

Television/Radio Age

SEPTEMBER 12, 1977 • \$2.00

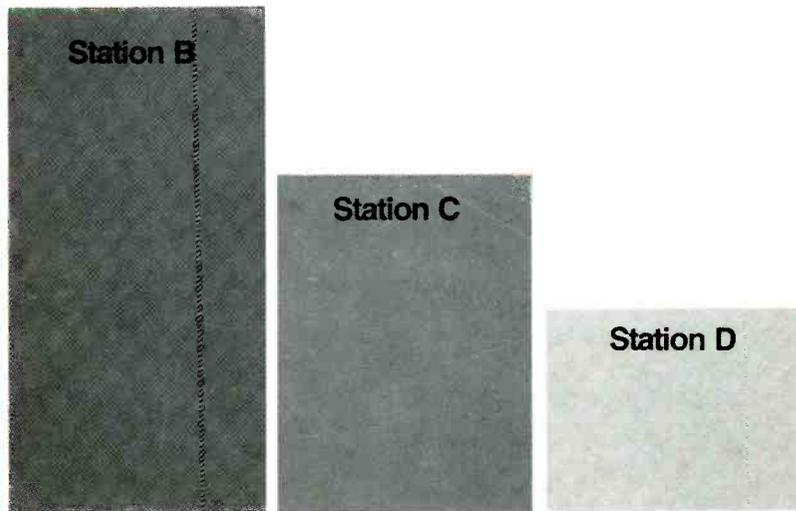
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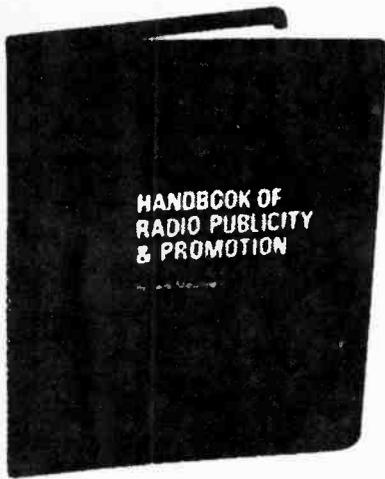


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Television/Radio Age

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34 Live-coverage drought may be ending in nation's courtrooms

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A3 THE CBS 50TH ANNIVERSARY

Creative broadcast force

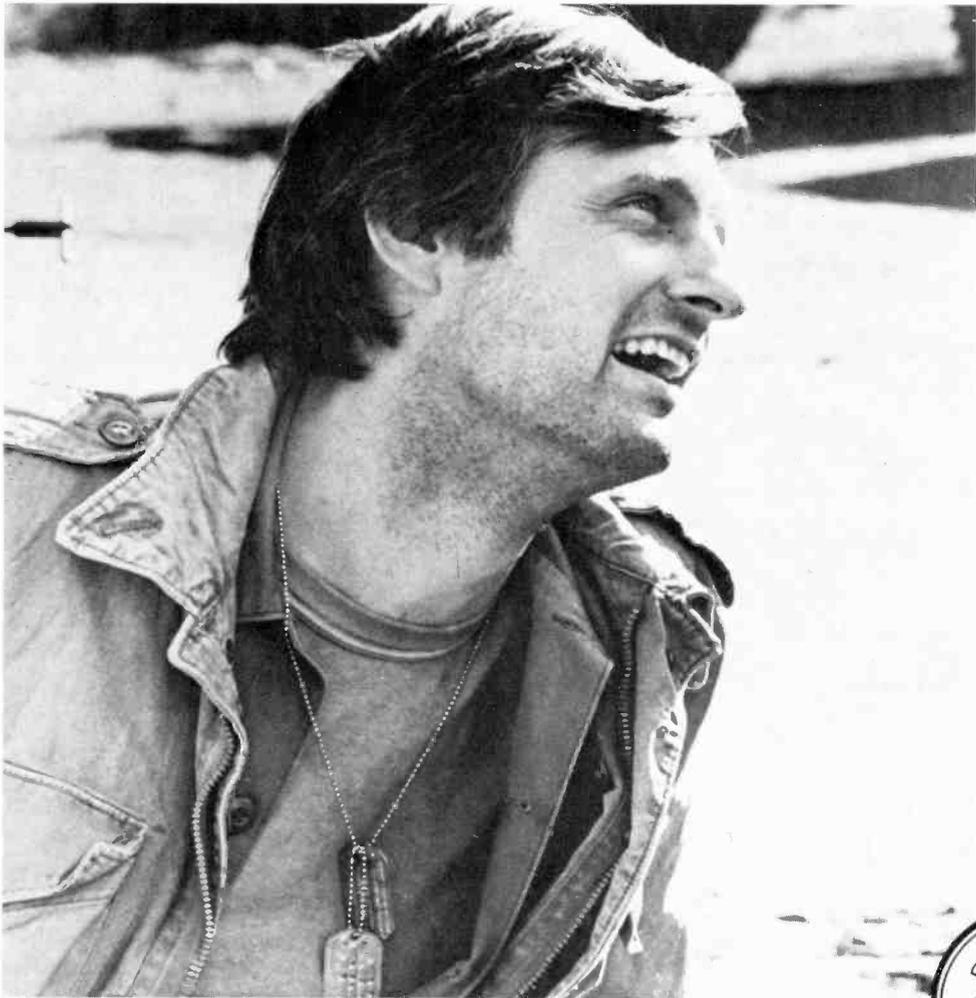
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Miami Newsfilm Update:

The two largest TV network affiliates in this competitive "Top 20" market choose to upgrade their newsfilm equipment rather than switch to All-ENG, recognizing the indispensable role of 16mm newsfilm in a balanced newsgathering operation.

Despite the continuing "All-ENG" hysteria, the majority of affiliate and independent TV stations across the country have opted for a balanced newsgathering operation — a healthy mix of modern, one-man-band newsfilm cameras and a limited number of ENG units with live transmission capabilities.

What's happening in a "Top 20" market like Miami is typical of current trends in gathering news for television.

Basically a flat narrow strip along the coast, with the Atlantic Ocean on one side and the Everglades on the other, Miami is considered among the fastest growing

markets in the country. Long favored as a major convention town, Miami is also a gateway for South America, Central America, and one-stop service to Europe. Since 1960 Miami has been the third-ranked city in the country in terms of datelines, with more hard news stories in one day than any other market this size.

"Our cost analysis left it very much up in the air as to whether ENG saves you money in the long run."

WCKT-TV, the NBC affiliate in Miami, has won numerous awards in recent years for its outstanding news coverage and investigative reports.

"We have two ENG units with live and tape capabilities," says Gene Strul, News Director, WCKT-TV. "The time had come to decide whether to go All-ENG or to retain film cameras.

"Our cost analysis left it very much up in the air as to whether ENG saves you money in the long run.

"We have also found that, contrary to reports, ENG units still do not serve as replacements for film cameras. We still cannot edit tape with any great speed. And the support equipment for ENG is bulky and difficult to maneuver. We use helicopters frequently to cover stories. (We also use them to rush material to us.) On occasion, we also shoot film from boats. ENG could be a problem when a helicopter or boat is needed. We also do a lot of investigative reporting where ENG would be difficult to use because the amount of equipment required would let everyone know what we're doing.

"As far as the public is concerned, it doesn't make much difference whether we use tape or film. The audience isn't interested in the difference — unless it's live. Of course, the public isn't gaining

anything if a story is put on live just to use the live capability. That's just a promotional gimmick, and the public gets blasé after a while. After all, they have already seen a *moon walk* live, and they see golf games and other events live. After a while they say 'so what.' Why bring in a feature story live when it could have been done better

on film?

"The question was: should we invest in modern newsfilm cameras or more ENG? We felt that our two ENG units were enough to supplement film and serve our purposes at this point. And so, as our old newsfilm cameras have gone out, we're replacing them with new CP-16 units."



Dave Seeger, Newsfilm Reporter, WCKT-TV, loading his CP-16 into the news car. "VNF 7240 gives us a lot more latitude," says Seeger. "Working on various investigative series and shooting frequently at low light levels, I've probably 'forced' more film than any photographer around here." (Eastman Kodak has recently developed a new, remarkably fast stock, VNF 7250, with an ASA rating of 400, which permits shooting at light levels as low as two footcandles without requiring any forced developing! If needed, the new VNF 7250 can be pushed three stops to an ASA of 3200!)



Gene Strul (right), News Director, WCKT-TV, and Dave Choate, Assistant News Director, in conference about an upcoming investigative series. "We have found that, contrary to reports, ENG units still do not serve as replacements for film cameras," says Gene Strul.



Frank Broughton, Lab and Photographic Equipment Manager, WCKT-TV, accepts delivery of eight CP-16's from Charles Sutyak of Photomart (the regional CP-16 dealer headquartered in Orlando, Florida). WCKT-TV purchased two CP-16's in 1973, two in 1975, and in the winter of 1976-77 — twelve additional CP-16's!



"I don't think our equipment inventory should lie exclusively with ENG or film," says Ralph Renick, Vice President for News, Wometco stations. The WTVJ-TV news department equipment inventory includes two ENG vans, five ENG cameras, and nine of the station's CP-16's.

"I don't think a station should go All-ENG primarily because, with present ENG technology, your coverage would be limited."

WTVJ-TV, the CBS affiliate, is the oldest station in Miami. And the "Ralph Renick Report" is probably the longest continuing newscast in America. WTVJ-TV also has the greatest number of ENG

units in Miami: five.

"I don't think our equipment inventory should lie exclusively with ENG or film," says Ralph Renick, Vice President for News, Wometco stations. "I don't think a station should go All-ENG primarily because, with present ENG technology, your coverage would be limited.

"Plus, some stories, especially features with a great deal of motion involved, lend themselves better to a newsfilm camera. Stories that are better covered with film include some breaking stories where you have to be able to move rapidly, and out-of-town stringer stories. While film in our shop is becoming a back-up or secondary system of coverage, with ENG being our primary and preferred mode of coverage, it is important that the news manager invest sufficiently in film equipment that is reliable.

"As for film versus ENG cost factors, the extra personnel involved in ENG and other extra expenditures have made the two a financial draw, they break down about evenly."



Cameraman Jeff Fort, of WTVJ-TV, takes a light meter reading, getting ready for a federal prisoner to come out of the courthouse building. WTVJ-TV acquired twelve new CP-16's in the fall of 1976, of which nine were assigned to the news department.

Ralph Renick (left), Vice President for News, Wometco stations, with Jim Rutledge, News Assignment Editor, WTVJ-TV. "We see film as part of the news operation for the foreseeable future," says Renick.



The leading TV stations in Miami may differ in their general approach to news and newsgathering, in the specific tape/film ratios they use in covering the news, and the extent to which they use ENG live capabilities. Though the competition among the stations is keen and lively, on one subject there's a definite consensus: **16mm newsfilm still remains the backbone of a balanced TV newsgathering operation.**

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Publisher's Letter

Television/Radio Age, September 12, 1977

CBS golden anniversary a tribute to the faith of William S. Paley

When William S. Paley took over the Columbia Broadcasting System, it was a struggling, debt-ridden company. Paley was up against a strong, well-financed combination of RCA and GE. NBC had just split into two networks, the Red and the Blue. Many observers did not give the relatively new company much of a chance to survive. But Paley had complete faith in the future of the broadcast medium.

There was never any doubt about Paley's business acumen (He built the company into a \$2.5-billion-a-year business with 32,000 employees). There was never any doubt, either, about his programming savvy in both radio and television. But probably his greatest asset has been an intuitive flair for picking outstanding people.

"At first we had a tough time getting people to work for us," Paley told us (see interview, page A48), "because they felt that radio was a passing fad." Hard as it was to recruit good people in the early days of the company, Paley's instincts about executives has been the important keystone around which he built the company. CBS has been regarded by management experts and by Wall Street as an extremely well-managed company.

CBS Spot Sales was executive training ground

This kind of recognition, along with the personality of the company, stems from the very top. Bill Paley selected persons with specific aptitudes and gave them plenty of opportunities to demonstrate their talents—such men as Ed Klauber, Paul White, Paul Kesten, Frank White, Ed Murrow, Bill Golden and Herb Akerberg.

In 1946, he appointed the brilliant young (39) Frank Stanton as president, launching an unique relationship that lasted a quarter of a century until Stanton retired in 1973. All were young, exciting, impatient men with style, who, in many respects, reflected their boss.

CBS had achieved an image by the late '30s that attracted the cream of young broadcast executives on their way up.

For example, CBS Spot Sales for many years became the recruiting ground for top executives in the broadcast business. Out of that division came such later-to-be industry leaders as: Marvin Shapiro, president, Station Group, Westinghouse Broadcasting; James Conley, president, Meredith Broadcasting and Norman Walt, president, McGraw-Hill Broadcasting. Even Peter Storer, president of Storer Broadcasting, served an apprenticeship at CBS Spot Sales. Jack Schneider, president of the CBS/Broadcast Group, is a product of that distinguished and aggressive sales organization.

Knowledgeable individuals bulwarks of the business

And then there are the bulwarks upon which any successful company is built, men with a cumulative flow of knowledge, continuity and authority to make day-to-day decisions—men such as Jack Cowden and George Arkedis.

These qualities apply to CBS engineers as well. They were picked not only for their engineering backgrounds and innovative skills, but also for station and industry relations ability—men such as Bill Lodge, Peter Goldmark, who set up CBS Labs, and Joe Flaherty, who is an engineering ambassador-at-large. Flaherty is president of the Society of Television and Motion Picture Engineers and is highly regarded by top engineers both here and abroad.

Bill Paley today is a vigorous 76. He has built, fashioned, directed a company with top flight management and middle-management executives. People may change, but he knows that the motivation and the challenges and the sense of achievement have been the foundation of a highly successful CBS, and that they must be present in the transitional years.



DID YOU HEAR WHAT HAPPENED AFTER THE PROVIDENCE NETWORK FLIP?

ZIP.

July Nielsen and Arbitron ratings are in, and what they show is that the Great Providence Network Flip was a flop. Because while CBS and ABC were busy changing their channels — the people in Providence weren't. They were watching Channel 10. Just as they have been for years. Sign-on to sign-off, including prime time and all adult demos, WJAR-TV is still number one. *Which only goes to prove that while some networks make stations winners, some stations make networks winners.*



WJAR-TV, 176 Weybosset Street, Providence, RI 02903 (401) 751-5700.
Broadcasting Division of Outlet Company. An NBC affiliate.
Audience information based on Providence NSI/ARB Reports,
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THE KATZ AGENCY INC., NEW YORK ATLANTA BOSTON CHARLOTTE

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An Atlanta timebuyer calls reps, urgently requesting avails for a heavy-up buy in a major TV market.

Without Katz automated sales system, it would take John Dobson, Katz American's Atlanta sales manager, almost a day to plan, calculate and type this presentation.

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Avails can be requested with data from as many as five books, including estimates, sports and specials. When prices are entered the computer calculates CPM's by package or individual spot.

John Dobson's avail presentation is first—with the most. It includes an audience and cost analysis of all stations in the market. Speed and completeness win the biggest share of budget for the station repped by Katz American.

An automated sales system is just one of the resources a rep needs to be the best in the business. Katz has them all.



Katz. The best.

CHICAGO DALLAS DETROIT JACKSONVILLE LOS ANGELES MEMPHIS MINNEAPOLIS PHILADELPHIA ST. LOUIS SAN FRANCISCO SEATTLE

Letters

Reporting audience levels

In your August 15 issue, you printed the *Viewpoint* of Mr. James J. Matthews of WGTU/WGTQ-TV Traverse City, Mich., regarding his complaints against Nielsen's May, 1977 report for his market.

Mr. Matthews complained that Nielsen reported fewer 18-49 women for his station than did Arbitron and

continued his "viewpoint" contending that Nielsen was wrong because:

1. Nielsen only allowed him to re-view the in-tab diaries (he is a non-subscriber).
2. The Nielsen sample skewed toward older heads-of-household.
3. Nielsen reduced his metro sample over the past two years.

Mr. Matthews claims that this is unfair, and he may be right. However,

he did not discuss the following:

1. Arbitron non-subscribers are not given the right to look at any diaries.
2. Arbitron's in-tab sample also skews old.
3. Arbitron also reduced its metro sample over the past two years.

I am not taking the side of the A. C. Nielsen Co., in this or any other case, but I do believe Mr. Matthews is being as unfair to Nielsen as he believes Nielsen is to his station by not revealing the whole story. I hope you see fit to print this reply in your next issue. Let's stop blaming the rating service that reports lower figures, whether it be Arbitron or Nielsen, and begin an attempt to determine who is reporting audience levels more accurately.

RICHARD A. BOMPANE,
*Vice president-research and program-
ming services, Avery-Knodel Televi-
sion*

*Ed. note: This continues commentary
from the last issue on the July 18
"Publisher's Letter."*

Against Code revision

As you know, I am on record as being dead set against any revision of the Television Code. Code language does not and will never circumscribe the taste and style of television programs—particularly an unenforceable Code. Substantial progress was being made by a handful of dedicated guys employing sincere colloquy and moral suasion on the people who create the shows and make the scheduling decisions. When a *handful* of willful men attempt to *mandate* their judgment and taste on these people, it can only polarize both sides of the equation.

The only reason I have consented to sit in further on what I consider to be a stacked deck is the hope that some reason can still prevail.

The station side of the industry is on the verge of making a grievous error.

JAMES CONLEY,
*President, Meredith Broadcasting,
New York*

Operating on deaf ears

Great—I've been saying the same thing to deaf ears for 10 years. We have asked for our present problems year after year, and we both know who lets Code violations occur regularly and that program guides have been a joke. Maybe next month we'll see some changes for the better.

MIKE SHAPIRO,
*President, WFAA-AM-TV, Belo Broad-
casting Corp., Dallas*

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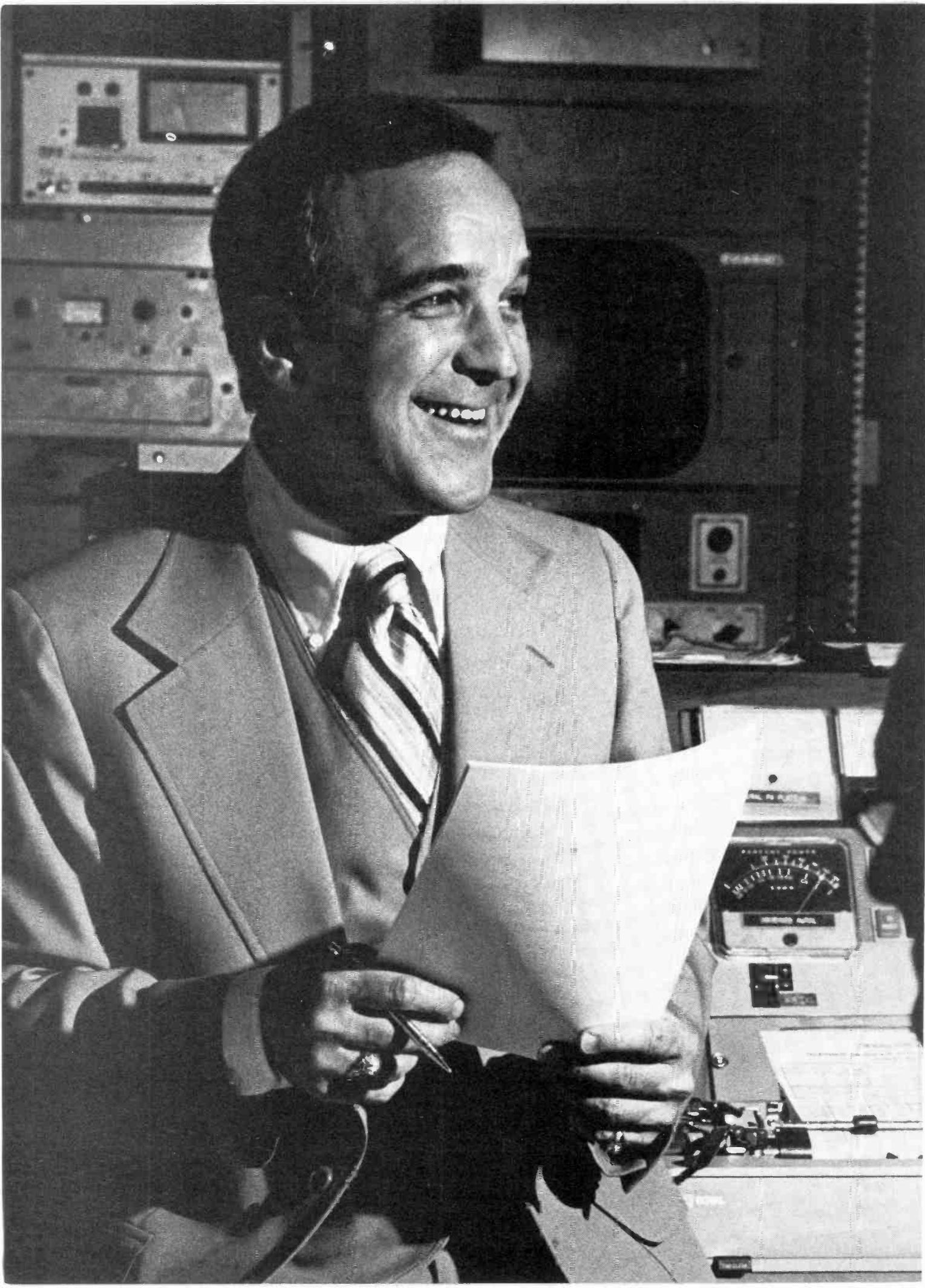
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JIM MAJOR



Jim, as program manager for WJBK-TV and president of NATPE, you would be in a good position to give us some insights about how a TV station must respond to community needs.

"People are challenging the industry to do better. And licenses are also being challenged as well as programming. So the station manager must understand news and journalism. The news is important. If a viewer prefers to watch the news on a particular station, that station becomes his favorite and he tends to stick with it. So news affects ratings overall. But it's a great opportunity for a station to build an image through local news features. We do a lot of local news and sports coverage. I would say that film was an integral part of the WJBK-TV success story."

What do you see as the future of the NATPE?

"Well, the organization is just 15 years old but it has really been growing in the last five or six years."

Why should this be happening now?

"Two reasons. The growing importance of local programming and the prime access rule. A few years ago the FCC decreed that there would be only three hours of prime time. That meant a half hour would be turned over to the local stations. And that made all the difference. The local stations went from no prime-time responsibility to that half hour.

"After that, our conventions began to attract top management. And that's important. Look at the statistics. From 1970 to 1977 our membership went from 210 to 835 and there were over 2,200 at our last conference."

We know that "Operation Prime Time" is being carefully watched by everyone. What kind of numbers would indicate success?

"We think a 25 share nationally would certainly be good. It could fall under that and still succeed depending on circumstances, competition and a few other factors. Or even if it leads to future developments, it could be considered successful.

"I think for the future we are going to see a lot of dial switching and programming flexibility. And the airing of lots of new ideas. Lots of them."

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WE'VE GOT GOOD NEWS.



Columbia Pictures Television has acquired world wide syndication rights to the ABC News Documentaries.

Which is very good news indeed. Just look what it includes. Closeup, Issues and Answers, Directions, ABC News Specials. Plus exciting new ideas in news programming being developed right now.

Of course, TV news isn't just what you say, but who does the saying. And ABC has quite a few heavies. Like Harry Reasoner, Howard K. Smith and Barbara Walters.

And just think, all this good news is ours.

Now that's good news.



Columbia Pictures Television

Radio Report

AM stereo emphasis at NRBA meet indicates association's progress

NRBA conventioners converging on New Orleans next month, October 9-12, and showing up at the engineering sessions can expect to hear a lot of chatter about that latest wave of the future, AM stereo. Two of the formal panels, in fact, will be devoted to the state of the new art, one being on "How to compete with the FM sound," a significant comment on how far the National Radio Broadcasters Association has come since it used to call itself the National Association of FM Broadcasters. The technology is on the air now, experimentally, but only by special FCC permission, since the Commission has yet to officially sanction any of the AM stereo systems designed to date by such hot competitors as RCA, Magnavox and Motorola.

Among the stations already on the air with such experimental systems are WFBR Baltimore and KIQI San Francisco, headed by NRBA president and noted quad enthusiast Jim Gabbert. And the way it looks now, the heavy betting is that AM stereo will be a fact of radio life before any "discrete" version of quad is apt to win FCC approval.

Research discussed at NBC-owned stations parley

NBC Radio is working up some new research and some new "presentation techniques" for both the network and its owned stations that will revolve at least in part around the Gallup survey on network radio news commissioned by NBC Corporate Planning. Research effort, says Jack Thayer, president of the NBC Radio Division, will be headed by the Division's new research director, Kathryn Lenard, formerly vice president and general manager of RKO Radio Representatives.

A second project unveiled at the Division's management meeting that wound up September 1 is NBC Radio's new career-development program for employees. But Thayer's keeping the wraps on the details of this one until they're more fully developed.

The Gallup findings (TELEVISION/RADIO AGE, August 29) were that news ranks almost as high as music in attracting radio listeners and that 70 per cent or more of U.S. listeners consider the world and national news offered by the radio networks to be faster, more accurate and more complete than that carried by local stations "using their own newscasters for global and national coverage."

It was the division's first management meeting, attended by station managers and sales execs from all eight owned AM and FM stations in New York, San Francisco, Washington and Chicago, as well as by representatives from six division and six network departments, from sales and news to programming and legal.

Those attending were given a good idea of the resources available to them in every area of broadcast-management concern, says Thayer, "and also had the opportunity to congratulate themselves on the rate of our audience growth as a group between the April/May '76 and April/May '77 Arbitrons. Our gains as a group surpassed those of most other group-owned radio operations appreciably." Said gains followed the phase-out of NBC Radio's News and Information Service.

RAB drums up interest in RAB/NAB regionals

RAB is drumming up early interest in the upcoming regional Radio Fall Conferences under the joint auspices of the Bureau and the National Association of Broadcasters. Goal, says RAB executive vice president Bob Alter, is to get radio broadcasters started thinking about the many issues involved in hitting, and, with luck, accelerating the industry target of \$3 billion in annual ad revenue for radio by 1980. "If radio men start thinking about these things now," says Alter, "we can expect a lot more ideas and plenty of good, productive feedback when they meet face-to-face next month."

First of the regional workshops and management seminars, held in tandem with NAB TV fall regionals, is scheduled for Chicago, October 12-13, with later gatherings slated for Cambridge, October 16 and 17, Atlanta October 19 and 20, and, in November, Denver, San Diego and Dallas.

Radio Report

(continued)

When Alter refers to the "issues" involved in radio's growth, he's talking about everything from getting more co-op dollars from the newspapers and better radio audience research to mounting still-bigger all-industry promotions. Starting with the current base of RAB's "Radio: The Sound Alternative" selling-radio-with radio campaign, the future thinking is toward multi-media campaigns extending beyond use of radio alone to reach company ad managers, agency execs, store presidents and buyers, wholesalers, distributors and regional managers of companies—"all people who make and influence media-placement decisions," with the message of radio's hard-hitting sales power.

Lund moves from WTOP to head CBS-owned AMS



Peter Lund, who was vice president and general manager of all-news CBS Radio affiliate WTOP Washington, is the new boss of the CBS-owned AM stations. The new CBS Radio Division vice president is also responsible for CBS Radio Spot Sales. He succeeds J. William Grimes, now vice president, personnel, CBS, Inc.

Lund believes the failure of NBC's News and Information Service, "doesn't mean that all-news radio can't be successful outside the very largest markets. San Diego and Phoenix, to name just two, show how well it can work in medium-sized markets, too."

Lund entered the broadcast business at WCCO Minneapolis and has been general sales manager of WMCA New York, and of two Group W stations, WIND Chicago and KYW Philadelphia.

Lund makes the O&O scene at CBS as talk grows that the "electronic newsroom" installed by CBS' all-news KCBS San Francisco (TELEVISION/RADIO AGE, August 29) is on the way to being adopted by some of CBS' other all-news radio outlets—which could mean eventually all of them except KMOX St. Louis (though, as Lund points out, KMOX "is also heavily news, information and sports"). KCBS' computerized news-editing system permits news staffers to write, edit and rewrite stories on a computer for either printout, appearance on a CRT or storage. Stories can then be recalled instantly for checking or rewriting, and a terminal in the on-air booth allows newscasters to "call up stories at will" by typing in the code word. However, if the system does move east to some of KCBS' sister stations, some observers fear that union problems could follow in its wake.

Gerald Ford to star on Mutual program

Gerald Ford will star on the Mutual Radio Network's *Public Policy Forum*, produced by the American Enterprise Institute. The former president will be fielding questions tossed at him by members of a Princeton University political-science class. Questions will include "Does the President receive fair treatment from the news media?" and "Is Congress taking over the executive function from the president?" The program will be heard September 16 and September 23 at 9:05 p.m., then repeated over the Mutual Network on the following Sundays, September 18 and September 25 at 7:05 p.m. The program, produced by AEI twice weekly for Mutual, features authorities "of differing points of view, taking part in 25 minutes of free-wheeling discussion."

Wiley, FCC staffers to visit small-market stations

FCC staffers headed by their leader, chairman Richard E. Wiley, are scheduled to join NAB's Small Market Radio Committee in visits to WTRI Brunswick, Md., and to WXVA/WZFM(FM) Charles Town, W. Va., on September 16. This marks the fifth consecutive year that the NAB group has made such a field trip with FCC personnel. Goal of the tours, says committee chairman Bill Sims, president of Wycom Corp., Laramie, Wyo., is to "aid those who regulate the radio industry in visualizing problems confronting daily operations of smaller stations." NAB explains that some 38 per cent of all commercial radio stations are in towns of less than 15,000 population. Brunswick's population is 3,500. Charles Town's is 2,900.

THESE STATIONS HAVE

ROOTS

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KABC-TV, Los Angeles
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KGO-TV, San Francisco
WCVB-TV, Boston
WXYZ-TV, Detroit
WTOP-TV, Washington
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KPRC-TV, Houston
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St. Paul
WPLG, Miami
WXIA-TV, Atlanta
KIRO-TV, Seattle-Tacoma
WTHR, Indianapolis
WBAL-TV, Baltimore
WITI-TV, Milwaukee
WFSB-TV, Hartford-New Haven
KCRA-TV, Sacramento-Stockton
KMBC-TV, Kansas City
WTVF-TV, Nashville
KPHO-TV, Phoenix
WDSU-TV, New Orleans
WLKY-TV, Louisville
WOWK-TV, Charleston-Huntington

WLYH-TV, Harrisburg-York-
Lancaster-Lebanon
WNEP-TV, WVIA-TV, Scranton-
Wilkes-Barre, Pittston
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KSL-TV, Salt Lake City
WGHP-TV, Greensboro-Winston Salem-
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KTEW, Tulsa
WTOL-TV, Toledo
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Business Barometer

Spot TV in June rose 1.0% over last year; second quarter up 3.9%

Most stations still use calendar month figures

The slide in spot TV's growth rate during the second quarter continued in June with a rise of only 1.0 per cent over the year before. This compares to increases of 3.3 per cent in May and 7.3 per cent in April. The first quarter increase was a healthy 14.8 per cent.

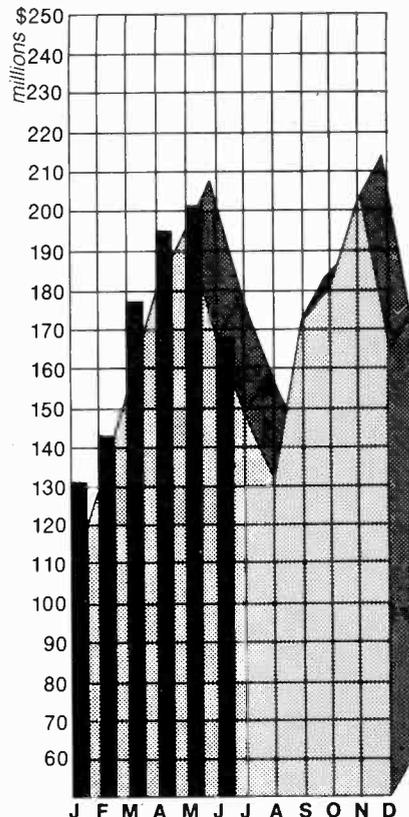
Volume in June came to \$167.1 million, and the total for the quarter was \$560.6 million, up 3.9 per cent from the corresponding quarter of 1976. (Note: All dollar figures represent adjustments made in the monthly '76 and '77 figures to conform to the recently released Federal Communications Commission report on the TV industry's financial status last year. Adjustments were shown and explained in last issue's *Business Barometer* report. The differences in each monthly spot figure average 0.65 per cent, the amount by which the '76 estimate on spot by *Business Barometer* differed from the FCC total.)

Adjusted volume for the first quarter of '77 was \$441.1 million, as against \$384.2 million in '76. Percentage of increase—14.8—is not affected by the FCC figures. Tallying up the first half shows a rise of 8.5 per cent with volume just about breaking the billion-dollar mark—\$1,001.8 million. The '76 figure was \$923.5 million.

June '77 was a four-week month under the Standard Broadcast Calendar, as was June of '76, so comparability is not an issue. However, a recent survey of the *Business Barometer* sample of stations by TELEVISION/RADIO AGE showed that a surprisingly large percentage still report figures on a calendar-month basis.

The ratio using the calendar month for reporting spot figures was a little under 60 per cent. The ratio using the calendar month for local data was a little over 70 per cent. This, of course, would make precise year-to-year comparisons for individual months complex. It would require weighting each month's figures by the volume of billings represented by either reporting method, plus the number of weeks in the standard broadcast month for each year (when they differ). What effect this would have on the *Business Barometer* estimates are, of course, unknown, so that no weighting is contemplated at present.

June



National spot (+1.0%)

(million \$) 1976: \$165.4 1977: \$167.1

Changes by annual station revenue

Under \$2 million	+2.7%
2-5 million	+11.2%
\$5 million up	-1.3%

**Announcing a new
first-run Mobil Showcase Presentation
of unusual importance:**

1918-1941 Between the Wars

A dramatic history of America's involvement in world affairs from Versailles to Pearl Harbor—years in which the United States grew from reluctant participant to leading force.

This outstanding new 16-week series of half-hour programs is being produced by Alan Landsburg (he did "Fear on Trial," and the National Geographic specials) with the participation of leading historical specialists.

Through the use of actual news footage and interviews with analysts and persons who witnessed or studied these fascinating two decades, **Between the Wars** will present an absorbing parade of the great personalities and events that shaped history from 1918 to 1941.

- ★ **Woodrow Wilson and the League of Nations.**
- ★ **Problems at home—women's suffrage and prohibition.**
- ★ **Black Friday, 1929.**
- ★ **The day we recognized Soviet Russia.**
- ★ **The Spanish Civil War.**
- ★ **Roosevelt and Churchill as uneasy partners.**
- ★ **Pacific alarms: the sinking of the Panay.**

Host for this totally new series will be one of television's most illustrious news personalities: **Eric Sevareid**.

Between the Wars will be placed in major markets as part of a 28-week package that opens with the 12-week series of actualities, **When Havoc Struck**, also in production now.

Between the Wars and **When Havoc Struck** provide broadcasters with a truly extraordinary 28-week block of top quality programming that takes a station from the first weeks of 1978 through early summer.

SFM Media Service Corporation is in the process of developing the Mobil Showcase Network of stations for these two outstanding series. **For further information**, contact: Stan Moger or George Hankoff at SFM Media Service Corporation, 6 East 43rd Street, New York, N.Y. 10017. Telephone (212) 682-0760.

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Tele-scope

News coverage of terrorists, hostages hot RTNDA topic

The hottest topic of the Radio Television News Directors Association conference, September 15-17 in Washington, is expected to be terrorists and hostage coverage, to be held on the final day. Len Allen, managing director of the organization, says the seminar is attracting newsmen from all over the U.S. Richard Salant, CBS News president, and Dr. David Hubbard of the Aberrant Behavior Center in Dallas have been added to the terrorist coverage panel.

Confab attendance is seen topping last year's 837 mark, with 768 already signed up last week. The session on cameras and recordings in the courtroom is also seen as drawing heavy attendance. On September 15, President Carter will address the tag end of the business session by phone and will take questions from the floor.

At least a year before new one-inch format on paper

It'll be at least a year before standard specifications for the segmented one-inch helical video recording format—developed by Bosch/Fernseh—is put on paper for public review, according to a Society of Motion Pictures and TV Engineers spokesman. Standards for the format, termed one-inch type B helical video recording (to avoid reference to commercialized terminology), recently won sanction in draft form by an SMPTE committee, but “there remains a long and tedious procedure” of putting it all down in technical terms, the spokesman says. Spurred by industry pressure, the final draft of standards for the non-segmented one-inch helical video recording format, introduced by Ampex and Sony, is seen being published in the SMPTE journal by the end of the year.

Meanwhile, the SMPTE has increased its exhibit area for its forthcoming technical conference, set for the Century Plaza Hotel, Los Angeles, October 16-21.

New OPT minis cleared by some 50 stations

The three new *Operation Primetime* miniseries planned for 1978 airdates have been cleared so far on about 50 stations, including 23 of the top 25 markets, according to Al Masini, president of Telerep and a member of the OPT steering committee. The three new offerings, which will run four hours each, are based on three books, *The Bastard*, *The Rebels* and *The Last Testimony of Lucky Luciano*. *The Bastard* is planned for a May, 1978, telecast; *Rebels* is scheduled to play in July, and *Luciano* is due in November.

ABC, “Starsky,” beers top NCCB violence list

ABC-TV came out as the most violent network in a two-week summer study conducted by the National Citizens Committee for Broadcasting. CBS-TV was considered by the organization to be the least violent web with only one-third as much violence as ABC. All in all, the study showed a reduction of 5 per cent in violence compared to last fall. On the program side, *Starsky and Hutch* took the number-one spot for violence, while averaging only half the violence levels of last fall's most violent show. Following *Starsky* were *Wonder Woman* and *Feather and Father Gang*. Among the non-violent leaders were *Phyllis*, *Bob Newhart*, *All's Fair* and *All in the Family*. Among advertisers, Anacin, Budweiser and Schlitz beer were among those topping the most-violent list. Least violent advertisers included Best Foods, Burger King and Bayer aspirin.

Lutheran churches urged to use media aggressively

Lutheran churches are being asked to consider pitching evangelism through paid radio, TV and print advertising. A media test drive was conducted in the Sioux City market area, and the four-week controlled pilot test resulted in a 9.7 per cent increase in church attendance and a 20 per cent increase in giving, according to the Lutheran Church in America. The American Lutheran Church and the Lutheran Church in America are combining promotion efforts and have prepared an “Evangelical Outreach Media Kit” offering media copy suggestions.

KID POWER

IS COMING TO BOSTON

If you're selling, Charlie's Mom is buying. But you've got to sell Charlie first.

His allowance is only 50¢ a week but his buying power is an American phenomenon. He's not only tight with his Mom, but he has a way with his Dad, his Grandma and Aunt Harriet, too.

When Charlie sees something he likes, he usually gets it. Just ask General Mills, McDonalds or Mattel.

Of course, if you want to sell Charlie, you have to catch him when he's sitting down. Or at least standing still. And that's not easy. Lucky for you, Charlie's into TV. And just waiting for WXNE-TV 25 to hit the air this fall. That's when you'll be able to reach Charlie with your client's message every day, Monday through Friday, from 2:30 to 8:00 pm.

He'll be tuned in for action and comedy. For Superman, Doris Day, Get Smart, High Chaparral, Room 222, Voyage To The Bottom of the Sea, Gomer Pyle, King Kong and the Fun World Cartoons, Josie and the Pussycats and the Jackson 5.

And of course, Charlie won't be watching alone! You'll also be reaching Jeff and Timmy, Chris and Susie, Mark and his little brother John. Not to mention Mom when she's serving the cookies.

That's what we mean by Kid Power.

Shows with proven track records, programmed by a company whose own track record in blockbuster kid's and all-family programming means increased sales to your clients.

So, whether it's toothpaste or toy trucks, burgers or bionic dolls... Charlie's mom is buying.

But you've got to sell Charlie first. On WXNE-TV

25. The station with Kid Power. Coming to Boston this fall.

A Christian Broadcasting Network Station.



Contact your
Adam Young Representative
or David Williams at (804) 499-8241

Rep segmentation makes buying easier and harder

A growing host of rep sales teams does work, as advertised, to help big agency market specialists keep on top of their markets. But it can also be rough on smaller shops with fewer buyers when they have to call several people at each rep company.

The multiplication of the big independent television reps' sales forces in New York into a host of "separate companies" and sales teams, each responsible for shorter station lists, has created headaches for some of the medium-sized and smaller agencies with limited numbers of buyers. But the advantages, admit even some of the small agencies, apparently outweigh the inconvenience faced by buyers who find themselves calling three, four or more different sales people at some rep firms on the same buy, rather than dealing with only one.

This inconvenience, as even the media services themselves see it, has had little to do with their success in the last couple of years in attracting smaller agencies as clients. And it makes little difference to the major agencies, most of whom have their own squads of market specialist buyers, each assigned to a relatively few markets, just as the salesmen for the large reps are.

The long-list indie reps faced with the growing of the spot business and more intense competition for stations, have been splitting their sales forces for the past three or four years, but the movement reached its peak this summer when Blair added 10 new sales people in one big scoop to further cut the number of stations under the wing of each sales team, splitting its New York Station Division's ABC and NBC station lists into two each and increasing the Market Division from two to three teams.

When the dust had settled, that gave Blair alone eight sales teams in two divisions in New York, with each team selling affiliates of only one network. Katz fields two different rep "companies" in the Big Apple, with three teams under each. Katz's New York office had 23 TV salesmen on the street in 1967. Today the figure is 37. And neither number includes sales managers who retain short customer lists of their own.

In 1957, Peters Griffin Woodward had 14 salesmen in its New York office divided into two teams. By 1964 it was 24 salesmen split among three teams. In 1969, 27 "colonels" were serving on four sales teams, and today PGW fields 33 sales people split into five teams. That's New York. PGW also has four teams in

Chicago and another two in Los Angeles. Petry has four teams in New York and three in Chicago. And so it goes.

So from the point of view of a buyer at a small- or medium-sized agency, trying to buy a lot of markets in a few days, it can eat up a real load of scarce time if she has to call several people at each rep company instead of only one or two as in the past.

'Appointing a chairman'

At Weiss & Geller, vice president and media director Jack Geller says he's already told some of the representative companies how time consuming it can be for agencies billing \$10 or \$20 or \$30 million to have to call five or six different people at any one company. "So what I've sometimes done in self defense," says Geller, "is to call the man I know at a Katz or a PGW, give him my buying specifications for the market I know he handles, then tell him I've just elected him chairman of this buy for his company. I tell him that our client has X more dollars for these other markets I know his company also represents, but I forget who the salesmen for those markets are, because there are so many of them, and they keep changing so fast that I can't keep up with the turnover. So as chairman, I ask him to tell his friends who are selling these other markets."

The other thing Geller says he does—"only I hate to, because I've been a salesman myself, is to call the station and talk to the station manager, because I can't keep track of which of the half-dozen salesmen at the rep company is selling for the station."

Cyril Penn, media director at Shaller Ruben Associates, comments that "If the system were giving us better service, I'd applaud. But it's not, and I'm only getting extra work. The one thing you can say for it is that the service would probably be even worse if they hadn't split all their stations up six ways."

The net effect on the agency end, says Penn, "is more work for the buyer who's calling more people at each rep. It's true that they bring us a lot of data. But a buyer can't rely 100 per cent on everything that comes out of a salesman's computer, so he has to end up making his own evaluation of every program's performance, anyway."

And one media exec sees the multiplication of rep sales teams as something "they had to do, because they all have more work than they can handle. Most of them have hired a few more people and redistributed the work overload among them, when what they really need to do is hire a lot more people."

But at Della Femina, Trivisano and Partners, for example, media manager Vicki Riker describes the situation as "not a problem unless we're in a real rush. But what we'll do when that happens is, if it's a salesman or sales assistant I know really well, is to ask them to Xerox the buying specs I just gave them and please pass them along to their friends who are selling the following markets, which I then name. And I let them know I'm making a note of whom I told what, and when I told them, so that if it doesn't get done, they know there'll be some flak coming."

The proliferation of sales teams has advantages, says Stan Kreiser, senior vice president and media director at Lerman & Van Leeuwen, who starts off by observing that it "can slow down a medium-sized agency to have to call four or five different people at each rep and have to repeat the same buying require-

What the buyer can do to speed things up, adds Kreiser, "is to give the reps enough information going in so that they know exactly what you want and don't waste their time and yours rounding up a lot of extra information you don't need."

Kreiser also believes that "the Blair setup, by network, makes sense. Because if someone tries to sell you the *Tonight* show in one market, where he happens to have an NBC station, then turns around and starts talking up the late movie in another market, opposite *Tonight*, he starts to lose credibility with the buyers. But if he's selling *Tonight* in every one of his markets, and he really believes in his network's programs, he'll be more comfortable selling them, and the buyers will have more confidence in what he's saying."

Stan Gerber, senior vice president and executive director of media/program-



Jack Geller



Cyril Penn

At the smaller-sized agencies, media heads like Jack Geller of Weiss & Geller, and Cyril Penn of Shaller Rubin point to such buyer problems as time-consuming calls to several people at each rep firm and the rapid turnover in rep sales people that throws a wrench into the value of their savvy of specific markets.

ments and demographic targets several times. And you do sometimes collect quite a crowd in your reception area, giving our buyers more people to have to see than sometimes seems necessary.

But, Kreiser goes on, "There are also pluses in it for us. I'm willing to put up with the onslaught of extra sales people, so long as it means that each one can bring us more details and more accurate information than they could if they were trying to remember all the facts about 23 stations and their 23 markets."

ming at DKG Advertising, explains that "There are two points of view when analyzing local station representation. One theory says never believe a salesman; don't waste your time, just get the avails, opening costs, then do your own analysis. The second theory says use the rep for all he's worth. Find out about the market, understand what's going on in that market, then do your own analysis. I favor the latter."

As a result, Gerber says his vote goes "for the individual salesmen having

fewer stations to sell, in the hope that they will know their product better. I don't feel any additional burden has been placed upon the buyer or agency. You might have to talk to more people and place more calls. But the time element should net itself out because the greater depth of information we get makes for more effective use of media."

Meanwhile, at the larger agencies, with more buyers, and buyers who are usually market specialists themselves, a multiplicity of rep sales squads seems to be but a minor inconvenience. At Dancer-Fitzgerald-Sample, vice president, director of spot buying Bob Wulforth says that while it does require more of a buyer's time to call more than one salesman at the same rep company, "and we do have one buyer who has seven different sales people from one rep calling on her, which you might say is overdoing it a bit, it's no major problem. It's closer to a minor irritation."

At Foote, Cone & Belding, where each negotiator is assigned her own group of markets, Jeff Manoff, director of broadcast, explains that the secretaries usually make the calls giving the reps the buy specs "so it doesn't matter too much to our buyers. They have to negotiate each market individually anyway. It takes them no more time to negotiate 10 markets with 10 different people than with one salesman."

Kal Liebowitz, executive vice president at Air Time, calls the multi-team rep setup "better for us. It contributes more to the education of the good negotiators who take a real interest in what's going on in their markets. A salesman who has to worry about only seven or eight markets instead of 28 can fill our people in on all the details—tell them things like what newscaster or personality may be leaving one station for another."

A media-service boon?

The major media services have had a good deal of success, during this period of rep dividing and subdividing, in adding medium sized agencies to their own lists of clients. But there seems to be little, if any, cause-and-effect relationship between the two.

Says Walter Staab, president of SFM Media Service Corp., "I doubt that it's much of a factor. When an agency decides to ask a media service to do the job rather than risking the major investment of staffing up a full-fledged media department with top people, it's a major decision. The convenience of the buyers wouldn't be likely to get much of that consideration."

Air Time's Liebowitz calls it "hardly even a contributing factor. I wish I could say it has been. The chief factor has been word-of-mouth recommendation by our clients, then getting one foot in the door on comparatively small projects."

As SFM's Staab sees it, an agency's major consideration in going to an outside service is deciding who can do the best job for its clients: "If there are going to be too many peak and valley buying periods at the agency's own media department to attract and keep top negotiators challenged most of the time," says Staab, "the agency will have problems. If that's the case, it's usually best for the agency to go to the outside service itself, rather than waiting and taking the risk that the client may take the initiative a year from now in going to the outside specialist."

Meanwhile, observes Staab, back at the agency's own media department, if

buyers "was something of a factor," it was only a "very small part" of Ogilvy's move to a new buying system (TELEVISION/RADIO AGE, August 30, 1976) under which the buyers tell the sales people when and where they want their clients' spots instead of asking for avails first.

Says Campion: "Our major aim in going to the system we use now was to establish a person-to-person relationship between the sellers and our buyers, and speed up the whole long process of first asking for avails, then waiting for them to be confirmed and all the rest of it."

Theoretically, as Gerber and Kreiser have pointed out, the dispersion of a rep's station list among several different sales teams works to make the market specialists at the agencies, as well as at the reps, more expert on each of the smaller number of markets they work with. The reps themselves stress the point.



Bob Wulforth



Jeff Manoff

At the larger shops, such media bosses as Bob Wulforth of Dancer-Fitzgerald-Sample and Jeff Manoff at Foote, Cone & Belding have more buyers. So the problem, says Wulforth, is reduced to a minor pain. And Manoff says it takes no more time to negotiate 10 markets with 10 different salesmen than with one.

it's decided to set up its own, "what keeps a good buyer good is being in the marketplace constantly, so that he's always right there, always on top of what's going on out there. If there are valleys of inactivity, he's going to lose touch, he's going to get rusty, and he loses a lot of his value to the agency."

