for licenses is anybody's guess in view of the continuing freeze on TV and the dark outlook for materials to build any kind of station in the war picture. The virtual spectrum saturation for AM and economic saturation for FM makes it even less likely that huge sums could come from a license fee system.

FCC already has been canvassed for its views on a general fee set-up and has stoutly opposed any such move, claiming it would be extremely burdensome for applicants. Unanimous opposition can also be expected from the industry if and when the proposal reaches the hearing stage on Capitol Hill.

Proponents, however, claim that there is no reason why the general taxpayer should have to pay the cost of many government services to business. They also feel agriculture and commerce departments should charge for their services.

It is pointed out that a precedent for what amounts to a service charge is presented in the fee the U. S. Copyright Office charges for deposits and the fees for registering patents and trademarks.

## Coy Sees End Of TV Freeze By Sept.—IF

BUFFALO, Jan. 20.—Wayne Coy, chairman of the Federal Communications Commission (FCC), has predicted that the television freeze would be over by September of this year.

In a speech here this week at the New York State Publishers' Association (NYSPA), Coy attached one big "if" to his guess. He said that the freeze would end provided "the mobilization program is so large by late summer that it will not be possible to utilize raw materials in the building, equipment and construction necessary to get television stations on the air."

Coy prefaced this prediction by noting he has made "so many wrong predictions" as to the date of the thaw that he felt he should be cured of making such guesses, and that "no matter what date I suggest . . . the date will be wrong."

The freeze will have been in existence three years at the end of this year.

## Fox Quits DuMont To Package Films

NEW YORK, Jan. 20.—Ben Fox this week resigned as assistant director of programming and production for the DuMont network and WABD, New York.

Fox, who was with the web for nearly two years, is forming his own program package agency, and is heading for Hollywood where he will wrap up some business before establishing headquarters in New York. He plans to specialize in filming dramatic shows for video.

No replacement is planned by the web at this time.

## Radio Disputes NBC's 2-Mil Fig. on TV Sets

NEW YORK, Jan. 20.—Television receiver circulation as of January 1, 1951, hit over the 2,000,000 mark for the first time, according to National Broadcasting Company (NBC) research. The network estimates the metropolitan area's set ownership at 2,050,000.

Radio circles, however, vigorously dispute NBC's claims as to TV circulation, claiming that they are considerably over actual ownership. In New York, it is

## Jones TV Bills Hit 2-Mil With "Bride"

NEW YORK, Jan. 20.—With the debut of the sponsored portion of *Bride and Groom* on Columbia Broadcasting System (CBS)-TV Thursday (25), Duane Jones, the agency for Hudson Paper Napkins, the sponsor, will be billing around \$2,000,000 a year in video.

The agency also has on NBC-TV *One Man's Family* for Sweetheart Soap, which costs the client about \$1,000,000 a year. *Bride and Groom* is expected to run Hudson about 400G yearly for a one-a-week daytime seg.

The rest of the 600G billings derive from local shows.

## P&G Weighs Option On Comedy Theater

NEW YORK, Jan. 20.—Procter & Gamble is slated to decide next week whether it will renew *Musical Comedy Theater* for another cycle. The program is on alternate Monday nights, 9:30-10:30, on NBC-TV.

In spite of better production work recently, ratings are still considerably behind the *Lucky Strike Theater* which alternates in the same time spot.

pointed out, Pulse figures for the 16-county metropolitan area show 45.9 per cent of the families owning TV sets. This was as of December 1, 1950. The rate of increase has been, according to Pulse, which does in-person interviews, about 2 per cent per month.

Broadcast Measurement Bureau (BMB) estimates gave the metropolitan area a 3,500,000 radio set ownership as of April 1 and it is believed that this is now up to at least 3,600,000. Using the Pulse figures, this means that the New York area TV ownership would run to 1,728,000, rather than the 2,050,000 projected by NBC.

## Parliament Buys First TV Program

NEW YORK, Jan. 20.—Benson & Hedges, which has made heavy use of TV spots and station breaks on behalf of Parliament Cigarettes, this week bought its first video program. The deal is for the Saturday edition of *Televue of the News* on WPIX, New York, starting January 27. Kudner is the agency.

The show airs nightly in the 7 to 7:15 p.m. slot. Socony-Vacuum sponsors three editions and Monarch Wines bankrolls the Sunday version of the stanza.

## Y&R LEADS IN TOTAL TV TIME; WEINTRAUB TOP IN NITE SHOWS

NEW YORK, Jan. 20.—Young & Rubicam has the largest amount of commercial time on the TV networks, with the relatively young William Weintraub Agency second.

Y. & R. leads on the basis of combined daytime and nighttime shows; Weintraub leads on the basis of nighttime shows only.

