

WEEKLY Television Digest

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

RCA-NBC & PHILCO FINALLY SHAKE HANDS. settling patent fight and battle over Ch. 3, Philadelphia. FCC expected to approve agreement, allowing Boston-Philadelphia station swap (p. 1).

MEANING OF FTC-RATING CONSENTS is, so far, fairly simple: there'll be no sweeping changes made in rating methodology or reporting, but there'll be lots of new explanatory material for buyers (p. 2).

LEE IRKED BY MST UHF CRITIQUE, disagrees with latter's conclusion that uhf is markedly inferior to vhf (p. 2.)

REGULATORY AGENCY STREAMLINING PROPOSED by top-level U.S. Administrative Conference in report to President. Fewer FCC hearings among major recommendations (p. 3).

Consumer Electronics

PUBLIC VIEWS ELECTRONICS VIA BROKERS' EYES: Endless stream of analyses by stock brokerages represent principal source

of information about electronics industry & companies for general public (p. 6).

RCA-PHILCO PACT heralds new 'era of good feeling,' ending last major anti-trust litigation against RCA; agreement expected to aid color development (p. 7).

FM SALES CLIMB continues: More than 3 million receiving devices of all kinds sold in U.S. last year; this year's total may reach 4 million (p. 8).

MORE WINTER DROP-INS—New sets by Magnavox, Emerson, GE, Philco & Symphonic (p. 8).

RECORD PHONO YEAR likely in 1962 as result of big Nov. gain; factory sales may reach peak of 4.8 million, distributor sales 4.5 million (p. 9).

MORE TINYVISION & COLOR among imports being shown in Chicago; 2 battery portables from Sharp, 4½-in. flashlight-battery set and 14- & 17-in. color from Delmonico (p. 9).

RCA-NBC & PHILCO FINALLY SHAKE HANDS: Though there's lots of sticky & time-consuming legalities to go through, ancient battle between RCA-NBC & Philco is ended. With agreements announced last week to end patent litigation and with Philco stopping fight for NBC's Ch. 3 Philadelphia (WRCV-TV), it's just a matter of time before WRCV-TV's license is renewed by FCC and station is swapped with RKO's WNAC-TV Boston. Windup could come in 3-4 months. (For significance of patent agreement, see report in Consumer Electronics section, p. 7.)

FCC will have questions to settle before affair is finally wrapped up—but few people believe it will refuse to approve end of fight. Philco agrees to withdraw its application for Ch. 3, NBC paying Philco legal expenses incurred in prosecuting it; sum hasn't been mentioned yet, but \$500,000 is considered good guess. Both agree to accept whatever figure FCC decides is "reasonable." This withdrawal is unusual, first time a contestant seeks to pull out of fight for license renewal, getting paid for expenses. All other withdrawals have been where new CP is involved. Heretofore, theory behind FCC's approval of payment for withdrawal is that it hastens start of new station.

Case isn't concluded when FCC approves Philco pullout. It must consider testimony to date on Philco charges that NBC isn't fit licensee because of past anti-trust behavior (pressuring Westinghouse into station swap, etc.). However, no one visualizes Commission holding NBC unfit—which would mean loss of all its o&o stations.

It's up to Review Board to pass on Philco withdrawal first. Then, Chief Examiner Cunningham will

issue initial decision, or turn everything over to full Commission for its decision. It isn't known which will be done. There may still be some testimony to come, regarding NBC qualifications, from William Bauer, retired FCC patent counsel who spent many years attacking RCA patent policies.

Papers will be filed by Philco & NBC this week, and it's expected they'll urge these public-interest reasons for calling off fight: (1) NBC can more quickly comply with court decree ordering it to dispose of Philadelphia stations. (2) Philco can devote more corporate energy to building company, increasing employment, etc.

FCC can't wrap up whole affair with lick & promise. Court of Appeals had ordered Commission to conduct hearing on Philco's allegations against NBC, asserting charges were too serious to ignore—after FCC had twice thrown out Philco's protest.

WHAT FTC-RATING CONSENT DEAL MEANS: Buyers and users of ratings, both national and local, went into Madison Ave. tizzy late last week when news of consent orders signed between FTC and 3 leading research firms—Pulse, C-E-I-R (ARB) and Nielsen—began circulating. Research companies admitted bombardment of calls from agencies, station reps, advertisers, film distributors and networks.

What callers generally learned was that there'll be no immediate, sweeping changes caused by settlement of FTC's probe of head-counting in TV & radio. This was situation-at-a-glance:

(1) Present research techniques of all three firms will continue, largely unchanged, as regards sampling methods, final reports, etc.

(2) There'll be "fuller disclosure" of how reports were arrived at, that figures are "estimates" and not precise numbers, and what degree of error may be involved. There'll be more complete cover text (as in case of ARB) and added footnote-type detail (as in case of Nielsen & Pulse).

(3) Burden of honesty has been transferred, to large extent, from research firms to actual buyers. In effect, research firms will tell customers: "Here's your report and here's what it really means. How you use figures is up to you."

This is old industry problem, veteran researchers told us, with nothing new added. Research vp of one TV network told us: "We've always known exactly what we were buying from research companies, so FTC is hardly protecting us. Abuse of ratings is not in computation but in application." Added the research head of a station-group-owned rep firm: "Most TV people usually just want to see a number, preferably one bigger than the competition's."

Research firms were glad to be rid of FTC complaints which, as ARB put it, "appear unnecessarily strict in their requirement for minute detail." (More informally, a Nielsen official told us: "What FTC said would hold against any sampling operation—including those of Dept. of Commerce.") All 3 research firms, however, were quick to cite that "consent does not constitute admission of wrongdoing."

Whether consents will harm individual research firms, or will cause basic changes in research methods under pressure from buyers who have studied FTC complaints, remains to be seen. Some N.Y. talk was generated, for example, by FTC charge that Pulse "adjusts 'Sets-in-Use' figures upward by 20% for morning programs and 40% for afternoon and evening programs without research to justify such adjustment," and that Nielsen and ARB didn't disclose "number or percentage of a sample that refuses or fails to respond or cooperate."

Generally, rating users were waiting to see full details of consent agreements signed by rating firms with which they do business, and to study them before altering present plans.

LEE IRKED BY MST UHF CRITIQUE: Uhf's staunchest advocate, FCC Comr. Lee, last week made it clear he believes Maximum Service Telecasters has badly mauled Commission's report on uhf receiver performance of N.Y. Commission had come up with a right bright summary of uhf results (Vol. 2:57 p3), but MST Exec. Dir. Lester Lindow said uhf is considerably less effective than FCC made it appear.

FCC had found uhf as good as vhf, with indoor antennas, except in 10% of cases. MST said figure should be 50%—basing conclusion on householders' evaluation of picture, whereas FCC had used

technicians' judgment to get the 10%. Said Lee: "The FCC report attaches little or no relative significance to householders' reports vis-a-vis those of the trained technician for the stated reason that it was found very difficult to educate the family circle as to the purpose of the test, to properly operate the receiver, to adjust indoor antennas and to understand the difference between program quality & picture quality."

Then Lee digs in: "But ignoring this aspect for the moment, it is apparent that householders did not record this marked superiority for vhf when one considers that 428 householders rated both Ch. 2 & Ch. 7 pictures to be Grade 3 or better, while 406 householders rated Ch. 31 pictures to be Grade 3 or better. If this supports your contention that householders rate vhf to be 50% superior to uhf, I should have failed 6th grade arithmetic."

As for fact FCC had 78% of sets within 10 miles of transmitter, instead of scattering them uniformly out to 25 miles, Lee said purpose of test was to measure reception in highly congested area.

In light of fact MST helped FCC plan tests, Lee said: "I am greatly surprised that you now raise substantial questions as to the procedures used and of the analysis of results. This is particularly disturbing to me in view of your organization's participation in an advisory capacity and in view of our staff's conscientious endeavor to conduct the experiment objectively and as efficiently as possible."

Lee doesn't let it go there: "In the conclusion of your analysis you state that uhf service is not a substitute for vhf but rather that our report shows the need for vhf & uhf to exist side by side with each other in the same communities. I fail to perceive the manner in which our data would infer any such conclusion. Our tests were designed to obtain information and little else. We had no thought of installing a super uhf station in New York with the primary purpose of making direct comparisons with vhf. It was expected that less than perfect service would be found on uhf but since we have no absolute measure of what is or is not satisfactory, comparisons were required to be made with vhf to find out what the relation might be."

REGULATORY AGENCY STREAMLING PROPOSED: Long-awaited recommendations of blue-ribbon U.S. Administrative Conference have gone to President Kennedy, are available for industry's analysis. Group was established by executive order in April 1961, to scrutinize procedures of govt. regulatory bodies, devise program for improving efficiency.

First recommendation by Conference was that it be established as permanent body by law, with authority to study any agency's procedures, submit findings to President, Congress, etc., as it sees fit. Until law could be passed, group called on President to continue present Conference for 2 years.

Major FCC problem, according to Conference, is too many hearings. Among leading suggestions: (1) Reduce number of comparative hearings by establishing system of priorities under which same applicants would be automatically preferred over others. With 2 or more equally qualified applicants, devise new method of determining winner—e.g., by time of filing. (2) Amend Communications Act to give FCC authority to assure that proposed purchaser of a station will have qualifications equal to those of original grantee. (3) Give hearing examiners maximum authority to decide interlocutory issues in hearing cases, permitting no reviews of such ruling unless agreed to by examiner handling case, chief examiner, or FCC. (4) Commission should publicize & allow some form of public discussion in its formulation of programming criteria.

Ex parte communications received considerable discussion. Conference concluded single code of behavior covering all agencies isn't feasible, suggested each formulate own code.

Delegation of decision-making authority also was urged. Conference recommended initial decisions be considered final without agency review, unless party involved could show decision contained error or prejudice.

Witnesses' right to counsel should be broadened, group suggested. In hearings or other agency proceedings, counsel should be allowed more participation in representation of clients. Persons appearing by request or permission should be granted same right to counsel as subpoenaed witnesses, Conference recommended.

Copies of report & accompanying letter to President will be available this week from Exec. Secy. Webster P. Maxson, Dir., Office of Administrative Procedure, Dept. of Justice, Washington 25.

CURRENT CAPSULES

There were 2 operating TV satellites in orbit for first time last week, after defects in both NASA's RCA-built Relay and AT&T's Telstar were corrected and successful TV transmissions conducted—both on Jan. 3. Relay, whose power supply had not been functioning sufficiently for wide-band transmission, corrected itself as expected, and 24-min. test pattern was sent & received in U.S., followed by "very clear" reception in France Jan. 4. Telstar's command-decoder was successfully diagnosed and treated from ground with "trick" signal which triggered it into working again. Test was followed by live appearance Jan. 4 of Bell Labs' scientists explaining situation. Discussion was picked up by ground stations in England, France & Italy, and was followed by pictures of French & British communications officials, received in U.S. Operation of Telstar was reported "as good as ever."

CBS has gone to Court of Appeals, 2nd Circuit (N.Y.) to contest FCC's decision that original affiliate compensation plan violates Sec. 3.658(a) of Commission rules (Vol. 2:45 p4). Appeal is not on FCC's "tentative" ruling that CBS's amended plan is still illegal, violating Sec. 3.658(e). CBS contends that FCC is trying to regulate rates, something it isn't empowered to do: that even if Sec. 3.658(a) were applicable, plan didn't "penalize" affiliates for carrying other networks' programs; that "in the guise of interpreting an existing rule, the Commission in substance promulgated a new rule when it held that the CBS TV Network compensation plan was unlawful" without going through proper rule-making procedure.

Order for 15 color-TV Eidophor large-screen projection systems has been received by Theatre Network TV Inc., U.S. distributor for the Swiss-made instruments, in what TNT described as biggest single order for large-screen projection TV in history. Units will be used at U.S. Air Force bases in visual flight simulators being built by Link div. of GPI. The units sold operate on field-sequential color system and will be used in connection with new field-sequential camera developed by Compagnie Francaise Thomson-Houston. TNT has also developed lab models of Eidophor equipment designed to accommodate compatible NTSC color system, but these were not involved in Air Force contract.

Pres. Collins will head NAB witnesses Jan. 7 at opening session of 2-day FCC radio development hearings. Other witnesses: George Hatch, radio KALL Salt Lake City, Carl E. Lee, radio WKZO Kalamazoo, George C. Davis & Jules Cohen, Washington consulting engineers, George W. Bartlett, NAB engineering mgr., Merrill Lindsay, radio WSOY Decatur, Ill., William S. Duttera, NBC. Jan. 8: Robert M. Booth Jr., attorney; Everett Dillard, Commercial Radio Equipment Co.; Rogan Jones, International Good Music Inc.; Lazar Emanuel, Communications Industries Corp.; Lauren A. Colby, attorney; Joseph J. Kessler, WBXM Bestg. Co.

Specialization in "ethnic" programming seems to be attracting many prospective & new uhf operators. Latest ones are Chicago's WCIU (Ch. 26), due to debut in May specializing in programs for ethnic groups, and N.J. TV Bestg. Corp. (Ch. 47) New Brunswick, which plans to start in late 1963 with broadcasts of New Jersey interest by day and programming appealing to metropolitan N.Y. minority groups at night.

Va. ETV network plans have been released by state's Advisory Council on Educational TV—calling for 21 stations, supplied by film & tape from 4 production centers. Washington engineering firm of A. D. Ring & Assoc. made survey.

WIBW-TV Topeka can't help finance operation of a Clyde, Kan. vhf translator, FCC ruled. Commission denied request by Clyde Community TV for waiver to allow it to accept \$500 donation from WIBW-TV, whose programs it planned to rebroadcast. Extension of a station's service into new area by translator, whether licensed directly or financially supported, would result in increased coverage at relatively little cost and with no responsibility for meeting needs of new community, FCC said. Chmn. Minow & Comr. Hyde dissented.

Revocation of license of radio WBMT Black Mountain, N.C. is proposed by FCC. Commission charged owners with misrepresenting financial qualifications & legal status, concealing fact that partnership had been dissolved, construction & operation of station by persons other than dissolved partnership, false affidavits & statements. Hearing will be held in Asheville.

Kaiser's Ch. 50 Detroit application has been granted; it also holds CPs for Ch. 44 San Francisco, Ch. 52 Los Angeles (Corona), has pending bids for Ch. 38 Chicago, Ch. 41 Philadelphia (Burlington, N.J.). In Santa Fe, proposed grant of Ch. 2 satellite to KGGM-TV Albuquerque has been issued by FCC Examiner Gifford Irion, after competitors dropped out.

"Obscenity" case, denial of license renewal of radio WDKD Kingstree, S.C. (Vol. 2:31 p3), was reaffirmed by FCC last week. It's understood Commission turned down petition for reconsideration, but won't make action public until full text of decision is available.

Kennedy European TV show is being arranged with BBC and French & West German TV-radio networks. Program would be filmed in U.S., following pattern of President's Dec. 17 interview by 3 U.S. networks (Vol. 2:52 p4).

Sale of 58.82% of KLYD-TV & KLYD Bakersfield, Cal. by Lincoln Dellar, Edward E. Urner, Bryan J. Coleman & Maurice St. Clair to Dellar Bestg. Co. (Dellar & wife) for \$117,640 has been approved by FCC.

Personals

Jerome Bess promoted to RKO General Bestg. exec. vp. . . . Jules Bergman, ABC News science editor, named one of outstanding 10 men of the year by U.S. Junior Chamber of Commerce.

Richard Job, London, named ABC International UK sales rep. . . . Richard L. Chalmers, ex-radio WNHC New Haven, gen. mgr., appointed an RAB member development dept. regional dir. . . . Raymond L. Falls Jr. & Immanuel Kohn become members of law firm Cahill, Gordon, Reindel & Ohl.

Merrill A. Trainer named mgr. of RCA's broadcast studio merchandising & engineering dept., succeeding Andrew F. Inglis, recently appointed communications products operations div. vp (Vol. 2:51 p11); Trainer will continue to be responsible for liaison between best. & communications products div. and RCA International.

Jules Cohen & Assoc. is new name of Washington engineering firm, as Paul L. Wimmer & Bernard R. Segal become partners. On Jan. 14, firm moves to 729 15th St. N.W.

Murry Salberg, ex-WABC-TV N.Y. advertising & sales promotion dir., appointed advertising & promotion dir., WNEW-TV N.Y. . . . Mary Ann Casey resigns as KEYT Santa Barbara, Cal. program dir. & women's news editor, no plans announced.

Caywood C. Cooley Jr. promoted to Jerrold Community Systems Div. mgr.

Kendall Smith promoted to WTIC-TV Hartford, Conn. program mgr.

James M. Ward, Colo. U. radio-TV gen. mgr., named to 3-year post as exec. secy. of new Colo. ETV Commission . . . Larry McHale Jr., ex-KALB-TV Alexandria, La. operations & program mgr., appointed WSAV-TV Savannah program dir.

Tracy Thrumston, ex-radio KMAK Fresno, Cal. gen. mgr., named KONA Honolulu local sales mgr. . . . John Petty promoted to KPTV Portland, Ore. asst. sales mgr. . . . Peter F. Gallagher promoted to WNHC-TV New Haven, sales development mgr.

Obituary

Sen. Robert S. Kerr (D-Okla.) 66, chmn. of the Aeronautical & Space Committee, died of heart attack in Washington Jan. 1. Often called "uncrowned king" of the Senate, he was prime mover in passage of many bills, including last session's communications satellite measure. He was born in a log cabin in Ada, Okla., then Indian territory, in 1896, rose to prominence in industry as well as politics. He owned 50.6% of WEEK-TV Peoria & WEEQ-TV La Salle, Ill., 13.1% of KVOO-TV Tulsa. His widow, 3 sons, a daughter survive.

Dick Powell, 58, long time film star and chairman & former pres. of Four Star Films, died of cancer in Hollywood Jan. 2. He began career as movie song-&-dance man in early 1930's, later switched to mystery roles. After hosting *Zane Grey Theater* on TV for number of years, he formed Four Star with David Niven, Charles Boyer (Tom McDermott later). He also was host of his own anthology series. His widow, actress June Allyson, son & daughter survive.

Col. James H. Steinman, 76, co-owner of Steinman Stations (WGAL-TV & WGAL Lancaster, Pa., radios WDEL Wilmington, Del., WORK York, WKBO Harrisburg, WEST Easton, WRAC Williamsport, all Pa.) and co-publisher of Lancaster newspapers, died there Dec. 31. He was treas. of American Newspaper Publishers Assn. at time of his death. During World War II, he was director of War Production Board printing & publishing div.

Mrs. A. J. Fletcher, 78, wife of owner of WRAL-TV Raleigh, died of cancer in Raleigh Jan. 2. Survivors include 3 sons—Fred, mgr. of WRAL-TV; Floyd, mgr. of WTVD Durham; Frank, Washington communications attorney—and daughter Mrs. Ray Goodman, Raleigh.

Alfred G. Burger, 53, exec. officer & co-owner of WICS Springfield, Ill. and WHNB-TV Hartford, Conn., died of heart attack in N.Y. Dec. 27. He also was founder of Telenews Productions. His widow, 2 sons, survive.

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"Discrimination" & "bigotry" charges were leveled against NBC by a Montgomery, Ala. newspaper after Gov.-elect George C. Wallace was banned from a telecast. *Advertiser-Journal* made charges in an editorial after segregationist Wallace claimed NBC personnel refused to admit him to TV booth at halftime of Blue-Grey football game Dec. 29. He said he was invited to appear by one of game's sponsors. "Wallace was cut off the air as an act of censorship by NBC bigots because of his challenge to the rulings of the U.S. Supreme Court," newspaper asserted.

NAB Public Service Institute will be held Feb. 7-8 in Washington, in cooperation with American U. It's designed to acquaint non-profit groups with advantages & problems in use of TV & radio. Sessions include classroom instruction at A.U.'s Communications Center, field trips to WRC-TV-AM-FM Washington & radio WAVA Arlington. William Ruder, pres. of Ruder & Finn PR firm and former Asst. Commerce Secy., speaks at Feb. 7 banquet, NAB Pres. Collins at Feb. 8 luncheon.

Proposal to require stations to donate time at cost to candidates made by FCC Chmn. Minow in Dec. 29 *TV Guide* (Vol. 2:53 p5) brought quick criticism from *Washington Daily News*. "If any political candidates go 'into hock' it is on their conscience," *News* editorialized, "any FCC regulations requiring stations to give free time to politicians would be presumptuous and pre-emptory. . . . The voice of bureaucracy is rarely the voice of the people. It is merely the voice of bureaucracy."

