

# WEEKLY **Television Digest**

with

**Consumer Electronics . . . (starting on page 7)**

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The authoritative service for executives in all branches of the television arts & industries

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### Consumer Electronics

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**VIEW FROM SUMMIT,** as seen by Zenith's Truesdell: Outlook good, business far ahead of last year, retail sales 'losing some steam' (p. 10).

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**LIFE WITH COLLINS—THE PORTENTS:** NAB Pres. LeRoy Collins won vote of confidence from NAB board in Jan., when it gave him new 3-year contract. Board believes Collins is right for the job. Now, NAB members meeting in Chicago convention this week, will again assess him themselves. For future, here's what you may expect, as summarized by those who know him best:

Collins will emphasize, more than ever, need for broadcasters to become "masters of their own house." He'll continue trying to get public to shift gaze from govt. and look to industry for self-regulation. "Don't be so preoccupied with your private interests," he says, "that you leave the public interest to the govt."

A skeptic about program ratings from the day he took office, he'll again stress that NAB is vehicle for restoring confidence in this area—after the bludgeoning dealt by Harris Subcommittee—through his carefully nurtured research projects.

A new NAB Program Dept. will be created, as authorized by board. Collins considers it astonishing that NAB offers only minor help to broadcasters in basic job—producing their product.

Collins intends to fight "increasing tendency of FCC to take broad actions affecting the whole industry, when sanctions are indicated for only a few."

"Advertiser pressures" continue to bother Collins, and he seeks means for reducing them.

Collins commands remarkable degree of respect & confidence of Congress & Administration—and broadcasters are convinced his leadership will eventually crack ban on broadcasts in House, ease restraints on political broadcasts, stave off harsh legislation in many areas.

**FCC'S CONVENTION GOODIES—COMMERCIALS & FEES:** Obviously designed to give NAB conventioners something to talk about, FCC punched out 2 hot ones: (1) Started a proceeding looking toward clamping ceiling on commercial time. (2) Voted license fees in a next-to-final action (instructions to staff).

Vote on commercial strictures, not made public, was 4-3, we learned: Minow, Cox, Henry & Lee vs. Hyde, Bartley & Ford. It's first fruit of Cox's replacement of Craven, who was dead set against such action. License-fee vote was 5-0 or 5-2, depending on how you read it—because Bartley & Ford abstained.

Lee was the man who pushed commercial-ceiling originally, proposing that FCC simply adopt NAB Codes as part of its regular rules, thus giving them teeth. Lee is to debate the subject at NAB convention, opposed by Code Board Chmn. William Pabst, KTVU San Francisco-Oakland. Clearly, one reason FCC acted right now was to give Lee support as he enters ring.

Text of FCC's proposal won't be out for couple of weeks, but it's understood discussion will include such things as: (1) Many stations don't belong to NAB Codes, and some operators who belong aren't meticulous about following them. (2) Excessive commercialization is one of largest areas of complaints received.

Commission said it isn't limiting consideration to NAB Codes. It said it wants all kinds of alternatives, maybe special provisions for stations which, "because of their location in sparsely populated areas or other factors, might not be able to observe the limitations contained in the NAB Codes and at the same time maintain operation in the public interest."

NAB Pres. Collins is already strongly on record as opposing FCC enforcement of Codes—so he now has delightful opening. Said he: "We have seen this coming for some time, and as I have made clear before, the NAB will oppose this proposal with its maximum capacity and calls for the support of all broadcasters."

FCC had already irked industry substantially with its inquiry on loud commercials. Comments filed last week, by such experienced organizations as ABC, CBS, NAB & Storer, stressed that "loudness" is largely subjective & psychological, not subject to simple control by instruments and FCC rules. They point out that complaints are few, and some maintain that FCC intervention may be infringement of freedom of speech.

License-fee vote included substantial reduction from original proposals for broadcasters. For major TV applications, it was cut from \$250 to \$100; for AM & FM, from \$150 to \$50. There were minor changes in non-broadcast field. If finalized as expected, rules will go into effect next Jan. 1. FCC is believed to be first regulatory agency to vote fees—other than those required to do so by specific laws directed at them, such as SEC. Congress long ago told FCC & similar agencies to work toward charging fees, but Congress itself has been shy about pushing the matter.

And people were saying NAB conventions are getting dull.

**VHF DROP-INS NOT DEAD:** Don't write off short-spaced vhf drop-ins. Though FCC voted 4-3 recently (Vol. 3:10 p2), instructing staff to write final decision rejecting drop-ins, we've learned there's something more than remote possibility of reversal.

Comr. Ford, particularly, remains hot for drop-ins. New Comr. Cox is of similar bent. Cox replaced Craven, who also voted for drop-ins, so prospective vote doesn't change in that switch.

But key man seems to be Chmn. Minow. In discussion preceding last 4-3 vote, Minow advanced compromise: Insert drop-ins; require grantees to operate both vhf & uhf for specified period, such as 3 or 6 years, then make them drop vhf. His colleagues didn't quite buy that. But word around FCC is that Minow would still welcome a workable compromise. He has 2 goals: short-term & long-term. First is to improve network competition, giving ABC outlets in substantial markets; second is to bolster uhf for widespread future growth.

There are 7 markets involved now: Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte. But some pro-drop-in forces at FCC wouldn't stop there. Some would go for squeezing 3rd

vhf into more markets in top 100—reducing spacings below recently contemplated minima of 120 miles co-channel, 40 miles adjacent-channel. Here are some of markets mentioned, though chance of action on these is undoubtedly much slimmer: Toledo, Hartford-New Haven, Lansing-Jackson-Parma-Onondaga, Saginaw-Bay City-Flint, Terre Haute, Jackson, Miss., Raleigh-Durham, Wheeling-Steubenville, Quincy-Hannibal, Greenville-Washington, N. C.

**TRAVAILS OF NIELSEN (CONT'D):** Nielsen's \$7-million-yearly program rating operation took brutal pounding again last week, as House rating hearings went through 4th week—this one devoted entirely to the big Chicago firm.

There's no question that Nielsen—dominant in national TV-radio ratings, with 90% of the business—is in trouble. Seriousness of trouble is yet to be determined; Nielsen witnesses again take stand today (April 1) while its field men and some advertisers may also be called. In addition, Harris Subcommittee said, it may call Chmn. A. C. Nielsen Sr. or Pres. A. C. Nielsen Jr. (both overseas)—if other witnesses aren't sufficiently familiar with statements made by Nielsen Sr. in certain unidentified court cases, etc.

Nielsen was in trouble all week—though much time was consumed with dull technical explanations which exasperated Subcommittee members. But climax came when it was revealed that Warren Cordell, vp & chief statistical officer, had discussed "vital weaknesses" of Nielsen ratings in confidential memo to Nielsen Sr. Memo said "we preferred" that govt. investigators not learn of these until they were corrected.

Subcommittee was shocked. Cordell defend memo, said it was plea to get more staff, and that he succeeded in this. He also said weaknesses discussed in memo had already been brought out in hearings: (1) Need to update national sample of 1,100-1,200 homes to conform to 1960 Census. (2) Need to increase sample size in local radio markets. (3) Difficulties in estimating transistor & auto radio listening. Subcommittee indicated that it thought memo contained additional weaknesses. It's understood Nielsen may make contents public.

Among other disclosures, in which Nielsen ultimately concurred, was that company uses "weighting" factors from national reports to adjust sets-in-use levels in local reports. Henry Rahmel, exec. vp & media research div. mgr., said such factors are not applied to audience shares for each station.

It was also charged that actual sample size couldn't be determined in Nielsen report. In March 1962 Louisville report, sample was specified as 205. Evidence showed that average sample for week in study was really 123. Rahmel said change was made recently to list actual useable sample. Rep. Moss (D-Cal.) also asserted that Nielsen's failure to reflect true sample size would be called "false labeling" in any other industry.

Subcommittee counsel Robert Richardson questioned Nielsen's claim that tuning is same as viewing or listening. He said records produced from 9 of 11 Louisville Audimeters showed some sets tuned continuously for 24 and more hours—in one case to a station off air. In another case, receiver was on for 3 days. Rahmel insisted this isn't representative.

Louisville was market picked to study all ratings firms' local services, Richardson said. Moss added: "It would appear that everyone who measures Louisville seems to have problems." "How typical are they?" he kept asking, referring to viewers surveyed.

On reliance of viewer entries in diaries, Richardson produced sample notations: "Turned TV on this morning so baby could watch it. I had too much to do today because I had to go away for a while." Also: "Set left on; no one watching." Subcommittee also maintained that Nielsen had to make some diary entries.

At end of last week's testimony, Special Investigations Subcommittee talked tough, mentioned need for regulation. If anyone is still taking subcommittee action lightly, consider: Every major research firm we have spoken to has already considered changes. ARB hopes to increase sample sizes and to learn more about human errors in diary fulfillment. Pulse seeks more control over field interviewers and more adequate labeling in reports.

Nielsen had made some changes before hearings began, and supplied Subcommittee with suggestions for industry improvement on 2nd day of testimony (Vol. 3:12 p1).

Nielsen has \$40 million gross, TV-radio accounting for 18%, \$7.2 million, while 2nd-place ARB bills slightly above \$3 million, mostly local reports.

Complicated nature of ratings and the special language of statisticians evoked comments such as these: Chmn. Harris (D-Ark.), referring to confusing Nielsen testimony: "We'll get square roots operating with Univac and then get some answers." Rep. Younger (R-Cal.), "I've never seen anyone who sells confusion as you do and get so much money for it." Richardson: "Most people who deal with you don't know what you do." Cordell: "I'm trying desperately to tell the truth." Rahmel: "It's a highly fallible tool." Younger, referring to sets tuned in all night: "Would advertisers pay any money for people who go to sleep?" Moss: "Mud would have far more transparency."

Counsel Richardson, it's understood, is due to speak to Radio-TV Research Council in N.Y. April 3 (for N.Y. reactions to hearings, see below).

**N.Y. WARY ON RATINGS:** Networks, agencies & advertisers are rather guarded in discussing their reactions to Washington program-rating hearings, but it's evident they're beginning to see changes on horizon.

Agencies generally felt that ratings probe would cause some changes in their own way of TV life (less stress on ratings & cpm's to clients; more stress on "showmanship values").

Media head of large agency billing over \$130 million annually asked not to be named but told us: "The hearings have pointed up need for more independent industry control of rating research rather than a need for govt. control. It's an industry problem and industry responsibility. NAB, 4A's and other broadcast groups should do something to set up an independent agency to check on rating accuracy."

Added TV-radio media chief of one of the P&G agencies: "We know most limitations of ratings and find them acceptable as yardsticks; there'll be no immediate change in our internal practices. However, there'll probably be less emphasis by TV salesmen on small differences in ratings."

Networks were playing it cozy on ratings questions, but some minor policy shifts could be seen already. Backstage memo at NBC-TV to promotion & publicity staffers warned them not to crow about future ratings successes in public, suggested they push "critical acclaim" instead. ABC-TV, whose current national Nielsens are not spectacular, almost seemed to welcome doubts on ratings validity cast by hearings. CBS-TV, which landed 9 shows in latest Nielsen national "Top 10," was still pushing this fact late last week — but its executives were also calling attention to fact that CBS measures values of public-affairs programming "in other-than-ratings terms."

New RAB Pres. Edmund C. Bunker took swipe at ratings in N.Y. during March 27 IRTS speech, pointing to "a major research firm" whose contrite apologies for errors "cannot replace millions of dollars which have been lost to our medium."

Some ratings fireworks may go off in N.Y. next week. Subcommittee's star prober, Robert Richardson, has been quietly pencilled-in for address before members of Radio-TV Research Council on April 3 at Hotel Lexington. Public, press & non-members are not invited.

Quickening pace of applications: In Boston, 4 applicants have filed to contest renewal of WHDH-TV (Ch. 5). FCC opened Ch. 5 to new contenders after holding against WHDH-TV in "influence" case. Boston applicants include: Charles River Civic TV, headed by a Cabot (Thomas D.), which plans to give profits to "broad educational & other philanthropic purposes"—probably first of its kind—and which offers to WHDH-TV up to \$5 million for facilities, contracts, good will, etc.; Greater Boston TV, an original contestant with WHDH; Boston Bcstrs. Inc., headed by audio engineer Leo Beranek and ex-FCC attorney Nathan David; Hub Bcstg. Co., headed by William A. Bernat, unidentified in incomplete application. Also in Boston, United Artists filed for Ch. 44, as did Integrated Communications Systems, latter headed by Leonard Sait, ex-National Telefilm Assoc. UA also filed for Ch. 23, Houston, and Ch. 65, Cleveland, while KTVB Boise seeks Ch. 13, LaGrande, Ore. as satellite. In Cleveland, Ch. 19 is sought by Community Telecasters, headed by attorney Charles W. Steadman. (For full details of foregoing and other FCC TV activity, see *TV Addenda 33-H*, herewith, to full-service subscribers. For details of AM & FM activity at FCC, see weekly *AM-FM Addenda*.)

Our son, Lee, the fun-slinger: FCC Comr. Lee, Commission's clown prince, has been in rare form. In recent FCC meetings, we hear: (1) He asked fellow Chicagoan Chmn. Newton Minow, rumored resigning, about plans for travel to NAB convention, "Hey, Newt, getting a round-trip ticket?" (2) Comr. Hyde, discussing broadcasting traffic-court proceedings, said, "If one of my colleagues were arrested for drunken driving, that would be news." Lee: "Only if it's Hyde." Hyde is Mormon, notorious teetotaler.

Two-party harmony: In rare, if not unique, statements, GOP Sens. Scott (Pa.) & Cotton (N.H.) praised Democrat Chmn. Magnuson (Wash.) of Commerce Committee for saving money. At end of 87th Congress, Magnuson turned back \$65,000 of funds allocated to his Committee: Said Cotton: "He has always leaned over backwards, sometimes I thought he leaned over too far backwards—not to spend money unnecessarily." Scott: "I have never served on a Committee where the chairman was more careful with the public funds."

KHAS-TV Hastings-Kearney, Neb. names Venard, Torbet & McConnell rep. WMAL-TV Washington appointed Harrington, Righter & Parsons.

**COX, ON 'LOCAL LIVE':** About 4 hours after taking oath as FCC commissioner March 26, Kenneth A. Cox told Washington lawyers that a station's "attention to local live programming is essential." No pussy-footer he—picking one of most controversial issues on hand.

He told Federal Communications Bar Assn. luncheon in his honor that since 1950 there have been 2 basic FCC policies on matter: (1) Schedule of priorities in TV allocations was to facilitate creation of local stations with at least one TV signal for as many people as possible. (2) Program policy statement of July 1960 that programming is essence of local TV service.

If the FCC thought otherwise on local issue, it would have made allocations job easier, Comr. Cox said. Commission could have simply established "wide coverage stations," he appended.

He pointed to recent study that showed 448 affiliated TV stations carried local live programming average of 8.9% of time they were on air; 50 stations of these aired local live more than 15% of time.

He defended FCC program inquiries at local level, although he noted that some stations seem "sensitive" about them. Chicago hearings were "very useful," he said, adding they turned up important issues regarding local religious & entertainment programming, plus questions of local autonomy at the 3 network-owned stations.

Omaha hearings—where "people are somewhat more sensitive than in Chicago"—are still being studied by FCC and report will be issued soon, he stated.

Revision of FCC program form is essential, Comr. Cox asserted. Failure of present form to show information adequately, he stated, led to deferral of 70 TV license renewals because of paucity of local live shows 6-11 p.m. (Vol. 3:11 p3).

He conceded that non-local programming may be applicable to local problems, but that ultimately there is need for "locally-originated discussions."

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Cox was sworn in by Supreme Court Justice Douglas, who had administered oath to Chmn. Minow. Justice Douglas cracked: "About 2 years ago, I was in this room, swearing in Chmn. Minow. Heavens knows when I'll be back."

As Cox moved up, James B. Sheridan was formally appointed to succeed Cox as chief of Broadcast Bureau, as we first disclosed in Jan. (Vol. 3:3 p2). Economist Sheridan shifts from special asst. to Chmn. Minow, who said: "Mr. Sheridan enjoys the confidence of all of the commissioners and is one of our most highly regarded career employes. We welcome him to this new position of responsibility which we are confident he will discharge with ability & distinction." Joke around Commission is that only one of 4 bureau chiefs is an attorney. He turns out to be George Turner, chief of Field Engineering Bureau, who holds both engineering & law degrees.

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**ABC-TV network & Doyle Dane Bernbach** "have mutually agreed to terminate their relationship" April 30, according to joint announcement. Network has not yet decided on a new ad agency.

**UHF Studies & Aids:** Third technical report on FCC's N.Y. uhf project was released last week, also was delivered as paper by Commission's George V. Waldo at IEEE convention in N.Y.

Report covers measurements with portable receivers & antennas at some 4,000 locations within 25 miles of transmitter. Net conclusion is as with preceding Deitz study of fixed installations within 25 miles: With outdoor antennas, uhf is about as good as vhf; with indoor, it's somewhat less effective.

Last week, also, Commission finalized several technical changes to ease costs of uhf stations—particularly small outlets. FCC will now permit: (1) Remote-control transmitter operation. (2) A 10-1 visual-aural power ratio. (3) Operation without reduction of lower sideband radiation, for transmitters of 1 kw or less. (4) Unrestricted DAs for under-1-kw transmitters, DAs up to maximum-minimum of 15 db for over-1-kw transmitters. (Vhf continues with 10-db limit.)

Knotty Ch. 37 problem, involving band sought by radio astronomy, was tackled by FCC with following proposed rule, comments due May 1: (1) No Ch. 37 stations allowed within 600 miles of Danville, Ill. (U. of Ill.) until Jan. 1, 1968. (2) Make no Ch. 37 grants in U.S. until this rule-making is concluded. (3) Allow no Ch. 37 station operation midnight-7 a.m.

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**CBS Inc. officers' 1962 remuneration** (including salary & additional compensation) and stock ownership, as listed in proxy statement to shareholders: Chmn. William S. Paley, \$188,750 plus \$11,250 deferred compensation (owns 944,877 shares); Pres. Frank Stanton, \$188,750 plus \$11,250 deferred (166,386 shares); CBS-TV Network Pres. James T. Aubrey Jr., \$160,000 (10 shares); CBS TV Stations Pres. Merle S. Jones, \$125,000 plus \$25,000 deferred (2,690 shares); CBS Radio Pres. Arthur Hull Hayes, \$85,000 plus \$10,000 deferred (7,208 shares); CBS News Pres. Richard S. Salant, \$82,500 plus \$7,500 deferred (119 shares); Columbia Records Pres. Goddard Lieberson, \$72,500 plus \$37,500 deferred (9,135 shares).

**Change in emergency broadcast system** from use of 640 & 1240 kc to normal frequency assignments has been recommended to FCC. Standard stations presently holding national defense emergency authorization would operate on normal frequency with normal power without station identifications, according to interim report by National Industry Advisory Committee Working Group. Stations would carry common program for their community or area. All other AMs would leave air. Programming priorities same as present: Presidential messages, local programming, state & regional programming, national programming & news. FM & TV stations would also be added as soon as Dept. of Defense restriction requirements—silencing stations for reasons other than denial of navigational aid—are sent to FCC.

Magazines were criticized last week for letting "television dictate the terms of battle in their race for circulation at any cost" and for "their concern to keep the advertiser smiling even if some readers frown." Theodore Peterson, dean of College of Journalism & Communication, U. of Ill., told Magazine Publishers Assn. in Washington that biggest TV threat in next decade will come from space satellite broadcasting & color.

## Personals

John T. Murphy, former exec. vp, elected pres. of Crosley Bcstg. Corp. and member of board & exec. committee, succeeding late Robert E. Dunville.

Fred Silverman, ex-WPIX N.Y. & WGN-TV Chicago, named CBS-TV dir. of daytime programs.

Jay Smolin rejoins NBC as WNBC-TV N.Y. advertising & promotion mgr.

William R. McAndrew, NBC News exec. vp. receives on April 2 VFW's Commander-in-Chief's Gold Medal Award and Citation for "outstanding accomplishments in the field of news and informational programming."

Jerome Lansner, ex-NBC commercial & program editor, and Miss An-Shih Cheng, ex-National Better Business Bureau staff, named senior editors, NAB Code Authority, N.Y. Miss Cheng replaces Maria Michal.

Jerry Liddiard, one-time Guild Film sales mgr., named Embassy Pictures' west coast TV sales mgr. . . . Larry Pickard, ex-WBZ-TV Boston news & special events dir., forms PR firm, Pickard Assoc., One State St., Boston.

LeRoy (Red) Rizor promoted to Metro Radio Sales St. Louis mgr.

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NBC's foreign TV busines was 61% greater than 1961 last year, and 1963's sales are at higher rate, NBC International announced last week after N.Y. & Hollywood meetings of its field staff representatives. NBI now supplies TV programming to 110 stations in 60 countries, and has financial or management commitments with stations or networks in 15 areas of globe. One of latest is in Jamaica, where stations will be managed by consortium consisting of NBC International, TV International Enterprises & Thomson TV. Jamaica plans to have 3 transmitters in operation by Aug. 6, its Independence Day. Representing NBI as consultant in Jamaica will be Harold (Hap) Anderson, former pres. of WCIV (TV) Charleston, S.C. Jamaica has adopted modified NTSC standards using 625 lines, similar to TV system used by Venezuela.

Discontinuance of FM simplexing is proposed by FCC, with comments due by June 14. Commission notes that only 4 stations are using main channel with superaudible "beeps" for transmission of background music to subscribers. In contrast, multiplex operations using sub-carrier frequencies not receivable on conventional FM sets have grown, FCC observes, to more than 300.

Subscribers to Macfadden Teleglobe Pay-TV experiment in Denver won't have to pay line charges as originally planned, according to Pres. Gerald Bartell. Based on "enthusiastic response"—charter subscribers number more than 300—company is dropping line charges of 75¢ a week or \$3.25 a month for subscribers who watch programs costing 75¢ a week or more. Operations will begin "soon."

Two bibliographies prepared by Television Information Office—"Television and Education" and "Television: Freedom, Responsibility, Regulation"—have been distributed to TIO sponsors and to libraries.

Conrac's new color monitor is 17-in., uses imported tube, has 95 transistors, 21 tubes, takes 21-in. of rack space, weighs 83 lbs., sells for \$2,450, available from stock.

WNBE-TV (Ch. 12) New Bern, N.C., due to begin operation Sept. 1, has signed as primary ABC-TV affiliate.

**PORTABLE VIDEO RECORDERS:** Portable TV tape recording has arrived—with 3 different makes now being offered. And a new recording technique "holds promise of video recorders comparable in complexity and price with TV receivers."

Portable TV recorders are officially called "closed-circuit" recorders because they're incompatible with tapes made on big 4-head recorders used by TV stations. But their manufacturers indicate they're adaptable to broadcast use—if you don't mind the incompatibility.

Two portable recorders were shown at IEEE show last week in N.Y.—and Ampex will unveil 3rd this week at NAB Chicago convention.

Small (10 x 25 x 13 in.) lightweight (68 lb.) video recorder developed by Machtronics Inc. was shown in production version by its exclusive licensee Precision Instrument, Palo Alto, Cal. Precision mktg. mgr. John Jipp told us there's backlog of orders for 100 recorders and that Precision will be exclusive manufacturer after orders are filled.

Precision's recorder uses helical scan, one-inch tape (vs. 2-in. for most video recorders) running at 7½-ips speed across 2 revolving heads, records 96 min. on 10½-in. reel. Bandwidth is 3½mc, resolution 300 lines. Completely solid-state unit uses plug-in circuit modules and is pushbutton operated. Price is \$12,150.

Sony Corp. of America has Japanese-made portable unit at \$10,900, promised deliveries beginning in Aug. Dimensions are 17 x 25 x 17 in., weight 145 lb. Tape speed is 5¾-ips on 2-in. tape, or 63 min. on 7-in. reel. Unit features single-frame stop motion and slow-motion playback at 1/60 normal speed. Scan is helical, with one video head and one sync head. Horizontal resolution is 250 lines.

Experimental development of electron-beam scanning device to substitute for mechanical revolving heads in tape recorders was seen by Armour Research Foundation's Marvin Camras as forerunner of low-cost portable video recorders, in paper presented at IEEE session. Describing his work on recording & playback tubes, he said electronic system now "seems quite feasible—it can go."

Among advantages of electron scanning system, as enumerated by Camras: (1) Regular audio tape could be used; super-high-quality tape wouldn't be required. (2) Half-inch tape at 7½ ips could provide broadcast quality. (3) Equivalent of 8-mm could be obtained from ⅛-in. tape. (4) System priced low enough for home use could eventually result.

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FCC panel discussion at NAB convention changes this year to eliminate written questions, will consider only questions from floor. No big deal behind it. FCC members and NAB topkicks, in discussion of program last week, agreed delegates might get more from floor-platform give & take than from pre-screened questions.

Special market audience analysis for each TV station is being made available by ARB at NAB convention. Reports are based on last Nov.'s nationwide survey "sweep". They provide station-by-station averages of ratings, area homes, total homes & outer area shares for 2 time blocks: 12-6 p.m., Mon.-Fri.; 6-10 p.m., Sun.-Sat.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TRANSISTORIZED UHF TUNER FOR GE SETS:** Intensified uhf tuner development programs which were started after passage of all-channel law are beginning to bear fruit already. One of first really new uhf tuners to be seen on TV sets in the marketplace probably will be tiny GE-built unit using one transistor & one subminiature tube.

Tuner was made possible by rapidly declining prices of silicon transistors—a situation which is beginning to excite consumer electronics engineers. Necessity for tiny tuner in GE's line is obvious: its 16-in. lightweight set has no room for full-sized tuner; its upcoming 11-in. obviously will provide even tighter space challenge. Nevertheless, it wouldn't be surprising to see transistor tuner spread eventually to larger models.

Compact tuner is competitive in cost to full-size uhf tuners GE now buys, GE engineers reported in technical paper at IEEE convention in N.Y. last week—and they claimed it performs better. Pilot production line was set up 3 weeks ago, they said.

Tuner uses 918-type silicon transistor, "which is priced competitively with tubes, and 1N82A tube mixer. It is capacitance tuned, measures 1 x 1¾ x 2¼ in., nearly 7 times smaller (in volume) than conventional tuner it replaces. According to GE engineers, its noise level varies from 9 db at low end to 12 at high end—"3 db better than our present tuner"—and its gain ranges from loss of 7 at low end to plus-11 at high, termed "an improvement of several db." Oscillator radiation varies from 150 to 300 uv/m, well under FCC limits.

Introduction of new tuner will mark one of first intrusions of transistor circuitry into conventional AC-operated TV sets. That TV engineers are interested in transistorization is indicated by advance program of June 17-18 IEEE Chicago Spring Conference on Broadcast & TV Receivers, which will devote at least one half-day session to transistor applications in TV—including intriguing RCA paper entitled "A 19-in. 114-degree line-operated all-transistor TV receiver." Same conference will feature half-day session on uhf tuner design.

Note: Just as GE is now planning to produce its own tuners, it eventually will make its own record changers. Company has agreed to purchase all record-changer dies, patents, etc. from Glaser-Steers Div. of Ametek Inc., eventually (within about 2 years) will set up changer plant in connection with Decatur, Ill. facilities of its audio products dept. It's understood company has assured present suppliers (V-M & Garrard) that it will continue current purchasing arrangements at least through July 1963.

**WHAT'S HAPPENING TO RADIO SALES?** In face of continued good TV sales and near-sensational phono pace this year, Topic A among industry marketing experts is the sudden drop in radio sales.

In first 11 weeks of 1963, distributor-to-dealer sales of domestic radios were 15% below 1962's comparable figure. Unofficial estimates placed Jan.-Feb. dealer purchases of radios at 1,108,000 vs. 1,261,000 in Jan.-Feb. 1962, a dip of about 12% for the 2 months. Picture has been even gloomier in first 2 weeks of March.

Radio inventories at manufacturer & distributor levels dropped, too—by about 7% as of beginning of March, from 12 months earlier. This is "not too bad—but not too good, either," in words of one manufacturer. It's not too bad if sales are going to pick up, but not too good if market continues to decline.

Exact reasons for drop are difficult to ascertain. One theory is that U.S. public has been on radio-buying binge, stimulated by ever-declining prices, and is now suffering from temporary glut. Another is that dealers have stopped buying in anticipation of momentary further price cuts. It's just about year since transistor radio price war became intense. Certainly, scare psychology is abroad now, and there's plenty of worry in industry about possibility of renewed shooting in this price war.

Black-&-white TV, meanwhile, is more than holding its own with last year's sales figures—distributor

sales for first 11 weeks being nearly 4% higher than last year. For first 2 months of this year, however, TV sales were more than 5% ahead of 1962—about 1.04 million units vs. 987,000.

Phono sales continued blockbusting pace set in last half of 1962, and distributor-to-dealer sales for Jan. (latest figures available) were 44% higher than in Jan. 1962. (For official EIA Jan. TV-radio-phono sales & production figures, see p. 10.)

**25-IN. COLOR BULBS 18-24 MONTHS OFF:** Picture tube manufacturers have received first "early developmental samples" of bulbs in Corning's program to devise glass for 19- & 25-in. rectangular color tubes with 90-degree deflection. "It will be 18 months to 2 years before we could produce such a bulb in quantity," we were told last week by Corning TV bulb dept. sales mgr., William H. Hudson. And it could take even longer for industry to develop tube from the glass.

"This isn't even 'sampling' in the traditional sense," said Hudson. "This is the first approach to what we think is the final design—the first step in an evolutionary process. The final bulb undoubtedly will have different dimensions from these first mechanical samples, just as these bulbs differ from our original mechanical drawings."

Samples were in 25-in. size—one funnel and several panels to each tube maker. There'll be no sampling of 19-in. bulbs for some time, since that size will be merely scaled-down version of 25-in., and presumably tube makers' proposals for changes in 25-in. will also be adapted to 19-in. design.

This doesn't mean there won't be changes in color tube shapes & sizes before 1965. RCA's postponed 90-degree 21-in. round color tube now is expected to be available by early next year (Vol. 3:10 p7). Motorola & National Video are still working on 23-in. rectangular 90-degree tube, using black-&-white bulbs (re-formed to color's more exacting tolerances by Dearborn Glass), and this tube could go into limited quantity production this summer.

There's also an outside chance some color tubes may come from across Pacific. Tokyo Shibaura (Toshiba) demonstrated compact color console with its new 16-in. rectangular 70-degree 3-gun shadow-mask tube at last week's IEEE show in N.Y., and company spokesmen indicated they're eager to sell tube to U.S. set manufacturers. Production & exports will begin later this year, they said, and they added set makers are "interested." (Japanese also are producing 21-in. round color-bulbs.) No prices were quoted, nor have arrangements been made for export of complete color set.

Imports of color tubes may well get some serious consideration by U.S. set makers if it appears Japanese manufacturers really can deliver—and if tight situation in domestic color tubes continues. RCA color tubes are on strict allocation, with "new customers" being held to as few as 7,500 for year. And we know of several old customers who'd like to get more than they've been promised. However, it's unlikely the Japanese can deliver color tubes in significant quantities this year.

Although Rauland, Sylvania & National Video are all going into color tube production later this year, it's not believed that their 1963 output will ease situation considerably—unless set makers' predictions of consumer demand for color are way off.

Note: Another color tube modification may be coming up soon. Pittsburgh Plate Glass has developed version of its lighter-weight & lower-cost 1/8-in. Teleglas safety shield for laminating to color tubes in place of current 3/16-in. type. PPG, incidentally, expects 1963 to be its best year in laminated safety glass sales, in estimating that 2 million picture tubes will use PPG process this year, with 21-in. color & 19-in. b&w its most popular types.

**'ALL-AMERICAN' SETS DISAPPEARING:** Like it or not, sun seems to be setting on day of the "all-American-made" TV, radio or phono.

It's now commonplace to find Japanese & Dutch receiving tubes in U.S.-made TVs & radios, Danish tuners in FM sets, British changers in stereo phonos. Facts of economic & political life of the '60s dictate that suppliers, as well as customers, are to be found on either side of either ocean.

Importing of complete TV chassis or sets by American set makers may shape up as trend, if economic

advantages can be proven. High quality transistor radios & tape recorders from Japan have helped overcome some public prejudice against Japanese electronic equipment.

Recent report that Westinghouse is considering importing 6-in. Mitsubishi transistor TV (Vol. 3:9 p7) is significant. Currently, only 2 U.S. set makers—Olympic & Symphonic—are importing Japanese models as well as making own sets here.

In Aug. 1961 we reported Japanese TV manufacturers were combing U.S. for chassis business (Vol. 17:32 p18). In a sounding of industry opinion at that time, we found only Olympic & Symphonic even mildly interested. Now, nearly 2 years later, Japanese manufacturers are renewing efforts to win U.S. set makers as customers for complete sets or chassis—and some are building own trade names on U.S. market.

Transistor radio market is most "international" of all. Complete Japanese- & German-made radios are being imported & sold here by some leading U.S. set makers. But most U.S.-made transistor radios—particularly highly competitive miniatures—are keeping in the price race at least partly due to use of some Japanese parts (particularly tuning capacitors & speakers) along with U.S.-made components.

All major holdouts against part-importing—save one—have now given in and are using some foreign parts in small transistor radios. Sole exception is Zenith, which may now be on brink of switching to Japanese components in some of its miniature radios. "We're looking at it now," we were told by Zenith Sales Corp. Pres. Leonard C. Truesdell. Use of all-American components in low-priced pocket radios "hurts the profit picture terribly," he said. "If we do import parts, we'll use them in nothing except miniature sets, and we'll use only 2 or 3 parts which meet our quality standards."

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 22 (12th week of 1963):

	March 16-22	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	149,775	134,464	129,899	1,608,207	1,553,551
Total radio	300,182	315,997	361,343	3,760,761	4,291,018
auto radio	121,933	140,536	131,132	1,723,176	1,504,968

"Dear Dave" letter from color TV fan was reproduced by RCA as full-page ad in trade journals last week. It was from Dr. Allen B. DuMont, addressed to RCA Chmn. David Sarnoff. It read: "About a month ago I purchased an RCA Mark 8 color television receiver. The picture quality of this set is far superior to what I expected. With many programs the color fidelity seems to compare very favorably with the best motion pictures from Hollywood as projected on motion picture screens. The 'Bell Telephone Hour' and Disney programs seemed particularly good. It is quite a let-down to see black-and-white programs afterward. Despite what may have seemed to be quite a cautious attitude toward color by me some years ago, certainly the RCA receivers and transmissions of today are technical achievements of the highest order. You are to be congratulated for persisting in color television development almost single-handed. Color should greatly increase television's importance to the public."

Emerson's brisk TV sales this year have made it necessary to increase production more than 50% higher than last year's rate, according to Emerson Div. sales dir. Leo W. Hahn. As demand for 16-in. sets continues to rise, he told distributors, company has doubled production but continues to work against back orders. "All-channel sets," he added, "are selling at a much faster pace than we anticipated," and now account for 25% of Emerson's total TV business. He said TV-phono combos were completely sold out, and Emerson has introduced 2 new models originally intended for June line. He predicted company's 1963 TV business would be 25% higher than 1962.

Three new 16-in. sets, by Admiral & Emerson, highlight last week's introductions. Admiral premiered 15 TVs, 2 stereos & new transistor radio line. Admiral's entry into 16-in. market includes first remote-control model (\$159.95) and standard 16-in. set (\$129.95). New 19-in. portables in 2 series (17,000 & 20,000 volts) are priced at \$139.95, \$149.95 & \$159.95, top model in each series carrying open list. Four new 23-in. consoles & 2 color lowboys have open list. Also added were 2 stereo portables at \$69.95 & \$79.95. Radio line retains 6-transistor pocket leader at \$14.95 (with earphone & battery); among the 12 radios are 6 which can operate on house current or rechargeable batteries through use of AC Charger Plug (\$5.95). Among other Admiral radio items: 8-transistor miniature with 3-gang tuning (\$29.95); 10-transistor AM-FM sets at \$49.95 & \$59.95. Emerson introduced 5 TVs, including 16-in. with sleep-switch & personal listening jack (\$139.95), two 19-in. all-channel portables (open list); 2 TV-stereo combos with FM stereo (\$379.95 & open). New Emerson table radios are \$19.95 & \$24.95.