At Ogilvy & Mather Joe Campion, senior vice president and director of the agency's local broadcast management group, says that, though the growing number of rep salesmen calling on his

Ted Van Erk, senior vice president, Peters Griffin Woodward, asserts that the whole purpose of splitting a rep's sales force into separate teams is to "make our people more knowledgeable about their stations and markets, so we can help the market specialists at the agencies become more knowledgeable about them—so that the San Francisco buyer can find out everything she needs to know about San Francisco."

Frank McCann, president of Katz Television Continental, observes that

"It's just because buyers have peaks of high buying activity, followed by periods of information gathering, that our sales people put in so much effort on pre-selling. It's a matter of keeping track of each buyer's preparation time so that we can schedule our visits at a time when the buyers are less rushed and freer to update themselves on their markets. Then, when the next peak buying period hits them, they already have the latest programming and market facts at their

fingertips."

Phil Corper, president of HR Television, believes that "the inconvenience of an agency's having to call a few more people at each rep firm is a minor inconvenience compared to the advantage the agency receives in having us do a lot more work for them. This requires more of our people to do the work."

Corper explains that the business "has become much more complex and professional in recent years. We put in more

time on every availability because we're no longer just quoting a number out of a book. We're selling estimates of futures. And it requires more knowledgeable sales people with a better grasp of research in order to translate current numbers into estimates of performance in October or November, and then explain to the buyers how these estimates are arrived at. So we're demanding more of our sales people these days because

(Continued on page 54)

Big push in VCR introductions this fall, but impact on TV industry seen as long-term

By George Dickstein

This fall, home videocassette recorders appear at last on their way to becoming a major industry—one that will have little immediate impact on the broadcasting business, but which could, however, have major influence on programming, advertising and research by the early 1980s.

What the crystal ball shows on VCR development is somewhat clouded by an unresolved copyright suit testing the legality of home videotaping of TV shows with the Sony Betamax video recorder. The suit, brought by two film companies—Universal Studios, a unit of MCA, and Walt Disney Productions—is not expected to reach the courts before 1978, after the first expected pre-Christmas selling surge.

Whatever the legalities involved, some observers are already talking about how recording TV programs off-the-air at

home may eventually affect the conventional distinctions of daypart viewing when a household can tape a program at one time and view it at another. And pre-recorded tapes are a whole other story.

A few observers continue viewing current videocassette marketing as a game of bluff, predicting that many of possibly 18 manufacturers expected to introduce a half-inch tape, helical-scan recording device in the \$995-\$1,300 range by the end of 1977 will hold off to see how competitors who venture boldly into the home market fare.

But most sources bullishly point to the recent explosion of competitors to Sony's Betamax line—whose year of VCR marketing to consumers makes it the doyen of the field—as a mark of solid consumer interest and potential. RCA's SelectaVision introduction, with \$4 million in advertising and merchandising support before Christmas, is regarded as

another strong sign of manufacturer commitment sure to draw many into the fray who might otherwise have stood aside.

A \$1 billion market?

If it works out as cautious observers see it, the industry could grow very slowly with only a few exponents of four non-compatible formats now in contention—Sony's Beta, the JVC (for Japanese Victor Co.), VHS (for Video Home System), the Sanyo V-Cord II and Quasar VX-2000—participating in it, or prove to be a false start as the pre-programmed cartridge TV businesses did seven years ago (TELEVISION/RADIO AGE, August 24, 1970).

If, however, the majority bullish outlook comes about, home videocassette recording equipment could be well over a \$1 billion retail market by 1980, with monochrome cameras (starting at \$300)

One of two major VCR half-inch formats is Sony-developed Beta system, exemplified by its Betamax Model SL-8200, immediate r., with two-hour capability and Toshiba's Betaformat (adjacent), compatible with Sony, Zenith and other Beta models. Other major format is JVC's VHS system, including JVC's own Vidstar (l., next page), and RCA's SelectaVision, first on the market to feature four-hour capability on one cassette.



and color cameras for home or field shooting (listed at \$1,500 and up), other accessories and blank videocassettes (1/2-hour, 1-hour, 2-hour and 4-hour types currently ranging from \$11.95 to \$24.95) all adding hundreds of millions more to the business.

Pre-programmed videocassettes are seen as an additional revenue source with high potential. In this category, marketers including Time-Life Multi-Media, New York, and Magnetic Video, Detroit, have begun testing the waters using Beta format cassettes. Time-Life Multi-Media tested by mail and phone a package of eight one-hour cassettes from its already-aired *Best of Time-Life* TV series in a \$39.95-to-\$59.95-per-program price range, and was encouraged enough by results to begin retail testing by October, a spokesman said.

Magnetic Video has entered the field aiming to distribute cassettes of 100 top-grossing feature films licensed from 20th Century-Fox on a non-exclusive basis, but information on its test methods and prices was not available.

The software or programming side of the non-broadcast segment of the business has so far been geared to schools and other institutional and business users, and is also dominated by Sony with its 3/4-inch tape U-Matic system.

Some years ago, as the tape cartridge market was being developed for business and educational use, there was much talk about home video tape units to play back pre-recorded movies, how-to materials, educational and other programs—but the only result was that a few pioneers like Avco (with Cartrivision players), Sears (which distributed Cartrivision) and CBS (with its unique Electronic Video Recording (EVR) system) took heavy losses. The high retail tickets for both hardware and software reportedly were a major cause of the flop, and a number of industry sources count the

The home VCR scorecard

Format	Marketer/model	When available	Suggested retail price
Sony/Beta	Sony Betamax SL-8200	Available	\$1,300
	Zenith TV-VCR console	Available	\$2,600
	Zenith VCR alone	Available	\$1,300
	Toshiba Betaformat V5210	October, 1977	\$1,300
	Sanyo Beta Cord	Fall, 1977	About \$1,200
JVC/VHS*	JVC Vidstar VHS	October, 1977	\$1,280
	RCA SelectaVision	October, 1977	\$1,000
	GTE-Sylvania	Late fall, 1977	NA
	Magnavox (North American Philips)	Fall, 1977	NA
Sanyo	V-Cord II	Available	\$1,295
Quasar (Matsushita)	VX-2000	Available	\$995

*Data from manufacturers and industry sources. * Others using JVC's VHS format expected to market new units shortly include Akai, Matsushita, Mitsubishi, Sharp and Hitachi. Matsushita manufacturing units in Japan for RCA, GTE-Sylvania and Magnavox with four-hour capability. NA: Information not available.*

pricing situation as a big reason for current hesitancy on the part of some distributors with respect to VCR.

It is reported that Sears, for example, will not have videocassette players made in quantity by Sanyo, chief consumer electronics supplier for the Sears label, unless and until the units and the software can be produced and offered at substantially lower prices.

Does price matter?

With the Quasar VX-2000 listed at \$995 and RCA offered at the "optional retail price" of \$1,000, at least two manufacturer spokesmen saw videocassette unit prices declining to \$850 in the next few years, but they saw no prospect of cuts in either pre-programmed or blank tape cassettes. They point out, however, that the price of tape has already come down with the development of the half-inch unit.

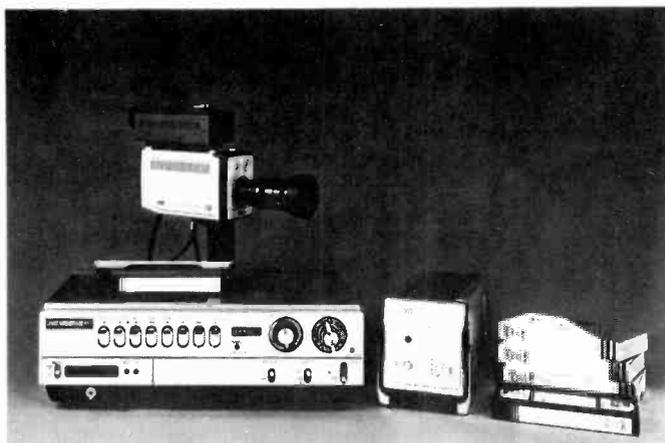
But price will not much matter in the initial stage of this new round of home videocassette-recorder marketing, according to Larry Finley, executive director of the International Tape Association.

"For the limited number of people—250,000 or so expected to buy in the fourth quarter of this year—price won't make a difference," says Finley. "Of course, \$2,000 units are out of the picture, but ones selling at \$1,000 up to \$1,400, or at a \$1,200 average, should have no difficulty," he asserts.

He sees great confidence in the industry in the potential for success because "many of the giants in the consumer electronics business have become involved in this area and assured themselves that it is technologically right and that it is the right time for marketing."

Finley envisions "a tremendous marketing struggle," yet plenty of room for

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Live-coverage drought may be ending in nation's courtrooms

By Ernie Schultz

Courtroom doors are swinging open to news cameras and recorders in at least seven states, and there are indications that judges are only waiting to be asked in other states. "I honestly feel we are on the verge of a mass opening of courtroom doors if we will just seize the opportunity," says Wayne Vriesman, news director at WGN-TV in Chicago and president of the Radio Television News Directors Association.

"There is no question but that lawyers and judges are more receptive to the idea of permitting news cameras and tape recorders in the courtroom." And Vriesman adds, "There is no bigger challenge we could undertake as broadcast journalists."

Cameras and recorders have been or will be permitted in courtrooms to some extent at least in the states of Colorado, Alabama, Florida, Washington, Georgia, Nevada and Montana. In most states, the courtroom doors seem to have been opened by adoption of a set of guidelines. In Colorado, courtrooms were opened to broadcast equipment 20 years ago. Vriesman is familiar with the Colorado experience, having served as news director at KWGN-TV in Denver before moving to his present news director's post in Chicago.

Discretion of judge

Vriesman says under the Colorado Code of Judicial Conduct, "Colorado allows the trial judge at his discretion to admit the electronic media to the courtroom if certain safeguards are met.

"These guidelines include a determination by the judge that broadcasting and photographs will not detract from the dignity of court proceedings, distract witnesses or otherwise interfere with a fair trial. In criminal cases, the accused must consent to the presence of electronic media. The Colorado rule is administered by a broadcast coordinator who handles all media requests for coverage, contacts the judge and the other interested parties, and works out procedures for that particular trial."

Vriesman says the Colorado plan works fairly and efficiently and has served as a model for other states.

The breakthrough in other states seems to have come in a different way in

each state. And the guidelines regulating coverage of trials with cameras and recorders vary somewhat in each state.

In Florida, where trials will be open for a year on an experimental basis, permission of the prosecution and defense is not required, although the ac-

cused must agree in Colorado and many other states.

In some states, like Washington, witnesses under subpoena can exempt themselves from such coverage, although Alabama is now working on a plan to drop that provision. In some states, only certain courts can be covered with cameras and microphones. In Georgia, only the appeals court can be covered, although Chief Justice H. E. Nichols says coverage could be extended to the trial courts if reporters, lawyers and judges

Oklahoma trials: Now and then

Oklahoma once permitted broadcast coverage of court trials, but State Supreme Court later banned it. In 1965, TV covered impeachment trial of Oklahoma Supreme Court justice before State Senate (bottom photo shows scene during conviction vote). Now stations such as KTVY(TV) Oklahoma City, where author is director of information, use drawings such as one below by his wife. (Author notes she won the job "fair and square" in an anonymous competition, but he'd like to send her back to tennis courts.)



can work out a way to inform the public without hindering trial proceedings. Nichols also says, "The Supreme Court feels the adversary system needs exposure to be understood . . . and it's time to move the legal system of Georgia into the 20th century."

Vriesman says there are two approaches to opening courtroom doors in every state. One is continuing to push at the state and local level. At this year's convention of RTNDA in San Francisco, one of the workshop sessions will be devoted to that effort.

The moderator of that workshop will be Curtis Beckmann, news director at WCCO-AM Minneapolis and a long-time member of the RTNDA board of directors. Beckmann, like Vriesman, believes judges are now showing "a surprising willingness to experiment." And he says, "RTNDA is capitalizing on that willingness and urging its members to contact their local judiciary and be willing to work on a set of guidelines for courtroom coverage."

Working on guidelines

In his home state of Minnesota, Beckmann says a joint committee of lawyers and reporters is working on a set of guidelines which he hopes the board of governors of the Minnesota Bar Association will endorse for experimental coverage in the State Supreme Court. Beckmann says, "We are confident such coverage in the trial courts won't be far behind."

"At the convention workshop,"

Beckmann says, "we hope to show how it was approached successfully in those states with open courtrooms so that our members can go back home and do likewise."

Vriesman and Beckmann both point out that there is a second path to follow and that RTNDA is vigorously pursuing its goal along that path as well. That road leads to the American Bar Association, source of the old Canon 35 and the new Canon 3(A)(7), which bar broadcasting, recording or photographing trials. On August 9, 1977, Vriesman and RTNDA's legal counsel, J. Laurent Scharff of the law firm of Pierson, Ball and Dowd, Washington communications lawyers, appeared before the ABA Legal Advisory Committee of Fair Trial and Free Press.

The committee was meeting to consider changes in the ABA code concerning news coverage of the courts. In the RTNDA presentation to the committee, Scharff talked first about gag orders, closed hearings in criminal cases and confidential news sources—all areas of vital concern in the tension between the First Amendment (freedom of the press) and the Sixth (fair trial).

Scharff closed his presentation to the committee with a strong appeal for a change in Canon 3(A)(7): "As you are aware, significant strides have been made in several states to open trial and appellate courts to dignified journalistic coverage with cameras and microphones."

In his presentation, Scharff also cited the Billie Sol Estes case, journalism's

Dunkirk in the fight for courtroom access with cameras and recorders. In 1965, the U.S. Supreme Court reversed Estes' conviction because, the court decided 5-4, the fact that the trial had been televised despite Estes' objections interfered with the due process guarantee in the Fourteenth Amendment and prevented Estes from getting a fair trial.

Scharff pointed out that the Court was badly split in the Estes decision. "Judge Harlan's swing vote," he said, "came in as the most qualified of the majority's opinion. Justice Harlan foresaw the day 'when television will have become so commonplace an affair in the daily life of the average person as to dissipate all reasonable likelihood that its use in courtrooms may disparage the judicial process.'" Scharff added that none of the justices in the majority remain on the court, while three of those dissenting still sit.

And he went on to say, "In the dozen years which have passed since the Estes decision, television has become—if it was not then—commonplace in our daily life. There have also been a number of significant advances in the technology of the electronic media which better enable them to present sound and picture of judicial proceedings without distraction or psychological impact."

And Scharff closed with the pledge that RTNDA would give full cooperation in demonstrating courtroom broadcasting and establishing a dialogue among the bench, bar and broadcast news.

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Independent station viability re-examined: Do math models aid investment decisions?

The June 6 and July 18 issues of TELEVISION/RADIO AGE included a condensed version of a report to the Federal Communications Commission on the "Economics of New Entry of Independent Stations into Television Markets." Written by Alexander Korn, senior economist of the FCC's Broadcast Bureau, and Stanley D. Korn, operations research analyst with the Navy Department, the report contained one of three "models" included as background material for the recent FCC proposal for VHF drop-ins in four markets. The article which follows is an elaboration and

critique of the Korn report by two members of a broadcast management consulting firm.

By David C. Butterfield and Roy D. Shapiro

Decision-making at the Federal Communications Commission can benefit substantially from the type of formal quantitative analysis performed in the report by Alexander Korn and Stanley D. Korn published in TELEVISION/RADIO AGE. It will reinforce the awareness that this type of analysis can

be extremely useful to broadcasters in answering the "what if" questions that underlie and motivate formal planning processes. While the Korn analysis may be appropriately framed to serve as a guide for FCC policy decisions on drop-ins, however, we feel that a number of modifications can considerably increase its utility as a management tool for making investment decisions. The purpose is to add context to the Korn models and in some cases to expand upon or disagree with the conclusions.

The Korn study is composed of two parts: first, the development of two re-

gression-based mathematical models of the relationship between syndicated programming expenditures and revenue shares; second, the application of data generated by the models to *pro forma* income statements in order to estimate the viability of new independent stations in several markets under consideration by the FCC for drop-ins. We feel that in most cases the Korn assumptions and technical analysis are valid, particularly considering the limited amount of data available. Based on our experience in the industry, however, we feel there are several areas of the report that bear further discussion.

The revenue-share model

First, an important point should be made entirely clear. Regression analysis, the statistical tool used in the Korn models, is a well-known and reliable method of describing the closeness of two

affiliate in the market. In fact, development of the greatest possible revenues will result from a variety of programming, pricing, promotion, and similar decisions, all of which should be tied together in an overall marketing strategy.

The revenue share model directly relates the proportion of syndication expenditures to the market revenue share, taking into consideration a number of subsidiary influences such as coverage handicap, the presence of a weak network affiliate, UHF handicap, etc. It is our feeling that, from the point of view of station management, this is somewhat misleading in that it links management of program expenditures directly to sales revenues, neglecting to consider the effects of sales-management policies. There are a number of important marketing decisions to be made in selling broadcast time which directly determine short- and long-term revenue flows.

have greater leverage over the bottom line than intensive programming efforts. It is not unusual for the programming of a new independent to generate no salable audience figures, yet an aggressive sales staff will sell successfully, simply on the basis of television exposure. The Korn analysis showed a close relationship between program expenses and audience share, and that in their judgment it is appropriate to assume sales expenses to be fixed at 15 per cent of station revenues.

These assumptions may be appropriate for developing a general forecast of drop-in performance in order to establish policy at the Commission. They are not, however, sufficiently exact for management's forecasting and planning processes, where hard dollars are at stake.

In bringing a new independent along the road to profitability, management must select from a variety of marketing strategies, each with its own costs and benefits. For example, among the stations examined, one station chose to spend approximately one-fifteenth of its revenues on selling expenses while two other stations chose to spend one-fifth of their revenues on sales efforts.

Clearly, these different fractions represent two very different approaches to time sales. We believe that for the Korn model to be useful in management decision-making it should be expanded to include variables describing the costs and benefits of alternative marketing strategies.

The model does not consider the effects of age upon station revenues, i.e., the life-cycle effect. The experience of a number of independent station operators suggests that advertiser and audience acceptance of independent stations increases sharply over time. The Commission has available data to track this acceptance, and we would argue that it should be included as a factor in the model, particularly where financial projections are being developed over a 10-year horizon.

A less significant modification should be made to the model where it describes the performance of a new UHF independent which is assigned a channel position previously occupied by one of the affiliates in the market, i.e., in Knoxville, Johnstown-Altoona, and Jackson, Miss. Viewers in these markets would be relatively accustomed to UHF tuning procedures and to bringing in the specific channel occupied by the new independent, and consequently, the so-called UHF handicap should be of much less significance.

A final question that we have about the development of the revenue-share model is based on what appears to be the exclusion from consideration of all in-

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Effect of drop-in: Charleston-Huntington

	Case A	Case B	Case C
	<i>Average station cash flow in 1975.</i>	<i>Revenues decreased to model's output. Expenses set to maintain Case A cash flow.</i>	<i>Revenues decreased to model's output. Expenses decreased proportionately.</i>
Revenues	3280	2403	2403
Expenses	2504	1627	1834
Profit before tax	776	776	569
Tax @ 50%	388	388	284
Profit after tax	388	388	285
Add depreciation	90	90	90
Cash for dividends, debt, re-investment	478	478	375

Authors analyze effect on existing stations in market of 26.7% revenue drop (a la "Korn model"), assuming same cash flow or proportionate expense drop.

or more trends. *It does not describe causality.* Thus, based on the Korn model, it is possible to conclude *either* that:

- Increasing syndication expenditures will cause increased revenue shares, *or*
- Increasing revenue shares will motivate increasing syndication expenditures, *or*
- Some third activity, developing audience share, for example, will cause both revenue shares and syndication expenditures to rise.

Therefore, station and group managers should *not* assume that the Korn analysis suggests that they can maximize their revenues with a syndication budget for their VHF independent that is two times as large as that of the average affiliate in the market or a syndication budget for their UHF independent that is 1.5 times as large as that of the average

These decisions include:

- Pricing: At market CPMS or below, and how far below?
- Inventory control: How much inventory should be created, and how should it be apportioned between local and national buyers?
- Sales and audience promotion: Should a major effort be made as an investment in long-term growth?
- Sales staffing: Should the market be flooded with salespeople, or will a limited number of highly-qualified professionals produce a better return?
- Sales Philosophy: Exactly what is the station selling—television exposure, audiences, a marketing tool, or something else?

Bottom-line effects

Frequently, in the early years of an independent, intensive selling efforts

SEPTEMBER 12, 1977

Television/Radio Age

CBS 50TH ANNIVERSARY

CONGRATULATIONS ON

50

GREAT YEARS

FROM THE STATION OF THE STARS IN NASHVILLE.

WTVF 
A CBS AFFILIATE

5

After almost 25 years,
we're still proud to be seen with you.

People who stay on top, who are winners year after year, have one thing in common. A winning attitude.

They know that complacency breeds mediocrity. So they always give 100%. Always are the best they can be. And never spend time thinking about what they've done, because it steals time from what they've yet to do.

This attitude is why A.J. Foyt has won Indy

not just once—but four times. The USAC National Championship a record six times. Plus the Daytona 500 and The 24 Hours of Le Mans.

A winning attitude. It's meant success to the Gilmore/Foyt Racing Team. And it's shared by all the divisions of Jim Gilmore Enterprises.

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WEHT-TV
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Harrisonburg (P/M)

WREX-TV
Rockford (HR)

KODE
Joplin (P/M)

KODE-TV
Joplin (HR)

WSVA
Harrisonburg (P/M)

CBS 50th anniversary: Creative broadcast force



CBS celebrates this month the 50th anniversary of its founding and the beginning of its 50th year under the leadership of William S. Paley, whose impact on the broadcast industry and its programming has probably been greater than that of any other single man.

During the past half century, Paley, displaying sure instincts, ingenuity, toughness and courage, together with his associates, built CBS almost from the ground up into a \$2.5-billion communications conglomerate.

CBS was a seminal force both in radio and TV. It was there at the beginning. But it faced its problems and overcame them.

CBS had to sell radio to the package-goods industry before many advertisers had the good sense to discover it themselves. CBS helped create the entertainment that made radio a medium to attract the masses and kept them listening night after night.

It also helped create a medium for disseminating news, one that brought it to the public with an immediacy that print could never equal. It did the same in TV, which has now become the most important news media in America today.

It pioneered in color TV, and, though its efforts were not greeted with success, they greatly facilitated its development.

CBS has been a major force in the creation of TV entertainment and public affairs, bringing entertainment and information to millions of people, brightening and enlightening their lives.

Today it is facing its greatest challenge from its competitors. There are new men handling some of the reins at CBS. They will have probably as many problems as did William Paley, its aging but vigorous founder. □

Creation of the empire took risks, patience, showmanship

But the radio network made it big

The auguries for the Columbia Broadcasting System, which is now a \$2.5 billion enterprise, were not promising in the early days.

For one thing, when 27-year-old William Samuel Paley arrived at the CBS offices in September, 1928, to finalize the purchase of the troubled radio network, the office boy wouldn't admit him. He was told that Maj. J. Andrew White, a pioneer sportscaster and the man recruited by the original owners to be network president, was in "a very important meeting."

A white elephant?

This was not the only sign of the difficulties that lay immediately ahead. It was not easy to recruit employees and it was certainly not easy to sell national advertisers. As a matter of fact, in the early years, Paley considered himself something of a patsy for buying CBS. As a reminder of that time, when the network's future was still in jeopardy, he used a set of wood paneling that had graced the suite occupied by Major

White. The paneling was very unusual and was specially designed to impress people being solicited by the previous owners for funds.

The web had been in existence a year when Paley bought controlling interest, after its various owners had found the operation to be an omivorous consumer of operating funds.

Original organizer

The original organizer of what was to become the CBS Radio Network was Arthur Judson, a concert manager who was later to become a major figure in that field.

Initially Judson had decided to form a programming company to sell his artists to radio as well as avoid payment of performance fees to the American Society of Composers, Authors and Publishers. In the middle '20s, middle-brow and highbrow music were the staples of radio programming.

When Judson tried to sell his performers to the National Broadcasting Co., David Sarnoff brushed him off. The concert manager, no mean opponent in battle, countered by threatening to set up a rival network.

Though Sarnoff scoffed, declaring that Judson didn't understand the magnitude of the venture, the concert manager carried out his threat. Along with his associates, Edwin Ervin, assistant

manager of the New York Philharmonic Orchestra, and George A. Coats, a midwestern promoter, Judson organized in January, 1927, United Independent Broadcasters and soon afterwards brought in White. The same month UIB was set up, Sarnoff split NBC into the Red and Blue Networks.

UIB management targeted September as the network debut date, and Judson financed the expenses of Coats and Ervin as they went about signing affiliates.

The pair rounded up a dozen stations which agreed to provide 10 hours a week of their time for \$50 an hour. The first affiliate was WCAU Philadelphia, owned by Ike Levy and his brother Leon, a dentist who had discarded the drill in favor of broadcasting. Dr. Levy helped UIB in recruiting affiliates.

It soon became apparent that the \$6,000 weekly financial commitment was an onerous financial burden. To help keep the network afloat, Mrs. Betty Fleischman Holmes, a director of the Philharmonic, came forth with \$29,000 to help cover AT&T line charges.

But that wasn't enough. After only a few months, Judson concluded he needed someone to take over the project as it had turned into an enterprise beyond his means and interest.

Enter the Columbia Phonograph Record Co., which was trying to cope with the competition of the Victor Recording Co. and decided that UIB would be a handy ad platform. The record company agreed to pay UIB \$163,000 for operating rights to the 10 weekly hours. In addition, the fledgling network was renamed the Columbia Phonograph Broadcasting System, a separate entity from UIB.

The web debut took place as sched-

CBS Radio Network aired prestigious programs during '30s. New York Philharmonic broadcasts, r., began in 1930, with Arturo Toscanini. In 1938, program chief William B. Lewis brought in Norman Corwin to present serious drama.



Congratulations
CBS
On your
50th
Anniversary.



The Fetzer Stations

WKZO Kalamazoo	WKZO-TV Kalamazoo	KOLN-TV Lincoln	KGIN-TV Grand Island		
WWTV Cadillac	WWUP-TV Sault Ste. Marie	WJFM Grand Rapids	WWTV-FM Cadillac	WWAM Cadillac	KMEG-TV Sioux City

uled—September 18, 1927—over 16 affiliates. Originating from WOR New York, a station White had ties with, the initial program was a modern operetta, *The King's Henchmen*, with music by Deems Taylor and libretto by Edna St. Vincent Millay; Howard Barlow conducted.

Financial, technical disaster

While the creators of the operetta were prestigious enough, in other respects, the debut was a disaster. The only ad prospect, the Berkey and Gay Furniture Co., bowed out before airtime, a thunderstorm ruined reception for affiliates west of the Allegheny Mountains, and the program ran an hour-and-a-half longer than expected. Not long afterward, the company sold its operating rights back to UIB for \$10,000 and some free hours of broadcast time.

Meanwhile, Judson had appealed to

CBS early-evening stars of the early '30s included Bing Crosby, below; "Myrt & Marge," Bottom, r. Newschief Paul White, standing, proudly surveys four news commentators on CBS, l. to r., Edward R. Murrow, Maurice Hindus, Bob Trout and H. V. Kaltenborn. Photo was taken in 1939.



the Levys for a replacement backer. They came up with one of their friends, Jerome H. Louchheim, a wealthy bridgebuilder and contractor, who risked \$135,000 for a controlling interest. Small investments were also made by the Levys and some Philadelphia friends.

The first step taken by the new owners was to renegotiate the \$500 weekly fee to affiliates, who agreed to payment only when the network aired programming. And the name was changed to the Columbia Broadcasting System.

Despite the appearance of a few sponsors—Bromo Seltzer, La Palina cigars, made by Congress Cigar Co., the Paley family firm, and *True Story* magazine—CBS continued to call on Louchheim for funds. Over a period of months he advanced an additional total of \$275,000.

Again the Levys came to the rescue. This time they turned to the Paley family, with whom they had both business and marital ties, and suggested that the Congress Cigar Co. buy CBS.

The Paleys were associated with the Levys in WCAU by virtue of their one-third ownership in the station. In addition, in September, 1927, the month the Columbia Phonograph Broadcasting System made its debut, Blanche Paley, sister of the future CBS kingpin, had

married Dr. Levy.

The Congress Cigar Co. of Philadelphia was owned by Samuel Paley, father of Blanche and William. The elder Paley had come to this country from Russia and made his fortune in Chicago.

William was vice president in charge of advertising for Congress Cigar and was then wrestling with the competitive inroads of cigarettes. To offset the dip in cigar sales, young Paley had bought a weekly variety show on WCAU for \$50. Uncle Jay Paley, a top executive of the cigar company, had cancelled the buy, but rescinded the cancellation when he saw La Palina sales rise.

Despite the Levys' suggestion that his cigar company buy CBS, Samuel Paley was not keen about the idea, feeling the two businesses were not compatible. But his son, having had a taste of radio, had become enthusiastic about its possibilities. Moreover, young Paley was looking for his own worlds to conquer. He took a 10-day option on CBS from Louchheim and went visiting New York ad agencies to get their views on the future of radio.

Though their comments were generally discouraging, they did nothing to discourage Paley, and, as things turned out, advertising sales were not exactly a snap at first.



BEST WISHES TO CBS

From our original radio beginning as WREC AM 60, we are proud to count 48 consecutive years affiliation with CBS ... having joined you in 1929 when you were only two years old. We have enjoyed each and every year, and we look forward enthusiastically to the next half century of our association.

Sincerely,



A NEW YORK TIMES COMPANY

WREG-TV
MEMPHIS, TENNESSEE



THE NEW YORK TIMES BROADCASTING SERVICE, INC. AFFILIATED WITH CBS. REPRESENTED BY KATZ AMERICAN

The CBS 50th

In any case, in September, 1928, Paley, gambling his inheritance, bought a controlling interest in CBS for a sum variously stated to be between \$250,000 and \$400,000. It is estimated his total investment in the company eventually came to \$1.5 million. Paley's stock is worth a lot more today.

Settled in New York

When Paley took over CBS, he did not realize the full dimensions of the task he had undertaken. Radio itself first had to be sold heavily to national advertisers as an advertising medium, but Paley saw the network as a part-time assignment at which he would put in several days a week, while also commuting back to Philadelphia. He soon realized his error and settled in New York.

It was not long before he made a series of key decisions that put the network on the right road. In November, 1928, CBS offered its affiliates free sustaining pro-

Among the stars and personalities who appeared on CBS Radio Network before World War II were singers Al Jolson, directly below, and musical comedy star Ethel Merman. At r., a broadcast of "The Goldbergs." Latter program was transformed into TV show after the war with Paley's support, though CBS programmers at first felt the show was "too ethnic."



grams in return for the first five free hours of their time, to be used by network sponsors. The affiliates were to be paid \$50 for each hour in excess of the first five.

In August, 1929, CBS got first call on all of the time of its affiliates for commercial broadcasts. The concept of providing sustaining programs free was brilliant. The cost to the network was relatively slight, since it was one source that could feed many streams.

On the other hand, programming was the chief expense for the individual station. It was not only a question of cost, but also of finding talent. It was estimated that such costs for stations in large markets could run as high as \$170,000 annually.

While CBS permitted affiliates to take the network's sustainers free during the 10 to 12 hours that it programmed daily, NBC was charging affiliates at first \$90 an hour for sustainers, then \$50.

This gave CBS a competitive advantage in the battle for affiliates. It also provided revenue, since the first five hours of sponsored time belonged entirely to the network. And CBS' first call on all affiliates' time for CBS commercial programs permitted Paley to guarantee prospective advertisers clearance anywhere on the CBS schedule.

As a result of these agreements, the CBS network expanded rapidly from 19

stations in 1928 to 97 in 1935. It did not have the 50,000-watt stations, but it did have a larger number of affiliates than NBC.

Paley seemed to have a sure instinct for finance. In January, 1929, he combined United Independent Broadcasters and the Columbia Broadcasting System into one entity. About the middle of that year Paley reduced the corporate capitalization from \$1,040,000 to \$700,000. This meant that CBS had an immediate surplus of \$340,000.

He was soon able to go to the Chemical Bank and Trust Co. for two loans which totaled \$125,000.

In 1928, CBS gross revenues were \$1,409,975 but it lost \$79,000. In 1929, CBS became profitable on gross revenues of \$4,720,000; it made \$474,000.

Display of success

In September, 1929, the most tangible evidence of how far and how fast CBS had come in Paley's short tenure was given. He and a group of shareholders sold 50 per cent of their stock in CBS to Paramount Publix for 58,823 shares of Paramount stock, which, at that time, was selling for \$65 a share.

The agreement stipulated that Paramount would buy back its stock at \$85 a share if CBS were successful enough to make a total of \$2 million in 1930 and 1931.



Congratulations CBS for fifty years of service.

50 years ago, Bill Paley and George Storer had great ideas, far in advance of their times. Together they developed a half century of business association, personal friendship and mutual respect. The former created and built CBS, the latter created and built Storer Broadcasting. We at Storer look forward to the next half century with the same objectives.

STORER BROADCASTING COMPANY

CBS-TV Affiliates:
WJBK-TV, Detroit; WJKW-TV, Cleveland; WAGA-TV, Atlanta; WITI-TV, Milwaukee.

The CBS 50th

By 1932, CBS had met this goal with more than \$1 million to spare. Paramount, however, was having financial troubles. Its stock had declined to \$9 a share.

In 1932, the CBS shares with stock dividends had grown to more than 63,000. Paramount then sold to CBS 14,156 shares of its stock for \$1,163,000 cash.

CBS also agreed to return 48,000 shares of Paramount stock in return for the 49,094 CBS shares held by the movie company. The CBS shareholding group had also profited earlier by selling 10,000 shares of Paramount for an unknown sum.

It was in 1929, too, that Paley gave more convincing evidence of his faith in the CBS radio network. He was not afraid to commit himself to a long-term lease at 485 Madison Ave. in return for a very favorable rental concession. CBS remained at that address for 36 years.

Comedy, singers, talk—all were ingredients of the CBS recipe for mass audience appeal: Below, "Fibber McGee & Molly," famous comedy duo; at r., singer Jack Smith, flanked by Margaret Whiting and Dinah Shore; bottom r., Mary Margaret McBride, l., a household name and talk show hostess, is shown sampling a piece of cake with Agnes Young as "Aunt Jenny."

In 1929, Paley began attracting the team of key executives that was later to help him run the network. Sam Pickard, a Federal Radio Commissioner, joined in 1929 as head of station relations.

In 1930, Paul Kesten left the Lennen & Newell agency to become head of promotion; Paul White, a former United Press editor moved into a key slot in news; and Edward Klauber, who had been night city editor of *The New York Times*, also joined CBS.

Klauber soon was to become number-two man at the network. He made many of the day-to-day operational and administrative decisions.

As the '30s progressed and CBS became more secure, Paley moved further behind the scenes. Klauber became the front man. Paley, however, made the big decisions and set the important policies.

He continued to be the Washington spokesman. He also was considered an excellent salesman; when big pitches were to be made to important clients, Paley took charge.

Paul Kesten set the tone and created the CBS image with his sophisticated promotions. He understood advertising. He understood what the bigwigs at package-goods companies wanted.

In 1931, it was Kesten who commissioned a professor at the Massachusetts Institute of Technology to do a survey testing the effectiveness of selling

through radio. The survey showed that families which listened to radio bought more advertised goods than those that didn't and became a valuable sales tool for CBS.

Station ownership

By 1932, CBS had acquired ownership of a large number of radio stations. In 1928, it bought WABC New York when its agreement with WOR ended, and a year later, WBBM Chicago.

In addition, it had minority positions in WCCO Minneapolis, WBT Charlotte and WKRC Cincinnati, which it later dropped.

KMOX St. Louis was bought in 1931. The other stations came along later: WEEI Boston and KNX Los Angeles in 1936, KCBS San Francisco in 1949 and WCAU in 1958.

The CBS programming skill was displayed in its adept use of musical and educational material. In the early '30s, the *American School of the Air*, sponsored by Grigsby-Grunow, radio set manufacturers, was piped into more than 100,000 classrooms to be used by six million schoolchildren.

In 1930, CBS broadcast concerts of the New York Philharmonic under Arturo Toscanini. At first, the Sunday program of classical music was resisted by the network's affiliates, but it soon became a very prestigious offering





Fifty Years of Quality
Congratulations CBS.

We've been with you for
68 of your 50 years.

WBNG-TV
28 years

WTAJ-TV
24 years

WLYH-TV
16 years



GATEWAY COMMUNICATIONS, INC.

WBNG-TV/Binghamton NY • WTAJ-TV/Altoona-Johnstown PA • WLYH-TV/Lancaster-Lebanon PA • WOWK-TV/Huntington-Charleston WV
PARK CITY COMMUNICATIONS/ Lancaster PA

The CBS 50th

throughout the country, in keeping with the image of excellence CBS sought to project.

These programs inspired NBC to present its *University of the Air*, and David Sarnoff created the NBC Symphony for Toscanini, who was wrested from CBS.

A very important programming asset to CBS was Columbia Concerts, which became a source of profits as well as talent. In 1928, Paley and Arthur Judson had reorganized seven concert-management firms into Columbia Concerts. CBS owned 56 per cent of the stock.

Columbia Concerts sold talent to theaters, hotels, restaurants and other entertainment outlets as well as to the network. The CBS Artists Bureau handled such performers as Kate Smith, Morton Downey, the Boswell Sisters, Ruth Etting and the Mills Brothers. Later household names, this talent was typically paid \$100 a week to perform in the 7 p.m. strip.

Paley himself discovered Bing Crosby by hearing him sing on a record during

Popular music stars on CBS were, below, Glen Miller, rear, with, appearing in the usual order, Ray Eberle, Marion Hutton and Tex Beneke. At r., singer Helen Jepson, who appeared on "Radio Theater." During '30s, there was keen rivalry between CBS and NBC for performers.



an ocean voyage. When the Columbia Artists Bureau tried to sign Crosby, they found that NBC had matched the CBS offer of \$1,500 a week.

CBS, however, was able to provide an extra inducement—a screen test at Paramount, which resulted in Crosby's movie career.

The efforts of CBS and Columbia Concerts often complemented each other. Either could discover talent, while CBS could build a following. Once these performers were successful, they moved on to bigger and better shows on radio, as well as live performances.

However, this synergism was ended when the Federal Communications Commission's Report On Chain Broadcasting in 1941 forced CBS to divest itself of Columbia Concerts.

Time marches on

In the early '30s the CBS network presented many successful radio shows. Both Arthur Tracy, the "Street Singer," and "Singing Sam, the Barbasol Man," were on, in 1930 and 1931, respectively.

From WBBM Chicago came *Myrt and Marge*; from Kansas City, the droll comedy of *Easy Aces*—both in 1931. In 1931, listeners also heard a new kind of news program, *The March of Time*.

In 1931, Ed Sullivan had his own quarter-hour news program, which consisted of chatter and interviews. One

of his guests was Jack Benny.

Paley was as spirited a competitor then as he is now. His goal was network leadership. The CBS and NBC rivalry was keenest in trying to lure programs away from each other.

The Lux Radio Theater made its debut on NBC in 1934. In 1935, it switched to CBS, where it became a great success when it moved to Hollywood and Cecil B. DeMille took over as host. During those years, this program cost Lever Brothers \$32,300 for time and talent, \$17,300 of which was for time charges and \$15,000 for talent.

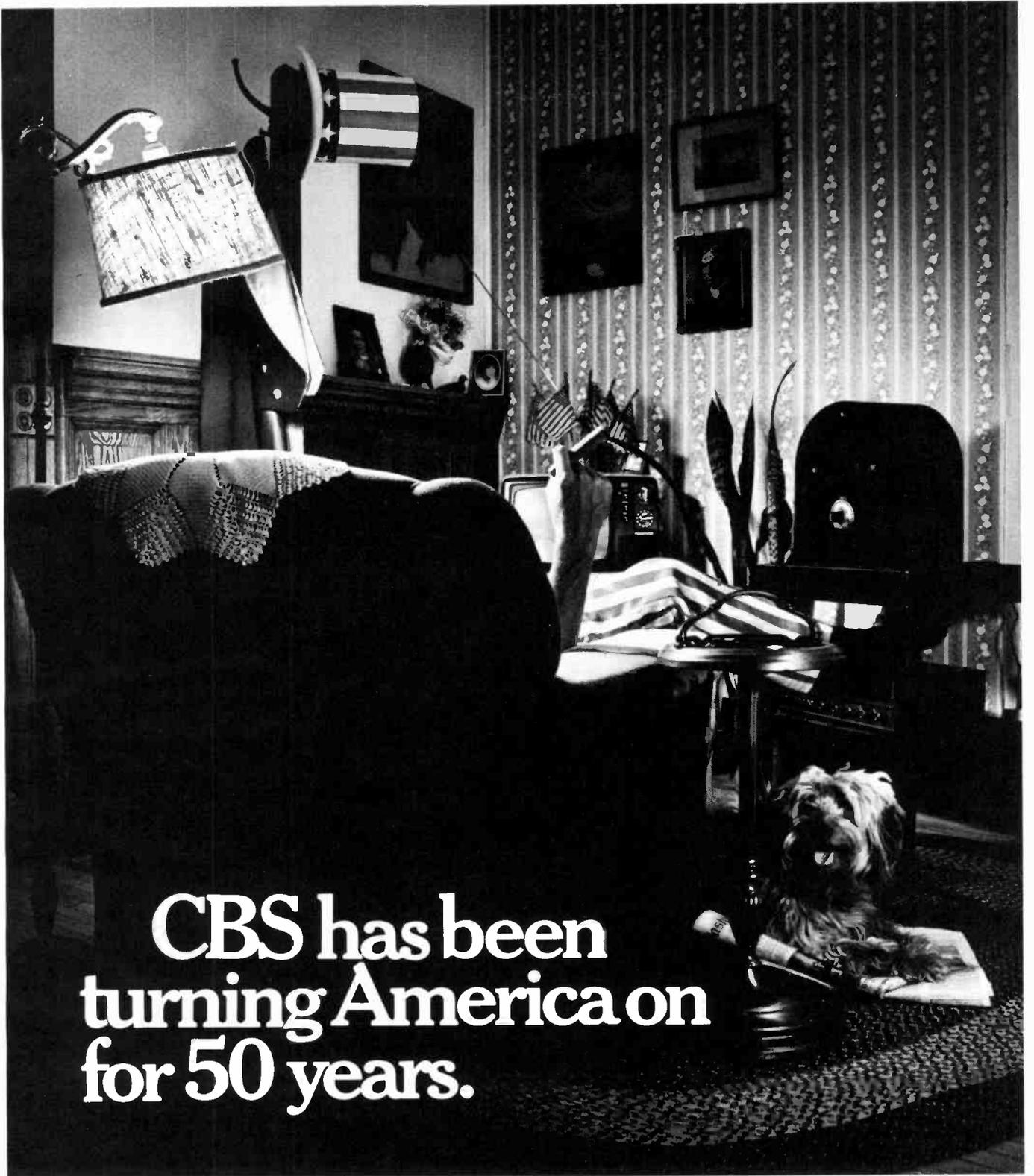
In 1937, *Amos 'n Andy* went from NBC to CBS only to be brought back to NBC later. It was through the personal efforts of Paley that Chrysler Motors brought Major Bowes and his *Amateur Hour* to CBS, though it had first started on NBC in late 1935.

By the late '30s, CBS was also up to its navel in soaps. Among them were *Our Gal Sunday*, *Ma Perkins*, *The Romance of Helen Trent*, *Life Can Be Beautiful* and *Joyce Jordan, Girl Intern*. Among its most appealing soaps, one presented in the early evening, was *Just Plain Bill*, the story of a small town barber back in 1932.

Serious drama

One of the great achievements of CBS was its ability to please the highbrow as well as the lowbrow. In 1935, Paley hired





**CBS has been
turning America on
for 50 years.**

And vice versa.

Congratulations from Midwest Radio and Television Inc. Minneapolis, St. Paul.

4 **WCCO** / *WCCO RADIO* / *wcco fm*
TV

The CBS 50th

William B. Lewis as his vice president of programs. It was Lewis who fathered serious drama on the network.

Lewis encouraged Irving Reis, a studio engineer, who wanted to experiment with drama on *Columbia Workshop*. It was first broadcast July 26, 1936. Out of *Columbia Workshop* came notable improvements in sound effects as well as Archibald MacLeish's *Fall of the City*, a script about fascism.

Soon, CBS was getting submissions from W. H. Auden, Stephen Vincent Benet, Maxwell Anderson and other luminaries of the literary world. CBS moreover withheld the program from commercial sale, a decision which added to its prestige.

In 1938, Lewis also gave Norman Corwin his opportunity to enlarge the limits of radio's creativity. Among Cor-

win's productions were *The Plot To Overthrow Christmas* and *They Fly Through The Air*, both presented on a program titled *Words Without Music*.

It was in 1938 that Lewis presented *Mercury Theater on the Air*, put on by Orson Welles and John Houseman. It was responsible for *The War of the Worlds*, a science fiction tale based on the H. G. Wells story. The realistic program, in the format of a radio broadcast, caused a panic all over the United States because listeners thought reports of a Martian invasion were true.

Several years earlier, the CBS network began using research intensively to better its programming. In 1935, Frank Stanton, then 27 years of age, joined the network after getting his doctorate in psychology from Ohio State University. Stanton's chief interest was audience psychology. While in college, he had been sending monographs on radio audiences to Paul Kesten.

Some were sent to affiliates. Another was reprinted in a CBS annual report. The title of one of his most important studies was, "A Critique of Present Methods and a New Plan for Studying Radio Listening Behavior."

Stanton's first job was in the three-man network-radio-research department where he earned \$55 weekly.

While there he and Dr. Paul Lazarsfeld, who came from the University of Vienna, perfected a program analyzer, also known as "Big Annie," which is still a basic tool for pre-testing TV audience reaction. Stanton also did a great deal of work in coverage measurements of radio stations. He assisted in creating maps which would tell timebuyers exactly where the CBS affiliate's coverage extended.

Such information was also very important because it told the CBS station relations department where gaps in network coverage existed.

Stanton also made important contributions in developing management policies for the owned and operated radio stations of CBS. Many at that time had no rate cards and no uniform discount structure.

Stanton was instrumental in bringing the network its most important single personality. Arthur Godfrey had been doing big things at WTOP Washington, then a CBS-owned station since 1934.

His relaxed style of presentation won him a large following. Stanton had earlier persuaded Arthur Hull Hayes to provide a slot for Godfrey. At first, the station virtually had to give Godfrey away to advertisers, and, after 13 weeks, none of them renewed.

"Lux Radio Theater," which started on NBC in 1934, switched to CBS in '35, where it became a big success after moving to Hollywood with Cecil B. DeMille as host; below, Charles Farrell, Janet Gaynor, in radio reprise of movie "Seventh Heaven." At r., the Mills Brothers and below, r., Fiorello LaGuardia, mayor of New York City, at dedication ceremonies.





LITTLE ROCK, ARK.

**THANK YOU, CBS, FOR
50 YEARS OF THE BEST!
THE ALL NEW KTHV
IS PROUD TO BE
A PART OF YOU!**



REPRESENTED BY
BLAIR TELEVISION

ROBERT L. BROWN
President And General Manager

Godfrey, of course, was soon a spectacular success. In 1941, he found a network showcase in the daytime, and his TV success, both daytime and nighttime, made him one of the big money-makers at CBS.

Block programming born

In the early years of the war, it was Stanton who suggested that daytime newscasts be placed back-to-back because they would provide larger circulation. Out of that grew the development of block programming.

During the war years, the CBS news operation distinguished itself. By this time, too, radio mystery melodrama had been perfected. Two of the better shows were *Ellery Queen*, started in 1939, and *Suspense*, which made its debut in 1942.

Among other important shows on the network in the '40s were *Duffy's Tavern* and *The Hit Parade*. In 1943, President Paley left CBS to join the war effort. Paul Kesten was placed in charge of the network. Frank K. White was vice president and treasurer.

When Paley returned, he became

chairman of the board, Kesten retired, and Frank Stanton was named president in 1946. Joseph H. Ream was named executive vice president.

Paley, though he had been temporarily severed from CBS, had been giving its future a great deal of thought. He decided that the network needed to concentrate on developing its own creative program resources. He decided he would build a program-production unit, and would also try to get better control of talent.

Paley reasoned that it was time to take radio programming away from agencies, because they were consistently able to play the networks off against each other. He saw the control of talent as vital, because stars attracted audiences and thus would give CBS network leadership.

Talent would also be important in the age of TV, because it would be a new showcase for their abilities, he believed.

In 1946, CBS began to produce some of its own shows, primarily situation comedies. In 1947 came *My Friend Irma*, the saga of a dumb blond played by Marie Wilson; in 1948, Eve Arden starred in *Our Miss Brooks*, J. Carroll

Naish in *Life With Luigi*, and Lucille Ball in *My Favorite Husband*, the prototype for *I Love Lucy*.

It was in 1948 that Paley scored his greatest coup—the talent raid on NBC. CBS added a new wrinkle to the capital-gains deal, already in wide use in the business world. He made its advantages available to talent by purchasing the rights to the programs they starred in.

He actually started with *Amos 'n Andy* in late 1947. The next objective was Jack Benny. He was the key to a number of other important stars—Edgar Bergen, Red Skelton, and Burns and Allen.

Benny was offered \$3.2 million for the rights to his program, which also included a top salary subsequently. It was a great gamble on Paley's part. Would Benny's NBC audience follow him to CBS? American Tobacco, the sponsor, was unsure.

Paley had to provide a \$3,000-per-rating-point guarantee that the program on CBS would equal the 24 rating it received on NBC. The switch took place in January, 1949. CBS launched a major advertising campaign to publicize Benny's new CBS time slot. The Benny rating for the first week was 27 plus.

The other shows followed. The Paley strategy worked. The radio stars helped keep the CBS Radio Network in a greater profit position than that of the other networks as TV began to emerge as the dominant medium. □

Frank Stanton, chairman, American Red Cross, was named CBS president in '46, became vice chairman in '71, left in '73. He was industry spokesman on regulation, free press issues. Stanton is shown at '76 international Red Cross meeting in Geneva.