WREC-TV & WREC Memphis have been sold for \$8 million by founder & sole owner Hoyt B. Wooten to Cowles Bestg. Cowles also owns KRNT-TV & KRNT Des Moines, *Look* magazine and other publications. Members of Cowles family also have interest in KTVH-TV Hutchinson-Wichita, Kan., WCCO-TV & WCCO Minneapolis through Minneapolis Star & Tribune Co.

Ghana will place \$8.4 million contract with Marconi Co. for 3-station TV system & extension of radio network. Plan calls for TV stations at Accra, Kumasi & Sekondi-Takoradi, studio complex at Accra, radio station at Ejura. Microwave system will be set up between Accra, Kumasi & Ejura.

Federal Communications Bar Assn. annual banquet will be held Jan. 25 at Sheraton-Park Hotel, Washington—Gene Krupa Jazz Quartet and singer Hildegarde entertaining.

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

PUBLIC VIEWS ELECTRONICS VIA BROKERS' EYES: For large segment of public, principal source of information about electronics industry—and evaluation of individual companies—is endless stream of surveys & analyses offered by major stock brokers. For outside look at electronics industry, as seen through eyes of financial specialists, we culled Nov.-Dec. offerings in our weekly "reports & comments" listings, came up with these observations:

"Consumer electronics industry is having one of its most profitable years in more than a decade," reported Thomson & McKinnon. "Consumer buying, stimulated by the acceptance of color TV, could reach \$2.2 billion in 1962, compared with \$2.08 billion in 1961. We project a further although modest gain in consumer electronics volume in 1963. Entertainment communications systems will probably account for the bulk of volume, but other electronically-controlled equipment, such as appliances, will command a rising percentage of consumer spending." Broker noted that color TVs "are being aggressively pushed," concluded 1962 sales "could reach 400,000 vs. 175,000 last year, and the figure might reach 800,000 in 1963."

Electronics buying by govt., Thomson & McKinnon said, has "been estimated at approximately \$8.2 billion for 1962, some 17% over 1961." With "huge growth of the space effort" total "govt. demand could rise by 50% in the next 3 years."

RCA, analyzed Shields & Co., "will consider 1962 as a year of progress—mainly in the improvement of its profit margins." RCA sales in 1951-61 period increased 144%, but "net earnings have shown only a 10% rise." However, Shields emphasized, "after years of steadily rising volume but unchanged or declining earnings, RCA reversed this trend in the first 9 months of 1962," when net income per share rose 46% on a 16% sales gain. Explaining reasons "behind this improvement & why we feel this will continue," Shields noted "color TV is now in a money-making stage, era of extraordinary development expenditures seems to be coming to an end," data-processing costs have been reduced. "It is estimated that RCA lost 60¢ a share on data-processing in 1960 and 80¢ in 1961." Losses in 1962 "will be under 40¢ and a breakeven point should be reached in 1963." Looking ahead, Shields noted "good possibility" of per-share earnings of "\$3.15 or better" in 1963 (vs. estimated \$2.75 in 1962) & "possibly \$4 per share by 1964."

Sylvania, noted Dean Witter & Co., has been a drag on GT&E earnings, but better times are coming. "While considerable time will be required, the GT&E management is intent on improving Sylvania's profitability and has set 4.5-5% of sales as a minimum profit margin goal," broker said. Sylvania's profit margin slipped to 1.1% in 1961 from 2.9% in 1960. Dean Witter emphasized that GT&E "has just projected 1962 net for Sylvania will be up some 40-45%—to around \$8 million from \$5.6 million in 1961, which included a \$1 million surplus adjustment." Sylvania accounts for some 60% of GT&E's manufacturing group sales and divides its volume roughly 70% commercial & 30% defense. Concluded Dean Witter: "GT&E is in good financial condition. At the end of 1961, the current ratio of assets to liabilities was 1.39:1. . . . Sylvania had a current ratio of 2.7:1." Sylvania, "for the future, offers a twofold opportunity—above average growth in the dynamic electronics markets & improved profits through potentially higher margins."

Zenith, "aided by its emphasis on high quality products, is the largest maker of TV sets," reported Thomson & McKinnon. "Despite keen competition Zenith accounts for some 20% of industry volume." Broker noted experimental operation of "Phonevision," termed prospects "uncertain," said "profits might not accrue to Zenith for several years." Conclusion: "Zenith's record of outperforming the industry & its bright long range outlook makes it attractive for purchase. Finances are strong. Capitalization is simple, no funded debt, no preferred stock, only 9,038,177 shares of capital stock."

Motorola "restricted results in 1961" through entry into new fields but increased its "potential for the

long pull," Thomson & McKinnon noted, adding: "For example, Motorola has become one of the 4 principal companies in semiconductor physics & these lines may account for more than \$50 million in sales in 1962." Consumer electronics at one time comprised bulk of Motorola sales but "now account for about half of volume." Conclusion: "Share net for 1962 is estimated at \$3 vs. \$2.36 last year. Finances are strong."

Magnavox "has an excellent growth record stemming from its success in concentrating on quality products & a marketing system which requires direct dealing between the company & a group of . . . carefully selected retailers," same broker reported, adding: "Magnavox's sharply increased military & industrial electronic sales in recent years now account for some 40% of sales but consumer lines still provide approximately 75% of the company's profits." Magnavox's "share net for 1962 is officially estimated at \$1.75, up from \$1.26 in 1961."

International Resistance "is a major, if not leading, factor in all types & grades of resistors," emphasized W. E. Hutton & Co. IRC sales "go roughly 20% to consumer markets, 30% to industry, 25% to govt. contractors & 25% for replacement. All product lines are profitable, including the high volume items that sell for less than 2¢ each." Continued accolade: "Within the past 4 years, IRC has doubled its sales, quadrupled its profits and increased its dividend payments annually. At the same time, capital spending has moved up substantially & company sponsored R&D has been established at about 15% of sales." Conclusion: "Starting with a strong profit position as the leading factor in its industry, and possessing the technology to maintain & improve its over-all position in electrical/electronic components, IRC should continue to record gains in future years in expanding markets."

"Elimination of losses from its electronics division [sold in mid-1961], plus continued rapid growth of its broadcasting & records divisions, has paved the way for a dramatic increase in earnings this year for CBS," noted Abraham & Co. Per-share earnings in 1962 are expected to reach \$3.20 vs. \$2.47 in 1961 and "rise to around \$3.70 in 1963." Broker said "sale of electronics division has had the additional benefit of improving the company's financial position. It is estimated that CBS has about \$30 million in excess working capital available for acquisitions, which course is being actively pursued."

These comments reflect industry image being painted for public by stock brokers. We will continue our analysis of their analyses in future issues.

RCA-PHILCO PACT—NEW 'ERA OF GOOD FEELING': Agreement ending Philco's 6-year-old patent license suit against RCA stills the last echoes of an age when RCA, through its immense patent pool, was landlord of entire TV-radio industry. Terms appear to benefit both parties. (For discussion of settlement of dispute over NBC's Philadelphia Ch. 3, see p. 1.)

Agreement seems to mark beginning of new "era of good feeling" toward RCA by rest of industry. For first time in many years, RCA has no major anti-trust litigation pending against it.

Under terms of pact, Philco's \$150 million suit against RCA, and RCA's \$174 million patent infringement suit against Philco and Ford are withdrawn, neither party paying damages. RCA pays Philco \$9 million for non-exclusive licenses to all present Philco & Ford patents relating to radio, TV (including color), transistors & data-processing equipment, and is free to use future Philco color TV patent for next 5 years.

Philco & Ford receive similar rights to RCA patents in same fields, except that color patents cover principally those issued before Oct. 28, 1958, date of govt. anti-trust consent decree which broke up RCA patent pool practices. Ford & Philco must pay same as anyone else to use later RCA color TV patents.

Philco's Jan. 1957 anti-trust suit was aimed primarily at RCA patent pool practices (Vol. 13:3 p2), which were largely abandoned after RCA's settlement of Zenith's 11-year old suit in Sept. of same year (Vol. 13:37 p1) and were formally ended the next year when RCA & Justice Dept. signed consent decree (Vol. 14:44 p1). Ford Motor Co. inherited suit when it purchased Philco last year, switched emphasis to alleged RCA color monopoly.

Philco has based many of its charges in pre-trial testimony & briefs on RCA color practices—and color figures prominently in settlement. One major difference in the patent exchanges agreed upon last week by the 2 parties involves color patents; RCA gets all of Philco's present patents and some future ones, whereas Philco's rights to RCA color patents are limited.

Implications for color are large. Settlement seems to establish a patent position in color TV for Philco. Philco has always claimed it had some basic color patents. Also among its patents are those on "Apple" receiver & tube which now become available to RCA. Agreement clears air in color patent dispute, may foster new technical developments.

Philco is certain to step up color activity now. Possibly because of pendency of suit, it had not been making own color receivers—but, paradoxically, was buying complete color sets from RCA. Now, with RCA color patents available to it, and with its own patent position recognized, Philco is free to go into whole-hearted manufacture and sale of color sets—and it's a good guess it will do so with minimum of delay. Entire medium of color should benefit—and what helps color helps RCA (including RCA tube div. & NBC).

Philco's original suit also named GE and AT&T as defendants and is still pending against them. It's logical to assume that this dispute will also be settled.

FM SALES CLIMB CONTINUES STEADILY: More than 3 million FM radios—of all types—were sold in U.S. last year. This year should set another new record, adding 4 million more to FM sets-in-use.

Slow & steady momentum which began in 1958 is continuing, aided by FM stereo and other such relatively new developments as clock & auto FM radios. FM stereo, as expected, is making its biggest impact in phono field, where 50% of consoles with FM are now being sold stereo FM-equipped.

Few definitive figures on FM receiving device sales are available, and many estimates merely verge on guesses. Nevertheless, we've prepared table tracing growth of retail FM radio sales by type of end-equipment. We believe these figures to be conservative:

Type	1959	1960	1961	1962	1963 (est.)
Table radios	540,500	904,800	915,300	1,250,000	1,400,000
Clock FM radios	—	—	90,000	100,000	130,000
Phonos with FM	623,000	700,000	850,000	1,200,000	1,400,000
TV-FM (phono) combos	100,000	120,000	160,000	180,000	220,000
Component tuners	180,000	200,000	240,000	300,000	350,000
Auto FM sets	—	—	—	55,000	100,000
Imports (all FM types)	100,000	120,000	140,000	230,000	300,000
Total	1,543,500	2,044,800	2,395,300	3,315,000	3,900,000

FM stereo sales have been mounting slowly, accounting for about 25% of all FM device sales in 1962, and expected to mount to nearly one-third in 1963. Only areas where FM stereo has made major impact so far are phono, TV combination & component tuner field.

MORE WINTER DROP-INS: Additional new sets—some notable, some promotable — were being shown this week at distributor open-houses and at Chicago's International Home Furnishings Market. Among new announcements:

Magnavox indicated it would unveil a score of new TVs & stereos in Chicago this week, but at week's end few details were available. It was known that 11 stereo models would be premiered in Early American & Colonial styling with cherry & maple finishes, starting at \$159 and topped by 24-in. combo at \$650. Group will include 2 transistorized Astro-Sonic consoles, at \$495 (30 watts MPO) & \$595 (100 watts).

Emerson is introducing what is believed to be first portable stereo phono with FM stereo (\$149.95 & \$169.95). It also is showing its first 16-in. set (\$129.95), 19-in. table model at \$139.95, all-channel 19-in. at \$159.95, lowboy

console at \$199.95, drop-down portable stereo phono at \$99.95.

GE is stressing bright-colored cabinets (such as green, turquoise, platinum) in new 10-in. sets designed to retail in \$139-&-up range. Promotional 19-in. portable is offered with roll-around stand at about \$139.95. New 23-in. upright console is designed for pricing in \$199 range.

Philco is dropping in new lower priced 16-in. Courier portable, eight 23-in. consoles & two 23-in. table models, as well as several radios. Prices were not available.

Symphonic is inaugurating 5 new stereo consoles, all with diamond needle, starting at \$119.95 and including 10-speaker model at \$159.95, with AM-FM-equipped units at \$179.95 & \$199.95, stereo-FM phono console at \$249.95. Each has \$10 step-up cabinet wood option.

Packard Bell will show new sets to distributors Jan. 11-12 in Santa Monica, with distributor showings scheduled for the next 3 weeks.

NOV. SALES POINT TO RECORD PHONO YEAR: Reports of really great Nov. sales now have phonograph industry pointed straight at an all-time record in 1962.

Preliminary & unofficial sales estimates indicate that Nov. 1962 was biggest single month for distributor-to-dealer sales in at least 3 years, and that 11-month factory sales were high enough to forecast their total for 1962 may reach all-time peak of 4.8 million.

Factory sales for Nov. were understood to total about 667,000, up more than 33% from the 500,000 of Nov. 1961, and bringing 11-month total to approximately 4,363,000. Distributor sales totaled around 633,000, more than 31% higher than Nov. 1961 figure, for 11-month total of 3,977,000, bringing 4.5-million total well within range for full-year 1962.

For first 11 months of 1962, incidentally, almost 50% of all consoles with radio were equipped with FM stereo. Of total of about 1.1 million phono-radio combinations, 534,000 had multiplex tuners.

IMPORTS—TINYVISION, COLOR: Interesting array of new tinyvision imports—including 14-in. color and first TV to operate from flashlight batteries—is greeting visitors to Chicago for International Home Furnishings Show this week.

First Sharp (Hayakawa) battery portables are being displayed—a 6-in. at \$199.95 and 8½-in. at \$229.95, battery costing \$24.95 extra in both cases. Conventional sets shown by Sharp at Conrad Hilton Hotel are 12-in. (no price announced), 16-in. sets at \$109.95 & \$119.95, and 19-in. table models at \$129.95 & \$139.95. Sharp sets are beginning to arrive in U.S. in quantity, and it's believed about 5-6,000 are now on hand and ready for distribution.

The flashlight-battery set is Delmonico's 4½-in. receiver made by Victor of Japan, with \$149.95 list. It operates from 9 flashlight batteries or house current. Another Delmonico set, being shown at Merchandise Mart, is 5½-in. at \$179.95 plus \$20 for rechargeable battery. Both tiny sets are scheduled for March delivery. Delmonico will also show 16-in. sets, starting at promotable \$99.95. It will demonstrate 14-in. color set at \$399 list and 17-in. color (no list).



October factory sales of TV picture tubes slipped sharply in units & dollars from Oct. 1961. EIA also reported unit volume of receiving tubes down, but dollar value gained. TV picture tubes declined in unit sales to 879,588 from 912,281 in Oct. 1961. Dollar value fell to \$16,678,099 from \$18,000,957. Cumulatively, unit & dollar sales lagged behind 1961's Jan.-Oct. totals by some 100,000 units & \$7.9 million. Receiving tube unit sales slipped in Oct. to 32,257,000 from 32,480,000, but dollar value increased to \$26,440,000 from \$26,155,000. On 10-month basis, sales trailed year-earlier cumulative volume by 7.2 million units & \$4.5 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	802,061	15,625,304	29,592,000	24,789,000
February	733,670	13,944,313	27,977,000	23,841,000
March	817,830	15,580,149	34,884,000	29,748,000
April	758,539	14,253,425	31,016,000	25,888,000
May	703,255	13,676,659	30,841,000	25,802,000
June	740,788	14,252,844	29,649,000	24,587,000
July	565,022	11,064,357	24,122,000	19,612,000
August	795,121	15,035,830	34,646,000	29,222,000
September	866,512	16,537,417	31,640,000	25,327,000
October	879,588	16,678,099	32,257,000	26,440,000
Jan.-Oct. 1962	7,662,386	\$146,648,397	306,168,000	\$254,941,000
Jan.-Oct. 1961	7,761,642	154,557,278	313,318,000	259,453,000

Trade Personals

Frank B. O'Brien resigns as Seeburg pres. & treas.; Delbert W. Coleman, chmn. & chief exec. officer, also becomes pres.

Richard D. Kennedy, former ad & sales promotion mgr., named to new GE Receiving Tube Dept. post of sales mgr., home convenience products, in charge of sales of receiving tubes to home entertainment equipment manufacturers . . . Howard E. Harry, ex-Minneapolis-Honeywell, appointed chief engineer, Zenith military engineering div.

George R. Simkowski named Webcor Sales Co., pres., a new post, succeeded as Webcor Div. sales mgr. by Charles Dwyer.

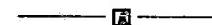
Joseph D. Ceader, Oxford Electric chmn., also named pres.; Leon Sadacca named exec. vp; David E. Davis elected electronics div. operations vp.

Herbert B. Hershfield named national sales mgr. of Ampex's United Stereo Tapes div., succeeding Richard Blase, resigned; John Spellman, operations mgr., also appointed ad & sales promotion mgr.

Herbert W. Pollack appointed pres. of Polarad's electronic instruments div., Frank J. Skwarek, pres. of Radiometrics div., both new operations . . . William R. Heckman appointed ITT personnel dir.

Bernard Walley named West Coast microwave engineering operation mgr. by RCA Tube Div.

Distributor Notes: Webcor Sales names Ray Ferguson mgr. of Chicago office, succeeding Charles Dwyer o Steelman Electronics appoints National Functions Corp., Valley Stream, N.Y., mktg. rep. in U.S. & Puerto Rico for phonograph line.



Philco's defunct "Instant Dividend" program (Vol. 2:9 p7) made news in Pittsburgh again when federal judge John L. Miller enjoined Appliance Associates Inc. & Melvin S. Landow from infringing Philco Finance Corp.'s copyright. Philco filed infringement suit when defendants published plan entitled "Appliance Bonus Membership Form."

Uniform labeling of TV & FM sets, to show they comply with FCC radiation limitations, won't be required by Commission. It decided to call off its proposed rule-making. However, it again said it "admonishes purchasers against buying FM & TV receivers which have not been certified."

AT&T posted record earnings of \$1,384,252,000 on peak sales of \$8,941,594,000 in 12 months to Nov. 30. In year earlier period, AT&T earned \$1,271,086,000 on \$8,368,-960,000 sales. Sharp sales & profit gains were recorded in quarter to Nov. 30. Sales climbed to \$2,269,349,000 from \$2,150,421,000 in Sept.-Nov. 1961. Earnings rose to \$347,-352,000 from \$329,657,000. Chmn. Frederick R. Kappel said earnings were not increased by tax credits on equipment purchases as authorized by Revenue Act of 1962. "In our opinion, this credit should be accounted for as a reduction of the cost of the construction that gives rise to it," he said, "and not as an increase in profit in the year when the new equipment is acquired."

GTE showed record sales & earnings in 1962, Chmn. Donald C. Power notified stockholders, adding: "Despite the somewhat unsettled nature of economic conditions, we believe that our revenue, sales & earnings will continue moving ahead to new records" in 1963. Sales & revenues climbed some 8% to more than \$1.3 billion from 1961's \$1.227 billion. Profits, he estimated, rose about 15% to more than \$85 million from \$73.8 million. Manufacturing sales also set record. Assets increased to more than \$2.5 billion from \$2.4 billion at 1961's end.

ITT netted record income in 1962 as sales rose 15% and topped \$1 billion for first time. Pres. Harold S. Geneen predicted profit's "upward trend" would continue in 1963. He estimated 1962 sales at \$1,066 billion—up from 1961's record \$930.5 million. Backlog at year's end was 6% ahead of year-earlier's \$731 million. Geneen said ITT's 1963 R&D spending will top \$157 million, noted company will continue "its active program of acquisitions."

Transitron Electronic will establish \$5 million fund to settle lawsuits filed by several mutual funds & other stockholders if U.S. District Court in Boston approves at Jan. 28 hearing. Suits charge Transitron with "false & misleading" statements filed with SEC in connection with public stock offerings in 1959 & 1960. Chmn. Leo Bakalar & Pres. David Bakalar will furnish \$5 million for distribution to qualified claimants, but "deny any liability." They said "our prospectuses were honestly & carefully prepared, but we want to dispose of the lawsuits so that we can build up the company in the future without being distracted by litigation."

GE has made gift of its \$1.9 million Anniston, Ala. plant & 116-acre tract to Anniston City Commission. GE announced plans in Nov. to close vacuum tube production plant (Vol. 2:47 p9), has been unable to sell or rent it. Requirement that Anniston use plant for "a public purpose" & not sell it for 5 years may indicate GE plan to deduct book value of property as charitable contribution for tax purposes.

Citroen Electronics, Los Angeles tape recorder manufacturer, has been re-named Freeman Electronics, reported Chmn.-Pres. Eugene Freeman. Company will continue Citroen brand.

EIA has defined 134 terms used in design & manufacture of closed-circuit TV. Copies of bulletin are available at \$2 each from EIA Engineering Dept., 11 W. 42nd St., N.Y. 36.

