



STATION and network viewpoints are exchanged here by (l to r) George Norton of WAVE Louisville; Hugh M. Beville, NBC director of research and planning, and Richard Dunning of KHQ Spokane.

NBC Trims Rates—Matches CBS Radio

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ward by 10 percentage points for morning time periods, producing a differential between net time costs for morning as compared to afternoon. The difference between the 11.11% rise in daytime rates and the 4% average increase in actual costs for morning time will be absorbed via new discounts. In similar fashion all of the 11.11% increase in afternoon rates will be absorbed.

The plan received a thorough going-over in a series of network-affiliates meetings in Chicago's Palmer House Wednesday and Thursday. Though network authorities did not ask for a vote, Walter Damm of WTMJ Milwaukee presented a resolution of acceptance which was adopted by what NBC officials said was unanimous vote.

Another resolution approving the

new "contiguous rate" plan was said to have been adopted with "a few" abstentions and one dissenting vote. The dissent was understood to have come from KOB Albuquerque, owned by *Time* magazine and former FCC Chairman Wayne Coy. Mr. Coy himself, was not present at the meeting but J. I. Meyerson, KOB manager, cast the negative vote.

Terms of the new plan were spelled out in an affiliation-contract amendment slated to go out to affiliates individually over the weekend. NBC is asking that the amendments be signed and returned by Sept. 15. President Joseph H. McConnell said "the effective date of this new rate structure will be announced officially as soon as we have received the station acceptances necessary to put it into

effect." It was understood the target date was Sept. 29.

The only alternative for the stations seemed clear—a straight cut in rates, presumably amounting to at least 25% to match CBS Radio's revised structure. But to cut rates without approval of the affiliates would require that they be given 90-day notice—a fact which, network officials emphasized, would severely handicap NBC in its fall selling.

Actually, affiliates seemed to hold no real doubts that "substantially all" affiliates would accept the new plan. Some estimated that acceptances would come from enough stations to represent at least 90% of the network's dollar-volume rate card.

Harold Hough, of WBAP Fort Worth, designated to brief newsmen after Wednesday's session between NBC officials and "primary" affiliates, reported that none of the approximately 45 station executives on hand showed signs of "discord" or lack of accord on the plan. A number of big stations, however, were absent. These included WSM

Nashville; WOAI San Antonio, and WDAF Kansas City.

On this basis he said he was confident that Thursday's meeting of all affiliates would be similarly harmonious and that virtually all would formally accept the changes. The Thursday session, which drew approximately 125 station officials, also was described afterward as amicable.

NBC President McConnell issued this statement upon completion of the meetings at mid-afternoon Thursday:

"Under our plan, the NBC radio network will be fully competitive in the present market. Over and above this, the new discount structure offers real inducements to our current advertisers to expand their schedules on NBC. It is also designed to bring new business to our network and to promote the most efficient use of the medium for the benefit of advertisers, the network, and its affiliated stations.

"We have placed principal emphasis on weekly dollar volume dis-

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THIS LINEUP includes (l to r) George Burbach, KSD St. Louis; Ralph Evans, WHO Des Moines and WOC Davenport; Edwin K. Wheeler, WWJ Detroit; Robert D. Swezey, WDSU New Orleans, and Gustav B. Margraf, NBC vice president and general attorney.

Buckling Down to Business AN EDITORIAL

BROADCASTERS can now buckle down to business.

The NBC revised radio rate structure is now "official." It meets the competition of CBS' rate-and-discount realignment of last month. What is important is that it does not go appreciably beyond.

Other networks will conform as a matter of prudent business. And the sleight-of-hand, off-rate-card dealings should terminate for good. The rate-card should no longer be the first offer, but rather the first and last.

There were no surface recriminations at the Chicago NBC sessions. Affiliates and network alike were confronted with the cold realities. They were met head-on. There was no looking back at what might have been if radio had sold itself for what it's worth.

And there was the recognition that the network, essential and desirable as it is, no longer constitutes the major sources of revenue for the station. National spot and local are the

major bread-winners, not only for the affiliates, but for the network owned-and-operated outlets too.

The realignments are not without their compensations. The unofficial and unannounced buyers' strike against the networks wasn't directed wholly against station-network rates. It was the cost of talent that had opened the Pandora's Box. Today top talent is available at rates that approach sanity. Performers know that they won't be bought if they aren't heard. More and more of the better ones are being heard these days via recordings. They are being sold through spot, rather than networks.

Both networks and affiliates are wiser after the rate nightmares of the past two years. Both know that radio is underpriced. And they know it has been under-sold at the network level—because of the greater emphasis placed upon television. It is significant that of the four major radio networks, only Mutual has shown increases in over-all billings. It is the

only network which isn't selling TV out of the same shop.

With the hoped-for stabilization of network rates there are two logical sequels. One is the project of Ted Storz, of KOWH Omaha, to guarantee station rate cards. This has been picked up avidly at the current NARTB district meetings. And no time should be lost in getting it off the ground.

The second is harder selling and better programming in all facets of radio. The Zivs and the Worlds and the Langworths, as well as independent producers, have made prodigious strides. Broadcast Advertising Bureau is under way with its campaign to reach buyers of advertising everywhere.

These past events prove that the advertisers have been smart buyers—smarter than the sellers. The bartering and bickering will end when the buyer *knows* that his competitor isn't getting it for less. The time to sell that truism is now.