Sitting Pretty

SOUTH DAKOTA MINN. IOWA NEB. SIOUX FALLS

A CBS AFFILIATE

kelo·land tv

KELO-TV SIOUX FALLS, S.D.
and satellites KDLO-TV, KPLO-TV

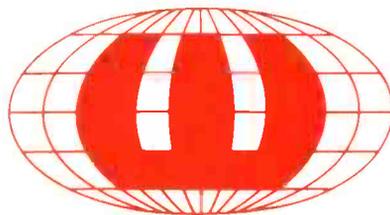
The 74,000 sq. mi. marketland lying between Minneapolis and Omaha
—and beyond the tv reach of either.

Represented nationally by H-R
In Minneapolis by Wayne Evans

Life begins at 50!

“The best is yet to be.”

Robert Browning



WORLDVISION
ENTERPRISES INC.

The World's Leading Distributor for Independent Television Producers

New York, Los Angeles, Chicago, Atlanta, London, Paris, Tokyo,
Sydney, Toronto, Rio de Janeiro, Mexico City, Munich, Rome

Television network emerges from experimental years

Science confronts regulation

In July, 1931, less than three years after William S. Paley took control of an ailing radio network, CBS inaugurated the first regular schedule of telecasting in this country.

The program, hosted by sports announcer Ted Husing, featured Kate Smith, comedian Henry Burbig, the Boswell Sisters and composer George Gershwin. It played to a very limited audience of New York set owners.

Later that year, the station telecast *Bill Schudt's Going To Press*, in which he interviewed correspondents, columnists and editors. Schudt was later to become head of the CBS Television Network's station relations department.

The experimental station, W2XAB, was on the air seven hours daily, seven days a week. In February, 1933, operations were suspended because the picture of the 60-line image was not adequate,

and there were insufficient facilities for programming.

In 1936, Paley told the Federal Communications Commission that CBS had set aside \$2 million to experiment in TV. A year later, CBS began installing one of the world's most powerful TV transmitters as well as camera equipment for film and live pickup in the Chrysler Tower.

Standards raised

This equipment was originally designed to transmit 343-line images, but even while being constructed was modified to transmit 441 lines. In 1941, the standard was raised to the present 525 lines.

In 1937, CBS established its first TV program-production center in New

York's Grand Central Station. The cost of construction and installation of the transmitter and studio equipment was \$1 million.

FCC gives green light

The green light was given in July, 1941, by the FCC. Regularly scheduled commercial telecasting began. W2XAB changed its call letters to WCBW and began a 15-hour-a-week schedule.

Early programming on the station consisted of news, special events, forums, documentaries, educational and children's programs, dance music, sports, audience participation and variety.

Pearl Harbor documentary

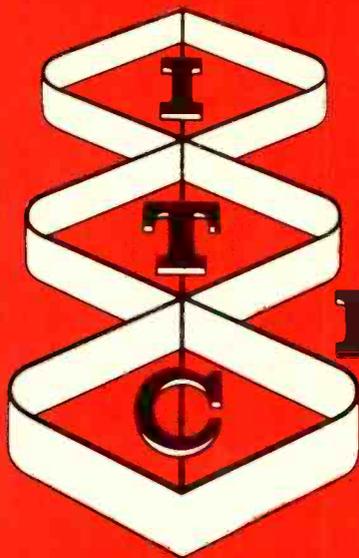
On Pearl Harbor Day, December 7, CBS-TV produced an hour-and-a-half documentary about the attack and the nation's reaction to it.

Of the 15-hour-a-week schedule, only two-and-a-half hours was film. A weekly square dance presented Patricia Bowman, Kay Thompson and others. Arthur Murray did a series on ballroom dancing. In June, 1942, this schedule was cut to

Early TV highlights include Edward R. Murrow's "See It Now," below, where Sen. Margaret Chase Smith (R-Me.) is here seen doing 1954 interview, and Ed Sullivan, whose "Toast of the Town" made its debut on CBS in 1948, to be succeeded later by long-running "Ed Sullivan Show," which first brought Presley and the Beatles into homes.

In 1937, CBS established its first TV program-production center in New York's Grand Central Station. The cost of construction and installation of the transmitter and studio was \$1 million. The green light was given in July, 1941, by the FCC for regular commercial telecasting to begin.





ENTERTAINMENT

AN  COMPANY

Salutes
CBS
On Their
Fiftieth Anniversary

PRIDE
and
PRIVILEGE

In this age of television we rarely analyze the reasons for the impact of broadcasting.

For broadcasting is all pervasive. It reaches across local and state boundaries, across political, sociological, religious, racial and demographic segments of our society. Broadcasting not only engages more people than any other medium, but the U.S. public spends more time viewing television than it does any other activity.

And since it is such a basic part of American life, it is a lightning rod for criticism.

It is time to extol its virtues, since its critics are heard daily.

KOOL Radio and KOOL Television are proud of providing a complete service to our listeners and viewers in the Phoenix area. But this could not be accomplished without the presence of the CBS Radio and the CBS Television Networks.

For through CBS, we are bringing our listeners and viewers the very best in entertainment, in news, in documentaries, special events and sports presentations.

The CBS eye is reflective of quality and the American public is the beneficiary.

To be associated with CBS is a privilege for both ourselves and the communities we serve.

KOOL RADIO-TELEVISION, INC.
PHOENIX



During wartime, the production of TV sets was halted. Up until 1946, the total number of sets in the New York area was about 7,500, about the same as in 1932. It was almost mid-1944 when CBS-owned WCBW New York resumed live telecasting and gradually went back on a seven-day schedule.

four hours weekly, mainly film, because of the war effort.

During wartime, the production of TV sets, of course, was halted. Up until 1946, the total number of sets in the New York area was about 7,500, about the same as in 1932.

It was almost mid-1944 when WCBW resumed live telecasting and gradually went back on a seven-day schedule. By June of the next year, CBS made its TV facilities available to network clients for testing and development of commercial video programs.

During that early period, 1944-46,

sports events became important television fare. They included a variety of events from the old Madison Square Garden, including college and professional basketball and professional hockey.

WCBW became WCBS-TV in November, 1946. The period from 1947 to 1949 were the years of the big breakthrough in set sales. "It was nothing to hear that the number of sets in the country had doubled in a month," said Naomi Andrews, then in charge of TV advertising and sales promotion for CBS-TV.

In 1947, WCBS-TV nearly doubled the

number of hours being programmed. CBS-TV began creating a TV network to serve the Eastern Seaboard. It made working agreements with such stations as WCAU-TV Philadelphia, WMAR-TV Baltimore and WOIC-TV Washington, now WTOP-TV.

In March, 1948, to offer the benefit of its expertise to station executives, CBS conducted the first nationwide TV clinic.

In keeping with its needs for production space, early in 1948, CBS-TV expanded its Grand Central Studios and began buying theaters in New York City. In Hollywood, it began constructing its Television City on land known as Gilmore Island, near Farmers Market.

Yet while all this was going on, CBS-TV was not completely committed to black-and-white TV. Back in August, 1940, it had presented the first telecast of its field sequential system of color TV from the Chrysler Building. The CBS color-TV system was developed by Dr. Peter C. Goldmark and his associates at the CBS Laboratories.

CBS-TV demonstrated this system to the FCC but then put it in mothballs

A TRIBUTE FROM OUR FAMILY TO YOURS

All In The Family
Maude • Good Times
The Jeffersons • One Day At A Time
A Year At The Top

TANDEM PRODUCTIONS, INC.
T.A.T. COMMUNICATIONS CO.

during the Second World War. From April, 1944, to September, 1946, CBS-TV demonstrated its color system to the trade and to the public.

It was betting that discoveries in electronics during the war in the use of the UHF frequencies could lead to better color.

The chief mover behind the CBS decision was Paul Kesten. He felt that the black-and-white standards were not good enough and that a switch to color would

In 1948, CBS demonstrated its sequential color TV system with 6 MHz bandwidth, same as black-and-white. It also demonstrated a converter which could be used by a black-and-white set to receive color. In September, 1949, hearings began by the FCC on color TV. As part of them, six weeks of color TV were shown in Washington.

"The Garry Moore Show" was an early CBS institution. In this 1963 segment, Moore, l., joins his regulars, Dorothy Loudon—still going strong on Broadway—and Durward Kirby, co-host and pitchman on the show.



produce much better TV.

The chief drawback of the CBS color system, however, was that it was not compatible with the black-and-white system, which had already been accepted by the FCC.

In September, 1946, CBS petitioned the FCC to establish standards for color TV in the UHF band so commercial operation of TV stations could begin. In March, 1947, the FCC denied the CBS petition because its system used a 16 MHz bandwidth.

In 1948, CBS demonstrated its color TV system with a 6 MHz bandwidth, the same as that of black-and-white. It also demonstrated a converter which could be used by a black-and-white set to receive color.

In September, 1949, the FCC began hearings on color TV. As part of these continuing hearings, six weeks of color TV broadcasting were presented by CBS-TV in Washington, New York and Philadelphia.

The CBS color system was challenged

KFVS

Cape Girardeau

KFVS Television
congratulates CBS on its 50th
anniversary and for its high
standards and quality
approach to the broadcast
business.

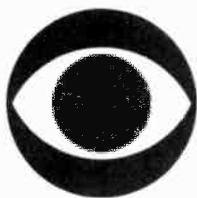
We express our appreciation
for the pleasant relationship
we have enjoyed as a CBS
Television affiliate.



KFVS TELEVISION



CAPE GIRARDEAU, MISSOURI



Old Friends...

WE AT WCSC EXTEND OUR BEST WISHES TO CBS ON THEIR 50 YEARS IN BROADCASTING.

WCSC*
CHARLESTON, S.C.

*43% May '77 ARB/sign-on to sign-off ADI share
*44% May '77 Nielson " " " " DMA share
(Subject to limitation of source)

Television began to pick up steam in the '50s with many program forms that are still the subjects of today's reminiscences. Clockwise, from lower l.: "The Jack Benny's Show," which had re-runs this past summer on the network. "Playhouse 90" made writer Rod Serling famous, particularly for his "Requiem for a Heavyweight," which later became a theatrical movie. Along with Jack Palance, c., it gave Keenan Wynn, l., and father Ed Wynn a chance to prove their dramatic abilities. Then there's Lucille Ball, veteran of three CBS series, shown here on a recently aired CBS salute to her 25-year TV career. Jackie "The Great One" Gleason is also well identified with CBS' earlier years. "Studio One" featured both recognized talent and beginners who are much better-recognized today. Here, "Mutiny on the Shark" displays, foreground, l. to r., Richard Basehart—who made admiral on a TV series many years later ("Voyage to the Bottom of the Sea"), Betsy Palmer, William Smithers, and, standing, Robert Loggia and Ann Hillary.

**Congratulations
to**



from



In May, 1951, the Supreme Court upheld a favorable ruling on the CBS color system. The decision unfortunately came too late for CBS. By that time, the public had bought 12.5 million TV sets, and the owners of these sets were not about to buy color converters to get the system.

by its old antagonist, RCA, which was offering an electronic system of color which was compatible with black-and-white sets then on the market. In October, 1950, the FCC adopted the CBS field sequential color TV as the standard for the industry.

Commercial color TV broadcasting was to begin on November 20, 1951. RCA, however, appealed to a federal court in Chicago to set the ruling aside. Though the court upheld the pro-CBS FCC decision, it granted the restraining order.

In May, 1951, the Supreme Court

upheld the FCC ruling on the CBS color TV system. The decision unfortunately came too late for CBS. By that time, the public had bought 12.5 million TV sets.

The owners of these sets were not about to buy color converters to get the CBS color system. The TV set manufacturers saw the handwriting on the wall and none produced sets using the CBS color system.

About that time, a color-set tube was invented which could be used with the RCA compatible color system. In late 1953, RCA and a committee of set manufacturers from the electronics in-

dustry petitioned the FCC to allow a compatible color system to be manufactured and sold. The FCC agreed.

The CBS gamble on its color system had failed. To CBS, this failure was costly. The effort had diverted CBS resources that could have been used for other corporate objectives.

CBS, in the mid-'40s, for example, had applied for licenses for TV stations in Boston, Los Angeles, Chicago and San Francisco that would operate under the current black-and-white standards, according to Frank Stanton.

Station-acquisition route

Rosel Hyde, an FCC commissioner at that time, wondered why they needed such stations when they were backing a completely different system. CBS withdrew these applications. When it put together its owned and operated station group, it then had to take a different route—station acquisition, for the most part.

In 1948, CBS acquired WCAU-TV Philadelphia as its second station. That same year, it bought a minority interest in KTTV Los Angeles, but sold it in De-

A Salute And Congratulations To CBS



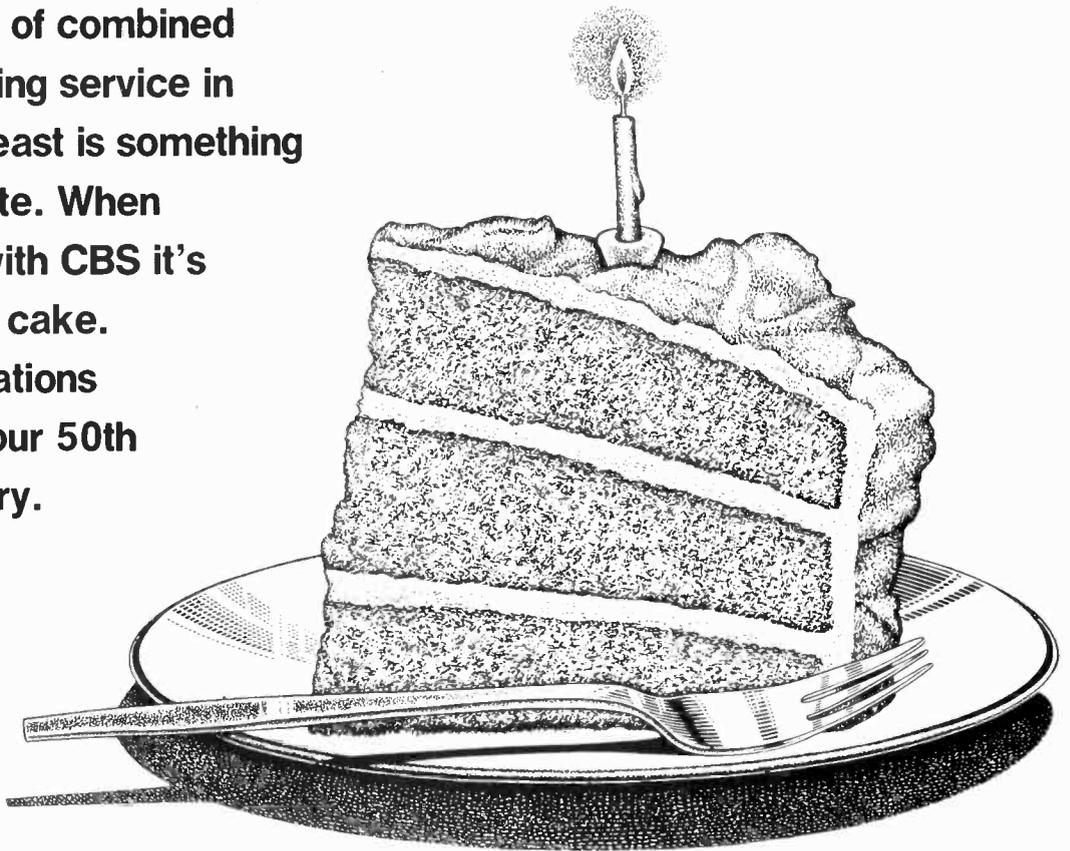
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There are many industry observers who maintain that the CBS attempt to sell its color system pushed David Sarnoff to devise a crash program to perfect compatible color—giving the public color several years earlier.

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Over 50 years of service
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WTAR-TV Represented by Harrington, Righter & Parson, Inc.
WTAR-AM Represented by The Christal Company

ember, 1950, to purchase KTSL Los Angeles, whose call letters were changed to KNXT.

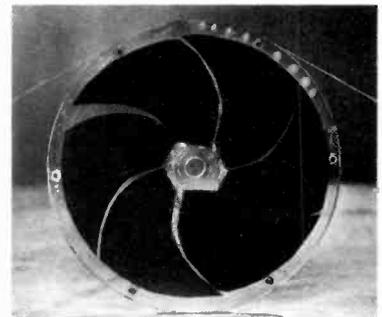
In 1948, the company acquired 45 per cent of the stock of WTOP-TV Washington and from 1952 to 1954 it owned 47 per cent of the stock of WCCO-TV Minneapolis.

Unprofitable UHF stations

Both stations were surrendered when others were bought. WBBM-TV Chicago was purchased in February, 1953; CBS-TV became the licensee for KMOX St. Louis in March 1959. It also had two UHF stations in the '50s: WHCT Hartford, between 1956 and 1959, and WXIX-TV Milwaukee, 1955-1959. Both situations were unprofitable.

There are many industry observers who maintain that the CBS attempt to sell its system pushed David Sarnoff to devise a crash program to perfect compatible color. The American public got color several years earlier because of this intense rivalry. □

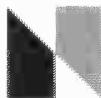
The color wheel, below, was integral to a CBS system to convert black-and-white sets to color. The initial CBS sequential color system was developed by Dr. Peter C. Goldmark, bottom, and his associates at the CBS Laboratories. CBS put the system in mothballs during the Second World War.





**Congratulations to CBS
on its 50th Anniversary.**

And welcome to the club!



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WHO ON THEIR
50TH.**



wdbo 58 wdbo-tv 4

Pioneer affiliates: 16 radio stations, 12 in TV in '48

The affiliates that started out with CBS in radio and TV were vital links in the chain of events that made the network's pioneering possible. In radio, they were 16 in number, compared to the approximately 260 that it can boast today which take its news and sports feeds.

They were WOR New York, WCAU Philadelphia (now owned by CBS), WNAC Boston, WMAQ Chicago (now owned by NBC), KMOX St. Louis (now owned by CBS), WKRC Cincinnati, WCAO Baltimore, WOWO Fort Wayne, Ind., WJAS Pittsburgh, WADC Akron,

The affiliates that started out with CBS in radio and TV were vital links in the chain of events that made the network's pioneering possible. Sixteen radio affiliates have grown to some 260; TV: 12 to 210.

WAIU Columbus, WFBL Syracuse, WMAK Buffalo, KOIL Council Bluffs, Ia., WGPB Detroit and WEAN Providence.

Seven of these stations no longer operate in these cities under the call letters given. WADC, which started out in Akron, is now broadcasting from Parkersburg, W. Va.

The first CBS-TV rate card, dating back to late 1948, lists 12 TV stations as its primary affiliates. They were WAGA-TV Atlanta, WMAR-TV Baltimore, WGN-TV Chicago, WKRC-TV Cincinnati, WEWS-TV Cleveland, WCBS-TV New York, WJBK-TV Detroit, KLEE-TV Houston, KTTV Los Angeles, WCAU-TV Philadelphia, KRSC-TV Seattle and WOIC-TV Washington.

Three of these stations have changed their call letters. KLEE-TV Houston is now KPRC-TV, WOIC-TV Washington is now WTOP-TV, and KRSC-TV Seattle is now KING-TV.

CBS-TV now has about 210 affiliates.

□

Great Radio. To Begin With.

It was with an exciting new American opera, "The King's Henchman," that CBS began in 1927. Today our seven news/information AM stations and our seven music FM stations present the finest broadcasting available in radio.



CBS RADIO 

WCBS New York
KNX Los Angeles
WBBM Chicago
WCAU Philadelphia
KCBS San Francisco
WEEI Boston
KMOX St. Louis

WCBS/FM New York
KNX/FM Los Angeles
WBBM/FM Chicago
WCAU/FM Philadelphia
KCBS/FM San Francisco
WEEI/FM Boston
KMOX/FM St. Louis

From stars, to quiz shows, to westerns, to social themes

Rising to top of TV heap

As the networks began to battle seriously for the growing TV audience around 1948, the CBS Television network had two powerful weapons in its arsenal of programming.

They were its programming and production group and the big-name stars—Jack Benny, Burns and Allen, Red Skelton and Amos 'n Andy—who had opted for the capital-gains deal William S. Paley offered.

Paley, moreover, was a considerable asset himself. He had been through the programming wars in radio. He had developed definitive objectives.

They were: (1) Attain leadership, (2) aim for popularity and quality, (3) strive for prestige.

Installed as vice president and director of TV programs in 1948 was a well-groomed, programming executive, Hubbell Robinson, Jr., a former vice president of Young & Rubicam.

Among the early programs in the 1948-49 period were *Studio One*, a

dramatic anthology series, and Ed Sullivan's *Toast of the Town*, which cost the network less than \$500 for the first show.

Studio One was first a top radio anthology series. Paley says of Sullivan, "We gave him a small budget, but he squeezed through somehow. By the time we could afford something else, Sullivan became a national institution." The program ran until 1971.

Sullivan had become sensitive to criticism that he was using his column to get acts to work cheaply on his TV show. President Frank Stanton stopped him from quitting during this period, a real achievement when Sullivan's importance to the network in his key Sunday night, 8 p.m. time period is noted. And the criticism ultimately diminished.

Another immediate success was Arthur Godfrey. The entertainer began with the half-hour *Talent Scouts* in 1948, then added *Godfrey and His Friends*, a Wednesday-night hour, and in daytime TV, offered *Arthur Godfrey Time*.

A drama that caught on quickly was *Man Against Crime*, sponsored by R. J. Reynolds for Camels. The production cost of the melodrama was between \$10,000 and \$15,000.

About that time, Molly Goldberg made a personal appeal to Paley to let her audition *The Goldbergs*, which had

been on radio for 20 years, for TV.

Both the CBS and NBC program departments were fearful its appeal was too ethnic, but she got Paley's consent, and it went on to succeed.

Of the properties acquired from NBC, Burns and Allen ran from 1950 to 1958, Jack Benny from 1950 to 1964 and Red Skelton from 1953 to 1971. Interestingly enough, Skelton turned out to be the most successful of these personalities. Neither *Amos 'n Andy* nor Edgar Bergen succeeded to any considerable degree on TV.

The TV big payoff was in the programs created by CBS. They became the basis for the CBS primetime supremacy in TV through the '50s and '60s.

Two of these radio programs that became successful in early TV were *Suspense* and *Our Miss Brooks*. *My Friend Irma* had a short career, and *Life With Luigi* a shorter one.

Coronating the queen

An old CBS radio program, *My Favorite Husband*, first displayed the considerable comic talents of Lucille Ball. Although the series became a Joan Caulfield vehicle, Ball and husband Desi Arnaz made TV history with *I Love Lucy*, which ran original episodes from '51 through '56, is still successful in syndication and had two successor shows.

"We ran into a problem because she said she wanted Desi Arnaz to be in the show," Paley explains. Arnaz was, at that time, an orchestra leader. Lucy didn't want him to continue traveling around the country.

"So very reluctantly, I can't tell you

Much TV production activity moved to Hollywood in 1952, when CBS opened its Television City. Expansion space was left for later years when then the network began airing such long-running hit series as "Gunsmoke," which outdrew other westerns. Former radio series, starring Jim Arness, ran for 20 years.



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CBS-TV hit the jackpot with audience-participation and quiz shows in the '50s. They included "What's My Line," "I've Got A Secret" and "Beat the Clock." The most successful was "The \$64,000 Question," whose success led to imitation.

how reluctantly, we gave in. And Desi Arnaz turned out to be almost a genius," Paley observes.

CBS-TV also hit the jackpot with audience participation and quiz shows. They included *What's My Line?*, *I've Got A Secret* and *Beat The Clock*.

The most successful was the *The \$64,000 Question*. Its success led to imitation on the other networks. In the quiz scandals that followed, *The \$64,000 Question* was not directly implicated, but it was tarred with the same brush.

There were repercussions in the CBS-TV executive suite. Louis Cowan

at that time was the president of CBS-TV. Though he had entirely disassociated himself from *The \$64,000 Question*, the program was packaged by his company before he joined CBS. Cowan resigned.

Cowan had succeeded Merle Jones who, in turn, had followed Jack Van Volkenberg, the first network president, whose tenure ran from 1951 to 1956.

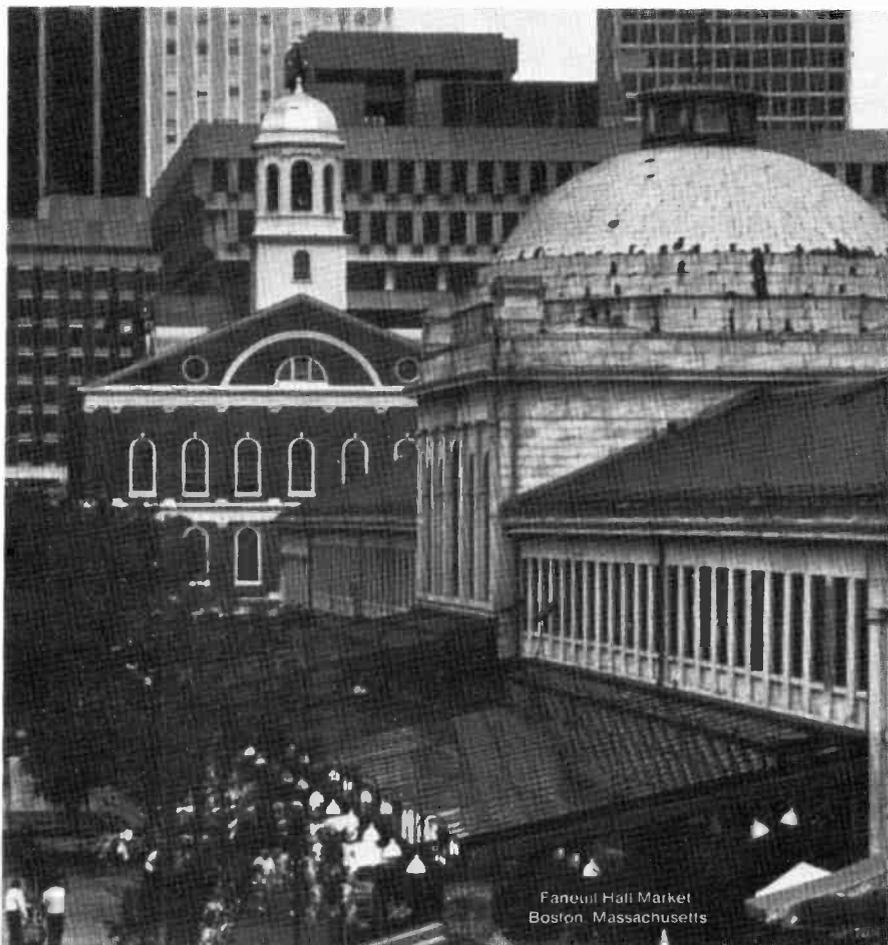
Personalities in early TV had staying power. CBS-TV, beside Godfrey, had Garry Moore and Jackie Gleason. In daytime and nighttime variety shows, Moore began on TV in 1950 and ran until

1967 (Carol Burnett was discovered on his evening show). Gleason was brought over from the Dumont network, where he was not protected by a contract. It was he who helped perfect the comedy-variety format. Gleason, his *Honeymooners*, and his other gallery of characters spanned 18 years on the network until 1970.

When Westerns became popular, CBS had *Gunsmoke* ready. The former radio series ran for 20 years on TV. Paley proved his mastery of program scheduling when he moved *Gunsmoke* from Saturday nights to Monday nights to add years to its life.

CBS-TV also knew how to score points with prestigious programs. They included *You Are There*, dramatizations of history with Walter Cronkite as host, *Omnibus*, the best of the visual arts, and *Small World* with Edward R. Murrow interviewing the world's leading political and intellectual leaders. Not as prestigious but very successful in the '50s was Ed Murrow's *Person To Person*, visits to the homes of celebrities.

As a program director, Hubbell Robinson had a keen interest in drama. He followed *Studio One*, an hour show



Our Boston Perspective

The people of Boston have long been known for their active involvement in civic affairs. And WNAC-TV is involved with them, through its local perspective and its dedication to public affairs programming.

Last year alone, WNAC-TV received an *Outstanding Achievement Award for Public Service* from U.P.I. for its H.O.T. Car ("Hands Off This Car") Campaign, was named an "Outstanding Corporation of the Year" by the Boston Jaycees, and received several other awards for programming in the public interest.

Our service to our community has been further enhanced by our association with the CBS Television Network, which for 50 years has provided leadership and inspiration to the entire industry. We congratulate CBS on its outstanding record of achievement, and look forward to many more years of serving our viewers together.

Up and coming 
WNAC-TV BOSTON  A CBS AFFILIATE
An RKO General Television Station

with *Playhouse 90*, an hour-and-a-half drama. These programs presented some of the finest drama in America. They included TV dramas that later became movies: Reginald Rose's *Twelve Angry Men*, Rod Serling's *Requiem For A Heavyweight*, *The Miracle Worker* and J. P. Miller's *Days of Wine and Roses*.

Among those who directed such shows are several of today's notable movie directors—George Roy Hill, Franklin Schaffner, Robert Mulligan and John Frankenheimer.

In 1959, Louis Cowan's successor as CBS-TV president was James Aubrey, Jr. His tenure marked a different period in the network's life. The growing pains were over.

The center of production activity had moved to Hollywood. CBS-TV had opened Television City in 1952. It was structured so that it could easily be expanded to handle more production. It was called "the loaf of bread" concept, the layout being horizontal.

By that time, the filmed series dominated the medium because it could be rerun and made more economic sense. Typical of such programs was *Perry*

In 1960, CBS made its big rural-sympatico mark with "The Andy Griffith Show," followed by numerous other R.F.D. postmarks. But, in the '70s, bottom, countrified programming took on a new meaning with "The Waltons," a forerunner of shows bringing basic values to a country weary of "relevance."



In 1959, Louis Cowan's successor as CBS-TV president was James Aubrey, Jr. His tenure marked a different period in the network's life. The growing pains were over. A more mature stage in its development had been reached.

Mason, which ran from 1957 to 1965.

A throwback to live TV however, was *The Defenders*, which started in 1961. This dramatic series about lawyers grappled with serious issues.

Aubrey seemed to have a special affinity for rural situation-comedy. *The Andy Griffith Show*, a 1960 entry, lasted until 1968, and the spinoff, *Mayberry R.F.D.* ran several seasons. Even more successful was *The Beverly Hillbillies*, and its spinoff, *Petticoat Junction*. The former was telecast for eight years, and the latter seven.

The '60s were good years for CBS-TV. In 1966-67, eight out of the top 10

nighttime shows were on CBS, according to Nielsen. An important factor in this period was Mike Dann, who became the network's vice president of programs in 1963, senior vice president of programs in 1966 and left in 1970. The first regular movie show, the *Thursday Night Movie*, kicked off in September, 1965.

CBS had the ability to get a continuous string of high-rated situation comedies. In 1965, it telecast two new ones, *Gomer Pyle* and *Hogan's Heroes*, and lured *My Three Sons* away from ABC. In 1966, *Mission Impossible*, an hour spy melodrama, made its debut, to run for seven years. In 1967, *Mannix*, a cop

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May sweep Arbitron comparison 1976-1977 Prime Homes-Sat.-Sun.

Average. Spokane ABC -17.8%

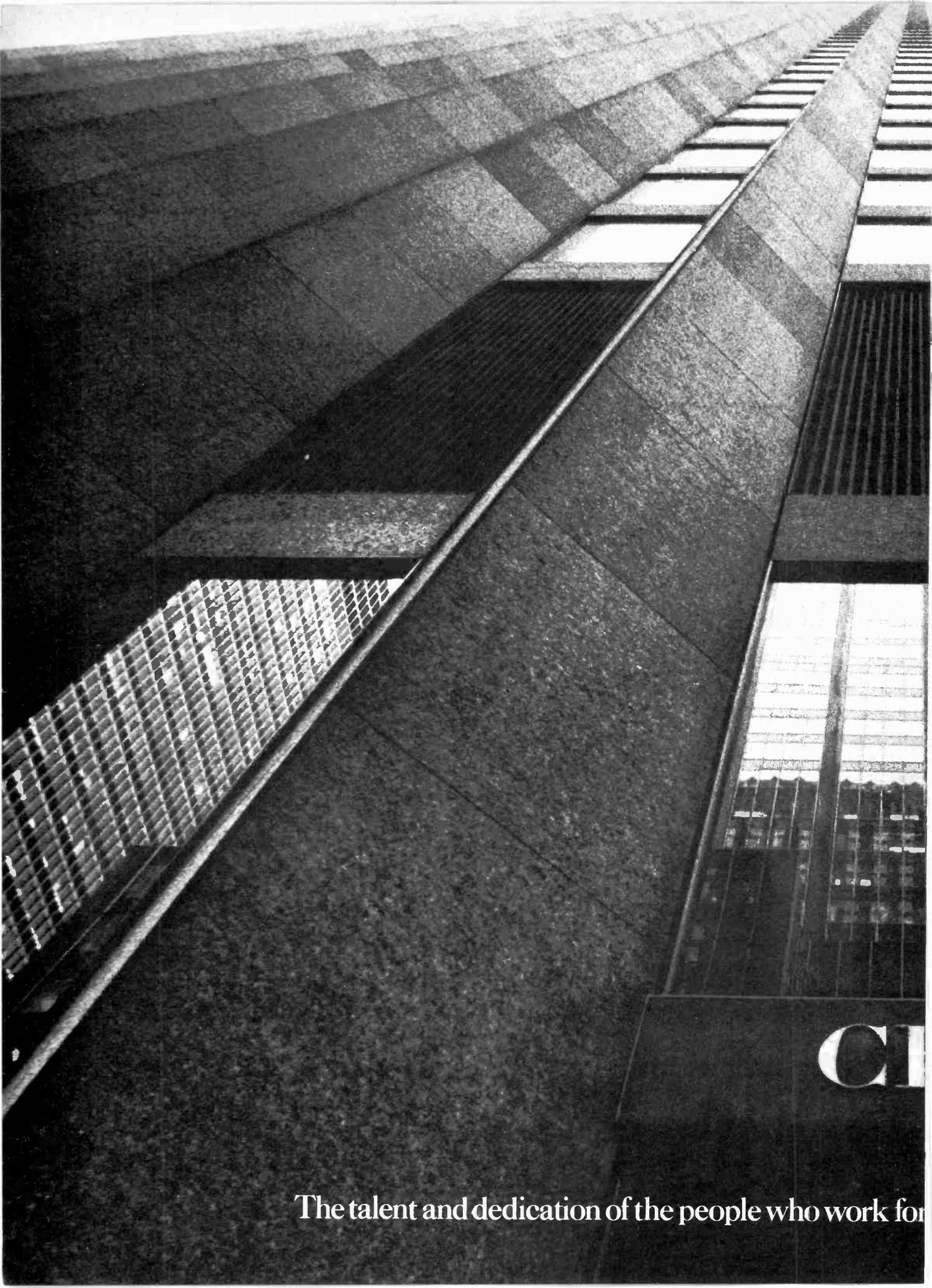
CBS +2.2%

NBC -13.3%

and we're just beginning

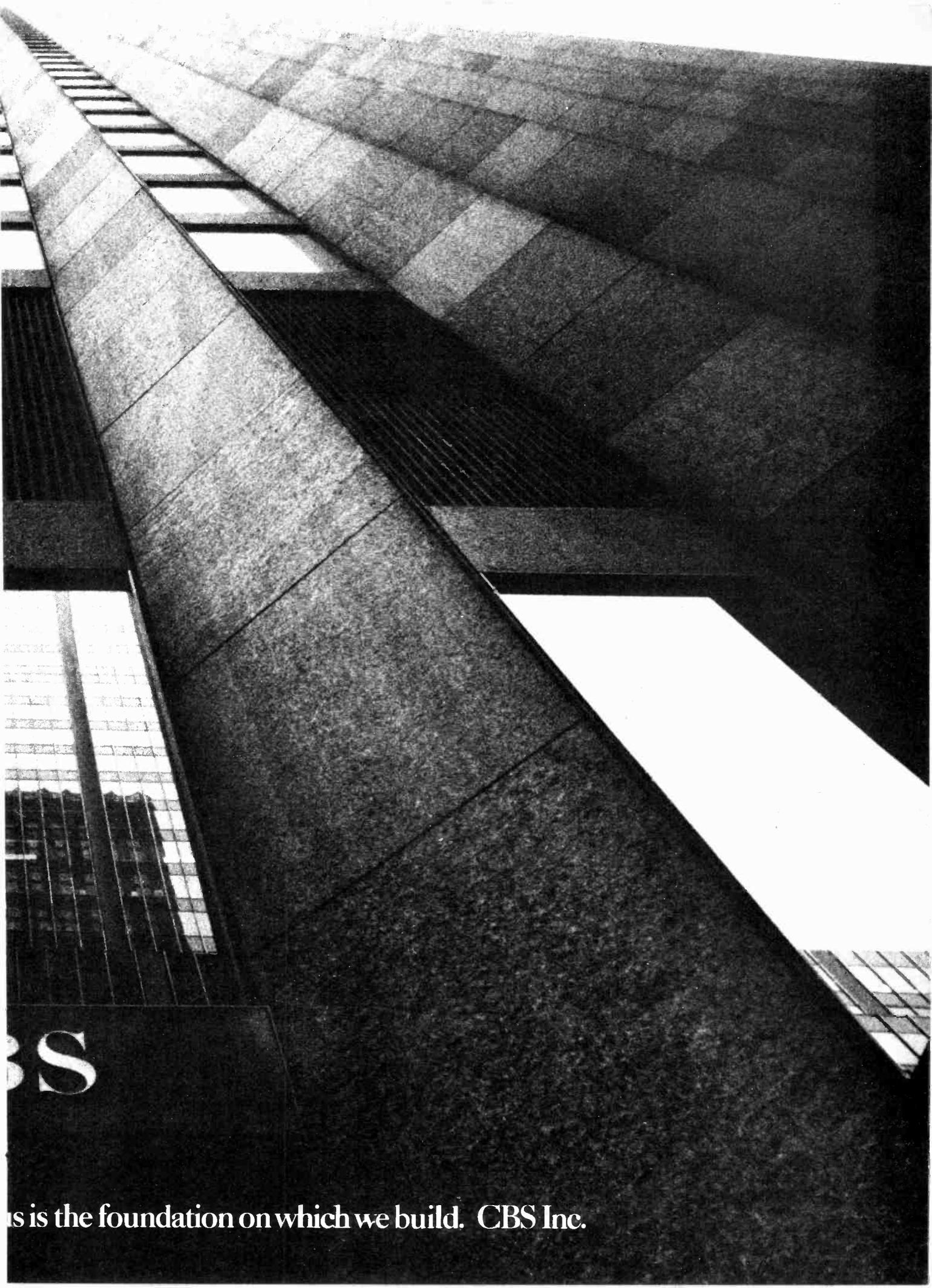
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is the foundation on which we build. CBS Inc.

The CBS 50th

melodrama also went on to succeed.

In 1969, Bob Wood became the president of CBS-TV. He followed John Schneider, John T. Reynolds and Thomas H. Dawson, the successors to Aubrey.

Wood decided that three of the strongest CBS shows—*Jackie Gleason*, *Red Skelton* and *Petticoat Junction* had to go because their primary popularity was with older audiences. They were hard to sell to sponsors.

Wood was also the prime mover behind *All In The Family*, because he felt its realism would appeal to younger viewers. It succeeded and *Maude*, *Good Times* and *The Jeffersons* were born out of it. In the '70s, other strong situation comedies were *M*A*S*H* and *Mary Tyler Moore*. By that time, Fred Silverman was installed as the successor to

Social significance, with just the right touch, proved out for CBS in the '70s in both drama and comedy. The climactic scene of "The Autobiography of Miss Jane Pittman," below, showed a dignified survivor of slavery drinking out of the "white" fountain and cowing Southern law. And "All in the Family," below, has been making bigotry a laugh.



Dann and was making the key program decisions.

Another of the CBS hits of this decade was the story of a rural family, *The Waltons*. It came out of a special, *The Homecoming*, and was given a 13-week run to test it with the public.

In 1975 and 1976, the CBS primetime programming line began to lose some of its magic for viewers. Directed by Fred Silverman who had resigned from CBS, ABC had wrested leadership in nighttime programming away from CBS.

CBS in the upcoming season, how-

Daytime continues to be a successful area for CBS, with its quiz shows, soap operas and children's fare. Clockwise from lower l., daytime quiz show "Match Game" was successful enough to give birth to a syndicated primetime access show; "Love of Life," as seen in 1959 with director Larry Auerbach and actors Ron Tomme and Audry Peters, continues today with all three; 26-year soap veterans are Mary Stuart and Larry Haines of "Search for Tomorrow;" and pre-schoolers have grown up with "Captain Kangaroo" for 22 years.

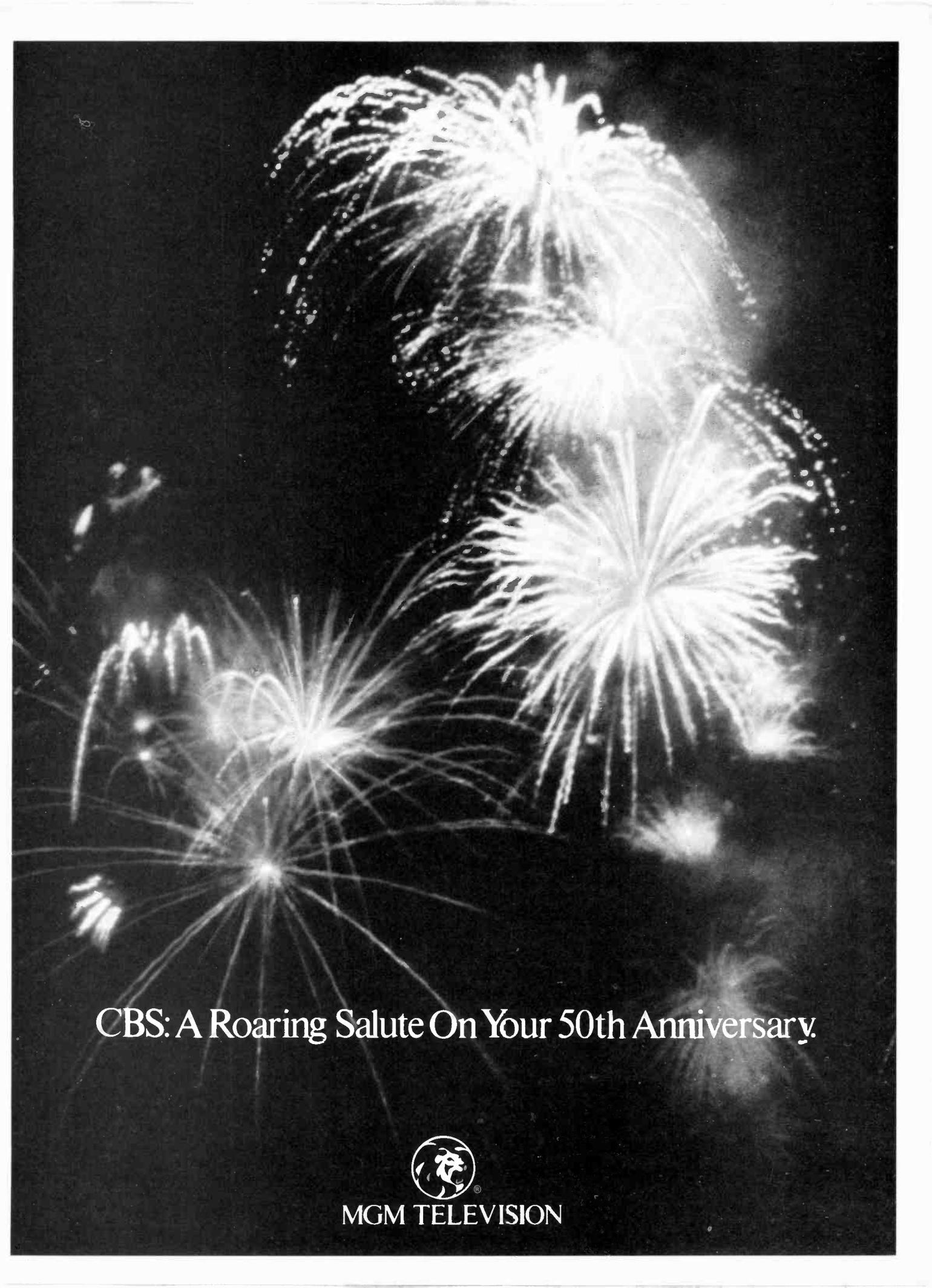


In 1975 and 1976, the CBS primetime programming lineup began to lose some of its magic for viewers. Directed by Fred Silverman, who had resigned from CBS, ABC wrested leadership in nighttime programming away from CBS during the past season.

ever, under Robert Wussler, a president fully in charge of programming since taking over the reins, was hopeful that its new schedule would result in a rebound.

Daytime TV has also been a great area of success for CBS. Most of that success is based on soap operas that create loyal legions of fans.

Among the programs that started the CBS-TV's network daytime operation were the *Homemaker's Exchange* with



CBS: A Roaring Salute On Your 50th Anniversary.



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The CBS 50th

Louise Leslie; *Vanity Fair* with Dorothy Doan as hostess; a *Classified Column* with Paul de Fur and *The Ted Steele Show*. These programs started in January, 1949.

The first daytime soap opera on the TV network was *The First Hundred Years*, and it began telecasting in December 1950, along with *The Garry Moore Show* and Robert Q. Lewis' *Matinee*. In 1951, *Search For Tomorrow* and *Love Of Life* began their careers as sudser, careers which continue to the present day.

In the early years of daytime, personalities were very successful. In addition to Garry More, Art Linkletter and Arthur Godfrey kept the audience entertained. In those early days, quiz and audience participation shows were also important daytime program attractions.

*One good marriage deserves another: After the highly promoted wedding of "Rhoda," below, made Nielsen history—followed by a separation that touted as the deathknell of the show—CBS went with another marriage last season and built up for several episodes to the wedding of much-used "Hot Lips Houlihan" of "M*A*S*H."*



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The Price Is Right started in 1958, and *Match Game* in 1962. Both are still on the air. Only a memory are such programs as *Strike It Rich*, which began in 1950, and *Beat the Clock*, which had a good run, beginning in the mid-'50s.

The present CBS daytime schedule consists of reruns of top situation comedies, quiz and audience participation, and soaps. Among the soap operas now on, *Guiding Light* goes back to 1952, and *As The World Turns* began revolving in 1956.

The newest daytime drama on CBS is *The Young and Restless*, a contemporary series dealing in such themes as rape, prostitution and incest.

Another of the long-running CBS soaps, *Edge of Night*, which began telecasting in 1956, moved to ABC in 1975. The big development in soap operas in the '70s has been the long form. *As The World Turns* consumes 60 minutes daily. Both ABC and NBC also have their longer daytime dramas. The other two CBS daytime shows are *All In The Family* and *Here's Lucy* reruns.

In the fringe sections of the weekday schedule, CBS-TV presents *Morning*

CBS traditionally has not been quite as quick to program specials as NBC—and for a good reason. Its regular weekly series had been very successful, so it didn't need special programming to attract audiences. This is not to say that CBS hasn't had its spectaculars. An early one, in June, 1953, the two-hour "Ford 50th Anniversary show," was presented by CBS and NBC simultaneously.

News, 7-8 a.m., and in late night a combination of movies and action-program reruns.

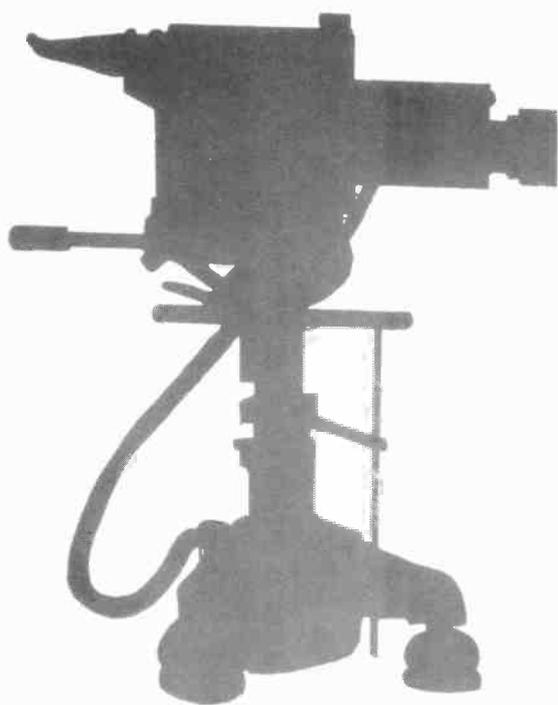
In the 8-9 a.m. daytime period too, is *Captain Kangaroo*, the longest running children's show on TV. It is now in its 23rd season.

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in June, 1953, the two-hour *Ford 50th Anniversary Show*, was presented by CBS and NBC simultaneously.

In the following years, CBS presented such specials as Rodgers and Hammerstein's *Cinderella* starring Julie Andrews in 1957, Rosalind Russell in *Wonderful Town* in 1958, *Julie and Carol at Carnegie Hall* in 1963 and *Death of a Salesman* in 1966.

A number of recent specials have distinguished themselves on CBS, and it would seem they are here to stay. □



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The CBS 50th

Creative influence of late William Golden continues *Creator of all-seeing CBS 'Eye'*

The late William Golden has been gone from the CBS scene for 18 years, yet his work and influence still live on.

As the creative director of advertising and sales promotion for the CBS Television Network, he designed the omnipresent CBS "Eye." It happened in 1951 when the radio and TV networks were established as two separate divisions. They were urged to do everything possible to create their own identities.

The Eye has long since become the CBS-TV image. It is still appearing on mobile units, cameras, studio marquees, theater curtains, etc., belonging to the TV network.