Commercial nuvistor tube—RCA's 12th—has been added for use as RF amplifier tube in multiple antenna systems & antenna-system booster-amplifiers.

New antenna designed for color, the "Color Guard," has been introduced by TACO at \$17.95 list.

Factory transistor sales in Oct. & year to date continued familiar pattern: ahead in units from year earlier, down in dollar value. EIA reported Oct. gain in unit sales to 20,905,793 from Oct.-1961's 18,232,530. Dollar value sagged to \$24,001,640 from \$24,018,037. Jan.-Oct. sales soared to 200,303,304 units vs. 154,407,230 in 1961's first 10 months. Dollar value slumped to \$242,573,551 from \$250,620,519. Here are EIA's figures:

	1962	1961		
	Units	Dollars	Units	Dollars
January	17,238,376	\$ 21,459,598	12,183,931	\$ 22,955,167
February	20,239,880	24,151,155	13,270,428	25,699,625
March	22,932,655	28,202,422	15,129,273	29,815,291
April	19,621,048	25,097,960	15,072,064	27,388,278
May	21,217,919	24,951,738	15,128,181	25,113,042
June	21,776,037	26,374,356	17,899,005	26,148,746
July	15,434,205	19,476,017	11,227,388	17,506,011
August	20,369,281	24,128,668	17,193,860	25,155,627
September	20,568,110	24,729,997	19,386,202	27,220,248
October	<u>20,905,793</u>	<u>24,001,640</u>	<u>18,232,530</u>	<u>24,018,037</u>
Totals	200,303,304	\$242,573,551	154,407,230	\$250,620,519

■ ■ ■

Reports & Comments: Taft Bestg, report, Goodbody & Co., 115 Broadway, N.Y. 6. • Hallicrafters, review, Sincere & Co., 231 S. La Salle St., Chicago 4 • Thompson Ramo Wooldridge, brief, Cohen, Simonson & Co., 25 Broad St., N.Y. 4.

Ampex expects fiscal-1963 sales to jump more than 10% over \$84.1 million volume of fiscal 1962, ended April 30. Pres. William E. Roberts also forecast "substantially greater increase" in profits. "All divisions are showing excellent increases in sales & earnings," he said. Ampex has introduced 15 new products since start of new fiscal year, will add 10 more by April. More than \$9 million have been earmarked for R&D activities in fiscal 1963.

Texas Instruments has slated special stockholders meeting Jan. 21 to seek authorization to grant new stock options for those outstanding. Internal Revenue Code permits new options on current market prices if monthly stock price over 12-month period averaged less than 80% of option's initial price.

Pre-Publication Orders for Factbook No. 33

Orders are now being taken for the 1962-63 *Television Factbook*. Beginning with this new upcoming issue, based on last year's greatly expanded format, the book will be published once a year only—not Spring and Fall as in past years. The new *Television Factbook* will again provide station area coverage at a glance—contour maps of all commercial stations as filed with the FCC, showing Grade A & Grade B coverage. On the same page for the station will be published American Research Bureau's: (1) Total net weekly circulation. (2) County-by-county total households, TV households and percentages of TV-set penetration. These figures, presented in tabular form, will also be shown graphically in tone on each map. In addition, extensive space will be devoted to the other regular features that have made this comprehensive book since 1945 the industry's leading marketing and reference work. Pre-publication copy price is \$12.50; 5 or more, \$10.50. Regular price after publication, \$15.00; 5 or more \$12.50. To take advantage of pre-publication savings, write: Dept. 12, Television Digest, 911-13th St., N.W., Washington 5, D. C.

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CONGRESSMAN HAIL FTC'S RATINGS ACTION. Senate & House Commerce Committee members call for better testing methods. No comment from Harris (p. 1).

COMPROMISE ON CATV LAW POSSIBLE, as several operators approach FCC with suggestions, willing to give somewhat to get protection from state & local moves (p. 2).

'UHF UNDERDEVELOPMENT' CONFERENCE may be called soon by FCC. EIA's Sandwick suggests inviting all interested govt., telecasting, manufacturing, educational groups (p. 3).

TIGHTER REINS ON NEW AMs likely after FCC-industry conference. Commission expected to sharpen engineering standards, insist on well-financed applicants—but not to delve into rate structure, etc. (p. 3).

AD SPENDING IN TV keeps right on growing, with TV drawing larger share of total ad spending in 1962 than it did in 1961, according to Tvb figures. Networks expect strong sales year in 1963 (p. 3).

'FILM TWIN' FOR TAPE made possible by combined 'Gemini' film & tape camera of MGM Telestudios, designed to eliminate need for kines of taped commercials (p. 5).

MORE SPACE TV FIRSTS: RCA's suddenly-revived Relay sends pictures of Mona Lisa unveiling to Europe, nearly penetrates Iron Curtain. Telstar working fine (p. 5).

PACIFICA DENIES RED TIES: Senate Internal Security Subcommittee probbers told non-commercial radio chain isn't influenced by Communists (p. 6).

Consumer Electronics

MANUFACTURERS DECRY CONSIGNMENT plans for dealers, have no plans to follow sales & display programs of GE & Westinghouse; latter will soon open Toledo & follow with 4th test city 'in midwest' (p. 7).

'PACKAGE' HI-FI definition submitted to FTC by EIA without recommendation; violent objections by component hi-fi enthusiasts may scuttle FTC hopes for legal definition (p. 9).

1962 TV PRODUCTION—6,484,501 b&w sets, highest since 1956; radio output 2nd only to 1947; car radios set all-time record (p. 9).

SPIEGEL TO REVISE price of \$79.95 TV in next catalogue, averting international incident over pricing of Symphonic set (p. 11).

MAGNAVOX'S RECORD 1962: Sales climbed 43½% to \$202 million for 5th consecutive record-setting sales year; earnings rise was proportionate to sales gain (p. 12).

CONGRESSMEN HAIL FTC'S RATINGS ACTION: Federal Trade Commission's crackdown on big 3 TV ratings organizations (Vol. 3:1 p2) predictably brought plaudits from members of Senate & House committees whose probes started whole thing.

Consent agreements between FTC and Nielsen, ARB & Pulse was direct result of hearings by Senate Commerce Committee, which sent findings to FTC, with instructions to do something (Vol. 14:26 p2).

Commerce Committee Chmn. Magnuson (D-Wash.) told us FTC's action was "important step that should lead to a more meaningful use and understanding of ratings." He said he'd be watching services closely to make sure they live up to agreements. Sen. Monroney (D-Okla.), one of most insistent critics of ratings, expressed hope that sponsors, agencies & networks now would come forward with "demands for better testing methods." He called Commission's action "a step forward" in campaign to alert public to the "tiny samplings and doubtful yardsticks used on Madison Avenue to decide what TV shows Americans shall watch." Committee members McGee (D-Wyo.) & Hartke (D-Ind.) expressed similar sentiments. Latter, how-

ever, conceded that "small percentage of inaccuracies" is inevitable because of large number of factors involved in making surveys.

House Commerce Committee Chmn. Harris (D-Ark.) wouldn't comment about either FTC's action or his own Regulatory Agencies Subcommittee's 1½-year-old investigation into same subject (Vol. 2:53 p1). However, he's expected to hold his own ratings hearings this session.

COMPROMISE ON CATV-CONTROL LAW POSSIBLE: FCC, telecasters & CATV operators may be coming to meeting of minds on federal CATV-control legislation. Though National Community TV Assn. still maintains "no-law" position, some prominent operators have been feeling FCC out.

Objective of CATV forces is to get law they can live with—and get FCC "umbrella" to protect them from possible onerous state & local regulation. In lawyers' language, they want federal govt. "to preempt the field" as it does in broadcasting.

Our impression is that Commission isn't inclined that way, at the moment, and that FCC also wants to give station operators greater protection against duplication of their network-originated programs than CATV seems willing to go for. For example, Commission, in proposing rules regarding microwaves to serve CATVs, wants to prohibit duplication by CATV 30 days before or after local station carries program. CATV interests keep plumping for prohibition of simultaneous duplication—only.

FCC has made CATV legislation its prime request of Congress. At this writing, there's simply no judging what kind of compromise, if any, will emerge. FCC is fairly adamant, believes it has strong hand because of CATV's growing concern over state & local moves to regulate. CATV forces, on other hand, feel they have the "absolute weapon" in Rep. Harris (D-Ark.), chmn. of Commerce Committee, whose public opposition to CATV legislation is stronger than any position he has ever taken in TV-radio. Here are excerpts from his speech at NCTA convention last year (Vol. 2:26 p2):

"FCC cannot regulate CATV as a common carrier. . . . No action has been taken [on a CATV bill] and none is contemplated. . . . The problem can no longer be regarded as acute. . . . Some cities or counties seem to be attempting to regulate through insistence upon non-duplication agreements [but] I would expect that CATV operators will not permit a host of divergent & conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary." (You might ask him for full text.)

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Another decision adverse to CATV was handed down by FCC late last week when it granted 4 vhf translators in Claremont, N.H., over objections of CATV operator Bellows Falls Cable Corp. Translator applicant Claremont TV Inc. had asserted that chances of interference to CATV's pickups were negligible—and that CATV could use translator signals if interference proved greater than expected and ineradicable.

Commission went along with translator applicant's argument—and went further. It asserted that its translator rules were meant to protect individual set owner's reception—not CATV's. Commission said CATV operator has "remedies available to him to avoid or reduce interference which are unavailable to the individual"—such as moving receiving antenna or using microwave to pipe signals in from long distances. "This does not mean, of course," Commission said, "that the Commission will close its eyes to any and all instances in which the establishment of a translator would cause interference to the reception of broadcast signals by a CATV system." Commission said it wouldn't be happy if translators deliberately interfered with CATV.

"We recognize, of course," FCC went on, "that if the CATV system suffers interference from the vhf translators, the direct reception by CATV subscribers will also suffer. However, this does not necessarily mean that the subscribers to the system will lose all service, inasmuch as the CATV system can also pick up the vhf translator broadcast signals. In addition, the CATV subscribers will be able to receive the direct broadcast signals from the translators like any other viewers if they wish."

Comrs. Lee & Ford dissented, latter issuing statement asserting that majority is discriminating against CATV. He'd have a hearing or order translators to protect CATV against interference. He said majority's thinking wasn't "entirely without merit," however. But, he added, if there's distinction to be made between interference to individuals and to CATV, it should be achieved after regular rule-making process.

'UHF UNDERDEVELOPMENT' CONFERENCE IN WORKS: To help promote uhf, in light of all-channel set law, FCC may soon call for an all-interested-party conference to consider ways & means.

Conference is brain-child of prolific L. M. Sandwick, EIA's consumer products staff dir. His constant worry is that public will be paying for sets—for a facility it can't use, because uhf signals won't be there.

Sandwick noted FCC Chmn. Minow's recent suggestion that Commission ask industry for ideas on promoting uhf (Vol. 2:50 p4). Sandwick promptly took him up, suggesting conference include representatives of: Congress's Commerce Committees, FCC, Commerce Dept., HEW Dept., set makers, stations, NAB, Assn. for Competitive TV, telecasting equipment makers, AMST, NAEB, NET, NARDA, et al.

Sandwick's concept is that everyone should promote uhf's success stories, not dwell on the stations that went off the air. He's also much concerned about development of easily-tuned uhf tuners. Prospects for calling conference are strong. Session may be scheduled within month or so.

TIGHTER REIN ON NEW AMs LIKELY: FCC's AM "radio overpopulation" conference last week was success, in opinion of most participants. There seems little doubt that FCC will come up with tighter engineering standards and will require applicants to have more than financial shoestring when they apply. To industry's relief, there seems little indication Commission will delve so deeply into station economics as to tinker with rates or other business aspects heretofore untouched by FCC.

NAB's series of witnesses demonstrated, in analyses of coverage, that FCC's objective of multiple service to nation has been achieved in large part. Said one commissioner later: "They showed that we really haven't loused up AM service, as some people have long claimed." There's no question Commission will take sharper look in future at applications for areas already heavily served.

NAB's witnesses made it clear they want no "arbitrary" restrictions on authorization of new stations, but, as George Hatch, KALL Salt Lake City, chmn. of Radio Development Committee, put it: "The establishment of a truly competitive, national radio service has been remarkably well achieved. For the future, the emphasis should be the improvement of existing facilities and the provision of interference free services that will keep pace with our changing population patterns."

Frozen applicants for new stations, argued traditional position of more-competition-the-merrier.

FCC is anxious to end freeze, is expected to move quickly on technical rule-making. There's some talk that Commission may also propose to lump AM & FM stations when considering need for additional service to a market; this would make it tougher for an AM applicant to argue that he'd reach underserved areas.

NAB spokesmen were careful to emphasize that Conference wasn't called because radio is sick. Said Hatch: "We do not come here to bury the radio free enterprise system but to praise it—and to praise those who conceived it, those who have built it, and those who have supervised its operation in the public interest."

NAB Pres. Collins, who started whole thing by asserting that overpopulation is deteriorating radio programming quality, was pleased by Conference, felt it will produce results.

TV SPENDING KEEPS GROWING: It looks like another banner year for TV time-&talent revenues, if present trends continue. Based on year-start estimates by TvB, 1962 spending in 3 basic levels of TV—network, national spot & local—represented 14.6% of ad spending in all measured media, as against 13.6% of total in 1961.

This was major gain for TV, since all-media-spending estimate (time or space, plus production costs) jumped from level of \$11.845 billion in 1961 to \$12.365 billion in 1962. Whopping total poured into various forms of TV advertising grew at faster rate (12%) than did total advertising spending (4%).

Within still-growing TV medium, spot TV is making most rapid strides. Time-&talent spending in national spot jumped 15% between 1961 and 1962, from \$530 million to \$610 million. Netwcrk spending—which still leads over-all TV field in totals—moved up 11%, from \$810 million to \$900 million. Local TV grew 8%, from \$275 million to \$297 million.

Networks are bellwethers of TV spending, and all 3 networks are confident that 1963 will be strong year, with gross billings running at least 10% higher for 1963 than in 1962. CBS is particularly bullish; net-

work sources there pointed to outlook of nearly 95%-sold nighttime level for first quarter of 1963, plus virtual sold-out position in noon-5 p.m. daytime periods. NBC, which scored billings gain of 13% last year over previous, feels it will be equally successful, although putting less emphasis on major-segment program sales and more on participation buying than CBS. ABC, having had good sales success in 1962, expects to hit high gear in participation sales for 1963-64 fall-winter season.

CURRENT CAPSULES

Hartford pay-TV experiment (Vol. 2:27 p2) is progressing satisfactorily, Teco Pres. Pieter E. van Beek told stockholders in recent report. Nearly 2,000 subscribers have signed up and have been "quite happy" with service, he said. At least 12-18 months of continuous operation will be necessary for conclusive findings, however, he cautioned. A major problem, van Beek noted, has been obtaining programming such as legitimate theatre plays, musicals, etc., which are presented live and must be taped or filmed for later showing. This involved extensive negotiations with many individuals & groups, with costs far exceeding revenues. "Hardly any delinquency" has occurred in payments by subscribers, van Beek reported.

— ■ —
GE's organizational structure doesn't satisfy FCC, regarding top management control of Schenectady stations. Commission has been considering renewal of stations in light of GE electrical-equipment anti-trust convictions. It told GE last week that company's setup & policies don't assure adequate responsibility for station operations, gave GE 30 days to tell whether it plans changes or status quo. Commission said it would be available for informal conference, if desired.

— ■ —
FCC staff letter-writing to stations, questioning programming (Vol. 2:50 p1), was hashed out partially by Commission last week. Staff is to come back with letters covering specific cases. FCC will then decide what it wants staff to ask—and what it wants to ask itself. Chances are staff will be given somewhat less leeway hereafter.

— ■ —
NBC-Philco agreement, in which latter seeks to withdraw from fight for former's Ch. 3, Philadelphia (Vol. 3:1 p1), has been filed with FCC Review Board, which sent it on to Commission for action. NBC agrees to pay Philco \$523,000 for expenses incurred in litigation.

"Stereo has put radio back into the living room"—the first thing to do so since TV arrived, according to the two 26-year-old operators of KPEN(FM) San Francisco. James Gabbert & Gary Gielow gave well-received presentation at Press Club in Washington—for audience including 4 FCC members—at instigation of EIA's L. M. Sandwick who was fascinated by their enthusiasm & results. Station began Oct. 1957, became 6th stereo station in U.S., and operators claim 120,000 stereo sets in area, asserting this is greater distribution than in any other market, including N.Y. Programming is mainly classic & light classic, and station has rated as high as 4th in market in some time periods—against all AMs & FMs in area. Among plans: stereo drama.

"Dinner With The President," CBS-TV Jan. 31 hour-long special featuring folk music & ballet, will have President Kennedy as guest of honor—to receive B'nai B'rith Anti-Defamation League annual America's Democratic Legacy Award. Program will be telecast from Washington's Sheraton Park Hotel 10-11 p.m., hosted by actor Robert Preston.

Annual push for televised Congressional hearings has been launched by Rep. Meader (R-Mich.), who introduced 2 resolutions last week. First would amend House rules permanently to permit TV, radio & photo coverage of committee hearings at discretion of chairmen; 2nd would not amend rules but would be special resolution to allow coverage for 88th Congress only. First resolution is similar to one Meader introduced in 87th Congress, which was defeated in Rules Committee by 8-6 vote (Vol. 17:9 p11). He said Rules Committee Chmn. Smith (D-Va.) has agreed to hold early hearings on issue. Meader told us resolution would have "good chance" if networks, NAB & similar groups present strong case at hearings.

Court appeal is planned by radio WDKD Kingstree, S.C. after FCC reaffirmed license renewal denial in famed "obscenity case" (Vol. 2:31 p3, et seq.). Commission last week turned down licensee E. G. Robinson Jr.'s petition for reconsideration. Circumstances of case—misrepresentation, lack of control, nature & duration of offense, overall programming—require denial, FCC said. Station will stay on air while case is before court.

'FILM TWIN' FOR TAPE: Aimed at removing "biggest barrier" to heavy use of tape by national advertisers in spot campaigns, MGM Telestudios last week announced new tape-film system which simultaneously makes video tape and 16-mm film.

Called "Gemini," system consists of 16-mm film camera mounted on standard TV camera, using same lens (by means of beam-splitter) and electronic viewfinder. Telestudios plans to equip all of its new 4½-in. TV cameras with Gemini attachments.

MGM Telestudios Pres. George Gould explained last week at special press demonstration that about 15-18% of spot commercials are now made on tape. Biggest roadblock to more widespread use of tape for spot commercials, he said, was fact that all TV stations are not yet equipped with TV tape recorders. Thus, major advertisers who use tape for national spot campaigns "must cover about 20% of the stations with kinescope prints" or else shoot commercial separately on film & tape.

Because of poorer quality of kinescope prints, "many advertisers with large spot campaigns have gone to film rather than tape," he added. Gemini system, he said, avoids this problem by providing high-quality 16-mm film print, shot at same time as tape commercial. He said Telestudios will hereafter supply "Gemprints" to all customers at same price as previously charged for kines. Telestudios is installing film-processing equipment for quick service.

He also pointed out that Gemini technique is applicable to programming—making 16-mm prints of tape shows for use on non-taped-equipped stations in U.S. & overseas. System was originally developed for use in educational programming by Telecam Corp. of Pittsburgh. MGM Telestudios has purchased exclusive 3-year rights to device and has retained co-inventor Warren R. Smith as director of technical development. Smith was pres. of Telecam and Warren R. Smith Co., Pittsburgh film producer. Other co-inventor is Robert Ferber.

Travails of becoming TV performer are revealed by N.Y. *Times* TV critic Jack Gould in Jan. 12 *TV Guide* N.Y. Metro edition. Drafted for TV duty because of long newspaper strike, Gould has some humorously acid comments about studio temperatures, makeup, tight time schedules. Medium has its rewards also, he noted. After 25 years as columnist in which he was never offered free drink at his favorite bar, he immediately got a brandy on the house after first 2-min. appearance on WNBC-TV.

Network TV gross time billings in first 10 months of 1962 rose 12.7% to \$654,098,990 from last year's \$580,370,320, TvB reports. Oct. billings totaled \$73,961,226, up 10.6% from Oct. 1961's \$66,846,558. For 10-month period, ABC-TV rose 7.7% to \$168,295,406; CBS-TV 17.1% to \$254,851,499; NBC-TV 11.9% to \$230,952,085. Daytime billings increased 19.7% to \$206,172,909; nighttime rose 9.7% to \$447,926,081.

"Radio . . . the Mobile Medium" will be theme of NAB's 1963 National Radio Month in May. Promotional kits, to be sent to member stations & networks to help publicize radio's "mobility," will include live spots, program & promotion ideas & suggestions, speech text, etc.