"Two-in-one" closed-circuit TV camera was unveiled at IEEE show in N.Y. last week by Sylvania. With 800-line resolution, it is claimed to be able to perform virtually any function of a studio camera. Completely transistorized unit features removable vidicon unit which functions as "slave" camera. Slave or complete unit can be operated remotely from up to 1,000 ft. by means of detachable rear control panel. Price is \$2,875. Other new CCTV cameras were shown by Dage, Sony & Nippon Electric.

**Trade Personals**

Delbert L. (Debs) Mills elected vice chmn., Raymond W. Saxon pres., RCA Sales Corp. Mills, who is also RCA vp-gen. mgr. in charge of Home Instruments Div., formerly was Sales Corp. operating vp; Saxon was marketing vp. W. Walter (Wally) Watts continues as RCA Sales Corp. chmn., relinquishing post of pres.; Saxon's position is new one.

Robert H. Platt, GE Credit Corp. treas. & finance mgr., joins Magnavox April 1 as finance vp, succeeding John Sturgeon, retired.

Earl I. Anderson appointed RCA Home Instruments Div. operations mgr., succeeded as chief engineer by Loren R. Kirkwood.

John G. Clarke, ex-Forest Products Div., named a vp of Owens-Illinois' Consumer & Technical Products Div. (which includes former Kimble Glass Co.) and mgr. of product development & marketing for TV bulbs and other glass for electronics industry; he succeeds G. Pryor Molloy, who has been named vp-gen. factories mgr. of Cristalleria Peldar S.A., Medellin, Colombia; Clarke reports to John P. Kearney, vp-gen. mgr., industrial & electronics products.

Arnold R. Forbes appointed GE TV receiver dept. product planning & mkt. research mgr., succeeding John S. Chamberlin, recently named radio receiver dept. mktg. mgr.

Charles E. Wolf, ex-Warwick Mfg., joins Symphonic Electronic as operations dir.

Dean Phillips, ex-Motorola, returns to Packard Bell as radio sales mgr., a new post.

Dr. Elmer W. Engstrom, RCA pres., will address opening day luncheon, April 22, of Society of Motion Picture & TV Engineers' 93rd convention, Atlantic City, N.J.

Richard A. O'Connor, retired (Jan. 1963) Magnavox chmn., receives U.S. Navy's highest civilian citation, The Distinguished Public Service Award, for outstanding contributions & "personally directed efforts which led to the solution of diverse & numerous technical problems."

Robert T. Reid named Pacific Semiconductors gen. sales mgr., a new post, succeeded by Arthur M. Liebschutz as northeast regional sales mgr.

David Scott-Atkinson named Clairtone Sound planning & development dir.

Nicholas A. Di Orio appointed RCA electrical & raw materials purchases dir., a new post, with staff purchasing responsibility for all commercial divisions, except Home Instrument and Tube Divs.

Francis I. Sullivan appointed counsel for Sylvania's Semiconductor, Electronic Systems and Lighting Divs. . . Lawrence P. Riddle appointed a Sylvania PR project mgr., with responsibility for corporate projects & press contacts in N.Y. area.

Herbert A. Finke appointed National Co. pres., chief exec. officer & a dir., succeeding Joseph H. Quick, retired.

Paul Bosted named International Rectifier director general of European operations.

Cornelius W. Owens appointed AT&T personnel vp, succeeding Sanford B. Cousins, who retires in May.

**View from the Summit:** Zenith Sales Corp. Pres. Leonard C. Truesdell finds business continuing to run ahead of last year on week-by-week basis, with outlook still excellent.

He warned, however, that on industry-wide basis, "retail sales around the country are beginning to lose some steam," but added that this may be little more than normal seasonal decline. Although TV & stereo are going strong, Truesdell reiterated observation of others in industry that radio sales are trailing last year's pace and will do so for first half. Other comments by Truesdell, in answer to our questions:

**All-channel sets:** All Zenith sets except 16-in. are readily convertible to all-channel through addition of tuner. Factory-equipped all-channel sets are sent to areas of substantial uhf telecasting, but conversion is made by dealer—at option of customer—in other areas.

**Component hi fi:** Zenith has looked into field, decided not to enter it because of "miserable pricing situation." Its record changer is being offered only through regular Zenith distributors & dealers and is same as the one used in Zenith phonographs—not a special component version as originally planned.

**Kimcode picture tube:** "We will not experiment on our customers. As it is proven in, we'll probably go ahead and use it."

**FM-stereo table radio:** Truesdell sees "good future" for good-performing sets. "It takes money to build, and this will keep the list price up. You can't think of this in the same terms as a \$49 FM set. It will never take over the radio business, but it's a good business and we're pleased with it."

**16-in. TV prices:** "We have a very high percentage of the industry's 16-in. sales at \$159.95, despite the fact that the others are selling at \$139.95."

**Consoles:** "Our sales of consoles are ahead of last year in terms of color & black-&-white grouped—and that's the way you have to think of consoles now."

**Color:** Truesdell predicts industry sales of about 600,000 sets this year, with Zenith supplying one-third of this number.

**Jan. Sales Figures:** TV distributor-to-dealer sales were up 7% in Jan. over Jan. 1962 figures, phono sales up 44%—and radio down 20%—according to EIA market data released last week (see p. 9 for later estimates). Production statistics showed all-channel sets accounted for 12% of Jan. output, vs. 7% a year before. EIA's Jan. 1963 figures vs. Jan. 1962:

	PRODUCTION		DISTRIBUTOR SALES	
	Jan. 1963	Jan. 1962	Jan. 1963	Jan. 1962
Total TV .....	484,415	488,869	503,821	465,836
TV with uhf .....	58,032	39,609	—	—
Total radio .....	1,229,507	1,350,603	—	—
Non-auto .....	635,002	820,041	453,348	562,869
FM radio .....	87,641	76,510	—	—
Auto .....	594,505	530,589	—	—
Total phono. ....	341,694*	259,559*	316,525	219,728
Mono. ....	83,638*	68,545*	81,046	48,423
Stereo .....	258,058*	191,014*	235,479	171,305

\* Factory sales.

Warwick Mfg.'s sales of Silvertone b&w TV sets increased tenfold during past decade vs. industry's over-all 10% net reduction, Pres. Lawrence G. Haggerty declared at ceremonies marking firm's 10th anniversary. He also noted growing market for color sets, said Warwick is "further increasing our already major investment for producing color TV."

**Distributor Notes:** Admiral appoints Jack Scott regional sales mgr. covering Buffalo, Cleveland, Toledo, Wheeling, Youngstown • Carson Pirie Scott names Don Valerio TV-radio-stereo buyer, succeeding James Catlin • Motorola awards "weekend in Phoenix" to some 100 distributor-salesmen & their wives May 2-5 for outstanding sales of TVs & car radios in special "P. V. Galvin Month" program • Emerson Radio of Maryland appointed Telectro tape recorder distributor in Maryland, succeeding Geo. Rosen & Co. • Motorola-Chicago, distributor in Chicago & 13 Illinois counties, commences Fair Trade pricing of Motorola consumer products April 1 "to put a fair profit back into this business in return for the dealer's time, effort & investment," Vp-Gen. Mgr. Earl G. Erickson announced.



Jan. factory sales of TV picture tubes rose to 890,246 units from 802,061 in 1961's opening month, EIA reported. Dollar value increased to \$16,846,046 from \$15,625,304. Sales of receiving tubes, however, declined both in units & dollars. Unit sales slipped to 27,025,000 from Jan.-1961's 29,591,000. Dollar value sloughed off to \$22,524,000 from \$24,787,000.

EIA engineering dept. offices in Washington, N.Y. & Newark will be consolidated as soon as space can be provided in Washington, according to decision by EIA board. Board will consider housing recommendations—including proposal to construct EIA hq building—at June convention in Chicago.

Magnavox will show tape recorder line next July. Company currently produces recorders in England under Collaro trade name, but has never marketed recorder in U.S.

Another imported transistor TV is due from Mitsubishi via Westrex in June. To be sold under Westar label, it has 6-in. screen, weighs 7 lbs., will list at \$199.95.

Storer Bcstg. will ask stockholder approval, at April 9 annual meeting, to purchase from Chmn. George B. Storer 439,700 shares of its Class B stock for \$12,531,450 cash, or \$28.50 a share. Shares would be held as treasury stock, reducing company's outstanding common & Class B shares to 2,001,200 from 2,440,900. If sale is approved Chmn. Storer would continue to own 418,590 shares of Class B—or 20.9% of total outstanding shares—and retain right to vote additional 208,250 shares held in trust. To finance stock buy & to retire existing \$5 million bank loan, Storer Bcstg. has arranged for \$15 million, 8-year bank loan at average interest rate of 5%, according to Finance vp R. M. Akin. He described Mr. Storer's offer as "a very good buy" for company. Stock closed at 35¼ March 27.

Metromedia anticipates increased sales & profits this year, Chmn.-Pres. John W. Kluge reported to stockholders in annual report. Company had big sales jump & record profits in 1962 (Vol. 3:9 p12). Earnings have jumped 1,100% since 1957, sales nearly 1,000% since 1956.

Rollins Bcstg. expects earnings in its 1963 fiscal year, ending April 30, to jump approximately 24% from year-earlier's \$437,396. Pres. O. Wayne Rollins said revenues should climb about 27% from fiscal-1962's \$6.4 million.

Admiral, which suffered profit drop despite 8% sales gain last year (Vol. 3:12 p11), closed 1962 with total current assets of \$82,352,435—up from \$74,434,299 in 1961. Total current liabilities were reduced to \$32,698,680 from \$36,327,701. Assets included \$12,213,836 cash & \$35,442,129 notes & accounts receivable, vs. \$8,853,964 & \$37,181,722 at 1961's end. Net worth increased to \$64,622,967 from \$63,948,377. Net working capital (current assets minus current liabilities) increased to \$49,653,755 from \$38,106,598. All 1961 figures have been restated to exclude accounts of Admiral Italiana. Admiral explained in annual report: "Operations of Admiral Italiana again were unprofitable" in 1962 & the company late in Jan. 1963 "decided to terminate the operations" of the Italian subsidiary "but to continue in the Italian market through the medium of licensed operations. Negotiations already have been undertaken."

Sprague Electric posted record 1962 sales & operating profits (see financial table) and "business during the first quarter of 1963 has been continuing at substantially the same rate" as in 1962's last quarter, reported Chmn. Robert C. Sprague. Sales last year rose more than 12% to \$87 million from \$77.3 million. Net earnings slipped slightly under 1961's \$6.1 million after deducting non-recurring loss of \$363,758. Loss resulted from U. S. Tax Court decision involving 1941-46 income taxes.

Transitron Electronic anticipates further losses in its 3rd fiscal quarter ended March 31 but is "shooting for the break-even point toward the end of the 4th quarter," ending June 30, Pres. David Bakalar said. Transitron was in the red \$297,101 at close of 2nd fiscal quarter (Vol. 3:8 p12). In 1962 fiscal, Transitron lost \$763,755. Company's profitability depends largely on volume, he said, and he estimated \$6.5 million a quarter as break-even point in sales.

Medallion Pictures expects earnings in 1963 fiscal year ending April 30 to double year-earlier's 47¢ a share, even with 13% increase in stock outstanding to 370,000 shares. Pres. Benjamin Schrift said board will consider stock distribution in opening quarter of 1964 fiscal year. Medallion, he said, has "achieved a substantial [competitive] advantage in having assembled one of the first color TV packages—26 films all produced in the 1960s & immediately available for TV stations in the U.S. & Canada."

Gulton Industries sales in 1963 fiscal year ended Feb. 2 rose some 23% to \$30 million from \$24.4 million a year earlier. Earnings gained to more than \$1.20 a share from fiscal-1962's 92¢. Chmn.-Pres. Leslie K. Gulton said sales were divided "about 50-50" between govt. & commercial customers, emphasized that company plans "most significant expansion" in field of rechargeable batteries.

Telex Inc. will become Telex Corp., headquarters in Delaware. Stockholders of Tulsa-based manufacturer of phonos, tape recorders & electronics components approved proposal to transfer corporate hq to Delaware by voting sale of all corporate assets, effective March 31, to new Telex Corp. incorporated in that state. Telex Corp. will issue one share of common for each outstanding Telex Inc. share.

INTEC-Westbury CATV equipment line has been bought for undisclosed price by Electronics, Missiles & Communications Inc., Mt. Vernon, N.Y. (Dr. B. W. St. Clair, pres.) INTEC is subsidiary of big French Compagnie Generale de Telegraphie Sans Fils (TSF).

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Avco	1963—qtr. to Feb. 28	\$113,656,405	\$ 10,382,379	\$ 4,988,379 <sup>1</sup>	\$0.45	11,130,643
	1962—qtr. to Feb. 28	83,179,565	6,971,459	3,321,459	.31	10,846,897
Consolidated Electronic Industries	1962—year to Dec. 31	165,864,282	—	4,980,478	1.57	3,176,908
	1961—year to Dec. 31	144,437,881	—	4,883,699	1.54	3,170,002
ITT	1962—year to Dec. 31	1,111,211,036 <sup>1</sup>	—	40,693,850 <sup>1</sup>	2.43 <sup>2</sup>	16,496,956
	1961—year to Dec. 31	943,472,099	—	36,059,034 <sup>2</sup>	2.18 <sup>2</sup>	16,265,222
Philips Electronics & Pharmaceutical	1962—year to Dec. 31	83,944,402	3,895,330	1,858,477	.79	2,355,711
	1961—year to Dec. 31	38,345,040	1,823,659	1,054,066	.53	2,000,874
Radio Shack	1962—6 mo. to Dec. 31	8,024,854	—	(593,590)	—	683,949
	1961—6 mo to Dec. 31	10,432,949	—	102,206	—	683,949
Sprague Electric Story on p.11	1962—year to Dec. 31	86,954,897 <sup>1</sup>	—	6,066,319 <sup>4</sup>	4.01	1,512,590
	1961—year to Dec. 31	77,254,031	—	6,092,473	4.14	1,471,709
Telectra Industries	1962—year to Dec. 31	4,804,028	—	354,048	.49	—
	1961—year to Dec. 31	4,582,066	—	(643,656)	—	—
Times-Mirror	1962—year to Dec. 31	145,810,341	—	6,224,837	1.45	4,300,492
	1961—year to Dec. 31	126,374,499	—	5,476,822	1.28 <sup>5</sup>	4,282,534 <sup>5</sup>

Notes: <sup>1</sup> Record. <sup>2</sup> After preferred dividends. <sup>3</sup> Before \$7.6 million non-recurring gain. <sup>4</sup> After \$363,758 nonrecurring loss. <sup>5</sup> Adjusted to reflect

Jan.-1962 stock dividend.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Littelfuse	Q	\$0.03 $\frac{3}{4}$	May 15	Apr. 30
MPO Videotronics	Q	.10	Apr. 15	Mar. 29

**Mergers & acquisitions:** Litton Industries has acquired for undisclosed common stock & convertible debentures Winchester Electronics, Norwalk, Conn. maker of electronic connectors • Advance Ross Electronic stockholders will vote April 24 on offer by H. M. Byllesby & Co. to acquire company on a share-for-share exchange. Byllesby, an investment firm, already owns 32% of TV components maker's 707,131 outstanding shares. • Microwave Associates will acquire International Microwave Corp., Cos Cob, Conn. in a stock exchange.

National Co. anticipates "good volume & a profitable year in 1963" despite fact that showing in first 2 months wasn't a "brilliant one," reported Chmn. Herbert C. Guterma. Malden, Mass. maker of electronic products & frequency standards earned \$9,718 on \$8.8 million sales in 1962 (Vol. 3:11 p12). Stockholders approved restricted stock option plan under which newly appointed Pres. Herbert A. Finke will be able to buy 20,000 shares of National common at 100% of the fair market value.

Ampex sales & profits in fiscal-1963 year, ending April 30, will be higher than anticipated. Pres. W. E. Roberts now foresees 13% sales gain to "about \$95 million" from fiscal-1962's \$84.1 million. Net income is expected to soar about 50% to approximately \$5 million from \$3.2 million. Ampex earlier foresaw 10% sales rise & net income up "substantially."

Wilcox-Gay has filed \$300,000 trademark infringement suit against Majestic Electronics Ltd., Chicago, charging latter with selling TVs, radios & other electronic products under "Majestic" brand. Wilcox-Gay contends that action is infringement of its trademark "Majestic, Mighty Monarch of the Air."

GT&E has placed on market \$50 million of 4 $\frac{1}{2}$ % sinking fund debentures due 1988. They're priced at 101% & accrued interest to yield 4.43%, are not redeemable at lower interest cost to company prior to March 1, 1970.

Giannini Controls, Conrac's parent, "in terms of earnings is moving up again," Pres. Donald H. Putnam told annual meeting. He said first-quarter earnings will top those of 1962's final 3 months.

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with

**Consumer Electronics . . . (starting on page 10)**

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**The authoritative service for executives in all branches of the television arts & industries**

APR 8 1963

## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**NAB & FCC—TAKING FIRMER POSITIONS**, Collins gaining more acceptance from conventioners who bridle at Commission moves on commercial ceiling and license fees. Ratings, CATV, also top topics (pp. 1 & 7).

**NEW ERA IN BROADCAST** equipment foreshadowed at NAB exhibits by solid-state modular products. New cameras proliferate, including many more vidicon units; 4-vidicon film chains & 17-in. monitor steal color spotlight; active interest in uhf transmitters (pp. 3 & 8).

**WEARY NIELSEN BOWS AFTER ROUGH FINALE**: Chicago kingpin concludes testimony taken over 3 weeks, hit hard on 'judgment' factors in compiling reports, for canceling ABC Radio, for makeup of sample (p. 4).

**FRUITS OF UHF PROMOTION** include all-channel set-sale percentage up to 50% in Washington, plans for N.Y. seminar. Govt.-industry committee organizes (p. 5).

**POSSIBLE NEW AM-FM STANDARDS**: FCC commissioners have before them long-awaited Broadcast Bureau proposal to alter standards. Strict contour protection, abandonment of 'demand' system for AM allocations, among proposals (p. 6).

### **Consumer Electronics**

**15-YEAR-FORECAST** by Sylvania's Frank Mansfield: TV sales to dip this year, eventually rise to 9-million annual pace, home radios increasing to 18.7 million by 1977 (p. 10).

**TRANSISTORIZED UHF TUNERS** in 2 versions—full-sized & miniature—offered by General Instrument; small versions to be 'widely used this fall' (p. 10).

**COMPONENTS MAKERS SCORE BIG 1962 GAINS**. Combined sales of 20 firms rose nearly \$60 million to \$1.531 billion from 1961's \$1.471 billion; earnings of 23 components & tube makers climbed \$13.5 million to \$61.8 million from \$48.4 million (p. 11).

**FAIR TRADE POT BOILS ANEW**: Motorola-Chicago initiates fair trading; Pa. Supreme Court justice blasts state's Fair Trade Act; new organization formed to fight fair-trade legislation (p. 13).

**GOVT. & FOREIGN PARTS**: Initial decision in Motorola case indicates FTC examiner's view that radio can't be called 'American' if 'essential parts' are imported (p. 14).

**PHILCO NEGOTIATES OTTER TAKEOVER**: Agrees 'in principle' to acquire stocks of Philadelphia, Newark & N.Y. distributor, John M. Otter companies, but emphasizes that action does not reflect plan to replace independents with branches (p. 14).

**NAB & FCC—TAKING FIRMER POSITIONS**: "Collins sounds more & more like our boy. We're glad Minow is leaving, but we doubt that the next FCC chairman will be better—and he could be worse, so life with the Commission isn't likely to be easier." That's about the typical reaction of NAB members at end of convention in Chicago last week.

Convention produced more open hostility to FCC & govt. regulation than heretofore. This was intensified by fact that all questions came from floor during FCC panel period, weren't written and screened as in preceding years. Commissioners bristled noticeably at some crudely expressed "questions" which were primarily speeches. For example, Comr. Bartley, who has legion of broadcaster friends, asked: "When are we going to get the questions?"

Conventioners definitely had dander up about FCC's proposal to put Commission teeth into NAB's own commercial Code limitations, and its vote to impose license fees (Vol. 3:13 p2). They were most tickled at Collins's all-out opposition to these.

And delegates cared not at all for Minow's proposal that law be passed requiring all broadcasters to belong to NAB and to give NAB power to discipline violators of commercial provisions. (Minow would leave Code's programming provisions alone, said it would be "dangerous" to touch these.)

Minow's recommendation that uhf be stimulated by having networks grant both vhf & uhf affiliates in each market—the uhf to rerun some programs later, at lower cost to sponsors—was generally regarded as an impractical nightmare from economic standpoint.

But delegates were told, by NAB Gen. Counsel Douglas Anello, that one or 2 FCC votes are likely to switch, killing chances of ceiling on commercials—and that there is 50-50 chance of beating Commission in court if it does finally adopt such limitations.

Program ratings—the shaking up given industry by Harris Subcommittee (see p. 4 for last week's developments)—are giving many broadcasters the willies. Delegates seemed relieved to hear Collins review work being done in NAB's Research Program. He said plan will be submitted to board in June meeting. Charles Crutchfield, Jefferson Standard Bcstg., at one meeting said: "We must help put out the fire that is threatening to consume us."

FCC proposal to charge license fees—up to \$100 for major applications (Vol. 3:13 p2)—provoked lively opposition, including one suggestion from floor during FCC panel session, that govt. be charged for public service announcements. Comr. Hyde endorsed this.

Mich. GOP Gov. Romney, April 3 luncheon speaker—and a very effective orator—delighted audience with blast at spread of "federal power" and of "broad indictments of the broadcasting industry." He contrasted current FCC actions with free-enterprise philosophy of his late father-in-law, Federal Radio Commissioner Harold A. Lafount (1927-1934). New Comr. Cox said Romney would be surprised to learn that Lafount voted for many Commission actions which are today termed "program control." Said Minow later: "Gov. Romney said he was not well informed on the subject. I agree with him." He added: "He has a fine sense of responsibility. If more broadcasters had as much responsibility, we wouldn't need much govt. regulation."

Not all broadcasters condemned Minow totally & flatly. One top telecaster put it this way: "It's his job to make whatever proposals he thinks are right. I think he's wrong in many of them—but it's our job to consider them carefully and tell him why he's wrong." Nor has Collins abandoned his strongly held but unpopular views. For example, in news conference, discussing his opposition to cigarette commercials aimed at youth: "I have no change of feeling whatever. I've become even more convinced that it was the right thing to say. This is another case in which the broadcaster has waited for govt. to tell him what to do."

Minow's well-prepared & well-delivered speech was accepted politely. But since he declined to discuss reports of his resignation—though he joked about them—everyone in audience tended to shrug it off with assumption Minow is "lame duck." Audience applauded only once—when Minow reported that FCC had reduced AT&T after-9 p.m. long-distance calls to \$1 and suggested that reduction "might induce the rating services to make a few more calls."

Minow hasn't lost his zealousness. For example, discussing industry self-regulation through Codes, he departed from prepared text to say: "Gov. Collins, the time has come for more than speeches." And, commenting on Omaha-type hearings: "I cannot understand how local expression about broadcasting service can be interpreted as governmental interference with freedom. The public's right to insist on having a voice in your decisions, and the public's right to free expression, will be honored & maintained."

Collins brought joy to conventioners, was applauded 12 times, with such statements as these: "There is wrong in your FCC house . . . Commissioners, you have burdened, and threatened to burden, the many for the wrongs of a few. And we submit these efforts constitute a serious threat to the preservation of freedom of expression in this country."

But Collins said best way for industry to achieve respect of govt., is to improve, and he proposed 5 steps: (1) Improve ratings. (2) Reduce advertiser influence on programs. (3) "Project & enforce our Codes." (4) Develop an NAB Program Dept. (5) Join forces to fight illiteracy, in countries such as Dominican Republic, which has solicited our help. Said Collins: "I believe all these proposals, beyond their intrinsic merit, will further advance our public interest posture."

Convention had some excellent & unusual panel discussions and debates (for highlights, see p. 7). Equipment developments put growing emphasis on solid-state modular products & ease of maintenance (see pp. 3 & 8).

Registration was 3,437, greatest ever. The 1964 convention will be held in Chicago's Conrad Hilton again; 1965 confab is set for Washington, probably at Shoreham & Sheraton-Park hotels.

**NEW ERA IN BROADCAST EQUIPMENT:** Sharp break with past in station technical operations was foreshadowed last week at NAB equipment exhibits in Chicago.

Trend to transistorization & modularization of equipment, which first became evident at 1962 convention, is more than mere nuts-&-bolts matter. Real significance is that virtually breakdown-free and no-repair equipment is now in sight. One veteran industry engineer goes so far as to predict "disposable circuits," which can be unplugged & discarded—replaced, not repaired.

Revolution is more than technological. It's dictated also by anticipated vitalization of uhf & small-market TV, as well as ETV—coming generation of Ma-&-Pa (and schoolteacher) TV operation. Trouble-free, compact, long-life equipment, which can be "repaired" by unskilled personnel is becoming vitally needed.

At this year's equipment show, almost every new piece of broadcast gear employed solid-state circuitry in whole or in part. Majority of it was modularized (for plug-in replacement) in one form or another. Take just one example—sync generators. Several solid-state modular units were shown. Typical version occupied only 12 in. of rack space, drawing 30 watts of power—far cry from TV's early generators which took up huge cabinet, consumed hundreds of kilowatts and required own air-conditioners. Among equipment highlights:

Cameras: Never was there such abundance of new live cameras—plenty of 3 & 4½-in. IOs, but particularly studio vidicons. Vidicon cameras (now mostly transistorized) have come long way, are being bought by networks for news & weather shows, recommended for many small-station uses. Side-by-side demonstration shows their grey scale & lack of noise are more comparable to 4½-in. than 3-in. IO. New 1½-in. vidicon is used in several film cameras and one live one (**Sarkes Tarzian**).

Color: Interest & enthusiasm was generated by new type of color film channel, using 4 vidicon pick-up tubes—one for monochrome (luminance), 3 for color (chrominance). GE showed production model, sold it to WSM-TV Nashville; RCA showed developmental one with 1½-in. vidicon for monochrome channel. Principle is similar to developmental 4-tube live camera shown by RCA last year, and understood to be due for unveiling in production version at next year's NAB.

GE showed updated live color camera, partly transistorized, developed to provide good registration with its Talaria color theater-TV projection system (Vol. 3:9 p3). One of stars of show was Conrac's 17-in. rectangular color monitor (using Japanese 90-degree tube), displaying beautiful picture. This mostly transistorized unit will also be sold by RCA (under own logo), **GE, others**.

Interest in color was somewhat greater than last year—most of it centered on film & slide equipment. Very few stations seem willing to make expensive plunge into live color.

Tape: Lower-cost transistorized VTR (\$34,500) from Ampex and the previously shown deluxe transistorized TR-22 from RCA took spotlight. Ampex offered & demonstrated its Editec electronic editing accessory which makes possible animation & time-lapse photography on Videotape. Also premiered was Ampex's 120-lb. portable VTR, using 2-in. tape and designed for closed-circuit market, at \$11,900. Much interest was shown in Precision Instrument's 68-lb. TV recorder at \$12,150, demonstrated at Storer Bcstg. suite in Executive House. Sony's portable recorder also attracted attention. (Precision & Sony machines were described last week in Vol. 3:13 p6.)

Uhf: Revival of interest was evident, and there was talk—in sessions and on exhibit floor—of new high-efficiency Eimac power klystron, incorporated into GE's redesigned uhf transmitter line. ITA Electronics announced its entry into TV transmitter field with 25-kw unit—currently being designed. We were told new transmitter will be fabricated to reflect newly relaxed FCC rules, and that video & audio power may be developed by single Eimac klystron of the new type (instead of 2).

FM & stereo: Interest has shifted from transmitters & stereo generators to transistorized stereo consoles and to stereo monitors which anticipate FCC's upcoming standards. Transmitter manufacturers agreed that business would continue in state of suspended animation until end of FCC's FM freeze.

For more detail on new broadcast equipment, see p. 8.

**WEARY NIELSEN BOWS AFTER ROUGH FINALE:** End came finally to Harris Subcommittee's sampling & evaluation of Nielsen methodology. It was another rough week for Chicago kingpin, which has been on stand for 6 full days & 4 half days spread over 3 weeks. Pres. A. C. Nielsen Jr. was home from Australia, observed hearings 2 days.

"It's been a long, tedious situation, like pulling an eye tooth," said Chmn. Harris (D-Ark.). Originally planned for 2½-3 weeks, hearings now go into 6th week. (For NAB convention reaction, see p. 2.)

Much time was spent on Nielsen cancellation of ABC Radio pact because network didn't want new services at increased cost. Nielsen quit publishing ABC Radio figures in June; first Sindlinger report for only ABC Radio came out in Sept.

After establishing that many ad agencies won't look at network salesman unless he has Nielsen figures, Rep. Moss (D-Cal.) said: "You have a virtual monopoly position. A client has to take everything you sell or nothing." Nielsen had made changes to report 4-week cumulative ratings, rather than 2-week, to improve auto report & to report portable-set listening twice a year.

Staff counsel Robert Richardson said: "You call them improvements, but ABC Radio called them bad research" and didn't want to go along with increased costs (monthly bill would have gone from \$8,900 to \$9,900). Henry Rahmel, Nielsen exec. vp, said other networks wanted these changes as soon as possible and that Nielsen couldn't offer 2 kinds of network radio service at same time.

Auto report became center of controversy. It's based on gross 690 sub-sample of 1,120 national homes. Information is based on diaries supported by Recordimeters in 25% of sub-sample autos. Diaries reflect only time auto set is on, not stations tuned. Nielsen report, however, provides networks with estimates of their auto tune-in shares based on in-home listening shares. Subcommittee was incensed, asserted that this procedure—one of supposed improvements that ABC Radio didn't like—wasn't based on research.

A network representative who had sat in on all-network meeting with Nielsen, discussing these changes, told us that research firm was not enthusiastic about auto proposal. Moss said its only value is to permit a network to inflate its listening. He said he hopes "FTC will take critical look at what I regard as an outrageous action."

Another critical point brought out was that Nielsen uses "judgment" factors in compiling reports. A day's listening from one week's diary may be "borrowed" to reflect that listening for the 2nd week's diary if latter has no entries for that day. Company also uses "bridging"—attempts to match Recordimeter & diary entries. In some cases, normally valid diaries are thrown out. Nielsen said such practices occur rarely.

Furor developed over Louisville report in which 39 diaries were discarded. Richardson said inclusion of these diaries would have upset rankings to show non-subscriber WAKY ahead of subscriber WKLO, contrary to published report. Rahmel asserted: "We don't do business that way."

Richardson had some surprises regarding "secrecy" of Audimeter homes. Through normal diligence, without Subcommittee power, he said, he was able to locate 70 homes in 6 months. Nielsen vp Warren Cordell was "surprised," said Richardson was "ingenious."

Staff investigator said that an unnamed Nielsen client has for several years had map showing location of sample counties. Cordell was again surprised, said company uses only about 6 maps in Chicago.

Rep. Brotzman (R-Colo.) took researchers to task for having no Audimeters in Mountain Time Zone, which accounts for 4-5% of population: "I don't see how you can logically represent the nation when you leave out a segment of the population." Cordell said MTZ would only make a difference of 0.1 to 0.2 rating point. Rahmel said distances make it uneconomical.

Subcommittee made other charges that sample was not representative. It showed that 2 neighboring families on relief in Chickasha, Okla., were part of national sample, accounting for 100,000 homes.

When hearings started early in March, Nielsen notified TV stations of price increase averaging 27%. Nielsen official told us it's based on increase in sample and modified sampling procedures. Earliest new rates go into effect is next Dec. Also pending are proposed changes in local radio, with 5-fold increases in sample and 500% jump in rates for some stations.

We're told ARB plans to double sample size. It would probably charge broadcasters 30-40% more. Except for additional internal research into diary fulfillment errors (Vol. 3:13 p3), ARB plans no other alterations, believes its system has come through well. It's concerned, however, that hearings may have harmed all services.

Spot check of network researchers attending hearings shows them little surprised. They say they've been aware of most "weaknesses" in Nielsen. Nielsen officials also told us that, contrary to popular concept of firm as "fat cat," annual TV-radio gross of \$7 million yields little profit.

Serious atmosphere of week's fact-gathering & word-wrangling was broken once. San Diego diary was filled out by woman who said she listens in morning & at night. She left radio on during day for dog which "enjoys it as much as a dog can." Diary was counted for that day, reporting: Audience composition—one woman.

Following Nielsen to stand were 3 of its former field men. They concurred with many Subcommittee charges that meters in home could be tampered with, that survey techniques are sloppy, that cheating could occur.

At end of Nielsen testimony, Harris said industry self-regulation is strongly indicated. "Someone had better get to thinking pretty seriously about procedures that are more in keeping with the public interest."

**Fruits of Uhf Promotion:** In Washington, 50% of current set sales are all-channel, according to EIA's L. M. Sandwick, who believes that gov.-industry seminar for dealers & servicemen, aiding the 2 uhf in town, is largely responsible for great upsurge. Next target is N.Y., he said: "We're going to give them a ticker tape job."

Post-NAB convention meeting of exec. committee of FCC-industry's Committee for the Full Development of All-Channel Broadcasting (name changed, substituting "All-Channel" for "Uhf") in Chicago last week:

(1) Enlarged itself from 20 to 22, adding Richard Hull, NAEB, and a labor member to be named later.

(2) Appointed 3 committee chairmen: Technical—Ben Adler, Adler Electronics, chmn.; Sarkes Tarzian, Sarkes Tarzian Inc., vice chmn.; uhf station operation—Seymour N. Siegel, WNYC-TV N.Y., chmn.; Adam Young, Adam Young Inc., vice chmn.; consumer information—L. M. Sandwick, EIA, chmn.; Mort Farr, NARDA, vice chmn.

Next meeting, in Washington, comes April 29.

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**Farewell to co-ax:** Only 2% of Bell System's inter-city TV mileage is now represented by coaxial cable—down from 30% in 1954. So said AT&T long lines div. engineer Sheldon C. Jenkins in paper presented at NAB broadcast engineering session last week. Other facts about current status & future plans for Bell's TV relays: Carrier now maintains 94,000 miles of inter-city channels (up from 39,000 in 1950) and has 141 TV operating centers. This does not include nationwide network of multi-purpose broadband channels, available to TV in emergencies and for occasional special use. AT&T's standard TD-2 microwave amplifiers are being modified to increase their power to 5 watts from current 1/2 watt. New TD-3 system, to be available in 1965, will have 5 watts from start. Joint broadcaster-AT&T Network TV Committee has completed 2nd edition of its standard text, *Video Analysis*, now being sent to all NAB member stations.

Development of strong uhf lobby was urged by John English, WSEE Erie, veteran of uhf wars, at meeting of Assn. for Competitive TV (ACT) last week in Chicago. Referring to early battles for deintermixture, he said: "If we had been in there fighting in Washington with a solid professional approach, we could have won. We can blame ourselves for a ridiculous performance, due to lack of organization, lack of strength." He said "whole attitude of Madison Ave. [toward uhf] has changed," noting that his station recently "got more national spot in one 3-day visit to N.Y. than we carried in a year." Group also heard report from Comr. Lee on status of uhf and on necessity of educating public & dealers. EIA Consumer Products Staff Dir. L. M. Sandwick asked uhf outlets to help with education process. In answer to question, he said manufacturers will not build up inventories of vhf sets to dump on market when all-channel law goes into effect. Dumping, he said, "is a luxury that's long gone."

Too many engineers: 14 men & a girl were trapped in stalled elevator at Chicago's Conrad Hilton Hotel during NAB convention April 2. Of the 14 men, 13 were broadcast engineers, who had just left engineering conference in hotel's upper tower. The girl was elevator operator. Trapped between 22nd & 23rd floors, illustrious group included ABC Engineers Pres. Frank Marx & CBS-TV Engineering & Affiliate Relations vp William B. Lodge. As elevator operator frantically pressed emergency button, one of the engineers asked: "What happens when you push that button?" Replied the operator: "They'll send up an engineer." They did, and rescue was effected on 22nd floor.