The influence of Golden persists because of the distinction and quality he gave to the full range of CBS advertising materials and because many of those he worked with carry on his ideas. During his stay at CBS, he was responsible for some of the most original designs in America.

They were of such uniform excellence that, through its graphic design alone, CBS achieved an image of quality separate from the programs that it presented on the broadcast media. Frank Stanton, the former president of CBS, Inc., was a friend of Golden. He joined the company in 1936, a year ahead of Golden, and later went on to become his boss as director of advertising.

Stanton has said of him, "He respected quality wherever he found it, and in design he was absolutely uncompromising as far as quality was concerned. There was no factor, no person, no compulsion that would lead him to settle for second best."

Stanton added, "Bill believed that the way to command attention and win approval was not by being sensational, shrill or obvious, but by being distinguished and subtle and original." Golden was called creative director because he was responsible not only for art and design but for concept and copy as well.

Not a small part of Golden's genius was his ability to work with masters in the world of art, photography and typography, get them to offer their best work, and then to support them against corporate pressures.

He brought to CBS advertising the efforts of such artists as Ben Shahn, Rene Bouche, Feliks Topolski, John Groth, Ludwig Bemelmans, Joe Kaufman, Joe Hirsch, Jacob Landau, Kurt Weihs, David Stone Martin, Leo Lionni, Jan Balet, and such photographers as Paul Strand and Arik Nepo.

Among the more distinguished work turned out under Golden was the double-truck truck advertisement, "Harvest," which compared a harvest of wheat to a harvest of antennas during TV's early days. Another was the memorable drawing of Churchill that Ben Shahn did for *Twentieth Century* in 1956.

A third was a drawing of Jack Benny done by Rene Bouche for a newspaper ad. It is said that when Benny saw the sketch of himself in the newspaper, he exploded. He demanded that only authorized photographs be used in all future ads. Instead, Golden commissioned Bouche to do another drawing of the same performer. Eventually that sketch became the trademark on the air and off of Jack Benny. □



William Golden and CBS "Eye."

From The New York Times
September 18, 1927

COLUMBIA CHAIN IN DEBUT TODAY

Sixteen Stations Will Radiate Gala Inaugural
Program — American Opera "The King's
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thou
Maine
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Fifty years ago it was 16 radio stations east of the Rockies. Today, the CBS network of radio and television stations reaches virtually all of the nation.

But it's more than just expansion and growth. It's a record of outstanding news, entertainment and public service.

**Congratulations to CBS
on 50 years of broadcasting excellence.**



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William S. Paley's mark on industry is indelible

A shaper of home entertainment

William Samuel Paley, chairman of the board of CBS, Inc., has probably been the greatest seminal influence in shaping the nature of the entertainment and information that the public receives from broadcasting today.

Now in his 76th year, his is an all-encompassing career that spans five decades of broadcasting—from its humble beginnings to TV's present eminence as a force on the American scene.

David Sarnoff certainly made a greater contribution to erecting the foundations for commercial broadcasting through his pioneer work in both radio and TV. Among the scientists, Marconi in radio, and Zworykin, De Forest, and DuMont in TV perfected the technology which made the medium possible.

But Paley was supreme in the contributions made to entertainment and information. He will probably be remem-

bered most for the influence he has had on TV, good or bad, according to various lights.

Two decisions made by Paley were central to the CBS dominance of network TV for more than two decades. They were the talent raid on NBC that brought its big stars to CBS, both in radio and TV, and, as important, the setting up of a CBS program production unit to create its own shows.

Out of its efforts came the situation-comedy—as for example, *I Love Lucy*—a form of programming which has held the public's interest to this day.

Paley was raised in the Midwest and attended Western Military Academy at Alton, Ill. Though he began his college education at the University of Chicago, he finished it at the Wharton School of Business of the University of Pennsylvania, where he earned his B.S. in 1922.

Even as a young man, Paley had faith in himself and his instincts. When friends of the family offered his father a chance to buy control of a radio network, Paley took a 10-day option to buy the stock in his own right.

"I came to New York in fear and trembling to see all the high and mighty in the world of advertising," he reports. He wanted to know whether there was any future in radio as an advertising medium. Most of the answers he received were thoroughly discouraging. Only Young & Rubicam was more positive.

Tony Geoghegan, later to become a

senior executive at Y&R, said, "It was too early to tell, but he was sure radio couldn't be laughed off, and he himself thought it might be quite good."

Paley invested "all the money I could come by." It was a decision that had to be made on his instincts, for there was nothing else to go on. His family trusted his judgment, because, in the past, it had proven itself.

When Paley arrived in New York, he must have been dismayed. CBS had the air of a fly-by-night operation. It had few employees, no studios, no stations and a small office in the very big Paramount building. Sponsors were few.

Paley came from a family of businessmen. His grandfather had lost a fortune. His father had made a fortune. He knew nothing about the world he had moved into, a world of technology, of programs, advertising and radio stations. He had to learn, and there was no one who could really teach him.

He had to get his own insights. One day as he walked among the marquees of Broadway, he looked at the Capitol Theater, then the most palatial of the movie palaces. It was presenting some second rate feature.

Then he looked across the street to another theater. It was much smaller and much less ornate, but he noted that it was offering a motion picture that he wanted to see.

He drew some comfort from the observation. CBS was the small theater. His rival, NBC, was the Capitol. It was the program that mattered, not the surroundings.

The young entrepreneur concluded that the key to success was the program. He had to find the right programs. He took the slender resources of his company and put them into programs.

And he knew they had to be programs that would appeal to the masses.

CBS chairman William S. Paley had been unusually successful over the years in attracting stars to the network. Below, Paley, second from l., attends a social function in the '50s with, l. to r., George Burns, Gracie Allen, Mary Livingston and Jack Benny. Around the same time, r., he had a close relationship with veteran network newscaster Edward R. Murrow.

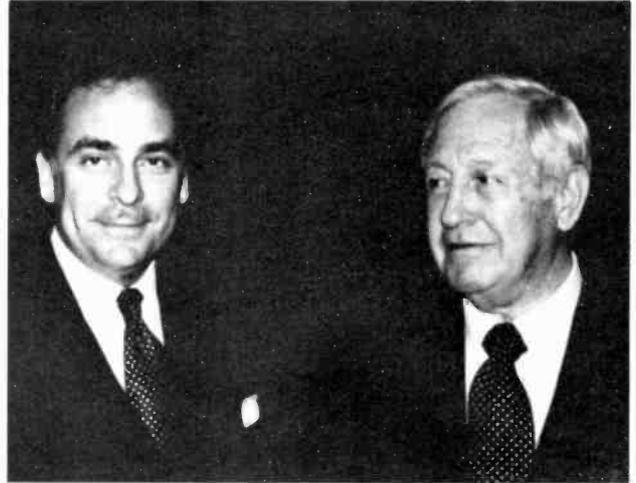


Congratulations CBS

*and may the next 50 years
be even more rewarding*



William S. Paley in 1929 with Miss Radio at the official opening of the new CBS Madison Avenue headquarters — home of CBS for the next 36 years.



Chairman William S. Paley, right, in 1977 with CBS President John D. Backe at the CBS annual stockholders' meeting in Los Angeles, Calif.

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WTVR (then WMBG) Richmond, Virginia was there almost at the very beginning of the fledgling CBS radio network.

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WNCT, Greenville, North Carolina, a pioneer in its market, has been CBS since 1940.

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Television Station," was the pioneer television station in its market and in the entire South in 1948. For 17 years it has led the market with CBS.

WJHL, Johnson City, Tennessee pioneered its market — and from the first telecast in 1953, it has been CBS all the way.

WNCT, Greenville, North Carolina was first with television for eastern North Carolina, signing on just before Christmas 1953 and now in its 24th year with CBS.

WDEF, Chattanooga, Tennessee brought the first television to this key southern market in 1954. It was CBS then, and still is today.

WBMG, Birmingham, Alabama has been making a growing place for itself and CBS in Park Broadcasting's largest television market since 1965.

CBS has written some real records into the book in the past 50 years. But it is their style—and ours also—to regard even a 50th anniversary as simply a launching point for an even more successful future.

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When Paley discovered Kate Smith and Bing Crosby, he asked Howard Barlow, the conductor of the CBS orchestra, his opinion of their talents.

Barlow was very negative. Paley said nothing, but they went on and were, in part, the making of the network because of their mass appeal.

Paley also understands how to cultivate the intellectuals through programming.

Very early the head of CBS established his management philosophy. He paid well and gave his executives freedom, authority and trust. In return he demanded performance.

In later years it was said that CBS delegates downward while NBC delegates upward.

When questions were asked at CBS, the executive in charge of the department or a subordinate would have the answer.

When they were asked at NBC, the executives kept bucking it up to the top corporate echelon.

In the thirties Paley was most visible to the trade. He made numerous appearances before Congressional committees to defend radio and CBS against

government interference.

"I have a very firm belief that the American public does not want a government controlled system," he maintained. "It wants a private system that is influenced and managed by the public itself."

Paley's marriage to Barbara Cushing Mortimer brought him Jock Whitney as a brother-in-law and Mrs. Vincent Astor as a sister-in-law.

He also began to move in the world of high society, in circles that he had not travelled before.

His friendship with Edward R. Murrow was very real. He is still proudest of the work that Murrow did for CBS.

"We brought Ed Murrow into the picture, and he was, I guess, without question the best newscaster we ever had. He and I became very close in Europe."

Paley backed Murrow when *See It Now* took on Senator McCarthy.

Their friendship, however, suffered some strains in the late '50s.

It was a different period from the early days. Despite Paley's liking for the newscaster, Murrow's programs and projects were de-emphasized.

Murrow found the situation so difficult he left CBS to take a job in President John F. Kennedy's administration.

Not only did Paley become close to Murrow in Europe, he also began a long friendship with Dwight Eisenhower while serving as a colonel on his staff during the war.

In 1951-52 Paley served President Truman as chairman of the Materials Policy Commission.

Responsible for ABC purchase?

Strangely enough Paley may have been indirectly responsible for the purchase of ABC by United Paramount and Leonard Goldenson from Edward J. Noble in 1951.

"I told Paramount about it because I knew if they bought the network, they would have to get rid of one of two stations they would then have in Chicago, and I wanted a Chicago station."

"I tried originally to get George Storer to buy it. He was a good friend of mine, one of our affiliates."

"One day he came to me and said, 'Bill I haven't got the nerve. I'm going to back away.'"

There is another side to Paley the businessman. He has diversified to broaden the base of his company outside of broadcasting. His first attempt in the

In the radio days, the medium had built some of its own stars, such as Tex McCrary and Jinx Falkenberg, husband-and-wife team who starred in their own variety show—shown with Paley, below. There was also globe-trotting Lowell Thomas, with Paley at r., who is still around today, having outlasted his peers.



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late '30s, the purchase of Columbia Records, an allied business, has been very successful. A more recent venture, the purchase of the Hytron Radio and Electronics Corp., turned out to be a complete financial fiasco.

In the '70s, CBS also took a \$15-to-\$25-million bath when it attempted to extend its franchise in communications through Electronic Video Recording. Paley is frank about these failures. "We all make mistakes and I've made a lot of them."

Still in the '70s, CBS has created a major stake for itself in book and magazine publishing and musical instruments. These are gradually providing the company with an increasing share of its revenues.

What manner of man is Paley at 76? He is something of a smiling buddha, as enthusiastic now as ever he has been in previous years about broadcasting and its future.

He remains the shrewd and clever businessman, not afraid to make bold decisions.

When he decided that Arthur Taylor was not right to remain as president of CBS, he made the decision. The cost was \$1 million.

Still his baby

CBS, Inc., remains the central preoccupation of his life. When he acquires a company, it is as if a mother had given birth to a child. There is a lilt and a delight in his voice when he speaks of it.

Paley is a cultured gentleman of refinement, taste and quality as witness his feeling for graphic arts and design in



which CBS pioneered for many years. This quality is reflected in the CBS headquarters office building, designed by architect Eero Saarinen, a project fostered by Frank Stanton when he was president of CBS, Inc.

The Paley office is a thing of luxury and beauty. Its soft carpets, cream white walls, fine chairs and round antique desk that once was a French gaming table are the trappings of wealth and elegance.

An art patron

Paley is the chairman of the board of trustees of the Museum of Modern Art. His interest in art dates from the early '30s. "Most of the important artists who were alive in the '30s I got to know personally."

He is also a philanthropist and has created a Museum of Broadcasting in New York.

How does Paley see the future of TV? "I don't look upon it as an advertising medium. I look upon it as a selling medium. The advertiser who can make a sale by coming into your house is getting a bargain. I see continued growth."

As to network compensation for the

CBS affiliates, he has definite views. Despite the feeling of many network affiliates that they should be getting more compensation, Paley believes they are being fairly treated.

"Adjustments have been made in recent times. Our costs are growing, of course, to the point where our percentage on sales is quite modest. Compared to the station owner, it's nothing at all." The fellow with a successful station can make a profit on sales of 40 or 50 per cent after taxes. I don't think ours is more than 6 or 7 per cent.

"He gets our program service. He sells adjacencies and gets more and more for what he sells. He's responsible for local service, of course, but we do everything else for him—news, entertainment, programs, daytime, specials, etc."

A long way to travel

Paley's current contract runs until 1987, though John Backe has become chief executive officer of the company. Nevertheless, the focus of 50 years cannot lightly be changed. Paley's chief preoccupation has been with CBS all these years. It will continue to be so. □

Reflections in a Golden Eye.

Since the early days of radio, the Griffin family of Muskogee, Oklahoma, has been closely associated with CBS through the affiliation of 50-kw. KOMA Radio, Oklahoma City; then later, from 1953, with the advent of KWTV, Oklahoma City, a CBS-TV affiliate from the opening telecast.

Our heartiest congratulations to all our friends at CBS for 50 years of stalwart leadership in the industry.

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JOHN T. GRIFFIN
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Paley on programming: how he views the present, future *CBS chairman discusses TV trends*

In a wide-ranging interview with TELEVISION/RADIO AGE editors, CBS chairman William S. Paley answered questions about programming, affiliate relations, the history of his company, cable TV, television sales, the impact of technology and other subjects. Below is the portion of the interview dealing with his views on programming:

In the early days of television, there were such strong personalities—Gleason, Skelton—and they lasted for more than one decade. In the '70s, it seems to be increasingly hard for personalities to establish themselves in variety shows—comedy variety shows. Why do you believe that occurred, and what's your general feeling about this?

Well, I haven't thought much about it. Ed Sullivan, of course, lasted for over 21, and then, Lucille Ball was on the air for more than 25 years. Carol Burnett, who has an hour variety show, has been on for a long time; Dean Martin and Bob Hope, Bing Crosby—there are a lot of people who are still going strong. So the people who have gone off, to some extent, are those who have been very successful and just got too old or passed on.

Do you think they're being replaced by new stars who will have as much impact as the earlier ones?

Well, you know there's nothing that stands still in any kind of business, particularly the entertainment business. The variety type of show that we've been talking about, headed by these stars as we've been mentioning, doesn't seem to be quite as popular now as it was at one time. At one time, each network had at least two important variety shows on the air.

There are fewer of those now. That almost directly suggests or indicates that the public is turning its attention to other things as being more desirable than the kind of variety show that did develop over television. But that doesn't mean that, next year, somebody might not come up with a variety show, and have it be a tremendous success, and stay on the air for 10 or 15 years. There's nothing static; there's nothing permanent; and there's very little new.

Tastes change; personalities change; so do production techniques, and things of that kind. Public tastes change, and I think television and all other media, in this country at least, are very responsive to what the public wants and what the public likes. So, when you see these changes taking place, I don't think it's so much because someone at CBS or NBC or *The New York Times* says that tastes ought to go this way or that way; it's

because indications are received loud and clear from the readers or the listeners or the viewers that they want something else, or they like this, or they like that.

Very often, the public doesn't know what it likes, until it finds something new; therefore, we experiment all the time. When we first put *All in the Family* on the air, it was a very radical departure from anything that ever happened before. This was realism in the raw, and we were very nervous about it. We didn't think the public would necessarily take to it. We tested it, and it tested very badly, but we put it on, anyway. We thought it was a fresh note, and we wanted to try it. Well, after the public sampled it for a while, they got to like it, and it had tremendous influence on other programs.

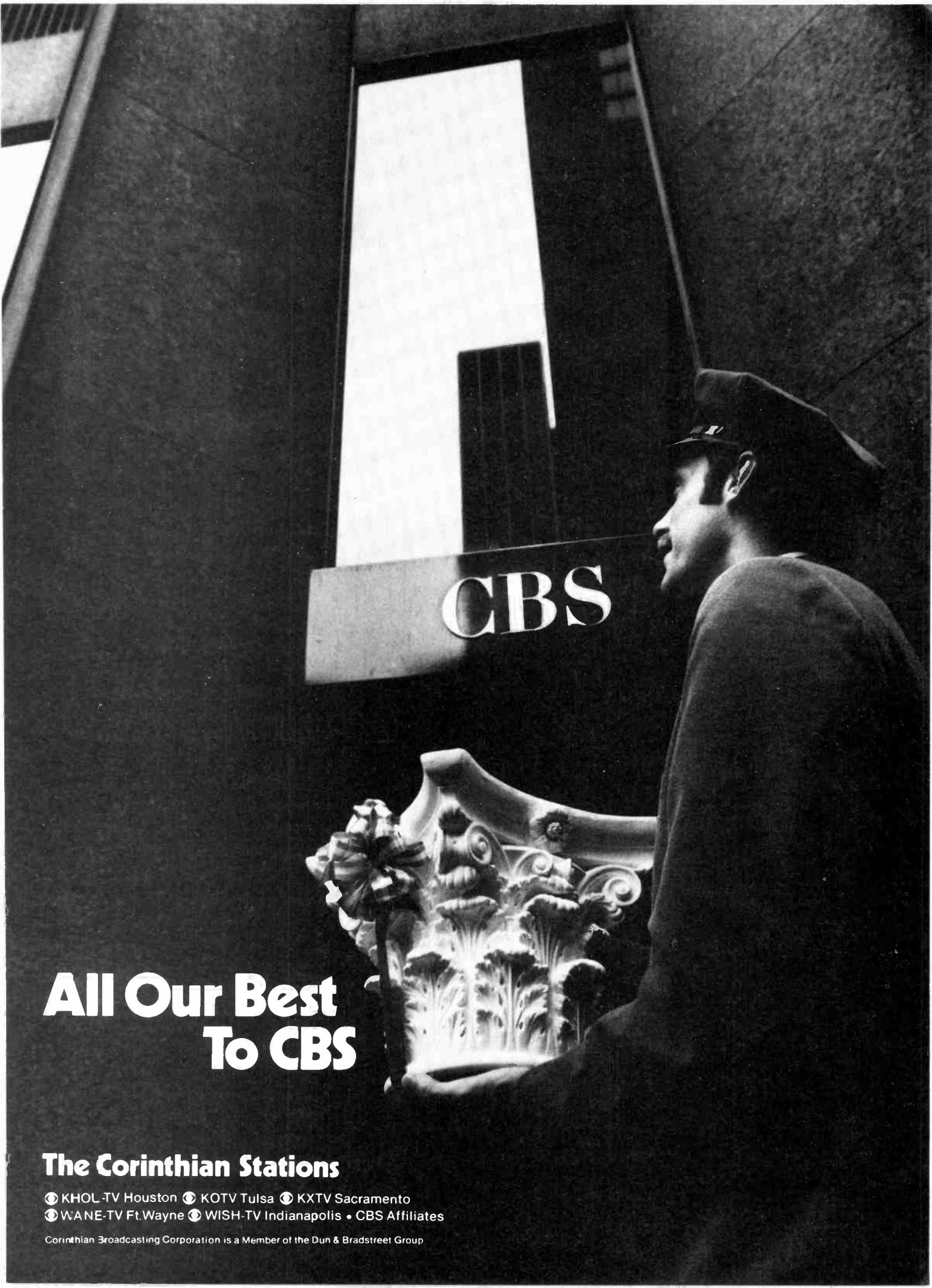
In other words, the audience changed and became receptive to the kind of show to which it might not have been as receptive 10 years ago?

That's right. You never know. It's experimenting and trying the new thing that usually brings out a new trend. And when a new trend is indicated, it can happen through one successful show. That one successful show can have an influence on an awful lot of things in radio and television; and the same holds true for the motion picture business, for the theater, for the newspapers and all other media of communication.

You point to the fact that the public's taste has changed. Do you think that, for example, the great interest in multi-parters, mini-series—that kind of special—indicates that there is a change going on, a kind of a fundamental change here in the viewer's tastes, in this particular decade?

“The (television network) schedules are going to be much more flexible than they've been in the past. There has to be an opportunity for new things to be put out on short notice . . . We found out that the specials—and the new ideas that suddenly emerged—can be very successful and are in great demand at times by the American public.”





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The CBS 50th

Yes. I happen to think that—talking about television now—the schedules are going to be much more flexible than they've been in the past. There has to be opportunity for new things to be put out on short notice, so to speak. This was almost impossible to do when you set your schedule in September and signed shows up to go until the following April or May. They had to be on every week. You were more or less stuck with them.

But we found out that the specials—and the new ideas that suddenly emerged—can be very successful and are in great demand at times by the American public. So, on the whole, I think it's going to be a more flexible medium, and we have to prepare accordingly.

This will mean, presumably, greater expenses for programming?

On the whole, yes. There's no question about that. Even if we went back to the old system of series and nothing else, the cost of programming has gone up con-

siderably, as the costs have gone up considerably in almost any other field.

Aside from inflationary factors, do you think that programming costs versus other costs in television will increase—administrative, technical?

I think everything is going up; I'm not sure how we compare to the steel industry or another industry; but there's been a general inflationary force that we've been contending with in all areas of life in America, and costs have just been going up.

What I meant was the proportion of the network's expenses that goes to programming. Will that proportion increase because of the new types of programming?

I think so, yes. The specials are very expensive; and very often, in order to accommodate a special, you have to take something out. That's why I say you have to have more flexibility. The more flexibility you have, the less expensive it is, because you don't have to take something out in order to put something in. If you plan on flexibility, you have it written into your relationship with the artists and with the programmers, so that you're not as rigid as you would have been before.

You have the opportunity of dropping three or dropping two. Or, instead of signing up for 26 programs, you might say, "Well, we're going to have spe-

cial—at least this number—and so we'll only sign up for 24"—which gives us the right so many times a year over each period to be able to substitute something else for what's been scheduled in those particular hours.

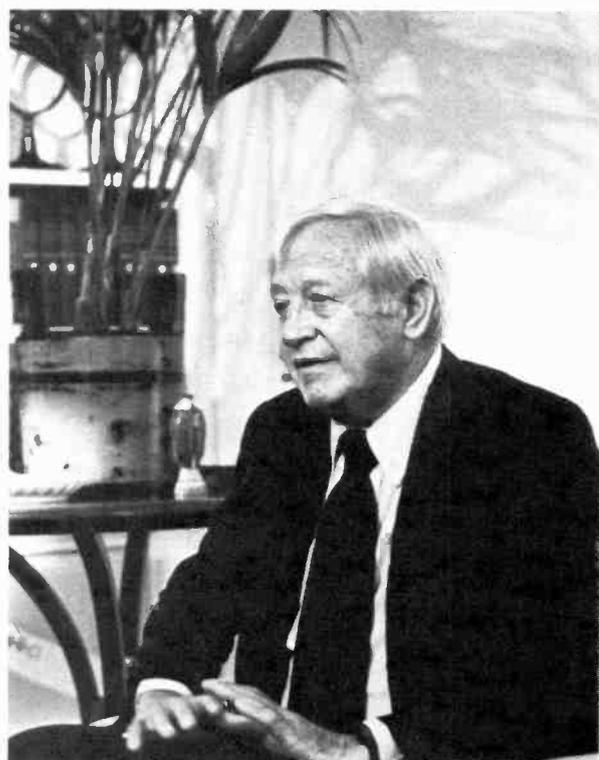
Does that mean that, for example, in the future, CBS might plan on specifically having a lesser number of shows within a series?

We're still going to be feeling our way, but I think there'll be a tendency to have less rigid commitments . . . in order to accommodate special shows that come along, or some of these so-called mini-series which very often might run for six or eight weeks, or sometimes as has happened already, say, an hour two nights a week or seven or eight nights in a row. That's what I'm talking about when I say "flexibility." You have to be in a position to play it any way you think you might get the best results.

Do you think this flexibility is brought about by the competitive factors in the business?

No, I think it's been brought about by the success of some of the specials that have gone on. An appetite for that kind of programming seems quite apparent. You know, the mini-series—really, I think, started in England before it started here. We have to give educational television some credit for having started that form of entertainment; then we tried

Interview with CBS chairman William S. Paley was conducted by, l. to r., TELEVISION/RADIO AGE editorial director Alfred J. Jaffe, contributing editor Leon Morse, editor and publisher S. J. Paul. Paley's elegant office reflects his interest in modern art, contains works by Roualt, Derain and Giacometti, among others. At r., Paley, in expansive mood, answers question during 80-minute interview.

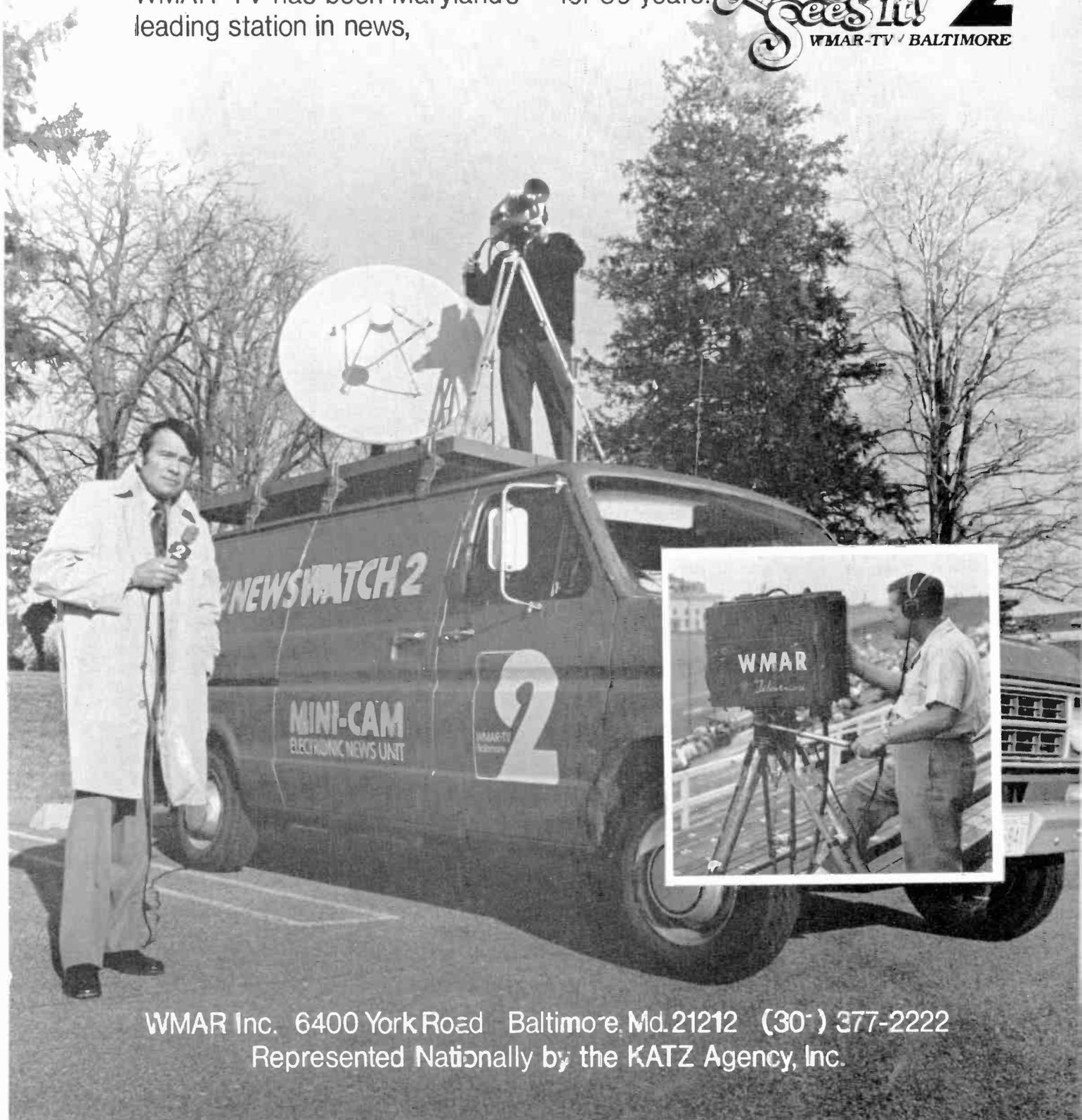


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it on the networks, and it seemed to work there, too.

That's not to say that every mini-series is going to be a success; the public will judge a mini-series the same way it will judge any series. It has to be good and appealing, or else it can flop, and flop very badly. But there's a kind of excitement that creeps into the medium that we've never had before; it's been pretty set, you know. We knew when September came around that NBC's schedule was so-and-so, and ABC's and CBS's, and that at mid-season, why, there'd be a couple of changes, and then it would go on for the rest of the year. You could always tell your time by the program you were looking at; you got to know that so-and-so was on at 9:30, and so-and-so was on at 8:30, and it was a very regular thing. And it was very comforting, because we got people into the habit of viewing.

There are certain people, for instance, who—well, even today I hear people say, "I won't go out on Sunday nights because I want to see *Sixty Minutes*." *Sixty Minutes* is a very successful show, but, in addition to that, it has a quality of loyalty toward it that is really quite extraordinary. *All in the Family* has that same thing; and in the early days of radio, *Amos 'n Andy* had that. There was a time when you couldn't call anybody up at seven o'clock; he wouldn't answer his telephone, because *Amos 'n Andy* was on.

Well, all this flexibility suggests perhaps that the rankings of the networks would be a more uncertain thing in the future—it won't be a question of one network being number one for a long period of time; it may go up and down. Do you see that?

Well, I think that the number one, number two, number three business has been overplayed, really. I think what you have to be concerned about is to do the best you can with every half-hour you have, every hour you have. You have to be concerned about creating a balance. That takes care of mass tastes—giving most of the people what they want most of the time.

Then you have to take cognizance of the fact that there's a minority group that wants things of a different nature; they have to have a certain amount of that. You have to be conscious of the fact that you have a responsibility in the field of news and public affairs and provide enough time for that.

You have to understand your daytime audience and what it needs and what it wants and program accordingly. So

there's a balancing act going on all the time. These things change from time to time. That's one of the great responsibilities in the hands of those who make the final decisions as to what the schedules are going to be like.

Do you think that stunting is going to have some effect on programming?

I don't know; it's going to have some effect on dollars and cents—I can tell you that. It's a very expensive thing: it shoves up the schedule; whether it's going to pay out or not, I'm not sure. But, that's an example, I think, of what the competitive factors do. Maybe we react too strongly—some people think we do—but one network takes a step, and gives the impression it has an advantage by doing certain things. The other network says, "Well, I've got to counter that with something else."

It's a highly competitive business, but most businesses are competitive. I just don't want this competitiveness to get out of hand, to the point where you just will do anything in order to get an audience. I think there's a quality factor that has to be taken into consideration at all times, and a taste factor that can get out of hand if you only think in terms of "Well, I have to be number one, no matter what I do."

It can lead you consciously or subconsciously to—oh, very easily to things that maybe are not in good taste, which, for one reason or another, are very appealing to an audience. The increase of sex, the increase of violence—things that have a very special appeal to a large section of the public—can get out of hand if you think only in terms of "Well, I've got to be number one"; "I've got to be number two."

My own feeling is that quality is very important. We're pushing always towards higher quality, better quality. It's hard to come by. There's so much product that has to be turned out and there's a dearth of writers of top quality and actors, directors and all the other expertise and jobs that have to go into the making of a television series; but if you have a strong feeling that you want to improve everything you do, I think in the long run, you'll win out if you're successful in driving home the message and getting results.

I always say that it's also good business, because I think, by and large, the mass audience recognizes quality. You have to deal with subjects that they're familiar with and want to hear about, but I think they'd rather look at *All in the Family*, which is beautifully written, or

a *M*A*S*H*, which is beautifully written and executed, than some other program that's a comedy show. Quality and mass appeal can go together, and that's what you strive for—you want to bring about a combination of high quality and, at the same time, subject matter that has wide appeal.

Since series don't run as long as they used to, producers are claiming that they can't make enough money on network shows. Do you think that complaint is justified? Is there more to it?

Well, my own feeling is that the very successful ones make an awful lot of money, and those that are a medium success make a little money, and those that flop make no money. But the success of the show and its appeal have more to do with its money-making potential than the basic cost factors that producers are complaining about, and we're complaining about, and the advertisers are complaining about. Because, in the final analysis, as these costs go up, we have to raise our prices, the advertiser has to raise his budget, and the consumer maybe has to pay a little bit more for his product. So the thing is a long chain that is passed down from one person to another to another as you assume these increased costs. But this isn't anything peculiar to broadcasting—that is going on in everything you come across.

The producers have claimed for years, though, that the only way they can make any money is through syndication—the price . . .

That's one of the ways. But the producer doesn't take much of a risk; he doesn't make the series unless he gets a contract. He knows exactly what his income is going to be. Now, a good producer, to improve his series, might go over budget, in which case, he's in a deficit position at the end if he has a network contract. That deficit position usually is made up for quickly through syndication, particularly if the program has been a success.

But we take the risk. We say, you have to make 13 of these at \$250,000 apiece or \$300,000 apiece, or what have you. We sign a contract. If it turns out to be a poor show, and doesn't have the audience appeal, we're the ones who suffer. He gets his money and hopes the next time around he'll do better.

Do you have any particular feelings as to why ABC improved its ratings in the past year?

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Yes. I think our own position was weakened because, through a chain of circumstances that I don't want to go into in great detail, we suddenly found we had an insufficient inventory of programs at a very crucial time. ABC came out with a couple of very good shows, used them very effectively, and had built a larger inventory. They were struggling, and maybe we were a little complacent.

I was very unhappy when I found that our inventory was as low as it was. I think it came about to some extent because we felt we were strong and successful. Why invest a lot of money that would be wasted, just in order to have some inventory to take care of shows that might fail or take care of time periods where your competition comes through with something so strong that you have to put something in better opposite that program in order to compete successfully against it.

But I think that's a passing fancy. We're making up for that very quickly now, and that will be very clear when the new season starts. We're scheduling about eight hours of new programming, and it's as good as anything we started out with since I can remember. A lot of specials and a lot of mini-series are in the works, and a great deal of concentration on improving quality. We're insisting on doing some shows now that, to a large extent, forget about numbers in order to be able to demonstrate that we can produce quality programming.

I'm a little jealous right now of what

the English have been able to do. I think they've done a better job than we have. I don't think they've done a better job of getting higher ratings than we have—we can't tell, because most of the programs the BBC has made, for instance, have gone on educational television; but from the standpoint of quality, they've been outstanding. They're beautifully written, well-produced, well-cast, every detail examined, you know, as though a perfectionist were handling it.

They've never really been able to crack the American market, with the exception of—you had "Henry the Eighth."

That's right.

The British tell me that that would never have gotten on the air except for you. You saw it and said, "Put it on." Looking down the road, do you think this kind of hands across the sea is going to extend itself or improve as far as the three commercial networks are concerned?

Well, of course, there are a lot of hands across the sea now, putting aside the BBC. Lew Grade and Abe Mandell have been very successful in the U.S. with British produced programs.

Funny, we haven't been as successful—I'm talking about the networks now, and the commercial stations—in handling British products as the British have been in handling American products, and a lot of thought has gone into why. Now *All in the Family* is a repro-

duction of a show that originated in England; we knew that if we put it on in that original form, it would have been a flop—the language and the accent, the fact that Americans can't quite understand, and, I guess, a look that's a little foreign. It's quite clear that the great percentage of the mass audience wants to look at something they feel more comfortable with. We put a show on a couple of years ago called *Beacon Hill*. Do you remember that?

Oh, yes—sure.

That's one of the best-produced shows ever put on, and to this day, I can't understand why the thing wasn't a success. Beautifully mounted, the casting was wonderful; everything was marvelous; the only thing we could come up with was that it had to do with a level of living, a standard of living that the average person wasn't acquainted with; he didn't feel at home; it was strange, and he didn't even know whether it was real or not. The thing had as much publicity and as much attention as any new show ever had, and we thought we had a great big hit on our hands. I was very proud, because it was a quality show. Everything that was in that show was as authentic as it could be. We had researched the way people lived during that particular period and what kind of clothes people wore. It was done the way you do the highest-grade documentary; nothing was left out from the standpoint of making a quality show; it just didn't catch on. □

“Funny, we haven't been as successful—I'm talking about the networks now and the commercial stations—in handling British products as the British have been in handling American products, and a lot of thought has gone into why.”





In Seattle, your neighbors care whether you live or die.



Today, Medic I makes Seattle one of the world's safest places in which to suffer a heart attack. Within 2.9 minutes from the time an emergency is reported, a trained paramedic reaches the victim's side, anywhere inside Seattle's city limits. About 1,000 people a month receive Medic I emergency medical treatment; more than 30% of these are cardiac cases. Each month approximately 50 people are saved by the quick-responding, highly-trained personnel of Medic I.

Typically, Seattleites aren't content to let the paramedics do it all. Soon after Medic I was established, the Medic II cardiac first-aid program began. To date, nearly 120,000 men, women and school age volunteers have completed Medic II training, which means that one in every five persons in Seattle knows how to save your life.

Seattle's citizens did their part to save Medic I's "life" as well. When the program's funding was withdrawn by HEW late in its first year, civic and service clubs, businesses, churches and neighborhoods all held fund drives. KOMO and other broadcasters donated public service time to spreading the word. By the time the drive was

finished, two and a half times the needed amount was raised, and contributions continue to this day.

Neighborliness is a big deal in the Puget Sound country. People here work together. The economy is strong, the standard of living high. People here play together. They take to the water in the nation's largest pleasure boat fleet. They ski and hunt and fish. They pack the stands for professional and amateur sports. They support the arts. And, as we said before, they go out of their way to help each other.



Neighborliness is a big deal with us, too. For the past half-century, KOMO has been committed to recognizing and responding to the real needs of our community. And in turn, our "neighbors" have responded by making KOMO Radio the Northwest's leading adult station and KOMO-TV not only the market leader, but one of ABC's leading major market affiliates.



Photographs by Bob Peterson

KOMO

Fisher's Blend Station, Inc.
 KOMO-TV, Channel 4, ABC
 KOMO Radio, 1000 on the dial. ABC Information Network
 Representatives: Katz Agency, Inc., Simpson/Reilly & Assoc.

Celebrating 50 years of quality broadcasting in Seattle and Western Washington.

WE'RE CELEBRATING OUR FIRST 50 YEARS

And they are many. The stars, like those heard in our 50th anniversary broadcast on September 18th*. The affiliates, without whom this radio network couldn't



- | | | | | | |
|---------------------------|--------------------------|-----------------------|------------------------|-------------------------|------------------------|
| 1. Bing Crosby | 11. Edgar Bergen | 21. Andre Kostelanetz | 32. Lawrence Tibbett | 43. Queen Elizabeth | 54. Robert F. Kennedy |
| 2. Richard M. Nixon | 12. Charles Collingwood | 22. Neil Armstrong | 33. Harry S. Truman | 44. Frank Sinatra | 55. Martin Luther King |
| 3A. Gracie Allen | 13. Benny Goodman | 23. Eve Arden | 34. Art Linkletter | 45. Joe DiMaggio | 56. Phil Rizzuto |
| 3B. George Burns | 14. Mormon | 24. Gerald R. Ford | 35. Paul Whiteman | 46. John F. Kennedy | 57. Laurence Olivier |
| 4. Red Barber | 14. Tabernacle Choir | 25. Jack Benny | 36. Dorothy Lamour | 47. Douglas Edwards | 58. Lowell Thomas |
| 5. Winston Churchill | 15. Eric Sevareid | 26. Gary Cooper | 37. Morley Safer | 48. Kate Smith | 59. Elmer Davis |
| 6. President Jimmy Carter | 16. Hedda Hopper | 27. Gale Gordon | 38. Arthur Godfrey | 49. Gertrude Berg | 60. Red Skelton |
| 7. Ted Husing | 17. Dwight D. Eisenhower | 28. Major Bowes | 39. Agnes Moorehead | 50. Will Rogers | 61. Ned Calmer |
| 8. Gen. Douglas MacArthur | 18. Dan Rather | 29. H. V. Kaltenborn | 40. Orson Welles | 51. Lyndon B. Johnson | 62. Mills Brothers |
| 9. Duke Ellington | 19. Marie Wilson | 30. Mel Allen | 41. Goodman & Jane Ace | 52. Spike Jones & Orch. | 63. Marilyn Monroe |
| 10. Edward R. Murrow | 20. Mike Wallace | 31. Cecil B. DeMille | 42. Andrews Sisters | 53. Bob Hope | And many more |

You'll hear from or about the personalities listed above.

WITH A LITTLE HELP FROM OUR FRIENDS!

have happened. The program audiences, who have made us first in the medium. The advertisers, who place their radio investments with us. To all: Thank you.



**"CBS RADIO AT 50: AN AUTOBIOGRAPHY IN SOUND"
WITH WALTER CRONKITE AS ANCHORMAN, SUNDAY
SEPT. 18, 7-10PM* ON THE CBS RADIO NETWORK
SPONSORED BY GENERAL ELECTRIC**



*7 to 10 PM, Eastern and Pacific Times; 6 to 9 PM, Central Time; 5 to 8 PM, Mountain Time, on most CBS Radio Stations.

Owned TV stations show leadership in many areas from ENG to sales development

The CBS Television Stations Division—WCBS-TV New York, WCAU-TV Philadelphia, WBBM-TV Chicago, KNXT Los Angeles and KMOX-TV St. Louis—is an autonomous group of stations that has already had a great influence in the 1970s.

In 1974, says CBS, the group was responsible for the first completely electronic newsgathering system, installed at KMOX-TV. In the following three years, KNXT went to ENG completely, and WBBM-TV will be converted entirely by January 1, 1978. WCBS-TV and WCAU-TV are partially ENG because tall midtown buildings make TV transmission difficult.

The pioneering done by the CBS station group has inspired many other stations to adopt ENG for their news programs.

D. Thomas Miller, president of the

CBS-owned television stations place much emphasis on news and put a lot of technological knowhow into it, as seen in view of WBBM-TV Chicago newsroom, below. The stations are known as pioneers in electronic newsgathering. l. to r.: Newswoman Connie Chung of KNXT Los Angeles looks over new Thomson-CSF Microcam; late-generation ENG van at KNXT has antenna mounted on pneumatic mast; at KMOX-TV St. Louis, ENG editing process begins in this "decision booth," where videotaped story is monitored.

CBS Television Stations Division, says, "About half of our news is from on-the-spot locations because of ENG. News has become more authentic."

While the CBS-owned TV stations have "gone modern" with ENG, Miller is opposed to another modern development—the use of news consultants. "It is easy to predict what such consultants will say," he claims. "They'll tell you to cut the length of your stories and to speed up the action. We don't think that contributes to the improvement of news.

"We do market research instead. We talk to people to find out if they like our personalities and if our news is easy to understand."

The CBS station group has also been very innovative in collectively creating its own programming, though each station has the full freedom to take or reject these shows. It was at the invitation of the stations division that Dinah Shore returned to TV in 1974.

The program-development unit under Ray Beindorf, then KNXT manager, made a pilot which became the prototype for the series.

Dinah was presented on three CBS O&Os in a 90-minute strip and on two as a 60-minute strip in October, 1974. She continues on all of these stations, except WCBS-TV and KNXT.

It is group policy to require these stations to originate a minimum of 26 hours of primetime programming each year (13 originals and 13 repeats). Of the 13 original hours, a minimum of eight

half-hours must be devoted to children's programming in primetime.

Recent projects

It was the TV stations division program development unit and ITC Entertainment which brought *The Muppets* to commercial TV. They began on all five stations in October, 1975.

An even more recent project is *Marlo and the Magic Movie Machine*. It was created "to extend and enrich the learning of language arts, history, science, music appreciation and career awareness," says Miller. It was originally co-produced by the Corporation for Entertainment and Learning and the CBS stations division at WCAU-TV, but is now being produced by Fish Productions at WFSB-TV Hartford.

The CBS stations division and the network have cooperated on a test project to use TV drama to improve reading enrichment. Two CBS-TV specials—*Circle of Children* and *The Deadliest Season*—have been used in three cities, St. Louis, Los Angeles, and Philadelphia.

Scripts of these dramas are distributed to students prior to the telecast to improve reading skills and to create discussion on major social issues. The idea is to use TV programs to motivate poor readers. *Circle of Children* is about autistic children, and *Deadliest Season* about violence in hockey.

Theatrical overload?

Miller anticipates that, by the end of this decade, the theatrical feature will wear out: "I believe we've got to develop some long-form programming of our own—contemporary programs. We're testing one about a detective. We're also



working on a game show with Bob Wood's Krephi Productions."

Within the group, KNXT pulled off a coup when it telecast a 90-minute question-and-answer program with President Carter. The show, telecast in May, was fed to a West Coast network created for the occasion.

Miller reports that national spot business will be up about 1 or 2 per cent in 1977, though early predictions were that it would increase 16 per cent. The market development unit set up by Miller continues, however, to forge ahead in developing national spot business.

The unit, headed by Art Elliott, will have attracted about 35 per cent more new clients than in 1976 to the stations by August, 1977. Projected against a base of 1975, the increase is 130 per cent.

Its target is new accounts, those away from TV for more than two years, those that have been exclusively network clients and those introducing new products.

Over the years, the amount of local business on the stations has risen. At one time, the split between local and national spot was 50-50. Now it is 55-45 in favor of local.

Retail sales business has also increased at CBS-owned stations. It averages between 4 and 5 per cent, though KMOX-TV has about 10 per cent retail business. The station division was one of the first to have a retail sales development unit.

Miller's view is that the whole industry should be promoting retail sales, so he shares his knowhow with competitors. When the NBC-owned station group set up a retail sales unit, he invited them in to get the benefit of the experience of his stations.

In 1976, the CBS-owned stations grossed \$159 million, with a pre-tax profit of \$45million. □



THE WALTONS

**A responsible, successful
family series**

WARNER BROS. TELEVISION DISTRIBUTION, INC.



A WARNER COMMUNICATIONS COMPANY

KTBC
CHANNEL 7
1952-1977
AUSTIN, TX

250
1927-1977
CBS

Radio spawns TV and suffers some post-natal complications

News, music, sports take charge

Beginning in 1948, the emergence of TV as a major source of home entertainment created great competitive pressures for network radio, and the CBS Radio Network was having its share of difficulties.

Still, it had one great advantage over its rivals—the Paley capital gains deal that brought it Jack Benny, Red Skelton, Edgar Bergen and *Amos 'n Andy*.

As a direct result, CBS became the leading radio network. The sponsors of shows featuring these big names, for the most part, followed their talent over to CBS.

Other advertisers and other programs moved on to the network. It remained a strong radio network longer than its competitors, and financed, in part, the CBS-TV network venture.

CBS's strong line-up of its own program packages also boosted its ratings. They included *Our Miss Brooks* and *My Friend Irma*. Network radio, and CBS, in particular, also was able to profit from an unforeseen development in TV that, in part, retarded its growth.

The Federal Communications Com-

Even as the television era dawned in the '50s, radio still had plenty of drawing power with shows like, l. to r., "Arthur Godfrey's Talent Scouts;" "Gunsmoke," which then starred William Conrad (seen here with Georgia Ellis) as Matt Dillon before James Arness copped the role on TV; and for daytime audiences, veteran participation-show host Art Linkletter was still giving a "Houseparty."

mission placed a freeze on licensing new TV stations which lasted from 1948 to 1952. Thus TV's growth was slowed to some degree by the absence of stations in many markets.

In 1951, CBS president Frank Stanton had restructured the company's growing broadcasting empire into four divisions. One of them was the CBS Radio Division. It was given its own chain of high command to wrestle with the problems of radio in a TV era.

Its first president, Howard Meighan, remained for a year, to be replaced by Adrian Murphy. In 1955, he was followed by Arthur Hull Hayes, who bridged the second half of the '50s and '60s until Clark George took over in 1967. Sam Cook Digges was named president in 1970.

By 1952, the leading CBS Radio Network programs were *Arthur Godfrey's Talent Scouts*, *Edgar Bergen and Charlie McCarthy* and *Jack Benny, Lux Radio Theater* and *Our Miss Brooks*.

Yet once TV was freed of the shackles of the FCC freeze and new TV stations began to telecast in ever-increasing numbers, network radio rapidly began to lose its audience.

Even during the early '50s, many network radio stars could not wait to get into TV. By 1952, for example, three of the top shows on CBS-TV were Jack Benny, *Arthur Godfrey's Talent Scouts* and *Our Miss Brooks*.

By 1954, though the purchase of radio sets continued strong, radio network audiences had declined 25 per cent, according to a CBS study. Still the CBS Radio Network kept trying and pro-

duced new programs. Among them were a situation comedy, *My Little Margie*, a revised version of a mystery melodrama, *Yours Truly, Johnny Dollar*, and shows which featured such personalities as Jack Carson, Robert Q. Lewis and Mitch Miller.

By the mid-'50s, however, it was the daytime schedule of the CBS Radio Network which retained the most listener loyalty. Soap operas were particularly strong in the afternoon. The CBS radio soaps included *Wendy Warren, Ma Perkins, The Romance of Helen Trent, Young Dr. Malone* and *Our Gal Sunday*. The mornings were dominated by such strong personalities as Arthur Godfrey and Art Linkletter.

By this time most of the big-name radio personalities had left the CBS Radio Network. The two shows which remained well into the '50s were *Amos 'n Andy* and *Edgar Bergen and Charlie McCarthy*.