FCC's 28th annual report now available from Govt. Printing Office (50¢).

communications satellite (Vol. 3:1 p4) entered space TV

More Space TV Firsts: RCA's suddenly-revived Relay razzle-dazzle last week, successfully flashing pictures of President Kennedy's unveiling of Mona Lisa to Europe Jan. 9. Relay almost penetrated Iron Curtain; signals received in Paris were cabled to Hungary & Czechoslovakia, but equipment broke down in Hungary, and broadcast failed to get to either country.

France & London reported nearly perfect reception. Station at Fucino, Italy also picked up telecast, although its antenna is intended only for voice & data transmission.

AT&T's Telstar, whose repair was termed a "great space age feat," also transmitted live 9-min. program to Europe Jan. 6. Company still plans to launch 2nd Telstar in Spring.

New TV-carrying moon vehicle, "Surveyor," will get "highest priority" to take TV pictures of moon's surface in preparation for manned landings. NASA Lewis Research Center Dir. Dr. Abe Silverstein said govt. considers it "very urgent" to get Surveyor on its way by early 1965.

Usual barrage of new bills was introduced in first session of House Jan. 9. New measures are not dropped in Senate hopper until after President's State of the Union Message Jan. 14. Among new House bills affecting broadcasting: (1) HR-414, by Stratton (D-N.Y.), to prohibit advertising of articles made in E. Germany unless ad so states. (2) HR-457, Cederberg (R-Mich.), quality stabilization act. (3) HR-578, Multer (D-N.Y.), to prohibit boxing broadcasts. (4) HR-579 Multer (D-N.Y.), to forbid broadcasters to make unauthorized deletions from certain broadcast matter. (5) HR-594, Steed (D-Okla.), FTC temporary cease-&-desist authority. (6) HR-967, Younger (R-Cal.), to create Dept. of Transportation & Communications.

Integrity of WLOF-TV Orlando principals in "influence" case was upheld by FCC last week as expected (Vol. 2:53 p5)—Chmn. Minow dissenting. Majority accepted WLOF-TV's position that its principals had no knowledge of Orlando attorney William Dial's contacts with former Comr. Mack. Minow disagreed, asserting he was skeptical. Though he wouldn't completely disqualify WLOF-TV, he'd "significantly impair" its standing as an applicant. Case is still under Court of Appeal's jurisdiction, and Commission asked that it be given back for final FCC action.

First nationwide closed-circuit promotion of new movie will be telecast Jan. 16 by NBC-TV—Universal's "Forty Pounds of Trouble," starring Tony Curtis & Suzanne Pleshette. Stars, producer, director, will hold closed-circuit press conference 1-2 p.m., originating at Burbank, Cal. studios. Cities carrying show are N.Y., Chicago, Washington, Boston, Pittsburgh, Detroit, St. Louis, Los Angeles, Dallas, possibly others.

NBC will apologize to Ala. Gov.-elect George Wallace for barring him from appearance at halftime of televised Blue-Grey football game Dec. 29 (Vol. 3:1 p5). Rep. Roberts (D-Ala.) wrote NBC asking for explanation, was notified letter was being sent to Wallace. Roberts stated he was waiting for copy of letter & detailed explanation of incident, said he'd go to FCC if explanation wasn't satisfactory.

TV of Iran names ABC International as TV sales rep.

Personals

Robert H. O'Brien elected MGM Inc. pres. & chief exec. officer, succeeding Joseph R. Vogel, who moves up to chmn.; former chmn. George L. Killion replaces Vogel on exec. committee.

Charles G. Drayton promoted to RKO General Bstg. vp-administration . . . Joe Cella promoted to WLWT Cincinnati promotion & publicity dir., a new post; Robert B. Frolicher named to similar position with radio WLW.

Marvin Kalb, CBS News Moscow bureau chief, moves to Washington as diplomatic correspondent, a new post, succeeded in Moscow by Stuart Novins . . . Bill Leonard named exec. producer of WCBS-TV expanded news coverage during N.Y. newspaper strike.

Irving Novick promoted to ABC labor relations dir. . . . Richard J. Quigley promoted to Blair TV vp.

Robert F. Reid, WRGB & radio WGY & WGFM (FM) Schenectady marketing mgr., awarded *Printers' Ink*-Advertising Federation of America silver medal for distinguished service to advertising.

Roland Tooke, Westinghouse Bstg. exec. vp, will be guest lecturer on U.S. TV-radio at 84th Salzburg Seminar in American Studies, at Salzburg, Austria, Feb. 8-March 9, attended by leaders of 15 West European nations.

Martin Weldon, ex-Metropolitan Bstg. news & special events dir., appointed RKO General Bstg. public affairs dir. . . . Alan Henry, ex-radio KWK St. Louis gen. mgr., named asst. to Metromedia Inc. Pres. & Chmn. John Kluge. . . . Bob Sprouse promoted to WBNS-TV Columbus, O. national sales mgr.

Lee Fondren, radio KLZ Denver, Norman Cash, Tvb, and Kevin Sweeney, RAB, appointed members of Advertising Federation of America national committee to direct program for "National Advertising Recognition" for 1963.

Thomas Shull, ex-Storer Bstg., joins Doyle Dane Bernbach as acct. exec. for ABC-TV; John Robinson, ex-Lambert & Feasley, named asst. to DDB radio-TV programming dir.

Alan Harmon promoted to vp & partner in Daniels & Assoc., CATV broker.

Philip S. Goodman, TV writer-dir. & movie producer, appointed creative dir., Fred Niles Communication Center, N.Y. . . . David Bringham, ex-radio KHJ Los Angeles, appointed KOOL-TV & KOOL Phoenix news dir.

William L. Brown promoted to WMBD-TV-AM-FM Peoria mgr., succeeding Harold Sundberg, who becomes WZZM-TV Grand Rapids gen. sales mgr.

Charles R. Sanders, radio WSPA Spartanburg mgr., promoted to asst. gen. mgr. of parent Spartan Radiocasting Co. . . . George Foulkes resigns as WTHI-TV-AM-FM Terre Haute sales vp, plans not announced.

Eugene W. Whitaker, ex-KSL-TV-AM-FM asst. engineering dir., named asst. to engineering vp, King Bstg. (KING-TV-AM-FM Seattle, KGW-TV & KGW Portland, KREM-TV-AM-FM Spokane).

Obituary

Robert E. Freer, 66, former FTC chmn. & head of Federal Bar Assn., died of a malignant blood disease at National Institutes of Health, Bethesda, Md. Jan. 6. He was FTC member 1935-48, chmn. in 1939, 1944 & 1948. Partner in firm of Freer, Church & Green 1948-60, he was

hearing examiner for Federal Power Commission for last 2 years. His widow, 2 sons, 2 daughters survive.

John W. Vandercook, 60, ABC radio news commentator until his retirement due to health 2 years ago, died of heart ailment in Delhi, N.Y. Jan. 6. He was former newspaperman & author of books including *Black Majesty*, *Fools Paradise*, *Murder in Trinidad*. He began radio career in 1940, covered Western Europe & Africa for NBC during World War II, later joined Liberty Bstg. Co., then ABC. Son, daughter, survive.

Pacifica Denies Red Ties: Senate Internal Security Subcommittee, headed by Acting Chmn. Dodd (D-Conn.), held closed hearings last week looking into possible Communist infiltration of 3 non-commercial FM stations operated by Pacifica Foundation, Berkeley, Cal.

Stations KPFK Los Angeles, KPFA Berkeley & WBAI N.Y., are listener-supported outlets. Pacifica Acting Pres. Trevor Thomas told probers there is no Communist influence in management of stations, but admitted that reds are regularly allowed to appear on broadcasts. He said group's policy is to allow viewpoints from far left to far right to be heard. Before hearings, Dodd said his group was informed that Communists have attempted to infiltrate a radio chain. Only one witness, Southern Cal. Communist Party Chmn. Dorothy Healey, refused to testify, claiming Fifth Amendment. Other witnesses subpoenaed included Jerome Shore, Pacifica exec. vp; Joseph Binns, WBAI mgr.; Washington attorney Harry Plotkin, counsel for Foundation.

After Jan. 11 hearing, Shore said in interview he is not Communist Party member, hasn't been for past 9 years. Asked about associations prior to 1954, he declined to answer. He said he felt that by answering such questions, he would waive constitutional rights. Thomas said full information concerning hearings & testimony of staffers would be given to Foundation Board for its consideration.

American Jewish Congress lodged protests with Vice President Johnson & FCC Chmn. Minow, charging hearings as "flagrant attack" on guarantee of free speech & press. Dodd announced hearings could lead to legislation requiring broadcasters, newspapers & magazines to identify any authors or commentators belonging to Communist organizations.

Price increases of 3-5% on cameras for TV broadcast and 6-16% on closed-circuit cameras were announced last week by GE technical products operation, effective Jan. 14. Among items affected: 4½-in. IO b&w camera (PE-20-B); 3-IO live color camera; TE-14 & TE-15 closed-circuit cameras & accessories.

ABC-TV has ordered 12 TV tape recorders, all equipped for color. The completely transistorized compact RCA TR-22 machines will be installed in Chicago, used for network feeds. ABC-TV's colorcasting currently is limited mainly to film shows, although Christmas Eve Bing Crosby-Mary Martin color special was taped.

Sale of WMAZ-TV (Ch. 13) Macon, Ga. along with radios WMAZ & FM for \$2,094,750 to WMRC Inc. by George P. Rankin Jr. and associates has been filed, now pends FCC approval.

Sports Network Inc. opens new offices at Bank of N.Y. Bldg., 530 Fifth Ave., N.Y. 36. Phone is MU 2-0117, becomes MO 1-1000 March 18.

Consumer Electronics . . .

MANUFACTURING. DISTRIBUTION. FINANCE

MANUFACTURERS DECcry CONSIGNMENT PLANS FOR DEALERS: Not since Philco's spectacular "Instant Dividend" skyrocketed (Vol. 2:9 p7) has industry attention been so focused on dealer-aid programs as it is on the sales & display types introduced by GE & Westinghouse (Vol. 2:40 p9).

Although GE & Westinghouse disclaim any national plan or retailing ambitions, consignment programs are spreading. Westinghouse is testing in Salt Lake City & Minneapolis, will soon open Toledo, and, we were told, "will announce a 4th test city, somewhere in the midwest, in next week or so." GE sales & display program is operating in Salt Lake, Memphis & Kansas City. Plan Westinghouse will introduce in its 3rd & 4th areas, incidentally, will be factory made. Salt Lake & Minneapolis programs were developed by distributors there. Factory plan, Westinghouse told us, "will combine & reflect our experiences in the first 2 areas."

There's dealer support for such programs, but our conversations with TV manufacturers last week revealed little liking for consignment programs & no plans to follow suit.

Manufacturers were unanimous that their sales have been unaffected, & their dealers undisturbed, in the GE & Westinghouse test cities. There was general agreement, too, that:

(1) Manufacturer encroachment on dealer responsibilities will rob him of initiative & independence. Or, as Philco put it for us, "There most certainly will be an adverse effect on dealer initiative if manufacturers get into retailing directly or indirectly." Not so, GE previously told us. "A dealer is in business to make money. If this program can help him make more money, then it's good for him and all the negative opinions will fade away."

(2) Too much manufacturer aid may serve to "bail out incompetent dealers," as one executive expressed it. Westinghouse expressed it this way: "True, some dealers are in a predicament and looking for an opportunity to stay in business. This program can give them that opportunity." Westinghouse told us: "In Minneapolis we're getting dealers back who were out of the TV & stereo business. We're also getting more sales and more exposure of our high-end merchandise. With this plan, dealers who couldn't afford to get too deeply into high-end merchandise are now back in that business and doing very nicely."

(3) Small dealer is not becoming obsolete, despite rising costs of distribution & increasing competitive pressure from big discounters & national variety chans. "You can delude yourself that distributors are moving away from small dealers to the big chains and so-called mass merchandisers," Motorola Consumer Products Pres. Edward R. Taylor told us, "but we've cautioned our distributors to be very careful about the discount chains. I don't think the market can support them at the rate they're expanding."

(4) Present distribution patterns are not outmoded. Despite Magnavox's success & Sylvania's decided move in that direction, there's no industry trend to direct selling. There's no belief, either, that any manufacturer will attempt to do his own retailing on a national scale. "I don't think anyone would be that crazy," Zenith Sales Corp. Pres. Leonard C. Truesdell told us, adding:

"I've seen these plans come & go over the past 35 years. They fail because of the simple fact that the dealer is a dealer because he wants to be an independent businessman. He doesn't want to be a commission salesman. Sure dealers need help, but in the form of planning & programs that don't pull the rug out from under them. Present distribution programs aren't outmoded. The only thing wrong with them are manufacturers who dump merchandise, cut prices and shrink profits & margins so that it gets harder all the time for the dealer to stay in business. All the dealer really needs is a decent margin of profit." Here are other comments we rounded up:

NARDA Chmn. Mort Farr: "Speaking as a dealer, everytime a dealer gives away some function of his operation he gives away some of his independence. Dealers may like these sales & display plans at first because nobody shoots at Santa Claus. But if you yield servicing, financing, delivery, and warehousing, you can wind up as a salesman in your own store. Too many dealers do what is expedient without fully checking out the facts."

Magnavox: "The growth & strength of our dealers," we were told, "have resulted in large part from our program of cooperative help, advertising & sales training. These services in the past have enabled Magnavox's small dealers to be successful, make a profit, and in some case grow into large dealers. We see no reason why this should change in the future. A high percentage of our dealers are small dealers, and we definitely do not see the discounters & big variety chains taking over."

Westinghouse: "We have not heard of any dealer in our program who has criticized it." Re charges that program will make a salesman for the company, "we hope it will. We want him to push our merchandise and give us the best display space. Doesn't every manufacturer?"

John W. Craig, vp & gen. mgr. of Westinghouse's Major Appliance Div., wrapped it up this way in speech slated for NARDA presentation Jan. 12: "From the manufacturer's viewpoint, underassortment of his line on a dealer's floor means lost sales. But the dealer may face a problem in that an assortment satisfactory to the manufacturer involves too great an investment in merchandise." Craig noted also that "dealer's attention from his primary function of selling" is diverted by labor, handling & warehousing problems & costs. "These experiments hopefully will enable him to emphasize selling," he said, adding: "At this point our experience is limited. Retailers apparently are pleased with the plan. We are not yet prepared to commit ourselves fully."

GE told us pretty much same thing: "Our whole purpose is to determine if greater exposure of our line can produce more sales & a better mix, particularly at the high end of the line. Most of the dealer's problems stem from the fact that people haven't had an opportunity to see the full line. Because of lack of space & finances, not all dealers are able to display the full line." GE was emphatic: "We have no plans to go into retailing. We wouldn't know how. The basis of our operation always has been the dealer. Our plan is to run these test operations in these 3 cities for some length of time. After we have analyzed results, we'll be in a position to make a decision for the future."

RCA Sales Corp. Mktg. vp Raymond W. Saxon told us RCA has shown "a decided increase in market penetration" in the sales & display cities, said company always studies & evaluates changes initiated by other manufacturers but "to date these apparent changes have only reinforced our belief in the present system of independent distribution." Although dealer's position in recent years "has been highly competitive," Saxon said, "he has survived numerous new sales programs & even predictions pertaining to his demise." He continued: "Although it appears that more & more manufacturers are going in the direction" of bypassing small dealers in favor of discounters & big national variety chains, "we certainly have no plans to concentrate on any category of retail outlets."

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Extended warranties, another simmering merchandising trend that has industry stewing, came in for full share of pros & cons at NARDA meeting in Chicago:

Philco Pres. Charles E. Beck fired opening gun Jan. 11 with unequivocal endorsement: "We believe that extended warranties are good for the manufacturer, distributor, dealer & the customer." He urged appliance & TV-radio dealers to help eliminate "customer confusion" about warranties, said Philco "would welcome" move to "standardize on some definitions that can be easily understood by the customer & that are applicable on an industry-wide basis." He termed extended warranty "simply a tangible manifestation to the customer" of "our pride in the craftsmanship of our products." Philco last year increased warranty on automatic washers from 1 to 2 years (labor for 1 year), carries 1 year warranty (5 years for compressors) on balance of white line. TV carries 90-day parts, tubes & labor protection, 1 year on picture tube.

Westinghouse vp & Major Appliance Div. Gen. Mgr. John W. Craig fired back Jan. 12 with attack on "warranty roulette." He told NARDA session: "I fail to see how it benefits anyone." He rapped dealer "who sells paper with fine print instead of the fine merchandise our industry offers," concluded: "this industry would be better off with a 3-month unconditional warranty than with a 5-year guarantee with 3 paragraphs of exceptions."

RCA Sales Corp. Mktg. vp Raymond W. Saxon joined fray same day with firm stand against extended warranties. "To ask distributors, dealers & consumers to pay extra for what we consider unnecessary warranty features," he told NARDA members, "is totally unrealistic. A warranty alone was never intended to be a merchandising tool—it should be considered as part of the over-all service program which accompanies the sale of the home entertainment product." He urged dealers to take fresh look at servicing, called it "undoubtedly the most neglected selling tool that a retailer has at his disposal." He said independent servicemen "handle more than 94% of the service business" on RCA TVs.

Saxon also threw in new color TV figures: "Enough color TV receivers were sold in 1962 to account for a quarter of a billion dollars of retail business," said, adding: "More than half of our color TV dollar volume was shown by a survey to represent sales to consumers who would not have bought a black-&-white set. This was plus business in a year when black-&-white unit sales exceeded 1961's rate by 10%."

'PACKAGE' HI-FI DEFINITION GOES TO FTC: Hi fi is almost as difficult to define as true love. With this in mind, EIA gingerly delivered group of comments to FTC—without calling them a "recommendation"—and made it clear that the material applied only to "packaged" music systems.

Thus did EIA discharge its responsibility to FTC, which had requested proposed definitions in order to protect public from misleading claims about what is hi fi and what isn't. EIA had circularized more than 1,000 interested parties, including component hi-fi manufacturers, received 154 replies (but virtually none from component people).

Consensus of most, but not all, package hi-fi manufacturers approved this definition: (1) Amplifier must have MPO rating of 5 watts. (2) Over-all phono system must have minimum acoustical output of 77 db at 100 cycles, 80 db at 1,000 cycles and 74 db at 8,000 cycles. Test procedure for making these measurements was outlined.

When this proposed definition leaked out several months ago, organized component hi-fi enthusiasts were beside themselves with fury. A single editorial in Dec. *High Fidelity* described tentative proposal as "dangerous," "hokum" and "deliberately misleading." In submitting its comments to FTC, EIA's committee helpfully suggested that views of other groups, such as Institute of High Fidelity Manufacturers (component hi fi) might also be sought.

Institute said it is working on its own definition to apply to component hi fi only, and hoped to submit it to FTC within 30 days. IHFM Pres. Raymond Pepe called the EIA-submitted definition "much too low for reasonable standards," urged separate and "much more stringent definition for components to protect the buyer."

FTC has poked its head into nest of extremely wild hornets. Component hi-fi makers have always considered that "high fidelity" was stolen from them, and that, by definition, the phrase should apply only to components. After FTC has heard all comments on proposed hi-fi definitions, we predict it will give up idea of trying to protect public and concentrate on protecting itself. To attempt to measure the height of fi would be as impossible as to try to determine the height of the component enthusiasts' dudgeon.

1962 TV PRODUCTION—6,484,501: With last of EIA's weekly production reports for 1962 completed at last week's end, here's how TV-radio output shaped up: Black-&-white TV had its biggest year since 1956; radio had its 2nd biggest year in history; auto radio set all-time high by wide margin.

Industry-wide TV output totaled 6,484,501 (b&w only), highest in 6 years, but nowhere near the 7-million-plus years of 1953-56. Production was very close to estimated distributor-to-dealer sales — probably within 4% — indicating little overproduction.

Total radio receiver output (including auto) came to 19,189,507. This compares with 17,373,846 in 1961, and is highest in radio's 41-year history—except for record postwar year of 1947, when some 20 million sets were produced.

With boom automobile business, auto radio production shot through roof—totaling 7,287,388, very close to total 1962 sales by auto industry. Previous high was 6,864,000 in 1955, and only other year when output exceeded 6 million was 1960 (6,432,000).

The preliminary EIA figures are subject to slight revisions in final auditing, and revised figures will be printed here upon their official release, probably in Feb.