Tributes presented at NAB: To Bob Hope, for laughter; to Mrs. A. Scott Bullitt, King Stations, for service on TV Code Review Board; to Harold V. Hough, WBAP-TV Ft. Worth, as "Dean of American Broadcasters"; to Clair McCollough, Steinman Stations, for service as chairman of joint boards; to former FCC Comr. T. A. M. Craven, for 40-some years in govt.

**POSSIBLE AM-FM STANDARDS:** Long-awaited proposal to alter AM & FM standards is before FCC commissioners now. It's understood that following are some of proposals advanced by Broadcast Bureau:

(1) Theoretical contours of existing stations would be protected by new applicants. There can be no overlap.

(2) Traditional "demand" system of allocating AM space on individual basis will be changed to a "go-no-go" system; application fits or else it's rejected.

(3) Number of new stations allowed in a market would be determined by population.

(4) Long-range goal would be an integrated AM-FM service, with FM not duplicating AM.

No new daytime applications for Class II-B, II-D, III & IV stations would be accepted unless they meet these standards, among others: Co-channel—0.5 mv/m contour of Class II, III, IV stations would be protected by 0.025 mv/m contour of proposed station; 0.025 mv/m contour of all classes would be protected by 0.5 mv/m contour of new station.

For 10 kc separation—0.5 mv/m contour would be protected by 0.5 mv/m of proposed operation.

For 20 kc separation—25 mv/m contour would be protected by applicant's 2 mv/m; 2 mv/m to be protected by 25 mv/m.

For 30 kc separation—25 mv/m contour would be protected by 25 mv/m.

Broadcast Bureau proposal also says future FM assignments will be made through table of mileage separations to make possible limited number of omnidirectional stations rather than large number of stations with directionalized coverage.

Proposal would require all FM stations to duplicate AM no more than 50% of time. Existing stations would be required to do this one year after adoption of rule. There's no plan to separate AM-FM ownership.

In addition to much tighter engineering standards, proposal includes these AM objectives: Bring primary aural service to areas lacking same; bring first local aural service to as many independent communities as possible; bring multiple local aural services wherever possible. New nighttime applications will be kept to bare minimum.

New standards wouldn't favor suburban applications seeking to cover large cities.

New stations wouldn't be allowed in communities which now have more stations than proposal's population standard (e.g., maximum of 7 stations in city with over 100,000).

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Elected to NAB TV board: James Russell, KKTU Colorado Springs; Otto Brandt, King Stations; Joseph Baudino, Westinghouse; John Dille, WSJV South Bend; Robert Wright, Meridian, Miss.; Glenn Marshall, WJXT Jacksonville. Chairman will be chosen at June meeting, and William Quarton, WMT-TV Cedar Rapids, is expected to be reelected. Radio board elected Ben Strouse, WWDC Washington, as chairman, succeeding Willard Schroeder, WOOD-TV & WOOD Grand Rapids, who's expected to be named joint-board chairman in June.

**FM's Turning Point:** FM broadcasters' customary air of enthusiasm at NAB & NAFMB conventions last week in Chicago was tinged with strongest feeling of optimism yet observed among this music-loving group. Hypoed by FM stereo, increasing set sales & growing sponsor interest, they counted themselves in the broadcasting industry for first time. "Remember, we're broadcasters first, FM operators second"—or words to that effect—were heard several times at sessions.

Broadcasters make money and have sponsors, and there was evidence that FM was working up to this cheering condition. Particularly encouraging was report by NAFMB Chmn. T. Mitchell Hastings Jr. on Harvard Business School study which predicted: (1) Average FM station will show profit next year for first time, and in 3 years FM's profits will triple. (2) By 1973, some \$374 million will be spent on FM sponsorship, out of total \$1.2 billion for all radio advertising. (3) Number of FM sets will equal AM by 1967, and FM sets will outnumber AM by 2.4 million the next year. (4) Number of FM outlets will level off at 3,200 in the 1970's.

They heard FCC Comr. Bartley urge them to maintain high quality of FM broadcast programming & advertising standards. Zenith ad vp Erik Isgrig told them to be more aggressive in seeking sponsors. He said that last year Zenith spent only minor portion of ad funds it had earmarked for FM sponsorship because stations didn't call on its distributors for business.

Panel on FM stereo brought out these points: (1) Many advertisers & agencies—including such giants as GM, Robert Hall, Canada Dry—are supplying or preparing stereo commercials. (2) Quality of stereo discs for compatible programming is improving. (3) There are still problems in combined stereo & SCA operation, but they are far less nettlesome than year ago. (4) Although most stereocasters deplore "gimmick records" with exaggerated separation, they are programming them during store hours to help sell sets.

EIA Consumer Products Staff Dir. L. M. Sandwick told panel that U.S. manufacturers would produce more than million stereo receivers this year. He said this proves FM stereo has been 2nd in public acceptance only to TV—since it took 4 years after introduction of AM radio before industry reached million-sets-a-year pace and considerably longer in monophonic FM.

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Will computers replace people? Subject continues to provide lively conversation at major ad agencies in N.Y. and other centers, and opinions & facts don't always match. Opinion: at NAB convention, Y&R Vp & Dir. of Media Relations Warren Bahr and Media vp Joseph St. George of same agency told broadcasters that computers "cannot supersede buyer's judgment" in areas of program evaluation & intuition. Fact: at BBDO office in N.Y. last week, at least a dozen timebuyers, estimators and other media staffers were given notice; most of their functions are being computerized.

Contribution of \$100,000 to educational WNDT (Ch. 13) N.Y. by CBS was announced over weekend by Educational Bcstg. Corp. Pres. Dr. Samuel B. Gould. It was CBS's 2nd financial contribution to station, first having been \$250,000 donation as one of several made by N.Y. outlets toward acquisition of station for ETV.

**NAB ROUNDUP:** Among more interesting sessions at NAB convention was informal discussion of FCC's proposal to put NAB Code's ceiling on commercials into Commission rules—a debate between Comr. Lee and Code Board Chmn. William Pabst, KTVU San Francisco-Oakland.

Lee put good-natured aspect on discussion by opening with: "These commissioners are not all sons of bitches. In fact, there may be only one or 2." He also gave broadcasters some hope by noting that FCC adopts finally only about 50% of rules it proposes.

NAB Code is a "crutch," Lee said, "It's changed when there's trouble. But that hasn't worked. You need advertising, but I'd rather see you raise prices than clutter up your schedules . . . I think you ought to burden the few with the virtues of the many. You never see the bad guy who clobbers you. He isn't a Code subscriber . . . There's no censorship involved, any more than there is in the Post Office limitation on print media advertising, regarding second-class mail privileges."

Pabst: "The FCC release on this was prepared in such a rush that Comr. Lee doesn't know what it is. It talks about a 'special consideration' for stations in sparsely populated areas and 'other factors.' FCC should rescind this notice and investigate the subject . . . Rule-making is slow & cumbersome. I think broadcasters will become disenchanted & demoralized—undermining the Codes . . . Let us have our 'locker room' talk with violators . . . Some small guys have stricter codes than ours. So, there aren't so many bad guys."

In other panels, concern was expressed about growth of CATV; in one, it was indicated that NAB wouldn't be satisfied if new legislation to regulate CATV applied only to systems in one-station markets. TV Board Chmn. William Quarton linked CATV & pay TV: "CATV and the Hartfords may become the pay-TV of the future. Pay-TV is payment for facilities & talent. We'd like the money, but is that the best for the American public? If enough homes are connected, they'll outbid us for talent." A strong CATV committee was appointed: Dwight Martin, WAFB-TV Baton Rouge; William Grove, KFBC-TV Cheyenne; C. Howard Lane, KOIN-TV Portland; Clair McCollough, Steinman stations; John T. Murphy, Crosley; G. Richard Shafto, WIS-TV Columbia, S.C.; William Walbridge, KTRK-TV Houston.

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Among topics & responses at FCC panel session:

License fees—Minow: "It was a policy set during the last Administration—that the people who get the benefit should pay part of the processing. There's no hardship in the cost." Hyde: "There might be some advantage to the broadcaster in a filing fee." Ford: "We need more specific instructions from Congress."

A broadcaster as next new commissioner—Bartley & Ford: Depends on which one. Ford: "It's not any of our business" to endorse anyone.

License renewals & program proposals—Ford: "There's no standard of any kind" on percentages to be devoted to program categories. "There is a delegation to the staff. If the proposal meets certain criteria, the staff can renew. If not, the staff brings it to the Commission. We'll probably formalize the instructions so you'll know what the staff can renew."

Overcommercialization—Lee: "I'm prepared to accept the industry's judgment." Minow: Industry needs "effective self-regulation."

Omaha-type hearings—Henry: FCC should examine broadcasters' reports on program plans "in light of our 1960 policy statement."

Renewal forms—Ford: "We've made 6 drafts so far. We need to reappraise programming. We need the industry to tell us what's current. . . . Not 'Amos 'n' Andy.'"

FCC letters on local-live programming—Cox: "Our questions are construed as a demand" but they're not. Hyde: "But a letter has the implication of direction." Ford: "The new renewal form will help, require many fewer letters. We're in an interim problem."

Loud commercials—Lee: "If I'm asleep and it wakes me up—that's a clue."

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In panel on "Broadcasting in a Free Society," Roscoe Barrow, Dean of U. of Cincinnati law college and former dir. of FCC's network study, recommended adoption of many of the proposals he offered to Commission in his network report. Basically, he believes more govt. controls of networks will give stations more freedom. Some of his views were echoed by Philip Hauser, U. of Chicago sociologist who asserted that elected officials (govt.) are more responsible to public than are broadcasters. He suggested that broadcasters may find more freedom through controls—just as traffic rules save lives. Hauser got the only boos we heard during convention. After moderator Erwin Canham, editor of *Christian Science Monitor*, mentioned "managed news" at one point, Hauser said: "A press that is predominantly Republican is also managed news." Hence boos.

Attorney W. Theodore Pierson, long-time foe of govt. controls, said he believes FCC should use more care in selecting licensees—and leave them alone. He went for the "seek-out-needs" formula originated by Comr. Ford, saying broadcaster should demonstrate "that his incoming channels of communication will be efficient and effective in yielding knowledge of his audience and his community."

Donald McGannon, Westinghouse Bestg. pres., said situation isn't "black-&-white," but that if broadcaster "reaches for his potential, then you're in position to face the govt. If your house is in order, stand up and be heard and let the devil take the hindmost." This produced one of the biggest cheers of convention.

Former FCC Comr. Charles King, Dean, Detroit College of Law, repeated views he held at FCC. "How can govt. police 5,500 stations every 3 years? We have to rely on arbitrary standards—percentages—which mean absolutely nothing . . . Broadcasters are more responsive to needs than public officials."

Lawrence Laurent, TV critic of *Washington Post*, said Barrow's suggestions "constitute an invitation to a kind of enslavement" and Pierson's advice "amounts to an exhortation to commit suicide. Perhaps, only economic suicide." He said that American people are always winners in the continuing "tug of war" between industry & govt.

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FTC spends about 40% of its \$11 million-plus budget policing advertising & labeling that may be false & deceptive, Gale Gotschall, FTC consumer relations representative, told recent 9th annual conference of the Council on Consumer Information in Washington.

**NEW BROADCAST EQUIPMENT:** Heavy emphasis on solid-state circuits & modular construction at last week's NAB equipment exhibition (see p. 3) meant far more "new" broadcast gear this year than at most shows of recent past. There were few real "surprises," with possible exception of unusually large quantity of new products shown by GE—strong evidence of attempt to make up for some lost ground as full-product purveyor to broadcast industry.

Among new cameras was striking new 3-in. image orth unit designed by France's CSF which will be built in U.S. by CSF's affiliate, Intercontinental Electronics. Displayed by Visual Electronics, camera has built-in 10-to-1 zoom lens instead of turret, uses fiberglass & aluminum case, is transistorized, weighing only 58 lb. It's currently unpriced, but will be "competitive." Also shown was 4½-in. version, produced in France.

Much interest was centered on improved version of EMI's remote pan-&-tilt camera mounting, especially suited for one-man station operation. RCA introduced new 3-in. image orth camera, partly transistorized, claiming picture sharpness approaching that of 4½-in. camera. RCA's 4½-in. camera has been revamped & renumbered TK-60.

Studio vidicon cameras proliferated all over the place. New viewfinder vidicon cameras, mostly solid state, were shown by many manufacturers, including: GE (camera alone, \$8,200; complete chain, \$12,200); GPL (chain "less than \$5,000 . . . as easy to operate as a home TV set"); Sarkes Tarzian (1½-in. vidicon camera, \$8,500); EMI (transistorized self-contained chain, "around \$5,000"); Continental Electronics (chain \$3,500); GE displayed new line of improved vidicons and new version of Emmy-winning low-light image orthicon.

Film camera chains featured 1½-in. vidicons & solid circuitry, providing sharper pictures, greater detail. RCA's version will be available by year's end. Sarkes Tarzian also had 1½-in. vidicon film chain. RCA showed new 16-mm film projector with modular construction, automatic change of projection & sound-system lamps, virtually instantaneous start, automatic cueing, reverse operation & automatic film loop restoration.

Conrac's compact color monitor is first to fit in standard 19-in. rack, uses 95 transistors, 21 tubes, is now in production, will sell for \$2,450. Much color interest was centered on new film chains. Both GE's & RCA's are transistorized. GE is promising summer delivery; RCA's chain is developmental, with no target date reported for production model. GE's new live color camera chain is priced at about \$55,000.

Video-tape equipment showed continued trend toward both sophistication and easier operation. Ampex's new VR-1100, at \$34,500, 100% solid state, was described as smallest & least expensive standard broadcast TV recorder (July delivery). RCA, meanwhile, announced it will deliver its 100th all-transistorized TR-22 recorder (\$62,500) in May, demonstrated unit in full-color operation.

Many new tape accessories were shown. Ampex's Editec (\$9,500, summer deliveries) is claimed to make possible on tape any special effects which can be made with film; its 2-speed accessory for 7½-ips operation is

now available (\$1,460). Ampex said it had already delivered 40 tape color conversion accessories.

Other equipment items of unusual interest: Solid-state sync generators by Spectron Inc. (distributed by Visual), Telemet (Telechrome) & Riker Industries. Transistorized 8-in. monitors by Conrac, Miratel & EMI. Parametric pre-amps for translators, remote pick-up, microwave & CATV by Micromega Corp. (Visual). Pre-set RCA solid-state switcher, which can store as many as 10 events (\$31,500), operating by pushbutton. GE directional uhf "Zig-Zag" transmitting antenna. Automatic transmitter logging equipment, to meet new FCC rules, by GEL & others.



Japanese film purse strings will be held by Finance Ministry on purchases of imported U.S. telefilm shows, even though govt. in Japan has lifted lid on dollar ceilings by doubling permissible spending by program buyers to \$3 million every 6 months. Syndicated shows which bring up to \$1,000 per 30-min. segment in Japan (about usual going rate now) will receive rubber-stamp approval from Bank of Japan. Any prices higher than that, however, will be subject to case-by-case approval by Finance Ministry. Feature film sales to TV in Japan will also be subject to approval, with price ceiling of about \$2,500 per movie. In Washington, meanwhile, Research & Policy committee of Committee for Economic Development urged that "Japan should lower its barriers" to import items, and at same time U.S. & Europe should "end discrimination and reduce restrictions against Japanese exports."

Greece plans TV network with 17 stations serving 80-85% of population. Greek National Bestg. Institute will be reorganized as govt.-owned corporation to operate TV & radio networks. First stage of TV project is estimated to cost \$7 million, invitations on equipment are to be published soon. Present radio system will be expanded to include 38 FM stations and a shortwave broadcasting center with two 100-kw shortwave transmitters.

International Foreign Exchange between CBS-owned TV stations and foreign telecasters will be held in May, Merle Jones, CBS-TV Stations Div. pres., has announced. Third annual offering will be "The International Hour: American Jazz," produced by WBBM-TV and sponsored on 5 CBS stations by Miller Brewing Co. Program will then be exchanged with those of participating countries. Eight countries took part in 1962; 7 in 1961.

Second Mexican TV station has appointed ABC International TV Inc. program purchasing agent & sales representative. XHFM-TV, due on air in Veracruz this summer, will be first Mexican independent TV station to begin telecasting in more than 2 years. ABC International recently announced association with XET-TV Monterrey.

Iron Curtain countries are expressing interest in new French Secam color TV system, according to its manufacturer, Compagnie Francaise de Television (subsidiary of big TSF), which says tests are due soon in Russia, Poland & Czechoslovakia. Already testing Secam are France, U.K., West Germany, Italy & Switzerland.

First U.S. station to affiliate with Japanese network is Honolulu's KONA-TV, which has signed with Nippon TV Network to televise 7 half-hours of Japanese network programs weekly.

# Television Digest

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HAROLD RUSTEN,  
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Gilbert Kingsbury promoted to vp in charge of news operations, Crosley Bcstg. . . Morton S. Stone, ex-account supervisor, Harshe-Rotman & Druck, N.Y. PR firm, named QXR Network vp.

Alton Whitehouse, one-time eastern div. mgr., International TV Corp., named southern sales mgr., Embassy Pictures TV dept. . . Bruce Ledger promoted to Screen Gems (Canada) Ltd. treas.

Claude Piano, ex-Meeker account exec., named exec. vp of radio & TV at Vic Piano Assoc., new rep firm.

## Obituary

Samuel Paley, 85, father of CBS Chmn. William S. Paley, died March 31 in Palm Beach, Fla. He was founder of Congress Cigar Co., Philadelphia, helped son start CBS, served on its board 1930-1960. He was born in Russia, came to U.S. as a child. Survivors, in addition to the CBS chairman: wife, daughter, brother.

Intervention in FCC hearings would be permitted only if petitions were filed within 30 days after notice in *Federal Register*, under Commission-requested bill introduced by Commerce Committee Chmn. Sen. Magnuson (D-Wash). Bill would amend Sec. 309(e) of Communications Act which now allows interested parties to intervene up to 10 days before start of hearing. Rep. Harris (D-Ark.), chmn. of House Commerce Committee, submitted similar measure (HR-5327).

USIA budget has been trimmed \$8,994,000 by White House. Amendment to last January's budget sent to Congress shows these reductions: \$7,375,000 (to \$38,625,000) for acquisition and construction of radio facilities, \$579,000 (to \$145,550,000) for salaries & expenses, \$1,040,000 for Informational Media Guarantee Fund. Major portion of cuts come from eliminating Project Teak, medium wave station for Southeast Asia.

Instructional TV may have greatest effect by capturing on tape a "cumulative record of the best work by the greatest teachers," declares Dr. John Meaney, TV-radio action dir., U. of Texas, in new booklet, "Televised College Courses," published by Fund for Advancement of Education. He reports on Ford Foundation's "College Faculty Released-Time Program for TV Instruction."

Denver pay-TV experiment over Ch. 2 KCTO (formerly KTVR) was granted 3-month extension to July 3 to launch operation (Vol. 2:41 p2). FCC said "good cause" has been shown: Necessary equipment has been purchased, agreement has been made with phone company, equipment space leased, office established. Macfadden Teleglobe holds pay-TV franchise.

IRT Foundation has been formed by International Radio & TV Society, N.Y., as non-profit corporation to sponsor expanding activities of IRTS. In addition to current programs (Time Buying & Selling Seminars, annual Collegiate Broadcasters Conference, etc.), IRTF hopes to offer scholarships in mass communications fields.

WOW Omaha was praised for 40 years of service in unprecedented resolution by Nebraska's legislature. April has been set aside by station for heavy anniversary promotion. It was established April 2, 1923.

Sales rep moves; Bob Hix Co. moved April 1 to 280 Columbine St., Denver 6. Phone: 222-5465 (code 303).

## Personals

Edward Bleier, ABC-TV vp in charge of daytime sales, promoted to national sales mgr. Yale Roe, asst. daytime sales mgr., promoted to daytime sales dir. Bernard Saperstein promoted to marketing services mgr.

James A. Schulke, former Magnavox ad & sales promotion mgr., elected NAFMB's first full-time pres.; he will head NAFMB's new office at 45 W. 45th St., N.Y.; T. Mitchell Hastings, outgoing pres., was named chmn.; all other officers were reelected.

Harold Kassens, chief of FCC's Aural Existing Facilities Branch, received NAFMB's 1963 FMMY Award for "his continuing & untiring efforts in developing sound & practical engineering standards for the FM industry and the subsequent standardization of FM stereo broadcasting."

Oliver Treyz, former ABC-TV pres. and more recently Warner Bros. TV sales mgr., joins Revlon as vp. . . Lloyd Cooney promoted to vp-gen. mgr., KSL-TV Salt Lake City. . . Kent Wilson & Roderick O'Harra promoted to operations dir. & local sales mgr., KERO-TV Bakersfield, Cal. . . Harold Gorsuch, ex-WOSU-TV Columbus, O., chief engineer, named engineering & technical services dir., ETV WHYY-TV Philadelphia.

Mike Shapiro, WFAA-TV Dallas gen. mgr., presented Broadcast Management Award by General Federation of Women's Club for involvement in community affairs, news & editorials. . . Hugh Robinson, ex-asst. mgr., WMEG Melbourne, Fla., appointed WFTV Orlando regional sales mgr.

Arch Madsen, KSL-TV-AM pres., & A. R. Munger, retired pres., Seattle First National Bank, elected to 11-man board, Queen City Broadcasting (KIRO-TV Seattle).

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**15-YEAR FORECAST OF TV-RADIO-PHONO:** What will be the measurements of consumer electronics industry 15 years from now? One projection sees factory sales totaling nearly \$3.6 billion, up from \$2.5 billion in 1963, with retail sales of TV at 8,970,000 sets, factory sales of radios (including radio-phono combos) at 18,760,000, factory phono sales rising to 6,370,000.

Figures are projections by Frank W. Mansfield, Sylvania dir. of marketing research and dir. of EIA's Marketing Services Dept. Here are some highlights of Mansfield's projections:

Retail sales of TV sets: Will rise from 1962 total of 6.6 million to 8,970,000 in 1977—after dip to 6,510,000 in 1963 & 6,570,000 in 1964. By 1967, annual rate will have passed 7 million, exceeding 7.8 million in 1972. Figures presumably include both color & black-&-white sets.

Some 61.6% of TV sets sold in 1962 were replacements, Mansfield estimates, while 22.3% were initial installations, 16.1% second sets in the home. In next 5 years, he forecasts gradual decline in initial sets to 18.6%, rise in replacement purchases to 65.7%. He differs with some prognosticators in predicting decline—not increase—in rate of 2nd-set purchases. He sees 2nd-set buying dropping down to 15.7% of all set purchasing in 1967. By 1977, he forecasts that only 17.5% of TV set sales will be initial installations, with 2nd-set purchases down to 12.8% of total and replacements accounting for 69.8% of TV set buying.

His forecast, therefore, is extremely moderate in terms of TV sets per home. He estimates that number of TV sets in use now exceeds TV homes by about 18%; by 1967, he sees it going up only to 24%—meaning less than one-quarter of TV homes will have more than one set.

Reporting on past & present TV trends (as opposed to forecasts), Mansfield estimates about 60,780,000 sets in use in U.S. today. Of these, 3.9% have screens smaller than 16-in., 20% 16- through 18-in., 60.4% 19- through 21-in., 15.7% 22-in. & over. To date, some 86,223,000 TV sets have been sold to U.S. public—and about 25,443,000 of these have been scrapped.

Radio projection: Mansfield placed 1962 factory sales of radios (excluding auto, but including radio-phonos) at 13,105,000. Although he predicted decline in 1963 retail TV sales, he foresaw factory radio sales rising this year to 13,630,000, steadily going up to 15,390,000 in 1967, to 17,150,000 in 1972 and 18,760,000 in 1977. Average factory price of radio (including radio-photo) was put at \$34.88 in 1962, and seen leveling off at \$37.20 in 1972-77.

Factory phono sales: From the 5,293,000 sold in 1962, according to Mansfield figures, phono sales should decline to 5.1 million units this year, then rise steadily—but not passing 1962's pace until 1967. By 1972, sales should be up to 5,830,000, reaching 6,370,000 by 1977. Average unit factory price should rise evenly from \$98.07 in 1962 to \$102.40 in 1963, \$110.70 in 1967, \$114.60 in 1972 and \$117 in 1977.

**MORE TRANSISTORIZED UHF TUNERS READY:** New miniature transistorized uhf tuner, now in tooling stage, will be "widely used this fall" by set manufacturers, according to spokesman of General Instrument Corp., largest manufacturer of uhf tuners.

GI's transistor tuner is 2nd to be revealed in 2 weeks. GE disclosed at recent IEEE convention in N.Y. that new miniature uhf tuner is going into production there (Vol. 3:13 p7). New GI tuner measures 2 x 2 $\frac{3}{8}$  x 1 in., presumably will be widely used in 16-in. & smaller sets where space is important consideration.

"Some set manufacturers are already committed" to use miniature tuner, GI spokesman said. Aside from compact size, he said, transistor tuner's biggest current advantage is its low radiation, well below FCC's minimum of 500 microvolts (which has been waived by FCC because so few uhf tuners actually could meet it).

Other advantages: Long life, as compared with tube-type oscillator; stability. GI hopes to offer new tuner at price slightly lower than its current tube-type uhf tuner.

Miniature tuner will have same basic characteristics as current tube-type GI tuner, which has become virtual standard of industry. It uses Fairchild silicon transistor and conventional diode mixer. Sensitivity & noise characteristics are said to be about same as conventional tube-type tuner.

Miniature tuner is brand new, was developed after GI had offered larger standard-size transistor uhf tuner to set industry. Latter has been in pre-production runs and is ready for production now—but so far there's no indication any set makers will use it. Its price would be "pennies more" than GI's tube-type tuner.

**COMPONENTS MAKERS SCORE BIG 1962 GAINS:** Last year was a good one for most manufacturers of electronic components & tubes. Sales & earnings were upbeat all the way (Vol. 2:50 p11), and pushed 1962 totals markedly ahead of 1961's.

Combined 1962 sales of 20 representative companies shot ahead nearly \$60 million to \$1.531 billion from 1961's \$1.471 billion.

Consolidated earnings of 23 components makers rose \$13.5 million to \$61.8 million in 1962 from 1961's \$48.4 million. The 1962 earnings are after deducting combined \$648,017 losses racked up by Aerovox (\$506,909) & General Bronze (\$141,108). The 1961 figures also are net, after \$2,374,166 losses—Aerovox (\$606,568), General Bronze (\$1,663,832), Sonotone (\$103,726).

Many of the companies we analyzed produce other products in addition to tubes & components. Others are major factors in military production of components & tubes. However, they are representative of TV-radio components industry & are major indicators of sales & profit trends in area of components for home electronic products. Companies analyzed are Aerovox, Amphenol-Borg Electronics, Clevite, CTS Corp., Dynamics Corp. of America, Eitel-McCullough, Erie Resistor, Gabriel, General Bronze, Globe-Union, Hawley Products, Indiana General, International Resistance, P.R. Mallory, Muter, National Union Electric, Oak Mfg., Sonotone, Sprague Electric, Standard Kollsman, Texas Instruments, Thompson Ramo Wooldridge, Tung-Sol.

Of 20 firms that posted booming sales of \$1,531,004,458, only 3—Tung Sol, Sonotone & Standard Kollsman—failed to show gain from 1961. Many of the gains were impressive, and record volume was achieved by 6 companies—Dynamics Corp. of America, Clevite, Thompson Ramo Wooldridge, Texas Instruments, International Resistance, Sprague Electric.

In profit picture, only 5 of 23 failed to earn more in 1962 than in 1961, and 3 companies turned in peak profits. They were Dynamics Corp. of America, Oak Mfg., International Resistance. Only 2 companies finished year in the red—Aerovox & General Bronze. Both turned in 1961 losses as well, but both reduced deficit last year—Aerovox to \$506,909 from \$606,568; General Bronze, \$141,108 from \$1,663,832. Sonotone reversed 1961's \$103,726 loss with \$301,944 profit. Sprague Electric had record operating profits of \$6,430,077—but this was whittled by nonrecurring loss of \$363,758 resulting from U.S. Tax Court decision on 1941-46 income taxes.

Many of the profit gains were impressive. Thompson Ramo Wooldridge nearly doubled earnings to \$12.5 million from \$6.5 million. Hawley Products nearly quadrupled profits—to \$400,000 from \$104,570. Dynamics Corp. of America jumped \$1.4 million to \$3.6 million from \$2.1 million. Amphenol-Borg skyrocketed to \$2.3 million from \$623,299, and Oak Mfg. soared to \$907,031 from \$557,662. Erie Resistor more than doubled earnings to \$1 million from less than \$500,000.

Sales gains also were heady. Thompson Ramo Wooldridge boomed more than \$50 million to \$460.3 million from \$409.1 million. Texas Instruments climbed to \$240.7 million from \$233.2 million. Indiana General rose some \$3.5 million to \$25.5 million from \$22 million. Dynamics Corp. of America was up some \$16 million to \$75 million from \$49.2 million. Oak Mfg. romped \$7.5 million ahead to \$30.6 million from \$23 million. Amphenol-Borg soared \$20 million to \$93 million from \$73 million. CTS Corp. rose to \$28.2 million from \$21.5 million. P.R. Mallory mushroomed to \$99.1 million from \$85.2 million. Sprague Electric jumped nearly \$10 million to \$87 million from \$77.3 million.

Only Tung-Sol & Standard Kollsman were down in both sales & earnings. Tung-Sol sales slipped to \$64.7 million from \$65.9 million, earnings sagged to \$842,139 from \$1.5 million. Standard Kollsman sales fell to \$90 million from \$104.3 million, earnings to \$2.3 million from \$3.2 million.

Record sales & earnings were posted by 2 companies. Dynamics Corp. of America ran sales to \$75 million from \$49.2 million, boosted earnings to \$3.6 million from \$2.1 million. International Resistance set its records with sales jump to \$29.4 million from \$24.7 million and profit gain to \$2.5 million from \$2.1 million.

Here's 1962-vs.-1961 performance of 23 representative components & tube manufacturers:

	<u>Sales</u>		<u>Earnings</u>	
	1962	1961	1962	1961
Aerovox	—	—	\$ (506,909)	\$ (606,568)
Amphenol-Borg Electronics	\$ 93,082,750	\$ 73,204,641	2,345,298	623,299
Clevite	101,175,033	91,874,140	6,562,236	5,142,629
CTS Corp.	28,245,799	21,468,189	2,153,391	1,822,734
Dynamics Corp. of America	75,014,106	49,165,655	3,572,778	2,093,596
Eitel-McCullough	—	—	750,000	486,671
Erie Resistor	—	—	1,032,449	495,050
Gabriel	31,649,503	30,304,892	1,032,594	591,049
General Bronze	18,957,533	18,641,852	(141,108)	(1,663,832)
Globe-Union	69,440,000	62,518,783	2,024,000	2,592,505
Hawley Products	7,500,000	5,880,000	400,000	104,570
Indiana General	25,501,081	22,034,915	2,076,121	1,790,663
International Resistance	29,423,449	24,717,034	2,481,698	2,088,315
P.R. Mallory	99,060,031	85,197,027	5,121,145	4,513,224
Muter	16,500,000	14,553,107	350,000	243,962
National Union Electric	39,488,498	36,517,713	1,151,694	962,214
Oak Mfg.	30,591,623	23,017,077	907,031	557,662
Sonotone	21,772,006	22,328,588	301,944	(103,726)
Sprague Electric	86,954,897	77,254,031	6,066,319	6,092,473
Standard Kollsman	89,958,321	104,289,859	2,324,816	3,189,761
Texas Instruments	240,692,588	233,223,325	8,557,200	9,446,386
Thompson Ramo Wooldridge	460,314,000	409,077,000	12,454,000	6,459,206
Tung-Sol	64,683,240	65,946,154	842,139	1,510,577
<b>TOTALS</b>	<b>\$1,531,004,458</b>	<b>\$1,471,213,982</b>	<b>\$61,858,836</b>	<b>\$48,432,480</b>

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 29 (13th week of 1963):

	March 23-29	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	146,086	149,775	136,529	1,754,293	1,692,859
Total radio	348,585	300,182	353,531	4,109,346	4,635,084
auto radio	142,790	121,933	119,383	1,845,109	1,650,595

Better & cheaper classroom TV sets were urged by Purdue electrical engineering school dir. Dr. William H. Hayt Jr. at recent IEEE convention in N.Y. He said conventional 23-in. home-type sets have inadequate bandwidth & audio, and they're too small & expensive. He called for sets with 29-in. screen, more bandwidth and better, front-mounted speakers—at less cost. He also urged exemption of educational sets from all-channel law—expected to be granted soon by FCC (Vol. 3:12 p7). Many manufacturers are now producing special classroom TV sets, almost all in 23-in. size. (Only presently produced larger tube is 27-in.)

Minnesota Mining & Mfg. has formed Swiss subsidiary Minnesota Mining Products A.G. at Zurich.

Delmonico's sales increased nearly 40% in 1962 to all-time high, according to annual report of parent organization Thompson-Starrett Co. The importing subsidiary's sales totaled \$13,966,884 or 40% of Thompson-Starrett's gross in 1962, up from \$10,087,820 (42.8%) in 1961. Report said Delmonico has sold about 50,000 AC portable 8-in. TVs since set was introduced in 1961's last quarter, and that 4,000 retail stores now handle Delmonico imports. (For Thompson-Starrett 1962 results, see financial table.)

Admiral is offering \$1,000 cash & all-expense paid trip to Chicago as national grand prize for dealer portable TV display contest. Locally-prepared window or in-store displays are eligible for contest, which also will award 42 regional prizes, 3 in each of 14 geographical sections.

**FAIR TRADE POT BOILS:** Fair Trade action & reaction made news on variety of fronts last week. Resurgence of activity indicates that opposing forces are marshalling, and ebb & flow of contest will have decided impact on retailers & manufacturers, and on U.S. House & Senate which are contemplating various price-maintenance & "quality stabilization" bills.

Motorola-Chicago, Motorola-owned distributor servicing Chicago & 13 Illinois counties, initiated fair trading on all Motorola products April 1 (Vol. 3:13 p11). Action is especially interesting because Illinois is one of 23 states in which fair-trade agreements become binding on all dealers of a product if just one dealer agrees to hold to minimum resale prices. Even if they have signed no such agreements, other dealers of that product are subject to legal action if they sell below the specified minimum. Fair trade is legal in 18 other states—but agreements are binding only on dealers who sign. Nine states & District of Columbia have no fair trade laws.

Charles E. Green, member of Chicago law firm that set up Motorola-Chicago's fair trade program, told us "it is binding on all dealers who are customers of Motorola-Chicago," does not believe it affects other Motorola dealers in the state. He also said that Motorola-Chicago dealers who do not choose to participate in fair trade program "have no legal rights, in my opinion, and we're perfectly willing to have it tested if they're so inclined." Dealers who want out, he said, "will not be hurt. It is my belief that the company would buy their inventory. We certainly want to be fair. We're not looking to hurt anybody."

Earl G. Erickson, Motorola-Chicago vp-gen. mgr., said action was taken "to put a fair profit back into this business in return for the dealer's time, effort & investment." He made clear that fair trade program would be backed with "adequate enforcement" action.

Counter-action to fair trading bubbled in N.Y. last week when National Assn. of Consumer Organizations, Washington-based organization of 8 regional associations representing some 50 closed-door discount chains, held initial founding meeting for larger association that would recruit all so-called mass merchandisers for battle against any national or state legislation that militates against discounters. Second meeting for new over-all association is scheduled for April 29.

"If a retailer wants to sell at smaller profit, it's his privilege," is the way NACO exec. secy. Roger Courtland sums up association's objectives. NACO also will carry its fight to public via PR & education program that will emphasize to consumers the benefits that accrue to them & national economy from discount operations.

Fair Trade also took knocks last week from Pennsylvania Supreme Court, in 5-4 decision that voided penalties against Philadelphia dealer who sold Metrecal products below fair trade prices after manufacturer Mead Johnson & Co. had obtained a court injunction.