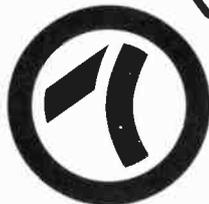
The exodus from CBS network radio of the soap operas began in 1960.

CBS had one big advantage over its later rivals in radio—the Paley-inspired capital-gains deal that brought the network Jack Benny, Red Skelton, Edgar Bergen and “Amos 'n Andy.” As a direct result, CBS became the leading radio network—and sponsors, for the most part, followed the talent over to CBS.



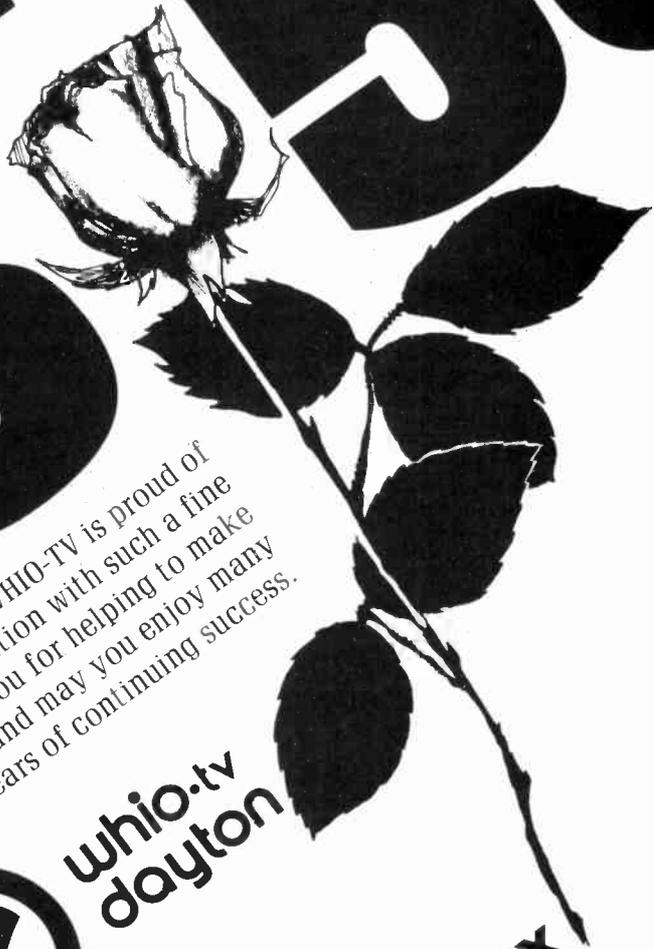
CBS BRAVING! 50 YEARS

As a CBS affiliate, WHIO-TV is proud of its long association with such a fine company. Thank you for helping to make us what we are and may you enjoy many more years of continuing success.



whio-tv
dayton

COX
Broadcasting



The CBS Radio Network was evolving a new kind of service. In 1959, there were five-minute hourly newcasts from 8 a.m. to 10 p.m., expanded to 10 minutes as they found favor with the affiliates. But they were cut back to six minutes in 1970, their present length. Special news features highlighted talents of Walter Cronkite, for one.

Through the '50s, a number of western and mystery melodramas had been strong, but by 1962, *Suspense*, *Have Gun, Will Travel*, and *Gunsmoke*, the final three, were no longer being presented.

It was the morning personalities who remained the longest. Even in the '60s, the CBS Radio Network offered Bing Crosby, Garry Moore, Art Linkletter, Rosemary Clooney and Arthur Godfrey. Godfrey had the most staying power and remained on the network until April 1972.

While all this was going on, the CBS

Radio Network had been evolving a new kind of service. In 1959, there were five-minute hourly newcasts presented by the network from 8 a.m. to 10 p.m. As they found favor with affiliates, they expanded to 10 minutes, but then were cut back to six minutes in 1970, their present length.

CBS newcasts included news, information, sports and weather. Special short news features were also presented which highlighted the talents of the CBS corps of commentators—Walter Cronkite, Leslie Stahl, Mike Wallace and others. In January, 1973, the net-

work began offering a full 24-hour service, on the hour.

Back in 1971, Sam Cook Digges had created *Spectrum*, a radio feature which offered listeners a variety of viewpoints, something missing from the medium until then. On controversial issues, *Spectrum* still broadcasts the opinions of conservatives, liberals and moderates.

Speaking for the liberals on its present panel, for example, is Murray Kempton, for the conservatives, Phyllis Schlafly, and for the moderates, Vermont Royster.

Beginning in 1972, the CBS radio network has also evolved a series of specials. These are 28 five-minute programs over a two-day period, or 40 five-minute programs over a three-day period. Each special is tied together by a topic, such as taxes, the movies and major holidays.

These specials have been very successful. In 1977, Ford sponsored *A Capitol Trip*, and BankAmericard *A Christmas Festival*.

Sports more significant

In today's network radio, play-by-play sports have also begun to play a very

CBS, you've had a NIFTY FIFTY

wwny790

ON THE AIR WITH CBS SINCE 1942

wwnyTV7

ON THE AIR WITH CBS SINCE 1954

WATERTOWN, NEW YORK

"Serving the Top of New York State with the Tops in News and Entertainment"

*IL POPOLO E QUEL' CHE FABBRICA CON SUCCESSO, E LA FAMIGLIA DI CBS, DI QUALE
SIAME ORGOGLIOSO DI ESSERE PARTE, HA BUON RAGIONE DI CELEBRARE.
CONGRATULAZIONE! --- TONY ---*

**MAKE
BOOK
ON
IT!**



**FORWARD'S CBS STATIONS
THE BEST BET, BUT NO GAMBLE!**



Robert Allen

**PRESIDENT & GEN. MGR.
WSAU-TV Wausau, Wisc.**

Doyce Elliott

**PRESIDENT & GEN. MGR.
KOSA-TV Odessa, Tex.**

**P.S. THANKS CBS, FOR 44 YEARS
OF SUCCESSFUL TELEVISION!**

George Arkedis, vice president and general manager of the radio network, points out, "One of its goals is the dissemination of ideas, not merely commercials, as they are inserted in the programs we offer . . . We do not allow wild spotting."

large role. In baseball, the network now presents the league championship series, the All-Star Game, and the World Series; in football, the Cotton Bowl, the National Football League championship and the Super Bowl; in racing, the Triple Crown; in golf, the Masters; and in tennis, the U.S. Open.

These sports broadcasts now attract huge numbers of people. The 1976 World Series was heard by 41 million adults on the CBS Radio Network, according to research done by the broadcast group.

More recently, an estimated 19.1 million adults heard all or part of the *Ask President Carter* phone-in, which was broadcast March 1977.

In 1973, CBS began building a second network for drama programming, starting with the CBS Radio *Mystery Theater*. Last February, the network began broadcasting its second drama show, the General Mills *Adventure*

Theater. Both programs run about 53 minutes, but the first is heard seven nights each week, and the second twice weekly.

Many of the affiliates who take the regular news feeds do not carry the two dramatic offerings—in 30 markets to be exact.

'Dissemination of ideas'

George Arkedis, vice president and general manager of the radio network, points out, "One of its goals is the dissemination of ideas, not merely commercials. Our affiliates also have to broadcast the commercials as they are inserted in the programs we offer. We do not allow wild spotting as some of the other networks do."

"I attribute our recent prosperity to aggressive, intelligent selling," says Sam Cook Digges, president of the radio division. "We've found many more ad-

vertisers looking for media alternatives, and we've been able to provide a good one."

Success with all-news

Another success story in the CBS broadcast division is its AM station group. In 1967, WCBS New York decided to go all-news and follow a path already pioneered by WINS New York. A few months later, in 1968, KNX Los Angeles and KCBS San Francisco switched to all-news.

In April, 1974, WEEI Boston and in May, 1975, WCAU Philadelphia, two other CBS-owned radio stations, made the change to all news. Of the CBS AM station group, only KMOX St. Louis remains untouched by the shift to all-news. The station remains a significant force in its market with its older format.

The CBS stations were able to go all-news with a minimum of difficulties because CBS already had a strong radio and TV news division in place. The importance to the community of an all-news station is most often displayed in time of crisis, such as the New York City blackout of July, 1977. Twenty-thousand New Yorkers called WCBS for information throughout the night.

For advertisers, all-news stations offer prospects which are different than those that listen to popular music.

"The all-news station generates an upscale audience in education, income and occupation," says J. William

New types of facilities and services have come on radio scene since TV took over. Helicopters report traffic conditions: r., Lou Timolat flies WCBS New York chopper. Regular weather reports come from WCBS meteorologist Dr. Bob Harris below r. Most recent innovation, c., was the "Ask President Carter" call-in show hosted by Walter Cronkite. On FM stations, automation is taking hold—Steve Marshall of KNX-FM Los Angeles with the latest in automated equipment.



Because of audience demographics, the CBS all-news stations are able to get a higher unit rate for their time. They have been particularly successful in getting new corporate financial and industrial accounts, such as Greater Northern Paper and Control Data. These institutional and financial advertisers constitute a significant part of the advertising on these all-news stations—about 15 per cent.

Grimes, former vice president, CBS Radio Division, CBS Owned AM Stations, who recently became corporate vice president, personnel.

Higher time rates

Because of the quality of these audiences, the CBS news stations are able to get a higher unit rate for their time. They have been particularly successful in getting new corporate financial and industrial accounts, such as Greater Northern Paper and Control Data. They constitute about 15 per cent of the advertisers on the news stations.

The other significant part of the CBS Broadcast Division is in its FM station group. It consists of FM stations in all the markets already named.

The CBS interest in FM dates back

to 1935, when it applied for a license for WCAU-FM. It got licenses for FM stations in Chicago in 1941; New York in 1943; San Francisco, Los Angeles and Boston in 1948 and KMOX-FM St. Louis in 1962 when it acquired that station. Until 1966, these stations presented simulcasts of the CBS AM station programming.

'The Young Sound'

In February, 1967, CBS created a format for its FM group called "The Young Sound." The format was produced in New York on reel-to-reel tapes, then duplicated and shipped to the other six stations. In early 1969, CBS decided to build separate studio facilities and add separate staff for the FM stations.

J. Robert Cole, currently vice presi-

dent, the CBS Radio Division, CBS Owned FM Stations, then a sales executive at CBS-TV, was moved over as chief administrator. In the last seven years, CBS has invested about \$3.6 million in its FM stations.

'The Mellow Sound'

With the exception of WCBS-FM New York and WCAU-FM Philadelphia, the CBS FM stations are programming "The Mellow Sound." WCBS-FM continues to present its "Solid Gold" format and WCAU-FM, an upbeat contemporary sound which is unique to that particular market.

"The Mellow Sound," created by Steve Marshall, program manager of KNX-FM, is soft middle-of-the-road music, but for the 18-34-year-old group. Cole believes in autonomy for the various CBS FM stations. He has not changed the formats of WCBS-FM and WCAU-FM because they continue to work well.

Those stations programming "The Mellow Sound," however, permit no more than eight minutes of commercials per hour, and break each hour three times for clusters of spots. □



A whole flock of happy birthday wishes to CBS from the Eastern Shore



Courtesy Ward Foundation, Salisbury, Md.

wboc
tv-am-fm

Radio TV Park, Salisbury, Maryland

**CBS affiliate
in Delmarva**

Backe placing emphasis on internal improvement

New corporate 'co-pilot' takes over

CBS, Inc., has a new "co-pilot" directing the corporation. John Backe, the 44-year-old president and chief executive officer of the company, is seated, apparently comfortably, in the cockpit with William S. Paley by his side.

Backe, very different in style from his predecessor, Arthur Taylor, is more marketing-oriented, whereas Taylor was financial. The young-looking executive, nevertheless, won his presidential spurs because of the manner in which he took charge of the publishing group and increased its profits from \$3.2 million in 1973 to \$24.3 million in 1976.

Backe and Taylor differ also in their views toward acquisitions. Taylor saw CBS, Inc., creating a fifth group of subsidiaries to increase its diversification. Backe, intent on improving the four different groups internally, will look for acquisitions within the fields it now operates.

He is specifically looking for companies for CBS, Inc., within publishing and in recreational products. Within publishing, the company's chief interest is in specialty newspapers, such as farm, financial, etc.

Backe is, of course, greatly concerned with broadcasting because of its importance to the company: "I sit in on a monthly programming meeting which runs for a full day. I'm kept up to date on the progress being made with new series, the state of those series which are on the

network. I see the new pilots and we discuss the full range of programming matters."

Backe asserts, "Some of the shows that have been presented by our competition wouldn't be telecast by CBS. We think they are in bad taste. I find the use of sex in some of these series a creative copout. It doesn't take too much creativity to write comedy when you lean heavily on sex. *Soap* wouldn't appear on our network, and I don't think I'm being puritanical about it."

End to stunting?

Backe feels that the stunting and hyping that are currently taking place in TV cannot go on indefinitely: "The business won't support it. It won't be happening a year from now. Our competition will run out of funds."

The young executive is a native of Akron, O. He graduated with a degree in marketing from Miami University of Ohio. He joined the Air Force and afterward went on to get an M.B.A. at night from Xavier University, Cincinnati.

He started in 1961 at General Electric in a variety of managerial, financial, engineering and marketing positions. In 1966, Backe joined the Silver Burdett Company, the textbook publishing subsidiary of General Learning Corp., a joint venture of the General Electric Company and Time Inc., as a vice pres-

"Some of the shows that have been presented by our competition wouldn't be telecast by CBS. We think they are in bad taste. I find the use of sex in some of these series is a creative copout. It doesn't take too much creativity to write comedy when you can lean heavily on sex. 'Soap' wouldn't appear on our network . . ."

ident. He became its president in 1968.

His movement to the top from then on was swift. In 1969, he became executive vice president, president and chief executive officer of General Learning.

In 1973, he moved to CBS, where he took hold very quickly and displayed managerial skill in the publishing group.

Backe brings a fresh slant to broadcasting. It is he who is pushing the concept that television is much more of a selling than an advertising medium. He is convinced that TV does much more of the sales job for most of the package goods than the selling force does.

"I don't think we're in any danger of pricing ourselves out of the market. If we sell the sponsor's products, what's the right rate?"

Yet he understands that many advertisers will differ with him on this matter: "We're working on some ideas

Backe, and his predecessor as corporate president, Arthur Taylor, are very different in style. While Taylor had a financial orientation, Backe is marketing oriented. He won his presidential spurs because of the manner in which he took charge of the publishing group and increased its profits from \$3.2 million in 1973 to \$24.3 million in 1976.



internally to show them what we mean, but I understand that it will take time to change their views."

Backe's managerial style is both formal and informal. He makes daily field trips to various subsidiaries with corporate, legal, financial and personnel staff officers: "We go there to review these operations. We're there to hear about their problems, their progress, and to learn about their needs."

"I don't come on strong. I want to understand their problems and to see how I can help them. I meet the top people and those reporting to them. I get to know everybody. It's helpful to me and helpful to them."

Backe is looking for more cross-pollination between the various companies of the CBS, Inc., family. For example, he feels that the record division can do more to inform the TV program group about young, important popular music talent. And, similarly, the publishing group may also have knowledge of young writers who could be used by TV programming.

Backe believes that the new CBS School of Management will also have an important contribution to make to the

"We go there (corporate staff visits to subsidiaries) to review these operations. We're there to hear about their problems, their progress, and to learn about their needs. We don't come on strong. I want to understand their problems and see how I can help them."

company by developing its executives: "We've gone outside too much for people. I want the school to do two things for us—teach our executives how to set objectives and also how to measure performance."

Backe takes a relaxed low-key approach to dealing with people. He is easy to talk to, though his official position can be forbidding: "I've had people come into this office who were so nervous their teeth were chattering," he says. "I try to break that down so that we can communicate."

He also tries very hard to keep his sense of proportion. "With the experi-

ences I've had in life, I don't take myself very seriously. You've got to laugh at yourself from time to time."

Backe puts in about a 12-hour day, commuting from his home in suburban New Jersey. To the CBS, Inc., president, "My family is number-one." It consists of his wife, Katherine, and two grown children.

The executive flew B-47 bombers when he was in the Air Force. His big leisure-time interest remains flying. He has a Cessna 401, which he keeps at Morristown Airport. It has a range of 1,000 miles and he takes it on cross-country hops often. □

WHNT-TV

HUNTSVILLE, ALABAMA

One of America's fastest growing markets, Huntsville, Alabama, is appreciative of the news, sports and entertainment that have been provided Huntsville viewers for nearly a quarter of a century through the facilities of CBS and its affiliate WHNT-TV.

WHNT-TV is proud of its affiliation and its association with CBS and with the outstanding men who run that distinguished network.

WHNT-TV Huntsville, Alabama



Schneider's new roles include handling Washington scene

'The complete broadcaster'

IT is a measure of CBS' confidence in John Arnold Schneider, president of the CBS/Broadcast Group, that the company has made him its visible symbol in Washington.

The 51-year-old executive will be on the firing line when weighty matters affecting CBS are considered in the nation's capital. Schneider will be stepping into shoes that were filled for more than two decades by Frank Stanton as president of CBS, Inc., and before that by William Paley in the '30s and early '40s.

Schneider is considered by many to be the complete broadcaster. He has the background, the experience, and the disposition for the assignment. The executive began as a salesman, became a station manager, then moved into top corporate echelons, and now, for the second time, is in his present post.

It is his belief that "We have the best broadcasting system in the world. We deliver more information and more entertainment than any other TV system."

Schneider is by no means a stranger to the Washington scene. He has been there often enough to have a sense of perspective about all the constant broadcasting activity which takes place on the Hill.

It is his view that both the Carter and the Ford administrations are and were neutral about broadcasting. Schneider sees no reason to rewrite the Communications Act now because he believes its present language is broad enough to cover present technological developments.

For example, he views satellites as merely another way to distribute the

network's programming. Schneider is seasoned sufficiently in the ways of Washington to understand that some of the present activity is because Congressional committees have new chairmen looking to make their own imprint on broadcasting.

His background

Schneider is a product of the Middle West. He was brought up in Evanston, Ill. As a young man, he was something of a small businessman. At St. George's High School, Evanston, which he attended, he booked dance bands.

One of those bands, the Johnny Miller Orchestra, was led by the older brother of D. Thomas Miller, now president of the CBS Television Stations Division.

When Schneider went to Notre Dame, where he earned his B.S., he also organized a sandwich service for students. His education at college was interrupted by Naval service as an officer during World War II.

The executive's broadcasting career has been marked by rapid recognition and promotion. At the age of 23, he joined WGN Chicago. One year later he moved over to CBS in Chicago, and was given important executive assignments there and in New York.

When WCAU-TV was acquired in 1958 from *The Philadelphia Bulletin*, Schneider was named its first general manager. Six years later he was named vice president and general manager of WCBS-TV New York.

In 1965, his star continued to zoom upward, and he replaced James Aubrey as president of the CBS Television Network and a vice president and director of

The 51-year-old president of the CBS/Broadcast Group will be on the firing line when weighty matters affecting CBS are considered in the nation's capital. Schneider will be stepping into shoes that were filled for more than two decades by Frank Stanton as president of CBS, Inc.

CBS, Inc. When the CBS/Broadcast Group was formed in 1966, he became its first president.

At his appointment as executive vice president of CBS in February, 1969, it was said that he was being groomed for a more important assignment on the corporate level. It didn't work out. Schneider returned to broadcasting as president of the CBS/Broadcast Group in 1971.

Schneider has intellectual interests. He was active in the organization of the Aspen Institute, whose objective is to inform broadcasters of major developments in other fields. He is also a trustee of the Committee for Economic Development and chairman of the board of trustees and a member of the executive committee of the American Film Institute.

The CBS executive is still very interested in his alma mater. He serves as a trustee and member of its executive committee. Schneider is also a sailing enthusiast, likes to putter in the garden, and collects pewter. He is a suburbanite who lives in Greenwich, Conn., with his wife and three grown children. □

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CBS - THE WORLD SEES THROUGH YOUR EYE

Stauffer Communications, Inc., salutes CBS on a half-century of broadcasting excellence. Recently, our flagship radio station, WIBW, celebrated 50 years on the air. It has been a CBS affiliate nearly the entire time. Our confidence in CBS is reflected in our affiliation by eight of ten broadcast properties — WIBW-TV-AM-FM* in Topeka, Kansas, KGNC-AM-FM* in Amarillo, Texas, KRNT-KRNQ* in Des Moines, Iowa, and KGBX in Springfield, Missouri. Some of them, we have changed from other affiliations to CBS.

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KGBX Radio
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ALL AMERICAN NETWORK — Televising the World's Richest Horse Race on Labor Day — Originating Kansas City Royals Baseball Network

The men on the firing line: CBS' upper echelon

Gene F. Jankowsky
*Executive vice president,
CBS/Broadcast Group*

Gene F. Jankowski, executive vice president of the CBS/Broadcast group has recently come up the corporate ladder fast.

Jankowski's career has had two phases,—first sales, then finance and administration. He joined CBS as an account executive in radio network sales in 1961.

In 1970, Jankowski was appointed general sales manager of WCBS-TV New York, and a year later its director of sales. In 1973, he became vice president, sales, CBS Television Stations Division.

However, in 1974 he was switched over to another area as the division's vice president, finance and planning. In January, 1976, Jankowski became controller of CBS, Inc., and one year later was named vice president, administration.

When the CBS top brass looked around for someone to relieve Jack Schneider, president of the CBS/Broadcast Group of his administrative burdens so he could play a more important role in Washington, they selected Jankowski.



Robert Wussler
*President,
CBS Television Network*

Robert Wussler, president of the CBS Television Network, started in the mail room of CBS 20 years ago.

Now 41, Wussler moved into CBS News as a production assistant after only five weeks shuffling the mail. In 1959, he became an associate producer, and two years later a producer.

Wussler spent most of his career with CBS News. From 1962 to 1965 he was head of its election unit, and later executive producer and director of special events.

It was in 1972 that Wussler's career took a corporate bounce. He was named vice president and general manager of CBS' WBBM-TV Chicago.

Wussler had long been a sports buff. In 1974 he was selected as vice president, sports, for CBS-TV.

When Robert D. Wood resigned in April, 1976, as president of the television network, Wussler was selected to replace him.

Wussler is a quick-minded man with an awareness of bottom-line responsibilities. He is not afraid of controversy and, among other subjects, has been very critical of ABC-TV's new comedy, *Soap*.



Sam Cook Digges
*President,
CBS Radio Division*

Sam Cook Digges, president of the CBS Radio Division, is a man whose initial interest in journalism was overcome by his ability to sell.

He was graduated from the School of Journalism of the University of Missouri with the intentions of becoming a reporter. Instead, he got into the retail sales advertising department of the Washington (D.C.) *Daily News*.

The executive broke into broadcasting in 1942 when he joined the sales department of WMAL Washington.

When Digges started selling television for CBS in 1949, it was still part of Radio Sales. After a two-year stay in Chicago as television manager of the Radio Sales office, he returned to New York as eastern sales manager of CBS Television Spot Sales. Between 1954 and 1958 he was general manager of WCBS-TV New York.

Afterward, he became the administrative vice president of CBS Films, a post which he held for 12 years until he was named to his present position in 1970.



D. Thomas Miller
*President,
CBS Television Stations Division*

A trim, quiet-mannered midwesterner, D. Thomas Miller has been the president of the CBS Television Stations Division since 1970.

His career has been spent mainly with ABC and CBS. Miller's early broadcasting experience was in Chicago. He started in audience research at ABC, moved after a year to CBS-TV as sales service manager and then was switched to WBBM-TV as an account executive.

After working for CBS Television Stations National Sales in New York and Chicago, he went back to ABC in 1961 and in 1963 became vice president and general manager of its Chicago O&O.

He remained until 1966 when he got the programming itch, becoming president of North American Television Associates.

In 1967, he rejoined CBS as vice-president, broadcast affairs, for the New York Yankees, became vice president and assistant to the president of the CBS broadcast division in 1969, and a year later was bumped upward to his present position.



Richard S. Salant
President
CBS News

Richard S. Salant is a lawyer who left the legal profession for corporate life at CBS, and then the presidency of the News division.

He has held that position for 13 years, his first tenure running from 1961-1964, and his second, from 1966 to the present.

As might be expected, Salant has strong views on broadcast news. He sees its fundamental function as information, the fulfillment of the public's right to know.

This can only be accomplished, he says, if a news organization remains independent. "We're not on anybody's team. We're not even on the team, in that sense, of our country. We're after the truth, and if it turns out to be harmful, we can't take that into account. We mustn't—because if we do, we're not journalists," he explains.

Salant joined CBS as a vice president in 1952, and served on its corporate staff. From 1964 to 1966, he was special assistant to president Frank Stanton, and CBS vice president for corporate affairs.

Most of the important innovations he has made at CBS News came during his return to the presidency in 1966.



Robert A. Daly
Executive vice president
CBS Television Network

Robert A. Daly, executive vice president of the CBS Television Network, is its top official on the West Coast.

Daly was sent there this year by network president Robert Wussler when CBS transferred many of its top program executives to Hollywood.

One of his functions is to ride herd on program and program development costs as a financial specialist.

When Daly was appointed to his present position in April, 1976, Wussler stated: "In this newly-created position, Bob will participate with me in the tactical and strategic planning as we address ourselves to the short- and long-term challenges of the network."

Daly joined CBS-TV in 1955. He has been in business affairs since that time, beginning as director of program accounting, moving on to director of research and cost planning, then to director of business affairs and finally vice president, business affairs, in April, 1974.



B. Donald Grant
Vice president, programs
CBS Television Network

To say that B. Donald "Bud" Grant, vice president, programs, CBS Television Network, is occupying a hot seat is only to belabor the obvious. Network program chiefs are probably under more competitive pressures currently than at any time in TV's history.

He comes to the position with a solid background in daytime programming. Before being named to his present job in April, 1976, he had been vice president, daytime programs, of CBS-TV since January, 1972. Before that his career was spent exclusively with NBC, mainly in the programming area.

He began in broadcasting in the NBC executive training program in July, 1956. His programming experience began with *Today* in 1958, and in the succeeding 14 years at NBC-TV he became manager of nighttime programs, manager of daytime programs, and in 1967, national director of daytime programs, a post which he held until he joined CBS-TV.



Frank Smith, Jr.
Vice president, sales
CBS Television Network

Frank Smith, Jr., vice president, sales, CBS Television Network, is now in the 27th year of a career that has been spent exclusively in the network sales department.

The executive has held his present top position for 11 years. While with the sales department he has been exposed to virtually all phases of its operation.

Among Smith's positions there were assistant manager of sales development, manager of sales development, network account executive and general sales executive.

Smith made the decision for CBS-TV to sell independent 30-second commercials, and the other networks followed. This came in the wake of period during which the networks sold only minutes but allowed piggybacks and was a response to pressure from advertisers.

Now 50 years old, the executive was born in Indianapolis, but has spent most of his life in New York City, where he lives now. He attended Deerfield Academy and received a B.A. from New York University, majoring in marketing.



Electronic journalism shaped through war and controversy

Newspapers weren't always friendly

The achievements of CBS News will remain as a monument to William S. Paley, Richard Salant, the president of CBS News, believes. "Certainly he's given us enormous support and a great deal of attention. It's something he takes a great deal of pride in."

In the late '20s and early '30s, news on radio was not the force it is today. It was dependent on warmed-over wire-service

Edward R. Murrow's "See It Now" was a major influence on the American public in the 1950s. A prominent part of the program then was coverage of the Korean War (Murrow at r., below, takes a break with a G.I.) What "See It Now" and Murrow probably are best-remembered for, below r., was presenting Sen. Joseph R. McCarthy to U.S. audiences. Today's prominent news personalities include anchorman Walter Cronkite, bottom l., and the team for "60 Minutes." l. to r., Dan Rather, Morley Safer and Mike Wallace.

reports. As a matter of fact, the wire services were so in fear of radio and its advantages of immediacy that radio could not broadcast these reports until after the newspapers were on the street. To combat this situation, CBS could and did offer its own news coverage. It presented, for example, the five-power disarmament conference from London in 1930.

When Ed Klauber and Paul White, two former news editors, were hired by CBS, they started building the news operation and setting its policies.

In 1932, a newspaper-radio war started. Radio had reported the presidential election faster than year than newspapers, and publishers became alarmed. In April, 1933, the Associated Press decided not to provide news to networks; the other two news services followed its lead.

CBS instructed Paul White to set up a full-fledged operation—stringers in major cities and arrangements with overseas news services. Newspapers responded with a publicity blackout of radio. Sponsors became nervous.

Peace was made in December, 1933, and a radio news bureau was set up to supply radio with news bulletins in the following year. For a short time, this arrangement worked, but it soon fell apart. Radio began collecting its own news again.

In 1936, CBS radio news took on an international flavor when H. V. Kaltenborn began offering battlefield reports from the Spanish Civil War. At that time, Kaltenborn, doing a twice-weekly sustainer for \$100, went to Spain at his own expense.

In 1938, Edward R. Murrow was floating around the continent as director of European broadcasts for CBS. War was in the air. Hitler was getting ready to march into Austria. Alerted by William L. Shirer, Murrow went to Vienna and from there broadcast the fall of that city.

CBS goes to war

In 1938, CBS presented its first *World News Roundup*. William Paley had suggested that CBS correspondents from various European capitals comment on Hitler's invasion of Austria. The CBS engineering staff made the hookup possible.

As Europe trembled on the brink of war in 1938 during the Munich crisis, the CBS news staff displayed the full range of its skills. The crisis lasted 18 days.



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Bonneville is proud to be affiliated with the CBS Network. Quality and high standards have been a trademark of the network over the years.

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Skokie/Chicago, Ill.	WCLR Stereo		
Seattle, Wa.	KSEA Stereo	KIRO 50,000 Watts (CBS Affiliate)	KIRO (CBS Affiliate)
Kansas City, Mo.	KMBR Stereo	KMBZ 5,000 Watts (CBS Affiliate)	
Salt Lake City, Utah	KSL Stereo	KSL 50,000 Watts (CBS Affiliate)	KSL (CBS Affiliate)

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Editorial "What's Right With America"
- National Association of Broadcasters Award**
- San Francisco State College Broadcast Media Awards**
"Are You Liberal? - Are You Conservative?"
- Alfred P. Sloan Award**
"Highway Safety"
- Radio & Television News Directors Association**
First Place Award, "Investigative Reporting"
- San Francisco State Film Festival**
1st Place Investigative Reporting
"Fire for Hire - Seattle's Arson Epidemic"
- TVB Annual Commercial/Public Service Production
Competition**
Overall First Place in Nation for a Television
Public Service Campaign
- Freedoms Foundation Honor Certificate**
"Bicentennial Quiz"
- Ohio State Award**
Finalist Citation - "Child Abuse"
First Place "Cancer"
First Place - Public Affairs
- Public Relations Society of America**
First Place - Radio Documentary
- Sigma Delta Chi Award**
First Place - Radio Editorializing
- Gabriel Awards - Catholic Radio/TV Center**
Station Award for Excellence in Public Affairs
Programming
Certificate of Merit - "How Much Justice Can You Afford"
- Major Armstrong Award**
First Place - Community Service
Category for Excellence & Originality in FM Broadcasting
First Place - News Reporting
- American Bar Association Silver Gavel Award**
"Crime in the Streets"
- The Scripps-Howard Foundation/Roy W. Howard
Service Awards**
Second Prize - Total effort for Public
Service Campaigns during 1976
- United States Industrial Council Editorial Awards
Competition**
Honorable Mention "The Company Store"
- Clarion Awards - Women in Communications, Inc.**
First Place - The Weekend Report, "The Glass Door
Peephole"
- American Chiropractic Association**
Bronze Award (Runner-Up) - Radio Category
- Mental Health Media Award**
First Prize - "A Touch of Madness"
- Southern Baptist Radio & Television Commission
Lincoln Merit Award
National Abe Lincoln Award**
- Clio Award**
First Place - Local Large Market
- American Optometric Association**
Excellence In Journalism Award
- National Headliners Award**
For Consistently Outstanding TV Reporting
- American Lung Association**
Outstanding & Meaningful Public Service Series on
"Non Smoker's Rights"
- San Francisco International Film Festival**
- National Academy of Television
Arts & Sciences - Seattle Chapter**
"Enemy"

... plus many more!

During that time CBS made 151 pickups from European capitals. The 85 broadcasts were pulled together by H. V. Kaltenborn, acting as an anchorman.

During World War II, Ed Murrow dramatically brought the Battle of Britain into American homes from London. Murrow's calm style and his deliberate, measured delivery set the tone that gave radio an added dimension.

Much earlier in that decade, Paul

White had pioneered the light, conversational style of writing newscasts. It was in 1931 that Paley made it clear that the network could not be used for partisan purposes.

Paley, the Washington spokesman for the company throughout the '30s, had been made aware of the network's vulnerability to political pressures if it took positions on issues.

Paley had grown much closer to the news operation and to Murrow, in par-

ticular, when he was in London during World War II on General Eisenhower's staff. They had become close personal friends. On Murrow's return home in 1945, he became a vice president of the CBS network and, in 1946, its director of public affairs.

After the war, interest in news diminished. News staffs were cut. News programs were placed into marginal periods. Murrow and Shirer came to a parting of the ways over the shift of Shirer's news show into a less-important time slot. But Murrow was unhappy about being an administrator, and, in 1947, resigned his executive duties to return to newscasting.

Television news debut

After several years of experimentation, in 1948, the first regularly scheduled TV newscast began on CBS-TV. The newscaster was Douglas Edwards, the sponsor Oldsmobile.

The program used 16mm film and had crews in New York, Los Angeles, Chicago, and London and Paris. In 1951, CBS was divisionalized with CBS-TV News and Public Affairs headed by Sig Mickelson and CBS Radio News by Ed Chester.

Though CBS-TV had covered the presidential nominating conventions of 1948, it pulled out all the stops in its 1952 convention coverage. It presented 139 hours of TV coverage, a considerable increase over the 20 hours it had expected to do.

A year earlier, 1951, CBS-TV presented *See It Now*, a weekly documentary which broke new ground in examining controversial issues. With Ed Murrow as host and co-producer, and Fred Friendly as co-producer, the program was not afraid of controversy. The program was a corollary to Murrow's *Hear It Now* on radio.

In the *Case of Milo Radulovich*, *See It Now* told about an Air Force reservist separated from the service because of alleged radicalism, not on his part, but by his sister and father. After the program was telecast, the Air Force changed its mind about the dismissal.

In March 1953, Senator Joseph McCarthy became the subject of a critical examination on *See It Now*. A month later, CBS-TV provided a half-hour in the same time period for McCarthy's reply to *See It Now*. But Murrow's searing attack was credited as the start of McCarthy's downfall.

In 1954, *Face The Nation* began its career on CBS-TV. Senator McCarthy was its first guest. In 1957, the late Soviet Premier Nikita Khrushchev was in-

KLBK-TV

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KLBK-TV in November will celebrate its 25th year on the air.

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The CBS 50th

interviewed from the Kremlin.

In April, 1957, the TV network began offering the *CBS Morning News*. At first a quarter-hour, the newscast by 1969 was being telecast 8-9 a.m., where it is now being seen. That same year, CBS-TV presented *Twentieth Century*, its debut being a 60-minute portrait of Winston Churchill. It continued until 1966, when it was replaced by *Twenty First Century*.

CBS-TV had been producing important documentaries through the '50s. Among them was *Out Of Darkness*, an examination of a girl's mental illness, produced by Albert Wasserman for Irving Gitlin's documentary unit.

In 1959, the divisional status of CBS News was formalized by the appointment of Sig Mickelson as president. At that time, documentaries began to be presented under the title *CBS Reports*. Many of these programs had great impact. They examined significant social conditions that cried out for alleviation.

In the early days of *CBS Evening News*, Doug Edwards battled John Cameron Swayze on NBC on fairly even terms. By the latter years of the '50s,

NBC replaced Swayze with David Brinkley and Chet Huntley as co-anchors. NBC took the lead.

In 1962, CBS made a major change of its own. Walter Cronkite took over as anchorman. A year later, the program was expanded to a half-hour. It has since, except for some temporary periods, led in the ratings.

It was also the suggestion of CBS president Frank Stanton in the late '50s that led to the presidential debates, first between John Kennedy and Richard Nixon and more recently, Jimmy Carter and Gerald Ford.

Senator Pastore accepted Stanton's idea that Section 315 of the Communications Act be set aside to permit presidential debates and shepherded the legislation through the Congress.

By 1966, the team of Murrow and Friendly was no longer at CBS News. Murrow had resigned in 1961 to become head of the United States Information Service, and Friendly resigned in 1966 as president of CBS News. He disagreed with the decision by CBS not to televise a hearing of the Senate Foreign Relations Committee on the Vietnam War.

His replacement was Richard Salant,

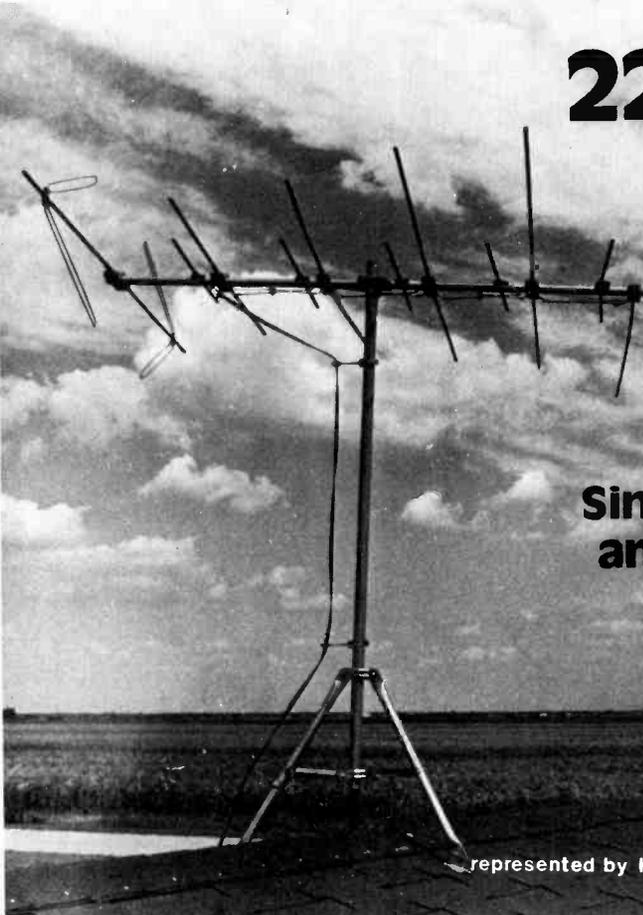
who was returning to a position he had held previously before joining the corporate staff. As the United States became more involved in the Vietnam War, TV coverage by CBS News became more controversial.

CBS-TV news also came under fire from the Nixon Administration during its second term because of its coverage of Watergate. There was the complaining phone call from Charles Colson, which led to charges, since denied, that Paley had pressured the news division about a *CBS Evening News* telecast about Watergate.

It was back in 1968 that CBS News telecast *60 Minutes* for the first time. The magazine format lends itself to short investigative news features.

Sixty Minutes has become an important, high-rated commercial prime-time show and is much imitated by the other networks.

In 1977, CBS News presented the call-in broadcast to President Carter, which was aired for two hours on its radio network. It was an interesting "first" for radio, permitting Americans to speak directly with the president and have him answer their questions. □



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*DMA Test Market Profiles—1977 Edition



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Sports go out of stadium and into the living room

CBS grabs the ball and runs with it

In the early days of the CBS Radio Network, sports was slow to come into its own as an audience attraction. Most of it was sustaining. There were a total of 124 sports broadcasts in 1930, with few sponsored.

That same year, the big sports event was the play-by-play broadcast of the Army-Navy football game from Philadelphia. It was co-sponsored by Philco Radio and the Philadelphia Storage Battery Co.

Listeners also heard interviews with football coaches by sportcaster Christy Walsh. The sponsor was the William Wrigley Co. In 1931, the big sportscast on CBS Radio was the Kid Chocolate-

Benny Bass fight for the lightweight championship.

That year, the network also presented baseball scores, football forecasts and Ted Husing's *Sports Slants*. The really big breakthrough in CBS sports coverage came in 1934.

The radio network then broadcast the openers of both professional baseball leagues, the World Series, a large number of track and field competitions including the Penn Relay, 10 important horse races, and a variety of boat races.

The leading sports announcer for CBS during those years was smooth-voiced Ted Husing. Eddie Dooley, a sportcaster with a staccato style, did several quarter hour shows during the football season, giving highlights, forecasts, and sports scores.

Sports on television

In TV, CBS was able to build on its radio experience. It was quick to realize the value of sports with sight added to sound. In 1932, CBS installed receivers

at the annual convention of the American Newspaper Publishers Association to demonstrate TV and telecast boxing.

In the 1941-42 era, when WCBW was the predecessor of WCBS-TV New York, it telecast the New York Metropolitan Badminton Tournament and the Inter-Service Boxing Tournament, with the former heavyweight champion, Jack Dempsey, as referee.

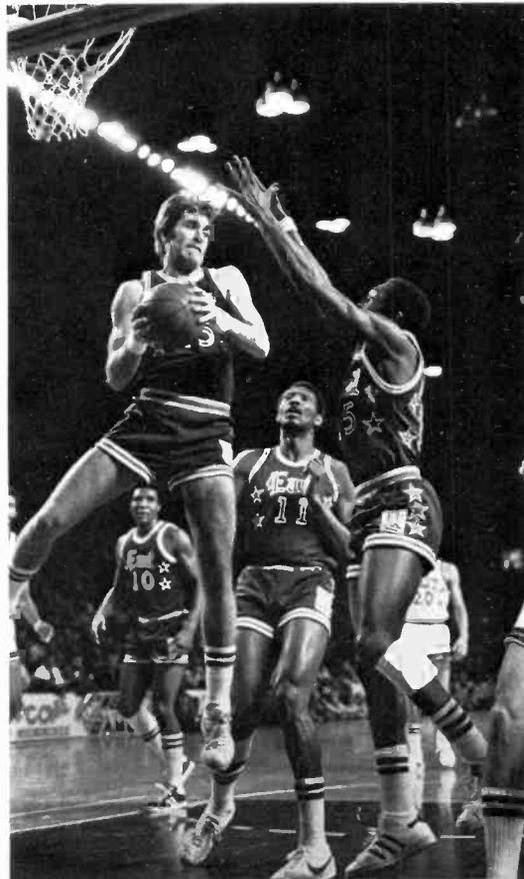
After May, 1944, when CBS resumed live telecasting, a large number of events were presented—college and professional basketball, Golden Gloves boxing, the Sportsman's Show, the horse show and Columbia University football games.

In 1947, sports telecasting was increased by CBS. Among the events were races from Jamaica, N.Y., Belmont and Aqueduct; from Madison Square Garden, the circus and rodeo, basketball, hockey, and the horse and dog shows; and Brooklyn Dodger baseball games as the team battled its way to the National League pennant.

In 1948, CBS presented highlights of the summer Olympics from London via film. As entertainment programming became more important on TV, some sports programming, such as boxing, was pushed out of the primetime.

In 1956, CBS-TV began telecasting National Football League games on Sunday afternoons, an arrangement that continues to this day. It has become

Sports on CBS-TV run the gamut of athletic activities. Athletic activities covered include automobile racing, boxing, All-Star Basketball and even gymnastics. CBS has a large corps of sports announcers because both basketball and football are regionalized.



probably the single-most important sports deal made by CBS, because, partially through its exposure on TV, professional football has become one of the leading sports in America. CBS as a direct result also telecasts the Super Bowl every other year. This has become one of the highest-rated attractions on TV.

In 1959, CBS began telecasting its Saturday-afternoon *Sports Spectacular*, another program that is still on the network. It is an anthology sports presentation which offers live events. They include championship boxing bouts, USAC and NASCAR automobile racing, motorcycling—such as the Second World Championship of Motorcycle Jumping from Tokyo—the Handicap Triple Crown of Horse Racing and the World Cup Skiing competition.

In the '60s CBS carried two baseball *Games of the Week*, now telecast by rival networks. In 1960, CBS became the first network to provide complete coverage of the Summer Olympics from Rome and the Winter Olympics from Squaw Valley.

In the early '60s, it also presented tennis from Forest Hills. Bill MacPhail, who headed the sports department of the network then, reports that promoters pleaded with him to carry their events free.

In 1968, CBS telecast the first professional hockey to be seen on TV in the country, carrying it two years.

The current sports being telecast by CBS are basketball, golf, and tennis. It will be presenting 41 telecasts of National Basketball Association games this season on Sunday afternoons. These are presented regionally in six areas of the country, an arrangement which the network believes makes for greater audience interest.

CBS also telecasts considerable tennis. The highlight recently was 27½ hours of the U.S. Open Championship from Forest Hills this month. The seven hours of sports coverage on the tournament's final day—noon to 7 p.m.—will be the longest continuous network coverage of a single day's sports event in this country, according to CBS.

The network is currently also presenting 14 different golf classics. These include the Westchester Classic, the World Series of Golf and the Western Open.

Barry Frank, vice president for sports, CBS-TV, created the *Challenge of the Sexes*, a series in which women are matched against men in such sports competitions as golf, bowling, swimming and tennis. It is a Sunday-afternoon show which is presented prior to the

basketball game, and it rates well.

CBS has a large corps of sports announcers because both basketball and football are regionalized. Football in the East is done by Tom Brookshier and Pat Summerall, golf by Jack Whittaker and Frank Glieber, tennis by Summerall and Tony Trabert, and basketball by Brent Mussberger and Mendy Rudolph.

Increasingly competitive

Frank, who succeeded Robert Wussler, now president of the CBS Television Network, sees sports as an increasingly competitive area of programming in the future: "I don't see any major events changing hands soon because all the networks are reluctant to give them up. It's not only their value as commercial properties. It's their prestige as well. What we've got to do is upgrade the sports that we have."

"We believe that we've done that with basketball. By regionalizing the games, we've improved the ratings."

Wussler retains a great interest in sports. He points out that the amount presented by the networks has grown over the years. □



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Corporate future improved through consolidation

Varied menu of acquisitions digested

By Anthony M. Hoffman

Five years ago, an investor reviewing the performance of CBS, Inc., over the prior five years would be struck by the obvious lack of earnings progress relative to any common measure of industrial productivity. In the four years from 1967 to 1971, CBS was not able to equal 1966's \$70.7 million in net income. In fact, taking inflation into account, the corporation's real earnings showed a generally declining trend. In addition to its negligible long-term growth rate, CBS' annual earnings demonstrated considerable cyclical fluctuation.

Corporate management

CBS had by this time progressed well beyond the stage in its growth where it could be managed with a relatively lean corporate staff presided over, on a day-to-day basis, by the company's founder, William Paley. During this period the attention of CBS' management had been primarily focused on relative market

achieved high marks during this period was its dividend growth, which increased at a 10.4 per cent compound annual rate. This growth and the stock's refusal to sell outside of a range of yields from 1.8 to 3.6 per cent controlled the price of CBS' common.

Striking contrast

The years since 1971 provide a striking contrast. Acquisitions and corporate projects which previously drained earnings and management time were either promptly turned into profitable operations or sold (or suspended). The remaining operations were combined in logical business groups managed by experienced personnel drawn largely from outside CBS. The traditional haphazard acquisition program was redirected under the aegis of a professional staff to help consolidate CBS' position in promising non-broadcasting areas. As a result of these moves, growth in corporate net income has averaged 20.4 per

The years since 1971 saw acquisitions and corporate projects which previously drained earnings and management time being either promptly turned into profitable operations or being sold or suspended. The remaining operations were combined in logical business groups managed by experienced personnel drawn largely from outside CBS. The traditional haphazard acquisition was redirected under a professional staff.

share and rank within each industry rather than on the trend of earnings thus derived.

Diversification program

In addition, CBS management was called upon to implement a program of expansion into areas outside of, but generally related to, broadcasting and music. The negative financial effects of digesting these diversified acquisitions also was a major contribution to CBS' lackluster earnings performance. About the only measure on which CBS

cent annual since 1971, with no cyclical pattern to concern investors.

Arthur Taylor's influence

CBS' recent performance was not accidental. The catalyst was Paley's choice of Arthur Taylor as president in 1972, with a mandate to make any changes he deemed necessary. It was Taylor's handpicked management team, and the planning and control systems they instituted, which produced CBS' recent excellent record. (An unforeseen result was that John Backe, the man se-

lected by Taylor to run the Publishing Group, succeeded him as president.)

To be sure, the rate of earnings growth was inflated by eliminating several activities which were dissipating a portion of the profit contribution from broadcast and music operations. Nevertheless, it now appears that CBS can achieve relatively consistent earnings increases in the future, averaging over 15 per cent annually—14 per cent derived from current operations with another 1-2 per cent annual growth contributed by acquisitions financed by internally generated capital. Such a performance would be more than 140 per cent better than the growth of the Standard & Poors industrials in the past decade (average growth in net income of 6.2 per cent).

Revenue/earnings source

In spite of the increasing diversification of CBS into businesses outside of entertainment, the two original areas, broadcasting and recorded music, will continue to contribute the majority of the company's revenues and earnings for the foreseeable future. But because both are businesses which require only modest annual capital expenditures, they will generate considerable cash to be employed elsewhere. As Table I clearly shows, earnings from these two businesses have declined from 99.5 per cent of the corporate total in 1973 to 84.8 per cent in 1976 and are expected to decline by another 1.3 points by 1978.

Broadcast earnings growth

Obviously, the earnings growth of these two operations control that of the company. Since 1971, broadcast earnings have grown at a compound annual rate of 22.4 per cent, while records has lagged with an 8.6 per cent rate. But happily, the imbalance in the relative size of the two entertainment-based divisions has produced an 18.2 per cent growth rate for the combination. The fastest growing operation in recent years has been publishing, with a 96.6 per cent growth rate since 1973. This type of performance plus the favorable terms under which CBS acquired Fawcett Publications are often suggested as key factors in the elevation of John Backe (the group president during this period) to presidency of the entire corporation. The Columbia Group representing a collection of many small companies operating at relatively low profit margins, has proven more resistant to steady profit growth.