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Here are EIA's production statistics for final 2 weeks of 1962, compared with year-ago figures. Data had been delayed because of holidays:

	Dec. 17-21	1962 week	Dec. 24-28	1961 week	Full year '62	Full year '61
TV	125,405	122,753	57,783	66,775	6,484,501	6,177,793
Total radio	380,877	363,543	207,365	252,903	19,189,507	17,373,846
auto radio	179,453	133,082	147,578	105,122	7,287,388	5,568,345

EIA statistics for week ended Jan. 4 (first week of 1962):

	Jan. 2-4	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	66,146	57,783	81,108	—	—
Total radio	221,169	207,365	280,636	—	—
auto radio	107,014	147,578	117,258	—	—

Printed-circuit-vs.-hand-wired battle flamed anew in ad pages last week as 2 TV manufacturers decided to have another fling at challenging claims of superiority of hand wiring. In 2-page & 1-page ads in trade publications, RCA devoted entire space to dependability of its "space-age sealed circuitry" over "old-fashioned hand-wired circuitry." Philco appealed directly to consumers in full-page newspaper ad challenging "misleading propaganda about 'hand wiring,'" terming circuit boards "more satisfactory and reliable." Hand wiring, said Philco, "makes good propaganda, [but] it simply does not make the best [TV] sets."

Philco will double local newspaper ad budgets this year, has scheduled kickoff ads in 240 papers in 196 markets, reported Consumer Products Div. ad mgr. John Kelly. These will be followed throughout year by local campaigns in 217 newspapers in 189 markets. Trade ads will hammer "Ford Means Business" theme, "tell dealers what the new Philco-Ford association means in terms of profit to them now & in the future," Kelly said.

Japan will reduce tariffs from 25% to 20% on imports of U.S. TV sets of 19-in. & above and on certain types of receiving tubes. Concession was made at General Agreement on Tariffs & Trade (GATT) negotiations in Geneva, in exchange for certain concessions by U.S. on Japanese imports of unspecified items. Tariff reduction is minor item; U.S. exports of the sets & tubes to Japan totaled only \$44,000 in 1961.

Space-Tone Electronics Corp., publicly-owned Washington, D. C., manufacturer of stereo consoles, announced last week that it will offer its line to department stores. Its initial offering consists of 5 stereo consoles at \$150-\$995 list. It previously had sold its products only through wholly-owned subscription club subsidiary.

Reduction of manufacturing tax from 10% to 5% on TV sets, radios & certain other entertainment equipment is proposed in bill (HR-872) by Rep. Conte (R-Mass.).

Sylvania has started production of line of compactron receiving tubes. The multi-element tube design was developed by GE, and Sylvania is 2nd company to produce it.

American Video Inc. is name of new firm which has taken over assets of Calvideo Electronics Inc., Compton, Cal., one of largest picture-tube rebuilders. New company's owners, both attorneys, are Judd Goldfeder & Garson Fox, who have become pres. & finance vp, respectively. Former Calvideo Pres. Stephen Tidik has been named mfg. vp. Calvideo, which did not operate profitably in 1962, had sales of about \$1.7 million for the year. Goldfeder & Fox also own U.S. Scientific Devices, Los Angeles CR tube developer & manufacturer.

Minneapolis-St. Paul will be next marketing area for 3M-Revere automatic tape cartridge recorder (Vol. 2:46 p9). Satisfied with results of St. Louis market test, 3M officials will open sales in Twin Cities, corporate home of 3M, Feb. 1. Several exclusive dealer franchises will be awarded—probably to music & dept. store—for the \$450 unit. Marketing will be nationwide by Sept. 1, covering top 25-30 market areas. Deals with at least one console-phono manufacturer are understood to be in serious discussion stages.

Japanese TV exports (sets & chassis) to U.S. for first 11 months of 1962 totaled 137,875, compared with 17,560 in same 1961 period, according to Finance Ministry. Of 1962 total, 29,152 were transistorized and 108,720 were tube sets; all except 3 had screen sizes smaller than 21-in. Other Japanese exports to U.S. for the 11-month period (1961 comparisons in parentheses): Tube radios, 1,489,579 (1,982,762); radios with 3 or more transistors, 6,994,147 (4,025,162); other radios, 2,521,923 (4,360,554).

Canadian FM stations broadcasting in stereo, in addition to those listed in our Dec. 10 issue (Vol. 2:50 p12): CJFM Montreal, CFPL-FM London, CJOB-FM Winnipeg. The omissions were called to our attention by CJFM mgr. J. Lyman Potts, who says his station has been operating in stereo 18 hours daily since it went on air last Oct. 1.

Quarterly magazine for GE TV-radio & stereo dealers, *Sight & Sound Retailing*, has made debut. Editor is Tom Castle, GE radio & TV div. ad & PR mgr.

SPIEGEL CASE RESOLVED: TV industry's own "Der Spiegel" case was resolved last week without so much as the resignation of a cabinet minister. Its implications were felt, however, halfway around the world—particularly in Chicago, N.Y. & Tokyo.

It started 2 weeks ago when big Chicago mail-order house Spiegel Inc. exploded bombshell by advertising Symphonic's new 16-in. TV (made by Nippon Electric Co.) on back page of its spring-summer catalogue at \$79.95 (deluxe version \$99.95), surprising entire trade including Symphonic. At week's end, Spiegel issued this statement: "Although previous action cannot be undone, Spiegel has decided on its own to take revised pricing action in their next major publication going to press almost immediately to Spiegel's full mailing list. Spiegel is continuing with the TV set because they have been most pleased with the production and the excellence of its performance."

In the time between the 2 weeks, there were hurried conferences, and a little commuting (including a quick trip from Tokyo to Chicago by Kaneo Iyi, asst. chief of NEC's foreign trade dept.). Decision, however, was made unilaterally by Spiegel.

It was understood that export price for NEC's 16-in. set was apparently the standard \$50 others pay for similar receivers. Favorite game being played by other TV importers was trying to figure out where the profit was at \$79.95. When 12½% duty, 10% excise tax, and transportation were added to the \$50, sets should have cost Symphonic about \$70 each, leaving only \$10 for both Symphonic's & Spiegel's profit. It was reported that Symphonic had contracted for 20,000 sets to be delivered by mid-year for merchandising under Symphonic & private-brand labels. By week's end, Symphonic, Nippon Electric, presumably Spiegel—and certainly other TV importers—were breathing a bit easier.

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Note: Westrex, whose Weststar brand TV sets are also made by NEC (Vol. 2:38 p8), started its first trade advertising campaign, seeking more outlets for its dock-to-dealer distribution. Its 8-in. TV (designed to be sold at \$100) is advertised as selling at "44% markup." Also featured in ads are 16-in. TV and German-made stereo consoles.

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U.S. business had record sales in Nov., Commerce Dept. reported. Total sales of manufacturers, wholesalers & retailers rose 2% from Oct. to \$67.7 billion after seasonal adjustment. Nov. retail sales totaled \$20.2 billion, manufacturers' sales \$34 billion; wholesale volume \$13.5 billion. Total inventories at month's end rose \$3.5 billion from year earlier to \$98.4 billion.

Thompson Ramo Wooldridge plans some \$13 million in new capital investment this year, about same as in 1962. Industrial Engineering Dir. Kendall C. White said TRW will put major emphasis on plant modernization & cost reduction.

Service center for Sony tape recorders will be opened in Feb. at 582 Fifth Ave., N.Y. by importer-distributor Superscope Inc., Sun Valley, Cal. Superscope national sales mgr. Fred Tushinsky said service & information center is first of 10 planned. Robert Hasche will head N.Y. facility.

Trade Personals

Wilson P. Boothroyd, ex-Philco electronics engineering mgr., joins Sylvania Electronic Systems as associate dir. of Equipment Labs, a new post.

Wendell B. Sell, a Packard Bell dir., elected exec. vp . . . E. Frank Echolds named American Electronics operations vp.

R. J. (Jack) Cherry, former Philco vp, joins Gibson Refrigerator Sales Corp. as distribution vp.

Charles H. Miller, former mgr. of Ottawa, O. plant, named mgr. of Sylvania's Burlington, Ia. receiving tube plant . . . Dr. A. D. Ross named RCA graduate recruiting mgr., headquartered at Princeton, N.J. . . . Emil (Dude) Hubka resigns Feb. 1 as Motorola public information services mgr. to become asst. to pres., Chicago Blue Cross.

C. F. Whitaker named gen. sales mgr., RCA Victor Co. Ltd., Montreal, succeeding R. M. MacRae, recently named RCA staff vp for Southwestern distributor & commercial relations; R. G. Simpson succeeds Whitaker as gen. mgr. of Canadian firm's Home Instrument Merchandising Div.

Richard D. Kennedy appointed by GE receiving tube dept to new post of sales mgr., home convenience products.

C. J. Bridgland, Canadian National Telegraphs chief radio engineer, elected Canadian Radio Technical Planning Board pres.

Frederick R. Kappel, AT&T Chmn., awarded 1962 William Penn Award by Philadelphia Chamber of Commerce for "outstanding contributions to communications."

Stuart Meyer named pres. of Giannini Scientific's subsidiary Hammarlund Mfg., succeeding Martin Koenigsberg, who assumes new post with parent company.

Arthur P. Clow elected a Western Electric vp & a dir.

John S. Garceau, onetime RTMA ad committee chmn., becomes pres. of new Philadelphia ad agency, Garceau, Hargrave & McCullough.

Donald H. Hartmann, formerly Heath Co. exec. vp, appointed exec. vp & gen. mgr. of Dresser Industries' Lane-Wells Co. Div.

E. Nevin Kather appointed Raytheon original equipment mktg. vp, a new post, succeeded by Kenneth M. Lord as vp & gen. mgr. of Semiconductor Div. . . . Louis A. deRosa, ITT Communications Systems vp, named to board of Gombos Microwave, Clifton, N.J. maker of microwave components.

Harry Christian named Pilot Radio controller, Marvin Sachar national credit mgr., Milton Browner chief accountant; I. W. Wyckoff, secy.-treas. for 30 years, will retire to consultancy.

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Reorganization at Bruno-N.Y. Inc., RCA distributor, elevates former Pres. Jerome Harris to chmn. & chief exec. officer, Richard Harris (ex-merchandising vp) to pres.; David Wolff (ex-TV sales mgr.) to gen. mgr. for RCA Victor home instruments; David Schneer to radio & stereo sales mgr. Commenting on reports that he had left company, Sales vp David Oreck told us that his relationship with firm is "unchanged," but that he will be "taking a less active part."

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
Disney Productions	1962—year to Sept. 29 1961—year to Sept. 30	\$ 74,059,197 ¹ 70,247,772	\$ 10,913,491 9,787,486	\$ 5,263,491 ¹ 4,465,486	\$3.14 2.75	1,674,804 1,626,023
General Instrument	1962—9 mo. to Nov. 30 1961—9 mo. to Nov. 30	63,213,152 64,806,558	— —	385,123 958,726	.15 .38	2,570,401 2,482,973
	1962—qtr. to Nov. 30 1961—qtr. to Nov. 30	22,019,021 23,534,666	— —	29,814 183,167	.01 .07	2,570,401 2,482,973
Hewlett Packard Story below	1962—year to Oct. 31 1961—year to Oct. 31 ²	109,167,354 87,266,934	— —	6,685,471 5,657,144	.62 ³ .53 ⁴	10,800,557 10,660,698
A. C. Nielsen	1962—qtr. to Nov. 30 1961—qtr. to Nov. 30	— —	— —	675,329 657,830	.39 .38	1,710,000 1,710,000
Seeburg	1962—year to Oct. 1 1961—year to Oct. 1	51,051,415 35,277,000	— —	1,696,310 ⁴ 1,051,145 ⁴	.89 ⁴ .55 ⁵	1,900,554 1,916,313

Notes: ¹ Record. ² Adjusted to include Harrison Labs, acquired Dec. 1961. ³ After preferred dividends. ⁴ Includes \$150,000 (8¢ a share)

special tax credit for losses in previous years. ⁵ Includes \$460,000 (24¢) special tax credit.

Magnavox's Record 1962: Magnavox's 1962 sales climbed 43½% to record \$202 million from 1961's \$140.8 million. It was company's 5th consecutive record-setting year & Pres. Frank Freimann forecast new high levels of sales & earnings for 1963.

Profit figures for 1962 aren't yet available, he said, but gain in profit was about in line with sales. In Oct. (Vol. 2:44 p10) he said profit was expected to jump 40% from 1961's record \$9 million.

“Diversification at ABC-Paramount” is explored by Jan. 9 *Financial World*, which noted “many-faceted” company's broadcasting, theatre, publishing & electronics interests—12% stock interest in Microwave Associates, 19% interest in Technical Operations, loan to Visual Electronics “which carries the right to purchase a sizable stock interest.” In 1961, ABC contributed 70% of gross income, *World* said, theatres chipped in 23%, merchandise sales & other income made up balance of 7%. “With the sole exception of the theatre division,” magazine said, all AB-PT divisions in 1962 bettered their 1961 performances. “As a result, the corporation's earnings are believed to have risen to around the \$2.50 per share level from \$2.26 reported for 1961.”

International Rectifier sales in fiscal 1963 ending June 30 should climb to \$20 million from \$17.9 million in fiscal 1962, reported Pres. Eric Lidow. Earnings are expected to top year-earlier's \$1.2 million. Current backlog is \$5.5 million—up from \$4.5 million a year earlier. In 2nd fiscal quarter ending Dec. 31, company foresees sales increasing to more than \$4.5 million from \$4.2 million, earnings approximating 1961's Oct.-Dec. profit of \$216,000. Lidow said extent of International Rectifier's fiscal-1963 profit increase hinges largely on new drug operation. “In next 2 or 3 months,” he said, company expects to quadruple output of antibiotics.

Mergers & acquisitions: Oak Mfg. has purchased for undisclosed cash Marco Industries, Anaheim, Cal. maker of indicator lights and switches • Sprague Electric has absorbed subsidiary Vec-Trol Engineering.

GT&E's profit from manufacturing operations in 1962 rose some 13% from 1961 to about \$28 million, Sylvania Electric Products Pres. Gene K. Beare reported. GT&E previously estimated total 1962 sales at record \$1.3 billion & peak profits of \$85 million (Vol. 3:1 p10). Continued improvement in 1963 sales & profits is anticipated, Beare said, adding: “After a relatively brief period of adjustment in certain aspects of our manufacturing operations, particularly in several areas of electronics that have undergone very rapid technological change, the operations of GT&E have resumed their strong upward trend.”

Hewlett-Packard scored sizable sales & profit gains in 1962 fiscal year ended Oct. 31 (see financial table) & expects earnings & volume in fiscal-1963's first half to be “substantially better” than in 6 months ended last April 30. Financial vp W. F. Cavier noted, however, that incoming orders are “off more than usual” for this time of year, “enough so that we're concerned about it but not worried.” New products planned for 1963 include a frequency synthesizer, pulse generator, oscilloscope. Synthesizer, which produces frequencies via pushbutton panel, is expected to hypo sales in fiscal-1963, “but more so in 1964,” Cavier said.

Muntz TV's net worth at close of fiscal-1963's first quarter Nov. 30 (Vol. 2:53 p11) increased “by over \$4 million” in 5-year period since Nov. 30, 1957, Pres. Walter A. Keil reported to stockholders. Net worth totaled \$2,561,846, after a retained-earnings deficit of \$1,598,530. Five years earlier, net worth was a minus \$1,679,240, after retained-earnings deficit of \$4,502,424. Muntz TV's current assets (Nov. 30, 1962) totaled \$3,307,719, including \$186,082 cash & \$995,653 net accounts receivable. Current liabilities were listed at \$997,709.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
A. C. Nielsen	Q	\$0.15	Feb. 1	Jan. 14
Ford	Q	.45	Mar. 1	Jan. 30
Transcontinent TV-B	Q	.12½	Feb. 15	Jan. 31

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WEEKLY Television Digest

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

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ROUND ONE FOR ASCAP in legal duel with TV station committee, as Supreme Court refuses to hear appeal on move to change licensing system. Broadcasters hope to pursue action in Circuit Court (p. 3).

BIG AIRBORNE ETV EXPANSION IN WORKS: MPATI seeks 6 channels to provide 180 hours of programming weekly on permanent basis (p. 3).

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TUNER MAKERS READY for uhf transition, already cutting prices to attract OEM business in anticipation of all-channel law. Need seen for simple tuning device. Tuner makers entering converter business; converter makers plan to reciprocate (p. 7).

GOVT. ZEROS IN ON FRANCHISING RESTRICTIONS: Numerous cases, such as Justice Dept.'s against White Motor Co. which went to Supreme Court last week, may bring sweeping changes in traditional marketing systems (p. 8).

REVISED COLOR TIMETABLE, as result of RCA changes in tube schedule, now has 19- & 25-in. rectangular bulb samples due 2nd half of 1963. Large-scale output of tubes by RCA's competitors seen starting this summer (p. 9).

U.S.-MADE TINYVISION is coming, with at least 2 manufacturers now definitely planning small-screen sets keyed to low price, personal viewing (p. 9).

HIGH NOV. SALES reflected in EIA figures: TV up 16%, radio 20%, phonos 31% over Nov. 1961 (p. 10).

NAB CONFIDENCE IN COLLINS—3-YEAR CONTRACT: Gov. LeRoy Collins won again—against forces seeking to unseat him—when NAB board, meeting in Phoenix, voted new 3-year contract as president. Old contract would have expired Dec. 31; new one starts as of last Jan. 1.

NAB Chmn. Clair McCollough, announcing action, said: "We are delighted that Gov. Collins has agreed to continue as president, and the NAB is looking forward to 3 energetic & constructive years under his leadership."

Gov. Collins was also pleased with Board's reaction to his recommendation that cigarette commercials be changed to have less impact on youth. Continued study of situation was voted, and Collins said: "I feel quite encouraged about the progress being made in this matter up to this time. I am confident that this action is a sincere and good faith effort on the part of the broadcasters to deal with this subject constructively."

Though some NAB members have been unhappy with Collins's views on cigarette advertising, they'll be mighty pleased with his speech in Omaha Jan. 23. It's understood he'll blast FCC, in strongest language to date, for calling a hearing on local-live programming there—to be conducted by new Comr. Henry. Among other board actions in Phoenix:

• Tightened TV Code re "men in white" commercials, effective July 1. New provisions prohibit use of physicians, dentists, nurses or "other practitioners of the healing arts" from appearing in commercials. Previously, Code had prohibited only actors portraying such medical professionals.

- Again called for federal CATV regulation & licensing (see p. 4).
- Ratified appointment to TV Code Board, of Douglas L. Manship, WBRZ Baton Rouge (succeeding Mrs. A. Scott Bullitt, ineligible for appointment after 2 terms) and reappointment of Lawrence Rogers, Taft Bcstg.

• Approved Code amendment permitting "limited waivers" of time standards for programs "presenting women's services, features, shopping guides, fashion shows, demonstration & similar material with genuine audience interest." Code Authority will consider each "on its own merits."

Among Radio Board actions: (1) Voted to collaborate more closely with RAB & NAFMB, the sales promotion groups. (2) Approved Radio Code Board reappointments of Elmo Ellis, WSB Atlanta; Richard Dunning, KHQ Spokane; Robert Pratt, KGGF Coffeyville, Kan.; Herbert L. Krueger, WTAG Worcester. (3) Heard Ben Strouse, WWDC-FM Washington, report that NAB comments in FCC's FM rule-making "will call for a more positive declaration on existing FM stations' so-called 'grandfather' rights to their present power and support a mileage separation plan with strict 'go-no-go' administration."

SHERIDAN INTO TOP FCC BROADCAST SLOT: James B. Sheridan will be new chief of FCC Broadcast Bureau, most powerful position at Commission in TV-radio, next to commissioners. Appointment hasn't been announced yet, won't take effect until incumbent Kenneth Cox moves up to commissionership. Cox's nomination was sent to Senate last week, and date of hearing hasn't yet been set. Nomination is for both remainder of Craven's term, ending June 30, and full 7-year term.

Also selected last week, and still unannounced: Robert Rawson, shifting from chief of hearing div. to chief of renewals & transfer div.; Sylvia Kessler, from acting chief of renewals & transfers to chief of opinions & review office. James Barr, asst. chief of Broadcast Bureau, is expected to be named chief of Safety & Special Bureau; if he isn't, job will go to acting chief Irving Brownstein. Vacancies left by foregoing shifts haven't been filled yet.

Sheridan is an economist, first such to get top Broadcast Bureau job. Veteran FCC employee, he joined agency in 1941, served in economics div. until then-Chmn. Ford made him his special asst. in April 1960. When Minow became chairman, he kept Sheridan in the slot.

Sheridan has long been known as one of Comission's best informed employes, has phenomenal knowledge of development of policies.

He's 47, native of Newark, attended Rutgers & Columbia. He's Roman Catholic, father of 3 sons, a daughter. One of best-liked FCC staff members, he's known for sparkling wit.