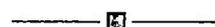
Blasting state's 1935 Fair Trade Act, Justice Michael A. Musmanno, in majority opinion, declared: "The very idea that a commercial entity may hold in one fettering price-fixing grasp all businessmen engaged in vending a certain product, just as a herdsman holds lassoed cattle on the plains, offends against the most elementary concept of a free & independent society. The Fair Trade Act

is not only in derogation of the common law, it is in defiance of principles which the Federal Govt. has on countless occasions enunciated in its anti-trust legislation & litigation." He added: "Price fixing is at its best a drastic curtailment of competitive free enterprise."

*Wall St. Journal* also heaved brickbat at fair trading in recent interesting editorial which observed: "Fair Trade has a good sound, like 'fair play.' It certainly does not connote, for instance, 'price-fixing,' which to most people doesn't sound good at all. But the truth is that fair trade is a label in masquerade . . . all fair trade really amounts to is legalized price fixing." And, belted the *Journal*, "however this gimmick is operated, its intended victim is the consumer. The manufacturer & dealer are, in effect, conspiring to deprive him of the opportunity to shop around for the best price he can get. Just for that reason, fair-trade pricing where challenged has been repeatedly rebuffed in the courts." Pointing to success of discount houses as additional proof that fair trade has been rejected by consumers, *Journal* concluded: "It is, then, too bad that more businessmen & politicians have failed to get the message."

TV-radio manufacturers disclaim any involvement in their distributors' pricing & fair trade practices. Such matters, they say, are exclusive business & domain of distributors. Motorola, for example, told us it has no part in Motorola-Chicago's new fair trade program. It's interesting to note, also, that legalities of company-owned distributor's fair trade program were prepared not by corporate lawyers but by outside counsel, Robert Nystrom of Chicago.

We spoke, also, with 2 TV-radio manufacturers who sell direct to dealers—Magnavox & Muntz TV. Former told us that it practices fair trading in states where it's legal, and enforces it with vigorous policing. Muntz TV, conversely, has "no fixed resale prices," vp Jack Simberg told us, adding: "We're not involved with fair trade because 90% of our sets are sold in areas in which we have no dealer overlap. Our dealers set their own prices."



GE was guilty of bargaining in bad faith during 1960 contract negotiations with IUEM (Vol. 16:40 p15), a National Labor Relations Board trial examiner has held. He said GE adopted "take it or leave it" position on new contract terms which "caused & prolonged" 1960 strike "in substantial part." GE will appeal examiner's decision to full 5-man NLRB. Virgil B. Day, GE management development & employe relations services vp, said GE will continue to conduct contract negotiations "in the same spirit & with the same approach as in the past years' negotiations."

Gallo Electronics Corp., manufacturer of Gallo indoor antenna system (Vol. 3:4 p9), reported to stockholders that it earned profit of \$21,489 on sales of \$65,288 in Jan.—first full month of production & sales of its antenna. Total sales since company introduced system Dec. 14 came to \$94,980. Pres. Carl Gallo said company will introduce 3 new products at May parts show in Chicago: Compact TV antenna; TV antenna with built-in-transistorized preamplifier; compact shortwave antenna with transistorized pre-amp.

Broadband TV-FM amplifier, for vhf & FM bands, has been introduced by Blonder-Tongue for master antenna systems, at \$101.

**'FOREIGN PARTS' CONTROVERSY:** A radio can't be identified as an "American brand" if "parts & material essential to [its] operation" are imported. A company must "clearly & conspicuously disclose" when its products are "in whole or in substantial part of foreign origin," even if assembled in U.S.

These are rather startling conclusions drawn from last week's initial decision of FTC hearing examiner in charges of misrepresentation of 1959 & 1960 TVs & radios filed against Motorola a year ago (Vol. 2:14 p9). Decision is not final, and is subject to Commission review. Motorola statement, issued after examiner's decision, said: "We do not agree with the examiner's findings and we intend to appeal."

FTC examiner Maurice S. Bush said Motorola was guilty of misrepresentation in referring to its model X23 as "American brand" because it contained essential components from Japan. He also accused Motorola of "tending to mislead the public" by failing to disclose "foreign origin of components."

If decision is upheld, it could set precedent involving almost every U.S. manufacturer of consumer electronic products—since nearly all use some foreign-made components (Vol. 3:13 p8).

Motorola was clobbered in other sections of initial decision, which termed following ad claims deceptive:

Battery life of "hundreds of hours" for some radios, 500 & 465 hours for others. (Examiner said tests showed life of 88-92 and 310-350 hours, respectively.)

Model 8X26 "has 9 times more power to select desired stations, reject unwanted stations." (Examiner said only comparison made was with earlier model, not with competing brands.)

Having model 8X26 "is like carrying a full 10-tube radio in your pocket." (Examiner said this claim implies "audio output" is equal to 10-tube radio, which he said Motorola stipulates is untrue.)

Models L14 & L12 have "revolutionary new chassis & audio system." (Examiner said Philco had marketed transistor radio with similar audio system a year earlier.)

Golden Tube Sentry system would "eliminate 3 out of 4 service calls" and "triple TV life expectancy." (Examiner said "evidence" shows unit is "utterly without value" in preventing tube failures.)

Motorola intrusion-type picture tubes last 10 times as long as conventional tubes. (Examiner said company placed major reliance on theory in this statement.)

Examiner also ruled false Motorola's statements that its Custom-Matic tuner was first to be specifically designed for remote control, that its 4-wafer cascode tuner was only one which turned out stronger signal than the one it picked up; that all of its 1960 sets had 20,000 volts of picture power & 180 volts of video drive.

Two charges against Motorola were dismissed because FTC's counsel "failed to meet the burden of proof required." They involved claims that L14 radio was "most powerful long-distance all-transistor portable available" and that its 1960 TV line was only one with completely hand wired chassis.

**Philco Negotiates Otter Takeover:** Philco's current negotiations to acquire stock of its Philadelphia, Newark & N.Y. distributor, John M. Otter companies, is a "specific matter between Philco & Otter and certainly does not reflect a pattern by Philco to take over independent distributors in favor of company branches," Ford's subsidiary told us last week. Transaction is not yet final, but "agreement in principle" has been reached between Philco & companies headed by former Philco vp John M. Otter.

Re hint that Otter firm had initiated separation move, John Otter told us: "I think we both agreed that it was the right thing to do." He also said it would be at least 2 weeks before he would be able to discuss his future plans. Otter has been Philco's Philadelphia-area distributor since May 1958, Newark & N.Y. since June 1960. Philco branches will be established to service those areas.

Philco pooh-poohed reports that dissatisfaction with Otter's fair trade policies is factor in separation move. "I can guarantee that fair trade has nothing to do with the matter," Philco told us. Re Philco's policies, spokesman told us company has roughly same ratio of 60 independent distributors & 30 branches Philco had at time of Ford takeover.

"We are committed to absolutely nothing, except getting the most effective distribution we can in a given area," we were told. "If that means exchanging an independent for a branch in one area, or a branch for an independent in another, we'll do it. In San Francisco recently (Vol. 3:10 p10) we exchanged an independent for a branch, but, on the other hand, our independent Los Angeles distributor took over our Phoenix branch's territory, and our Tampa independent took over 2 Florida counties formerly serviced by our Miami branch."

Philco employes at closed Sandusky, O. radio plant (Vol. 2:38 p9) have petitioned Tariff Commission to investigate threat of increased transistor radio imports to U.S. employment. If Commission finds that tariff concessions have resulted in import increase, the Philco workers can apply to Labor Dept. for various Federal aids. Petition for worker assistance is 2nd received by Tariff Commission under terms of 1962 freer-trade law.

Symphonic Electronics has retained as industrial design consultants Robert Hain Associates, Plainfield, N.J. Symphonic Pres. Max J. Zimmer paid tribute to "Mr. Hain's fresh, vital & realistic approach to the design of phonographs."

Muntz TV is pilot-producing 2 color TV models for "field sampling." will have full production & distribution by Aug., we learned from vp Jack Simberg. Sets use RCA color tube. One is lowboy model slated to retail in area of \$495. Other is TV-stereo-AM/FM combination in \$795 area.

Packard Bell Electronics has signed licensing agreement authorizing Tokyo-based Aiwa Co. to manufacture under Packard Bell brand TV sets & other home electronic products for Japanese-only markets.

Factory sales by microwave components manufacturers totaled \$75 million in 1962. EIA reported in "first accurate estimate of the industry's size."

RKO General increased earnings in 1963's first fiscal quarter, ended Feb. 28, to \$2,147,488 from \$1,226,074 a year ago.

## Trade Personals

Oscar T. Simpson, gen. mgr. of Philco's WDL Div., Palo Alto, Cal., elected a Philco dir.

Irving Sarlin, one-time Emerson Radio executive, appointed to new post of gen. sales mgr., Harpers International Inc., N.Y., exclusive rep in 19 eastern states for Japan imported Crown home entertainment products.

C. L. McCabe, Shure Bros. manufacturer-sales mgr., also named sales mgr. for distributor sales, succeeding R. E. Ward, named mgr. of new mktg. services dept. of hi fi & electronic components manufacturer.

Milton Cohen appointed vp-gen. mgr., Hertz Rent-All Corp.

Anthony Dillon, ex-Sony & Olympic, promoted from exec. vp to pres., Tokai Corp. of America (imported radios, recorders).

AB-PT's ABC Div. contributed record income & profit to parent company's peak 1962 sales & profits (Vol. 3:12 p11), Pres. Leonard H. Goldenson notified stockholders in annual report. ABC's operating income rose to \$274,523,000 from \$254,280,000. ABC Films also increased sales. AB-PT closed year with total current assets of \$105,540,647 vs. total current liabilities of \$36,414,844, compared with \$98,379,278 & \$32,437,966 a year earlier. Cash slipped to \$26,602,530 from \$26,956,300, but U.S. govt. securities & certificates of deposit climbed to \$16,805,969 from \$6,695,463. Broadcasting program rights and film costs & production advances were valued at \$17,741,155 vs. \$15,011,005 a year earlier. Outstanding common shares rose to 4,456,427 from 4,361,376, holders decreased to 20,581 from 20,944. Common stock equity increased to \$108,532,000 from \$101,706,000.

Muntz TV earnings declined 21.5% in fiscal 1963's first half, ended Feb. 28, to \$471,600 from \$600,889 a year earlier despite 4.3% sales rise to \$6.5 million from \$6.3 million (see financial table). Pres. Wallace A. Keil emphasized, however, that net profit before federal taxes increased 14% from fiscal 1962's first half. "For the first time in many years," he explained, "a provision for federal taxes was required. This provision amounted to \$213,209 and reduced net profit to \$471,600." He termed outlook for remainder of year "excellent," added: "The most outstanding event" first half was "[our] notice to all holders of promissory notes to turn their notes in for full & final payment." Muntz TV's net worth at end of fiscal half totaled \$2,711,211. Vp Jack Simberg told us Muntz TV "will start to retire this year the last of our outstanding debt—719,000 shares of \$1 par preferred stock."

Zenith's 1962 salary & incentive compensation to principal officers: Chmn. Hugh Robertson, \$60,000 salary & \$168,470 incentive compensation, payable in 3 equal annual instalments; Pres. Joseph S. Wright, \$60,000 & \$168,470; exec. vp & treas. Samuel Kaplan, \$50,000 & \$168,470; Sales Corp. Pres. Leonard C. Truesdell, \$50,000 & \$168,470.

Wometco Enterprises sales rose 13% to about \$5 million in the 12 weeks to March 23. Pres. Mitchell Wolfson said profits should be "larger proportionally" than year ago's \$449,088 on \$4.4 million sales. He forecast record 1963 sales & earnings, named TV Div. the "most profitable."

Wells-Gardner Electronics posted record 1962 sales on 18.3% rise to \$29.8 million from 1961's \$25.2 million (see financial table). Earnings climbed 16.6% to more than \$1 million from less than \$900,000. "Outlook for 1963 is favorable," noted Pres. Grant Gardner in annual report. Order backlog at beginning of 1963 totaled \$8,261,000—up sharply from \$5,461,000 a year earlier. Color TV is expected to boost 1963 performance. All Wells-Gardner customers, he said, are slated to be in 1963's color picture, compared with only 3 in 1962. Company has phased out unprofitable govt. R&D and industrial research division, Gardner said, and sales now are virtually 100% consumer products.

Philips Lamp sales rose 12% to \$1.540 billion in 1962 from \$1.362 a year earlier, produced earnings of \$95 million vs. \$90 million (see financial table). TV-radio-phono sales climbed 8%, sales of electron tubes increased 10%. "To some extent," Netherlands-based electronics giant reported, "the sales increase is due to a certain recovery in the production of the TV set industry in Western Europe, the excessive stocks of sets having been returned to a normal level." Geographically, Europe accounted for 76% of Philips' sales. Countries in Western Hemisphere chipped in 14%, balance of 10% was scattered.

Westinghouse's first-quarter sales & profits "won't reflect the profit-producing capability for the full year," Pres. Mark W. Cresap Jr. told annual meeting. He said later that he hadn't seen March figures and didn't know if company had covered its 30-cent quarterly dividend. "We continue to expect that the 1963 results will be superior to 1962 in terms of both billings & earnings," he emphasized. Earlier this year, he forecast 1963 sales would top 1956's record \$2.009 billion.

Scripps-Howard Bestg. Co.'s initial public offering—375,000 shares valued at \$7,218,750—was sold out shortly after going on market at \$19.25 a share. First Boston Corp. managed underwriting. Offering, representing some 15% of company's outstanding shares, was for 4 selling stockholders & E. W. Scripps Co. which owned 71.5% of Scripps-Howard Bestg. common prior to sale. It now owns more than 2/3 of common.

Sony Corp. has completed public offering of 300,000 American depositary shares, at \$17.25 each, through underwriting group headed by Smith, Barney & Co. and Nomura Securities Co. (Vol. 3:12 p12). Each American depositary share represents 10 shares of Sony common. Holders will participate in a dividend distribution of 9 million Sony common shares, to be made by Sony on basis of one new share for each 5 held of record April 30.

Magnavox, which scored record sales & earnings last year (Vol. 3:12 p11), closed 1962 with current assets of \$74,869,597 vs. current liabilities of \$35,742,165—compared with \$61,264,229 & \$28,550,535 a year earlier. Cash increased to \$8,725,539 from \$5,860,151. Total assets rose to \$96,667,754 from \$80,510,811. Inventories at year's end were valued at \$26,140,627 vs. \$18,244,878 at end of 1961.

Metromedia, which posted record profits in 1962 (Vol. 3:9 p12), closed year with total assets of \$51,903,950—up from \$48,564,167 a year earlier. Current assets increased to \$19,393,496 from \$14,064,912; cash position improved to \$6,226,045 from \$3,505,440. Current liabilities were listed as \$14,564,585 vs. \$9,426,771 at 1961's close.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Advance Ross Electronics	1962—year to Dec. 31	\$ 4,531,055	—	\$ 301,268	\$0.43	625,220
	1961—year to Dec. 31	3,447,875	—	267,562	.41	652,220
Amphenol-Borg Electronics	1962—year to Dec. 31	93,082,750	—	2,345,298	1.69	1,388,677
	1961—year to Dec. 31	73,204,641	—	623,299	.45	1,403,678
AT&T	1963—year to Feb. 28	9,062,740,000	—	1,397,036,000	5.80	240,779,000
	1962—year to Feb. 28	8,514,233,000	—	1,302,087,000	5.55	234,683,000
	1963—qtr. to Feb. 28	2,295,271,000	—	347,803,000 <sup>1</sup>	1.43	243,125,000
	1962—qtr. to Feb. 28	2,174,125,000	—	335,019,000	1.42	235,963,000
Audio Devices	1962—year to Dec. 31	8,177,588 <sup>1</sup>	—	457,587 <sup>1</sup>	.54	848,701
	1961—year to Dec. 31	7,350,710	—	308,455	.36	848,701
Clarostat	1962—year to Dec. 31	10,164,212	—	318,492	.70	484,392
	1961—year to Dec. 31	9,310,102	—	311,711	.69	484,392
Eitel-McCullough	1962—year to Dec. 31	29,451,669	—	757,392	.41	1,842,288
	1961—year to Dec. 31	27,109,945	—	486,671	.26	1,842,288
Erie Resistor	1962—year to Dec. 31	27,061,742	—	1,032,449	1.14	798,806
	1961—year to Dec. 31	23,691,861	—	495,050	.49	798,806
Filmways	1963—6 mo. to Feb. 28	136,000	—	58,036	.10	568,654
	1962—6 mo. to Feb. 28	128,000	—	(54,155)	—	568,654
Hoffman Electronics Story below.	1962—year to Dec. 31	39,678,270	\$ (1,496,977) <sup>2</sup>	(705,977) <sup>2</sup>	—	1,538,888
	1961—year to Dec. 31	57,243,044	1,153,100	647,100	.42	1,538,888
Lynch Corp. (Symphonic)	1962—year to Dec. 31	31,527,971	590,602	274,602	.30	963,926
	1961—year to Dec. 31	23,561,782	869,111	579,111	.77	749,232
Oxford Electric	1962—year to Dec. 31	9,502,437	—	55,510 <sup>4</sup>	.12	461,989
	1961—year to Dec. 31	8,854,376	—	119,173	.26	461,989
Muntz TV Story on p. 15	1963—6 mo. to Feb. 28	6,527,830	684,809	471,600	.33	1,437,482
	1962—6 mo. to Feb. 28	6,257,293	600,889	600,889	.42	1,437,482
National Video	1963—9 mo. to Feb. 28	12,265,626	—	87,411	.07	1,233,334
	1962—9 mo. to Feb. 28	14,780,412	—	870,047	.71	1,233,334
A. C. Nielsen	1963—6 mo. to Feb. 28	—	—	1,450,450	.85	1,710,000
	1962—6 mo. to Feb. 28	—	—	1,358,902	.79	1,710,000
Philips Lamp Story on p. 15	1962—year to Dec. 31	1,540,000,000	—	95,177,000	2.64	34,998,880
	1961—year to Dec. 31	1,360,000,000	—	90,000,000	—	—
Terminal-Hudson Electronics	1962—year to Dec. 31	13,917,652	290,493	162,770	.16	1,026,804
	1961—year to Dec. 31 <sup>5</sup>	12,884,957	839,065	430,120	.42	1,026,804
Thompson-Starrett (Delmonico)	1962—year to Dec. 31	29,887,631	—	800,580	.26	2,820,145
	1961—year to Dec. 31	23,539,992	—	570,689	.18	2,731,529
Wells-Gardner Electronics Story on p. 15	1962—year to Dec. 31	29,804,664 <sup>1</sup>	—	1,044,636	2.45	422,400
	1961—year to Dec. 31	25,199,005	—	896,458	2.11	422,400
Western Electric	1962—year to Dec. 31	2,762,104,000 <sup>1</sup>	—	135,216,000	—	—
	1961—year to Dec. 31	2,607,777,000	—	122,244,000	—	—
20th Century-Fox	1962—52 wks. to Dec. 29	90,201,567	—	(39,796,094) <sup>6</sup>	—	2,545,845
	1961—52 wks. to Dec. 30	107,476,709	—	(22,532,084) <sup>7</sup>	—	2,446,986

Notes: <sup>1</sup> Record. <sup>2</sup> After nonrecurring year-end adjustments that resulted in \$1,025,000 loss. <sup>3</sup> After \$971,000 tax credit. <sup>4</sup> After special \$12,264 charge relating to subsidiaries. <sup>5</sup> Restated to include full year of Hollywood Radio & Electronics, acquired Aug. 1961. <sup>6</sup> After \$33.4 million

"downward revision of inventory values of pictures in release at end of year & other reserves & writeoffs." <sup>7</sup> After \$13.9 million in writeoffs & reserves but before special income of \$25.5 million from sale of properties which produced 1961 net gain of \$2.9 million (\$1.18 a share).

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Avco	Q	\$0.20	May 20	Apr. 26
Gross Telecasting	Q	.40	May 10	Apr. 25
Gross Telecasting-B	Q	.07½	May 10	Apr. 25
MPO Videotronics-A	—	.10	Apr. 15	Mar. 29
A. C. Nielsen	Q	.15	May 1	Apr. 12
Outlet Co.	—	.25	May 1	Apr. 19
United Artists	Q	.40	June 28	June 14
Wometco-A	Q	.15	May 31	Apr. 14
Wometco-B	Q	.05½	May 31	Apr. 14

Hoffman Electronics, in the red \$705,977 at 1962's end (see financial table), expects to be "on a profitable basis" by mid-1963 & finish year "with a modest profit," Chmn. H. Leslie Hoffman & Pres. S. W. Horrocks reported. Operations in 1962's final quarter, they said, were on break-even basis under "new programs for tight & positive cost controls & cost savings."

Minnesota Mining & Mfg. "does no mining, but its stockholders have hit rich pay lodes in thousands of products," noted April 3 *Financial World* profile. "A key element in 3M's rise to the top has been its uncanny ability to find products which meet unfilled needs."

# WEEKLY **Television Digest**

with

**Consumer Electronics . . .** (starting on page 7)

APRIL 15, 1963

NEW SERIES VOL. 3, No. 15

The authoritative service for executives in all branches of the television arts & industries

**WITH THIS ISSUE:** Handy Pocket Directory of U.S. & Canadian Stations & Channels (Supplement).

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**Broadcast**

APR 15 1963

## SUMMARY-INDEX OF WEEK'S NEWS

### Consumer Electronics

**BROADCASTERS SCORE BIG 1962 GAINS:** Combined earnings of 9 independent TV-radio chains shot ahead nearly 50% to \$16.9 million; sales of 8 broadcasters rose some 13% to \$127.8 million. ABC, CBS, NBC, RKO General had record sales & profits (p. 1).

**NEW TITLE FOR TOM**—Executive vp Thomas Moore of ABC-TV, former sales and later program vp, steps into vacant presidency (p. 2).

**TAFT BUYING TRANSCONTINENT**, paying more than \$37.5 million at \$21.20 a share. San Diego & Bakersfield reportedly being spun off. Cleveland radio to stay with TTC because of FCC rules (p. 3).

**RATINGS HEARINGS END—PRELUDE TO ACTION:** House concludes 5½ weeks of testimony, more promised. NAB Research Committee meets in N.Y. to seek reform. Cowles & Triangle drop Nielsen (p. 3).

**ANOTHER MULTIPLE RADIO OWNER INTO CATV**—John McLendon planning to build or buy 10-12 systems in Southeast (p. 5).

**DISCOUNTERS GIRD FOR FAIR TRADE FIGHT:** National Assn. of Consumer Organizations will argue against 'quality stabilization' bills at April 25 House subcommittee hearing; Rep. Dingell will address April 29 organization meeting of new group representing all low-margin retailers (p. 7).

**U.S. PICTURE TUBE BUSINESS** explored by Philips, as Amperex imports 23-in b&w tubes, sells production quantities to U.S. set maker in one-year market test; Magnavox debuts Japanese-made 16-in TV; 2-month Japan TV exports to U.S. exceed 4% of American domestic output (p. 8).

**TV-RADIO SET MAKERS NET BIG '62:** Nine firms that concentrate on home electronics boost sales more than \$201.5 million to \$1.663 billion, increase profits some \$12 million to \$62.1 million; 4 Canadian TV-radio firms also post big profit gains (p. 9).

**BROADCASTERS SCORE BIG 1962 GAINS:** TV-radio broadcasters staged sales & profit spectacular last year. Aggregate revenues of 8 companies which concentrate on broadcasting jumped nearly 13% ahead of 1961. Combined earnings of 9 companies shot ahead almost 50%. Summed up April 10 Financial World profile titled "Broadcasters Show Record Results": "Last year was a singularly good one for the industry."

Clearly reflecting their healthy glow, TV-radio broadcasters were among 6 of 72 major industrial groups whose common stock performance last year improved over 1961 (Vol. 3:4 p12). And among handful of 6 gainers, broadcasters were 2nd, with 12.2% rise. In 1961, they ranked close to bottom of the 72 groups.

Combined earnings of 9 broadcasters jumped \$5.1 million to \$16.9 million from 1961's \$11.7 million. Aggregate revenues of 8 broadcasters rose \$16.4 million to \$127.8 million from \$111.3 million.

Goodly number of 9 broadcasters analyzed have diversified interests, but broadcasting in all cases is a principal activity. Companies analyzed: Capital Cities, Gross Telecasting, Metromedia, Reeves Bcstg., Rollins, Storer, Taft, Transcontinent, Wometco.

Broadcasting's "Big 3" also had banner year, scored record sales & profits. ABC sales jumped nearly 7.5% to record \$274,523,000. CBS's owned & operated stations boosted income 32% on 7% sales increase. NBC accounted for 22% of parent RCA's record \$1.752 billion. Parents of network broadcasters—AB-PT, CBS Inc. & RCA—also posted 1962 record sales & earnings.

Network TV gross time billings last year climbed 12.2% to about \$799 million from 1961's somewhat more than \$712 million. It was biggest percentage jump since 1956's 20% leap over 1955 billings. Spot TV billings also reflected booming broadcast business, with 17% rise to more than \$721 million from 1961's \$617 million.

CBS posted networks' major billings gain with 16% increase to nearly \$312 million. NBC was up 11.5% to about \$282 million. ABC gained 7.7% to approximately \$205 million.

Profit gains were posted by each of the 9 independent broadcasting chains analyzed, as well as the networks. We did not include in our analysis giant firms whose broadcast activities do not account for major portion of revenue & earnings. However, it is interesting to note that RKO General scored record 1962 billings & earnings while parent General Tire & Rubber declined in profit from 1961. Boston Herald-Traveler (WHDH-TV) also had profit drop, but its broadcasting operation increased its revenues to \$9.5 million from 1961's \$9 million.

Record earnings were scored by Metromedia & Wometco, in addition to 3 networks. Among more impressive gains: Metromedia—to \$2.5 million from \$1.2 million. Reeves—\$72,451 from \$15,283. Storer—\$6.4 million from \$4.5 million. Capital Cities—up a half-million dollars to \$1.6 million from \$1.1 million. Transcontinent TV—\$1.6 million from \$1.3 million.

Sales of each of 8 companies analyzed jumped from year ago, and gains in the main were impressive. Examples: Capital Cities—to resounding \$17.8 million from 1961's \$11.8 million. Metromedia—\$53.1 million from \$48.7 million. Reeves \$4.7 million from \$4.3 million. Rollins, in 9 months to Jan. 31—\$5.9 million from \$4.7 million. Wometco—\$18.7 million from \$16 million.

Here's 1962-vs.-1961 performances of 9 representative broadcasters:

	Sales		Earnings	
	1962	1961	1962	1961
Capital Cities Bcstg. ....	\$ 17,825,467	\$ 11,803,781	\$ 1,576,320	\$ 1,088,197
Gross Telecasting .....	2,610,095	2,492,554	662,648	582,952
Metromedia .....	53,069,751	48,653,186	2,489,639	1,164,267
Reeves Bcstg. & Development .....	4,719,016	4,340,240	72,451	15,283
Rollins Bcstg. (9 mo. to Jan. 31).....	5,915,663	4,661,990	436,419	356,186
Storer Bcstg. ....	—	—	6,353,326	4,453,681
Taft Bcstg. (9 mo. to Dec. 31) .....	9,329,842	7,973,358	1,827,379	1,379,810
Transcontinent TV .....	15,644,254	15,464,000	1,620,583	1,331,179
Wometco Enterprises .....	18,723,132	15,999,469	1,831,254	1,353,255
<b>TOTALS</b> .....	<b>\$127,837,220</b>	<b>\$111,388,578</b>	<b>\$16,870,019</b>	<b>\$11,724,810</b>

**A TITLE ON THE DOOR . . .** Bigelow on the floor is possibly least of new ABC-TV pres. Tom Moore's problems. He was busy being congratulated last week in N.Y. for finally (after a year-plus) being named to network's top title, vacant since departure of Ollie Treyz.

Moore is quiet, solid executive with none of flash of some of those—like McCann-Erickson's Pat Weaver or ex-CBS program boss Hubbell Robinson—who had been rumored for ABC-TV presidency. Moore received final approval of board April 8.

Moore has been on network's front-office team since 1956, when he joined as sales vp and later succeeded another fast-rising executive, CBS-TV's Jim Aubrey, as head of ABC-TV's programming. In fact, it was Moore who mapped out far-from-conservative blueprint for ABC's fall TV lineup, which has more new programs (nearly 19) than any other network.

Moore's air of dignity, coupled with reassuring smile and gentle manner, sometimes make people think he could pass for a member of clergy who had Madison Ave. tailor. This impression is not far-fetched, actually; at one time Moore was an executive of one of Hollywood's great tourist attractions—Forest Lawn Cemetery.

N.Y. TV scene witnessed other executive changes last week. Fred Silverman, at 25, became CBS-TV daytime programs dir. His most recent experience was 8 months with WPIX N.Y. as supervisor of live programming. Before that, he spent 3 years in program dept. of WGN-TV Chicago. N.Y. Times reported that a year ago, while with WGN-TV, he submitted to CBS-TV a lengthy analysis of 1962-63 program schedule. This did not necessarily win the job for him, but his name was remembered.

Richard Heffner, vp & gen. mgr., ETV WNDT N.Y., was removed from position in economy move. Station, 6 months old, is facing financial difficulties. Pres. Dr. Samuel Gould will assume Heffner's duties. NBC last week approved contribution of \$100,000 to WNDT; CBS gave \$100,000 week earlier (Vol. 3:14 p6). Both made initial contributions of \$250,000 to help educators buy station.

**TAFT BUYING TRANSCONTINENT:** In largest transaction to date, Taft Broadcasting announced plans to purchase Transcontinent Television Corp. for more than \$37.5 million—paying \$21.20 per share for 1,770,512 shares. With assumption of liabilities, total price will be about \$40 million.

Two stations must be sold to keep within ceiling of 5 vhf's, 2 uhf's. It's understood San Diego & Bakersfield properties are to be spun off—and that at least 5 qualified buyers are fighting for position now. Offers up to \$10 million reportedly have been made for KFMB-TV-AM San Diego, \$1.5 million for KERO-TV Bakersfield. Speculation has it that the many organizations bidding include: Storer, Triangle, Cowles, N.Y. Times, Gene Autry, Shasta Telecasting.

Taft owns: WKRC-TV-AM-FM Cincinnati; WTVN-TV-AM-FM Columbus; WBRC-TV-AM-FM Birmingham; uhf WKYT-TV Lexington, Ky. First 2 are ABC-TV affiliates; other 2 are ABC-TV & CBS-TV. All are represented by Katz, except WKYT-TV which is sold nationally by Venard, Torbet & McConnell.

Transcontinent owns: WGR-TV-AM-FM Buffalo; WDAF-TV-AM-FM Kansas City; KFMB-TV-AM San Diego; uhf WNEP-TV Scranton; KERO-TV Bakersfield, which will be uhf by July 1; WDOK-AM-FM Cleveland. WGR-TV, WDAF-TV & KERO-TV are NBC-TV; WNEP-TV is ABC-TV; KFMB-TV is CBS-TV. All are represented by Petry.

TTC would keep WDOK-AM-FM, which it purchased for \$1.4 million in May 1962, can't sell until May 1965. Stock is valued at 80 cents a share.

TTC pres. David C. Moore said 12-member board has approved deal. It's assumed annual stockholder meeting in Buffalo April 25 will approve sale.

Purchase would place Taft in top-rung position among group owners because of size of markets. Spokesman said, however, he didn't think Taft would follow road taken by other major groups in representing owned stations for national sales.

**RATINGS HEARINGS END—PRELUDE TO ACTION:** Although curtain came down on 5½ weeks of House testimony on accuracy & influence of ratings, it looks as if it's only start of research controversy:

(1) Chmn. Harris (D-Ark.) left door wide open for renewed Subcommittee activity after Easter recess.

(2) NAB's top-drawer Research Committee met last week in N.Y., made special unspecified assignments to committee members, will meet again in 1-2 weeks.

(3) Amid strong charges against Nielsen of restraint of trade & monopoly—and mounting evidence of weaknesses in its system—Cowles and Triangle cancelled Nielsen contracts.

Witnesses who testified earlier—James Seiler of ARB and Albert Sindlinger of Sindlinger & Co.—were recalled to stand last week. Both were questioned about legal settlements they made with Nielsen, as probers tried to show Nielsen attempts to monopolize national ratings.

Sindlinger told of Nielsen "master plan" he uncovered through former Nielsen employee. Book-size memo was written in 1947-48, he said, by Chmn. A. C. Nielsen Sr. & Henry Rahmel, exec. vp. Sindlinger said it blueprinted how company would one day dominate broadcasting, magazine & newspaper research through patents & fee manipulations. Nielsen denied existence of such plan.

Sindlinger said he believed threatened public disclosure of "master plan" through court subpoena was one reason Nielsen wanted to settle Sindlinger suit out of court. Sindlinger had sued Nielsen for \$2.5 million in 1950, charging firm tried to drive him out of business. He had developed radio measuring device called Radox, said Nielsen was frightening financial backers with threats of patent infringement suits.

Suit was settled out of court. Sindlinger received \$75,000, gave up Radox. He added that he was convinced actual listening couldn't be measured by mechanical device anyway.

Sindlinger also testified about phone call from Nielsen to late Edgar Kobak, one-time head of Advertising Research Foundation, at 1952 NBC Radio affiliates meeting. He said he eavesdropped, heard Nielsen say: "It is your duty to stop Mr. Sindlinger at all costs." Sindlinger said Kobak was a Nielsen stockholder with stock in wife's name.

ARB's Seiler recounted his legal battle with Nielsen over electronic device Arbitron. Seiler said company in 1955 looked into its development after ARF held that a mechanical device along with fixed sample—

such as Nielsen's system—was **most effective methodology**. Richardson quickly entered into record fact that Kobak, head of ARF, had been Nielsen stockholder.

In about 2 years, Seiler testified, ARB had full Arbitron sample in N.Y. plus partial samples in 6 other markets covering about 24% of population, had plans to go national, had contracts from 3 networks. In 1957 or 1958, Nielsen filed patent infringement suit. After ARB spent \$250,000 in litigation, suit was settled out of court in Oct. 1961, about 5 months after ARB merged with CEIR. Agreement called for 5% royalty to Nielsen on all Arbitron reports.

Seiler stated that main reason CEIR wanted to settle was high legal costs. He also said that legal costs to ARB were major factor in merger and that money drained off contributed to dropping of national Arbitron plans.

Under questioning by staff investigator Robert Richardson, Seiler revealed new troubles with Nielsen. Last year, ARB published very complete national audience composition report in which comparable Nielsen service was "not competitive," he said. ARB charged each network \$2,500. This year, Nielsen improved service, charged networks about \$1,200. Seiler said ARB had little choice but to cut prices to \$1,300, adding that service is no longer profitable.

"We definitely will drop it in future if we don't get more support," Seiler said. He agreed with Subcommittee contention that low Nielsen prices were set for competitive reasons, not because it is more efficient.

Seiler also confirmed that he is doubling all samples across the country as most immediate remedial step ARB can take. He said that disclosures during the hearing prompted the action.

Harris concluded hearings with call for "drastic and radical" changes. He said: "I have no question in my mind as to the need for some real thoughtful consideration for action." He said rating services—some well-intentioned, some not—control "one of America's greatest industries." Harris asserted that "amazing revelations" of 3 former Nielsen field men verified Subcommittee contentions that something is seriously wrong. Subcommittee members also heaped high praise on work of investigators Richardson & Rex Sparger, under Charles Howze, chief counsel.

It's expected that FCC, FTC, possibly Justice Dept. and others will be called to testify after Easter recess. Harris refused to enter into record letter from A. C. Nielsen Jr., said he could have chance to testify. Subcommittee gave him opportunity 2 weeks ago, supposedly based on his request. But when Subcommittee was ready for him, he had already left town, Harris said.

We've learned that letter defends Nielsen service on basis of economics, says firm can provide any degree of accuracy industry wants to support.

It's up to industry to decide if it wants "breast of guinea under glass for \$10" or a "good fried chicken dinner for \$1.95," letter states.