Nevertheless, as these subsidiaries are clustered into groups which, as they are

expanded by acquisition (i.e. toys, musical instruments, etc.) will benefit from economies of scale in manufacturing, marketing and distribution, which should expand margins well beyond current levels. The "Other" group, once a catch-all for unprofitable operations being held for sale or dissolution, now contains relatively few active operations and thus serves primarily as an accounting category for occasional income from inactive operations.

TV network performance

As broadcasting dominates the corporate income statement, the TV network dominates the Broadcast Group's financial reports, generally accounting for about three-quarters of the total. The owned TV stations contribute another 18 to 19 per cent, and radio operations account for the rest. CBS' performance in network television has been nothing short

As broadcast operations dominate the corporate income statement, the TV network dominates the Broadcast Group's financial reports, generally accounting for about three-quarters pre-tax profits. The owned TV stations contribute another 18 to 19 per cent, and radio operations account for the rest. CBS' performance in network television has been nothing short of remarkable over the past two decades, and what is most remarkable is the stability of its profit margins.

of remarkable over the past two decades. Although retaining its premier position in overall revenues every year since 1956 (when it finished second to NBC), what is most remarkable is the stability of its profit margins. In data submitted an-

nually to the FCC (and subsequently leaked to the trade press), it is revealed that CBS' pre-tax margins from network operations remained in the range from 10.5 per cent to 16.5 per cent from 1957 to 1972. In fact, the company had vir-

I. CBS: Revenues and pretax earnings by operating group 1971-1978 (proj.) (Mil. \$)

	1978 (proj.)	1977 est.	1976	1975	1974	1973	1972	1971
Broadcast group								
Revenues	\$1,320	\$1,170.0	\$1,042.8	\$869.0	\$813.9	\$727.1	\$674.8	\$602.9
Pretax income	274.0	229.0	215.2	172.2	163.8	135.7	105.4	78.2
Margin	20.8%	19.6%	20.6%	19.8%	20.1%	18.7%	15.6%	13.0%
% of total	62.7	61.4	65.1	69.1	74.4	73.6	68.3	65.3
Records group								
Revenues	\$730.0	\$660.0	\$563.8	\$484.3	\$420.4	\$349.5	\$312.3	\$276.2
Pretax income	87.5	81.0	65.3	56.3	44.8	47.8	49.8	43.2
Margin	12.0%	12.0%	11.8%	11.6%	10.7%	13.7%	15.9%	15.6%
% of total	19.8	21.7	19.7	22.6	20.4	25.9	32.3	36.1
Publishing group								
Revenues	\$430.0	\$395.0	\$220.8	\$207.4	\$181.7	\$160.4	\$148.9	\$131.1
Pretax income	38.0	30.0	24.3	18.0	11.9	3.2	0.1	12.8
Margin	9.2%	7.9%	11.0%	8.7%	6.5%	2.0%		9.8%
% of total	8.6	8.0	7.4	7.2	5.4	1.7		10.7
Columbia Group								
Revenues	\$490.0	\$445.0	\$393.3	\$352.7	\$314.9	\$274.0	\$224.7	\$188.4
Pretax income	35.0	30.0	20.2	16.5	15.3	16.7	7.9	6.2
Margin	7.0%	6.7%	5.1%	4.7%	4.9%	6.1%	3.5%	3.3%
% of total	7.9	8.0	6.1	6.6	6.9	9.1	5.1	5.2
Other								
Revenues	\$5.0	\$5.0	\$9.9	\$25.5	\$20.4	\$44.2	\$42.5	\$64.8
Pretax income	2.5	3.0	5.2	(13.6)	(15.6)	(19.0)	(8.8)	(20.6)
% of total	0.1%	0.1%	1.7%	(5.5)%	(7.1)%	(10.3)%	(5.7)%	(17.2)%
Total company								
Revenues	\$2,975.0	\$2,675.0	\$2,230.6	\$1,938.9	\$1,751.3	\$1,555.2	\$1,403.2	\$1,263.4
Pretax income	437.0	373.0	330.7	249.4	220.2	184.4	154.4	119.8
Margin	14.7%	13.9%	14.8%	12.9%	12.6%	11.9%	11.0%	9.5%
Taxes	\$223	\$186.5	\$166.7	\$126.5	\$111.6	\$89.9	\$71.5	\$55.1
	51.0%	50.0%	50.4%	50.7%	50.5%	48.7%	46.3%	46.0%
Net Income	\$214.0	\$186.5	\$164.0	\$122.9	\$108.6	\$94.6	\$82.9	\$64.7
Earnings per share	7.75	6.65	5.75	4.30	3.80	3.32	2.88	2.23

Projections and estimates by author. () indicates deficit

In the two decades since 1956, CBS' profits from network operations have grown at a compound rate of about 9.1 per cent on revenue gains averaging 8.5 per cent annually. This performance was achieved in spite of the dramatically disruptive effects in 1970 and 1971 of the ban on broadcast advertising of cigarettes.

tually identical margins (13 per cent) in 1957 and 1972. In 1973, the CBS network's pre-tax margins as computed from FCC data jumped to about 17.7 per cent, a level also maintained in 1975 and 1976.

The unorthodox accounting system adopted by the FCC overstates the network's margins by more than two percentage points by deducting compensation to affiliates from total revenues to derive what it calls "broadcast revenue". Thus, when the proper revenue total

after commissions, is used as a base, the CBS network's actual margin (15.4 per cent in 1975) was more than 40 per cent lower than the average margin of all non-network owned affiliated stations reporting to the FCC (26.1 per cent), a relationship which has remained remarkably stable for over 20 years (CBS network profits, as included in Table II, differ from the FCC figures in that the breakdown includes estimated income from the syndication of pre-Prime Time Access Rule shows and excludes the

application of local sales and franchise taxes (included in the corporate tax total). The effect of both is to inflate the network margins.

In the two decades since 1956, CBS' profits from network operations have grown at a compound rate of about 9.1 per cent on revenue gains averaging 8.5 per cent annually. This performance was achieved in spite of the dramatically disruptive effects of the ban on broadcast advertising for cigarettes in 1970 and 1971. It is important to note that during this same period all non-network owned affiliates had growth in revenues which averaged only 7.7 per cent annually yet achieved profit growth of 9.1 per cent, identical growth to that of CBS. Thus, the contention in some quarters that growth in the CBS television network's profits has been achieved at the expense of its affiliates is shown to be sheer nonsense.

The trade and popular press has been filled for over a year with articles seemingly obsessed with CBS' fall from first place in the primetime ratings. From a financial point of view, the relative rankings of the three networks in

II. Estimated breakdown of CBS broadcast revenues and profits 1972-1978P (Mil. \$)

	1978 (proj.)	1977 est	1976	1975	1974	1973	1972
TV network							
Revenues	\$1,065	\$948	\$827	\$689	\$652	\$583	\$540
Pretax income	204	169	153	124	127	104	75
Margin	19.2%	17.8%	18.5%	18.0%	19.5%	17.8%	13.9%
TV stations							
Revenues	\$200	\$170	\$171	\$142	\$128	\$113	\$106
Pretax income	56	49	53	42.5	35	31	30.5
Margin	28.0%	28.2%	31.0%	29.9%	27.3%	27.4%	28.8%
AM radio stations							
Revenues	\$42	\$40	\$37	\$32	\$30	\$29	\$28
Pretax income	8.0	7.5	7.0	5.5	4.7	5.2	5.0
Margin	17%	19%	19%	17%	16%	18%	18%
FM radio stations							
Revenues	\$15	\$13	\$10	\$8	\$7	\$6	\$5
Pretax income	2.0	1.0	0.0	(0.8)	(1.4)	(2.0)	(2.6)
Margin	13%	8%					
Radio network							
Revenues	\$23	\$21	\$18	\$15	\$13	\$11	\$10
Pretax income	4.0	3.5	2.2	1.0	(1.5)	(2.5)	(2.5)
Margin	17%	17%	12%	8%			
Total broadcast							
Revenues	\$1,345	\$1,179	1,063	886	830	742	689
Less: intra-company eliminations	25	22	20	17	16	15	14
Net revenues	\$1,320	\$1,157	\$1,043	\$869	\$814	\$727	\$675
Pretax income	274	229	215.2	172.2	163.8	135.7	105.4
Margin	20.8%	19.6%	20.6%	19.8%	20.1%	18.7%	15.6%

* Principally compensation paid its owned TV stations by The CBS Television Network which is included in the stations' revenues. Projections and estimates by author. (indicates deficit. Totals may not add due to rounding data not conform to FCC figures. see story for explanation.



A MESSAGE FROM GARDNER COWLES

Chairman, Cowles Broadcasting, Inc.

All the people at KCCI Television and the Cowles Broadcasting family are pleased to join in congratulating CBS on its 50 years of distinguished service.

KCCI-TV — first in News and long the dominant station in Central Iowa, has been a CBS affiliate for 22 years. It is a warm relationship which has existed since the station went on the air. Actually beyond that, since some of us go back to the early 1930's when three of our radio stations in the Midwest were affiliated with this even then illustrious network organization.

Through the years Bill Paley and his people have provided us with the utmost in programming expertise. His innate sense of star appeal is still unsurpassed. His philosophy of broadcasting has had a monumental effect on the progress of the entire industry.

So, it is with great personal affection and pride that we extend these anniversary wishes. May CBS have another 50 years of continued success.

Gardner Cowles

KCCI-TV, DES MOINES

CBS for Central Iowa

primetime are far less important than each network's *overall* market share trend and the growth of the industry. While CBS' share has fallen from the 34.9 per cent of industry billings reported by Broadcast Advertisers Reports for 1976 to 33.3 per cent of the total for 1977 (through July), industry billings are up 22.2 per cent. This fortuitous occurrence has allowed CBS to record a 16.9 per cent gain in network billings for the first seven months of this year.

The fact that CBS is now achieving exactly one-third of total network revenues highlights a change in the basic competitive structure of the business. From this point on, we do not foresee any network dominating its competitors as CBS has done for over two decades. With the same program suppliers now dealing with all three networks, the annual program expenditures of all three networks varying less than a percentage point or two from each other and a tendency for unfavorable ratings trends to be attacked immediately (rather than waiting for the normal date for schedule changes), we see no reason why any one

For CBS to regain the lead from ABC this year would require the use of heavy "stunting," which "would not only disrupt CBS' excellent profit record but also permanently diminish viewer loyalties to weekly series which are the foundation of a successful schedule." Thus far, there is no apparent evidence that CBS is willing to sacrifice a strong weekly schedule for "event" type programming "merely to satisfy the corporate ego."

network should have a long-term competitive advantage. Thus, we believe that the probable range of market share for each network will narrow considerably and all will tend to average an equal third of the total over time.

For CBS to regain the lead from ABC this year would require the use of heavy "stunting" which would not only disrupt CBS' excellent profit record but also

permanently diminish viewer loyalties to weekly series which are the foundation of a successful schedule. Thus far we see no evidence that CBS is willing to sacrifice a traditionally strong weekly primetime schedule for "event" type programming merely to satisfy the corporate ego.

We foresee another above-average year in 1978 for this industry, no small accomplishment in view of the 23 per cent gain in network billings recorded in 1976 and the 20 per cent or so predicted for 1977. Our expectation is for at least 14 per cent growth in 1978, an estimate which concedes that the 25 per cent increment reported by the networks for the sale of "up front" primetime will prove a bit optimistic as a predictor of the price increments in *all* dayparts for the *full* year. (It must be remembered that the network time which was sold up front last year proved to be a real bargain compared to the prices charged for "scatter" packages as the season progressed.) We see no reason why CBS will not be able to at least equal in 1978 its market share for the year-to-date in 1977, thus we are predicting a 14 per cent increment in network time sales for CBS next year. Growth of this magnitude should exceed growth of costs by almost two percentage points allowing over 20 per cent growth in network profits for the year on top of the 14 per cent gain forecast for 1977.

Owned TV stations

In contrast to the dominance which its network has maintained, the CBS-owned television stations have in recent years lagged behind the financial performance of the ABC group. There are several reasons for this. First, the ABC network feeds less program hours daily to its O&Os, thus they have more time to sell than their CBS counterparts. Second, the smallest two of CBS's five O&O

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WIOD, WAIA-FM
Miami

KFI, KOST-FM
Los Angeles

WLIF-FM
Baltimore

markets (Philadelphia and St. Louis) generate about 2 to 3 per cent less television advertising revenues than do ABC's smallest markets, San Francisco and Detroit. Also, the Philadelphia market has the lowest level of spot expenditures per TV household in the top 20 markets. This situation is due to the relatively high degree of signal spill-in from New York City and Baltimore stations (both only 80 miles away) which often leads media buyers to feel that Philadelphia can be sufficiently covered with buys made in the other two markets. This is particularly true of WCAU-TV (Channel 10), which must fight CBS network signals from New York and Baltimore affiliates. With both operating on the same lowband channel (2), they are capable of dropping grade B's over the Philadelphia suburbs. And finally, several of CBS' biggest stations have persistent problems with local news ratings (particularly in Los Angeles).

Nevertheless, the CBS stations have demonstrated a reasonably consistent upward trend in profits in the last few years. Unfortunately, like many other

The CBS-owned television stations have demonstrated a reasonably consistent upward trend in profits in the last few years. Unfortunately, like many other stations in the country's largest markets, the CBS O&Os are expected to be unable to equal the unusually high profit level achieved in 1976 as a result of the heavy demand for spot television last year.

stations in the country's largest markets, the CBS O&Os are expected to be unable to equal the unusually high profit level achieved in 1976 as a result of the inflated demand for spot television last year produced by the elections, the Bicentennial and an unusually high level of new products activity.

An additional contribution to a decline in margins is the incremental cost associated with equipping each of the CBS O&Os with electronic news gathering

capabilities. But the profit decline is expected to be modest and progress from the 1977 level can be expected next year as revenues resume a more normal 9 per cent or better annual growth rate and cost growth declines to the 7 to 8 per cent level typical of past years.

Radio operations

Since the advent of commercial television, the radio medium has undergone an almost unbelievable metamorphosis. During some of these changes, such as the decline in radio's share of total advertising and the decline in importance of radio networks, it was impossible for CBS not to be impacted negatively. But during the most-recent period, characterized by the almost geometric growth of FM, CBS has quietly adapted to an emerging situation in a manner which virtually assures a long and successful future in this medium. In FM, CBS has gone in heavily for soft rock.

In the AM band, which many see as eventually being left with relatively few big popular-music stations, CBS has opted in most cases for the news format which is relatively immune to the appeal of FM's superior sound. This dual format strategy protects against AMs competing with their FM brothers for the same audience, allowing CBS to maximize its total radio audience.

CBS is also blessed in AM with six 50 Kw licenses (WEEI Boston is 5 Kw) which have helped the AM station rankings. In the Arbitron May sweep, according to average-quarter-hour metro audiences, KMOX St Louis rated first in its market. KCBS San Francisco ranked second, WBBM Chicago and WEEI ranked third, WCBS New York and KNX Los Angeles, both fourth, and WCAU Philadelphia, seventh.

As is obvious from Table II, CBS radio operations are enjoying a period of relative prosperity. The radio network broke into the black in 1975 for the first

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KCMO AM-TV & KCEZ KANSAS CITY · WNEM TV BAY CITY-SAGINAW-FLINT · WGST ATLANTA

time in many years. Similarly, the FM station group reached breakeven in 1976, with a modest profit forecast for 1977 and further progress in 1978. After suffering through a period of relatively slow revenue growth and essentially flat profits from 1972 to 1975, the CBS AM stations moved to a higher profit plateau in 1976, which we expect can be maintained through 1978.

Involvement in records

CBS's involvement in records, as in broadcasting, dates to the earliest days of the industry. Throughout its evolution, CBS has played an important role in the industry's technological and artistic evolution and today ranks as the largest worldwide record company, although running second domestically to the combined labels of Warner Communications. Unlike most other record companies, CBS not only produces music but also manufactures discs and tapes for its own labels, as well as those of its competitors.

Because manufacturing has somewhat lower margins than those of record label

CBS' involvement in records, as in broadcasting, dates to the earliest days of the industry. Throughout its evolution, CBS has played an important part in the industry's technological and artistic evolution and today ranks as the largest worldwide record company, although running second domestically to the combined labels of Warner Communications. CBS also manufactures discs and tapes.

operations, CBS' financial results from its records operations cannot be directly compared with those of its competitors. CBS margins are, however, inflated by the inclusion of equity in the net income (but none of the sales) of its joint venture Japan.

Worldwide market share figures for the record industry are impossible to derive, but estimates provided by U.S. trade associations and CBS' competitors suggest that CBS' share of the domestic

market has run between 17 and 18.5 per cent for the last five years. CBS' major competitor, Warner, can boast shares ranging from 19.5 to 23 per cent during this same period. There is no other corporation which has consistently exceeded a 10 per cent share of this industry in recent years. The current concentration in the industry highlights an important observation concerning success.

Although many companies have the facilities to record music, it requires a large distribution and marketing operation to generate a hit. This fact, more than any other, guarantees that CBS will have a shot at any established artist or group seeking a new affiliation. Another fact of life in this industry is that the timing of hit recordings cannot be forecast since the flow of product is extremely erratic at best. Thus, if steady earnings contributions from recorded music operations are a corporate goal, a very large artist roster is a critical requirement.

Although maintenance of 200 or more "acts," as they are called, is expensive and lowers the overall operating margins of the division, it is an important part of hedging the productivity of the current top artists. As with any domestic record company, only about 20 per cent of the artist roster contributes all of the profit of the division, while the income from another 70 per cent of the talent offsets the losses from the last 10 per cent. Unfortunately, the composition of each of these groups changes from week to week and it is generally not possible to forecast shifts in popularity in advance. In addition, a disproportionate share of the profits in records at the major record companies comes from the sale of records from the catalog. This provides a very effective barrier to entry by new competitors.

The existence of a large artist roster places enormous demands on those whose job it is to work with the talent.

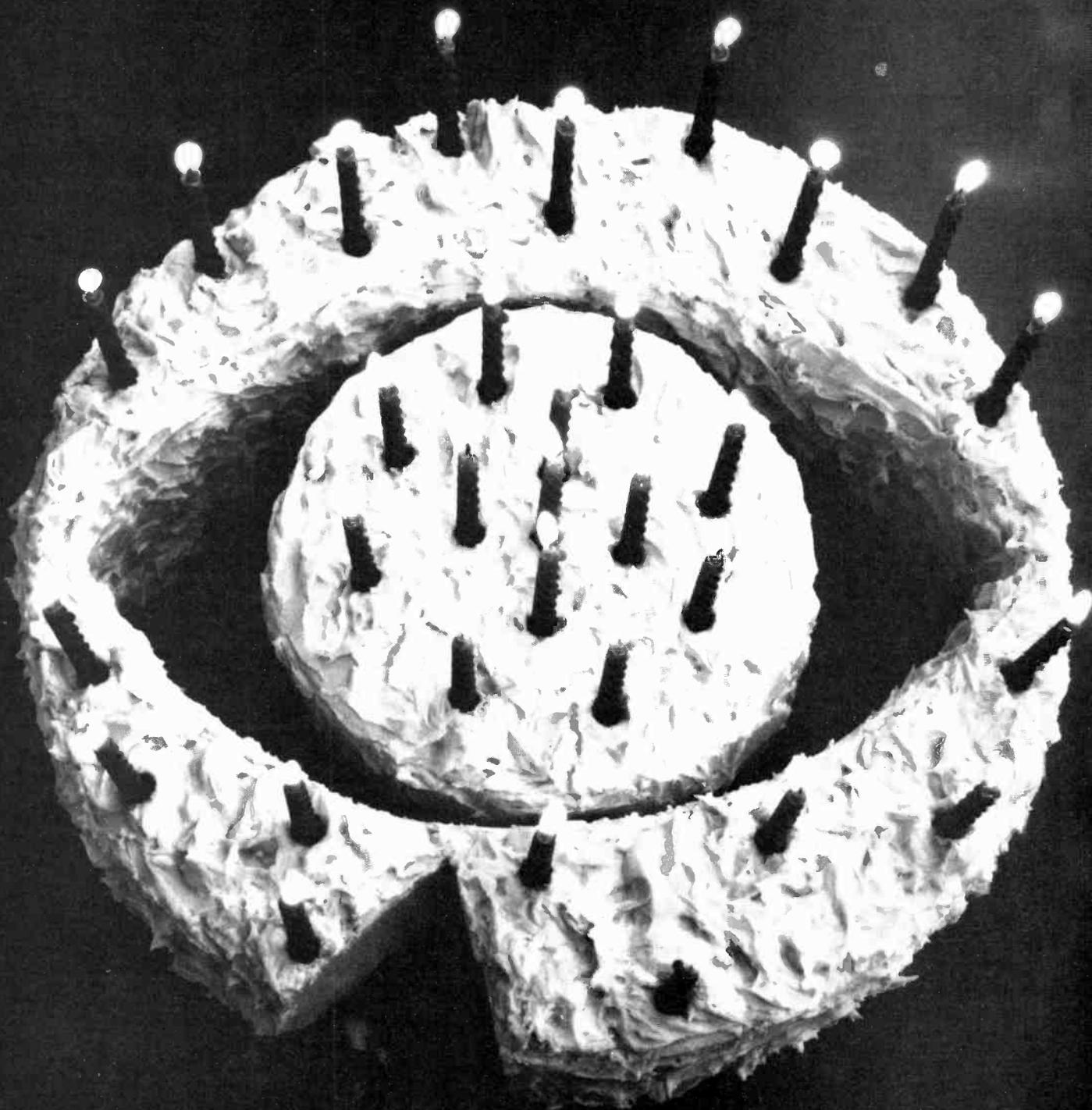
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The future is bright and terrific. The present is a time of concern, says Robert Wussler, the 40-year-old president of the CBS Television Network. "Our immediate goal is to regain our overall leadership as the premier broadcasting network."

In Wussler's view, the recent success of ABC-TV in primetime can be attributed to a number of factors: "It didn't happen to ABC-TV overnight. It is an organization with good working parts which coalesced. Even in the past, its programming was created to appeal to younger families with good urban demographics," the network president observes.

He points out that ABC-TV strength is, in part, related to the troubles which NBC-TV has had in recent years. He also pays tribute to the success that ABC-TV has had in getting large numbers with long-form programming.

One major strategy for cutting down on the cost of programs is producing more on tape. The two new shows that are being recorded via CBS' new one-inch system on Sony VTRs are "The Betty White Show," below, and "We've Got Each Other," below, c. Interior of new mobile tape unit with Sony machines is shown, below r.

Wussler is aware of the weakness that CBS-TV has manifested in recent years in primetime programming: "CBS-TV relied on its successful programs too long. Our working apparatus in programming became tired and lost strength. Our replacements didn't come through."

There is a general feeling that CBS-TV was successful for so long in primetime that it became complacent. As far back as two years ago, Paley exhorted his top executives at the network not to become overly satisfied with their success.

ABC-TV programming has for many years been directed at younger families. CBS-TV research has shown that, more recently, the rival network has been exceptionally successful with programs which are aimed at children but not rejected by the adults in the family. Among such ABC-TV programs are *Happy Days*, *Laverne and Shirley*, *Six Million Dollar Man*, and *Welcome Back Kotter*.

Arnold Becker, director of CBS TV research, notes that in the February Niensens *Happy Days* got a 23.4 overall rating. In households without children its rating was 11.1; in households with children, its rating was 38.9.

Another example is *Laverne and Shirley*. For the same month, its overall rating was 31.6. In households without children, it received a 19.3 rating; in households with children, it received a 47.1.

"They have made the creation of such programs a fine art," says Becker.

Harvey Shepard, vice president, program planning, for CBS-TV, also maintains that the operation ran into a dry spell. Last season, for example, one third of its shows failed. "The feeling this year is that we have the best development program in our history," says Shepard. "We've got 50 shows in the works."

But for all of that, Wussler is well aware that ABC-TV is a formidable antagonist: "Their success has made enormous sums available to them. They are spending it and spending it wisely."

A westward movement

One major step that Wussler has taken is to relocate a corps of CBS top programming executives to the West Coast: "We centered our programming on the West Coast because it's where 95 per cent of the programming is produced. We can't have the tail wagging the dog any more."

Wussler also sent Robert A. Daly, executive vice president of the network, out there to spearhead the effort. He is involved with programming, business affairs, and all key West Coast decisions. Among the new top programming executives relocated to the West Coast are B. Donald "Bud" Grant, vice president,



programs; Oscar Katz, vice president, special projects; and Michael Ogiens, vice president, daytime programs.

This fall's new program schedule contains the greatest number of changes in the network's history. Of its 28 series, 10 will be new. Six of them are hour-long, with the emphasis on comedy.

Two were former ABC series. Of these, the *Tony Randall Show* is in the CBS situation-comedy mold, but *Wonder Woman* is an obvious attempt to duplicate ABC's success in households with children.

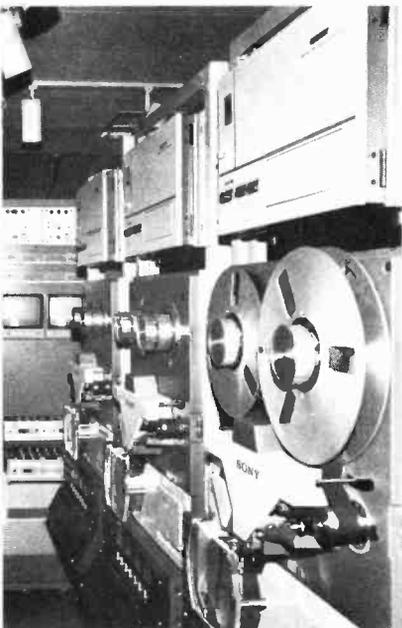
Another of the newcomers, *Young Dan'l Boone*, is also aimed at young households with children. Among the more highly touted of the other entrants is *Lou Grant*, the Edward Asner vehicle, and *Rafferty*, the Patrick McGoohan series.

As one might expect, CBS is warming up a bumper crop of replacements should any of its early fall contenders stumble. Some will come from the group of new shows presented in the past summer. Among those is *Szyszyk*, starring Ned Beatty; *Shields and Yarnell*; *The Keane Brothers*; and *A Year At The Top*, created by Norman Lear.

Of the numerous shows being worked on in Hollywood, the network program executives are enthusiastic about *Another Day*, a James Komack situation-comedy; *Sam*, about a police dog; and *Sparrow*, a mystery about a young detective.

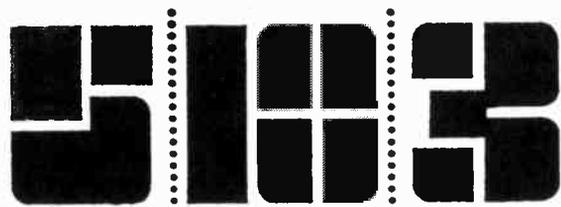
"We expect to have about 20 properties ready to choose from by about mid-season," says Harvey Shepard.

All networks this year, however, have



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had to contend with stunting by their rivals. Wussler doesn't believe that last season's stunting, which will continue this season, can continue indefinitely.

"You can't stunt every night of the year. It's self-defeating if you want to make a profit," the executive maintains. "Basically all specials lose money. They build audiences, but they lose money."

Wussler believes that unless networks get a proper handle on their program costs, they will go into the red. He has no intention of seeing CBS in that situation. He predicts that if competition between the networks continues at the same level for any length of time, one of the networks will be awash in a sea of red ink.

The network president points out that the presentation of series is already costing the networks more because they are now telecasting 30 originals and 20 repeats, whereas in former years the proportion ran around 26 and 26.

This means that those networks that embrace the 30-20 formula must offer many more original half-hours per season at a substantial increase in costs.

Wussler believes that the strong regular series will continue to be the backbone of the schedule. As he sees it, about 60 per cent of the network's schedule has to be strong regular series, the remainder to consist of specials, movies for TV, mini-series and multi-parters.

One area of weakness which CBS must sharply improve, according to Wussler, is its TV movies: "ABC has been producing large numbers of them for eight or nine years. All we've been doing for the last several years is about four or five per season.

"This year, we have about 40 in production under the supervision of Paul Monash, vice president in charge of motion pictures for TV and mini-series."

"There's a difference in intention, economics, and execution in our motion

pictures for TV," says Monash, who was the producer of *Butch Cassidy and the Sundance Kid*. "Many of the made-for-TV movies deliberately set out to be B pictures. We no longer think in those terms.

"We're de-emphasizing the popcorn picture and the gimmick picture. We don't want to do mindless melodramas. We're after quality. Initially, theatrical movies did what TV could not do. Now we're doing what movies can't do. Quite a few of our TV movies are serious examinations of the way people live in America today as well as entertainment.

"There are many stories that people won't go to the theaters to see, but they will watch in their homes. *Siege*, for example, is a motion picture about two elderly people trying to cope with violence in an American city.

"We're doing an interracial romance with Elizabeth Montgomery and O. J. Simpson. *See How She Runs* is about a 40-year-old woman who enters the Boston Marathon at a critical point in her life, after training for it." (It will star Joanne Woodward, and be directed by Paul Newman.)

TV movies expensive

The average motion picture for TV now costs about \$1 million to produce. Monash discloses: "The audience hasn't caught up to what we're doing. We don't have the success-or-failure syndrome of Hollywood. Except for a smash hit like *Star Wars*, all our TV films will be seen by millions more people than see theatrical films."

Both Monash and Wussler agree that CBS must do much more to improve the advertising and promotion behind its motion pictures for TV. "A theatrical film builds up an audience by word of mouth. The battle for TV audience for

movies is, however, won before it is telecast," Monash observes.

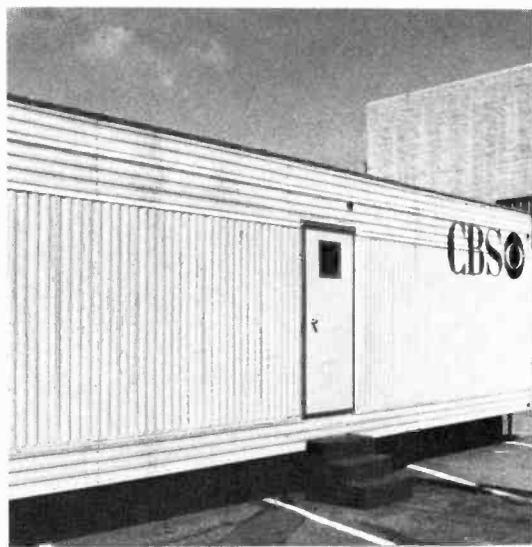
He points out that ABC recognized that advertising, promotion, and publicity are vitally important for TV movies. "It will help your movies get 40 shares, not 30s. It put ABC made-for-TV movies seven to ten points ahead of ours," he reports.

"I intend to have a creative advertising executive attached to my operation. He will sit in on all meetings," says the former theatrical movie producer. "We're going to program our TV movies as part of our Wednesday-night feature presentation. The network is not making any distinction between them and the big-budgeted theatrical movies that it acquires."

Monash is also going ahead with the development of 130 to 150 hours of multi-parters and miniseries. He does not expect too many of these programs to be ready for presentation this season, but most should be available next year.

The former writer has bought material with a great recognition factor. He has paid premium prices for best sellers, all of which could be made into theatrical films. Among these properties are *Blood and Money*, an eight-hour mini-series which is being produced by David Merrick from the best seller by Thomas Thompson; *Haywire*, the revealing account of life with actress Margaret Sullavan by her daughter, which will run four hours; a script centered around the

This mobile unit encloses new video tape equipment shown on the preceding page. Tape production in general generates savings on production charges of approximately 20 per cent, according to CBS Television Network president Robert Wussler. In 1976, seven program hours were produced on tape.



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life of Aristotle Onassis; the Sidney Sheldon novel, *Stranger in the Mirror*, and Peter Hamill's *Flesh and Blood*.

At the same time, Robert Markel, executive producer, dramatic programs located in New York, is working on a number of other longform projects—taped dramas, mini-series, and multi-parters. They include a series titled *American Classics*, two to three hours each of the best in American literature, including Thomas Wolfe, Mark Twain, and F. Scott Fitzgerald. The first of these will probably be *American Earthquake* by Edmund Wilson.

Shooting has already commenced on Dashiell Hammett's *The Dain Curse*, starring James Coburn, a six-hour detective mystery. Other projects include Irving Wallace's *The Word*, which relates to discoveries in the Dead Sea Scrolls which set a new time for the crucifixion of Jesus, and Guy Endore's *King of Paris*.

CBS will be spending between \$450,000 and \$600,000 per hour for its multi-parters.

"In the New York unit, we're trying

to do some material which couldn't be made into feature films. They are pure TV," says Markel.

Looking down the road

"As we look down the road for the next 10 years," says Wussler, "we'll have to look at our early-morning and late-night positions as areas to be developed. I don't expect any changes to be made in the near future, but it's something we'll keep thinking about."

Both Wussler and Frank Smith, Jr., vice president of sales, feel that the network will have to look to corporate advertisers as the major prospects for new billings in the future.

"It takes time for these advertisers to recognize that they can address themselves to all their publics through TV," says Smith, explaining why their spending has been limited up to now. Wussler believes that such advertisers are important to the medium because they are not as interested in circulation as they are in their image.

CBS has one major strategy for cutting down the cost of programs. At CBS'

Television City in Hollywood, it is trying to produce more of its situation comedies and dramas on tape instead of film.

Tape production generates savings on production charges of at least 25 per cent, according to Wussler. In 1973, CBS produced only two nighttime program hours on tape. In 1976, it produced seven program hours on tape, according to Joseph A. Flaherty, vice president, engineering and development.

Tape-production progress

It is the development of a new generation of one-inch helical scan tape recorders and the promise of faster editing systems that make continued progress in taping production possible.

The two new shows being taped on one-inch this fall are the *Betty White Show* and *We've Got Each Other*. The problem still to be licked is taping action shows, because of numerous edits.

Tape probably won't replace film entirely, because a particular story may call for film's softer look.

Under optimum circumstances, tape, however, will not entirely replace film because a story may call for the softer look that filmed material offers.

For the future, CBS has continued to make changes in its corps of top executives. Peter A. Derow, former president of *Newsweek*, has joined CBS, Inc., as a senior executive. He will help define policy and work on future diversification plans for CBS, Inc.

The responsibilities of John A. Schneider, president of the CBS/Broadcast Group have been broadened. Schneider will undertake additional duties, representing CBS in government and industry matters as well as continuing in his present function.

To relieve Schneider of day-to-day administrative duties, Gene Jankowski has been named to a new post, executive vice president of the Broadcast Group, where he will be its chief administrative officer. Jankowski's successor is Haskell P. MacCowatt, the new vice president, administration, CBS, Inc. Reporting to him will be a new vice president, personnel, CBS, Inc., J. William Grimes, the former vice president, CBS Owned AM Stations, CBS Radio division. □

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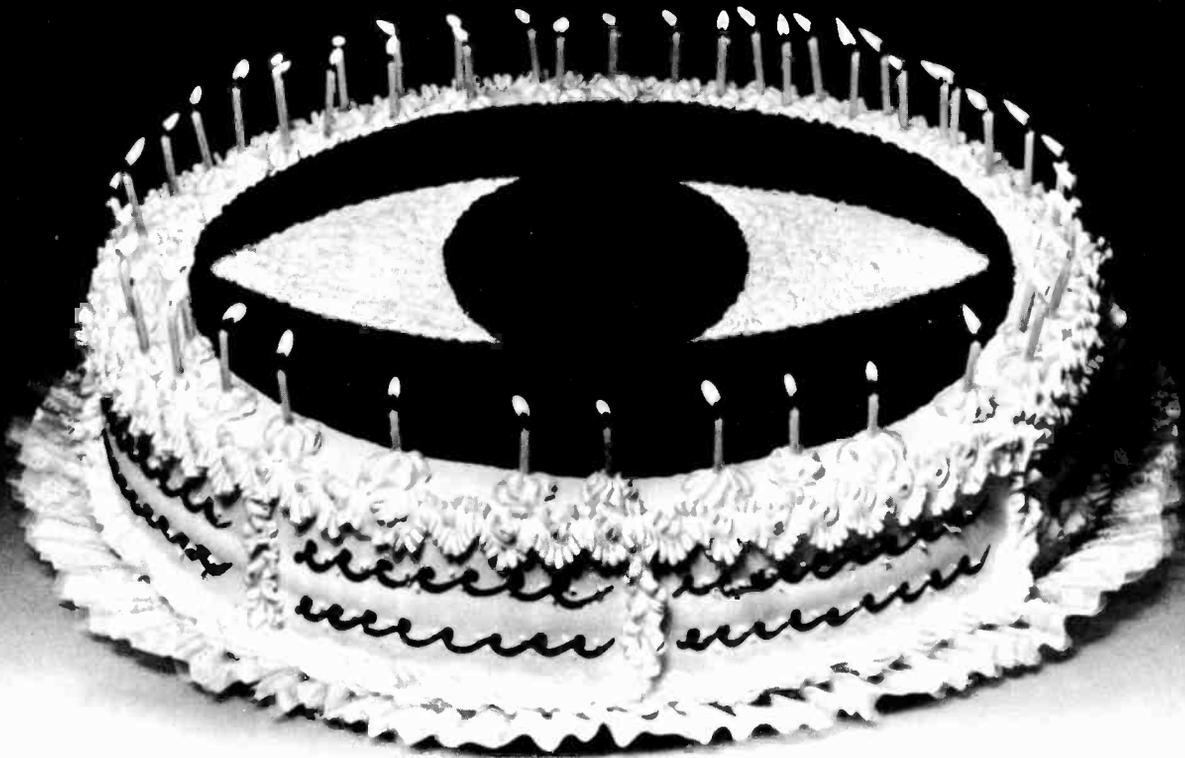
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Viewpoints

Questions answered about discrepancies between rating services

The letter in this section (*Viewpoints*, August 15 issue) from James J. Matthews of WGTU/WGTQ-TV Traverse City-Sault Ste. Marie, Mich. raises some questions regarding sampling that require answers. Here is a paraphrasing of the general issues brought up by Mr. Matthews in that issue and our answers:

QUESTION: When the two local market TV rating services measure the same audience, how can there be large discrepancies for certain programs in those markets?

ANSWER: Whenever two different samples are used to compare audience estimates, the laws of probability tell us that the majority of estimates should be fairly close together while some (normally about 5 per cent) may be substantially different. When comparing the many thousands of estimates (contained in the reports for a single market) from the two rating services, one is bound to find some large differences. Incidentally, because our estimate for a station is lower than another does not mean the lower estimate is wrong or that the station is getting penalized. The lower number may be more accurate than the higher one.

QUESTION: Does Nielsen sample markets in which they have no station subscribers differently from markets containing subscribing stations?

ANSWER: No. Nielsen does not differentiate based on station subscriber status. We do have certain types of clients (agencies, advertisers, producers, etc.) that purchase all markets, and therefore we maintain uniform treatment across markets.

QUESTION: Why is a non-subscriber to the Nielsen Station Index allowed to view only half the diaries for a measurement period?

ANSWER: The privilege of viewing diaries is normally reserved to subscribers to our service only. In this case, as a courtesy, we made an exception to the extent of half the diaries involved.

QUESTION: Are the lower levels for WGTU/WGTQ-TV in the May '77 NSI report due to a decrease in the metro area in-tab sample?

ANSWER: Audience levels are not related to sample size. Reduction of NSI's in-tab metro sample this year was effected to eliminate a disproportionately high in-tab metro sample in relation to total TV households in the DMA area. At the same time the in-tab sample for the non-metro DMA counties was increased to better represent the total TV households in the DMA area. Overall these changes were made to achieve a more efficient and more accurate sample in this market.

QUESTION: Why does the in-tab sample appear to include households with older adults?

ANSWER: Samples selected from telephone directories (as are those for the local TV rating services) tend to contain an above average number of older adults. For this reason NSI separately weights each of the reported demographic (age and sex) categories. The May '77 samples may have had a higher than normal proportion of older adults. Mr. Matthews should be aware, however, that based on census data, the median age for the head of house in the Traverse City-Cadillac DMA is over 50 years of age.

If Mr. Matthews has further questions, we would be happy to discuss them with him on a personal basis.—**Roy H. Anderson**, executive vice president and director of marketing, local services, *The Media Research Group*, A. C. Nielsen Co.

Uniform treatment across all markets

Audience levels unrelated to sample size

Programming

WOR-TV looks to Thames on 9

WOR-TV New York will be looking for average rating of 10 and a 13 share when it bows a practically all-new *Thames on 9* on October 2. The station calls the program effort the biggest news involving the station's new fall lineup. The English entry, produced by **Thames Television**, the London weekday TV program company, is also looked on by WOR-TV as sparking new interest in Sunday night programming.

Unlike last year, when Thames bought program time and sold commercials on the station, WOR-TV has bought the programs and is doing its own selling as well. And also unlike last year, when the Thames programs were shown on a strip basis, the series this time represents a 13-week schedule and will be shown weekly, from 8-10 p.m. Sundays.

New episodes of two sitcoms, *Father, Dear Father* and *Bless This House*, will share the first *Thames on 9* hour, which will be followed by a one-hour special of various types. The specials will include new segments of programs shown last year, *The Sweeney* and *Benny Hill*, a one-shot repeat of *Feeling His Way* (which received a 10 rating last year, according to the station), a variety show, *Bring on the Girls*, which inaugurates the second hour on October 2, and a follow-up later in the series, *Bruce and More Girls*. Preceding *Thames on 9* will be, at 7 p.m., a repeat of the Thames TV production *The World at War*, while from 10-11 p.m. the RKO General station will offer BBC's *The Onedin Line*.

According to **Pat Servodidio**, vice president of sales at WOR-TV, time is being offered in a limited commercial format, to conform with the program, with eight minutes per hour being sold on a participating basis. Servodidio says the 13-week two-hour series is being sold that way to avoid clutter and the expense that editing the programs would entail to accommodate additional commercials. It's understood a two-minute weekly sponsorship totaling 26 minutes is going for more than \$70,000, with 13 one-minute segments getting about \$39,000. The executive reports that the package is about 80 per cent sold thus far.

Diversity in access gains

Although the game and outdoor shows continue to be the staples of the network O&O prime access lineup, the New York fall schedule indicates that diversification is gaining strength. Of the six new shows slated for the 1977-78 season, two are considered in the "game" category, *Tattletales*, on WCBS-TV, Thursdays at

7:30 p.m., and WNBC-TV's *Family Feud*, set for Wednesdays. The other four shows illustrate the changing attitude by the New York O&Os to schedule alternative programming. WCBS-TV has marked the Friday slot for *All-Star Anything Goes*, a comedy-Olympics show; *That's Hollywood*, movie-history series on WABC-TV on Wednesdays, and *Special Edition*, magazine format shows, which replaced *Wild, Wild World of Animals*, on Saturdays on the same station. WNBC-TV's move into more varied programming is illustrated by the *Sha Na Na* series, in-concert programs by the rock group, which will be telecast on Tuesdays. In addition, the WCBS-TV schedule includes a 'standby' series Survival Anglia's *World of Survival*, which could replace a program that doesn't make the grade.

Still another indication of the growing trend away from game shows is the planned access entry of the *Hee-Haw Honeys*, music/comedy series, with the pilot being planned for January, 1978, airing. The series is being syndicated on a barter basis through Lexington Broadcast Services. Procter & Gamble is the sponsor, and it's being produced by Yongestreet Productions.

The pilot, which has been cleared on the NBC-owned stations, reportedly costs in excess of six figures. Webs are willing to spend more on access programming, notes one syndicator, a major reason for the shifting from the low-budget game and outdoor programs.

Ezzes in talks

Erwin H. Ezzes, who will retire as chairman and chief executive officer of **United Artists Television** at the beginning of 1978, is reportedly dickering for a tie with either a network or a film company. It's understood that Ezzes has been holding preliminary talks that center on either a sales spot or in buying.

Ezzes has headed the TV subsidiary since 1959 and was associated with the management team led by Arthur B. Krim and Robert S. Benjamin since 1951. During the late 1950's Ezzes was a TV consultant to UA and later became head of its TV subsidiary.

Columbia, ABC look abroad

Both Columbia Pictures TV and ABC News are looking for strong foreign audience acceptance regarding the programs involved in their syndication agreement. Norman Horowitz, senior vice president of Columbia Pictures TV Worldwide Distribution, said that he

expects the ABC News programs "will be as important and attractive to television audiences around the world as this strong broadcasting organization's entertainment programs have been."

Martin Rubenstein, vice president and general manager of ABC News, praised Columbia's ability to promote and distribute programming through its worldwide network of sales offices and personnel. Under the agreement, Columbia will distribute all forthcoming ABC News documentaries, effective September 1. The programs include ABC News specials, *Closeup*, *Issues and Answers* and *Directions*.

Syndication notes

Donahue, syndicated by **Multimedia Program Productions**, has added 11 stations and has renewed 15 markets. New stations include WTOP-TV Washington, KENS-TV San Antonio, KTEW Tulsa, WMTV Madison, KHAS Lincoln and WTAR-TV Norfolk. Markets renewing include WITI-TV Milwaukee, WTWO Terre Haute, WTVD Raleigh, WPLG Miami, WBAL-TV Baltimore, and KCMO Kansas City, Mo. The talk show will mark its 10th year November 6. It began as a local show in Dayton and moved to Chicago in April, 1974.

Jerry Dexter Program Syndication has added WPIX New York and WJLA-TV Washington to *The Wolfman Jack Show* fall season line-up. The prime access musical variety half-hour series was produced by Canada's **CBC-TV** and budgeted at \$85,000 per episode.

Portfolio VII, distributed by **Paramount Television**, has been sold to 65 stations, including 19 of the top 25 markets. New outlets include WTNH-TV Hartford/New Haven, WYTV Youngstown, WJXT Jacksonville and KRGV-TV Brownsville/Harlingen/Weslaco, Tex.

Tele-Tech Productions has cleared 218 stations for *Super Bowl XI* film, produced by NFL Films and sponsored by the U.S. Navy.

Colbert Television Sales *The New Joker's Wild* has been sold in four additional markets, bring the total to 21 to date. New sales were to WHC-TV Pittsburgh, WZZM-TV Grand Rapids, WBRE-TV Wilkes-Barre, and WBNS-TV Columbus.

Marlo and the Magic Movie Machine has cleared 50 stations so far, representing 50 per cent of the country, according to **Group W Productions**. The series has been playing on the five CBS owned stations since April.

Pennzoil Film Center, Los Angeles, has put *Ozark Music Mountain*, a half-hour special, into syndication on a barter

basis. The special features the life, musical sounds and crafts of Ozark mountain people.

The newly-formed USTV Network is offering *Nashville, USA*, 60-minute live show containing country music, interviews and world and farm news, for syndication. The company is gearing for an October 31 debut, five days per week in early mornings, possibly 6-7. Each program will offer 12, 30-second spots for local sale and 30-second spots for national advertisers. According to **Bill Dixon**, an associate at USTV, the series is looking for a reach of 60-80 per cent of the nation's TV homes. The program will originate from Nashville's Opryland studios, and may be taped for use later on the West Coast or in other areas.

The World of Survival series has begun its seventh season in syndication with 21 wildlife adventure episodes. The programs are distributed in the U.S. by JWT Syndication. Among the new titles are *Battleground Sanctuary*, *Tiger Tops*, *Island in Danger* and *Secret Alps*. **Survival Anglia Ltd.** produces the series.

Playback Associates *American Enterprise* has been sold to 12 stations. These include KMOL-TV San Antonio, KDNL-TV St. Louis, WTRF-TV Wheeling, KOA-TV Denver and KSTP-TV Minneapolis.

WBAL-TV bows magazine

WBAL-TV Baltimore will bow a magazine format show, *Baltimore at 10*, beginning September 19. The host of the 30-minute strip show, which will be aired live at 10 a.m., will be Mary Carol Reilly. According to the station's program director, **John Frankenfield**, the program will be a fast-paced montage of short information, service and entertainment features.

The station's ActionCam will be used to report events, explore points of interest and focus on people of Baltimore and surrounding communities. Reilly has hosted talk shows in Los Angeles and Chicago and has done TV commercials, in addition to other broadcast roles.

News about news

WBAL-TV Baltimore has begun carrying the *NBC Nightly News* at 6:30 p.m. on weekends. The station has moved *Action News* on Saturday from 6 p.m. to 7 p.m.

WJLA-TV, ABC-TV affiliate in Washington, will add *The ABC Evening News* at 6:30 p.m. Saturdays beginning September 17, while moving its local news half-hour from 6:30 to 7 p.m. *Wild*,

Wild World of Animals retains its 7:30 p.m. time slot.

KXAS-TV, Dallas-Fort Worth, has made some changes in on-air news personalities on its *Texas News*, which premieres at a 5 p.m. slot beginning September 19. Frank Healer continues to report Monday through Friday *Texas News* at noon, but Mary Ruth Carleton moves to the *Texas News* 10 p.m. spot. The 5 p.m. program will be reported by Russ Bloxom and Ed Eubanks. The *Texas News* at 5:30 and 10 p.m. on weekends will be reported by Ward Andrews and Pat Couch. Other changes involve sports and weather news.

Format, staff shifts

George Jenne has been named station manager of WJBO and WFMT-FM Baton Rouge. He has been general manager of stations in Omaha and Kansas City. The two stations are owned and operated by Baton Rouge Broadcasting.

KGBX Springfield, Mo., has become an affiliate of CBS Radio. The station has added to its own news and sports coverage the web's news-on-the-hour broadcasts, information features, NetAlert bulletins, *Newsfeed*, *Speedfeed*

and daily sports reports. Also added are the *CBS Mystery Theater* and *CBS Radio Adventure Theater*.

Radio Arts, Burbank, has added four stations to its adult MOR format, The Entertainers: WSWG Torrington, Conn., WMRN Marion, O., KELE (FM) Aurora, Mo., and KVFC Cortez, Colo. Joining the Easy Country line-up is KSVC Richfield, Utah.