His regulatory philosophy? A strong FCC.

FTC ASPIRIN STUDY GIVES MAKERS HEADACHE: Study financed by Federal Trade Commission, which reported no significant difference in pain-relieving ability among 5 leading analgesics, has makers of all 5 unhappy.

Tests were conducted on Bayer Aspirin, St. Joseph's Aspirin, Anacin, Bufferin & Excedrin at Baltimore City hospitals, with findings published in Dec. 29, 1962 Journal of the American Medical Association. Study reported all 5 about equally effective in curbing pain but that aspirin & Bufferin cause fewer stomach upsets than Anacin or Excedrin.

Sterling Drug Co., maker of Bayer, wasted no time blanketing TV & newspapers with advertisements citing study as proof its product is just as good as, possibly better than, higher-priced competitors. Last week, FTC slapped false advertising complaint against Sterling & agency Dancer-Fitzgerald-Sample. Commission said that contrary to ads, study has not been endorsed or approved by govt., American Medical Assn. or medical profession. Agency also charged that ads had falsely claimed Bayer was found to be gentler than other remedies. Commission plans to seek temporary restraining order to halt ads.

Sterling immediately denied FTC charges, said ads were "carefully prepared and thoroughly scrutinized for accuracy in reporting" before release. It added that FTC action was "surprising" in view of fact Commission still has pending charges against Sterling competitors for claims that their products are more effective than aspirin.

In other action, FTC relaxed rules to give witnesses' attorneys more voice in closed hearings. At present, lawyers may participate only to extent of advising witnesses off record. Under new rules, counsel may explain for record why he has advised client not to answer questions. He also may object to questions & request clarification of any answers he believes are incomplete. But Commission warned that "obstructionist" tactics by attorneys may cause expulsion from hearing.

ROUND ONE FOR ASCAP: Next move by broadcasters in running duel between All-Industry TV Station Music License Committee and ASCAP (Vol. 2:41 p6) will be in 2nd Circuit Court of Appeals (N.Y.)—or so All-Industry group was hoping late last week.

Supreme Court rejected All-Industry appeal earlier in week to have high court rule on plea to change system under which TV stations used copyrighted music. "We're disappointed, but don't forget that the Supreme Court did not rule on the merits of our appeal," we were told by Hamilton Shea, Committee chmn. & pres. of WSVA-TV Harrisonburg, Va.

Motion has been filed by Committee with Supreme Court to transfer appeal to Circuit Court. If Supreme Court accepts, this will mean, in effect, that All-Industry group is right party to bring appeal, but had brought it to wrong court. Action in lower court "might be over and done with by June," we were told by Committee source in N.Y.

ASCAP admitted it was "pleased" by Supreme Court's refusal to hear industry group's appeal, and said via legal spokesman that "all contracts will continue in status quo" meanwhile. ASCAP has indicated in past it might revise "blanket license" system under which TV industry now pays some \$19 million annually to ASCAP—if stations & broadcasters divested holdings in BMI, arch-rival of ASCAP.

Committee still has much faith in merits of its case. "What we really want to do," said Shea, "is to put the user & supplier of music for broadcast purposes together, since music is an area on which there can be little bargaining at present in TV." If such bargaining position is achieved—i.e., "blanket-licenses" for individual shows but not for entire station schedule—via court action, there is provision with ASCAP to make final rate retroactive to start of 1962.

• • • •

On another TV music front late last week, American Federation of Musicians announced new 3-year labor agreement covering musicians working in TV-radio commercials. Contract replaces present union pact expiring Jan. 31, will cover both U.S. & Canadian musicians.

Key points of new contract: (1) No non-union foreign music in commercial soundtracks. (2) 5% wage hike for first 2 years, 2½% hike 3rd year. (3) Elimination of rehearsal time. (4) Re-use payments after 13 weeks. (5) General contract benefits for music copyists & extensions of musicians' pension benefits to 1966. (6) Extra payments for musicians who "double" instrumentally on jingles.

BIG AIRBORNE ETV EXPANSION IN WORKS: Three-year-old Midwest airborne TV instruction project has asked FCC for 6 permanent uhf channels, proposes to begin regular operation broadcasting 180 hours weekly to thousands of schools & colleges in Sept. 1965.

Project has been operating on experimental basis, telecasting from circling aircraft on Ch. 72 & 76 to schools in 140,000 sq. mile area which includes parts of Ill., Ohio, Mich., Ky., Wis. & Ind. Coverage area has some 7.2 million students. Program initially was operated by Purdue U. Research Foundation, last year incorporated as independent organization, Midwest Program on Airborne TV Instruction Inc.

Since project's operating permits expire in April, FCC is expected to take quick action on request. MPATI officials indicate that if the 6 channels aren't granted, the project may be dropped; they believe that 2 channels provide insufficient coverage.

Plane now carries 2 transmitters, 2 video tape recorders. Under 6-channel system, tape recorders would be ground based, feeding signals to plane via STL link.

In petition to Commission, MPATI stated that expanded airborne system will provide adequate coverage far more cheaply than similar system of ground stations. Estimated capital cost of airborne facility is \$6,318,000, compared with \$20,195,000 for ground-based system. Estimated annual operating costs for technical facilities are \$2,650,000 for air vs. \$3,615,000 for ground.

CURRENT CAPSULES

Public inspection of station applications at station offices, proposed by FCC, was vigorously opposed by NAB. Association said: "We doubt, and we believe the Commission will concur, that the responsible individuals in a community will be at all interested in thumbing through the details of pending applications. Experience shows that if such persons or groups have a legitimate complaint to make either to the station or to the Commission, the information relied upon to form the basis of the charge is not to be found in the application, amendments on file with the Commission, but in the performance & operation." NAB said station competitors, creditors and "others with only a private axe to grind" would be most interested in nosing documents.

On behalf of his firm, attorney Harry Plotkin delivered blistering comments typical of industry reaction, including: "[I am] aware of no business or industry—even public utilities & other businesses which involve a public trust and which are regulated as closely as the broadcasting industry, if not more so—which is required to turn a substantial portion of its files into a public library to the extent the Commission is proposing." He said stations can better spend time on programming than in maintaining & preserving files, answering questions about them, etc. He suggested either that such files be kept at FCC regional offices or that rules be changed to require stations to give more programming detail when broadcasting & publishing notice of filing of applications.



Compromise on CATV legislation, being explored in some quarters (Vol. 3:2 p2), "is news to me," according to NCTA Pres. William Dalton. "Our policy," is that there is no need to regulate a situation which, in effect, no longer exists. NCTA is aware that there are very few locations where problems between CATV & telecasters haven't been worked out. There are more & more broadcasters getting interested in CATV and there is growing understanding between the 2 groups." However, NAB last week reiterated its belief that federal regulation is necessary, adopting formal statement to that effect at board meeting in Phoenix. NAB said that TV Board Chmn. William Quarton, WMT-TV Cedar Rapids, will appoint a special committee "to study the future of TV, particularly in relationship to CATV systems."



President Kennedy seems happy with report on regulatory agencies by Administrative Conference of U.S. (Vol. 3:1 p3). Last week, he wrote Chmn. Judge E. Barrett Prettyman (whose vice chmn. is FCC Gen. Counsel Max Paglin): "The excellent report . . . contains many valuable suggestions for improving administrative procedure, and I have instructed the appropriate govt. departments to consider them and report to me upon the best method to assure their implementation. I am confident that actions on these recommendations will contribute materially to improved administration . . ."



Color TV line may be cracked in Canada. Two TV networks & Canadian Bcstrs. Assn. have endorsed proposal to form industry-wide committee to study introduction of color TV into country. Canadian Bcstg. Corp. Pres. J. Alphonse Ouimet told Color TV Committee of Board of Broadcast Governors that study group should include representatives from BBG, Dept. of Transport, color set manufacturers, CBC & CTV TV networks, advertising firms & Bell Telephone Co. Both Ouimet & CTV Pres. Spence W. Caldwell urged Board to hold off decisions on color until more information is available. CBA Pres. Don Jamieson said committee possibly could make decision on whether to go ahead with color after a year's study.

Payment of \$523,000 by NBC to Philco for expenses, after latter's pulling out of Ch. 3 fight in Philadelphia (Vol. 3:2 p4), should not be authorized by FCC—according to Commission's Broadcast Bureau, which said: "On all of the facts, we cannot escape the conclusion that a serious question exists as to whether in fact the activity of Philco in advocating its application, was for the purpose of enhancing its bargaining position, vis-a-vis RCA, in the civil anti-trust suit." At the moment, betting at Commission is that payment won't be authorized.

New Pay-TV Group Files With SEC: Home Entertainment Co. of America Inc. & subsidiary Home Entertainment Co. of Los Angeles filed registration statement (SEC File 2-21017) for 230,000 common shares on the subsidiary & 23,000 5-yr. common purchase warrants on parent. Warrants are exercisable at \$10 per share. Units consisting of 10 shares & one warrant will be offered to public at \$100 per unit through underwriters Bernard M. Kahn & Co., N.Y.

Company was organized in Sept. 1962 to develop & promote pay-TV system in Santa Monica, Cal. Prospectus points out that system hasn't been installed or tested, said there is no assurance that it's commercially feasible. Proceeds of sale will be used by subsidiary to establish system serving 20,000 subscribers in Santa Monica and to provide working capital. Parent company has 211,200 common shares outstanding, of which Pres. Oliver A. Unger owns 25.4%, Bernard M. Kahn, a dir., 18.9%, and management officials as a group 61%.

————— ■ —————

Quick hearing on satellite communications was called for Jan. 29 by Chmn. Magnuson (D-Wash.) & Sen. Pastore (D-R.I.) of Commerce Committee. Purpose, they said, was to find out what went wrong with Telstar & Relay when they were silent. Testimony will be offered by FCC, NASA, AT&T, RCA. Meanwhile: (1) AT&T said Telstar II will probably be launched in May, have 5,000-mile apogee, compared with 3,100 miles for Telstar I. (2) ITT, using Relay Jan. 17, carried exchange of phone messages between Secy. of State Rusk and Brazilian Prime Minister Lima. Transmissions were between Nutley, N.J. & Rio de Janeiro. (3) In Jan. 19 *TV Guide*, AT&T expert J. R. Pierce, echoing Western Electric Pres. H. I. Romnes (Vol. 2:47 p3), said that the great improvements in transistors may "give us commercial transoceanic TV first" if there are delays in satellite development.

Add bills introduced: (1) HR-43 by Bennett (D-Fla.), to set up U.S. Administrative Court to handle adjudicatory matters of regulatory agencies. (2) HR-2054, Scott (D-N.C.), to repeal excise tax on amounts paid for communications services or facilities. (3) HR-2096, Huddleston (D-Ala.), to prohibit charging of fees to view telecasts in the home. (4) S-251, S-252, Sen. Pastore (D-R.I.), to suspend equal time for 1964 Presidential & Vice Presidential campaigns, and to amend Communications Act to make Sec. 315 non-applicable to candidates for those 2 offices plus Congressmen & state Governors.

False advertising charge was leveled at American Home Products Corp. for its "Outgro" TV commercials (Vol. 2:17 p4) by FTC examiner. Citing experts' testimony that preparation is ineffective in treating ingrown toenails, Examiner Andrew C. Goodhope ordered company to stop using name "Outgro," and making false therapeutic claims.

FCC's budget for fiscal 1964, submitted by President last week, totals \$16.5 million, up \$1,525,000 from last year's \$14,975,000. Technical research would go from \$918,000 to \$1,181,000; broadcast from \$3,144,000 to \$3,756,000; safety & special, \$1,504,000 to \$1,573,000; field engineering & monitoring, \$4,007,000 to \$4,914,000; common carrier, \$1,660,000 to \$2,071,000; executive staff & services would be cut back from \$3,520,000 to \$3,155,000. FTC would get \$13,028,000, up \$1,446,000 from last year's \$11,582,000. U.S. Information Agency seeks \$146,550,000, compared with \$122,536,000 year ago. This includes \$27,642,000 for broadcasting service, up from 1963's \$23,349,000, and \$7,102,000 for TV vs. \$3,920,000 a year ago. Office of Emergency Planning's Telecommunications Div. wants \$653,000, compared with last year's \$401,000. Health, Education & Welfare Dept. would get \$7 million to launch its ETV program. Of this, \$2 million actually would be supplemental appropriation for 1963.

FCC speakers: Chmn. Minow—Jan. 22, Americana Hotel, N.Y., at Fund for Republic session on "Challenges to Democracy in the Next Decade," along with Britain's Lord Francis-Williams. Alicia Patterson, publisher of *Newsday*, presides. Panel includes Pat Weaver, McCann-Erickson; William Benton, Encyclopedia Britannica; Barry Bingham, *Louisville Courier & Times*. Comr. Bartley—Jan. 22, FCC meeting room, to business executives attending Brookings Institution conference on federal govt. operations. Comr. Henry—Jan. 24, U. of Ga., at Georgia Radio-TV Institute.

Annual communion breakfast of Washington's Catholic Apostolate of Mass Media (CAMM) is scheduled for Feb. 10, with services at St. Patrick's Church, breakfast at Willard Hotel. CAMM Pres. FCC Comr. Robert E. Lee says "this is going to be a big one." Speaker will be Bishop Fulton Sheen, to be introduced by FCC Chmn. Newton Minow. Pres. Kennedy was invited, couldn't make it. Among those expected are Supreme Court Justice Brennan, Attorney General Kennedy, HEW Secy. Celebrezze. Ticket sales are handled by Thomas Wall of Dow, Lohnes & Albertson law firm.

Keene, N.H. CATV system has been sold to New England Video by Al Ricci, price not disclosed. System serves 2,300. Ricci also owns other New England systems. Daniels & Assoc. was broker.

Entron Inc., CATV equipment maker, has amended its anti-trust suit against Jerrold Electronics, hiking treble damages sought from \$500,000 to \$7.5 million. Suit pends in District Court for District of Columbia.

Grant of Ch. 3 Wilmington, N.C. to Cape Fear Telecasting Inc. has been recommended by FCC Examiner Isadore A. Honig after competitor WKLM-TV withdrew.

WNJU-TV will be call of new Ch. 47 New Brunswick, N.J. station due to start late next year.

Personals

Donald H. McGannon, Westinghouse Bcstg. pres., re-appointed chmn. of "Broadcasters for Radio Free Europe" committee . . . **J. W. Knodel**, Avery-Knodel pres., appointed an SRA dir.

Louis Dorfsman, CBS-TV sales promotion & advertising creative dir. & art. dir., receives Printing Industries of Philadelphia Gold Medal Award for CBS-TV promotion booklet "It Was an Unprecedented Seven Days of TV."

Neal K. McNaughten, former NAB engineering dir., ex-RCA & Ampex, recently operator of own management consultant firm in Los Altos, Cal., rejoins FCC as engineering asst. to Comr. Bartley.

George Patrick promoted to ABC-TV program & commercial production mgr., **Edward Andrey** to ABC art mgr. . . . **Frank Browne** promoted to KTTV Los Angeles N.Y. sales & marketing dir.

Larry LeSueur, CBS News correspondent, granted year leave of absence to join USIA in broadcast & administrative post in Washington.

D. G. Smee promoted to Marconi Co. asst. gen. mgr. . . . **Gene Malone** promoted to H-R TV asst. sales mgr., Western stations.

Stanley Lichtenstein, ex-KTVU San Francisco-Oakland, appointed TV programming development dir. for Kaiser Industries' uhf stations.

Jack Frazier, Crosley Bcstg. corporate advertising & sales promotion dir., also named head of merchandising & publicity; **Andy Niedenthal** promoted to merchandising dir.; **William J. McCluskey** advances to "50-50 Club" client service dir., a new post.

Frank Parrish promoted to Gates Radio sales promotion mgr. . . . **Richard Schaller** promoted to WGR-TV Buffalo local sales mgr.

Robert N. Vendeland promoted to Giannini Controls Conrac Div. sales mgr., a new post . . . **Leo Willette** promoted to WWL-TV New Orleans public affairs dir.

Jack E. Krueger, WTMJ-TV-AM-FM Milwaukee news editor, elected Milwaukee Press Club pres. . . . **Hugh Smith**, ex-WHAS-TV & WHAS Louisville news editor, named KVTV Sioux City news dir.

Robert Kennedy promoted to KNBC Los Angeles advertising & promotion mgr., succeeding Michael W. Gradle . . . **Donald F. Barton**, ex-Rodgers, Newman & Barton agency, Columbia, S.C., appointed WIS-TV PR & promotion dir.

John T. Bradley promoted to H-R TV vp . . . **Tom Burkhardt** promoted to WTVJ Miami local sales mgr., succeeding Frank Boscia, who becomes senior account exec.; **Jim O'Rourke** succeeds Burkhardt as asst. national sales mgr.

Sam Zelman, ex-KNXT Los Angeles & CBS TV Pacific Network news dir., appointed KTLA news & public affairs dir., succeeding Irwin Rosten, who returns to KTLA as documentary dept. dir.; **Roy Heatley** promoted to Zelman's KNXT post.

Lawrence P. Fraiberg elected WTTG Washington vp & gen. mgr., succeeding Donn Colee, resigned to negotiate for purchase of own TV station . . . **Ian N. Wheeler** promoted to educational WETA-TV Washington operations mgr.

TAC Takes Off Strong: State-of-the-Union is healthy at TV Affiliates Corp. (Vol. 2:34 p3), TAC vp Robert Weisberg reported last week in N.Y., with net profit of \$31,000 due to be returned to local stations which were producers of TAC-distributed syndicated TV shows during 1962. One station (WBNS-TV Columbus) will receive \$2,300 for showing of its "Strategic Air Command" documentary.

Weisberg also announced addition of 2 major industry names to TAC advisory committee: **Sylvester L. (Pat) Weaver Jr.**, McCann-Erickson International chmn., and **Gordon Gray**, pres. of WKTV Utica-Rome. Advisory committee now consists of 9 men, mostly veteran broadcasters.

Subscriber list of stations stands at more than 50, with 1963 renewal rate of 90%. TAC is shooting for mid-1963 level of 75 stations, plans to take on some 52 programs for its library during year. Among other TAC plans for year: (1) Interchange between stations of examples of women's and children's shows, as well as local weather & newscasts, as idea generators. (2) Expansion into foreign syndication market.

A top management post in new Space Communications Corp. (Vol. 2:53 p5) may go to Air Force Undersecretary **Joseph V. Charyk**. Spokesman for group confirmed that Charyk, a top Air Force authority on technical research, is being considered. NAB Pres. Collins & spokesman for space organization both denied reports that Collins was being considered for post. Rochester Telephone Corp. recently became first common carrier to file with FCC for authorization to purchase stock in new firm.

Tele-Beam projection TV system, developed by Waltham Precision Instrument Co. (formerly Waltham Watch Co.) will be demonstrated 10 a.m.-5 p.m. Jan. 22-23 in N.Y.'s Summit Hotel by Tele-Measurements Inc., distributor of the system. Tele-Measurements Pres. **J. R. Popple** is plugging system for "programming, advertising & promotion uses by broadcasters, exhibitors, independent TV producers & packagers, advertising agencies and public relations firms."

Bob Hope will receive 2 top broadcasting awards at ceremonies this Spring. NAB Distinguished Service Award will be presented by Pres. Collins at annual convention in Chicago March 31-April 3. International Radio & TV Society's 1963 Gold Medal will be awarded to the NBC comedian at group's 23rd annual banquet in N.Y. March 6.

Fifth annual KMTV Omaha TV Award will be presented at dinner at Blackstone Hotel Jan. 28. It goes to Omaha person or persons who performed "most outstanding service to the public through TV" during 1962. NBC News White House Correspondent Ray Scherer will speak.

Broadcast Pioneers 1963 "Mike Award" banquet will be held Feb. 25 at Americana Hotel, N.Y., radio WSB Atlanta receiving the award. Tickets are \$25, proceeds going to Broadcasters' Foundation.

Mich. legislature will be covered regularly by WOOD-TV & WOOD Grand Rapids. News Dir. Dick Cheverton announced newsman will be assigned to Capitol Bldg. to feed direct report to stations.

New CBS News Washington hq will be established at 2020 M St., N.W. Dept. will move from present location at affiliate WTOP-TV's Broadcast House in early 1964.

KTEN Ada, Okla. & KTTS-TV Springfield, Mo. name Select Station Representatives national rep.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TUNER MAKERS READY FOR UHF TRANSITION: There's heavy bidding for TV manufacturers' uhf business by the 4 major vhf tuner manufacturers when all-channel law goes into effect next year—and it's possible that several more companies will enter tuner field in next few months.