The computation, based on network station hours over-all, as of December 15, follows:

| Day and Night Total  |     |             | Nighttime Only Total |     |             |
|----------------------|-----|-------------|----------------------|-----|-------------|
| Young & Rubicam      | 275 | Mins. Wkly. | Wm. Weintraub        | 217 | Mins. Wkly. |
| Wm. Weintraub        | 217 | Mins. Wkly. | Young & Rubicam      | 190 | Mins. Wkly. |
| J. Walter Thompson   | 188 | Mins. Wkly. | J. Walter Thompson   | 158 | Mins. Wkly. |
| B. B. D. & O.        | 145 | Mins. Wkly. | B. B. D. & O.        | 137 | Mins. Wkly. |
| Foote, Cone, Belding | 131 | Mins. Wkly. | Kudner               | 128 | Mins. Wkly. |

## CBS-TV To Reshuffle Shows, Strengthen Saturday Nights

NEW YORK, Jan. 20.—The CBS-TV network program schedule will be revamped considerably beginning the week of April 16. Now on alternate weeks, Fridays, 9-9:30, *Charlie Wild*, *Private Eye*, sponsored by Wildroot, goes weekly April 18 in the Wednesday night 9-9:30 time.

*Teller of Tales*, currently bankrolled by Tintair on Wednesday evenings at 9, will shift to Saturdays, 7:30-8 p.m., April 21. The CBS-TV Saturday night line-up will thus be even more potent. Sam Levenson will be on at 7 p.m., to be followed by Tintair and three hour presentations, the Ken Murray Revue, Frank Sinatra and *Sing It Again*.

Now on alternate Fridays at 9:30 p.m. *Live Like a Millionaire*, the General Mills show, will be moved forward a half hour to 9 p.m. CBS-TV will thus have available for sale 9:30-10 p.m., alternate Fridays.

## Air Pitchmen Investigated By Fed. Jury

HOLLYWOOD, Jan. 20.—A federal grand jury this week probed complaints here that gimmick pitchmen had resorted to misrepresentation in their radio advertising. U. S. Attorney Ernest A. Tolin said his office had received numerous reports from listeners who charged the products they received were not as advertised. Grand jury hearings were held yesterday (19) in closed session with U. S. attorney's office refusing to divulge details. *The Billboard* learned that representatives of at least five local indie stations were called to testify.

Particularly under fire was the sale of Christmas tree ornaments pitched over local indie stations during the pre-yule period, which, according to complaints, did not live up to their description on the air. Tolin indicated that if charges are substantiated Federal Communications Commission (FCC) may look into the situation. Furthermore, mail fraud action may be taken against the advertisers in question.

Southern California Broadcasters' Association, group composed of area's radio men, long ago established a code governing reliability of ad claims. In addition to this, various stations have set up restrictions of their own guarding against possible misrepresentation in commercials. For example, L. A. indie KRKD tests products by having one of its employees pose as a purchaser, thereby allowing station brass opportunity to make sure quality of product sent out is comparable to samples submitted to the station.

## Detroit TV Local Sharpens Demands

DETROIT, Jan. 20.—A local Television Authority (TVA) unit which has been organizing here for some months, is preparing contract demands for formal presentation to management of the three stations here.

Pierre Paulin, WWJ-TV staff announcer, is chairman of the local board, with Boaz Siegel, executive secretary of the American Federation of Radio Artists (AFRA) local, in a similar capacity, and Billy Grubbs, national representative of the American Guild of Variety Artists (AGVA), as assistant.

TVA officers have made no official approach to station management, but the reports of approaching contract demands have caused grave concern in front offices over the possible effect on production costs.

## WALL ST. EARS PERK UP AT TV

NEW YORK, Jan. 20.—The newly formed Kagan Corporation, which recently took over packager Martin Stone's merchandising and TV operations for *Howdy Doody* and other properties, is reportedly backed by Lehman Bros., powerful investment banking outfit. The Lehman purchase points up the recent spurt of interest in video on the part of Wall Street.

## CBS-TV Rents Warner Space

HOLLYWOOD, Jan. 20.—CBS's immediate need for TV studio space is prompting the net to lease Warner Bros.' Sunset Boulevard lot. Altho the net has started building studios and offices on its recently purchased Gilmore Island property, completion of construction is not anticipated until September, 1952.

CBS, in the meantime, is tightly pinched for production space and will be in serious need of sound stages this summer and fall when tempo of Hollywood originations is expected to be hyped. Rental and renovation of the Warners' property is expected to run close to \$500,000. Part of the property is currently occupied by Station KFWB, which soon will move to Hollywood Boulevard. Leases are expected to be signed early next week.

## NBC-TV's Keith Heeds War Call in 2 Weeks

NEW YORK, Jan. 20.—Hal Keith, rated as the National Broadcasting Company's (NBC) top video director in New York, leaves the web in about two weeks. He's going into the armed forces.

Keith's major chore is directing the Max Liebman *Show of Shows* Saturday night. NBC is considering bringing Bill Hobin, director of the Dave Garroway TV shows, in from Chicago as Keith's successor.

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