WTOP Washington has appointed **Ed Dorsey** as news director. Dorsey had been news director at WINS New York.

Tom Miller has been named program director at WVA Wheeling. Miller had been program director at WCAW Charleston. He replaces Charlie Cook, who has moved to WHN New York, as assistant to the program director at the station.

Johnny Holliday has signed a multi-year pact with WJMD-FM Washington. He takes over the 6 a.m.-noon slot, Monday through Friday. The outlet is one of eight owned and operated by SJR Communications.

WRTN-FM (formerly WVOX-FM) stereo has a transmitter in Yonkers, N.Y. and has gone into a Return Radio

(Continued on page 43)

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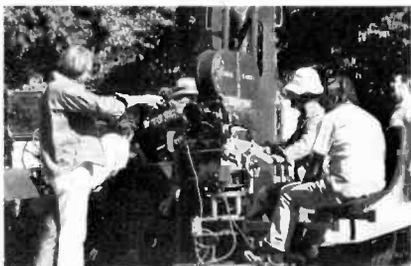
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Commercials

Director categories blasted

Directors are concerned about what they consider the trend toward being pigeonholed into specific talent areas by agency creative people and their clients. The play-it-safe attitude is viewed by directors as causing a stifling of creativity that's hurting agencies and clients themselves, paying top dollar for "innovative" commercials.

Bob Roughsedge, a partner at Roughsedge/Rosenberg, sees a narrow-minded agency tendency to put directors into niches ("tabletop," "children," "comedy," "slice-of-life," etc.). He says the agencies in general are motivated more by security than they are by creativity, which has resulted in an as-



Roughsedge, l., prepares to shoot a Doyle Dane Bernbach Volkswagen commercial.

sembly-line concept to making commercials and has placed limitations on the director's scope.

According to Roughsedge, who says he's typed as a dialog and an "old movie re-creations" director (based on past work), the chances are very slim and have become slimmer for a director to break out of the "specialist" tag pinned on him and others. Most of the agencies, he says, are unwilling to take a broad point of view on directors because they feel there is a risk involved in assigning a director without a track record in the field they're focusing on.

Much of the uncertainty and apprehension, has been dictated by the economy, feels both Roughsedge and **Burt Greenberg**, director/cameraman of his own commercial house, **Here and Now**. "The spillover of the 1973-74 tight economy is still with us, and one of the ways the agencies cut corners is to get tailor-made commercials, hammered out by 'specialists,'" Greenberg says. Roughsedge feels that the 1960's was more creative because agencies were not hampered as much by economic constraints as they have been in the past few years. He notes, "For the money the agencies are spending they're not getting anything really new or different."

Both directors admit they have made some dents in the agency armor against

using the "renaissance" house. However, says Greenberg, it's been a slow and not-so-steady process. One of Roughsedge's recent assignments was directing a spot for Volkswagen, which took some hard selling to get in the first place. But these jobs are rare departures. Greenberg has had his small share of moving away from being cast as an action and dialog director, but this has been rare, he says.

Both directors also feel that submitting sample reels to agencies is hardly adequate in helping to determine the right man for the job. Both say these represent poor measurements because the reels only depict examples of previous work, and spur agencies to choose a director based on that criteria. Greenberg suggests that directors shoot their own reels showing diversification. "It is a costly way to invest, but it could pay off."

Not all directors feel stifled creatively, the directors agree, and many are thriving on the very fact that they are specialists.

IBA open to video tape entries

The **Hollywood Radio and Television Society** is accepting video tape cassette entries in the 18th annual International Broadcasting Awards. Under the new rules, one category is limited to video tape commercials, in which at least 50 per cent of the original photography was on video tape. Both video tape cassettes and two-inch high-band video tape commercials may be entered in this category if they conform to the requirement, according to **Robert A. Daly**, IBA general chairman and executive vice president of **CBS-TV**.

In addition, three categories have also been opened for the first time to commercials submitted on video tape, whether or not video tape was used in their production. This includes category 10, public service; category 11, local (one market) and category 12, series (three commercials). Film entries are also eligible in these categories.

According to Daly, the changes in the rules "are responsive to the increased use of video tape in both the production and in the distribution of TV commercials."

Daly says that additional categories might be opened to video tape in future IBA competitions based on the judging experienced this year. The 17th IBA, which honored the best commercials of 1976, drew some 3,500 entries from 47 nations. Fifteen countries were represented in the finals, with countries other than the U.S. carrying off eight of the 21 trophies. Trophy and sweepstakes awards will be presented at a gala dinner

on March 7, 1978, in Los Angeles. Entries close December 9, 1977.

Production company formed

Michael Robert Productions has been formed by **Michael Dee** and **Robert Goldfinger**. The firm will be located in Union, N.J. Dee and Goldfinger formerly were partners in French Fried Films. According to Dee, the new company's director, Robert Productions is gearing its efforts to the moderate-budget client and to the producer with limited experience in video tape "who can take advantage of our wide experience."

Goldfinger says the company plans to do lots of work in film but "we see video tape as the most logical day-to-day medium for the client." Gary Civins continues as production manager and location producer and will also direct. Stew Yagada is production coordinator and editor. As French Fried Films, Dee and Goldfinger created commercials for clients such as American Motors Dealers, ShopRite supermarkets, WNEW-FM, Mobile tires and Red Devil paint.

Commercials circuit

Lee Rothberg Productions—**Lee Rothberg** directed a 10-second spot for Reader's Digest, which illustrated an article on psychic happenings. **Tony Silano** produced for **J. Walter Thompson**.

Sunlight Pictures—**Sol Dworkow** produced and **Ted Devlet** directed two 30s for Bufferin. **Herb Gompertz** produced for **Ted Bates**; **Ron Roman** was creative director and **Richard Sawyer**, account director.

Jefferson Productions—**Bob Newcomb** was director/cinematographer for a new TV campaign featuring Joseph Campanella for National Auto Parts Association. Spots were shot on location in Columbia and Charlotte and will begin airing in the fall. **Tom Matthews** produced for **Matthews, Cremins, McLean**, North Carolina. **Roger Howard** was writer. **John McCorkle** was production manager for JP, located in North Carolina.

Kent Wakeford and Associates—**Kent Wakeford** directed and photographed two 30s for Pacific Northwest Bell. Both spots focus on Bell's new "phone centers," where Bell customers may make phone arrangements, pick up their equipment and save money. Agency is **Cole and Weber**, Seattle.

The Best People—Director/cameraman **Jeff Newby** completed two 30s for **McCann-Erickson** of Houston and **Bank**

of the Southwest. The spots feature Flex-a-loan, the bank's program of delaying a payment. **Jesse Caesar** was creative director. **Morty Dubin** produced for the commercial house.

Tannebring/Rose—The Dallas-based company completed post-production on a package of TV spots for the First National Bank of Little Rock and **Cranford/Johnson/Hunt Associates**. The company also shot footage for *Aerospatiale*, *Chrysler-Marine*, and *Texas Department of Tourism*; and it edited an American Heart Association film *One Step at a Time*.

Michael Robert Productions—**Gary Civins** produced and **Michael Dee** directed three 30s promoting ShopRite's "Manager Sale Weeks." The spots were shot at **Windsor Total Video**. ShopRite spokesperson was **Linda Watkins**.

Lenny Hirschfield Productions—**Lenny Hirschfield** directed three spots using Unitel Production Services facilities to promote Magnavox's offer on an official National Football League record book. The book is being given to persons asking dealers about a trade-in for a touch-tune model TV. **Mary Ann Kurasz** produced for **William Esty**.

Bob Vietro Productions—**Bob Vietro** completed a 30 for **Kelly, Nason** and its client **Arm & Hammer** baking soda. Agency staffers included **Irene Taffel**, vice president, TV radio production; **Bruno Brugnattelli**, senior vice president and creative director; **Jerry Weinman**, senior vice president and copy chief; and **Lois Goldberg**, TV production.

Editing Concepts—**Charlie Chubak** edited a 10-minute promotional film and a 30-second TV spot featuring fashion designer **Halston** for **Karastan Rug Mills**. The film and spot were created by **Julian Koenig**, president of **Julian Koenig Advertising**. **EUE/Screen Gems' Mike Elliot** directed.

Lear Levin—Director/cameraman teamed with composer **Steve Karmen** for a package of two 30s for **Michelob** beer and agency **D'Arcy, MacManus & Masius**, St. Louis. Agency team included producer **Mike Horwitz**, art director **Steve Jarvis**, copywriter **Dave Wollert** and broadcast manager **Don Sager**. **Leslie McNeil** produced for Levin. Levin also completed a two-minute IBM corporate commercial, using the towering **Peachtree Plaza Hotel**, Atlanta, as the focal point. **Conahay & Lyon** agency producer was **George Myska**. **Gary Severson** was art director; **Nick Pisacane**, copywriter.

Tibor Hirsch—Hirsch directed a 30 in San Francisco, where he used a helicopter zooming over the **Oakland Bay bridge**. The spot was for the 1978 Lin-

coln **Versailles**. **Kenyon & Eckhardt** Advertising director was **Keith Gould**. **Barry Lisee** was agency producer, and **Susan Kirson** produced for Hirsch.

Ed Yelin Enterprises—The Hollywood company completed seven spots for **Gulf tires**, batteries and accessories. The package contains audio for three 30-second TV animatics and four 60-second radio spots. **Earl Gauger**, creative director for **Erwin Wasey**, Los Angeles, supervised for the agency. Spots were recorded at **Filmways/Heider**.

Big Apple judges set

The **New York Market Radio Broadcasters Association** has lined up a group of noted advertising experts as judges for its third annual **Big Apple Awards** for radio creative excellence. Judges include **Howard Cohen**, chairman of **Cohen Pasqualina Timberman**; **Gordon Cook**, senior vice president and promotion director of **Bloomington's**; **Lou Dorfsman**, senior vice president, advertising and design, **CBS Broadcast Group**. Also, **George Lois**, president of **Creamer/FSR**; **Edward A. McCabe**, senior vice president and copy director of **Scali, McCabe, Sloves**; **Charles Moss**, vice chairman, **Wells, Rich, Greene**; and **Helen Nolan**, senior vice president, creative director, **Della Femina, Travisano & Partners**. Winners will be announced at the **Big Apple awards luncheon**, to be held **November 18** at the **Hotel Americana**.

Festival extends entry deadline

The deadline for entries in the **20th International Film & TV Festival of New York** has been extended to **October 1**, according to **Herbert Rosen**, chairman and director of the event. The festival will be held **November 1-4** at the **Americana Hotel**. It encompasses all aspects of production from filmstrips and television and cinema commercials to TV programs, newsfilms, promotional films, introductions and titles.

The winners will be announced at a banquet on **November 4**. A grand award is presented to the most outstanding entry in each section, and there are gold, silver and bronze medals for each category under each section, as well as special achievement awards.

Ad makers

David Francis, **Walt Perls**, **Neil Vanover** and **Bob Watson** have been named creative directors at **Needham, Harper & Steers Advertising**, Chicago. **Francis** joined **NH&S** in 1973. He was a creative supervisor in 1975, when he moved to

San Francisco, returning to the agency later that year as an associate creative director. **Perls** joins **NH&S** as creative director. He had operated his own agency, **Walter M. Perls, Inc.** **Vanover** came to the agency last year as an associate creative director. **Watson** was with **Needham** from 1965-1968. He returned to the agency in **February, 1976**, as an associate creative director.

Beverly Fitzsimmons, vice president of creative services at **D'Arcy-MacManus & Masius**, also has been named director of administrative services. **Fitzsimmons** joined the agency in 1976 as manager, creative services. She had been director of creative control services at **Benton & Bowles**.

Ruth Fennessy, creative group head, and **Robert Schenkel**, art director/producer, has been promoted to vice presidents at **Dancer-Fitzgerald Sample**. **Fennessy** joined **DFS** in 1975. Prior to that, she was a copywriter at **Will Graham Co.** **Schenkel** joined **DFS** in 1975. Before that, he was an art director/producer at **Carl Ally Inc.**

Gabe Massimi, senior vice president of creative services for **McDonald & Little**, since 1975, has been appointed creative director of the Atlanta-based advertising agency. **Massimi** was creative director for **J. M. Mathes** and at **Pritchard, Wood & Partners, London**.

John Seroogy has joined **Botsford & Ketchum**, San Francisco, as a senior copywriter. He had worked for the agency and its East Coast partner, **Ketchum, McLeod & Grove**, from 1969-74. He most recently was with **CBS, Inc.**, **Emeryville, Calif.**, as creative director.

Arthur Black has joined **Wunderman, Ricotta & Kline** as a vice president and creative director. He had been a senior vice president and associate creative director of **March Advertising**. **WR&K** is a **Young & Rubicam** subsidiary.

Murray E. Schiff has joined **Muller Jordan Herrick** as copywriter. He had been a copywriter at **J. M. Korn & Sons** for two years.

Jill Asher Murray and **John K. DeBonis** have been named vice presidents at **Hoefler, Dieterich & Brown**, San



Murray



DeBonis

Francisco. **Murray** joined the agency in 1975. She will continue as creative supervisor in the copy department. **DeBo-**

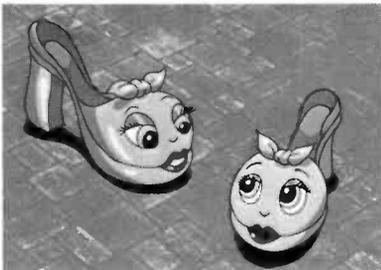
Selling Commercials

Dime Savings Bank • Doremus & Co.



ZANDER'S ANIMATION PARLOUR, New York

GAF Flooring • Daniel & Charles



PHIL KIMMELMAN & ASSOC., New York

Gillette/Cricket • J. Walter Thompson



SANDLER TAPE & FILM, Hollywood

Red Devil Paint & Varnish • Ted Barash



MICHAEL ROBERT PRODUCTIONS, Union, N. J.

Rudy Patrick Seed Co. • G-E



WGN CONTINENTAL PRODUCTIONS, Chicago

San Francisco Chronicle • N/A



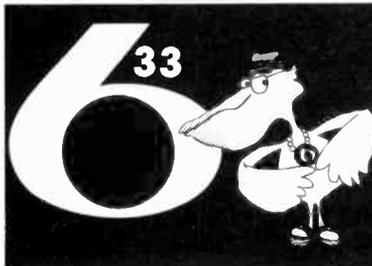
SNAZELLE FILMS, INC., San Francisco

Texaco • Benton & Bowles



Working to keep your trust
IMAGE WEST ELECTRONIC ANIMATION, L.A.

WCIX-TV/Coral TV Corp. • Marcus Adv.



DOLPHIN PRODS. N.Y. COMPUTER ANIMATION

nis has been with the agency since 1962. He will retain his responsibilities as creative supervisor in art.

N. Leslie Silvas, senior art director, and Bernard Sloan, copy chief, have been elected vice presidents and promoted to associate creative directors of **Chester Gore Co.** Both men joined the agency early this year. Silvas was, for eight years, creative supervisor at Ross Roy. Sloan was with SSC&B for 12 years as vice president and associate creative director.

BPA adds 104 members

The Broadcasters Promotion Association has added 104 members in the six months beginning in January. Membership in the organization, which provides a service to those concerned with broadcast advertising, promotion and public relations, now totals 704. The membership objective of achieving 700 members by December is four months ahead of its target date.

Much of the BPA member growth took place in conjunction with its annual seminar during June in Los Angeles, says Lynne Grasz, president of the association. California membership increased from 38 to 54. New York still leads all states with 57 members; Illinois is third with 46. All states are represented except Alaska, Delaware, New Hampshire and New Mexico. Internationally, there are 69 Canadian members, nine from Australia, and one each from Bermuda, Curacao, England, Mexico, New Zealand, Puerto Rico and Trinidad.

Advertising's the thing

The Blaine Thompson Co. continues to take a major portion of the Broadway TV advertising business, and this season it will handle 12 of the 15 major productions announced for the 1977-78 season. Among the new shows that the agency will be advertising are **Tartuffe**, **Dracula**, **The Merchant**, **Saint Joan**, **The Act** and **the Joffrey ballet Fall Season**.

New campaigns

"Wow! What a Match!" is the theme of a 30 TV spot created by **Shaller Rubin Associates** for Garanimals children's wear, featuring animal tag system of

KEEP TIME

Radio and TV people—get the most of every minute you pay for—to the last split-second with the MINERVA STOP-WATCH designed for radio and TV use!
Call: 914-986-5757.

M. DUCOMMUN COMPANY
58 Main St., Warwick, N.Y., 10990

matching sizes. **Mike Reid** was creative director; **Alan Hamburger**, copy; **Patrick O'Connor**, art director; and **Laura Benson**, agency producer. **EUE/Screen Gems** producer was **Michael Elliot**.

The Firestone Tire & Rubber Co.'s steel belted radial 721 tires will be promoted via a massive campaign including TV and radio spots. TV spots will be shown during the World Series of baseball in October and throughout September and October in local saturation spots in the top 100 markets. Radio spots will be broadcast from September 12 through 17 and October 10 through 15 and during **Mutual Radio Network** broadcasts of Monday night and college football games.

Bank sponsors report

The Bank Leumi Trust Co. has become the first fixed-time sponsor for one of WINS New York special reports. The show, *Mid-East Report by Jay Buschinsky*, which originates from Israel, began September 7 and is broadcast three days per week. The bank plans to use service and institutional ads on the 17-week program, which includes a total of fifty 60-second spots. In addition, there sponsor IDs at the opening and closing of the show. The shows are being broadcast Monday, Wednesday and Friday at 7:14 a.m.



Chuck Ashworth, executive vice president and station manager at KINT El Paso, promotes himself via outdoor sign, after deciding he was not getting enough recognition.

Music houses

Don Elliot Productions—The music house completed TV spots for Hasbro Toys' "G. I. Joe" for **Benton & Bowles**; Texaco, for **Benton & Bowles**; Burger King's "Anthem America" for **McCann-Erickson**; and Hunt's I.D. tag "Can After Can" for all Hunt's canned products for **Botsford Ketchum**, San Francisco.

The Latin Sound—**Marco and Sylvia Rosales** produced a package of three radio and two TV spots for Hispanic markets for Tuborg Gold, Danish beer brewed in the U.S.

Programming

(from page 39)

format. According to station president **William O'Shaughnessy**, the format is traditional middle-of-the road, with the accent on top-pop tunes and "country club" music.

WGST Atlanta has changed its format to all-news, information and sports. According to **Richard F. Carr**, vice president of radio operations for Meredith Corp., and general manager of the station, the move is being made in two stages. The news format is already in effect during drivetimes, with other daytime segments being added in the near future. WGST will continue to broadcast Atlanta Falcons football, Atlanta Hawks basketball and Georgia Tech football and basketball.

Meanwhile, Meredith has signed an agreement to buy WPCF-FM in Atlanta. The sale is subject to Federal Communications Commission approval.

The sporting life

NBC-TV's sports coverage of the Major League Baseball championships begins with a night contest October 4, followed by a day/night doubleheader on October 5 and a night game (day if travel is necessary) on October 6 and a day/night doubleheader October 7. The remaining two-day schedule depends on whether the games are necessary.

For the fourth consecutive year, KBMA-TV Kansas City, will be anchor station for the Kansas City Kings' 1977/78 basketball season. Neil Funk will be the TV voice for the 20-game schedule. The initial TV game is October 22, against Indiana.

Andy Russell and **Jimmy Johnson** have joined NBC Sports as football analysts for the 1977 National Football League season. Russell spent 12 years with the NFL; Johnson had 16 seasons.

The ABC Sports worldwide and marketing arm has acquired world TV sales rights to soccer star Pele's retirement match and ceremonies. The match, between the New York Cosmos and the Santos of Brazil, is to be held in New Jersey on October 1.

In production

A Family Upside Down, two-hour film for TV, is scheduled to start production in early October. The drama about a married older couple forced to separate initiates **Ross Hunter Productions'** multi-faceted contract with NBC-TV. The film stars Helen Hayes.

Production is due to roll October 3 on **William Mathison Productions'** (Los Angeles) *Goin' Strong*, half-hour pilot for a TV sitcom. The program is being

Dolphin helped!



WCIX TV Miami

"Even though we are an independent station, Dolphin's creative staff and computer animation give our movie openings and program umbrellas a 'special look', a cut above the competition."

Gail Blanchard
Promotion Manager
WCIX TV Miami

Call or write for our award-winning show cassette.

Dolphin
Productions, Inc.
computer animation
140e.80th N.Y.C.
10021
(212) 628-5930

independently financed by a group of Canadian investors who have been and are involved in the provision of care for the aging. *Strong* is about a young man who inherits an old-folks home.

Time-Life's first production commitment for 1978 will be *World War II: A G.I. Diary*, to be produced as a half-hour primetime or access series. The pilot will be produced in the fall. The 25-part docu-drama is based on a series of best sellers, *World War II*, published by Time-Life Books.

NBC-TV's mystery drama *Richie Brockelman, Private Eye*, now in production. The miniseries of three 90-minute programs slated for the 1977-78 season, stars Dennis Dugan. *A Title on the Door and a Carpet on the Floor* is the first episode and was directed by Arnold Laven from a script by executive producers Steven Bochco and Stephen J. Cannell.

Secondari Productions has completed filming the first episode of *Freedom Journey*, projected Public Television series of 13-hour-long biographical dramas about little-known blacks and their contributions to American history. The first episode is *The Lady and the Lynchings*.

Edward Shaw Productions, Los Angeles, has entered the TV arena and is producing a special, *Reunion*. Shaw will host and produce the show. He was involved in financing films such as *Aftermath* and *Give 'Em Hell, Harry!*. *Reunion* is being looked at by the company as a pilot for 26 one-hour shows.

RCA seeks rate hike

RCA American Communications, Inc. has filed a new schedule of proposed rate revisions with the FCC for use of its satellite television communications services. The RCA goal is to encourage greater use of off-peak hours and provide users with greater flexibility of use

through more choice of how and when to transmit. Proposed tariff changes include for the first time special lower rates for off-peak users that the company plans to put into effect starting November 10 for both its occasional and fixed-term users.

Proposed new rates call for \$329 per hour for the first five hours and \$316 for additional hours during peak load time. However, off-peak use would come to only \$175 per hour for each hour used, no matter how many hours are used. These are the proposed prices for protected service. Unprotected service in each of the above cases costs 20 per cent less. Protected service includes a back-up channel plus back-up facilities at every point in the system.

UA-Columbia Cablevision, Inc. is using fixed-term occasional hour channel service to feed 125 sports events to subscribers from Madison Square Garden. This allows a user to guarantee at least 1,000 hours of use a year, or opt for a minimum of 2,000 hours of use annually instead of the present single option of 1,800 hours a year. Under the current tariffs the 1,800 hour option costs a user \$350 per hour. The new schedule would charge those guaranteeing 1,000 hours of use annually \$570 per hour during peak hours, or \$350 per hour during off-peak hours. Those guaranteeing a minimum of 2,000 hours of transmission a year would be charged \$470 an hour during peak periods, or \$300 an hour during off-peak.

In addition to protected and unprotected service, **RCA** also proposes a preemptible option for users. The preemptible service may be used by customers transmitting material for storage and later play-back.

Four Star gets 'Pippi'

Four Star Entertainment has acquired the TV distribution rights to four *Pippi Longstocking* color feature films, slated

for family hour entertainment. The films are adapted from the Viking Press classics by Astrid Lindgren.

Four Star has also acquired Rolf Kauka's award-winning animated color feature *Once Upon a Time*.

Filmways overseas deals

Celebrity Concepts Specials, a series of 24 one-hour specials, has concluded sales with the United Kingdom, Israel, Greece and Thailand, bringing to 42 the number sold to foreign markets, according to **Edward K. Cooper**, vice president of **Filmways International, Ltd.**, Filmways worldwide TV distribution arm.

The specials feature artists such as Tom Jones, Neil Sedaka and Dionne Warwick, and are produced by Northwest Video of Edmonton, Canada.

Cable cues

The city of Altoona, Pa. and **Warner Cable Corp.** have agreed on a cable franchise renewal. The agreement enables Warner to continue providing cable TV service to that city until 1988.

Columbia Pictures Pay TV has released *Nickelodeon* to cable systems. The film is a comedy/drama about the pioneer days of silent films. In addition, beginning October 1, Columbia is making available its first group of specials for pay-TV. These are *In Session: Seals & Crofts* (produced by Columbia), *A Night on the Town*, *Fusion* and *Scapino*. The *In Session* show is the first of four in a series to be produced by Columbia for pay TV.

Tony Lynn has been named director of programming at **Telemation Program Services**, a subsidiary of Home Box Office. Lynn joins HBO/TPS from Teleprompter Cable TV's Elmira, N.Y. district, where he was program manager.

ITI in expansion

Intercontinental Televideo Inc. has tripled its staff and space and upgraded its facilities to broadcast quality, incorporating state of the art equipment. As a result of the expansion, the video services and facilities company is redirecting some areas of activity, including the broadening of ITI's base in Europe.

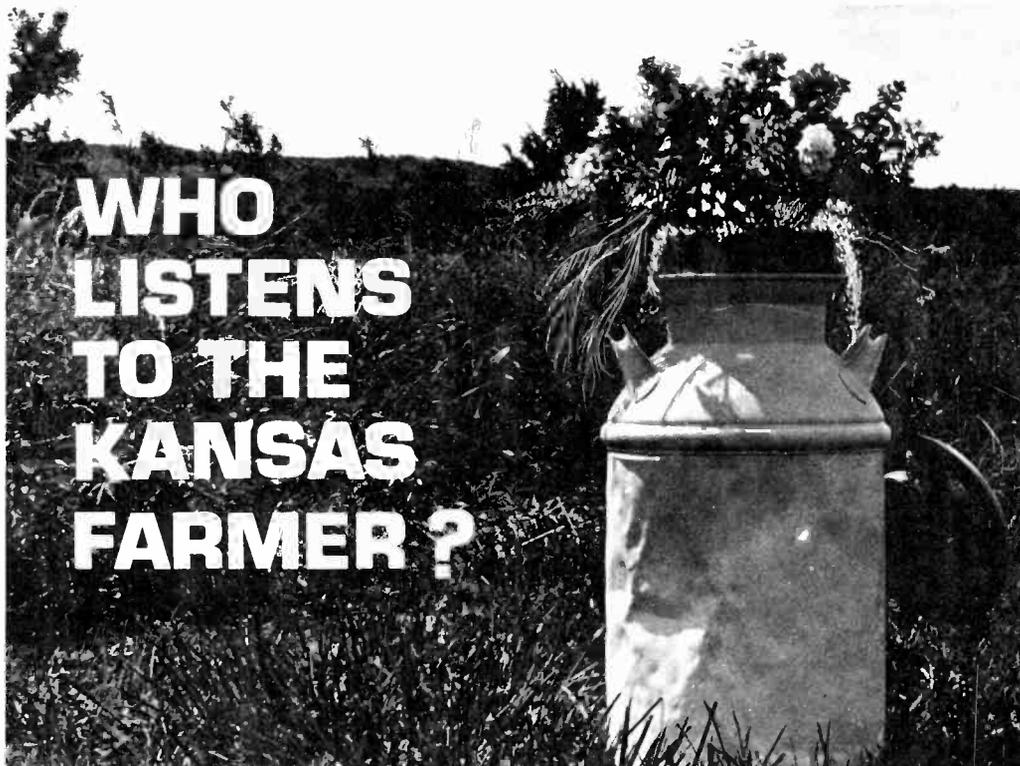
Although ITI may continue to use Audio + Video Ltd. of London as a subcontractor for the U.K., its major thrust will be coordinated from more central locations in Europe and the Far East. Gerald Citron, ITI president, will be in Europe this month and will supervise installation of a new international video tape playback network.

The logo for TVAC (Television's Newest Access Concept) features the letters 'TVAC' in a bold, stylized, blocky font. The 'T' and 'V' are connected, and the 'A' and 'C' are also connected. The letters are white and set against a dark, rounded rectangular background.

**Television's newest
series concept!**

Television/Radio Age Spot Report

September 12, 1977



WIBW, THAT'S WHO.

We listen because, in Kansas, farming supplies jobs for thousands of people . . . and food for millions. Our three-man Farm Department travels thousands of miles each year listening to the *real* problems in agriculture by meeting with the Kansas Farmer himself. We listen, find answers, and report to 105 counties in Kansas.

WHO LISTENS TO WIBW?
THE KANSAS FARMER, THAT'S WHO.



TV-AM-FM

Box 119, Topeka, Kansas 66601

A CBS Affiliate

Represented Nationally by



KATZ

BROADCAST SERVICES OF STAUFFER COMMUNICATIONS, INC.

Jerry Holley, Vice President Broadcasting

KGNC-AM-FM
CBS - Amarillo

KSOK Radio
Arkansas City

KRNT - KRNO
CBS - Des Moines

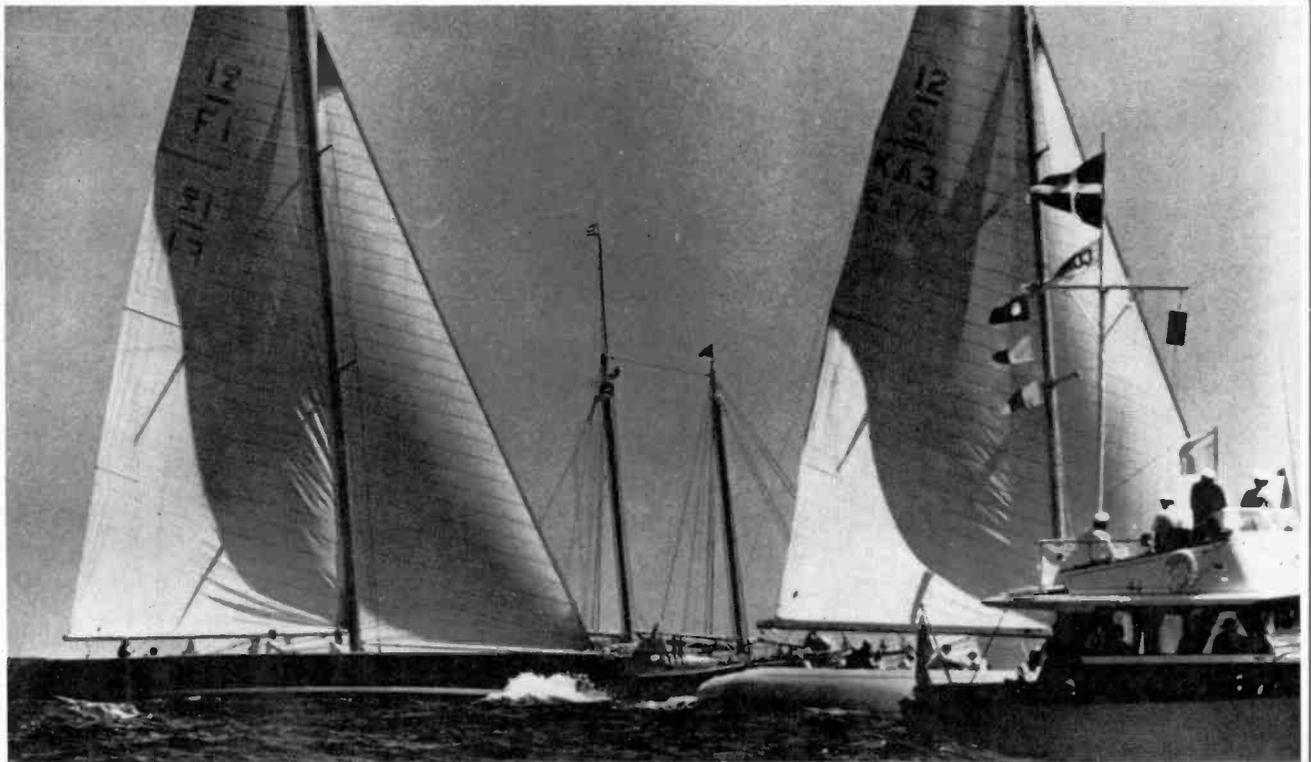
KGFF Radio
ABC - Shawnee

KGBX Radio
CBS - Springfield

WIBW TV-AM-FM
CBS - Topeka

ALL AMERICAN NETWORK - Televising the World's Richest Horse Race on Labor Day - Originating Kansas City Royals Baseball Network

MISSING PERSONS



To cover the Providence ADI - use WTEV



Missing persons - literally hundreds of thousands of viewers not measured by any rating - a most impressive addition to the WTEV summer audience. These are the money-spending seasonal residents and tourists who visit Southern New England for the summer - for sailing, swimming, sunning. When you buy WTEV-6, you get not only the substantial Providence ADI, but every day some half million vacationers on Cape Cod plus those summer people in Newport, Nantucket, Mystic Seaport and resorts along the 547 miles of WTEV-6 shoreline. An important force in the sales of your product.

A CBS AFFILIATE
WTEV 6

PROVIDENCE, R.I.
 NEW BEDFORD-FALL RIVER, MASS.
 NEW LONDON, CONN.

Vance L. Eckersley, Manager

STEINMAN TELEVISION STATIONS

WTEV Providence, R.I./New Bedford-Fall River, Mass.
WGAL-TV Lancaster-Harrisburg-York-Lebanon, Pa.

Spot Report

Television/Radio Age, September 12, 1977

Reps' spot TV forecasts see moderate gains in the fourth quarter

Following a Blair estimate earlier this summer that fourth-quarter spot TV could drop as much as 16 per cent below last year's banner quarter, the rep company later changed that to a possible 10 per cent decline and has now followed up with a revised forecast looking toward a possible fourth-quarter increase. Walter Schwartz, president of Blair Television's station division, said the final quarter could be "good to strong," based on current avail requests, but cautioned that requests are not orders. This is in line with the latest predictions out of such other major rep houses as Katz (forecasting a 2 or 3 per cent advance for the Katz outlets) and Petry, now anticipating a 7 to 9 per cent gain for its stations during this year's Christmas quarter.

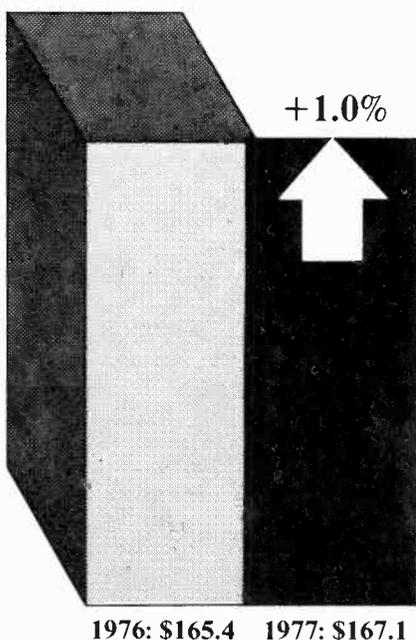
Frank McCann, president of Katz Television Continental observes that, following average fourth quarter gains for Katz-repped stations of 11 per cent in 1974, 13 per cent in '75 and 33 per cent last year, "this year's upcoming fourth quarter has to be considered a tough act to follow. Despite that, our fourth quarter forecast indicates activity for the industry as a whole roughly flat, with Katz represented stations achieving average gains a few percentage points over last year's record-breaking performance."

The new optimism is also more in line with reports from the Television Bureau of Advertising, now passing on the more bullish line from its rep members. TvB has also provided second-quarter and first-half BAR figures. These show Procter & Gamble still heading the list with a spot investment of \$25.6 million during the April-June period, with some of the biggest increases registered by General Foods, up 12 per cent for the second quarter to \$19.4 million; Colgate-Palmolive, up 17 per cent to \$11.1 million; Lever Bros., up a big 50 per cent to \$9.4 million, and ITT, up 36 per cent to \$8.9 million.

Though the dollar figures are smaller, much larger percentage increases were registered for spot advertisers like Anheuser Busch, up 1,010 per cent to \$3.5 million, American Airlines, up 467 per cent to \$3.04 million, and Chevrolet Auto Dealers Association, up 188 per cent to \$2.9 million.

June

National spot (millions)



Complete Business Barometer details p 24

Print advertising shows growth through July

Against a background of volatility in spot TV and a strong network TV economy, print advertising has been displaying signs of hefty growth. Advertising in dailies rose 15.4 per cent in July vs. '76, according to the Newspaper Advertising Bureau, citing Media Records lineage figures, though national business was up only 7.8 per cent, despite the increase of 18.5 per cent in automotive. The seven-month total for dailies was up 10.9 per cent.

As for magazines, July was up 18 per cent in dollar volume, 7 per cent in pages, according to Publishers Information Bureau figures revealed by the Magazine Publishers Association. For seven months, PIB magazines were up 22 per cent over last year in dollar volume, 11 per cent in pages.

MPA has launched a trade-paper campaign citing magazine ad increases for the first half and listing specific increases by 31 advertisers. Leading the list was Sears, with a 127-per-cent rise to \$15.7 million. Meanwhile, *The New York Times'* ad column recently highlighted a 15.6 per cent rise in Sears newspaper advertising in 38 "key" cities to \$67.7 million during the first half along with an 11 per cent drop in spot TV to \$6.7 million in the same cities.

Spot Report

Television/Radio Age

Campaigns

Airstream, Inc., TV
(Guerin, Johnstone, Gage, Los Angeles)

TRAVEL TRAILERS are being recommended for one week starting on issue date in a widespread list of television markets. Dan Reveles set the schedules to appeal to older adults.

Amana Refrigeration, radio
(Grey-North, Chicago)

MAJOR APPLIANCES will be using four to eight weeks of radio advertising in a great many markets across the country starting in early October. Buyers are seeking both men and women listeners 25 to 54.

American Dairy Association, TV
(D'Arcy-MacManus & Masius, Chicago, Atlanta)

MILK is being recommended for five to 13 weeks starting on issue date in a widespread selection of television markets. Karen Guzy is among buyers targeting women 18 and up.

American Home Products, radio
(John F. Murray Advertising, New York)

DENNISON'S CHILE is being served for four weeks in a good many Western radio markets starting on issue date. Media team is setting up schedules to attract women 18 to 49.

American Motors Corp., TV
(Cunningham & Walsh, New York)

CONCORD is scheduled to roll into a good many television markets for nine weeks starting on issue date. Susan Epstein is among buyers directing the campaign toward men 18 and up.

Clorox Co., TV
(Foote, Cone & Belding, San Francisco)

TWICE AS FRESH will be using spot TV from September 19 through the end of the year in a cross country selection of markets. Esther Felsenfeld and Vivian Batty are helping to line up schedules to reach women 18 to 49.

Continental Airlines, radio
(Benton & Bowles, New York)

FLIGHT is being promoted for 10 weeks starting on issue date in a great many radio markets from Washington to Florida. Target audience of the one minute commercials is men 25 to 54.

Dana Perfumes Corp., TV
(DKG, Inc., Air Time, New York)

(Continued on page 50)

U.S. News spots

Five stations in New York and four in Chicago will carry television's end of the new multi-media campaign for *U.S. News & World Report* created by Ted Chin & Company and placed by Independent Media Services. Spot's piece of the action kicked off August 22 in New York and August 29 in Chicago, and will be aired through September 26 stressing the magazine's pitch that "We spare our readers unimportant news. We spare our advertisers unimportant readers. We're read by only 8 million very, very selective people." Campaign's goal is to "create top-of-mind awareness among readers and media decision makers."

Remember... Entry Deadline for

"NO CONTEST" CONTEST

September 26, 1977

The Five ABC Owned Television Stations

The West is listening to

HERCULES BROADCASTING CO.



KRAK/KEWT SACRAMENTO • KMPS/KEUT SEATTLE

One Seller's Opinion

Selling all-night radio

It's refreshing when one gets the opportunity to pitch radio for all its inherent good qualities. All too often we are compelled to justify radio's role in the media mix with ratings and CPMS. Selling time on all-night radio is probably one of the few "pure sells" left to us.

All-night trucking shows on radio are the best media vehicles for many national and regional advertisers. They offer the potential advertiser:

- Enormous reach, as a handful of radio stations will effectively cover the entire country.
- Excellent frequency, as the trucker spends long periods of time in his cab.
- Targetability, as trucking programs concern themselves with information and services particularly geared to their audience.
- Ease of buying means very little negotiation between buyer and seller is required. Radio compares very favorably with other media in reaching the all-night audience. Television, in addition to being more expensive, is more *mass reach* oriented and obviously can't target in on the trucker while he's at work in the cab of his truck. Newspapers also have very *little selectivity* and it would require literally hundreds of them to reach the highly mobile all-night trucker audience. Outdoor advertising in the form of billboards also has severe limitations. Many of these billboards are unlit at night, and many interstate routes and turnpikes have laws prohibiting them.

Radio, however, is right on target when it comes to reaching the all-night trucking audience. Radio capitalizes on the opportunity to be a dominant medium for truckers by doing what it does best—inform and entertain.

Information comes in many forms. Truckers are extremely concerned with weather conditions. They must maintain tight schedules and have to know what lies ahead so that they can adjust their driving and rest times. All-night trucking shows specialize in extensive Accu-Weather reports. We're not just talking about temperature. Truckers' weather reports include snow reports and wind reports, the latter being particularly useful in guiding truckers on empty-load runs as to when to shift ballast. Accu-Weather reports are constantly updated throughout the night, and are an integral part of all-night radio.

All-night trucking shows provide special features devoted to discussion of items pertinent to the trucking industry. These features run from the comments of an expert on ICC rules and regulations to a manufacturer discussing his new product. Many trucking shows maintain open lines so that truckers can call in themselves and voice their opinions.

One of the key ingredients of a successful all-night trucking show is a highly identifiable personality. Names like Fred Sanders (WMAQ Chicago), Bill Mack (WBAP Dallas), Buddy Bay (WWVA Wheeling) and John Trimble (WRVA Richmond) are easily recognized by truckers. These personalities take an active interest in the problems of truckers and attend trucking organization meetings regularly. They work hard to develop credibility among their listeners.

When it comes to entertainment, country music is what truckers want to hear and this is what trucking shows program. The favorites are Charley Pride, Johnny Cash, Dolly Parton, etc. Country-music listeners as a whole are probably the most loyal of all listener groups, and truckers are no exception. Despite the fact that the radio band offers less selection after midnight, stations with all-night trucking shows do pay a great deal of attention to the likes and dislikes of truckers and maintain request lines for them.

With all this in mind it becomes easy to pitch all-night radio. And the account list is long and varied—anything from a manufacturer of power steering systems to a distributor of trading stamps.

And one more important thing. With a product like all-night radio, which so clearly demonstrates radio's reach, frequency, selectivity and creativity, any one of us can get pretty enthusiastic.—**Alan Tobkes**, *vice president, marketing services, Eastman Radio, Inc.*

Non-plussed in NEW YORK?

We have just the answer!

What you need is TELEVISION/RADIO AGE's pocket-size **1977 Ten City Directory**—the most-used and most useful reference book in the broadcast industry. Within its 4,000 listings, you'll have the latest addresses and telephone numbers for all kinds of places in ten principal cities:

- Agencies • Representatives
- Networks • Groups
- Commercial radio stations
- Commercial television stations
- Trade associations
- Research companies • News Services • Trade publications
- Program distributors
- Producers • Hotels
- Transportation • Restaurants

The **1977 Ten City Directory** will be your faithful guide to—

NEW YORK

CHICAGO

LOS ANGELES

SAN FRANCISCO

DETROIT

ATLANTA

DALLAS-FORT WORTH

ST. LOUIS

PHILADELPHIA

MINNEAPOLIS-ST. PAUL

Also included are media buying services, important Washington numbers, and the top 50 national spot advertisers. All it costs is \$3 a copy. Or \$15 for ten copies. Or \$100 dollars for 100. Send for your copies of this **1977 Ten City Directory** today!

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666 Fifth Avenue, New York, N.Y. 10019

Please send me _____ copies of
the **1977 Ten City Directory**

Name
Company
Address
City State Zip

(Company purchase order or payment must be enclosed.)

Spot Report

Television/Radio Age

Campaigns (from page 48)

TABU and CANOE will appear in about 15 major television markets from November 25 through Christmas. The 30 second spots will be directed toward both men and women 18 to 49. At DKG Susan Feit will be coordinating the buy through Air Time.

Dodge Dealer Associations, TV (Batten, Barton, Durstine & Osborn, Detroit)

AUTOMOBILES will be advertised from issue date through October, November or early December depending on market. Joan Yarnick and Debbie Cerrone are among buyers placing television spots in a great many markets with the emphasis on men 25 and up.

Ferrero U.S.A., Inc., radio (SFM Media Service Corp., New York)

TIC TAC CANDIES will be offered for six weeks starting in late September in a long and coast-to-coast list of radio markets. Negotiators are directing the messages to young people 12 to 24.

General Mills, TV (Dancer-Fitzgerald-Sample, New York, San Francisco)

WHEATIES will move into a fair list of Western and Midwestern markets for four flighted weeks starting September 19 and running through the end of October. Ann Goldberg is among buyers aiming for both men and women 18 and up.

Genie Garage Door Opener Systems, TV (Jack List & Associates, Cleveland)

Ideal's \$15 million

Helfgott, Towne & Silverstein will be placing a record \$15 million for Ideal Toy Corporation, with "almost 100 per cent of it in network and spot TV, 85 per cent of it running in the fall." The investment will back such items as fashion doll Sun Tan Tuesday Taylor, gymnast dolls Tippy and Timmy Tumblers, Electro Man, slotless model car racing, and the new STAR Team science fiction toys.

The record budget represents a 25 per cent increase over last year, says Stewart Sims, Ideal's director of marketing. And it could go higher, he adds, "as other toy firms back down from their fourth quarter commitments and more time becomes available."

AUTOMATIC DOOR CONTROLLERS are being displayed in a widespread selection of television markets during early September. Joan Stuart is placing to reach adults.

Gorton's Foods, radio (Daniel & Charles Associates, New York)

PREPARED SEA FOOD will be offered via three week radio flights with the first breaking on issue date and the follow-up scheduled for mid-October. Media team is aiming for women 18 to 49 in numerous markets from coast-to-coast.

Grossett & Dunlap, radio, TV (Winner Communications, Inc., New York)

STATE OF BLOOD, billed as "the inside story of Idi Amin," out of Ace Books starts a 30 market television

campaign in mid-September in both the U.S. and Canada, backed by radio in major markets. John Cantanese is lining up schedules to attract adults 18 and up.

International Business Machines, radio
(Media Specialists, New York)
OFFICE MACHINES will be recommended for four weeks starting September 19 in a cross-country spread of major radio markets. Target is upscale males, 25 to 54.

Interstate Brands Corp., radio, TV
(Dancer-Fitzgerald-Sample, San Francisco)
BREAD, already moving in some markets, will be spread into more for four to six weeks with start dates running from issue date through mid-October. Terry Wickham and Rhonda Kirschner are among buyers placing lineups aimed at women 35 and up.

Johnson & Johnson, radio
(Compton Advertising, New York)
TAMPONS will be recommended for three weeks starting after mid-September in a good many radio markets. Buying group is aiming to reach women 12 to 49.

Kawasaki Motors Corp., TV
(J. Walter Thompson Co., New York, Chicago, Detroit)
SNOWMOBILES are appearing between issue date and mid-December in Northern tier markets to impress men 18 and up. Donna Wald and Debbie Kameron are among buyers placing the account.

Norton Simon Inc., radio
(Media Corp. of America, New York)
PURE MAGIC and OTHER BEAUTY AIDS are scheduled for short flights out of Norton Simon's Max Factor & Co., with the early efforts starting after mid-September and the follow-ups due in early October and late November. Radio drive is aiming for young women, 18 to 24.

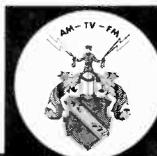
Olin Chemical Corp., radio
(Ward Archer and Associates, Memphis)
AMMO-PHOS FERTILIZER will be using radio spots beginning late September in 30 Midwestern agricultural markets. Minna Thompson planned the strategy with Diane Johnson placing the buy to reach corn growers in the target markets.

WJFM The power to persuade

With 500,000 watts, WJFM covers 720,000 households and 2,400,000 people. And they are listening. Calls have come in from 100 miles away and mail from 41 counties.

Who are these listeners? Men and women from 18 to 49 who appreciate "music just for the two of us," who enjoy the very best — and often buy the very best.

The nation's most powerful FM station.



The Felzer Stations

RADIO
WKZO KALAMAZOO BATTLE CREEK
WJFM GRAND RAPIDS KALAMAZOO
WWAM/WKJF(FM) CADILLAC

TELEVISION
WKZO-TV GRAND RAPIDS KALAMAZOO
WWTW/CADILLAC TRAVERSE CITY
WVTV/SAGINAW SABLET WARE
KOLN-TV LINCOLN NEBRASKA
KQRTV GRAND ISLAND, NEB.
KMEG-TV SIOUX CITY, IOWA

WJFM

GRAND RAPIDS AND WESTERN MICHIGAN

Buckley Radio Sales, Inc., National Representatives

Media Professionals



Sue Brown
*Associate media director,
Foote, Cone & Belding,
New York*

“More and more often, the decision as to how many commercials to put in a pool, or when to retire a commercial, is being made inadvertently in the Media Department. ‘Inadvertent is the wrong way, and the Media Department by itself is the wrong place. From time to time, media people remind each other not to substitute numbers for judgments. Numbers are tools to help make decisions. They are not the decisions themselves, any more than a pile of hammers and saws is a house. Hopefully, we continue to remember this as more data become available and our methods of quantitative analysis become more sophisticated. Why, then, the trend toward over-reliance on media data in making commercial rota-

tion and pool decisions? Certainly media weight and scheduling are important considerations. But frequency distribution and quintile analyses are *not* answers, and the improper way in which they are frequently used leads to poor decisions.