In dropping Nielsen, Cowles pulls out KRNT-TV Des Moines and Look & Family Circle magazines. Triangle pulled out 4 TV stations. Cowles said it was unhappy over hearing disclosures and fact that Nielsen hasn't answered 2-week-old letter asking how surveys are conducted. Nielsen shot back that Cowles was dropping out because Look didn't show up favorably in recent National Magazines Study.

NAB is out to take leadership in ratings reform. Research Committee, under WBC's Donald McGannon, has made assignments to members. Presumably, NAB will try to coordinate all elements of business—stations, networks, representatives & clients, as well as research services.

Advice from top-level research academicians will be sought. It's reported that Herbert Hyman, Columbia U., who worked on Madow Report, may be hired as consultant. Other 2 members of that study are already committed; William Madow, Stanford U., has worked with Nielsen, Raymond Jessen with CEIR.

Nielsen is preparing large-scale subscriber meetings in N.Y. & Chicago, may open them to press.

"Radio's most pressing problem" is research, RAB Pres. Edmund C. Bunker said last week in announcing RAB will be ready to begin discussions with Advertising Research Foundation for consultation on study of radio research. He renewed invitation to NAB to participate financially & administratively, but added: "This is a radio project and it will be directed with the interests of radio in mind. We will, however, be happy to furnish to TV, after completion of the project, copies of the report and anything of value."

**JOHN McLENDON RADIO GROUP INTO CATV:** Comes now another radio multiple-station owner, John McLendon, into CATV field, further breaking down wall between the 2 kinds of services—and further complicating NAB's life.

Owner of 5 southern radio stations, McLendon aims to concentrate in Southeast, build or buy 10-12 systems initially. McLendon has retained Fred R. Rutledge as exec. vp & operational mgr. of new subsidiary, McLendon Cablevision Co., Milner Bldg., Jackson, Miss. Rutledge managed H & B system in Muscle Shoals, Ala., and Jerrold systems in Cal.

Rutledge said plans call for "rather extensive" investment in field, including installation of microwave to bring signals from cities such as New Orleans & Atlanta. Markets involved haven't been identified yet. Rutledge said firm is concentrating initially in communities of 6-20,000 population, noting that "the bigger cities have been pretty well culled over." He said aim is to have systems in groups, each group managed centrally. "This is as efficient," he said, "as managing a single very large system."

John McLendon (not to be confused with Gordon McLendon group) owns radio WENN Birmingham, WOKJ Jackson, KOKA Shreveport, KOKY Little Rock, WYOU Tampa.

Among influential & substantial broadcasters now in CATV: Cox Stations, Bcstg. Co. of the South, RKO General, Triangle Publications, Mrs. Lyndon Johnson, J. Elroy McCaw. Until recently, NAB had no trouble opposing CATV, fearing encroachment on station income. Its job is getting tougher, as more & more prominent broadcasters decide that CATV seems to be inevitable—and profitable.

Color is twice as effective in TV commercials as same message in b-&-w. So stated P. Lorillard & Co. Pres. Morgan J. Cramer last week to shareholders meeting in discussion of advertising policies. Among "built-in-values" for color TV, he said, was that "our technicians are able to extract from a color film negative a b-&-w positive of excellent quality; thus, all of our Kent and Newport commercials are currently being shot in color." At annual meeting of rival Philip Morris, cigaret-industry news of another sort came from Pres. Joseph F. Cullman III, who said his firm, recently diversified into shaving products field, is further spreading, acquiring Clark Bros. Chewing Gum.

Churchill honorary-citizenship ceremonies at White House, sent to Europe via Relay satellite, were received with excellent quality, and spokesman for Churchill said: "Sir Winston was deeply moved. He retired immediately after the broadcast." Normally, the 88-year-old Sir Winston stays up late, talking & cocktailing. Program was fed to France, Holland, Austria, Belgium, W. Germany. Hungary & Czechoslovakia telecast it, too—first time communist bloc has accepted U.S. satellite TV transmission.

Plans for new NAB hq in Washington, on property next to present building, will be recommended by committee headed by Clair McCollough, Steinman Stations, including: Ben Strouse, WWDC Washington; Ben Sanders, KICD Spencer, Ia.; Joseph Baudino, Westinghouse; Payson Hall, Meredith.

Forfeitures for "teaser" announcements, which failed to identify sponsors, are proposed by FCC for Lafayette, La. stations KLFY-TV (\$1,000) and radio KPEL & KKKW (\$250 each). Stations had carried discount store commercials saying: "On May 23rd, prices in South Louisiana are coming down"—without giving sponsor's name.

San Juan, P.R. is site of annual meeting of Assn. of Federal Communications Consulting Engineers May 9-12, at Caribe Hilton.

Close check on TV stations is being maintained by growing number of major agencies & advertisers concerned with correct scheduling of spot TV commercials. Young & Rubicam paved way with recent signing of Broadcast Advertisers Reports to monitor stations in top markets. Now, 12 more major agencies, handling business for Procter & Gamble, General Foods and Brown & Williamson (Benton & Bowles, Grey, Compton, Lennen & Newell, et al.), have signed for similar monitoring, are already warning station reps that BAR reports may be used in lieu of affidavits in station spot billing.

Radio Month kit with theme, "Radio . . . the Mobile Medium," is being distributed to NAB's 1,977 radio members for use in May. Kit includes: Spot announcements, graphic artwork, programming & promotion ideas, manufacturer tie-ins, news releases, special mailing stamps, window displays, 20-minute speech text. Highlights of material are 2 discs of specially-prepared jingles keyed to theme.

Sale of WDBO-TV (Ch. 6) Orlando, with WDBO & WDBO-FM, to Outlet Co. for \$6.1 million, by the trustees for estate of William S. Cherry Jr. (75%) and the 3 minority stockholders has been filed with FCC. Outlet Co. (dept. store) operates WJAR-TV (Ch. 10) & WJAR Providence. Three years ago, William S. Cherry group sold WPRO-TV-AM-FM Providence to Capital Cities for \$6,508,808 (Vol. 15:11 p5).

Network debut of 4-vidicon color camera came on Easter Sunday, when ABC-TV presented colorcast of 60-min. *Close-up* documentary on The Vatican. New GE 4-vidicon film chain, developed jointly with ABC (Vol. 3:14 p3), was used for first time. Film camera uses one tube for b-&-w (luminance) signal and 3 for colors (chrominance).

NBC News on July 1 opens bureau to cover Common Market developments with hq in Brussels, headed by veteran newscaster John Chancellor.

# Television Digest

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## Personals

Franklin Rohner, business affairs dir., CBS-TV Network, Hollywood, assumes complete responsibility for dept., reporting to Salvatore Iannucci Jr., business affairs vp, N.Y. Merritt Coleman appointed contracts, music & rights dir., Hollywood.

Charles W. Barrickman promoted to sales mgr., ABC TV Spot Sales, Los Angeles, succeeding Richard Bessemyer, who moved to WABC-TV N.Y. as gen. sales mgr.

FTC promotions: Chalmers Yarley, Trade Regulations Rules Div. chief, to Industry Guidance Bureau dir.; Sherman Hill, asst. to gen. counsel, to attorney in charge of special legal assts.; W. A. Bailey, asst. to gen. counsel, to asst. gen. counsel & Export Trade Div. chief; H. Paul Butz, attorney-advisor, Trade Regulations Rules Div., replaces Yarley. Yarley succeeds Bryan Jacques, resigned to become House Small Business Committee staff dir.

William F. Jibb, veteran newsman who recently owned PR firm in Fla., previously served as exec. vp of Associated Industries of Fla., named FTC dir. of information, succeeding Seymour F. (Sam) Stowe, retired on medical disability.

Robert M. Clark elected pres., Vumore Co., RKO General CATV subsidiary separated from Video Independent Theatres. Kenneth Blackledge elected VIT pres., succeeding C. O. Fulgham, elected chmn.

Joseph J. Kontuly, ex-market sales promotion mgr., Minneapolis-Honeywell Industrial Products, appointed asst. advertising & sales promotion mgr., Jerrold Electronics.

Lambert Howard named WFIE-TV Evansville chief engineer, succeeding Paul Kelley who moves to WLKY (TV) Louisville in similar post.

William A. Hosie, corporate publicity & broadcast advertising dir., Hill & Knowlton, elected vp . . . Gerald Mandel promoted to marketing dir., Sterling Educational Films Inc. & Continental 16 Inc., subsidiaries of Walter Reade/Sterling . . . Michael Denson, ex-Look circulation promotion dept., named SMPTE information services dir.

Thad Sandstrom, WIBW-TV Topeka gen. mgr., elected vp. . . Hugh DeI Regno, ex-business affairs dir., WNBQ & WMAQ Chicago, named KHJ-TV-AM Los Angeles controller.

Eugene C. Wyatt, one-time ABC-TV national sales mgr., appointed United Artists TV account exec . . . John Schermerhorn, WKOW-TV-AM Madison sports dir., adds job as sales promotion & PR mgr.

## Obituary

Frank Boucher, 62, Washington regional mgr. of *TV Guide*, died April 6 of kidney infection at Doctors Hospital. He joined magazine in Washington in 1953, after career in motion picture distribution. He had been gen. mgr. & a partner of K-B Theatres; exec. asst. to Louis W. Schine of Schine Theatres; gen. mgr. of Dominion Theatres, a Paramount div.; district mgr., Warner Bros. Theatres. He is survived by his wife.

**Ban the Bangtails:** FCC has proposed new rules designed to eliminate broadcast of horse-racing information "of substantial use to persons engaged in illegal off-track gambling." Commission would allow broadcast of horse-race data only if: (1) It's done no oftener than once every 2 weeks. (2) It's for race with purse over \$25,000—because such major races have national interest. (3) No more than 2 special races "of local importance," such as events at fairs, are carried yearly.

Cal. atheist Robert H. Scott was again slapped down by FCC which rejected his petition claiming NBC's radio KNBR San Francisco improperly refused him time to discuss atheism. Commission said that stations hadn't broadcast anything "directed against you or against the position which you espoused"—and therefore Scott hadn't been "denied the opportunity for the presentation of a controversial issue of public importance."

New FCC Comr. Cox has selected most of staff: Allen Gordon, FCC TV translator specialist, to be legal asst.; Martha P. Shaffer, who was a secretary for Senate Commerce Committee when Cox served Committee, to be confidential asst.; Frances R. Jarvis & Elizabeth N. Harris, secretaries. Engineering asst. hasn't been named.

Oscarcast wowed 'em in N.Y., according to overnight Nielsen check made last week for WABC-TV. Eye-opening 78% of N.Y.-area homes sat up to watch Academy Awards handed out, delivering average rating of 55.6. Multi-city reports won't be ready until this week, but ABC-TV already considers show major success.

Power hike above 50 kw is again sought by Clear Channel Bcstg. Service which asked FCC to start rule-making to consider 500, 700 & 1,000 kw. It asked for oral argument on petition.

New CPs granted: Ch. 7 & 9, El Centro, Cal., to KXO and Tele-Broadcasters of Cal., respectively.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**DISCOUNTERS GIRD FOR FAIR TRADE FIGHT:** Discounters will carry their fight against "quality stabilization" & other types of price-maintenance legislation before an April 25 meeting of House Commerce Subcommittee. Mouthpiece for discounters will be Washington-based National Assn. of Consumer Organizations, "the only group on the national level for low-margin retailers," we were told by NACO exec. secy. Roger Courtland (Vol. 3:14 p13). Subcommittee will hold public hearings April 23-25 on HR-3669 (Quality Stabilization) & similar bills, and NACO appears April 25.

"'Quality Stabilization' is straight price fixing, getting by on a false name," we were told by ex-Philadelphia PR executive Courtland. "The price of a product has nothing at all to do with its quality. If a low-margin retailer wants to sell, say, a Cadillac at a lower price, that lower price doesn't change the Cadillac's quality one whit."

NACO's Congressional appearance likely will be its last as national spokesman for discount industry. "It's bowing out of the national scene," Courtland told us, in favor of a much larger organization which will represent all sizes and types of low-margin retailers. NACO is organization of closed-door (membership) discount department stores, "and it isn't fair for them to continue to carry the ball for the entire discount industry," he said.

Organization meeting of larger group will be held April 29 in N.Y., at Statler Hilton Hotel. Rep. Dingell (D-Mich.) will be keynote speaker. Meeting will serve to name new organization, elect officers, establish procedures for raising funds to: (1) Intensify fight against national fair trade legislation and (2) Educate public via large-scale PR program on benefits of discount retailing.

"I believe we can be an effective group with an initial membership of 20 companies & 10 to 20 major lessees," Courtland told us. "Once started, we should be able to add 30 to 60 new members in 6 months." Initial meeting of new group April 9 "was poorly attended," he said, "but only because it was a hurry-up get together. In addition to the 9 or 10 discount organizations that attended, we had evidence of interest from at least 20 others." Initial attendees, who included such discounting giants as GEM International, Zayre, National Bellas Hess, Maxam, are underwriting April 29 meeting.

NACO was formed in California 6 years ago. It now comprises 8 associations representing some 50 stores. It will continue to function under its original name & concept from new California hq. "Some of NACO's members already have indicated their intention of joining the new all-embracing group," Courtland said.

Summing up discounters' arguments against fair trading, Courtland told us: "In areas where fair trading is legalized, the over-all cost of products is 28% higher than in non-fair trade areas. There's also a greater percentage of bankruptcies in those areas. This certainly explodes the myth that fair trading protects the small retailer."

In other fair trade news last week, Philco distributor John M. Otter Co. went to court to obtain preliminary injunction to prohibit Philadelphia retailer Charles J. Kriebel & Sons from selling Philco products below fair trade minimums. Case was postponed to April 24, however, because Otter shopper was busy having a baby, Otter spokesman told us.

"Sure we sold under the fair trade minimum," we were told by Kriebel, a Philco dealer for nearly 30 years. "We sold one \$149.95 Philco TV set for \$5 under the price, and it's the last Philco TV set we're going to handle. The set was a floor model, marked up and with its ear plug missing. The ear plug alone is worth \$4-5. It was a one-only set, and we wanted to get rid of it. The Otter shopper baited our salesman, who happened to be a part-time man, incidentally, and he let it go for \$5 less. We've been selling Philco TVs at our 2 Philadelphia stores for a long time, and I'm not a whining dealer. But they certainly made a federal

case out of this one marked-up set with a missing ear plug. I happen to believe that fair trade is wonderful—but it's effective only if all dealers comply & if competitive brands in your area also are being fair traded."

In Harrisburg, Pa., Penn Appliance Distributors, Motorola distributor in 15 central counties, initiated fair trading April 8. Pres. Elmer A. Groene Sr. said dealers favor some type of price protection by 50 to 1, added that his firm is prepared to take legal action against willful violators of new fair trade pricing on Motorola TVs & stereo phonos.

**PHILIPS EXPLORES U.S. PICTURE TUBE BUSINESS:** Europe's huge electronics complex, Netherlands-based Philips Lamp Works, is making serious exploration of picture tube exports to U.S., and is already supplying one American set manufacturer with production quantities of 23-in. black-&-white tubes, in one-year test of U.S. market.

Doing actual market testing is Amperex Electronic Corp., Hicksville, N.Y., subsidiary of North American Philips, U.S. manufacturer of semiconductors & special-quality tubes, which has been meeting considerable success in supplying imported Philips receiving tubes to U.S. TV manufacturers.

Picture tube now being imported by Amperex is "heavy" (non-bonded) 23-in. b&w with 110-degree deflection (23MP4). Although Amperex officials declined to state quantities being brought into U.S., it's believed initial shipments have totaled 2,000-2,500 tubes.

"We are doing some test marketing in the OEM picture tube field," we were told by Amperex entertainment tubes & semiconductors product mgr. Edgar Meagher in answer to our query. "By the end of this year we'll decide whether to continue this activity. We have accepted some purchase orders and are supplying against them, but we are still very much in the learning process."

Although Amperex is not publishing price lists on picture tubes and is supplying only one manufacturer, Meagher said other set makers have shown interest. Amperex's Philips picture tube is priced same as domestically made 23-in. tubes of similar type, said Meagher, but company claims design of tube makes possible reduction in circuit costs—such as use of half-wave rectifiers—without sacrificing performance. Principal difference from U.S. tubes, Meagher said, is in gun design. Philips tube being offered here is full-voltage type—not low-drive tube.

Will Amperex go into color tube business? Hardly likely for some time. Meagher told us that Philips is now in pilot lab run of 21-in. round 70-degree color tubes, in anticipation of start of regular colorcasting in Britain in 1964, in Germany in 1965.

Meanwhile, Amperex is stepping up imports of TV receiving tubes, based on several new types. Dutch receiving tubes first received widespread acceptance here on basis of frame-grid technology, now are widely used in high-frequency portions of U.S. TV sets. Amperex claims substantial share of American TV tuner tube business, has extended activity into tubes for IF stage sockets, and "this year we'll be active in deflection circuits," according to Meagher.

• • • •

Another U.S. TV manufacturer has turned to Japan for low-end sets to sell under its own brand name, meanwhile. Magnavox last week announced entry into 16-in. field with compact "Vacationer" at \$129.90. Company spokesman said set's cabinet & chassis have been designed by Magnavox and are being manufactured by "Japanese contract source" (not identified). Some of Magnavox's transistor radios have been made in past by Nippon Electric. Olympic & Symphonic are other U.S. set makers now importing receivers from Japan—in 16- & 19-in. sizes.

Step-up in shipments of TV sets from Japan to U.S. was evident in Japanese govt. statistics on exports for first 2 months of this year—showing total of 52,578 units shipped, or more than 4% of U.S. TV production for same 2 months. Of total, 16,924 were transistor sets, 35,654 conventional tube models. In month of Feb., average declared price of transistorized set was \$81.90, of tube set \$41.65 (latter category includes shipments of raw chassis and sets without picture tube).

**TV-RADIO SET MAKERS NET BIG '62:** Sales & profits mushroomed last year for most manufacturers of home electronic equipment. There were few surprises. From 1962's opening quarter on, indicators were clear that banner year was in the making.

Our analysis of 13 U.S. & 4 Canadian TV-radio set manufacturers shows, in capsule form: (1) Aggregate sales & profits markedly ahead of 1961 levels. (2) Six manufacturers set sales records. (3) Four had peak profits. (4) Thirteen of 15 improved sales, many by sizable margins. (5) Fourteen of 17 manufacturers increased earnings. (6) All finished in black.

Nine manufacturers that concentrate on home electronic products boosted 1962 sales more than \$201.5 million—to \$1.663 billion from 1961's \$1.461 billion. The 9: Admiral, Andrea, Arvin, Emerson, Magnavox, Motorola, Sylvania, TraVler, Zenith. Combined 1962 earnings boomed to \$62.1 million—up nearly \$12 million.

Record sales & earnings were posted by both Magnavox & Zenith. Motorola had record sales. Only Andrea & TraVler failed to improve sales. Andrea, TraVler & Admiral wound up with profit declines, but color was a major culprit. Both TraVler & Admiral noted heavy expenses for expansion of color facilities.

Heavy sales & profit gains were racked up by 4 giant multi-product companies which depend upon home electronic products for only a portion of over-all volume. Combined 1962 sales of GE, GT&E (Sylvania), RCA & Westinghouse skyrocketed some \$683 million—to \$9.826 billion from 1961's \$9.143 billion. Their aggregate profits rose approximately \$64 million—to \$460.7 million from \$396.8 million.

Record sales & earnings were registered by GE & RCA. GT&E also had record sales. Each of the 4 multi-product giants improved both sales & earnings over 1961.

Profit progress also was rampant north of the border. Canadian Marconi, Canadian Westinghouse, Clairtone & Dominion Electrohome each posted impressive gains over 1961 to push their aggregate earnings to \$3.6 million—compared with 1961's combined loss of \$2 million, stemming from Canadian Westinghouse's \$2.6 million loss. We obtained 1962 sales only of Clairtone & Dominion Electrohome—and both were impressively ahead of 1961 performance. Their combined sales improved to \$28 million from \$19.8 million.

Profit gains of the 14 companies that improved earnings in 1962 were impressive in the main. RCA shot ahead 45% to record \$51.5 million from \$35.5 million. Magnavox zoomed 41% to record \$12.7 million from \$9 million. Motorola climbed 28% to \$12.2 million from \$9.5 million. Sylvania improved to \$8.7 million from \$5.6 million. GT&E was up 17% to record \$86.3 million from \$73.8 million. Westinghouse boomed 25.6% to \$57 million from \$45.4 million. Canadian Westinghouse reversed 1961's \$2.6 million loss with \$1.2 million profit. Canadian Marconi skyrocketed to \$1.6 million from \$48,573. Clairtone more than doubled earnings.

No less impressive were gains of 13 firms that improved sales. Magnavox soared 43% to record \$202 million from \$141 million. Motorola was up 16% to record \$346.9 million from \$298.2 million. Zenith climbed 14% to peak \$312.2 million from \$274.2 million. RCA romped 13% ahead to record \$1.752 billion from \$1.546 billion. GE boosted sales by more than \$300 million to record \$4.793 billion from \$4.457 billion. Clairtone nearly doubled sales to \$6.7 million from \$3.5 million. Dominion Electrohome gained nearly \$5 million to \$21.2 million from \$16.3 million. Emerson jumped nearly \$10 million to \$80.4 million from \$70.9 million.

Here's 1962-vs.-1961 performance of 9 volume producers:

	Sales		Earnings	
	1962	1961	1962	1961
Admiral	\$ 201,505,441	\$ 186,885,235	\$ 2,459,020	\$ 2,915,265
Andrea Radio	5,760,965	6,769,547	318,079	360,245
Arvin	95,343,000	73,701,000	3,582,000	2,432,000
Emerson (year to Oct. 31)	80,371,180	70,903,466	2,278,159	1,851,684
Magnavox	202,000,000	140,800,000	12,700,000	9,000,000
Motorola	346,881,779	298,219,845	12,192,862	9,517,308
Sylvania (estimated)	400,000,000	390,000,000	8,700,000	5,600,000
TraVler (9 mo. to Jan. 31, 1963)	18,557,000	19,676,000	233,000	570,000
Zenith	312,212,334	274,167,987	19,637,068	18,014,788
<b>TOTALS</b>	<b>\$1,662,631,699</b>	<b>\$1,461,123,080</b>	<b>\$ 62,100,188</b>	<b>\$ 50,261,290</b>

	Sales		Earnings	
	1962	1961	1962	1961
Here's 1962-vs.-1961 performance of 4 multi-product giants:				
GE .....	\$4,792,732,530	\$4,456,815,169	\$265,843,769	\$242,078,957
GT&E (Sylvania) .....	1,327,925,000	1,226,584,000	86,269,000	73,774,000
RCA .....	1,751,646,000	1,545,912,000	51,535,000	35,511,000
Westinghouse .....	1,954,479,000	1,913,770,000	57,061,000	45,446,545
<b>TOTALS</b> .....	<b>\$9,826,282,530</b>	<b>\$9,143,081,169</b>	<b>\$460,708,769</b>	<b>\$396,810,502</b>

Here's 1962-vs.-1961 performance of 4 Canadian home electronics manufacturers:				
Canadian Marconi .....	—————	—————	\$ 1,553,900	\$ 48,573
Canadian Westinghouse .....	—————	—————	1,230,605	(2,607,340)
Clairtone .....	\$ 6,726,675	\$ 3,523,075	289,883	125,471
Dominion Electrohome .....	21,198,502	16,321,850	512,925	397,981
<b>TOTALS</b> .....	<b>\$ 27,925,177</b>	<b>\$ 19,844,925</b>	<b>\$ 3,587,313</b>	<b>\$ (2,035,315)</b>

### TV-RADIO PRODUCTION: EIA statistics for week ended April 5 (14th week of 1963):

	March	30-April 5	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	137,985	146,086	146,086	126,241	1,883,167	1,815,814
Total radio .....	350,536	348,585	348,585	351,710	4,553,213	4,987,041
auto radio .....	169,786	142,790	142,790	138,388	2,109,009	1,755,090

Admiral will make 75,000-100,000 color sets this year, Chmn. Ross D. Siragusa told annual meeting in Chicago last week. Possible shortage of color tubes, he said, would be only deterrent to industry sales of 700,000 color sets. He said Admiral's first-quarter sales were higher than year ago, but it was too early to estimate earnings. Citing "very noticeable increase in sales activity since early March," he predicted higher sales & earnings for full year. He said losses sustained by Admiral's now-closed Italian subsidiary "are behind us and will not affect 1963 operations," and noted that Admiral has concluded Italian licensing agreement with Radio Televisione Electronica. Questioned about report in *Television Digest* that Admiral will introduce 11-in. set (Vol. 3:11 p7), Siragusa replied company is now experimenting and may introduce small size later in year. He said there is no truth to rumor Admiral may be acquired by Chrysler.

RCA exhibit at N.Y. World's Fair will be geared to color TV, with spectator-type color TV program center feeding closed-circuit programs to about 200 color receiving points throughout fairgrounds. Announcing details of exhibit, RCA Pres. Dr. Elmer W. Engstrom said it will show world "the status & stature of color TV." RCA International Div. vp James M. Toney, who has completed work on company's Italian project, and has been assigned as World's Fair participation dir. for RCA, said company would produce 2,000 hours of color shows each season for the CCTV system. Other features of RCA display: (1) "See-yourself-in-color" demonstration. (2) Color mobile unit which will roam fairgrounds. (3) Stereo listening rooms.

Packard Bell has licensed Aiwa Co., Tokyo, to produce & market its black-&-white TV sets on Japanese domestic market.

RCA TV sales set all-time high in first quarter, RCA Sales Corp. Pres. Raymond W. Saxon announced last week. Color TV sales were 30% higher than year ago, portable TV up 37%. Company's total home instrument volume, Saxon reported, reached best level in 12 years, exceeding first-quarter 1962 volume by 10%. Portable phono sales so far are running 20% better than last year, he added, while "FM & FM-AM radios sparked over-all RCA Victor radio sales at the distributor level to an 11% increase over the first quarter of last year." Tape cartridge recorder sales were up 30%.

Preparing for color debut this summer, Motorola is now conducting color TV servicing program for service technicians. Set used for training has 27-tube horizontal hand-wired chassis, 21-in. round picture tube, which "also is designed to drive a 23-in. rectangular color tube." As of April 1, more than 1,800 technicians had completed 12-hour course, and an additional 7,000 had enrolled.

Price reductions on high-purity silicon, raw material for silicon semiconductors & molecular circuits, were announced last week by Dow Corning Corp. One-piece crucible charges of polycrystalline silicon were cut 10-25%. float-zone-refined single-crystal silicon was reduced approximately 40%.

Sony Corp. has relocated its West Coast regional office to expanded quarters at 500 W. Florence Ave., Inglewood, Cal. New facility, triple size of previous West Coast hq, will serve 11 western states. Hiro Ohkochi is mgr.

Martel Electronic Sales, importer & distributor of Uher portable tape recorders and other electronic equipment & hi-fi components, opens midwest sales office & showrooms in Chicago Merchandise Mart.

## Trade Personals

Arjay R. Miller, a Philco dir., named Ford pres., succeeding John Dykstra, retiring.

Richard S. Wahlberg, formerly Magnavox ad mgr. & ex-GE ad & sales promotion executive, appointed Westinghouse TV-Radio Div. ad & sales promotion mgr., succeeding Russell W. Johnson, resigned to join Ideal Toy Co. as ad mgr. (Vol. 3:9 p11).

Jack W. Schrey promoted to Magnavox vp & controller . . . L. Ray Cook, Western Electric manufacturing engineer, elected a vp, becomes engineering vp May 1 to succeed Timothy E. Shea who retires June 30.

Charles P. Basewell, ex-RCA, appointed Motorola Overseas Corp. pres., succeeding Thomas Collier, who has joined International GE as consumer & commercial electronic liaison mgr.

T. J. Green appointed Philco Corp. of Canada consumer products gen. sales mgr. . . . R. C. Merryman named Revere Camera audio-visual markets supervisor, a new post.

M. W. Newell, Philco vp, becomes Lansdale Div. gen. mgr. April 15.

Douglas M. Heller advanced to Bendix Radio Div. gen. mgr.

Mark W. Cresap Jr., Westinghouse pres., named national chmn. for United Community Fund & Councils of America.

Norman B. Krim resigns as Radio Shack pres., succeeded by Tandy Corp. Pres. Charles D. Tandy, whose company has assumed control of Radio Shack. Tandy also succeeds Milton Deutschmann as chief exec. officer.

Raymond P. Rivoli appointed Sylvania Tube Div., private brand renewal sales mgr., succeeding Justin J. McCarthy.

Dr. Elmer H. Schulz, named associate dir. & vp of Armour Research Foundation of Illinois Institute of Technology.

Frank D. Langstroth appointed Sylvania Electronic Systems govt. & industry relations vp, a new post, succeeded by Lawrence J. Straw as military mktg. vp.

R. A. Schieber named operations mgr. in reorganization of Westinghouse Semiconductor Div., with these other top product-line assignments: Dr. R. D. Lynch, mgr., rectifier products dept.; Dr. W. B. Green, mgr., transistor & controlled rectifier dept.; Dr. J. E. Reynolds, mgr., volume products dept.; C. S. Garvey, mgr., components products dept.; R. L. Brickley, mgr., special products dept. . . . Joseph D. Hurley, ex-Raytheon/Rheem Semiconductor Div., joins Westinghouse as Molecular Electronics Div. mktg. mgr.

Wilson H. Oelkers, former Philco vp & Lansdale Div. gen. mgr., joins International Resistance as operations vp, a new post.

Norman A. Triplett, Triplett mktg. vp, appointed chmn., EIA Distributor Relations Committee.

**Distributor Notes:** Gulon Industries appoints All-State Distributors Inc. N.Y. & N.J. distributor for Ever Play rechargeable radios • Admiral names Leonard B. Albert regional sales mgr. covering distributors in Hartford, New Haven, Providence, Rochester, succeeding Jack A. Freeman, retired • Concord Electronics, L. A. tape recorder importer, appoints William Mullen to new post of regional sales mgr. for 24 midwestern & southern states, headquartering in new regional sales office, Colonial Court Bldg., Glenview, Ill. • Grundig-Triumph-Adler Sales Corp. named East Coast service operation for Grundig products.

Electronic organ sales for 1962 were placed at more than 100,000 units in survey of manufacturers reported in April 8 *Electronic News*. Figure is based on opinions of 2 organ manufacturers willing to make estimates. Article quotes one executive as saying sales totaled about \$150 million (based on average price of \$1,500), of which electronic circuitry of organs represents more than \$100 million. Among trends noted in survey is changeover from mechanical to electronic switching and gradual conversion from tubes to semiconductor components in other circuits.

Engineering samples of color tubes will be sent to industry by Sylvania from pilot production later this month. Commercial shipments of color tubes from Seneca Falls plant will begin during 2nd half of year.

3M-Revere tape cartridge system will be sold in Los Angeles area by 8 retailers with total of 19 outlets. Included are dept. stores, audio dealers & electronic supply houses.

“Communications-Electronics Goes Beyond All Borders” is theme of 17th annual Armed Forces Communications & Electronics Convention & Exhibition June 4-6, Sheraton-Park Hotel, Washington. H. I. Romnes, Western Electric pres., will be keynote speaker at June 4 lunch. Najeb Halaby, FAA administrator, will address banquet June 5. Lt. Gen. Alfred Starbird, Defense Communications Agency dir., will speak at June 6 lunch.

Six classroom TV sets were introduced last week by RCA Service Co., which said they were designed after survey of more than 5,000 educators. Line consists of 2 models in each of 3 series—Classic, Deluxe & Utility. Sets have 23-in. tubes with bonded glareproof safety shields. Classic series has 8-in. speakers & centrally located controls with lockable cover. Among accessories being offered are tip-proof stands, light shields, external speakers and master distribution systems.

Component hi-fi promotion campaign has been approved by members of Institute of High Fidelity. The component hi-fi manufacturers' \$75,000 program will include: (1) 64-page booklet for distribution by dealers to customers. (2) 30-min. film, *Component High Fidelity Story*, for showing in schools & on TV. (3) Special Yellow-Pages listing for “Registered IHF Audio Specialists.” (4) Exhibits at N.Y. World's Fair and at N.Y. & Los Angeles National Design Centers.

Two new strap frame receiving tubes have been introduced by Sylvania for IF amplifiers. Using standard T5½ structure, they make it possible for designers to switch from 3- to 2-stage IF design without retooling, according to Sylvania.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Arrow Electronics	1962—year to Dec. 31	\$ 5,067,112	\$ 223,577	\$ 110,913	\$0.26	430,000
	1961—year to Dec. 31	4,219,203	274,236	135,406	.31	430,000
Corning Glass	1963—12 wks. to Mar. 24	66,138,295 <sup>1</sup>	13,258,683	6,931,683 <sup>1</sup>	1.01 <sup>2</sup>	6,791,885
	1962—12 wks. to Mar. 24	60,357,929	12,576,903	6,768,903	.99 <sup>2</sup>	6,785,662
GE	1963—qtr. to Mar. 31	1,154,473,000 <sup>1</sup>	119,631,000	58,979,000	.66	89,453,687
	1962—qtr. to Mar. 31	1,100,566,000	114,169,000	55,963,000	.63	88,962,489
Hallicrafters	1963—6 mo. to Feb. 28	34,132,000	1,959,000	979,000	.40	2,463,585
	1962—6 mo. to Feb. 28	35,599,000	1,742,000	842,000	.35	2,429,000
	1963—qtr. to Feb. 28	16,986,000	956,000	472,000	.19	2,463,585
	1962—qtr. to Feb. 28	15,840,000	826,000	396,000	.16	2,429,000
Harvey Radio	1963—year to Jan. 31	7,188,020	736,801	357,453	.46	770,000
	1962—year to Jan. 31	4,356,081	480,445	232,592	.30	770,000
Littelfuse	1962—year to Dec. 31	6,510,384	—	326,087	1.00	323,043
	1961—year to Dec. 31	5,357,669	—	197,630	.75	323,043
MCA	1962—year to Dec. 31 <sup>3</sup>	188,160,276	27,291,840	12,706,849 <sup>4</sup>	2.50 <sup>2-4</sup>	4,601,670
	1961—year to Dec. 31 <sup>3</sup>	172,329,325	24,456,554	10,916,554	2.14 <sup>2</sup>	4,040,735
Muter	1962—year to Dec. 31	16,382,731	751,918	374,274	.30	1,257,695
	1961—year to Dec. 31	14,553,107	434,962	243,962	.20	1,199,094
Outlet Co. (WJAR-TV Providence)	1963—year to Jan. 31	19,454,270 <sup>5</sup>	2,089,440	1,013,593 <sup>7</sup>	2.04 <sup>7</sup>	497,100
	1962—year to Jan. 31	19,329,437 <sup>6</sup>	2,023,226	958,820	1.93	497,100
Pacific Industries	1963—6 mo. to Feb. 28	14,437,828	123,694	28,739 <sup>8</sup>	.02 <sup>8</sup>	1,887,239
	1962—6 mo. to Feb. 28	11,348,712	719,294	413,294	.22	1,627,239
Sangamo Electric	1962—year to Dec. 31	49,336,151	(1,817,410)	(901,410) <sup>9</sup>	—	1,637,617
	1961—year to Dec. 31	48,397,578	3,123,310	1,745,310	1.07	1,636,378
Stanley Warner	1963—26 wks. to Feb. 23	66,881,757	2,176,965	1,058,965	.52	2,033,924
	1962—26 wks. to Feb. 23	67,371,250	2,774,984	1,559,984	.77	2,033,924
	1963—13 wks. to Feb. 23	32,672,868	777,187	429,187	.21	2,033,924
	1962—13 wks. to Feb. 23	32,087,800	327,264	247,264	.12	2,033,924
Storer Bcstg.	1963—qtr. to Mar. 31	9,770,711	3,361,478	1,627,228	.67	2,440,300
	1962—qtr. to Mar. 31	8,700,000	2,862,030	1,238,627 <sup>10</sup>	.51 <sup>10</sup>	2,474,943
Times-Mirror	1963—qtr. to Mar. 31	36,000,000	—	1,752,000	.40	4,300,492
	1962—qtr. to Mar. 31	30,512,449	—	162,705	.04	4,296,872

Notes: <sup>1</sup> Record. <sup>2</sup> After preferred dividends. <sup>3</sup> Includes Decca Records on "pooling of interests" basis. <sup>4</sup> Before net gain of \$2.1 million (47¢ a share) on sale of securities. <sup>5</sup> Includes \$2,227,212 from broadcasting. <sup>6</sup> Includes \$2,048,374 from broadcasting. <sup>7</sup> Before special charge of

\$68,586 (14¢). <sup>8</sup> Before net gain of \$183,974 (9¢) on sale of properties. <sup>9</sup> After \$916,000 tax credit. <sup>10</sup> Includes nonrecurring gain of \$912,969 (37¢) on sale of Wheeling, W. Va. radio station.