Roundup of tuner & uhf converter manufacturers shows substantial agreement on few points: (1) Prices of uhf tuners have come down already and will be reduced further with large-scale production, but probably not enough to cut the \$25-\$30 differential between vhf & all-channel sets. (2) Substantial improvements in uhf tuner noise level & reliability have been made in last 3 years. (3) Biggest need now is for "simplified tuning" (pushbutton, detent, signal-seeking or other method) on uhf. (4) Virtually all tuner makers hope to enter converter field, and converter makers are looking at tuner field.

Otherwise, there's tangle of disagreement, conflicting statements and proprietary secrecy among tuner manufacturers. On only one other fact is there at least some general concurrence—that 1963 will see continuation of trend to greater production of all-channel sets, but no groundswell. Such production last year totaled about 590,000 receivers, greatest since 1957.

General Instrument has been biggest manufacturer of uhf tuners. Other 3 tuner makers—Standard Kollsman, Sarkes Tarzian & Oak Mfg. Co.—have been in & out of uhf business. The 2 major uhf converter makers are Blonder-Tongue & Gavin Instruments. Here are some of the opinions of these manufacturers:

Nobody's tipping his hand in advance, of course. But with one exception—which may become major exception—tuner makers say 1964 will not see any major tuning innovations reach retail-counter stage. The exception is Gavin Instruments, year-old Somerville, N.J. converter maker, which will enter OEM tuner market, according to Pres. Joseph Kerner, with new tuner offering "simplified positive channel identification" at price competitive with regular continuous radio-type tuners. He declined to elaborate, except to state that industry would be sampled within 90 days and marketing could start 2 months after receipt of orders.

Other uhf tuner manufacturers were inclined to scoff. Even Vice Chmn. Monte Cohen of General Instrument, which demonstrated pushbutton tuner last summer (Vol. 2:31 p8), said he feels vast majority of all-channel sets introduced in 1964 will be of conventional continuous-tuning type. "While pre-set devices may have real sales appeal," he said, "they will add reasonably to costs, which will be a deterrent in early all-channel selling." He added that he expects "limited introduction of tuning aids" in 1964. GI has shown both 4-button & 6-button mechanical pushbutton tuners.

"Easy tuning is the largest problem in uhf," we were told by Standard Kollsman engineering vp Fred Edwards. He said S-K had several simplified tuning approaches in mind, but he saw "no volume availability to the consumer in 1964." For remote-control sets, he predicted many manufacturers would continue use of uhf strips in vhf tuner—along with legally required all-channel tuning.

"Pre-selection is the 2nd phase," said Oak tuner product mgr. Paul A. Wheaton. He told us Oak is working on mechanical device which will permit advance selection of 8 or 12 channels on dial, but that there was little possibility of producing such devices of good quality at reasonable cost before late 1964. Oak's continuous tuner will be available, he said, around end of first quarter.

Are any electronic breakthroughs in sight? Set manufacturers are anxious to get "single tuner"—vhf & uhf combo using same oscillator and in same package. Tuner makers all say this is at least 2-4 years off.

As to transistorized tuners, there are various schools of thought. Nuvistor tube is featured in many of

the new designs, and here's what tuner makers say about using transistors or other semiconductors for oscillator: "We are now sampling a transistor tuner to the industry, with an interesting price; its principal advantage is reliability" (GI's Cohen). "We are now designing a transistor tuner for later this year" (Oak's Wheaton). "We're examining the pros and cons of transistors; cost will be somewhat higher" (S-K's Edwards). "We're working now on a radical departure, which won't use a transistor but another type of semiconductor" (Gavin's Kerner). "Transistor tuners with excellent noise figures are available today—but at a large price; money will solve anything" (Blonder-Tongue Chmn. Isaac Blonder).

Uhf tuner pricing situation is interesting. Already there's price war going on. This may be because demand is now relatively low, but all suppliers know that in 1964 market will suddenly swell to between 6 & 7 million. Therefore, everybody's jockeying for customers now in preparation for 1964's big payoff. Everybody's furiously trying to match everybody else's lowest price on low-end tuners.

"Our uhf tuner will be in about the mid-\$6 bracket," down from previous \$7, Sarkes Tarzian Inc. Pres. Sarkes Tarzian told us. Oak's new tuner is tentatively penciled in at "\$6.50 or lower." GI has already instituted "important price reductions in anticipation of volume production."

Largest manufacturer of uhf converters, Blonder-Tongue, is looking at OEM tuner business. But Isaac Blonder sums it up this way: "It's a tough field. All TV manufacturers are capable of making their own. As tuner suppliers, we'd have to exist in the Never-Never-Land between their profit and ours."

Tuner manufacturers almost unanimously say they have entered or will enter converter business. Tarzian is in single-channel converter manufacture (for distribution by uhf stations). GI is "currently building converters on contract and will announce our own converter line soon." Standard Kollsman is "getting into the converter business through parts jobbers and private label." Oak has given up entry into converter business on its own, but is now tooling up tuners for converters made by others.

Converter makers agree their business has felt a lift recently, but discount theory that all-channel law has had "psychological" impact. Sales of converters, they agree, are directly dependent on new uhf stations going on air.

GOVT. ZEROS IN ON FRANCHISING RESTRICTIONS: Sweeping changes in traditional marketing procedures may be forced by rash of govt. investigations of franchise system. In various Federal Court cases throughout country, Justice Dept. & FTC are charging that some franchise agreements are peppered with illegal restrictions that limit competition. Of special importance is govt. case against White Motor Co. which went before U.S. Supreme Court last week.

"Anti-trust policemen claim restrictions in franchise contracts often tend to undermine the merchant's independence & make him a tool of the bigger company," noted Jan. 14 *Wall St. Journal* in comprehensive wrap-up. "Among other things, it's said, certain franchise operators illegally attempt to free their dealers from competing with one another—by establishing common prices for all or by granting dealers territorial monopolies."

White case likely will be bellwether of "intensive legal barrages" which Justice Dept. & FTC are directing "at what they consider franchising abuses," *Journal* said, adding: Supreme Court decision (expected before June) favoring govt. "could encourage a broader attack."

Here's significance of White case, as seen by *Journal*: "When White Motor admitted its contracts [with distributors] restrict sales territories, customers and sometimes prices, a Federal Court in Ohio refused to let the company try to justify these practices when it ruled such limitations are a curb on competition & illegal in themselves." Continued *Journal*:

"A key question in the case now is whether the govt. must prove that the granting of exclusive sales territories or the setting of dealer prices unlawfully restricts competition, or whether it may simply show that such practices prevail & obtain a court order against them, as it did in the White suit in the district court. If the Supreme Court upholds the lower court, which took the view that the territorial & price restrictions were illegal on their face, the effect could be a death blow to contracts restricting franchised dealers to well-defined markets or setting their prices."

REVISED TIMETABLE FOR COLOR: When RCA shelved its plans to make 90-degree round color tubes and decided to continue present 70-degree model for at least 9 more months (Vol. 2:49 p7), it indirectly altered another color tube timetable.

This was Corning Glass's schedule for sampling industry with 19- & 25-in. rectangular color bulbs. Original target for sampling was early 1963. Now this has been pushed to last half of year—"summer at the very earliest," according to Corning.

Postponement is due to lack of facilities at Corning, which had hoped to use equipment idled by RCA's changeover period to produce sample bulbs. Now, instead of changing over to new tube, RCA has accelerated production of 70-degree bulbs. RCA's decision last Nov. 30 not to switch caught Corning by surprise—as it did rest of industry—and Corning had job of making up for lost time by going back into heavy production of color bulb it thought would be discontinued. Thus Corning is straining its facilities now to meet RCA requirements for 70-degree round color bulbs.

If rectangular bulbs are sampled during last half of '63, production couldn't begin until mid-1964 at earliest. Whether RCA will go to 90-degree round tube or directly to rectangular from current tube is still mystery—perhaps to RCA as well as rest of industry. Its announced postponement was 9-15 months, which would mean tube could be put into production some time between Aug. 1963 & Feb. 1964. Present schedules indicate that such a new tube might have less than year to run before rectangular becomes available—unless severe technical difficulties are encountered in development of rectangular tube from Corning bulb.

• • • •

Three tube makers are getting ready to give RCA competition in color tube field, all of them in some type of pilot or lab production now. It's good guess that Rauland & National Video will be approaching large-scale production this summer and Sylvania will reach big-quantity output by last quarter of year.

Same RCA-type 21-in. round bulb with 70-degree deflection will probably be produced by all 3. Sole question-mark is National Video, still working with Motorola on 23-in. rectangular 90-degree color tube. Motorola will have color line by midyear, and decision on tube type is due in next few weeks. National Video is equipped to make either type, it's understood. Question at issue is whether 23-in. rectangular can be made with economy & quality comparable with present round tube.

Note: That off-again-on-again price increase for black-&-white tubes is now accomplished fact. Together with other component material & labor cost rises, it will inevitably effect TV set prices next year.

U.S.-MADE TINYVISION IS COMING: At least one new size in American-made TV sets can be expected this year. Two, and possibly more, U.S. set makers have finalized on small-screen 110-volt TV set models which can be expected to compete directly, in both purpose and price, with Japanese imports.

One month ago, we reported "every major American TV manufacturer is giving some consideration" to tinyvision, and that virtually all had asked for or received sample tubes or submitted specs for special tube designs. At that time, we also reported that "principal set maker interest centers on bulbs of 10-in. size—which might better be called 11-in. because that's diagonal measurement of square-corner version."

Only change in situation is that it's more definite. Two manufacturers have decided to go—one quite soon and the other probably this summer. There's no evidence that any U.S. manufacturer is currently planning battery-operated TV. It's believed that those who get into tinyvision field will base appeal on light weight, "personal" viewing & low price.

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 11 (2nd week of 1963):

	Jan. 5-11	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	137,773	66,146	133,927	203,919	213,991
Total radio	330,726	221,169	348,972	551,895	639,033
auto radio	156,119	107,014	136,661	263,133	260,018

HAPPY NOV. SALES: November was truly Thanksgiving month for TV-radio-phono industry. Official results, as tabulated in EIA's statistical score-keeping, showed distributor sales of TV up 16%, radio up 20%, phonos up 31%, compared with Nov. 1961.

For first 11 months of 1962, distributor sales of TVs exceeded comparable 1962 figure by 9%, radio sales were ahead 6%, phono sales 18%. Distributor sales of radios (excluding auto) passed 10-million mark in Nov., while production of FM radios hit cumulative figure of 1 million during same month. Here are EIA's official 11-month 1962 figures, with comparable 1961 data:

Month	TV-RADIO DISTRIBUTOR SALES			
	Black-&-White TV 1962	1961	Radio (excl. auto) 1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
March	580,876	500,597	917,236	858,197
April	364,742	347,800	809,499	672,756
May	310,799	349,098	772,479	735,692
June	480,510	461,974	1,040,598	997,321
July	449,528	409,561	921,089	754,950
August	518,451	465,500	848,881	897,411
September	731,100	683,302	1,255,346	1,310,156
October	611,763	583,917	1,063,014	1,105,449
November	630,487	541,833	1,280,599	1,068,313
TOTAL	5,665,367	5,175,857	10,169,503	9,607,142

Month	BLACK-&-WHITE TELEVISION PRODUCTION			
	Total 1962	1961	1962 UHF	1961
January	488,869	367,935	39,609	25,270
February	541,494	444,418	46,715	24,514
March	659,261	497,458	48,323	21,450
April	510,587	405,808	51,107	19,095
May	474,647	470,399	39,609	22,782
June	620,653	615,118	50,283	34,641
July	336,409	383,378	28,359	23,233
August	500,693	514,674	44,862	33,946
September	731,517	694,580	70,299	41,253
October	569,966	620,815	66,059	43,198
November	517,275	582,952	64,080	42,743
TOTAL	5,951,361	5,597,535	549,105	332,205

Month	RADIO PRODUCTION					
	Total 1962	1961	1962	1961	1962	1961
January	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February	1,464,797	1,115,029	480,232	307,973	84,216	41,357
March	1,810,417	1,384,052	607,510	384,227	81,010	75,044
April	1,472,654	1,124,924	519,296	375,570	63,193	51,260
May	1,444,074	1,196,949	504,846	408,875	62,292	49,705
June	1,721,873	1,626,263	629,004	518,010	92,287	88,808
July	1,134,250	1,030,399	403,946	320,128	68,087	48,114
August	1,253,753	1,385,101	427,747	451,874	98,609	69,090
September	2,196,371	2,048,698	887,104	591,493	165,433	110,174
October	1,835,914	1,796,391	695,680	576,529	149,554	95,318
November	1,735,274	1,730,761	729,187	588,343	147,894	125,184
TOTAL	17,420,007	15,528,640	6,395,141	4,909,658	1,089,035	804,475

PHONO DISTRIBUTOR SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	74,881	211,268	286,149
February	50,563	188,857	239,420	54,097	210,365	264,462
March	60,206	236,051	299,257	59,290	231,021	290,311
April	54,615	146,577	201,192	48,532	173,585	222,117
May	65,192	130,372	195,564	55,057	164,400	219,457
June	91,526	183,000	274,526	47,970	170,178	218,148
July	90,175	202,125	292,300	58,514	153,550	212,064
August	115,741	301,047	416,788	93,749	225,423	319,172
September	169,933	426,080	596,013	107,698	283,688	391,386
October	183,182	426,033	609,215	133,245	324,554	457,799
November	186,660	446,178	632,838	145,045	336,762	481,817
TOTAL	1,119,216	2,857,625	3,976,841	878,088	2,484,794	3,362,882

PHONO FACTORY SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,336	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
March	60,991	237,492	298,483	62,396	227,469	289,865
April	45,152	137,950	183,102	53,074	152,974	206,048
May	67,610	119,682	187,292	53,887	142,450	196,337
June	104,548	278,989	383,537	61,533	197,170	258,703
July	89,699	220,694	310,393	70,681	171,331	242,012
August	109,258	332,197	441,455	106,157	242,164	348,321
September	182,703	505,651	688,354	124,142	328,045	452,187
October	194,599	494,485	689,084	151,580	350,254	501,834
November	201,312	466,325	667,637	141,083	358,285	499,368
TOTAL	1,176,893	3,187,325	4,364,308	955,609	2,586,163	3,541,772

Distributor Notes: Olympic Radio & TV names Paul Hunter to new post of division sales mgr., responsible for all N.Y. state branch sales activities. He also continues as pres. of Olympic of Western N.Y., Buffalo • Symphonic appoints Radio Television Supply Co. Los Angeles-area distributor, succeeding Gough Industries which will handle V-M line • Peter J. Monahan, formerly Andrea Radio gen. sales mgr., named Pilot Radio regional sales mgr. for eastern seaboard; James M. Klivans named regional sales mgr. for midwest states • Robert Schmidt, GESCO Pittsburgh home entertainment salesman, named GE 1962 Portable Phonograph Salesman for selling 2,360 units during summer • Viscount Electronics appoints Sanford Miller Co. radio sales rep for Texas, Oklahoma & Arkansas • Philco Distributors has established Miami factory branch to handle territory formerly serviced by Crawford Distributors, has taken over latter's facilities at 6750 N.E. Fourth Court. Joseph Hairston named PDI-Miami gen. mgr., Robert Trathen, ex-Admiral, sales mgr. • Capitol Records Distributing Corp. names Ben Savoia N.Y. branch sales mgr., succeeding Joe Brown, resigned; James C. Blackwood appointed Detroit branch sales mgr., succeeding Dick Bushey, resigned.

New sets: Few new sets not previously announced were shown at Chicago Home Furnishings Market. An exception was Magnavox. In addition to new sets reported previously (Vol. 3:1 p8), Magnavox showed 19-in. wood-cabinet table model at \$179.90, three 27-in. combos with Astro-Sonic solid-state sound circuits at \$795 & \$895, consoles ranging from \$249.50 to \$339.50. Westinghouse introduced 23-in. contemporary console, 19-in. portable and 9-transistor AM-FM portable radio (no list prices). Pilot radio entered new lower price field with 6 stereo phono-radio consoles at \$299.50-\$399.50. New Packard Bell line includes five 19-in. portables at \$148.88-\$209.95, three 23-in. table models at \$209.95-\$238.88, TV-stereo combo with FM stereo at \$479.95-\$529.95, two stereo consoles with FM stereo at \$249.95-\$425. High-end stereo has "swing-out" speaker enclosures which extend over-all width from 4½ to 7 ft.

Phono which can be played in any position or even while-you-walk—has been introduced by Channel Master. Transistorized battery set, which also contains radio, has spring clip on spindle to hold 45-rpm record in place. Drive wheel rotates record from its outer edge, and cartridge-stylus assembly, under spring tension, plays record from underneath. List price is \$79.95.

Trade Personals

J. A. Winfield resigns Jan. 25 as Philco Consumer Products Div. special mktg. mgr. to join Knox Glass Co. as finance vp; **E. E. Bareuther** resigns same day as Philco asst. treas.

Roy J. Benecchi, ex-Lear vp, elected Capehart pres.; **J. D. Winer** is chmn.

George Simkowski resigns as pres., Webcor Sales Co.; no successor named . . . **Fred Zeller**, ex-Benton & Bowles, named to new post of ad & promotion mgr., Harman-Kardon.

Dr. Robert Adler, Zenith vp & associate research dir., appointed research dir., succeeding Dr. Alexander Ellett, who assumes new position of special scientific projects vp; **Erwin M. Roschke** named asst. dir., & admin. mgr. of research, **Dr. Bertrand Miller** asst. research dir.

Roy E. Drew, controller & asst. treas. of Plax Corp., returns to Sylvania as controller, succeeding John E. Rhodes, who recently resigned to become controller of Schlumberger Ltd. . . . **J. Robert Peltz**, ex-new products sales mgr., appointed photoconductor operations mgr., Sylvania Electronic Tube Div.

E. Finley Carter resigns as Stanford Research Institute pres., succeeded by **Dr. Karl Folkers**. Carter, onetime Sylvania vp, will continue active in SRI research activities, serve as senior management counselor & a dir. . . . **Nicholas Glyptis**, former Multi-Tron Lab pres., named Wen Products chief scientist.

Earl T. Holst elected NARDA pres.; **Mort Farr** elected legislative committee chmn., succeeded as Association chmn. by **C. D. McMullin**. Other elections: **Samuel M. Boyd**, exec. committee chmn.; **Upton Ziesler**, treas.; **Samuel Singer**, secy.; **Billy Yates**, Dave Brinton & James Fulford, vps.

John W. Craig named Westinghouse special accounts vp & gen. mgr., succeeded as Major Appliance Div. gen. mgr. by **Charles E. Erb**.

J. A. (Shine) Milling, Howard W. Sams' Sams Div. pres., appointed acting chmn., EIA Parts Div., pending election of replacement for **Allen K. Shenk**, recently-resigned Erie Resistor mktg. vp, who has joined Van Products, Erie, Pa., as mktg. mgr.

William C. Waggoner Jr., Warwick Mfg. vp & controller, elected a dir. . . . **Joseph A. Rider**, onetime RCA, elected vp & comptroller of ITT's subsidiary Royal Electric Corp.

Abe Schwartzman, former exec. administrator, Institute of High Fidelity Mfrs., named to new post of mgr., national accounts, Sony Corp. of America.

Dr. E. M. Baldwin, founder of Rheem Semiconductor Corp. & vp-gen. mgr. of operation since it became Raytheon's Mountain View (Cal.) facility, resigns; **Kenneth M. Lord**, recently appointed Raytheon Semiconductor Div. vp-gen. mgr., will also direct Mountain View operation & headquarter there.

John L. Porter Jr. elected exec. vp of TV Shares Management Corp.; Pres. **John Hawkinson** elected a dir.

Albert C. Gubitz named GE Receiving Tube Dept. ad & sales promotion mgr., succeeding **Richard D. Kennedy**, recently advanced to home convenience product sales mgr.

Mrs. F. Edward (Patty) Cavin named RCA Washington, D. C. public affairs mgr.

Dr. E. Eastwood promoted to Marconi Co. engineering & research dir. . . . **Richard J. Goldberg** named Technicolor Corp. research & development vp.

David E. Rubin appointed purchasing vp by Blonder-Tongue Labs . . . **Dr. Gordon K. Teal** named technical dir. of Texas Instruments' International Div.

Hugo Sundberg, recently succeeded as Oxford Electric Corp. pres. by Chmn. **Joseph D. Ceader** (Vol. 3:1 p9), named pres. of new Oxford Electric Co. sales subsidiary; **Sidney J. Unger** named vice chmn. of parent company & chmn. of newly formed management-executive directorate. **Robert I. Minsky**, a dir., Pres. Ceader, exec. vp **Leon Sadacca** & **A. M. Dresner**, a dir., also named to management-executive directorate.