“When we say that after heavy viewers have been exposed ‘X’ times it’s time to expand the pool or retire the commercial, we too often ignore differences between products, commercials themselves, and the responses desired of the viewer. We assume that brands in lightly advertised categories have the same problems as those in a heavily competitive one, that light hearted or amusing commercials wear out at the same rate as hard sell ones, that complex messages or high cost items require the same exposure as inexpensive products, and so on. Worse yet, we assume that medium and light viewers don’t count at all, yet we certainly ‘count’ them in our estimate of audience delivery!

Meanwhile what we need to do first is to determine what the commercial exposure *should* be. Then we can use media analysis procedures to find out which pool or rotation options most closely meet this objective. But if we sidestep the hard work of making a real decision about the number of exposures needed—often one that must rely largely or wholly on judgment—and substitute the diagnostic tools for judgment, we are, in effect, calling that pile of hammers and saws a house. Is it really such a comfortable place to live?”

Appointments

Agencies

Karen Dixon has joined Louis Benito Advertising, Tampa as media director. The Doyle Dane Bernbach veteran has worked for agencies in Los Angeles, Detroit and Tampa, buying for such accounts as Sara Lee, United Artists, Ideal Toys, Olympia Beer, Datsun and McDonald’s Restaurants.

Anne E. Ranta, business manager of the Broadcast Department at d’Arcy-MacManus & Masius, Bloomfield Hills, has been named a vice president. She joined the company as a traffic manager in 1965 following hitches with Ross Roy and Grant Advertising.

Bob Monusky has joined Needham, Harper & Steers in New York as an associate media director. He moves in from a media supervisor’s post with William Esty, and before that was with Cunningham & Walsh.

Wendy Marquardt has joined Wyse Advertising, Cleveland as media supervisor/Broadcast Buying Group.

She had been a media supervisor for Griswold-Eshleman in New York.

Fred Moffatt has been named a media supervisor at Lewis & Gilman, Inc., Philadelphia. He moves in from Doremus and Company in New York where he had been an associate media director. He is also a veteran of N W Ayer and of Aitkin-Kynett.

Mitchell J. Gutkowski has joined the New York office of Gardner Advertising’s Advanswers Media/Programming, Inc. as a network television account executive. He had been in media research with William Esty.

Lois Huth has joined D’Arcy-MacManus & Masius San Francisco as broadcast media buyer and **Jan Emmelman** has been promoted to buyer from assistant buyer.

Edwin H. Mammen, William J. Case and **Frederick N. Doner** have been promoted to senior vice presidents of W. B. Doner & Company, Detroit. Doner joined the agency in 1969 as a copywriter, Mammen came to the agency in 1973 as vice president, account supervisor from Meldrum & Fewsmith.

Media Services

Jeff Dorf has been promoted to vice president, account executive at Air Time. He moves up from senior radio account executive after joining the company last year from a sales post with CBS-FM.

James J. Lance has joined Atwood Richards as vice president, sales. Lance was formerly with Antoine Chiris Co. and with Felton International.

Representatives

L. Donald Robinson has been named to the new post of president, Field Spot Sales, formerly Kaiser Broadcasting Spot Sales. He has been vice president and general manager of the Kaiser sales arm and before that was Eastern sales manager of TvAR.

Charles Hitchins has been named sales manager of Blair Television’s ABC sales team in Chicago and **Eileen M. Hopkins** has been appointed an account exec on the NBC Red sales team



At the 1977 Billboard International Programming Forum in Toronto, WKZO Radio was named National Adult Contemporary Radio Station of the Year.

The award is based on station programming, community involvement and promotional and advertising activities in markets of less than 1,000,000. WKZO competed against more than 2,000 entries.

At WKZO, we're naturally very happy to receive this award. We will continue with dedication and hard work to do even better.

Channeling our energies toward better serving our listeners is all part of the Fetzer tradition of total community involvement.



The Fetzer Stations

	WKZO Kalamazoo	WKZO-TV Kalamazoo	KOLN-TV Lincoln	KGIN-TV Grand Island	
WWTW Cadillac	WWUP-TV Sault Ste. Marie	WJFM Grand Rapids	WKJF(FM) Cadillac	WWAM Cadillac	KMEG-TV Sioux City

in New York. She had been selling for KXAS-TV Dallas-Fort Worth. Hitchins steps up from account exec in Chicago to succeed **Clint Pace**, now national sales manager of WEWS(TV) Cleveland.

Tanya Kaminsky has joined HR Television as vice president, research director and **Warren C. Ford** has been named director of programming. Ford steps up from research division manager and Kaminsky had been director of research of TeleRep.

Kenneth P. Donnellon has rejoined The Katz Agency in a general executive capacity and **Russell White** has joined the White sales team of Katz American Television in New York. White had been selling for Kaiser Broadcasting. Donnellon first joined Katz in 1965, and was named president of Media Payment Corp. in 1973.

Stations

Duane R. Harm has been appointed vice president and general manager of Corinthian Broadcasting's WISH-TV Indianapolis. He had held similar responsibilities at KOTV Tulsa, and before that at KHON-TV Honolulu.

Mann Reed has been named general sales manager of WTEV New Bedford-Providence. He joined the station in 1962 as operations manager and now moves up from regional sales manager.

Joseph William Evans has joined WCBD-TV as national sales manager. He comes from the sales staff of WTVR-TV Richmond, and before that worked for Katz in New York.

Buyer's Checklist

New Representatives

The Christal Company has been appointed exclusive national sales representative for WWBA-AM-FM Tampa-St. Petersburg. Both its AM and FM bands carry a beautiful music format.

New Viewers

The Country Day program has expanded in North Dakota and is now carried by 15 stations. New additions to the lineup are KFYR-TV Bismark and its satellites KMOT-TV Minot and KUMB-TV Williston.

Wall Street Report

O&M continues boom in revenues, profits into first half

Ogilvy & Mather International, which has had an enviable track record as a publicly held advertising agency over a 10-year period, is going into its 11th with some more enviable figures. Publicly held ad shops are not exactly "in" these days, with a number having recently opted to go private in recent years, but O&M can point to increases in revenues and profits in every year of its public life. Revenues grew at a compound annual rate of 15.2 per cent, while profits expanded at a rate of 18.3 per cent.

Last month, the company reported an increase of 57.3 per cent in profits for the second quarter. Earnings were \$2.95 million, or \$1.55 a share on revenues of \$37.44 million, a rise of 34.2 per cent. The stock was recently selling at about 36, higher than any level reached during the past couple of years. The high was \$23.50 in '75 and \$31.75 last year. In January, the annual dividend rate was increased 20.7 per cent—from \$1.16 to \$1.40.

In the first quarter, O&M earned \$1.38 million, or 73 cents a share, up 32 per cent from '76, while revenues increased 29.4 per cent to \$31.28 million. Thus, for the half, earnings reached \$4.33 million, or \$2.28 per share, up 48.2 per cent, while revenues for the six months were \$68.72 million, up 31.9 per cent.

Made big acquisitions— Scali, Cole & Weber

The company made clear that earnings for the full year will not go up at the same rate, the main reason being that first half figures were heavily affected by two major acquisitions last year, effective February 1 this year. They are Scali, McCabe, Sloves, New York, and Cole & Weber, Seattle. Both are being operated as autonomous organizations. Together they will probably add about \$100 million in billings to O&M's worldwide total this year. Last year, the Ogilvy shops billed, including capitalized fees, well over \$700 million.

O&M did pretty well last year, however, without the two acquisitions. Revenues were up 14.2 per cent to \$112.23 million, and net income climbed 35.5 per cent to \$7.74 million. The big jumps came from U.S. operations, which contributed 50.1 per cent of revenues, but 66.4 per cent of the profits.

Ogilvy & Mather International (six-year summary)

Selected financial data (000s)

	1971	1972	1973	1974	1975	1976
Fee and commission income	\$48,947	\$63,450	\$75,732	\$83,296	\$91,560	\$105,867
Direct marketing sales				2,834	4,276	4,600
Other income, net	595	1,113	1,645	1,670	2,393	1,759
Total revenues, etc.	49,542	64,563	77,377	87,800	98,229	112,226
Salaries	28,680	37,692	45,633	50,544	56,587	62,534
General expenses	12,549	15,572	19,455	21,902	25,204	29,190
Income before taxes, credits	7,431	9,300	10,121	12,625	13,049	17,295
Net income	\$3,700	\$4,196	\$4,959	\$5,505	\$5,708	\$7,736

Domestic arm had best year of the past 10

Last year was the best for the domestic O&M operation since the company went public. The \$56.2 million in U.S. revenues compares with the previous nine years (in chronological order) as follows: \$17.6 million in '67, then \$20.9, \$22.9, \$24.5, \$27.0, \$30.3, \$30.8, \$37.5 and \$44.9 in 1975. As for net profits, the comparable figures are \$1.4 million in '67, then \$1.7, \$1.7, \$1.8, \$2.0, \$2.4, \$3.1, \$3.7 and \$5.3 million in 1976. Those recent profits explain in part why O&M paid \$10 million for Scali, which grossed \$7 million-plus last year.

Besides the two agency acquisitions, O&M last year opened a small second agency in New York—Ogilvy & Mather/2—for special types of accounts, started up new offices in Chicago and San Francisco and bought out the outstanding minority interest in Hodes-Daniel, the agency's direct-response subsidiary. This company was then merged with O&M's Direct Response Division to form O&M Direct Response, Inc. The new O&M Chicago office is a fair-sized agency in itself, having reached a total of 90 personnel by early spring of this year. As for the direct-response operation, that is also a large organization and will offer creative, marketing, list-maintenance, printing and fulfillment services.

O&M does business in 28 countries and reported operating profits last year in 24 of them.

Segmentation (from page 32)

customers at the agencies keep needing more and better information. This is the reason for all the rep training programs."

As for the inconvenience to the harried buyer in a hurry, Jim Kelly, vice president, general sales manager of Blair Television, says that though Blair fields eight teams in New York and three in Chicago, "it's rare that the market list for any one buyer would be so long that she'd have to talk to more than three or four of our people at most. We don't have any standard coordinating setup for the medium-sized agencies, but when a buyer does have a long market list, she would generally be transferred to one of our sales manager's assistants who would pass all the information along to the others for all of the markets involved."

Bob Muth, executive vice president of Petry Television also reports that where a buyer is faced with a tight deadline, "some of them will ask the first salesman they call to pass along the buying parameters to our people handling the other markets included in their buy."

Dave Allen, president of Katz Television American, agrees: "Sure. We're

flexible about passing the buying specs along when a buyer is in a real time bind and asks us to. But in practice, most of the medium-sized agencies usually have a number of medium-sized clients with medium-sized budgets. So they normally aren't buying more than 15 or 20 markets deep for most of their national accounts, or they're buying one region or two for their regional accounts. And the way our two companies and their sales teams are set up, this would usually mean their buyers are calling only two of our people, or sometimes three, but rarely are they working with all six Katz teams at both companies."

And at the agencies, continues Allen, "our sales people have much more time these days to spend consulting with the buyers, because our computer setup takes most of the paperwork load off of their backs. To give you one quick example, our computers processed over 1,000 availabilities in just the first three days of this week—Monday, Tuesday and Wednesday."

Peter Ryan, executive vice president, Harrington, Richter & Parsons admits that "We do pass along the buy requirements to our other teams, but we've found that there's usually better com-

The reps have more work than they can handle, so they've hired a few more people. But what they really need is to hire a lot more people: agency exec.

munication if there is direct dialog between the person at the agency responsible for the buy and someone at each of our three sales teams here, or on the three teams in Chicago."

Improving the dialog

Sometimes, continues Ryan, the assistant at the agency making the initial call to the rep "does not start out with enough detailed and complete information to enable our people to do the best possible job and get from our stations exactly what it is that her buyer is looking for. So from the stand-point of doing a professional job, we think there should be a full dialog between the buyer and our people here who are most knowledgeable about each of the markets the agency is buying. The real time saving comes when the first calls include the most complete information possible so that we can jump on it right away and come back with the most effective schedule for their client."

PGW's Van Erk agrees: "We've passed the buying requirements along. But in the interests of better service, we prefer not to. We want our own market specialists to get the fullest possible information on buys involving their markets so that they can get back to the agency with the most pertinent information. We want to give the agencies better information, because that's what gets us better orders."

Two-way specialization

Van Erk adds that the move to specialization "works the same way for us. The agencies have split their buyers up by market assignment, too. Our Western man may have to see four or five different buyers at one agency, because the Phoenix buyer may be a different person than the Seattle specialist. But that's specialization. If it helps make everyone on both sides more expert in their specialty, that's also professionalism. And it's not only for the benefit of the larger agencies. The smaller ones also learn more from the greater expertise of the sales people who call on them."

THE WALTONS

**A responsible, successful
family series**

WARNER BROS. TELEVISION DISTRIBUTION, INC.



A WARNER COMMUNICATIONS COMPANY

Besides calling on the agencies, adds HRP's Ryan, "We invite the agency market specialists over to see the video tapes we get from our stations on their programming and on their competition in their markets. We have these tapes here anyway for our own sales training, and to keep our experienced sales people up to date on the stations they represent. We think it's a good way to let our agency friends actually see the current product of the stations they're working with."

Some agency men agree that all of this theory is a mighty fine one and one that would probably work as advertised, except for one thing: the revolving door

Reps today put in more time on every avail. And the people who do it have to be smarter. They say they're no longer just quoting a number out of a book, but selling estimates of futures.

turnover at many of the reps.

Says Weiss & Geller's Jack Geller: "Our young lady on the switchboard knows all the network salesmen by just the sound of their voices. And she used to know who the man was from Blair, and from Petry, and all the rest of them. But now all she has for the rep companies is a long list of names with half of them crossed off and new ones written in, because so many of them keep changing so fast.

"I personally prefer the one top-notch man who used to call on me, long on experience, who sticks around, and who's familiar with what his customers need. That would help us much more than the four youngsters they replaced him with, who keep looking for greener grass elsewhere."

The turnover problem

Petry's Muth explains that many factors contribute to the turnover, adding that "Most of it has been that everyone has added new sales people. We've added 20 to 30 per cent more in most of our offices, and we keep opening new offices and sending people out to run them. This is happening at all the major reps. We're all adding four or five sales people a year in our New York offices alone. Blair just

added 10 or 11. On top of that, you have salesmen who want to move into management, so they go with a station. Or to other reps. The whole business has expanded."

Other sources cite still other reasons behind the perpetual-motion revolving door:

■ The younger salesmen are eager, upwardly mobile, and always looking for more money by trying to connect with a rep firm with more major-market affiliates.

■ When some stations leave one rep company for another, they sometimes move on the understanding that the new rep will put more salesmen on its case.

■ Some rep salesmen establish such close rapport with some of the station managers they work with that those station managers ask them to take over their national sales posts.

■ One source suspects that some of the added speed behind the turnover has been generated as a by-product of the reps' computerization: "Now that we're

We had our first taste of tobacco at two.

When we were four years old, we were smoking. Since we went into business in 1962, we've done commercials for almost every kind of product on earth.

And they all came up to snuff.

**Jefferson
Tape & Film**

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New York Office:
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By The Editors of BM/E

A complete guide to FM radio station operations with information on station planning, engineering, automation, production, stereo and quad techniques, promotion and management. A true "state-of-the-art" compendium, it is designed for anyone who wants to acquaint himself with the subject. Even experienced FMers will find information they can put to use.

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Enclosed find \$ _____ for _____
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all on computers, we can determine much faster exactly how well each of our sales personnel are performing against the average for the rest of the pack. So the weeding out process *has* probably been speeded up."

But as another rep chief points out, "There's always been a lot of turnover in this business. It may seem like a lot more today, because, with twice as many people in the business as we had in 1960, we have twice the number of people turning over."

And still another, admitting that "Sure, we have our share of sales people moving in and out," adds, however, that "It's still a lot smaller share than that at some of the O&O operations, or a Group W, where the salesmen are constantly rotating around between their house rep and various sales jobs at their stations, hopping around from one market to another, just as they've finally learned enough about their last market to start to be of some use. And I bet that the turnover at some of the agencies is even higher than that at the O&Os."

Attacks on the problem

But the reps are taking steps to staunch the flow, and even to add new blood. Avery-Knodel Television president Bob Kizer reports that the 23 major rep firms, through the auspices of the Television Bureau of Advertising, have joined to launch a training program "for people totally new to this business," set to kick off September 27, with participants attending two nights each week for 20 weeks. Each of the 23 companies are appointing one candidate, with the ground rules for selection stating that each candidate must *not* be from a rep firm, from a station, from an agency or from a media service. But they must have sales experience in some other field—almost any other field.

This is on top of the many individual rep training programs that many of the 23 companies already have underway or are planning to start up on their own. And then there are incentives to sales people to stick around.

The Katz approach

Katz's McCann, for instance, describes "a couple of steps we've taken that have held our turnover down quite effectively." First, he says, is Katz's ESOP, or Employee Stock Ownership Plan, "100 per cent company financed. Everyone in the company is in on this, from the mail boy right on up to Jim Greenwald. In addition to that, our key salesmen have additional stock holdings in Katz. These are shares they've bought themselves which also serve as incentive, both to stay with us and to perform well." □

VCR introduction (from page 33)

growth for a number of marketers. He, along with ITA Home Video Systems Committee members like Jack Sauter, RCA's vice president-marketing, expect that as many as 750,000 units will have been sold by the end of 1978 (compared to the estimated 60,000 now in homes), and over one million the following year.

Sauter expects RCA to capture a leading or 25 per cent share of that expanded market.

The ITA executive director estimates that the million-plus sets "will each swallow 15 or 20 video (blank) cassettes at \$12 and up in the first year in the consumer's home," and Sauter sees at

Jack Sauter, RCA vice president-marketing and member of the International Tape Association Home Video Systems Committee, expects as many as 750,000 home VCRs sold by the end of 1978, compared with an estimated 60,000 now in homes. And he projects cumulative sales to break the one-million mark in the following year.

least half the cassettes being purchased in the first 60 days of unit ownership.

The joint estimate is grounded on the assumption that the cassettes will be retained for a more or less permanent home library.

It is not based on the idea that tape life necessitates so large a purchase of cassettes. For as John Dale, another ITA Home Video Systems Committee member and marketing executive with Fuji (maker of tapes for RCA and other cassettes) explains, "The tape life itself is practically limitless, with little wear occurring by virtue of playback, re-recording and erasure."

The optimum tape length is still at issue with Magnavox and GTE-Sylvania reporting that they will join RCA in introducing units with up to four-hour capability on a single cassette. These are all JVC/VHS-format machines, but are

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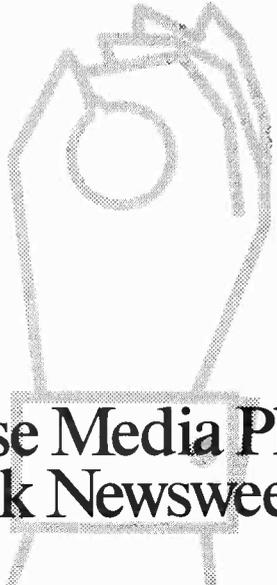
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RM-102 transmitter and receiver.

Eventually there may well be competition based on more esoteric refinements. For example, Sony and Mitsubishi have both recently demonstrated pulse code modulation (digital) units for 'noise-free' audio recording via their VCR machines, but these have not as yet been brought into the consumer market, and at high prices, should not make immediate impact.

being manufactured by Matsushita, which reportedly will introduce its own VHS-format unit shortly. To make the marketing picture even more complicated, Matsushita is already represented with its Quasar VX-2000, one of the four non-compatible formats.

Sony said it will debut this fall a cassette changer to give Betamax four-hour capability on two cassettes. But JVC plans to stand pat with its half-hour-up-to-two-hour range for its own Vidstar VHS system. "because we think that is all that is really needed," says marketing vice president Richard O'Brion.

Eventually there may well be competition based on more esoteric refinements. For example, Sony and Mitsubishi have both recently demonstrated pulse-code-modulation (PCM) units for "noise-free" audio recording via their VCR machines, but these have not as yet been brought into the consumer market, and, at projected initial price in the \$2,000 to \$3,000 range, are not expected to make such immediate impact. The PCM units digitally encode a sound source and convert it into on or off pulses which tell the unit the amplitude and frequency of the audio wave.

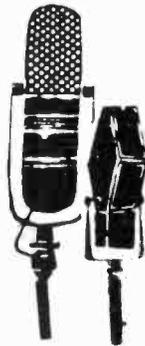
Another competitive factor

Another competitive factor in home video systems may appear shortly in the form of the long-promised optical videocdisc systems.

The main initial contenders seen developing in this category last year were North American Philips/MCA and RCA. But while the former is still expected to test market its disc player that uses pre-programmed materials including feature films from the already es-

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In the audience research area, not much impact is expected over short run. A Nielsen spokesman points out that there will be low penetration by videocassette units of the roughly estimated current 58,320,000 U.S. color TV homes. He notes, however, that Nielsen is able to monitor and meter simultaneous usage and videotaping and distinguish between them—counting the taping as usage.

tablished MCA Disco-Vision library late this year, RCA at its videocassette recorder press introduction said it had no established marketing timetable and was back in the developmental stage with its videodisc unit and its discs.

A Frost & Sullivan report views RCA's caution as based on a concern about whether it can meet a targeted price of \$500 or \$600 for its laser optical videodisc playback unit. This would be well under the cost of a videocassette player which, of course, has the added capability of recording. The report points out that Philips/MCA will aim for more sophisticated features "with correspondingly higher costs." At this writing Philips has not announced its price intentions for either its expected videodisc or Magnavox videocassette entries.

What will all this mean to the broadcasting business? The consensus is that home video systems will have very little impact at first. One frequent commentator on the home VCR scene, Shepherd Kurnit, DKG Inc. chairman, has sanguinely put it this way: "One technology doesn't replace another; it feeds off it."

Other sources, however, are concerned lest one will feed too well off the other, with piracy and bootlegging of off-the-air recordings becoming a regular occurrence. It has been reported that copies of hit feature films like *Star Wars* have already made their way into homes of videocassette unit owners.

Paul Eisele, consumer marketing director of Time-Life Multi-Media, sees this as the work of some unscrupulous consumer electronics dealers who are taping this and other Home Box Office pictures off-the-air and dubbing them onto customer cassettes as a lure to sell hardware.

To protect Time-Life from a similar fate, Eisele plans to drop-ship encoded tapes ordered at retail stores by consumers at the consumer's home so they never get into the retailer's hands. ITA's Finley also pointed to encoding as an important step in dealing with illegal

activities "the same as with audio piracy."

At-home recording

At-home, off-the-air recording is another matter, according to Harvey Schein, Sony president, whose company along with its advertising agency, Doyle Dane Bernbach, some retailers and a Betamax owner were named in the suit by Universal and Disney alleging illegal taping of their copyrighted material. Schein has argued that copyright laws don't specifically bar video recording for at-home use and that the laws were not intended to prevent consumers from deciding how and when to see TV programs beamed into their homes.

The suit asks, among other things, that Sony be enjoined from making, distributing and selling Betamax recorders and tapes.

Industry sources point out the obviously interesting wrinkle MCA has created in the issue by way of its alliance with Philips and Magnavox in the expected marketing of a videodisc system, while Magnavox has also been announced as a soon-to-be entrant in the videocassette field.

As for networks and others concerned with the copyright issue, it will be addressed by Joseph Bellon, CBS News vice president, with a panel of copyright experts at the ITA Home Video Systems Seminar in October in New York. But Bellon says the issue is so complex he is still considering how best to keynote the session.

Some sources see broadcasting generally benefiting from off-the-air recording and point out, for example, what a boon it might have been in the current primetime explosion of new shows, when viewers are bound to miss a number of introductions aired in the same time-slot with ones on other channels.

This is not to mention the strong likelihood that in the future large numbers of viewers may, for instance, tape a

primetime show and watch it the next day or tape a late-night show and watch it the next morning, but whether this will be a benefit remains to be seen. And what about the effect on reruns?

Advertising is seen being helped as commercials would be assured increased exposure from playback of videotaped shows. It has also been pointed out that videocassettes could be a good format for long copy commercials geared to specialized audiences. Non-broadcast use of videotaped advertising is seen expanding at point-of-sale and programmed cassettes are also envisioned being used—legally—as self-liquidating premiums.

Impact on research

In the research area, not much impact is expected over the short run. A Nielsen spokesman points out that there will be low penetration by videocassette units of the roughly estimated current 58,320,000 U.S. color TV homes.

He notes, however, that Nielsen is able to monitor and meter simultaneous usage and videotaping and distinguish between them. Taping of one program while viewing another counts as simultaneous usage of two sets since it involves two tuners, but playback does not count as usage "any more than videogames do," he explains. Nielsen can measure four sets on one meter, he adds.

The roster of companies that already have or have announced home videocassette systems for fall distribution in the U.S. market includes Sony, Zenith, Toshiba, JVC, RCA, GTE-Sylvania, Magnavox, Sanyo, Akai, Matsushita (which also markets consumer electronics under the Panasonic label in this country), Mitsubishi, Sharp, Pioneer, Hitachi and Quasar.

If no more than a handful out of this group actually enter the marketplace, it can still make for the kickoff of an intensely competitive struggle, and as marketers like JVC's O'Brien see it, "the beginning of an exciting new age in home entertainment that will see liberation of TV from its original role as a purely passive experience."

O'Brien points out that viewers will be able to create their own TV programs in at least four different ways: Using a home video camera, they will be able to make instant home movies on video tape; they will be able to play back pre-recorded education and entertainment programs as these become increasingly available; using a simple optional telecine attachment, they will be able to transfer existing 8mm or super 8 movies to videocassettes, and finally, record televised programs for later viewing, while asleep, away from home or watching another program. □

Live coverage (from page 35)

Among the most vocal advocates for cameras and recorders in courtrooms are some of the judges from states that now permit such coverage. Among the most eloquent is Howell T. Heflin, former Chief Justice of the Alabama Supreme Court. Justice Heflin was recently honored with the James Madison award of the National Broadcast Editorial Association for his part in opening the courtrooms of Alabama.

In his acceptance speech, Justice Heflin said Canon 3(A)(7) "is based on a predetermined presumption that a defendant cannot get a fair and impartial trial, if photojournalism or radio is used to report that trial."

The Canon, he added, "assumes as a fact that the use of camera, radio and television instruments by the media in every case interferes with the administration of justice. Courts have been proud of their history that they deal with realities and not with conjecture. It, therefore, becomes necessary that courts consider the reality of advanced and modern technology and equipment that is (now) available."

"In hearings before the Supreme Court of Alabama," the Justice said, "the media made a strong case when it pointed out that photographing and broadcasting a church service did not affect the dignity of that church service or detract from or degrade the solemnity of the service, if sophisticated and advanced technology was employed."

And he closed by saying, "... there is a constant need for educating and informing the people concerning the proper functioning of all three branches of government. There is no field of government of which the people are so poorly informed as the field of judiciary. It is highly inconsistent to complain of the ignorance and apathy of the people concerning the judiciary, and then to close the windows of information through which they might observe and learn."

Conducting experiments

Many judges and lawyers are learning more about the technology of electronic courtroom coverage by conducting experiments with the use of video tape as a court record.

Oklahoma City lawyer George Misovsky, Sr. says, "Video tape of the entire trial is the best possible record of the actual conduct of all the principals. With such a record, there is no question about whether the judge's facial expression had anything to do with his rulings. Such a record is valuable in ruling on motions for a new trial, or in reviewing the trial on appeal."



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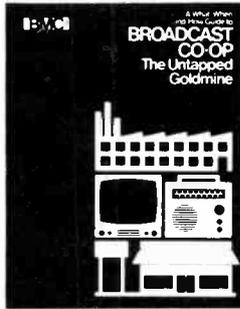
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All this prompts a feeling of *deja vu* among those of us who have been in broadcast news 20 years or more. When my career in television began 23 years ago, cameras and recorders were routinely used to cover trials in Oklahoma. Under the leadership of men like Oklahoma County District Judge Clarence Mills and Court of Criminal Appeals Judge John Brett, the decision was left to the trial judge. In most cases, he consulted the defendant or his lawyer, and sometimes the prosecution. Then, if their reactions were favorable, he called us in and we all agreed on the "ground rules."

Back in 1957, the National Association of Radio and Television Broadcasters (the present NAB) wrote to the general manager of the stations I worked for, WKY-AM-TV in Oklahoma City, to ask about our courtroom coverage. General Manager R. W. Welpott replied, in a letter found in the bottom of an old file recently, "The WKY News Bureau began coverage of court proceedings in 1951. Since that time we have been present with cameras in many district and lower courts throughout the state. To the best of our knowledge, there has never been a complaint or expression of dissatisfaction from any judge with whom we have worked."

The letter goes on to say, "We no longer use any kind of lights. Our cameras use (fast) film and when necessary (we) over-develop. The old (courtroom) booths have been eliminated and cameramen now occupy a place at the press table with other reporters. Movement is kept to a minimum. Silent cameras are used. We insist that our people be properly dressed."

I can remember covering trials in many Oklahoma courtrooms, standing in coat and tie in an unairconditioned courtroom in August behind an Auricon sound-on-film camera, afraid to move, praying that the film magazine wouldn't squeak and hoping that a recess would come soon so I could make the film processing deadline for the next show.

But it was worth it.

Our viewers could see the judge, the jury, the defendant and the attorneys. In many cases they could see the evidence and the witnesses, and could even hear crucial testimony, as when the defendant took the witness stand.

Judge impeachment aired

The climax came for us in broadcast news in Oklahoma when, in 1965, Justice N. B. Johnson of the Oklahoma Supreme Court was impeached. And his trial in the State Senate of Oklahoma was televised! It was not a political event. It was a lesson in democracy. It was the system working. A member of the high-

est body of the judiciary, Justice N. B. Johnson had been accused of taking bribes from another Justice in return for favorable court decisions. The Justice offering the bribes had confessed. A third Justice implicated resigned rather than face impeachment.

But Justice Johnson maintained his innocence. He was impeached and tried in the State Senate, prosecuted by a team of House members, with the Senate acting as jury. The Constitution of the State of Oklahoma could be seen in action. On May 13, 1965, the closing arguments were made before live television cameras in the Senate chambers. Then the verdict came, and thousands of Oklahomans watched on their sets at home as the senators voted. Thirty-two votes were needed to convict. And thirty-two senators voted "guilty." Justice Johnson was removed.

Some said it was a black day for the law in Oklahoma. But it was followed almost immediately by an aggressive court reform program, a program so successful that the present Chief Justice of the Oklahoma Supreme Court, Ralph Hodges, was recently named state appellate jurist of the year by the National Trial Lawyers Association.

It is not beyond the realm of possibility that the Oklahoma court reform program owed some of its success to the fact that corruption in the judiciary was given the widest possible exposure. Unfortunately, the Oklahoma Supreme Court subsequently adopted Canon 3(A)(7) and no longer permits courtroom coverage.

Courtroom art

By contrast, most Americans find out today what happens in their courtrooms by looking through the eyes of the courtroom artist. Do not expect me to criticize the courtroom artist. I am married to one. My wife, Teddy, is our courtroom artist at KTVY, chosen in an anonymous competition. She won the job fair and square, but one of her tennis friends was a little shocked when she learned of Teddy's avocation and asked, "Isn't that incest?"

Courtroom artists have a difficult job. They must capture the likeness of the judge, the defendant, the lawyers, the jury, the witnesses, all in a few minutes. And the results are often striking. But they are not real.

Tom Shales, the television critic for *The Washington Post*, put it this way in a recent article about television coverage of the long trial of Maryland governor Marvin Mandel: "You can't put a camera in a courtroom, but you can install an artist and a pad, so that's what everyone does. People who see enough trial coverage on television and look at enough of

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those drawings, and then one day actually go to a trial in person, may be surprised to find out all the people inside the building are not watercolor pastels.

"We have to depend on watercolors, chalk sketches and old 'Perry Mason' reruns for our concepts on what a trial is."

I hope and trust someday that the courtrooms in every state will be open to cameras and recorders and my wife sent back to the tennis courts where she belongs. That day will bring other benefits. Many regulatory agencies now routinely ban cameras and recorders from their hearings for reasons roughly the same as those that prompted Canon 35 and Canon 3(A)(7).

In Nebraska recently, cameras were banned from an ICC hearing on where some railroad track would be laid or picked up. And in Tulsa, the Nuclear Regulatory Agency barred cameras from a hearing on whether or not a nuclear power generating plant should be built near Tulsa—an issue of vital public interest and concern in Tulsa.

Broadcast journalists are still living in the shadow of the Estes case. But there is an old legal maxim that bad cases

make bad laws. Some of the streams that flow into the public's river of knowledge dried up after the Estes ruling and the widespread adoption of Canon 3(A)(7). And the republic is the poorer for it. But some of those streams are beginning to flow again. And the long drought may be ending. □

About the author

Ernie Schultz, who will shortly become president of the Radio Television News Directors Association, is director of information at KTVY Oklahoma



City, where he is responsible for news, weather, sports and special projects

and also anchors the KTVY *Noon News*. He had served as news director from 1962 until 1971, when he was promoted to his present position.

A native of Tucson, Ariz., and a Phi Beta Kappa graduate of the University of Oklahoma, he is also a Korean War veteran and past president of the Oklahoma Associated Press Broadcasters and of the Oklahoma City professional chapter of Sigma Delta Chi.

Station viability (from page 36)

dependent stations not defined by the Korn article as marginal. It is our feeling that, given expansion of the model to capture life-cycle and marketing strategy effects, inclusion of more-profitable independents would have two benefits: The data base would be expanded and the reliability of the model enhanced—and a greater variety of programming and marketing strategies would be available for analysis. Exclusion of the more-profitable stations from the *pro forma* data base for viability assessments is, of course, justified.

Viability assessments

We generally agree with the application of the estimates from the revenue models to *pro forma* income statements for the prospective new independents. However, readers directly involved with corporate financial planning, particularly in the area of new broadcast property development, may agree with us that several modifications of the Kron work are useful.

First, the assumption is made that market revenues are not increased by the entry of a new independent. (The sensitivity analysis contained in the original report considers the possibility of increases up to 7 per cent resulting from the entry of a VHF independent and up to 5 per cent from a UHF independent.) This is a crucial assumption, particularly in markets where the survival of a new independent will depend upon the development of new revenues, and its basis should be carefully analyzed.

In a market where the affiliates are far from sold out and where an independent sets CPMS at the same level as the affiliates, there is no reason to anticipate that additional purchases will be made as a result of the independent's presence. In the past two years, however, we have seen a number of markets where the affiliates were effectively sold-out and where they had not managed to raise prices quickly enough to generate additional inventory.

In this situation, an independent with
(Continued on page 66)

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In the Picture



David Altschiller

Newest partner and chairman of Altschiller, Morgan, Reitzfeld & Jackson, Inc., is the former copy chief for Carl Ally. Says he: "When you, the employee, suddenly become them, the management, you become more aware that the business of advertising can be both better and worse than you had fully realized."

"If you're going to go into business for yourself, it's not too bad to start at the top, says the newest partner and chairman of the board of Altschiller, Morgan, Reitzfeld & Jackson, Inc., New York. He's David Altschiller, formerly senior vice president and copy chief for Carl Ally, who's made a name for himself creating campaigns for such advertisers as Pan Am, Fiat, Hertz, Tonka toys and Beefeater gin.

Explaining his move, Altschiller one-time president of the Copy Club, observes that he was "comfortable at Ally. I think I had one of the best jobs in advertising while I was there. They give every possible support needed to their creative product. But I'd been thinking of striking out on my own for some time. I think that many people, when they reach a certain level of management in many kinds of business, start wanting to get closer to becoming masters of their own destiny." And now that he has, he calls life "suddenly more exciting. You suddenly become more aware that the business of advertising can be both better and worse than you had fully realized."

Worse, Altschiller says, "in the sense that your eyes are fully opened to the intensity of the competitiveness in this business. And in the realization that advertising approval is sometimes made less on the basis of what communicates best to the consumers and more on the internal politics within the company. Will the advertising please his boss, and make him look good? How will it look to the company's stockholders?"

But the business is also better than he realized: "When *you*, the employee, suddenly become *them*, the management, you're stretching yourself, learning many new things fast, and the adrenalin flows. I did something this week I'd never done before. I closed a sale. I had made new-business presentations before, but Carl (Ally) had always made the closing. Now I've done it, and the account came to us. Associated Air Freight. I'm proud of that."

Altschiller also insists that he has to be proud of the advertising he makes: "Advertising is no nine-to-five job. Advertising that works is something we have to give ourselves to totally, to the exclusion of anything else in our lives. Often even to the detriment of our families. It just wouldn't be worth all that if we couldn't be proud of our work."

Some agencies, he says, have succeeded because "they've learned to make their clients comfortable; even though to do it they've had to knowingly compromise their creative product so that its selling power is vitiated. Instead, it's potent in pleasing the decision makers at the client."

In a situation like this, adds Altschiller, "I think it's mandatory to tell the client what you think is right, rather than what you think *he* thinks is right."

On selling an idea to a client, Altschiller feels that advertising people "can understand instinctively and instantly, when we look at a still frame on a story board, much of the potential of how it will look on film, and we can hear in our heads how the voice and mood music behind it will sound. Through experience we've developed the habit of projecting ourselves instantly into the end result.

"Clients have other kinds of skills, but most of them haven't had the experience to develop this one. So instead of asking clients to make monumental leaps of their imaginations, we believe in taking them step by step through the whole process, including how we arrived at that still frame. Instead of asking them to jump from A to F, we tell them beforehand how A leads to B, how B got us to C, C to D, and so on.

"We get agreement from them on what the competition is, on what direction we should take before we start. The only part of a commercial or print ad that isn't based on solid facts and principles, agreed to before we start to put it on film, is sometimes that intuitive creative twist at the end. And the idea behind all this," explains Altschiller, "is to avoid having the client approve the story board, and then when you show him the finished print, having him come back with 'That's not the way I thought it was going to turn out at all.'"

"That just should never happen," stresses Altschiller. "It's his money. He has a right to know what we're doing with it and why."

Station viability *(from page 64)*

available inventory at competitive prices will clearly attract dollars that would not otherwise have been spent on television. Conversely, even though a great deal of inventory may exist in the market, the new independent can price itself low enough to attract a second tier of advertisers for whom the affiliates' CPMS are too high to be cost-effective.

This has led most broadcasters to note that radio stations are generally the first stations in the market to feel the effects of an independent's entry. This strategy is reflected in the Korn data where it is noted that independents capturing 19 per cent of average quarter-hour audiences can be expected to gain only a 22 per cent share of market revenues.

Because the average independent has over twice the inventory available to its affiliate competition, the proportionate 19 and 22 per cent shares suggest that independents which are anywhere close to selling out are setting CPMS at about half the level asked by affiliates in the market.

Marketing decisions

The above observations suggest that it is not reasonable to put any particular limit on the new revenues that a new independent will generate. Instead, it should be recognized that the dollar effects will be largely the result of marketing decisions made by the managers of the new independent and those stations already in the market. Parenthetically, we should note that the FCC should have sufficient data available to analyze and generally describe the variations in market revenues which result from alternative marketing strategies.

There is some ambiguity in the analysis as to whether the appropriate cost of viability is income or cash flow. Because the broadcasting industry so closely ties station valuation to cash flows, we feel that is the better measure.

Therefore, we propose an alternative analytic structure, disregarding the depreciation and including the tax benefits resulting from an income statement loss. We would anticipate that, in a new station, the majority of equipment would be capitalized on a long-term basis, as would additions and replacements.

Repayment of principal for these loans, as well as those that have been used to finance real estate purchase, organization and license acquisition, should not be reflected in an income statement and generally would be treated as a use for cash flow rather than a charge against it. It is also reasonable to assume that many of the prospective new independents would be owned by

corporations with alternative sources of income, and that any losses reflected on the independents' income statements would, for tax purposes, be immediately applied to that other income, reducing the parent corporation's tax liability. *Pro forma* cash flows, then, are somewhat more optimistic than the Korn *pro forma* income statements.

A second related concern is with the effects of an independent drop-in on stations currently operating in the market. The Korn's model indicates an expected average reduction of 18 per cent in those stations' revenues. They note, then, that a number of stations exist profitably in markets where average gross revenues are regularly at least 18 per cent less, and that therefore, the stations in the drop-in markets should survive. Brief financial analysis suggests that this may not be the case (see table on Charleston-Huntington, where expected revenue reduction would be 26.7 per cent).

The table in this article has several implications. If, because of the station's financial structure, cash flows must be maintained at 1975 (Case A) levels after a drop-in, then expenses must be reduced from \$2,504,000 to \$1,627,000, a cut of 35 per cent. Considering the large proportion of station expenses which are fixed, this is a very substantial reduction, and the question arises whether the station could maintain its market share under such circumstances. If, on the other hand, management reduces expenses to \$1,834,000, a reduction proportionate to the drop in revenues, the station's cash flow decreases by \$103,000, or 22 per cent. This could result in serious problems in paying debts.

The Korn article is right that stations do exist successfully in markets generating smaller revenues. But when those stations change hands, their price is based on their smaller cash flows, and their debt commitments are correspondingly smaller. As an example to indicate the cash-need effects of these smaller debt commitments, for each additional one-million dollars of debt, in the form of a 20-year 8 per cent sinking-fund debenture, an additional \$100,000 of cash is needed for annual interest and principal payments. Therefore, the economic comparison of drop-in market stations and smaller market stations is misleading, and the survival of the former remains questionable.

Revenue-share breakthroughs

Our final comment on the Korn analysis revolves around several assumptions that underlie the longer-term financial projections. The analysis limits the revenue shares which are likely to be

gained by independent VHF stations to 22 to 23 per cent and by UHF independents to 14 to 15 per cent. It acknowledges that in the future a greater supply of "network quality" programs supplied to independents could cause those limits to be exceeded. But the future came very quickly. Within months of the completion of the report, Operation Prime Time delivered high quality first-run programming, and major audience shares, to independents across the country.

In a similar manner, the article assumes aggregate revenue growth, before inflation, of about 52 per cent in the 12 years between 1975 and 1988. Yet the remarkable sales year of 1976 alone will carry many markets more than a third of the way toward that goal.

It is not our intention to fault the Korn's assumptions. We assume they were reasonable when they were made. Instead, we argue that the type of statistical analysis contained in the study, as important as it is, must be accompanied by equally rigorous environmental analysis. There are a great number of potential technological and social changes which may, over the next decade, have substantial impact on station revenues.

For analysis sufficient for Commission policy-making purposes, it may be sufficient simply to lump the effects of these changes together and increase or decrease projected revenues by 10 or 15 per cent. Where investment decisions on the order of millions of dollars must be made, however, a more complete analysis must be made.

One effective type of such analysis is a collection of scenarios, each including an estimate of its likelihood of happening. For example: "Based on a thorough analysis of current trends, what is our best guess as to the likelihood by 1983 of cable penetration becoming high enough to effect substantially the revenues of the proposed station?" "What about by 1988?"

Obviously, the variety of trends, time frames, and effects which must be considered is enormous. Individual managers have little choice but to focus their attention on areas most likely to affect their own responsibilities. But without a conscientious effort to understand future operating environments, any purely statistical analysis is likely to be misleading, if not irrelevant. □

David C. Butterfield is a principal in Butterfield Communications, a broadcast management consulting firm located in Cambridge, Mass. Dr. Roy D. Shapiro is a member of the managerial economics faculty at Harvard University's Graduate School of Business Administration and an affiliate consultant with Butterfield.

Inside the FCC

The following is from a recent speech by FCC Commissioner James H. Quello before the West Virginia Association of Broadcasters.

Will the record justify FCC decision on cross-ownership?



James H. Quello

The FCC recently has been the subject of several court reversals. A very significant case was the reversal of the FCC cross-ownership decision by the Appeals Court. In our decision, we did not require divestiture of cross-owned facilities except in a limited number of instances where media in a community were almost exclusively under the control of a single entity. We reasoned that wholesale divestiture was unnecessary since, in most markets where cross-ownership exists, monopoly conditions do not exist and the public has access to many sources of information.

My own feeling was that the Commission was, in a sense, reversing its own previously established policy and that such a reversal should not cause harm to its licensees unless the *public* was in danger of some recognizable harm. The policy reversal arose out of the fact that newspapers were encouraged to establish broadcasting facilities in the early days of both radio and television, since they had both the necessary financial resources and the relationship with the community, to establish the new broadcasting services. I believe it is clear that newspapers' support for broadcasting facilities is generally no longer required and, thus, I was in favor of a *prospective* ban on cross-ownership.

The court concluded, however, that diversity was so important that it would not be enough to look only to those egregious cases selected by the Commission. The court decided that "... divestiture is required except in those cases where the evidence clearly discloses that cross-ownership is in the public interest." The Commission has petitioned the Supreme Court to review this one in the belief that our decision is legally sound and that the record will justify it.

Also in March, the Court of Appeals presented us with a decision setting aside our cable television program exclusivity rules as they applied to feature films and sports events. The Commission has sought, over the years, to preserve certain exclusivity rights for broadcasting insofar as some feature films and sports events were concerned. We were concerned, and continue to be concerned, that fractionalization of audiences resulting from pay cable/broadcasting competition might have the effect of making the choicest programs available only to pay cable subscribers. The court concluded, in the Home Box Office case, however, that we had gone beyond our jurisdiction and could not restrict pay cable access to feature films and sports events.

HBO case clouded by informal conversations

The court also concluded, in the Home Box Office case, that the Commission had improperly engaged in "ex parte" contacts with interested parties during the program exclusivity rulemaking. In other words, the court said that commissioners, their personal assistants and other Commission personnel who are regarded as "decision making" should not have engaged in informal, oral conversations with parties interested in the outcome of the rulemaking or, at least, we should have placed summaries of those conversations in the public record. The court concluded that a determination of the program exclusivity rules amounted to "... informal official action allocating valuable privileges among competing private parties." In such instances, the court had already ruled that the "ex parte" rules should apply.

Informal contacts needed for fact-gathering

The Commission has sought Supreme Court review of the Home Box Office decision—exempting only the feature film rules which, we concluded, would be most difficult to sustain. Of special Commission concern, however, was the "ex parte" ruling since it would seem to have been cast so broadly as to preclude informal contacts in virtually any rulemaking. These informal contacts are very valuable in helping me understand all of the nuances of an issue, and I don't believe depriving commissioners of any sources of information in rulemaking (similar to legislative proceedings) would serve overall public interest. I am interested in hearing all sides of any issue in as much detail as time permits and, quite often, an informal presentation is most conducive to getting at the facts of a matter. It is possible to prepare summaries of such informal chats for the public record but this might be inefficiently time-consuming.

Inside the FCC

(continued)

Next, we come to two court decisions dealing with the FCC's role in influencing program content. This is an area where the Commission has traditionally been reluctant to enter because of some very obvious problems relating to the First Amendment to the U.S. Constitution and its freedom of speech guarantees and Section 326 of the Communications Act, which was derived from the First Amendment. No member of the Commission wants to be cast in the censor's role but we are often under considerable public pressure to take one kind of action or another aimed at reducing or eliminating programming which some persons find offensive or to promote programming found by some to be desirable for one reason or another.

Bombarded by both sides on sex/violence issue

In the now-celebrated "Family Viewing" case, for example, the Commission was very aware of the First Amendment implications of any rule regarding excessive sex or violence on television. Yet, we were being bombarded by public and congressional complaints and demands for some kind of action to curb such programming. It was this situation which prompted Chairman Dick Wiley to meet with network executives in an effort to make them aware of the problem and the public concerns in this regard. The networks generally responded in a very responsible manner and decided—without any FCC rule or policy statement—that the public interest and their own interests would be best served by a voluntary effort to reduce sex and violence on television before 9 p.m. when the largest numbers of children were likely to be viewing.

Of course, this solution to the problem was not totally satisfactory: there were those who felt that any depiction of sex and/or violence should be banned altogether and, at the other extreme, those who felt that any interference with programming decisions except on a purely artistic basis was too much. Logic would tell you, therefore, that a position somewhere in the middle which relied upon voluntary action by those responsible for programming the networks might be most reasonable. A California court, however, concluded that the contacts between the Chairman of the FCC and the network executives at least potentially contained an element of coercion by government, and, therefore, the whole "Family Viewing" concept—at least as it was developed in this instance—was improper. An appeal of that court ruling is pending.

Adverse court decisions not taken personally

In yet another celebrated case which involved the FCC and programming decisions, the Commission was reversed when it attempted to draw some lines delineating the kind of language suitable for broadcasting. In the Pacifica case, you may remember, the Pacifica station in New York City broadcast a George Carlin record consisting of an alleged comedy monologue which repeatedly used seven words which depicted sexual or excretory organs or activity. Carlin characterized these words as words which "could not be used on television"—a characterization with which the Commission wholeheartedly agreed.

I have raised a few representative issues to give a little of the flavor of Commission life and of the kinds of decisions we are regularly faced with. I've spoken at some length of court reversals which represent only a tiny fraction of the Commission's deliberations.

Regulatory agency rules a legislative function

The courts are, after all, the bedrock of our system of justice. They must deal regularly with emotionally charged, complex issues, the resolution of which often has very great impact upon our daily lives. To be sure, like all human institutions, they are subject to error and abuse from time to time. I have said that I believe the courts have generally been drawn too far into a policy role in social innovation. I believe the tendency toward litigation as a substitute for legislation has sometimes taken the courts well beyond their intended legitimate function in our society. I recognize, of course, that the courts cannot operate in a social vacuum but I am still of the opinion that social innovation is more appropriately the province of public representatives in the Congress. Regulatory agency rules and policy should be a legislative function, not a judicial prerogative.



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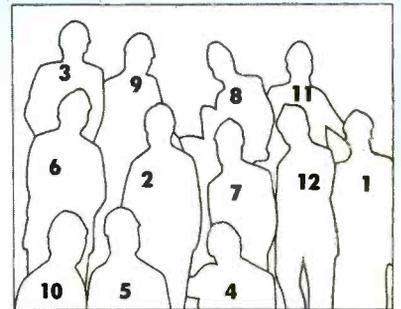
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