Mergers & acquisitions: ITT & General Controls directors have approved a merger under new terms (Vol. 2:49 p11). Stockholders of the Glendale, Cal. maker of automatic control devices will receive 0.1338 share of ITT preferred & 0.0586 share of common for each share of General Controls common • A&M Instrument shareholders have approved merger into Loral Electronics • Dynamics Corp. of America has purchased for some \$7 million in stock (100,00 shares of preferred, 331,700 common) International Electronic Research Corp., Burbank, Cal. manufacturer of electronic equipment & components. IERC will function as a DCA subsidiary • Electronic Assistance will acquire Ideal Brass Works, St. Paul, Minn. maker of door & window hardware, for "slightly less than \$3 million in cash & stock" if stockholders of both firms approve • Electronic Specialty has acquired in stock exchange privately held H&S Metal Products, L.A. maker of mechanical components • Westinghouse will acquire Controls Div. of Hagan Chemicals & Controls for approximately 130,000 Westinghouse shares, will also get Hagan name. Latter's stockholders will vote April 15 to rename company Calgon

Corp. • Radio Shack is now under management control of Tandy Corp., Ft. Worth maker & retailer of leather goods, which also has signed agreement to acquire the Boston-based distributor of electronic components & devices via 9 retail outlets & national mail-order business. Tandy Pres. Charles D. Tandy becomes pres. & chief exec. officer of Radio Shack. Tandy Corp. has agreed to buy more than 50% of Radio Shack's approximate 709,000 outstanding common shares.

Invalidation of 4 Admiral patents on grounds of prior patents is being sought in Federal Court, Brooklyn, by Avnet Electronics, Garrard Sales Corp. and British Industries. Action is reply to Admiral suit charging infringement of patents for record players & record player parts.

Hallicrafters has purchased 17-acre site at Wilton, Conn. to erect this year 100,000 sq.-ft. manufacturing plant for its Manson Labs subsidiary.

Secondary offering of AB-PT common stock will be made this week. Bache & Co. plans to market 426,964 shares with gross market value of about \$14.5 million.

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**of**  
**TELEVISION STATIONS**  
**IN OPERATION**  
**1963**

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# Television Digest

APR 24 1963

with

**Consumer Electronics . . . (starts page 7)**

APRIL 22, 1963

NEW SERIES VOL. 3, No. 16

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**The authoritative service for executives in all branches of the television arts & industries**

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**IN THIS ISSUE:** UHF Market Guide Showing Stations on Air, CPs & Applications (pp. 8-9)

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**GROWING REACTION TO RATINGS FEVER:** Rep. Harris demands action, NAB looks to auditing system for reform, Pulse drops weighting & asks for tri-partite audit, Nielsen strikes back at Washington hearings (p. 1).

**HARRIS WALKS GOVT.-INDUSTRY 'TIGHTROPE,'** warns FCC not to extend further into programming, tells broadcasters they'll risk govt. ownership if they put 'private interests' ahead of 'public interest' (p. 3).

**NEW CRUX IN CATV REGULATION** this week, FCC due to adopt position, NCTA board meeting in Washington to ponder it. Bone of contention: Regulation in one-station market or in all? (p. 3).

**TAFT-TTC DEAL MOVES** another notch, August Meyer buying San Diego & Bakersfield properties—contingent on FCC approval of rest of package (p. 5).

**ANOTHER RECORD FOR CBS** seen by Paley & Stanton, who estimate first quarter profits 25% above last year's record, with new high forecast in full-year sales & earnings (p. 6).

### Consumer Electronics

**STATUS OF UHF MARKETS** shown in Market Guide, listing locations of 116 on-air outlets, 80 authorized stations, 67 applicants, with appraisal of uhf station prospects during 12 months before application of all-channels law (p. 7).

**ACTION FOR CONSUMER & RETAILER PROTECTION GROWS:** Activities at national & state levels pick up tempo as opposing groups move to protect consumer from retailer, retailer from discounter, discounter from fair traders (p. 9).

**FIRST-QUARTER RETURNS:** RCA scores highest sales & profits for any quarter in its history as net income jumps 19% to \$17.3 million on 3% sales rise to \$436 million (p. 11); Westinghouse profit gains 7% to \$12.6 million on 6.4% sales climb to record \$489.7 million (p. 12).

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**GROWING REACTION TO RATINGS FEVER:** Seriousness of ratings hearing disclosures is beginning to penetrate deeply throughout country—among groups which had regarded the news as "another of those Washington headline things." Some directions are beginning to emerge—but this is still only the beginning. Here's what's in works currently:

NAB will set up permanent auditing group to validate audience research methods on continuing basis. It's not certain whether group will be under NAB wing—as association prefers—or under separate management. Advertising Research Foundation announced it would like to tackle job.

Harris Subcommittee is willing to wait and see strength of industry self-action before it recommends govt. moves. If govt. does step in, it would most likely be in form of FTC trade practice rules—but don't rule out individual actions like FTC complaint orders or moves by Justice Dept.

We've learned Harris Subcommittee has checked out FCC on licensing possibilities. It found Commission wants no part of it, thinks it would accomplish little. FCC feels that major problem is way ratings are used, and it could keep close check on stations in this regard.

Chmn. Harris (D-Ark.) took note of station use of ratings in speech prepared for April 20 meeting of Mississippi Bcstrs. Assn. at Biloxi: "Absolute or excessive reliance constitutes an abdication of broadcasters' responsibility no matter how accurate the ratings can be demonstrated to be . . .

"Surely it will not be claimed that broadcasters who may be hypnotized by ratings are performing in the public interest. Thus, the question as to the use to which ratings may properly be put is first of all a question which broadcasters must answer, and secondly, it is a matter of concern for the FCC. . .

"I am not so sure that the FTC, which is one of the agencies which has jurisdiction in this respect,

has done all that can be done." Prospect of regulating ratings under power of Congress to fix standards of weights & measures was also held out by Harris.

"I can promise you this," he said: "We shall leave no stone unturned in exploring what can and should be done to improve the ugly rating picture which we have found to exist."

Harris is inclined to let industry take corrective steps. But he means business, and NAB for one knows it. Gov. Collins asked Harris last week for a second opportunity to testify within 30 days "for the purpose of advising you and your colleagues of specific corrective measures which we will propose in order that in the future there will be assured reliability in broadcast audience measurements."

NAB's Research Committee, chaired by WBC's Donald McGannon and headed by NAB vp Melvin Goldberg, is working out audit plan. Committee members are exploring basic matters: Organization of auditing group, what is really needed in broadcast research, systems of validation for each method, problems connected with how ratings are used. Significantly, research services are not being brought into picture until NAB knows what it wants.

Even before NAB Research Committee took positive steps, the association's top govt. relations men sounded out Harris on his views. He impressed them with the need for action. Harris told them there was an obvious poverty of quality in ratings and that the reliance placed on them affected the public.

Ratings major-domo Nielsen is working to repair damage done by hearings. Without formal announcement, it arranged for 2 subscriber meetings in Chicago April 19. Three days of client meetings are scheduled in N.Y. April 24-26, with possibility that April 24 session may be open to press.

Counterattack to Washington hearings was made at Chicago meetings by Pres. A. C. Nielsen Jr. In speech titled "The Researcher Replies," he criticized hearing process as "immune from laws of libel & slander." He said Nielsen ratings are sufficiently accurate; that while national sample is not too large, it's not too small.

Sessions deal mostly with national services, devote most time to client questions (networks, agencies, advertisers). Although most of Nielsen weaknesses revealed at hearings dealt with local reports, company hasn't decided when to get together with station subscribers.

Nielsen shows some business gains after defections by Cowles & Triangle. It signed Reader's Digest, McCall's, Doyle Dane Bernbach and Erwin, Wasey, Ruthrauff & Ryan to 2-year contracts involving \$180,000.

In letter Harris refused to enter into record (Vol. 3:15 p4), A. C. Nielsen Jr. indicated that his company—as well as other broadcast research firms—weren't making much money. He also said that one of his major competitors, reliably reported to be ARB, at one time made overtures to merge with Nielsen.

Pulse Dir. Sydney Roslow, in first appearance since bruising at hearings, told of changes in methods, some major: Elimination of weighting, pending further research; strengthened field work controls with appointment of a second asst. field dir. in N.Y.; installation of Watt system of telephoning to validate work of field supervisor.

Roslow also plans to reduce number of local market reports in large cities from 6 times a year to 4, to reflect seasonal listening, said he would like to see external study to determine minimum sample for qualitative breakdowns of basic data.

An appeal for an auditing organization, composed of broadcasters, agencies & station representatives, was also voiced by Roslow. Total sample sizes will not be materially changed until Pulse sees what action is taken by NAB. Roslow also stated that company is still exploring one-day TV diary technique. Diaries are personally-placed & personally-collected and have been tried in Los Angeles & Cleveland.

Curiously, big ad agency conference—annual AAAA meeting April 25-27 at White Sulphur Springs, W. Va.—doesn't even have ratings on agenda. However, subject is expected to get a bit of attention.

Corinthian Pres. C. Wrede Petersmeyer, for one, appearing on a panel, is expected to assert that ratings are necessary and that rating business has no greater percentage of villains than any other field.

He'll urge protection of those whose reputations are at stake in exposures of rating shortcomings, will come out strongly against additional regulation, will urge all-industry effort to improve ratings.

**HARRIS WALKS GOVT.-INDUSTRY 'TIGHTROPE':** Oren Harris doesn't make speeches about broadcasting often, but when he does he always employs the neat device of needling both FCC & industry. Last week was no exception.

In "Broadcasting & Tightrope Walking," speech prepared for April 20 delivery before Miss. Bcstrs. Assn. in Biloxi, he: (1) Threatened FCC with trouble if it goes too far into programming. (2) Threatened broadcasters with spectre of govt. ownership or govt.-operated competition if they don't program in "the public interest." And, of course, he went to town on ratings (see p. 1).

Chairman of House Commerce Committee, Rep. Harris (D-Ark.) first quoted Comr. Henry, who was reported saying, in news conference during Omaha hearings: "I don't think necessarily that the standard that the community might have [regarding programming] is necessarily the one we would have." Harris said this prompted him to write FCC Chmn. Minow and ask if Henry's statement reflected FCC policy. Harris said Minow informed him that Henry said his statement in Omaha reflected Commission's 1960 program-policy statement—wasn't a pitch for greater FCC intervention in programming.

"A careful comparison of Henry's Omaha statement and the 1960 FCC statement," Harris said, "may disclose some discrepancies." At any rate, Harris went on:

"Possibly Comr. Henry, who is relatively a novice on the Commission and newcomer to the field of broadcast law may not have properly appreciated how important it is to keep a secure foothold on the tightrope which stretches between the public interest provisions and the anti-censorship provisions of the Communications Act. I am gratified that Comr. Henry appears to have regained his balance and that he solidly subscribes to the Commission's statement on programming policy."

Harris then turned on broadcasters. He noted that attorneys are drafting bills designed to deprive FCC of "all power, duty or functions directly or indirectly, [to] evaluate or make judgments as to the public interest in the composition or character of programs. . ." This, Harris said, would substitute "private interests" for "public interest"—"which may have great attraction for broadcasters." However, he warned, it is likely "to stimulate within a very short time a public demand for complete govt. control over radio & TV programming or at least a public demand for some govt. operated radio & TV stations which will meet public needs not met by privately operated stations."

Rep. Harris also knows how to walk the tightrope.

**NEW CRUX IN CATV REGULATION:** Climax in CATV-regulation question may well come this week. FCC today (April 22) considers position to take, and National Community TV Assn. board meets in Washington tomorrow & Wed. to do same.

We're told that FCC & CATV operators are in very substantial agreement on most points—except the crucial one: Should FCC forbid duplication of local station programs on CATV system only in markets with one station or in markets with 2 or more? Currently, we understand that Commission leans toward applying the restrictions to 2-or-more markets, while NCTA members consider this "impossible to live with."

Though NCTA board had authorized exploration of federal regulation, through new legislation (Vol. 3:7 p2), some CATV operators are still opposed to any regulation. If FCC adopts a position today, it may well take one that permits some negotiation. Up to now, discussions have been at staff level—James Sheridan & Henry Geller representing Commission, attorneys Robert L'Heureux & E. Stratford Smith for NCTA.

FCC staff strongly recommends that Commission not compromise on the 1-station-market issue—despite CATV argument that such agreement will assure passage of legislation and that law can be amended later. CATV opposition is based on premise that systems would have little to offer if they could give subscribers only one network instead of 2 or 3. FCC staff believes that growth of TV stations could be stifled if CATV is required to protect only 1-station markets. Staff recommends 3 basic principles in legislation:

(1) For 2 years, Commission could issue rules or orders to require CATV to carry local-station signals and to refrain from simultaneously duplicating stations' signals with those from a distant station.

(2) However, during the 2-year period, FCC could issue orders protecting any station, wherever located, if public interest so indicates—with burden of proof on station or FCC.

(3) After 2-year period, Commission would adopt whatever rules it believes are needed to protect public interest.

It's understood that FCC & CATV negotiators have agreed that: (1) FCC should consider non-duplication for a CATV in light of whether similar non-duplication rules are imposed on satellites, boosters & translators. (2) Commission should take into account fact that a station requesting CATV to carry its signal may provide inadequate signal to replace that of distant station. (3) CATV needn't protect a station now operating successfully in presence of CATV or a station in area which can't normally support a station.

What FCC staff recommends, then, is really flexibility to move in whatever direction Commission believes necessary.

License fees were discussed by FCC last week, sent back to staff for revision. Some commissioners objected to fact that safety & special radio users would be paying about 3 times as much as broadcasters—about \$2 million vs. \$600,000—yet it takes 3 times as much money to run FCC's broadcast activities as its safety & special. FCC had been aiming to get about \$5 million annually. One informed Commission source predicts it will end up getting about \$1 million—and could even abandon project.

**Third International TV Symposium** in Montreux, Switzerland, May 20-25, has broad spectrum of subjects, including satellite TV, pay TV, color, video tape, remote control—many by U.S. participants. Dr. Allen B. DuMont, who will receive a citation, will present "Outlook into the Future." Also on "Outlook" agenda is Henry R. Cassirer, UNESCO, Paris, discussing "Potential Role of TV in Developing Areas." For complete program, write: Symposium International de Television, Case 97, Montreux.

**Pay-TV spot check** in Hartford reported in April 20 *TV Guide* concluded that "dearth of live programming in sports, entertainment and cultural events" is weakness that could "finally mean failure." Reporter found some disenchantment by pay-TV viewers over movie diet, said that dream of presenting Broadway plays and similar fare isn't likely to be realized because of multi-union problems in show business.

**Congress of Artists & Writers of Institute of Contemporary Arts** holds 5th annual meeting April 22-25 in Washington. Topic—"Mass Media and Mass Culture"—will be treated by: Charles Benton, Encyclopedia Britannica vp; Samuel Gould, ETV WNDT N.Y. pres.; Robert Saudek, Robert Saudek Assoc., N.Y., & former *Omnibus* producer-dir.; Gilbert Seldes, dean, U. of Pennsylvania's Annenberg School of Communications.

**Elizabeth Taylor color special**—"Elizabeth Taylor's London"—will be carried by CBS-TV 10-11 p.m. Oct. 6, sponsored by Chemstrand, produced by TV Productions of America. According to TPA's Norman Baer, she'll get highest fee ever paid to a performer for a single TV show—reportedly \$400,000-\$500,000 for U.S. rights alone.

**Moot court competition**, over WDKD Kingstree "obscenity case" (Vol. 3:12 p5), was won by Harvard Law School students arguing FCC's position. Supreme Court Justice Byron White was among judges.

**TV rights** for 1964 summer olympics in Tokyo acquired by NBC. Games are scheduled to open Oct. 10, 1964. NBC will present telecasts each evening, longer programs on weekends.

**Can TV build a business?** It has for Alberto-Culver, firm's comptroller, Robert L. De Pauw, told brokers at Midwest Stock Exchange last week. Highlights of A-C's progress: (1) Toiletary-proprietary firm was launched in 1955 with heavy TV ad campaign, has boomed ever since. (2) A-C uses TV exclusively, spent a thumping \$24.5 million for gross TV time last year, double 1961 level. (3) A-C considers TV "a conservative investment," puts nearly 67% of every sales dollar into administrative & selling expenses but has average annual sales growth of nearly 85% over previous year. (4) If current spending in TV continues to grow, A-C will be in top 10 TV clients before firm's first decade of existence has finished. Said De Pauw: "Our experience has taught us that with top product and top commercial, the more we advertise it on TV, the more we sell it."

"This is Monday; color it gold"—that could well be happy directive in NBC-TV Executive Coloring Book, if there was one. Early this season, red-ink Monday nights were something NBC sales executives sang the blues about; long run of program successes at CBS-TV, and even ABC-TV, skimmed off cream billings. Mid-season addition of Monday-night movie series and strong NBC sales campaign changed all that. Now, NBC has fall "S.R.O." sign out on Mondays, with Timex and Purex picking up *The Hollywood Story* following feature films. Business is so good that 2 competing sponsors—GM motor-makers Pontiac and Buick—have bought into Monday movies, albeit with alternate-week schedules. Seven-program spread for Pontiac, incidentally, involves over \$1 million in fall business for NBC.

**Bite will be doubled** by British govt. on commercial TV program contractors, if postmaster-gen. Reginald Bevins has his way. Last week, he uncorked amendment to TV bill which would boost to \$50 million govt. share of TV ad revenue, up from present \$22 million. Bevins' proposal in nutshell: Initial \$3.5 million in ad revenue would not be taxed, but thereafter tax bite would rise steeply to top of 40%. Program contractors such as ATV and Granada meanwhile hit back with special memorandum to members of parliament which stated 1962-63 profits will be off by some \$11.5 million anyway, and that new levies would virtually cripple smaller regional commercial firms. One immediate effect of moves & counter-moves: Commercial TV stocks took sharp downward turn in London.

NBC International has acquired "holding interest" in 3rd Sydney, Australia, commercial TV station, "Channel 10," due late 1964, operated by United Telecasters Ltd. NBC International holds 10% of CTQ Brisbane.

**TAFT-TTC MOVES:** August Meyer won race to buy 2 properties which must be sold before Taft Bestg. can acquire Transcontinent TV Corp. (Vol. 3:15 p3)—paying approximately \$10 million for KFMB-TV-AM-FM San Diego, \$1.5 million for KERO-TV Bakersfield. Meyer heads Midwest TV Inc., owner of WCIA Champaign, Ill. & WMBD-TV-AM-FM Peoria.

Meyer purchase is contingent on FCC approval of Taft's purchase of TTC. Commission may be slow about this—because it has pending proposed rule prohibiting contingency sales.

Total payment to TTC is to be \$21.20 a share for 1,770,512 shares plus assumption of about \$2.5 million liabilities—so Taft presumably is putting out about \$28.5 million for WGR-TV-AM-FM Buffalo, WDAF-TV-AM-FM Kansas City, WNEP-TV Scranton. TTC's WDOK-AM-FM Cleveland isn't in deal—because it was bought by TTC last May, can't be sold under FCC's 3-year rule. Taft owns WKRC-TV-AM-FM Cincinnati, WTVN-TV-AM-FM Columbus, WBRC-TV-AM-FM Birmingham, WKYT-TV Lexington, Ky.

Annual awards by *TV Guide* went to: "The Tunnel," documentary; *Huntley-Brinkley Report*, best news series; *Bonanza*, favorite series; *Bob Hope Christmas Show*, best single program; Richard Chamberlain, *Dr. Kildare* star, favorite male performer; *Walt Disney's Wonderful World of Color*, best children's series; *Beverly Hillbillies*, favorite new series; Carol Burnett, favorite female performer. First 6 are NBC, last 2 CBS.

Growing station strength in realm of syndicated TV shows is underlined by steady growth of Trans-Lux offshoot TV Affiliates Corp., which functions as cooperative exchange & sales agent for station-produced public service & entertainment shows. Last spring, when TAC got underway, it had membership of 12 stations. Today, membership is up to 55 and TAC is thinking seriously of expanding operation to include overseas broadcasters in Britain and Japan.

Live TV pickup of 3 track meets in different cities will be presented April 27 on ABC-TV's *Wide World of Sports*. Network says it will use 110 people, 17 cameras, 3 mobile units to cover live and on tape: Penn Relays from Philadelphia; Drake Relays, Des Moines; Mt. San Antonio Relays, Walnut, Cal.

Broadcast journalism will be featured May 1 as part of U. of Missouri's annual Journalism Week. Speakers: Larry Israel, TvAR; Owen Saddler, KMTV Omaha; Clinton Wheeler, Benton & Bowles; Louis Harris, political researcher; FCC Comr. Hyde; Ed Bunker, RAB.

Demand for vhf drop-in for Birmingham has been made by Rep. Huddleston (D-Ala.) in letter to FCC Chmn. Minow. He said that Birmingham is largest city in U.S. with only 2 channels, asserted that without drop-in it would be 8-10 years before city got 3rd channel.

Compensation for TV professors and their ownership rights in re-runs of video tapes, films & kinescopes are being explored by new Joint Committee on TV Policy, formed by the American Council on Education & the American Assn. of University Professors.

## Personals

FCC Chmn. Minow & NAB Pres. Collins participate in "Seminar on ETV & Higher Education" April 30, before group of educators, at Airlie House, Va.

FCC Comr. Ford speaks on communications satellites April 23 or 24 before Inter-American Bar Assn. Conference in Panama City, will return via Mexico City . . . FCC Comr. Cox addresses Washington State Assn. of Bestrs. in Seattle April 26; broker Ray V. Hamilton will also appear, discussing station sales.

Dr. Irvin Stewart, telecommunications management dir., Office of Emergency Planning, resigns April 30, returning to U. of West Virginia as political science professor. No successor named yet.

Robert W. Sarnoff, NBC chmn., received National Council of Catholic Men's special award for NBC's "33 years of creative leadership and cooperation in religious broadcasting," in Washington presentation last week.

John W. Rollins, exec. committee chmn., Rollins Bestg., is winner of 1963 Horatio Alger Award . . . George Olden, ex-BBDO senior art dir., appointed vp & senior art dir., McCann-Erickson.

Alan D. Courtney, ex-CBS-TV network programming vp, joins MGM-TV in major (unspecified) executive position on West Coast . . . Art Gross, ex-WABC-TV N.Y. program dir., appointed sales dir., United Artists Associated western & southwestern divs.

Gordon W. Davis, asst. to vp, KPIX San Francisco, now on 2-year leave of absence as deputy dir., Radio Free Europe . . . Jack Dix promoted to local TV sales mgr., WFAA-TV Dallas, succeeding Bill Hobbs, now gen. mgr., KSYD-TV Wichita Falls.

Monroe Rifkin, ex-TelePrompter vp, appointed exec. vp, Systems Management Co., Denver CATV firm, will also head new Capital Assistance Corp., financing div. for CATV.

Eugene Wilkin elected vp, WGAN-TV-AM Portland, Me.; Donald Moeller promoted to WGAN-TV gen. mgr. . . James Kelly, local salesman, WICS Springfield, Ill., promoted to station mgr., WCHU Champaign-Urbana.

Henry H. Fletcher, KSEI Pocatello, named to 3-year term on board of Assn. for Professional Bestg. Education, replacing Richard Brown, KPOJ Portland; Roy Morgan, WILK Wilkes-Barre, reappointed for 3 years; Dr. Harold Niven, staff asst. to NAB vp Howard Bell, named APBE exec. secy., succeeding Bell.

Ben Miller, from TV Guide Radnor, Pa. hq, named Washington, D. C. regional mgr., succeeding late Frank Boucher . . . Nancy Hanschman Dickerson, ex-CBS, joins NBC News as a Washington Correspondent.

Robert King, ex-account exec., J. G. Kelly Adv., Buffalo, named WKBW-TV promotion mgr., succeeding O. Lyle Koch, appointed program dir.

## Obituary

Walter C. Johnson, 59, vp & gen. mgr., WTIC-TV-AM-FM Hartford, died April 16 at home from cerebral hemorrhage. He joined WTIC in 1925 as station's first announcer. Native of Springfield, Mass., he is survived by his wife, sister, 2 brothers.

# Television Digest

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More programming by CATV systems, to provide local expression, is urged by Prof. Royal D. Colle, chmn. of Ithaca College TV-Radio Dept. In winter 1962-3 issue of *Journal of Broadcasting*, published by Assn. for Professional Bcstg. Education (U. of Southern Cal., University Park, Los Angeles, Cal.), he suggests: "Where it is available, the burgeoning CATV industry could be a complement to the highly centralized programming offered over broadcast TV stations—it could truly be TV at the grassroots." He also says: "Local commercials might be substituted for the distant stations' own local commercials where the latter's advertisers do not expect someone to travel 200 miles to buy butter or tires. This raises some very sticky problems and would take much negotiation and real concern for public interest to overcome some potential difficult legal problems."

"State Federation" of broadcasters is advocated by Jack Roth, KONO San Antonio, pres. of Texas Assn. of Bcstrs. He said NAB isn't representing broadcasters properly in political area—before Congress, FCC, etc. He urged all other state broadcaster associations to join movement, form separate organization with hq in Washington. Last week, he said he'd received favorable response from 5. Number of Texas broadcasters don't agree with Roth. Roy Bacus, station mgr. of WBAP-TV Ft. Worth, said: "Roth doesn't represent the views of this station—and I think he doesn't represent any substantial number of Texas broadcasters."

Top FCC staff members will be featured at April 25 luncheon of Federal Communications Bar Assn., Willard Hotel, Washington. Chiefs of the 4 Bureaus and the exec. dir. will give short presentations, and heads of other main offices will be on hand for question-answer session.

**Another Record for CBS:** Best first-quarter sales & earnings in history were reported by CBS Inc. Chmn. William S. Paley last week at stockholders meeting in N.Y. Without giving figures, he said quarterly earnings will exceed last year's record \$7,764,855 (87¢ a share) by 25%, and for full-year outlook is for better sales & earnings than last year's all-time high.

In a meeting frequently disrupted by professional disgruntled stockholders such as Evelyn Y. Davis and Gloria Parker (the latter a nominee for Board of Directors on "Reform Ticket"), Paley enunciated—in answer to question—what appeared to be somewhat softer view of color: "Color TV is increasing in use to some extent. We are following the situation carefully . . . Color presently represents only 2% of the total TV sets. As the number of sets grows, we will increase our color broadcasting."

In answer to another question, Pres. Frank Stanton defended use of Nielsen national TV ratings and expressed confidence industry would find ways to improve audience measurement "in 6 months to a year." He said that national TV Niensens (as opposed to radio ratings and local TV ratings) "correlated well" with ratings supplied by other services. He said CBS is looking into charges made before House Commerce Subcommittee investigation of ratings, and is "working with the industry" to investigate. "If they don't stand up," he said, "we will use some other method for determining audiences."

In rundown of CBS's 7 operating divisions, Stanton reported:

**TV network:** Continued leadership in audience, advertisers & program popularity.

**TV stations:** Four of CBS's o&o's—"and probably all 5—continue to be first in their markets in sales." First-quarter sales for division as whole are running 10% above same period of 1962, the division's best year. CBS Films is "world's largest exporter of films made especially for TV," distributes more than 75 program series in 63 foreign countries, with first quarter sales "well ahead" of last year.

**Radio:** First-quarter revenues were up "substantially" over '62, and "as of today, the CBS Radio Network already has more business on its books—that is, commitments for advertising revenue—than it achieved during the whole of last year." Stanton also claimed biggest network radio audiences.

**CBS News:** TV output in 1962 increased 34.5% over '61, with another increase of 18.5% in first-quarter 1963 over '62 period.

**Columbia Records:** Stanton claimed "over-all leadership in the phonograph record industry," and worldwide progress for new CBS Records label.

**CBS Labs:** "Attained its forecast sales for this year, and work is under way to build a backlog for 1964."

**CBS International:** First-quarter sales figures declined because of economic chaos in Argentina, from which the division received over \$1 million in orders in first quarter '62. Div. is expanding sales in Europe & Asia and at U.S. military PXs. First-quarter sales gains were shown in phonos, magnetic tape, broadcast equipment & appliances.

Training course in TV writing, production & programming will be offered at Stanford U.'s 21st Radio-Television-Film Institute, June 24-Aug. 17.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**UHF MARKET GUIDE SHOWS UPCOMING OUTLETS:** What are the prospects for substantial number of additional uhf stations coming on air before all-channel receiver manufacture becomes compulsory April 30, 1964?

We've compiled table showing status of all markets where uhf stations are now on air, authorized to broadcast, or applied for (see pp. 8-9). It tells part, but not all, of story. It shows 83 areas where uhf stations are on air, 69 where authorizations have been granted and 47 where uhf outlets are being sought but haven't yet been granted.

Here's where uhf stands today: 116 uhf outlets now on air, of which 88 are commercial, 28 educational. There are 80 uhf construction permits (CPs) outstanding—64 commercial, 16 non-commercial. In addition, there are 67 applications for uhf stations—but these applications are for only 51 channels, of which 53 are commercial, 14 reserved for non-commercial broadcasting.

Column 1 shows stations in operation—and you can easily pick out prime uhf markets on basis of number of stations on air, such as Fresno, Peoria, Ft. Wayne, South Bend, Scranton-Wilkes-Barre.

Column 2 gives good indication of areas which will have uhf stations on air next. These areas have construction permits outstanding, and stations can begin telecasting any time they wish. In these areas, there are 29 authorized stations (indicated by †) which have been on air in past, but suspended operations for financial reasons while holding onto their authorizations in hopes of starting up again when climate is more favorable.

Some of these stations still have equipment and could go back on air virtually at turn of a switch. But once burned, twice shy—and some of these operators are extremely reluctant to start up again before all-channel set penetration is built up in their areas. And even with all-channel production virtually in sight, some present stations may have hard time remaining on air. As recently as Feb. 15, FCC authorized Montgomery, Ala. uhf to go dark for 3 months.

Column 3 shows areas where there are applications for uhf stations. You'll note that 10 of the channels (indicated by ‡) are contested, which means there are 2 or more applications for same channel by different parties. This often leads to long-drawn-out hearings, even court action, before best-qualified party is determined and station gets on air—varying from several months to years. There are shortcuts, however—such as dropouts of applicants, mergers, interim operation of station by combined group. Nevertheless, this area is imponderable in terms of time, and, of course, the more desirable the channel, the larger the market, the more likely there will be competing applicants.

Channels which aren't contested are free to be granted by FCC, provided applicant is qualified. How fast FCC will be, and how quickly permit-holders will get on air, is also unfathomable. However, in many cases, uhf grantee has much to gain and little to lose by stalling while all-channel set circulation builds up in his area.

It's still a guessing game, but based on past performance we'd be very surprised to see more than 30 new commercial uhf stations start between now and April 30, 1964—which means, by & large, uhf markets for next 12 months will mostly be uhf markets already established today.

On pp. 8-9, you'll find status of uhf stations, grantees & applicants as of today. (If you find it important to keep up with uhf station starts, grants & applications on weekly basis, we suggest our TV Addenda service, which can be mailed to you weekly with your copy of Television Digest—rates on request.)





sets, radios & phonos "have been substantial in the past," he said, and bureau will continue to press for legislation to eliminate cause of complaints. Legislature failed to pass at its last session this month Bureau-supported (1) Model Year Bill, which would require manufacturers to date model year on each TV set & appliance, to pull teeth of dealers who pass off earlier models as latest; (2) Proposal to license TV technicians.

In Wisconsin, however, bill to license TV technicians has just been introduced. It would create 5-man Board of TV Technicians, appointed by governor, that would license technicians & administer examinations for new technicians. Bill also provides, among other consumer protections, restriction on use by technicians of term "authorized" unless they actually have written authorization from TV manufacturers to service their receivers.

Fair trade also made more news last week. "There's a much greater interest in the entire industry in fair trade or some form of price stabilization than in many years," noted E. B. Barnes, sales vp of American Motors' Kelvinator Div. Fair trade program introduced by Kelvinator in California last June has produced substantial increase in volume & gain in dealerships, he said. Kelvinator now is studying feasibility of extending fair trade to other markets in which "majority of dealers" express desire.

### TV-RADIO PRODUCTION: EIA statistics for week ended April 12 (15th week of 1963):

	Apr. 6-12	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	137,969	137,985	131,535	2,021,136	1,946,672
Total radio .....	332,909	350,536	365,624	4,886,122	5,363,117
auto radio .....	147,956	169,786	133,376	2,256,965	1,886,897

Zenith celebrates record first quarter with 2-page trade ads making these claims, on basis of unit distributor-to-dealer sales: (1) "B&w TV sales smash all first quarter records—share of industry first again by a wide margin!" (2) "Zenith color TV sales double 1962 first quarter—Zenith now in very dominant 2nd place and still gaining!" (3) "Zenith radio sales gain greater share of industry—even greater than tremendous first quarter of 1962!" (4) "Stereo sales hit all-time first-quarter high—9 months since introduction of Micro-Touch [tone arm were] highest 9 months in history!"

First 16-in. 90-degree color set, measuring less than 17 in. from front to back, was announced in Tokyo by Matsushita Electric for sale in Japan this summer at around \$550. Company presumably plans to export set to U.S. under its Panasonic label. First Japanese 16-in. set was shown recently at IEEE show in N.Y. by Toshiba, but this model had deep 70-degree tube (Vol. 3:13 p8).

FM-stereo table models are gradually moving into lower price range. Zenith last week broke trade ad campaign for its new compact unit at \$139.95 (\$149.95 with walnut-grained cabinet). New FM-stereo and AM radio is Zenith's first with hinged speaker doors, can be played with doors open, closed or removed from cabinet for greater separation.

Transistorized electronic ignition system for cars & trucks was unveiled at International Automobile Show in N.Y. by Motion Inc., subsidiary of Tung-Sol, at \$59.95. Motion also announced that its earlier capacitive discharge electronic ignition system is now available for cars & trucks.

Ban on FM radio sets on civil aircraft was made permanent by FAA because, it said, they can interfere with navigation instruments. Temporary ban started May 1961.

TV set prices have dropped 7%, radios 9% since 1957-59, despite 15% rise in average wage level, noted April 15 *Wall St. Journal* analysis of progress in automation. "The phenomenon spotlights the other side of automation, *Journal* emphasized, adding: "Much attention has been focused on how automation & other technological gains in manufacturing have deprived several million persons of jobs. But little light has been turned on the better bargains for 19 million U.S. consumers—despite sharply higher hourly labor rates." Analysis also points out: "Price record has been achieved without cutting deeply into profit margins. After-tax profits per sales dollar of U.S. manufacturers amounted to about 4.5% in 1962. That's up from 4.3% the year before. It compares with only 4.1% in 1958."

Sear's color & uhf promotions in N.Y.C. market, as featured in recent advertised specials: Color set, with 90-day free home service and one-year parts warranty, \$399. All-channel 19-in. slim portable b&w set, \$128. Both sets were featured in area retail stores, don't reflect catalog prices.

Matsushita Electric will use TV for first time to promote its Panasonic TVs, radios, tape recorders. Ad campaign opens June 1 in Boston, Cleveland, Pittsburgh & Baltimore; company is seeking time in N.Y. & Chicago.

New multi-set couplers introduced by Blonder-Tongue: Color-4, designed for color reception in systems with up to 4 sets (\$9.95); Set-2, all-channel coupler for 2-set systems (\$3.20).

RCA's new lines of color & b&w TV, radios, phonos and tape cartridge recorders will be introduced to distributors May 15-17 at Riviera Hotel, Las Vegas.

Admiral is enlarging its Canadian TV-radio-appliances plant at Port Credit, Ont., will complete new addition—its 5th—in June.

## Trade Personals

**Dr. Elmer W. Engstrom**, RCA pres., will address opening day luncheon of SMPTE convention April 22 at Atlantic City on "Horizons in Electronics."

**Mark W. Cresap Jr.**, Westinghouse pres., is member of 5-man businessmen committee, chaired by Ford Motor Chmn. **Henry Ford II**, that will work on new tax bill for Administration.

**Lynn L. Long** named Sylvania Tube Div. sales administrator.

**Edgar H. Griffiths** appointed RCA International Div. international finance vp, a new post; **Erwin Schuller** named international financial advisor effective April 30, serving as consultant to RCA & subsidiaries.

**Allan Gardner**, Wells-Gardner vp & sales mgr., elected a dir., succeeding late **Henry C. Bonfig** . . . **Charles Maurer** named Sony Corp. of America national service mgr., Consumer Products Div., a new post.

**Joel P. Smith** named Jerrold Electronics' Community Antenna Systems Operations Div. mgr., replacing **Daniel Aaron**, resigned; **Joseph J. Kontuly** appointed asst. ad & sales promotion mgr.

**Paul Smith**, Esquire Radio vp, elected a dir. of parent Esquire Radio & Electronics.

**Richard A. Campbell** named operations vp of Thompson Ramo Wooldridge subsidiary TRW Electronics; **Thomas M. Fitzgerald** appointed vp-gen. mgr. of Pacific Semiconductors, 90% owned by Thompson Ramo Wooldridge.

**Charles Grove**, Grove Refrigeration & Air Conditioning vp, elected pres. of NARDA's Ohio Chapter.

**J. D. Winer** resigns as Capehart chmn. & a dir.; **Dr. Joseph H. Vogelmann**, research, development & engineering vp, appointed a dir.; **Leonard J. Schwartz**, field engineering dir., appointed a corporate vp.

**Eric C. Herud**, onetime asst. chief engineer for Du Mont TV Network, named mgr. of Du Mont Labs' new Medical Instrument Dept.

**David M. Beckerman** named Radio Shack Retail Div. & operations gen. mgr., succeeded by **Ernest Kalinich** as ad mgr.

**Distributor Notes:** Westinghouse names **Charles Ross** TV, radio, major appliance regional mgr. for eastern Pa., N.J., Md., Del., Va. & D.C., succeeding **Leo Cronson**, who retires May 1 after 30 years with company • **TV Development** appoints **Ralph E. Walker** district sales mgr. for northern Ill. & eastern Wisc., headquartering at 1929 N. Newland Ave., Chicago • **David Brody**, ex-John M. Otter Co. vp-gen. sales mgr., named Philadelphia-area rep for **Grundig-Majestic** • **Sharp Co.** appoints **W. A. Rich Co.** (1711 West Roosevelt, Phoenix) Arizona distributor for TV & home entertainment lines.

**Admiral** has kicked off \$1.2 million 2nd quarter ad campaign for TVs, radios, phonos, appliances. First-quarter ad spending totaled \$1.8 million.

**Fisher Radio** is advertising free offer to consumers, 40-page "Fisher Handbook—An Authoritative Guide To Custom Stereo."

**RCA Posts Record Quarter:** RCA opened 1963 with Jan.-March sales & profits greatest of any quarter in its 44-year history (see financial table). Profits jumped 19% to \$17.3 million from year-earlier's record \$14.5 million on 3% sales gain to \$436 million from record \$425 million. NBC also scored peak first-quarter sales & profits.

"Color TV was among the most significant elements in first-quarter earnings, with sales of color sets & services moving at a pace reminiscent of the early growth of b&w TV," Chmn. **David Sarnoff** & Pres. **Elmer W. Engstrom** noted. Over-all TV sales set first-quarter record, they added (Vol. 3:15 p10).

"We anticipate that RCA's sales & earnings, subject to the continued vigor of the national economy, will maintain their upward movement in an environment of expansion for electronics as a whole," Sarnoff & Engstrom emphasized.

**Mergers & acquisitions:** **ITT** and **Bell & Gossett Co.**, Morton Grove, Ill. maker of pumps, heating & refrigeration equipment, have agreed to merge. Subject to approval of Bell & Gossett stockholders & certain conditions, ITT would pay some \$47.8 million for assets by issuing 696,422 shares of ITT common & 145,487 shares of cumulative convertible preferred for Bell & Gossett's 2,078,385 outstanding common shares • **Ling-Temco-Vought** now owns 27.5% of **Seam Instrument Corp.**'s 3,448,608 shares, following merger of latter with **Information System Inc.**, Skokie, Ill. maker of electronic & control equipment for industrial automation systems. L-T-V owned 61% of Information Systems prior to amalgamation with Seam, Chicago manufacturer of enunciator & signaling systems • **Sylvania** has sold to **Hupp Corp.** its 85% interest in **Golden Shield-Puerto Rico**, its TV-radio distributor there. Sylvania sold its majority interest in parent **Golden Shield Corp.**, Great Neck, N.Y. early last year (Vol. 2:2 p8). Latter will retain its interest in Puerto Rican branch.

**Motorola's** first-quarter earnings dropped "upwards of 50%" from year-ago's \$2.5 million despite sales rise from 1962's March-quarter volume of \$77 million, Pres. **Robert W. Galvin** reported. He attributed profit drop to stepped-up investment in color TV, preparations to produce color picture tube, and start-up costs for 15 new products introduced by Semiconductor Div. Despite downbeat opening quarter, Motorola expects profit decline to reverse in 2nd quarter, foresees record earnings in 3rd. Galvin said Motorola & National Video will introduce new color tube this summer. Re new semiconductor products, he said: "We consider each one of these a major development of its own, but each required very expensive engineering, installation & pilot runs."

**Entron Inc.**, Silver Spring, Md. manufacturer & owner of CATV systems, posted record sales of \$2,679,490 for year ended Feb. 28, an increase of 97% over preceding year. Net income was \$137,317 compared with loss of \$373,792 for preceding year. Earnings equalled 50¢ a share on 272,135 shares vs. loss of \$1.37 per share in prior year.

**Consumer ability to pay past-due bills** declined during Jan.-March for 2nd consecutive quarter, American Collectors Assn. reported. ACA's index, keyed to 1953 base of 100, showed decline to 97.1 from 97.2 a year ago & 98.8 in 1962's final quarter.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
CTS Corp.	1963—year to Mar. 31	\$ 28,867,246	\$ 2,217,710	\$ 2,222,526	\$1.50	1,482,003
	1962—year to Mar. 31	23,700,815	2,162,406	2,021,505	1.40	1,447,003
	1963—qtr. to Mar. 31	7,293,933	567,714	619,149	.42	1,482,003
	1962—qtr. to Mar. 31	6,672,486	495,404	550,014	.38	1,447,003
Electronic Specialty	1963—qtr. to Mar. 31	16,753,006	1,049,788	574,788	.40	1,440,557
	1962—qtr. to Mar. 31	14,999,886	987,224	589,224	.41	1,440,557
GT&E	1963—qtr. to Mar. 31	332,479,000 <sup>3</sup>	—	22,060,000 <sup>3</sup>	.29	75,264,000
	1962—qtr. to Mar. 31	317,906,000	—	18,162,000	.25	73,470,000
Macfadden-Bartell	1963—qtr. to Mar. 31	—	—	483,651	.30	1,593,482
	1962—qtr. to Mar. 31	—	—	(136,458)	—	1,593,482
P. R. Mallory	1963—qtr. to Mar. 31	24,441,022	1,833,888	864,221	.53 <sup>1</sup>	1,617,353
	1962—qtr. to Mar. 31	24,506,709	2,259,462	1,074,321	.66 <sup>1</sup>	1,501,843
MGM	1963—28 wks. to Mar. 14	70,114,000	—	(8,716,000)	—	2,569,229
	1962—28 wks. to Mar. 14	70,766,000	—	2,553,000	1.00	2,545,229
Metromedia	1963—qtr. to Mar. 31	13,527,470	—	703,283 <sup>3</sup>	.40 <sup>1</sup>	1,715,044
	1962—qtr. to Apr. 1	12,270,314	—	138,732 <sup>2</sup>	.07 <sup>1</sup>	1,707,057
Movielab	1962—year to Dec. 29	6,549,244	555,778	292,278	.86	341,010
	1961—year to Dec. 29	5,810,577	520,974	279,474	.82	341,010
Muter Co.	1963—qtr. to Mar. 31	4,172,531	212,126	104,561	.08	1,257,695
	1962—qtr. to Mar. 31	4,132,740	150,059	72,701	.06 <sup>2</sup>	1,199,094
Paramount Pictures	1962—year to Dec. 31	106,286,000	—	(3,410,000)	—	1,681,681
	1961—year to Dec. 31	115,514,000	—	5,668,000	3.35	1,684,481
RCA Story on p.11	1963—qtr. to Mar. 31	436,000,000 <sup>3</sup>	35,300,000	17,300,000 <sup>3</sup>	.95	17,364,000
	1962—qtr. to Mar. 31	425,000,000	28,900,000	14,500,000	.81	16,913,000
Raytheon	1963—qtr. to Mar. 31	126,409,000	4,146,000	(1,434,000) <sup>4</sup>	—	4,124,858
	1962—qtr. to Mar. 31	157,334,000	5,219,000	2,499,000	.60	4,013,754
Texas Instruments	1963—qtr. to Mar. 31	59,797,000	5,376,000	2,455,000	.61	3,948,238
	1962—qtr. to Mar. 31	57,483,000	4,663,000	2,411,000	.60	3,945,613
Vornado	1963—6 mo. to Feb. 28	78,313,968	—	2,438,654	1.86	1,310,593
	1962—6 mo. to Feb. 28	57,081,325	—	1,936,843	1.48	1,310,593
	1963—qtr. to Feb. 28	39,420,646	—	1,415,450	1.03	1,310,593
	1962—qtr. to Feb. 28	28,878,919	—	1,072,914	.82	1,310,593
Wells-Gardner	1963—qtr. to Mar. 31	3,764,000	—	(53,000)	—	422,400
	1962—qtr. to Mar. 31	4,380,000	—	62,000	.15	422,400
Westinghouse Story below	1963—qtr. to Mar. 31	489,742,000 <sup>3</sup>	23,588,000	12,588,000	.34 <sup>1</sup>	35,633,070
	1962—qtr. to Mar. 31	460,466,000	21,178,000	11,778,000	.32 <sup>1</sup>	35,618,153

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> Adjusted to reflect Jan., 1963 5% stock dividend. <sup>3</sup> Record. <sup>4</sup> After special \$3,350,000 charge for phas-

ing out East Coast semiconductor operations (Vol. 3:10 p10). <sup>5</sup> Before \$2.6 million gain on sale of certain assets.

**Westinghouse Nets Record Sales:** Although Westinghouse previously predicted 1963's opening quarter would be poorest of year in sales & earnings (Vol. 3:14 p15), Jan.-March returns showed record sales & new orders and 7% boost in profits (see financial table). Sales climbed 6.4% to peak \$489.7 million from \$460.5 million in 1962's March quarter. Earnings rose to \$12.6 million from \$11.8 million. Backlog jumped 22%, highest since end of 1953.

Some consumer goods lines were among those that produced billings increases, Pres. Mark W. Cresap Jr. reported. Electronic components also recorded gains. Earlier, he had told annual meeting that March quarter's performance "won't reflect the profit-producing capability for the full year."

Republic Corp. anticipates that sales & earnings in fiscal-1963's 2nd quarter, ending April 30, will be "substantially ahead" of year-ago's \$11.2 million revenues & \$559,632 profits.

Magnavox, which posted record 1962 sales & earnings (Vol. 3:12 p11), closed year with total current assets of \$74,869,597 vs. total current liabilities of \$35,742,165—compared with \$61,264,229 & \$28,550,535 at end of 1961. Cash increased to \$8,725,539 from \$5,860,151. Accounts receivable rose to \$19,329,546, plus \$11,495,778 due from govt. & other defense contracts, from \$14,579,454 plus \$10,442,634. Finished goods inventory was valued at \$7,871,095 vs. \$6,914,582 a year earlier. Earnings retained & invested in the business totaled \$27,348,906 vs. \$19,075,530 at 1961's close.

P. R. Mallory has retired its preference stock, no longer has any outstanding equity securities senior to its common shares. In response to its redemption call last Feb. for its 73,131 preference shares, company has converted more than 97%, or 71,209 shares, into 86,082 common shares. Redemption & fractional-share payment totaled \$105,449.

APR 29 1963

WEEKLY

# Television Digest

with

**Consumer Electronics . . . (starts page 7)**

APRIL 29, 1963

NEW SERIES VOL. 3, No. 17

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**The authoritative service for executives in all branches of the television arts & industries**

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**IN THIS ISSUE:** Broadcasters With Community Antenna System Interests (p. 3)

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**RATINGS—DAMAGE SUITS, USER REACTION:** WAME Miami sues Nielsen & Pulse; Harper, Codel, plea for competitive services; NAB Research Committee, Harris Subcommittee meet today (p. 1).

**NO FCC-NCTA AGREEMENT ON CATV LAW,** but some operators see 'glimmer of hope.' Fact-finding committee to show Commission probable results of regulation in multiple-station markets. Canadian govt.-industry conflict coming to head (p. 2).

**UHF PROSPECTS & PITFALLS** checked off by AFCCE Pres. Steel, who says 'go first class' in station equipment. All-channel committee developing steam (p. 3).

**ANNENBERG \$1.5 MILLION ETV GIFT**—complete facilities of WFIL-TV Philadelphia going to WHYY-TV in Fall when Triangle stations move to new plant (p. 5).

### Consumer Electronics

**RADIO RIDDLE PONDERED** by puzzled industry: Why are sales running 14% behind last year? Among suggested causes: Imports, saturation, dealer reluctance, bad weather (p. 7). Two-month figures show phono sales up 40%, TV up 6% (p. 10).

**23-IN. COLOR TUBE** scheduled for production next month by National Video; Motorola to use it in high-end models, with 21-in. in other color sets. Tube to be offered to other set makers by end of year, about \$10 higher than 21-in. Rauland color output in May (p. 8).

**TOP TV BRANDS-IN-USE** in 15 markets shown in annual newspaper-sponsored **Consolidated Consumer Analysis**; 13 TV set brands ranked according to percentage of households owning them (p. 8).

**MORE RECORD QUARTERS:** Magnavox & Zenith open 1963 with new highs in both sales & earnings; Zenith Chmn. Hugh Robertson reports upbeat business, puts April volume \$3 million ahead of 1962 (p. 11).

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**RATINGS—DAMAGE SUITS, USER REACTION:** Repercussions of Washington ratings hearings brought these developments among others last week: (1) First suits against Nielsen & Pulse, by radio station, seeking damages. (2) Growing body of reaction by ratings users—agencies, reps, stations—against govt. intervention in the business and for maintenance of a non-user-connected competitive ratings system.

First to file suit, possibly first of many, was radio WAME Miami, whose Murray Woroner was one of first to testify before Harris Subcommittee. Filed in Circuit Court of Dade County by Miami lawyer Irving J. Whitman, suit seeks \$250,000 each from Nielsen & Pulse, plus punitive damages, charges misrepresentation, says methods used didn't give true listening audience, states that advertising agencies rely on ratings in buying time, asserts systems are "comparable to fraud." We hear that many other stations contemplate suits.

At convention in White Sulphur Springs, W. Va. last week, AAAA Chmn. Marion Harper, one of ad agencies ablest spokesmen, called for govt.-hands-off and asked that rating services be allowed to compete in free marketplace (see p. 5).

Stations' national sales reps, prime ratings users, surprisingly absent from witness stand (though quizzed by investigators earlier), maintain a "wait & see" attitude, according to Edward Codel, Station Representatives Assn. pres., Katz Agency TV dir. He strongly opposes establishment of a single industry-supported measurement, told us: "A single system would work a great hardship on the business. There would be no recourse. No one has a foolproof service. The different methods, offering a competitive service, is still the best system." After NAB convention, several broadcasters had told Harris they'd like to see a single "ideal" system drawn up by CCNY Prof. Dr. Herbert Arkin, Subcommittee statistical consultant.

Some Subcommittee members are incensed over A. C. Nielsen Jr.'s blast at their hearings (Vol. 3:16 pl). He charged that Subcommittee "already decided we were guilty" before firm testified, that hear-

ing process is "immune from laws of libel & slander," that group turned down Nielsen's offer of witness to refute charges by 3 former field men. At least 2 Subcommittee members—one Democrat, one GOP—say they'd like to see Nielsen Jr. on stand. Subcommittee meets today (29), will decide next moves—when to call next witnesses, consultation with FTC, FCC & Justice Dept., etc.

Harris is in no rush. As we indicated (Vol. 3:16 p1), he's giving industry chance to come up with corrective moves before making his recommendations. Staff investigator Robert Richardson is back from vacation and, with chief counsel Charles Howze, will start on report due for release this summer.

Nielsen's meetings with clients in N.Y. April 24-26 were similar to Chicago session (Vol. 3:16 p2). About 350 agency, advertiser & network brass attended closed Summit (Hotel) meetings. Nielsen Jr. & Exec. vp Henry Rahmel answered questions after Nielsen's delivery of "The Researcher Replies." Questions covered sample size, editing, field supervision, Audimeter installation, inclusion of Mountain Time Zone, etc.

Some advertisers were interested in paying for larger samples to get more reliable demographic data—though some agency spokesmen reportedly were opposed. Nielsen is planning to call news conference May 1, is expected to announce speedup in installation of new sample, based on 1960 census. Harris Subcommittee charges that sample has changed little since 1947.

NAB Pres. Collins, speaking before Advertising Federation of America meeting in Orlando last week, asserted: "It is not too late for us to put this part of our house in order before the govt. insists upon doing the job for us."

NAB Research Committee meets today (29) in Washington to prepare outline of final plan for permanent audit & standards group, for report Pres. Collins will submit to NAB boards & Harris. Working with NAB committee are network researchers, academicians, allied trade groups. NAB audit plan will call for "joint effort."

**NO FCC-NCTA AGREEMENT ON CATV LAW:** The major point of dispute between FCC & NCTA over prospective federal legislation (Vol. 3:16 p3) remained unresolved last week—but it may not be a hopeless deadlock.

FCC voted unanimously April 22, accepting staff's recommendation that proposed law leave Commission free to impose regulations on CATVs in communities with more than one station. This word was passed to NCTA board, which met in Washington next 2 days. But board didn't throw up its hands and go home. It decided to study exactly what would happen—economically, technically, practically—if FCC's proposal were law—give Commission its findings. Committee headed by Archer Taylor, Missoula, Mont., has the job. Then, another committee, headed by A. J. Malin, Rochester & Laconia, N.H., has duty of continued liaison with Commission. According to one member attending board meeting, "there's the glimmer of hope." Another said: "There's more maturity of thinking in the group than I've ever seen before."

Canadian TV-radio regulators are getting worried about CATV, too. Board of Broadcast Governors has called June 4 hearing in Ottawa, stating: "The Board's concern centers around the fact that broadcasting stations, as a condition of license, are directed by law to achieve certain national purposes. Distribution of programs by cable system is not so directed." Because of "vital nature" of hearings, BBG said, it's arranging to broadcast sessions on TV & radio.

Much aroused by BBG leanings, National Community Antenna TV Assn. of Canada (3010 Bloor St. W., Toronto) is gearing for battle, giving subject top billing at annual May 7-10 convention in Ottawa.

Like it or not, industry is adjusting itself to fact that more & more broadcasters are deciding to control & profit from CATV instead of fighting it. Though FCC, Congress & CATV interests can't yet agree on federal legislation—most observers believe CATV will be put under Commission's wing sooner or later. Fact is, CATV won't go away—because it brings more services to more people, and public is willing to pay for it.

No one has attempted a complete compilation of TV-radio operators who have CATV interests. Herewith, on p. 3, is our starter—and we invite additions, deletions & corrections to increase its authoritative-ness. In some cases, cross-ownership may be minor. We're also including former broadcasters—believing they're no less illustrative of trend.

## Broadcasters With CATV Interests

Following are listed by station location or by headquarters of broadcasting parent. Includes former broadcasters. Name in parentheses is that of principal owner or managing executive.

STATIONS	CATV SYSTEMS	STATIONS	CATV SYSTEMS
KIVA Yuma, Ariz. (Bruce Merrill).	Christmas, Globe, Miami, Phoenix, Ray-Sonora, Yuma, Ariz.; Big Bear Lake, Brawley, Calexico, El Centro, Holtville, Imperial, Cal.; Panama City, Fla.	RKO General Inc., N.Y. WOR-TV-AM-FM, N.Y.; WNAC-TV-AM-FM, Boston; KHJ-TV-AM-FM Los Angeles; WHBQ-TV-AM Memphis; WHCT Hartford; CKLW-TV-AM-FM Windsor - Detroit; radio WGMS & FM Washington; radio KFRC & FM San Francisco. (Hathaway Watson).	Concordia, Kan.; Clarksdale, Gulfport, Miss.; Altus, Ardmore, Hobart, Hugo, Mangum, Okla.; Bonham, Childress, Memphis, Port Lavaca, Sherman, Lufkin, Wellington, Tex.
KCOP Los Angeles, Cal.; KPTV Portland, Ore. (Bing Crosby).	Indio, Rancho Mirage, Cal.	WECT Wilmington, N.C. (Dan Cameron).	Wilmington, N.C.
KSBW-TV Salinas-Monterey, Cal. (John C. Cohan).	Salinas-Monterey, Cal. (franchise)	Cox Stations, Dayton, O. WHIO-TV-AM-FM Dayton; WSOC-TV-AM-FM Charlotte, WSB-TV-AM-FM Atlanta; radio WIOD Miami. (J. Leonard Reinsch).	Lewistown, Lock Haven, Tyrone, Pa.
Harry Butcher, ex-KEYT Santa Barbara, Cal.	Santa Barbara, Cal.	KBES-TV Medford, KOTI Klamath Falls, KPIC Roseburg, Ore.; KVIP-TV Redding, Cal. (William Smullin).	Ashland, Grants Pass, Klamath Falls, Medford, Roseburg, Ore.
KCTO Denver, Colo.; KTVW Tacoma-Seattle, Wash.; radio KELA Centralia, Wash. (J. Elroy McCaw).	Chehalis, Wash.	Radio WRTA Altoona, Pa. (Martin Malarkey).	Wilmington, N.C. (with WECT)
Televents Corp., Denver, Colo. (Alfred Stern, ex-NBC vp).	Fayetteville, Ark.; Athol, Orange, Pittsfield, Mass.; Little Falls, Minn.; Claremont, N.H.; Aztec, N.M.; Allegany, Olean, N.Y.; Coos Bay, Eastside, Empire, Myrtle Point, North Bend, Powers, Ore.; Bradford, Clearfield, Eldred, Minersville, Pottsville, Schuylkill Haven, Warren, Pa.; Bellows Falls, Vt.; Harrisonburg, Va.	Triangle Stations, Philadelphia, Pa. WFIL - TV - AM - FM Philadelphia; WFBG-TV-AM-FM Altoona; WNBFTV-AM - FM Binghamton; WNHC-TV-AM-FM New Haven; WLYH-TV Lebanon, Pa.; KFRE-TV-AM-FM Fresno. (Roger Clipp).	Binghamton, N.Y. (franchise); New Haven, Conn. (applicant).
Mrs. Frank Russell, Washington, D.C. (wife of ex-NBC vp)	Ellensburg, Wash.	WIS-TV-AM Columbia, S.C.; WSFA-TV Montgomery, Ala. (G. Richard Shafto).	Ocala, Fla.; Myrtle Beach, Conway, Georgetown, S.C.
Radio WKWF Key West, Fla. (John Spottswood).	Key West, Fla.	KTBC-TV-AM-FM Austin, Tex.; KWTX-TV-AM Waco, Tex.; KXII Ardmore, Okla. (Mrs. Lyndon B. Johnson).	Austin, Tex. (franchise).
Radio KOJM Havre, Mont. (Charlotte Braden).	Havre, Mont.	KTRE-TV-AM Lufkin, Tex.; KLTV Tyler, Tex. (Marshall Pengra).	Lufkin, Tex.
Radio KPRK Livingston, Mont. (Paul McAdam). (Station being sold)	Anaconda, Big Timber, Butte, Dillon, Helena, Lewistown, Livingston, Miles City, Mont.	Kerns-Tribune Corp., part-owner of KUTV Salt Lake City. (J. W. Gallivan).	Elko, Nev.
Radio WWNH Rochester, N.H. (Albin Malin).	Laconia, N.H.	Radio KXRO Aberdeen, Wash. (Fred Goddard).	Aberdeen, Montesano, Wash.
Fortnightly Corp., N.Y., buying WBOY-TV Clarksburg, W. Va. (Nathan Levin).	Clarksburg, Fairmont, W. Va.		

**UHF PROSPECTS & PITFALLS:** A uhf enthusiast who looks for solid growth over long haul is Washington consultant David L. Steel, pres. of Assn. of Federal Communications Consulting Engineers. We asked him about do's & don't's last week, got these points:

(1) "We need a good 3-or 4-position converter, and it should look good. These continuous tuners are difficult for the average person to tune. You've got to make it easy for them."

(2) "Transmission facilities must be first class. You remember that some stations started with 100-watt transmitters in the early '50's? Their service areas were garbage dumps—and some of them are still garbage dumps, even though the power was increased. The public never got over it. Give them plenty of power. The extra cost of adequate facilities is peanuts compared with the cost of operation. The savings made possible by the FCC's relaxation of technical standards don't mean much—maybe for satellites, but not for basic installations."

(3) "There ought to be a law on all-channel receiving lead-ins. They ought to make everyone install good lines. Twin leads are for the birds on uhf—particularly in bad weather."

(4) "Uhf receiving antennas hold up surprisingly well, better than vhf. They're compact. Vhfs are long and often flimsy, breaking down in wind & ice."

(5) "I'd like to see pre-amps on receiving antennas. Mass production could bring the price down."

(6) "I don't see need for a final amplifier at the transmitting antenna, as some people advocate. With a good transmission line—more expensive, true—you can get 85% transmission in 1,000 ft., about the same as vhf. Go first class if you're going at all."

Steel predicts that about 100 uhf applications will be filed this year, and that 1964 will be the big year of construction. He's impressed with stature of current applicants, notes that most can stand gaff of several years' losses.

What really gripes Steel, however, is FCC slowness in acting on applications. "Applications sit there, in the clear for months—until someone files on top of them, delaying grants for years. You can examine one of these applications in minutes and tell whether it's grantable or not. I appreciate the fact that FCC has other things to do, but there are people ready, willing & able to get on the air—if given a chance. You've got to have at least 2 uhfs in a city."

Steel is member of FCC-sponsored Committee for the Full Development of All-Channel Broadcasting, looks for impressive results. Committee on Consumer Information met in Washington last week, heard those master promoters—FCC Comr. Lee & EIA's Sandwick—describe plans for dealer-servicemen symposiums in N.Y. & Chicago. N.Y. session is set for May 14 at Carnegie Hall, leading off with Mayor Wagner & Lee. Chicago meeting is planned for July 22, at Palmer House, during convention of National Assn. of Music Merchants.

N.Y. symposium will be moderated by WNYC-TV's Seymour Siegel, includes: Harris Wood, Philco; Lee's engineering asst. Robert Weston; Jack Warganz, Knickerbocker Distributing, Long Island City; Ed Cicchetti, CSI Electronic Servicing, Flushing. FCC Comr. Henry will present plaque to outstanding N.Y. all-channel-set retailer. Chicago details are yet to come.

Technical Development Committee met in N.Y. last week, established 5 task groups, gave them 18 tasks: (1) All-channel sets, Harris Wood, Philco, chmn. (2) All-channel receiving antennas & antenna systems, Jack Beever, Jerrold, chmn. (3) Uhf transmitters & studio equipment, Harold Towlson, GE, chmn. (4) Uhf transmitting antennas & systems, Wayne Masters, Melpar, chmn. (5) Over-all systems & FCC rules (coordinating other 4), Charles Hirsch, RCA, chmn.

Unusual new CATV operation is that planned by Vincennes U., Vincennes, Ind. As a state agency, it has sold \$770,000 worth of 5¾% bonds to investment firm of Goodbody & Co., to finance new systems in Vincennes & Washington, Ind. Another bond issue is planned to finance systems in Lawrenceville & Bridgeport, Ill. University had retained management consultants Howard S. Frazier Inc. to see whether Vincennes could support combination commercial-ETV station. Frazier judged that it couldn't—but CATV was recommended as source of income for pure ETV station—and school has asked FCC to reserve Ch. 52. In 6 years, Frazier estimates, Vincennes will have 4,900 subscribers, Washington 3,125. Frazier, incidentally, reports his firm working on 18-20 systems in various stages of planning—including Fayetteville, N.C., where city council has voted tentatively to franchise local group. NCTA reports following new members: Long Island Cable Vision Corp., Bayside, N.Y.; Cablevision of Va., Covington, Va.; Lee County TV, Beattyville, Ky.; Dryden Community Antenna Corp., Dryden, N.Y.; Okaloosa TV Cable Co., Ft. Walton Beach, Fla.; Flora TV Cable Co., Flora, Ill.; Owsley Co. TV, Booneville, Ky.; Laverne TV Cable Co., Laverne, Okla.

NAB study committee, to weigh concept of setting up a program department (Vol. 3:13 p1), has been appointed by Pres. Collins: From TV board—Joseph Baudino, Westinghouse (co-chmn.); John Dille, WSJV South Bend-Elkhart; Eugene Thomas, KETV Omaha. From radio board: Allan Page, KGWA Enid, Okla. (co-chmn.); Harold Essex, WSJS Winston-Salem; Cecil Woodland, WEJL Scranton. Proposed department, Collins said, would "develop studies & aids to improve the expertise of NAB's radio & TV members and also would serve as a central source in an exchange of program information & ideas which have proven successful." First meeting is May 2.

Fine of \$1,000 has been ordered by FCC for radio KRSD Rapid City, S.D.—for operating with defective remote control equipment and for failing to inform FCC when corrections were made.

ABC-TV network & owned stations appoint C. J. LaRoche & Co. to handle advertising, succeeding Doyle Dane Bernbach.

Sale of WREC-TV-AM Memphis, from Hoyt B. Wooten to Cowles Bcstg., for \$8 million, has been approved by FCC.

**RATINGS REVERBERATE AT 4A:** Fallout from ratings explosion triggered by Chmn. Harris's House hearings could be easily detected at annual 4A meeting last week at W. Va.'s Greenbrier. Voiced publicly in speeches or discussed informally during coffee breaks and cocktails, rating question was very much on mind of top brass of nation's leading ad agencies & media guests.

Keynote speech by Marion Harper Jr., head of Interpublic (McCann-Erickson) & retiring chmn. of 4A, put immediate spotlight on problem at opening-day (25th) lunch. Reaction stirred by Harris hearings, Harper said, was "excessive," and was leading to "misunderstanding of the nature of good research practice." Failures, he added, arose "when design of the research project is poorly related to its purpose."

Joint research activities involving advertisers, agencies & media were, in his opinion, "doomed to failure" since they evolved "techniques that are compromises" and put prime focus on "participating interests" rather than knowledge to be uncovered.

Harper also warned against "the organization of a govt. research system" which, he said, "could be used to support a policy after it was no longer a reflection of people's preferences."

Real progress in research, Harper said, will be achieved mainly "by individual practitioners when they're free to develop their own techniques and to succeed or fail in the business marketplace."

C. Wrede Petersmeyer, pres. of Corinthian Bestg., said he felt that a major problem in audience research involved specialized breakouts of information, which "become less reliable as you go further into the data." He sided with Harper in wanting to keep govt. out of research business, and he told us: "A govt. attack on ratings is a step toward govt. control of programming. Relationship of ratings to programming is same as relationship of a thermometer to a patient. Ratings don't control programming; it's programming that controls ratings. I feel there are forces in govt. which would like to do away with the indices of programming which reflect popularity of certain entertainment shows like *Beverly Hillbillies*. It's not a matter of improving ratings; it's an attempt to superimpose governmental program thinking through an attack on ratings."

In other 4A news areas, members approved public ownership of 4A agencies (which have increasingly sought outside capital) "as long as the employes are in effective control," but voted to prohibit any ownership of ad media—including large holdings in broadcast firms by agencies. Arthur E. Tatham & Norman H. Strouse, chmn. of Tatham-Laird & pres. of J. Walter Thompson, respectively, were elected chmn. and vice-chmn of 4A, with Tatham succeeding Harper.

**Transcontinent TV sale to Taft Bestg. & Midwest TV** didn't come up for formal discussion at TTC stockholder meeting last week in Buffalo. And here's why: Negotiations are said to still be in progress; special stockholder meeting will be called when board believes shareholder action is necessary. Incidentally, there's no bar to contingency of Midwest purchase on Taft's—in FCC proposed rule-making (Vol. 3:16 p4). Contingency involved in FCC proposal would affect multiple owner planning to buy & sell simultaneously while remaining within FCC ownership ceiling.

**Annenberg \$1.5 Million ETV Gift:** Complete facilities of Triangle Publications' WFIL-TV (Ch. 6) Philadelphia, worth about \$1.5 million, are being donated to ETV WHYY-TV, which now operates on uhf Ch. 35, holds CP for vhf Ch. 12. WFIL-TV is to move in Fall to new plant at City Line & Monument Ave., turning 46th & Market St. facilities over to ETV at that time. New WFIL-TV will also house radio WFIL and all Radio & TV Div. offices.

Said Walter Annenberg, Triangle pres.: "I couldn't think of a better use for the facilities. The difficulties of educational TV in New York, I believe, highlight the need for people to step out and help educational TV." Gift is largest of its kind to date.

**Dormant newspaper-monopoly investigation** by Rep. Celler's (D-N.Y.) Judiciary Anti-trust Subcommittee is due to resume in June. Celler originally announced there'd be 4 continuous weeks of hearings, but he became ill; now, he plans civil rights investigation before resuming newspaper probe. Publishers with broadcast holdings will be asked to testify at resumption. Also on tap is Prof. Harvey Levin, Hofstra College, author of book *Broadcast Regulation & Joint Ownership of Media*—generally opposed to TV-newspaper combinations. Dropping of competing newspapers in Los Angeles by Hearst & Chandler was a major stimulus for investigation; now, it's understood Justice Dept. is studying history of Los Angeles Newspaper Publishers Assn., looking for anti-trust violations in exchanges of advertising & editorial information among publishers.

**NBC bought TV-radio rights** for NFL championship game Dec. 29 for \$926,000; for each of last 2 years it paid \$615,000. NBC has been carrying game since 1955. CBS carries regular season games, paying \$4,650,000 a year. NBC also signed Gulf Oil to full TV-radio sponsorship of 1964 national conventions & elections at reported \$3.5 million. At same time, Gulf renewed for 4th year sponsorship of NBC News specials, at estimated \$1.5 million.

**New stereo modulation monitor**—claimed a "first"—introduced by Collins. It measures main channel, sub-channel, pilot carrier, SCA carrier insertion, stereo separation, cross-talk, pilot phase. It provides stereo & monaural output for proof of performance, has output connections to measure AM noise & distortion. Collins also introduced new stereo limiting amplifier.

**Errata:** Following changes should be made in pocket directory of stations issued as Special Supplement with Vol. 3:15: Add WOOK-TV (14) to District of Columbia; add WTEV (6) to Providence, R.I. (New Bedford, Mass.); add WJMY (20) to Allen Park (Detroit), Mich.; delete WNTA-TV, New York-Newark; change channel of WJAR-TV Providence to (10).

**National spot radio** totaled \$201,575,000 in 1962, a 2.1% increase over 1961's \$197,350,000, according to Lawrence Webb, managing dir., Station Representatives Assn. He also reported that SRA & RAB plan to compile spot radio dollar volume by market.

**License fees** are due to be finalized by FCC in week or so—TV-radio charges unchanged from last proposal (Vol. 3:13 p2), safety & special services to be cut somewhat. Total take is estimated at \$3.8 million annually.

# Television Digest

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ducer-dir., WRCV-TV Philadelphia, named production mgr., WRC-TV Washington.

Gerald C. Gross, International Telecommunications Union secy.-gen., to retire when term expires in 1965.

Barclay Powers promoted to WLBW-TV Miami advertising & promotion dir. . . . Juan C. Chiabrande, ex-ITA Electronics chief engineer, named exec. vp-engineering dir., CCA Electronics.

Quentin L. Harvell promoted to vp-administration, Mae Keenan to club service administrator, Advertising Federation of America . . . Serge T. Popper elected vp, Mort Bassett & Co.

John Mankin, mgr., promoted to vp-gen.mgr., Tyler & Jacksonville, Tex. CATV systems . . . Billy I. Ross, So. Ill. U., elected pres. of Alpha Delta Sigma, professional advertising fraternity.

## Obituary

David B. Stillman, 57, Seven Arts Productions pres., died April 25 of heart failure at Westport, Conn. home. Prominent theatrical attorney, he was named to Seven Arts post when company was reorganized in 1960. He served as general counsel for numerous motion picture & TV ventures, including late Mike Todd's "Around the World in 80 Days." He is survived by wife, son, brother, 2 sisters.

## Personals

Thomas H. Dawson, CBS-TV vp-network sales, promoted to vp-sales, succeeding William H. Hyland, who joins J. Walter Thompson as vp in charge of TV & radio . . . Carl Tillmanns, CBS-TV vp-eastern sales, promoted to vp-gen. sales mgr.

William G. Porter promoted to exec. editor, CBS News-TV . . . John Dragomier promoted to TV sales mgr., James Fox to radio sales mgr., Chicago office, Venard, Torbet & McConnell.

Clark Ramsay promoted to exec. asst. to pres., in charge of marketing, MGM, N.Y.; Dan Terrell promoted to exec. dir., advertising, publicity, promotion . . . Tom T. Miller, ex-movie theatre owner, appointed gen. mgr., Muscle Shoals TV Cable Co. (CATV).

Robert S. Haft promoted to international business affairs dir., CBS TV Stations Div. . . . Leonard J. Patricelli promoted to vp & gen. mgr., WTIC-TV-AM-FM Hartford, succeeding late Walter C. Johnson; Robert S. Tyrol, vp-radio sales, named secy. & a dir.

Robert Storer, youngest son of Storer Bestg. Chmn. George B. Storer, named sales promotion dir., WAGA-TV Atlanta, coming from similar post at radio KGBS Los Angeles.

Graydon R. Powers Jr., ex-Porcelain Enamel Institute information services, Washington, named asst. exec. dir., Assn. of Maximum Service Telecasters . . . Daniel D. Calibraro, WGN-TV Chicago public relations mgr., adds duties as exec. admin. asst.

Frank H. Nowaczek Jr. promoted to research dir., newly-formed research & development council, National Community TV Assn. . . . Robert G. McHendrix, ex-pro-

George Foster Peabody awards for 1962: Walter Cronkite, CBS News, news; Carol Burnett, CBS-TV, & *Du Pont Show of the Week*, NBC, entertainment; "A Tour of the White House With Mrs. John F. Kennedy," CBS News, public service; "San Francisco Pageant," KPIX San Francisco, & *Elliott Norton Reviews*, ETV WGBH-TV Boston, locally produced program; William R. McAndrew, NBC News exec. vp, special award; *Exploring*, NBC News, youth & children's series; *Walt Disney's Wonderful World of Color*, NBC, for "outstanding contributions" to youth & children's programming; *Adlai Stevenson Reports*, ABC, contribution to international understanding; *Books of Our Time*, ETV WNDT N.Y.; *Biography*, David Wolper & Mike Wallace, education. TIO & NAB received special award for study of children's programming that led to book, "For the Young Viewer" (McGraw-Hill). Broadcast Pioneers Pres. Ward Quaal, WGN-TV Chicago, announced special citation to Rep. Harris (D-Ark.), House Commerce Committee chmn., for "firm and fair leadership" overseeing "America's system of free broadcasting."

Closer ties between broadcasting & psychiatric-psychological professions, to eliminate misconceptions about mental health, were called for by Stockton Helffrich, N.Y. mgr., NAB Code Authority. He spoke during April 22-23 conference co-sponsored by NAB & National Assn. of Mental Health at West Point, N. Y.

New Westinghouse series on art appreciation, *America: The Artist's Eye*, will be seen starting in May on WBC stations and on syndication. Narrated by Fredric March & Florence Eldridge, 15-part series includes 9 segments in color. Highlight is 15-min. telecast of White House paintings; others are less than 5 min.

Ch. 5 Boston application of Hub Bestg. has been returned as incomplete, FCC denying waiver seeking delay in submission of details.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**INDUSTRY GROPE WITH RADIO RIDDLE:** What's happening to radio? Why is it happening? What's the cure? Industry's top marketing minds are pondering this puzzle, with little agreement—and not even many opinions. In an industry usually given to glib answers & voluble explanations, many are now just saying "I don't know."

At present, there's more mystery than misery in radio's sudden decline at marketplace—TV is selling well; phono sales are excellent; even radio's drop is large only when compared with 1962 (sales are only 3% below first quarter 1961). Inventories have been cut sharply in line with sales dip.

Here are facts to date about domestic-brand radios: For first 16 weeks of 1963 (through April 19), distributor-to-dealer sales are about 14% below last year's similar period. For first quarter, sales totaled about 1,902,000, some 13% below the 2,177,998 of first quarter 1962. Jan. sales were off 20%, Feb. 13%, March 9%, compared with 1962, and preliminary reports for April indicate fall-off has increased from March. Factory & distributor inventories as of April 1 were down 13% from year-ago levels.

Transistor radios are leading the decline—but it extends almost across-the-board. One set of estimates for first quarter has miniature radio sales down only 10% from last year's same period, personal size sets down 45%, AM table models down 29% and FM & FM clock radios down 18%. Industry production has been trimmed by about 25% from last year's figures. At same time, imports of transistor radios are setting new records.

Imports, radio saturation, lack of profit, bad weather—all get at least partial blame as industry leaders try to figure out what's really going on. They're frank to admit they have no pat answers—but here are some appraisals of situation from top manufacturers:

One large radio manufacturer, who requested anonymity, blamed "competitive circumstances, the volume of merchandise on the market and the Japanese increasing their share of the market." However, he said, "no big trends are discernible and we don't regard the situation as basically serious from the long-term point of view."

Imports come in for major share of blame by Emerson Pres. Benjamin Abrams and others. Says Abrams: "There's nothing the matter that couldn't be cured if we stopped importing Japanese junk. If you include imports, radio business isn't bad as a whole. It has reached saturation because of low prices in the transistor field. Our table & clock radio sales are ahead of last year. But remember—if a person buys an imported set at \$5.99, he's out of the market for a \$20 set. I see no change in the foreseeable future. The only answer is in better sets. For example, our 9-transistor radio is doing well, although pocket sets are slow."

"We've just hit a breathing spell following 2 good years," says an Admiral spokesman. If you include imports, a lot of radios are being sold, he adds.

Conceding he can see "no good reason" for sudden dip, Motorola consumer products marketing vp S. R. (Ted) Herkes speculates that this year's bad winter weather kept consumers from "shelf-shopping." He adds that radio's an impulse item, but people buy TV regardless of weather. Motorola's radio business has picked up somewhat, according to Herkes.

GE isn't seriously concerned, spokesman said, noting that 1962 was excellent year, and therefore slump isn't great when compared with previous years. He offers theory that dip may be seasonal and that some people are delaying purchase of walk-in-&-buy items for other larger purchases.

Even Zenith's Leonard C. Truesdell concedes he's "puzzled." The pres. of Zenith Sales Corp. adds: "I've said for years we were reaching saturation on radios—every kid in America has one—but I didn't expect it to be this sharp." But he feels that if there's any sign of buying strike, it may be by dealers

rather than public. "Discount houses have sold so many radios so cheap and have beaten prices down so low, I know of many retailers who aren't even interested in radio any more. When they can't make more than \$1 or \$1.50 on a sale, what's the use of making the effort? The attempts of some American manufacturers to get volume through discount houses have hurt the business. Zenith's radio sales are down slightly, but only one-fourth as much as the rest of the industry."

•        •        •        •

Distributor-to-dealer sales of b&w TV may be leveling off to last year's levels, judging by preliminary unofficial figures for March. These show dealers bought about 592,000 sets last month, up only 2% from the 581,000 of March 1962. For first quarter, sales were about 4% ahead of last year. April 1 TV inventories at factory & distributor levels stood at about 1.12 million—down nearly 12% from year-ago total. (For official 2-month EIA TV-radio-phono sales & production figures, see p. 10.)

**23-IN. COLOR TUBE OUTPUT NEXT MONTH:** Motorola's 2-year drive for rectangular 90-degree color tube is scheduled to achieve first tangible results in May, when National Video plans to begin first production-quantity output of 23-in. version.

Motorola itself now plans to introduce 2-size color set line early this summer—"a minimum number of 23-in. tubes in the top of the line" (to quote Motorola), and regular 21-in. round 70-degree tubes in other sets. Motorola & National Video have spent more than \$4 million developing the 90-degree rectangular 3-gun shadow-mask tube, Pres. Robert W. Galvin said recently.

Zenith's Rauland Corp., meanwhile, is concluding pilot runs and expects to begin production output of 21-in. round 70-degree color tubes at its new plant in May, starting with small quantities and gradually increasing through July. Sylvania will start shipping 21-in. color tubes in quantity some time during 2nd half of year, probably in 4th quarter (Vol. 3:15 p11).

National Video plans to end pilot runs of 23-in. color tubes by about May 15 and start production by end of month, Pres. Asher Cole told us last week. Both he and Motorola spokesmen declined to estimate quantities which will be produced, but Cole said production would be stepped up through rest of year.

Tube will be made available to other set manufacturers in quantity around end of this year, Cole said, with sampling coming earlier. He estimated it would cost "roughly in the price class of the 21-in.—maybe about \$10 more." National Video plans to produce none of the 21-in. round 70-degree tubes now being built by RCA and scheduled to be produced by Sylvania & Rauland this year.

National Video's color tube appears to be interim size, and it's good guess that when Corning's 25-in. rectangular glass bulbs become available (Vol. 3:13 p8) 23-in. will have run its course. Corning says its rectangular bulbs may take up to 2 years' development time, but there's some feeling among tube makers that they'll be available considerably ahead of Corning's stated target dates. Same chassis presumably can drive either 23- or 25-in. 90-degree color tube, so it's assumed changeover problems will be minimal.

Behind Motorola's crusade for rectangular 90-degree color tube is saga of dogged persistence which is already resulting in change in size & shape of color tubes. There's little doubt that Motorola's campaign against bulky color sets—and its desire to do something about it—is bearing fruit in accelerated efforts by Corning & RCA to bring out shorter color tube in rectangular design.

New tube uses specially re-formed black-&-white 23-in. bulb—refined to color's tightened tolerances and with special 3-gun neck affixed. RCA-type round tube and Corning's upcoming 25- & 19-in. color bulbs use "hard" color glass. Use of b&w glass made it possible for Motorola & National Video to break one bottleneck in development of rectangular 90-degree color tube. Motorola virtually roamed world to obtain equipment to make it possible to produce such a tube now. That the tube will be seen in production quantities this year, despite widespread skepticism of its competitors, is tribute to Motorola's determination.

**TOP TV BRANDS-IN-USE IN 15 MARKETS:** How various TV brands stack up in terms of total sets used in selected markets is again shown in tabulation of surveys made by local newspapers. The tally for 1963 by Consolidated Consumer Analysis is reproduced by special permission in the table on p. 9.

Owned by its member newspapers, CCA conducts annual research surveys of consumer ownership & use of various products. The 15-market survey of TV ownership was based on sample size of 43,104 fam-

ilies in areas comprising total of 2.9 million households. Most interviewing was conducted during last 3 weeks of Oct. 1962.

TV study covers all sets-in-use in homes of interviewed families, which therefore reflects yearly changes in brand preferences only slightly. Rankings aren't necessarily representative of country as whole, showing ownership only in markets surveyed. Survey does show variations in regional brand preferences.

Tabulations of TV ownership rank 13 brands according to percentage of households owning them in markets covered. Survey isn't directly comparable with last year's (Vol. 2:19 p7), because of different markets covered. Last year's study tallied 17 markets, including 4 not represented this year. Two new markets have been added this year—Des Moines (survey results represent entire state of Iowa) and West Palm Beach.

RCA was listed as top brand-in-use in all but 2 markets. Like last year, Zenith & Philco were first in one market each. Here are top-place rankings by ownership, with last year's figures as general guide:

RCA ranked first in 13 markets, 2nd in 2 (last year first in 15 and 2nd in 2). Zenith, first in one, 2nd in 5, 3rd in 6, didn't rank below 6th place in any market (last year, first in one, 2nd in 3, 3rd in 6). Philco was first in one, 2nd in 4, 3rd in 2, didn't rank below 7th in any market (last year, first in one, 2nd in 3, 3rd in one).

Admiral was 2nd in 2 markets, 3rd in 4, didn't rank below 7th in any market (last year, 2nd in 4, 3rd in 4). GE was 2nd in 2, 3rd in 2, didn't rank below 7th (last year, 2nd in 3, 3rd in one). Motorola was 3rd in one market, same as last year.

For direct comparisons of sets-in-use ratings with past surveys, check your back files of Television Digest—1962 (Vol. 2:19 p7), 1961 (Vol. 17:28 p15), 1960 (Vol. 16:35 p11), 1959 (Vol. 15:26 p16), 1958 (Vol. 14:28 p12), 1957 (Vol. 13:40 p10).

More detailed tabulations of brand preferences in individual markets (including, in some cases, radio & stereo brands as well as TV) will be found in Consumer Analysis reports published by each of the CCA member papers. These participating newspapers will supply copies of own areas' analysis on request: Denver Post, Des Moines Register & Tribune, Duluth Herald & News-Tribune, Honolulu Star-Bulletin & Advertiser, Indianapolis Star & News, Long Beach Independent Press-Telegram, Milwaukee Journal & Sentinel, Omaha World-Herald, Pensacola Journal & News, Phoenix Arizona Republic & Gazette, Providence Journal-Bulletin, Salt Lake Tribune & Deseret News-Telegram, St. Paul Dispatch-Pioneer Press, Palm Beach Post & Times, Wichita Eagle & Beacon.

## Television Set Ownership in 15 Markets, 1963

(See story above)

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CITY	RCA Victor	Zenith	Philco	Admiral	General Electric	Motorola	Silver-tone	Packard-Bell	Emerson	Westinghouse	Mognovox	Sylvania	Hoffman
	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %
Denver	1. 18.1	2. 12.9	6. 8.7	4. 12.0	5. 11.1	3. 12.7	8. 5.1	7. 5.7	10. 4.0	12. 3.6	13. 3.5	15. 2.6	16. 2.1
Des Moines (1)	1. 16.5	3. 19.9	2. 11.8	5. 8.2	6. 7.8	4. 10.2	9. 3.3		12. 2.5	7. 4.4	13. 2.3	8. 3.9	17. 1.1
Duluth-Superior	1. 25.5	5. 8.3	3. 9.6	4. 8.4	2. 17.3	9. 5.1	10. 4.3		6. 6.9	8. 5.4	11. 2.5	18. 1.2	
Honolulu	2. 20.2	1. 20.3	5. 8.7	7. 7.6	3. 13.8	6. 8.5	4. 11.0	9. 3.7	10. 3.2	11. 3.1	12. 1.7	8. 5.8	
Indianapolis	1. 19.8	3. 10.5	4. 9.6	2. 15.4	5. 7.0	6. 6.5	8. 4.4			9. 3.6	10. 2.3	7. 4.6	
Long Beach	1. 21.2	2. 13.8	7. 8.7	4. 11.2	3. 11.3	10. 5.4	5. 10.4	6. 10.2	11. 2.7	13. 2.5	9. 7.2	14. 2.0	8. 8.4
Milwaukee	1. 27.6	3. 14.9	5. 9.7	2. 18.6	6. 7.3	4. 10.4	7. 5.5		10. 2.5	9. 3.2	8. 3.9	10. 2.5	
Omaha	1. 22.7	3. 14.6	2. 16.7	6. 9.0	4. 10.1	4. 10.1	7. 5.1		9. 4.3	10. 3.0	8. 5.0	16. 1.2	18. 1.1
Pensacola	1. 22.8	3. 16.9	2. 18.2	5. 9.6	7. 8.0	4. 11.5	6. 8.4		9. 2.3	10. 1.8	10. 1.8	8. 2.6	
Phoenix	1. 11.1	4. 9.2	7. 5.5	3. 9.8	2. 10.7	5. 7.0	8. 5.3	9. 4.6	6. 6.6	11. 3.7	10. 4.0	12. 3.3	13. 3.2
Providence	2. 12.0	3. 10.7	1. 12.4	4. 10.4	7. 6.4	6. 9.4	12. 2.4		5. 9.7	8. 4.2	9. 3.6	11. 3.1	
Salt Lake City	1. 18.2	6. 7.5	2. 13.2	3. 11.9	4. 11.8	5. 8.2	8. 5.2	9. 4.9	13. 2.8	7. 6.1	11. 4.5	12. 4.0	10. 4.6
St. Paul	1. 23.8	2. 13.9	5. 9.7	3. 12.5	4. 11.9	5. 9.7	19. 1.1		13. 2.0	10. 3.4	9. 3.7	17. 1.3	
West Palm Beach	1. 24.4	2. 15.4	3. 12.5	7. 5.6	5. 8.0	5. 8.0	4. 8.7		10. 4.3	11. 2.7	7. 5.6	13. 1.9	
Wichita	1. 13.7	2. 11.2	4. 8.4	3. 10.6	6. 7.2	5. 7.7	8. 4.4		19. 1.0	10. 3.3	7. 4.6	13. 1.9	9. 4.0

(1) All figures are for the state of Iowa.

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 19 (16th week of 1963):

	Apr. 13-19	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	131,801	137,969	122,798	2,146,536	2,069,025
Total Radio .....	312,176	332,909	363,154	5,198,298	5,736,115
Auto Radio .....	135,276	147,956	130,482	2,392,241	2,015,844

**TV UP, RADIO DOWN:** EIA's release of official 2-month sales & production figures confirms preliminary reports—radio sales down substantially (see p. 7), mono-chrome TV sales up somewhat, phono sales running way ahead of last year, at distributor-to-dealer level.

Distributor sales of b&w TV for first 2 months topped the million mark, running about 6% ahead of 1962, but only up 3% in Feb.-to-Feb. comparison. In production column, all-channel sets accounted for 12% of total output in 2-month period, and were running 41% ahead of last year.

Phono distributor sales for Feb. were 38% better than Feb. 1962, and, following a 44% increase for Jan. this year, 2-month results showed year-to-date rise of better than 40%.

In Feb. radio figures, even FM didn't provide usual bright spot, showing slight decline compared with Feb. 1962. In 2-month figures, however, FM production was still a little less than 5% ahead of 1962. Only cheering radio news was in specialized field of auto radios—along with good new car business, production was 24% higher than same 1962 period. Official EIA 2-month figures, compared with last year:

**TV-RADIO DISTRIBUTOR SALES**

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
<b>TOTAL</b>	<b>1,039,820</b>	<b>987,111</b>	<b>1,069,384</b>	<b>1,260,762</b>

**BLACK-&-WHITE TELEVISION PRODUCTION**

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
<b>TOTAL</b>	<b>1,042,346</b>	<b>1,030,363</b>	<b>121,745</b>	<b>86,324</b>

**RADIO PRODUCTION**

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	657,691	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
<b>TOTAL</b>	<b>2,619,159</b>	<b>2,815,427</b>	<b>1,252,196</b>	<b>1,010,821</b>	<b>163,185</b>	<b>156,223</b>

**PHONO DISTRIBUTOR SALES**

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	81,046	235,479	316,525	48,423	171,305	219,728
February	73,424	256,548	329,972	50,563	183,857	239,420
<b>TOTAL</b>	<b>154,470</b>	<b>492,027</b>	<b>646,497</b>	<b>98,986</b>	<b>360,162</b>	<b>459,148</b>

**PHONO FACTORY SALES**

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	83,638	258,058	341,694	68,545	191,014	259,559
February	77,971	262,304	339,275	52,566	202,846	255,412
<b>TOTAL</b>	<b>161,609</b>	<b>520,362</b>	<b>681,971</b>	<b>121,111</b>	<b>393,860</b>	<b>514,971</b>

**New sets:** (1) Western Auto's Truetone color line, with 3 models, will begin with metal console at about \$495, include step-ups at \$595 & \$645. (2) Sonora adds 17-in. portable at \$139.95 list, 19-in. at \$159.95, 23-in. consoles at \$224.95 & \$234.95, TV combos at \$299.95 & \$399.95, plus 4 new phonos. (3) Electrohome of Canada, claiming 300 retail outlets in all 50 states, adds TV to its combo & stereo line, 9 units starting with 19-in. portable at \$179.95; color is due this summer. (4) Packard Bell adds 19-in. remote portable at \$229.95. (5) Mercury Phonographs (div. of Mercury Records) adds first units built in Holland by Philips—transistor portable phono (8 lb.), operating on 6 flashlight batteries (\$59.95); deluxe stereo portable (\$139.95). (6) Magnavox to add 2 new 27-in. consoles to line, including Danish walnut set with tambour doors at \$378.50. (7) Sharp introduces 11-transistor 2-speed portable phono with AM-FM radio. (8) Zenith debuts Jetliner slim luggage-style portable with 19-in. bonded tube (\$189.95).

Motorola challenged FTC examiner's findings in asking full Commission to review initial decision recommending cease-&-desist order against advertising claims for TVs & radios (Vol. 3:14 p14). Of particular interest to industry is Motorola's objection to doctrine that sets containing imported components should be labeled as to origin. In this connection, Motorola counsel said examiner had raised new issues, and in view of fact that company's major competitors engage in similar practices, results of decision would have far-reaching effects—probably far beyond transistor radio industry. In addition, Motorola called examiner's finding "vague, indefinite and excessive in scope" and added that claims which were challenged are technical in scope and were voluntarily abandoned before complaint was issued. FTC counsel also asked Commission to review case, challenging examiner's dismissal of 2 charges against Motorola.

"Single most important instrument" for solving mankind's present & future problems may well be electronics. So said RCA Pres. Elmer W. Engstrom last week in address to SMPTE convention in Atlantic City. Electronics has now advanced "to a new & essentially unlimited technology capable of application to virtually every organized human activity," he said. In future, he said, electronics may play the major role in organizing man's knowledge, improving genetic strains of plant & animal life to feed expanding populations, supplying inexpensive & inexhaustible energy sources, educating & communicating with peoples throughout the world, exploring space, forecasting significant climatic changes far in advance.

Zenith's famous Trans-Oceanic 8-band portable radio, first introduced in 1941 in tube version (and since transistorized), has been reduced from \$250 to \$199.95, including batteries, as result of "new technology in transistors and their circuits."

## Trade Personals

**Robert W. Galvin**, Motorola pres., will be toastmaster at EIA's Annual Award Dinner, Chicago, June 19 . . . **Titus Haffa**, Webcor chmn., named among 11 recipients of 1963 Horatio Alger Awards.

**Frank M. Folsom**, RCA exec. committee chmn., will be national chmn. for National Bible Week, Oct. 21-27.

**Gerald L. Phillipe**, GE pres., and **Donald C. Power**, GT&E chmn. & chief exec. officer, named among 10 recipients of Beta Gamma Sigma's national honor award for members who best personify "integrity & accomplishment."

**Ross Siragusa Sr.**, Admiral chairman, to represent consumer durables industry in panel on business outlook May 16 at 6th annual economic conference of National Industrial Conference Board at Waldorf Astoria, N.Y.

**George E. Shea**, onetime GE, appointed Philco Consumer Products Div. distribution mgr., a new post.

**Ray V. Bruland**, Collins Radio, and **George Church**, Bendix Radio Div., elected EIA's rep & alternate, respectively, on exec. committee of Radio Technical Commission for Aeronautics.

**Martin Sugar** named Bell TV chmn. & vp, succeeding **Brose Bunting**, elected treas.; **Lee Bunting** succeeds Sugar as pres. & gen. mgr.

**Kenneth W. Mabee**, ex-Philco, named Sylvania distributors field sales mgr. for home entertainment products, headquartering in Batavia, N.Y.

**Duncan C. Menzies**, Servel pres., elected to Sonotone board; **Irving I. Schachtel**, Sonotone pres., reelected a dir. . . . **James C. Sheenan**, Westinghouse Credit Corp. operations vp, elected a dir. of Westinghouse subsidiary.

**Herbert H. Friedman**, onetime CBS Electronics & former Electro Components founder & pres., joins Du Mont Labs' Electronic Tube Div. as distributor sales mgr.

**Distributor Notes:** Motorola names **Appliance Distributors**, Charleston (John Bailey, pres.; Charles Peele, sales mgr.) distributor for 30 South Carolina counties formerly served by Gas Engine & Electric • Sylvania Tube Div. appoints **Everett H. Frost** New England district sales mgr., succeeding **James W. Ritter**, named assistant to renewal mktg. mgr. **William T. Buschmann** • TelePrompTer appoints **Fines Sales Corp.**, Hialeah, Fla., sales rep in Florida for its Weathers hi-fi & stereo lines • Olympic Radio's N.Y. sales branch, Olympic Appliances, Glendale, N. Y., names **Bennett F. (Ben) Singer** district sales rep, succeeding **Jack Lee**, resigned • Westinghouse has established district offices in Milwaukee (G. B. Williams, district mgr.) & Cincinnati (W. B. Compton, district mgr.). Other changes: **C. R. Ross** appointed mid-Atlantic regional mgr., headquartering in Phila., succeeding **Leo M. Cronson** who retires May 1; **R. J. Bittner** named Northwest regional mgr., Chicago hq, succeeded by **W. C. Fortune** as Chicago district mgr.

GE is plugging **Compactrons** to TV manufacturers in trade ads, stressing long life, economy & cool operation of the multi-function tubes.

Sylvania offers "Technical Report on Tunnel Diode Measurements" brochure, available gratis from Sylvania, 1100 Main St., Buffalo 9, N.Y.

**MORE RECORD QUARTERS:** Magnavox & Zenith joined growing parade of first-quarter record breakers. Sales & earnings of both firms rose to new highs in 1963's opening 3 months (see financial table). Magnavox earnings gained to \$2.9 million from \$2.4 million on 2% sales rise to \$43.8 million. Zenith rang bell with 7% profit improvement to \$5.1 million on 13% sales jump to \$92.3 million.

Magnavox consumer product sales climbed 16%, and sales of TVs & stereo hi fi "continue to outpace the industry trend," Pres. Frank Freimann reported.

Zenith set variety of records: Share of industry's b&w TV sales, production & factory shipments of b&w TVs, distributor unit sales to dealers, production & factory shipments of radios. Chmn. Hugh Robertson emphasized that upbeat business is continuing, said April sales are running some \$3 million ahead of April 1962.

"Color TV contributed significantly to Zenith's increased first quarter sales volume," he said. "Distributor sales to dealers of Zenith color TV receivers during the period were approximately double the sales of a year earlier." He also pointed out that consoles accounted for approximately 1/3 of Zenith's first-quarter b&w TV unit sales—"a substantially higher percentage than the industry average."

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Reports & comments: Avco, memo, Bache & Co., 36 Wall St., N.Y. 5 • Metromedia, analysis, J. W. Sparks & Co., 120 Broadway, N.Y. 5 • AT&T, comments, Walston & Co., 120 Broadway, N.Y. 5 • Erie Resistor, report, Fulton Reid & Co., 1186 Union Commerce Bldg., Cleveland 14 • Textron Electronics, review, Peter P. McDermott & Co., 42 Broadway, N.Y. 4 • GT&E, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • Sony Corp., prospectus, Smith, Barney & Co., 20 Broad St., N.Y. 5 • Schlumberger (Daystrom) and General Tire & Rubber (T.K.O. General), discussions, Shearson, Hammill & Co., 14 Wall St., N.Y. 5 • Arvin Industries, report, W. E. Hutton & Co., 14 Wall St., N.Y. 5 • Stewart-Warner, report, Pershing & Co., 120 Broadway, N. Y. 5; review, Sincere & Co., 231 S. La Salle St., Chicago 4 • Scripps-Howard Bestg., prospectus, The First Boston Corp., 15 Broad St., N.Y. 5 • Maremont Corp., prospectus, Georgeson & Co., 52 Wall St., N.Y. 5 • General Tire & Rubber, report, Schweickart & Co., 29 Broadway, N.Y. 4 • RCA, research study, Goodbody & Co., 2 Broadway, N.Y. 4; analysis, A. M. Kidder & Co., One Wall St., N.Y. 5 • Sprague Electric, discussion, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5 • Fairchild Camera & Instrument, report, Amott, Baker & Co., 150 Broadway, N.Y. 38. • Electronics Capital Corp., brochure, Electronics Capital Corp., 1400 Fifth Ave., San Diego 1 • Oak Mfg., analysis, Gude, Winmill & Co., One Wall St., N.Y. 5 • Motorola, comments, Purcell & Co., 50 Broadway, N.Y. 4 • Crowell-Collier, prospectus, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • GT&E, report, Janney, Battles & E. W. Clark, 1401 Walnut St., Phila. 2 • Clevite, report, Francis I. DuPont & Co., One Wall St., N.Y. 5.

GE stock is owned by more than 515,000 individual shareholders, including nearly 100,000 of company's 250,000 employees. Of 105 million authorized GE common shares, 89 million are outstanding.

GT&E has filed FCC application for authorization to purchase stock in Communications Satellite Corp.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
AB-PT	1963—qtr. to Mar. 31	—	\$ 4,987,000	\$ 2,389,000 <sup>1</sup>	\$0.54	—
	1962—qtr. to Mar. 31	—	6,442,000	3,042,000 <sup>2</sup>	.68	—
Amphenol-Borg Electronics	1963—qtr. to Mar. 31	\$ 20,241,803	—	440,517	.32	1,387,677
	1962—qtr. to Mar. 31	20,021,427	—	412,384	.30	1,388,677
Arvin Industries	1963—qtr. to Apr. 1	22,144,000	—	535,000	.45	1,186,270
	1962—qtr. to Apr. 1	18,815,000	—	472,000	.40	1,137,609
Capital Cities Bcstg.	1963—qtr. to Mar. 31	3,982,000	937,297	440,882	.37	1,184,411
	1962—qtr. to Mar. 31	3,430,000	475,546	231,409	.20	1,184,411
Electronic Communications	1963—6 mo. to Mar. 31	12,986,728	—	211,705	.27	755,809
	1962—6 mo. to Mar. 31	14,487,863	—	197,335	.26	717,758
Erie Resistor	1963—13 wks. to Mar. 31	6,875,520	—	63,661	.05	798,806
	1962—13 wks. to Mar. 31	6,991,486	—	255,467	.28	798,806
Fairchild Camera & Instrument	1963—qtr. to Mar. 31	26,630,000	—	146,000 <sup>3</sup>	.06	2,535,583
	1962—qtr. to Mar. 31	23,884,000	—	1,352,000 <sup>4</sup>	.53	2,535,583
Fleetwood	1962—year to Dec. 31	16,395,755 <sup>5</sup>	—	1,002,900 <sup>5</sup>	—	—
	1961—year to Dec. 31	14,243,236	—	853,093	—	—
GPE	1963—qtr. to Mar. 31	48,200,000	—	889,000	.48 <sup>6</sup>	1,643,101
	1962—qtr. to Mar. 31	48,345,525	—	866,121	.46 <sup>6</sup>	1,643,101
Globe-Union	1963—qtr. to Mar. 31	—	—	313,147	.24	1,316,823
	1962—qtr. to Mar. 31	—	—	623,362	.47	864,451
Goodwill Stations	1963—qtr. to Mar. 31	2,069,726	—	201,177	.29	631,903
	1962—qtr. to Mar. 31	1,819,097	—	140,106	.20	632,143
Hazeltine	1963—qtr. to Mar. 31	11,303,000	1,032,000	466,000	.30	1,568,363
	1962—qtr. to Mar. 31	10,087,000	1,034,000	488,000	.31	1,568,363
Indiana General	1963—qtr. to Mar. 31	5,640,959	—	373,144	.32	1,150,002
	1962—qtr. to Mar. 31	7,283,028	—	717,763	.62	1,150,002
Littelfuse	1963—qtr. to Mar. 31	1,652,000	—	87,488	.26	323,043
	1962—qtr. to Mar. 31	1,756,000	—	103,932	.37	323,043
Magnavox Story on p. 11	1963—qtr. to Mar. 31	43,821,000 <sup>6</sup>	5,726,000	2,903,000 <sup>5</sup>	.40	7,341,523
	1962—qtr. to Mar. 31	43,039,000	5,010,000	2,435,000	.33	7,302,469
Radio Shack	1963—9 mo. to Mar. 31	11,434,083	—	(1,498,643)	—	683,949
	1962—9 mo. to Mar. 31	14,936,706	—	46,850	—	683,949
Howard W. Sams	1963—9 mo. to Mar. 31	10,655,270	—	760,904	1.41 <sup>6</sup>	536,225
	1962—9 mo. to Mar. 31	9,925,698	—	674,949	1.26 <sup>6</sup>	530,383
Stewart-Warner	1963—qtr. to Mar. 31	33,105,590	4,283,051	2,063,051 <sup>6</sup>	.59	3,482,499
	1962—qtr. to Mar. 31	29,427,178	3,581,657	1,743,657	.50 <sup>7</sup>	3,332,803
Thompson Ramo Wooldridge	1963—qtr. to Mar. 31	117,351,036 <sup>6</sup>	—	3,090,749	.80	3,738,231
	1962—qtr. to Mar. 31	111,670,230	—	2,878,166	.75	3,588,464
Transcontinent TV	1963—qtr. to Mar. 31	—	—	397,644	.22	1,765,012
	1962—qtr. to Mar. 31	—	—	395,684	.22	1,770,772
Tung-Sol	1963—qtr. to Mar. 31	14,923,552	—	241,087 <sup>8</sup>	.20	926,826
	1962—qtr. to Mar. 31	18,311,554	—	449,855	.42	925,858
United Artists	1963—year to Dec. 31	126,259,000	—	3,815,000	2.19	1,741,473
	1962—year to Dec. 31	112,717,000	—	4,042,000	2.32	1,729,373
Wometco Enterprises	1963—qtr. to Mar. 31	5,035,824 <sup>6</sup>	—	524,647 <sup>6</sup>	.36	1,438,368
	1962—qtr. to Mar. 31	4,436,441	—	449,088	.31	1,008,857
Zenith Story on p. 11	1963—qtr. to Mar. 31	92,266,684 <sup>6</sup>	10,934,493	5,062,980 <sup>5</sup>	.56	9,113,196
	1962—qtr. to Mar. 31	81,520,763	10,149,837	4,728,794	.52	9,033,177

Notes: <sup>1</sup> Before capital gain of \$123,000 (3¢ a share). <sup>2</sup> Before capital loss of \$133,000 (3¢). <sup>3</sup> After \$173,000 special tax credit for pre-merger losses of Allen B. Du Mont Labs. <sup>4</sup> After \$225,000 special tax

credit. <sup>5</sup> Record. <sup>6</sup> After preferred dividends. <sup>7</sup> Adjusted for Sept. 1962 5% stock dividend. <sup>8</sup> Before \$40,000 charges for closing certain plant operations.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record	Paramount	Q	Dividend	Payable
AB-PT	Q	\$0.25	June 15	May 17	Republic Corp.	Q	.15	May 15
GT&E	Q	.20	June 30	May 22	Stanley-Warner	Q	.30	May 24
Hallicrafters	—	.10	June 14	May 9	Texas Instruments	Q	.20	June 14
Hallicrafters	Stk.	3%	June 14	May 9	Transcontinent TV	Q	.12½	May 15
National Video-A	Q	.06½	May 20	May 1	Tung-Sol	Q	.17½	June 3
					Westinghouse	Q	.30	June 1
					Zenith	Q	.25	June 28