Richard S. Leghorn, former Itek pres., named pres. & a dir. of Perini Electronic, San Mateo, Cal., succeeding **Mark R. Sullivan**, resigned.

Seymour Wald named United Scientific Labs chmn.-pres., succeeding his late father **David Wald** (Vol. 2:50 p15).

Don Cinalia appointed mgr. of Jerrold Electronics' Industrial Products Div.

Obituary

Edwin Steward Pridham, 81, inventor and co-founder with the late Richard O'Connor of Magnavox in 1911, died Jan. 12 at his Oakland, Cal. home. Pridham had been a Magnavox vp, continued to serve company as an advisor until his retirement 2 years ago.

Mrs. Clarissa H. Thomson, 87, the widow of GE founder Elihu Thompson, died Jan. 14 in Beverly, Mass.



Nov. factory sales of TV picture & receiving tubes declined sharply in both units & dollars from Nov. 1961, EIA reported. Unit sales of TV picture tubes sloughed off to 742,162 from Nov.-1961's 835,929. Dollar volume dropped to \$14,265,231 from \$16,896,809. For year to date, sales fell nearly 200,000 units & more than \$10.5 million from Jan.-Nov. 1961. Receiving tube unit sales dropped in Nov. to 28,842,000 from 32,636,000 a year earlier. Dollar value slipped to \$24,085,000 from \$26,561,000. For 1962's Jan.-Nov. period, sales trailed 1961's first 11 months by nearly 11 million units & \$7 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	802,061	15,625,304	29,592,000	24,789,000
February	733,670	13,944,313	27,977,000	23,841,000
March	817,830	15,580,149	34,884,000	29,748,000
April	758,539	14,253,425	31,016,000	25,838,000
May	703,255	13,676,659	30,341,000	25,802,000
June	740,788	14,252,844	29,649,000	24,587,000
July	565,022	11,064,357	24,122,000	19,612,000
August	795,121	15,035,830	34,646,000	29,222,000
September	866,512	16,537,417	31,640,000	25,327,000
October	879,588	16,678,099	32,257,000	26,440,000
November	742,162	14,265,231	28,842,000	24,085,000
Jan.-Nov. 1962	8,404,548	\$160,913,628	335,010,000	\$279,026,000
Jan.-Nov. 1961	8,597,571	171,454,087	345,954,000	286,014,000

Westinghouse denied FTC charges that its rebuilt TV picture tubes are falsely advertised as new (Vol. 2:50 p15). Company said that although some of its replacement tubes are made with used glass envelopes, all parts are new, thus are not rebuilt tubes as term is commonly defined or understood by public, trade or FTC.

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
Electro-Voice	1962—9 mo. to Nov. 30	\$ 8,402,233	—	\$ 114,127	\$0.23	497,332
	1961—9 mo. to Nov. 30	8,903,699	—	270,660	.54	497,332
MGM	1962—12 wks. to Nov. 22	—	—	(2,366,000)	—	2,569,229
	1961—12 wks. to Nov. 22	—	—	2,173,000	.85	2,545,229
Pacific Industries	1962—qtr. to Nov. 30	7,468,085	—	123,148	.07	1,887,239
	1961—qtr. to Nov. 30	5,476,031	—	229,887	.12	1,887,239
Republic Corp. Story below	1962—year to Oct. 27	43,285,706	—	1,764,314	.56 ¹	2,443,448
	1961—year to Oct. 27	31,729,670	—	1,977,629	.74 ¹	2,443,448
Stanley Warner	1962—13 wks. to Nov. 24	34,208,890	—	629,779	.31	2,033,924
	1961—13 wks. to Nov. 24	35,283,450	—	1,312,720	.65	2,027,724

Notes: ¹ After preferred dividends.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Radio	Q	\$0.08	Feb. 26	Feb. 11
Avnet Electronics	Q	.10	Feb. 18	Jan. 28
Gross Telecstg.	Q	.40	Feb. 12	Jan. 25
Gross Telecstg.—“B”	Q	.07½	Feb. 12	Jan. 25
Hazeltine	Q	.20	Mar. 15	Mar. 1
Paramount Pictures	Q	.50	Mar. 11	Feb. 25
Republic Corp.	Q	.15	Feb. 15	Feb. 1
Stanley Warner	Q	.30	Feb. 25	Feb. 8
Wometco Enterpr.—“A”	Q	.15	Mar. 15	Mar. 1
Wometco Enterpr.—“B”	Q	.05½	Mar. 15	Mar. 1

Republic Corp. earnings in year to Oct. 28 dropped to 55¢ a share from 74¢ in fiscal 1961 despite sharp sales rise to about \$43 million from \$31.7 million. Fiscal-1962 earnings were estimated at about \$1.7 million—down from \$2 million a year earlier. Chmn. Victor M. Carter said 1963 earnings would climb “conservatively” to 80-85¢ a share on sales rise to \$46-47 million. Republic scored sharp profit gains in 4th quarter (to \$615,264 from \$411,651) and Carter attributed improvement mainly to pickup of shipments by its Utility Appliance Corp. after widespread construction strikes in California last summer. Contributing to fiscal-1963’s favorable outlook, Carter said, is fact that contracts for release of library of 850 films through Republic’s Hollywood TV Service Div. “are running well ahead of schedule.”

Zenith details its “all-time high record-breaking sales” in 3-page trade press ads: “Again Zenith is first in TV sales (share of industry first again by a wide margin)! For the 4th straight year and still growing . . . over a million Zenith b&w TV sales! . . . New all-time high Zenith stereo sales . . . stereo consoles up 47% . . . New all-time high in Zenith radio sales . . . 1962 color TV sales placed Zenith in a leading industry position . . . Zenith [color] production plans doubled for 1963!”

Indiana General posted record 1962 sales & earnings, Pres. Robert F. Smith said. Figures weren’t released but 9-month sales (Vol. 2:45 p12) were 26% ahead, earnings 43%. Indiana General in 1961 earned \$1.8 million on \$22 million sales.

Reports & Comments: AT&T, review, Oppenheimer, Neu & Co., 120 Broadway, N.Y. 5 • Hallicrafters, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • GE & RCA, analyses, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 • “Visual Communications, A Growth Industry,” discussion, Irving Weis & Co., 40 Exchange Place, N.Y. 5 • AT&T, comment, Spingarn, Heine & Co., 37 Wall St., N.Y. 5 • RCA, analysis, Walston & Co., 120 Broadway, N.Y. 5 • Westinghouse, discussion, Amott, Baker & Co., 150 Broadway, N.Y. 5 • Sprague Electric, analysis, Evans & Co., 300 Park Ave., N.Y. 22 • Collins Radio, prospectus, Kidder, Peabody & Co., 17 Wall St., N.Y. 5 • Litton Industries, prospectus, Lehman Brothers, One William St., N.Y. 4 • Magnavox, analysis, L. F. Rothschild & Co., 120 Broadway, N.Y. 5 • ITT, review, J. Barth & Co., 111 Broadway, N.Y. 6 • CBS, review, Coggeshall & Hicks, 111 Broadway, N.Y. 6 • Schlumberger (Daystrom), review, Reynolds & Co., 120 Broadway, N.Y. 5.

A. C. Nielsen expects profits & revenues in fiscal-1963’s first half, ending Feb. 28, to “continue the improvement trend” noted in first fiscal quarter (Vol. 3:2 p12) when earnings gained to \$675,329 from \$657,830 on 12% sales rise to \$10.7 million from \$9.5 million in Sept.-Nov. 1961. Pres. A. C. Nielsen Jr. said “we expect earnings for the 6 months to be greater than the like 1962 period” when profits totaled \$1.4 on \$19.4 million revenues. Company now has offices in 15 foreign countries which chip in some 25% of total revenues.

Kennedy Administration anticipates 12% increase in sales of home entertainment & musical equipment in fiscal year beginning next July 1, it was indicated in budget estimates submitted to Congress last week. President’s budget stated that \$215 million was collected in fiscal 1962 excise taxes on TVs, radios, phonos, records & musical instruments. Estimated fiscal 1963 revenue was \$237 million, rising to \$265 million in fiscal ’64.

Cavalier Radio & Electronics, Rego Park, N.Y. maker of radios & related products, has filed Chapter 11 petition in Federal Court, Brooklyn. Attached statement listed liabilities (as of Oct. 31, 1962) of \$484,208 & assets of \$492,855. Current assets totaled \$356,333.

WEEKLY Television Digest

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

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Broadcast

COLLINS FLAYS FCC FOR OMAHA HEARING. bringing joy to broadcasters who hope for change in his attitude toward govt. (p. 1).

TV OUTSHINES PRINT MEDIA in new study of effectiveness of TV vs. magazines prepared for CBS. Two major audience research firms are also in field of inter-media studies, and trend in research is in this direction (p. 2).

CATV vs. UHF POTENTIAL IN TIFTON, GA. leaves city commission unable to vote franchise application up or down (p. 3).

FORD DOUBTS 'OVERPOPULATION.' tells National Religious Bcstrs. losing stations only about 5% of total (p. 3).

MINOW'S FAITH IN UHF—for more networks, more ETV, nationwide pay-TV, local expression (p. 4).

LEE & MST, UHF & VHF—continued varying interpretation of FCC's N.Y. reception analysis. MST repeats view uhf can give "substantial" service but isn't substitute for vhf (p. 5).

MEDICAL TV GROWTH—40 of nation's 87 medical schools equipped, up from 26 in 2 years. Installations in dental schools reach 27. "Many" hospitals employ systems (p. 7).

Consumer Electronics

TINYVISION SPECULATION occupies industry; GE & Admiral seen as likely contenders for first wee TV. Transistorized sets improbable (p. 8).

PRIVATE-LABEL TV BUSINESS BOOMING: manufacturers report upsurge of interest in house brands; Wells-Gardner, Traver & Muntz TV ready color sets for private-label market (p. 8).

INDOOR FM ANTENNA system, going into national distribution, sparks wide interest as possible answer to FM stereo's biggest problem (p. 9).

TV DISTRIBUTOR SALES climbed 9% in 1962 to 6,286,000 b&w sets; radio sales rose 5% to 11,760,000; inventories in good shape (p. 10).

1962 TV IMPORTS equaled 2% of U.S. b&w market, or more than 130,000 sets; far higher total expected this year (p. 10).

COLOR BANDWAGON rolls faster and more set makers climb aboard. Canadian manufacturers urge color start; Philco, Magnavox, importers make plans (p. 12).

COLLINS FLAYS FCC FOR OMAHA HEARING: "Government by roulette." That's what NAB Pres. LeRoy Collins termed FCC's local-live hearing, starting today in Omaha. In Lincoln, Neb. speech last week, Collins brought joy to telecasters who believe he's been too complaisant about FCC's stepped-up regulation of industry.

Collins said FCC had "no special reason" for picking on Omaha—it just happened to be right size and have right number of stations, in Commission's opinion. Noting that Omaha licenses had been renewed mere 6 months ago, and that no one had complained about their programming, he asserted:

"The fact is that these stations do not require a govt. sponsored hearing to tell them what the people of Omaha want or need. As all responsible broadcasters, they are constantly reviewing & seeking to improve their programming. . . . Notwithstanding these circumstances, and with no importuning from any known source in Omaha, the FCC decided to put these stations on the mat by holding this hearing to which any one with a grievance was urged to come and publicly air it."

"The effect, of course, has been to suggest failure where there has been success, to impugn the motive & efficiency of the management of these stations where there has been full confidence, to create doubt

where there has been faith, to divert the personnel & resources of these stations from their broadcast duties to the development of defenses against unknown charges & implied wrongs."

"We demand," Collins concluded, "that the FCC, if it has just cause to question the capability of any broadcaster, or his good faith in serving the public interest, place that license squarely on the line in a proper renewal or revocation hearing, and to stop impugning & embarrassing & handicapping the mass of good broadcasters for what may be the sins of a very few."

A study of the list of more than 125 witnesses reveals that stations will get vastly more kudos than knocks, possibly damping FCC's enthusiasm for more such sessions elsewhere. Neb. legislature also jumped into attack on FCC, voting 38-0 for resolution denouncing the hearing.

Strong words similar to Collin's were offered at end of NAB's board meeting in Phoenix by NAB Govt. Affairs vp Paul Comstock who asserted: "The growing pressure the govt. is exerting against programming is the one issue that transcends all else. [FCC] is pursuing a dangerous & unwarranted course when it seeks to manipulate & exploit expressions (from the public) that are not spontaneous. Govt. inspired letter-writing campaigns, public hearings unconnected with license considerations, and other efforts of the Commission to enlist segments of the public are beyond the scope of its responsibility."

Such statements by Collins and his aides may mark a cooling-off turning-point in Collin's relations with FCC & govt. generally. It may also gain him greater broadcaster support for his less-popular needling of industry with demands for greater "self discipline" & "responsibility" and reduce from anger to irritation the industry reaction to such things as his attacks on cigaret commercials appealing to youth.

FCC Comr. Ford last week added his objections to Omaha-type hearings. In speech before National Religious Bcstrs. convention in Washington, he stated that FCC's job is to make sure station determines its obligations to a community and then lives up to them. However, he said, when FCC holds hearing in a community it is, in effect, conducting its own survey of area's needs & evaluating them for stations—thus overstepping bounds. He voted for Chicago hearing, against Omaha.

TV OUTSHINES PRINT MEDIA: New stress is being placed this season on effectiveness of TV as ad medium in comparison to printed media, notably mass-market general magazines. By all indications, TV has powerful story to tell.

Trend marks "research maturity" of TV medium. In earliest competitive days, TV adherents stressed sheer home circulation of TV. Then came era of push on program ratings and average-audience figures, and related cost-per-thousand data, mainly to toss around big numbers. Magazines, meanwhile, emphasized circulation & total ad exposure. Now, TV is reaching bedrock of direct inter-media comparison.

Major new study from CBS-TV was unveiled late last week in N.Y. Showcased in 14-min. animated color film, study was developed by network's TV research department under direction of Jay Eliasberg, with field work conducted by Audits & Surveys Co.

Objective of CBS study was to compare advertising impact of TV & magazines by measuring audience response "under normal conditions of exposure" to closely-paralleled print ads & TV commercials for 13 nationally distributed products.

Study was not confined to CBS in choice of TV programs which were showcases for commercials. Product list included Bayer Aspirin, Campbell's Soups, Dial Soap, Ford, GE, Goodyear, Kellogg's Corn Flakes, Marlboro, Sunbeam Shavers, among others. Commercials were seen in 15 CBS shows, plus 10 on ABC and 5 on NBC. Magazines in which ads appeared were *Life*, *Look*, *Reader's Digest*, *SatEvePost*. Key results of probe, conducted by some 6,000 interviewers:

- Awareness of brand increased 25% more through TV commercials than through magazine ads (TV: 122 people per dollar vs. magazines 97.9 people per dollar).
- Belief in advertised values of brand was 42% higher in TV than magazines per ad dollar spent.
- Margin of 102% in number of people who increased evaluation of brand was scored by TV vs. magazines per ad dollar.

- Twice as many people indicated they were eager to buy TV-sold brands as compared with people reached by magazine ads.
- TV was twice as efficient as magazines in carrying out 2 key advertising objectives—improving public evaluation of brands and making consumers more eager to buy.

These are merely highlights of exhaustive inter-media study of relative effectiveness which CBS plans to show advertisers & agencies in nationwide series of special screenings. Full details of study are in 48-page CBS book which contains enough equations & study details to keep slide-rule teams busy for weeks.

CBS is not alone by any means in probing TV-vs.-print question. American Research Bureau is currently field-testing new "MediaLog" research diary in 5 cities, and hopes to have inter-media measurement service before year's end. ARB plans to provide (1) estimates of length of time of exposure, (2) number of minutes exposed and (3) frequency of exposure for consumer magazines, newspapers & supplements, as compared with TV-viewing data. Duplication, accumulation of audiences between & within media, will be covered.

Pioneer in field is Nielsen, which has been measuring exposure opportunities provided by TV, major consumers magazines & newspapers since 1960 through Nielsen Media Service. Currently, NMS has over 30 clients—major advertisers, agencies & publishers. Nielsen, which draws study data from national cross section samples, reports on audience duplications of print media & TV (among other inter-media items), is thinking of expanding service to Canada & United Kingdom.

Outlook for future is for more TV studies in inter-media vein. Comparisons of cost-per-thousand in media by broadcasters & admen are handy—but lack accuracy since they are comparisons of research apples & oranges. TV is apparently outgrowing bumptious period of shouting about mere audience size, is trying to tell its story in terms of measured effectiveness vs. its competitors.

CATV vs. UHF POTENTIAL IN TIFTON, GA.: Unusual broadcaster-CATV conflict has developed in Tifton, Ga. It's the first, to our knowledge, where dispute has arisen in area with neither TV station nor CATV.

Seeking CATV franchise, Ga. Cable TV Co., Fitzgerald, Ga. (headed by Allen McDonald), made application to city commission. Ralph Edwards, head of radio WWGS Tifton, fought proposal on grounds that uhf Ch. 14 will eventually be authorized there if CATV doesn't take away its economic potential. City commission met on subject Jan. 18, couldn't decide what to do, left situation dangling. This, despite fact Edwards submitted strong anti-CATV letter from FCC Chmn. Minow, who said CATV could have "serious, if not fatal, effect" on existing or potential TV stations. Though choice of signals is desirable, Minow wrote, many people can't afford CATV and those beyond built-up areas would receive no local TV if station is foreclosed. In addition, he said, community would be deprived of treatment of local problems by local station.

CATV franchise-seeker proposes to offer 5 stations, plus one news channel, one weather, one background music—at \$5.95 a month, with free installation. Edwards tells us CATV proposes to carry local advertising. He also says that system wouldn't offer Tifton much beyond what it gets now, that viewers can receive NBC, CBS & ETV from Albany, Thomasville & Waycross. If city commission insists on granting franchise, he concluded, CATV should be locally owned. City population is 10,000; market area has 99,000.

FORD DOUBTS 'OVERPOPULATION': Radio "overpopulation" is probably a myth, in opinion of FCC Comr. Ford. In speech before National Religious Bcstrs. in Washington last week, he noted that although more than 1/3 of AMs reported losses in recent years, new Commission financial forms probably will show losers amounting to about 5%. He said, however, that engineering standards need tightening.

Turning to industry commercial codes and proposals that they be adopted as official FCC rules, he said such moves would reduce incentive of industry to govern itself and would often penalize smaller stations which are unable to comply with codes for valid reasons.

Senate Commerce Committee Chmn. Magnuson (D-Wash.) informed group that a 1957 TV network practices study by his committee showed networks were doing better job on religious programming than critics indicated. However, he said, amount of time given to such programs didn't seem to "reflect adequately the importance of religion in American life."

Ratings evoked wrath of Dr. Peter Eldersveld, of Christian Reformed Church. He called them "golden calf" before which broadcasters worship, said ratings have caused dropout of good programs & talented performers.

A study by NRB showed that members spent \$13,721,901 on TV & radio time in 1961. This included \$1,880,163 for TV and \$8,747,820 for radio in U.S., \$3,093,916 for radio abroad.

MINOW'S FAITH IN UHF: FCC Chmn. Minow wrapped up most of his well-known objectives in speech Jan. 22 at Fund for the Republic's 10th anniversary convocation in N.Y. last week. Among them:

(1) More TV stations are answer to many problems—and uhf growth is answer to TV expansion. Uhf will produce nationwide ETV network, make possible nationwide pay-TV. "If pay-TV passes its tests," he said, "the logical place for it would be in the uhf channels." Uhf will make possible 4th commercial network, catering to minority audiences. And uhf will produce local outlets in more communities.

(2) ETV needs financial support and "private philanthropy has started to meet this need."

(3) Some free time should be made available to candidates because access to air "is in danger of being limited only to the wealthy candidates, or to the not-so-wealthy candidates who are willing to become dependent on special interests to finance their campaigns."

(4) More & better children's TV programs are emerging.

(5) Broadcasters should air more controversy, but "this doesn't mean tiptoeing with issues like greener grass, milk for children and canoe safety."

(6) A "Citizen's Advisory Board for Radio & TV" should be created to report annually to Congress, FCC, public.

Appearing on same panel, McCann-Erickson's Pat Weaver said job of communicators is to disseminate knowledge & achievements "to every man on earth at the push of a button and speed of light. . . . Let people see what they can have, and they will work for it."

While Minow found more TV stations a solution to many problems, panelist Barry Bingham, editor & publisher of *Louisville Courier-Journal & Times*, defended newspaper monopoly as "inevitable and here to stay" because of "law of economics." He said monopoly reduces pressures on papers by advertisers, and "monopoly is less a threat to press excellence than monotony."

— ■ —
Uhf CPs: Ch. 19, Huntsville, Ala., to North Alabama Bestrs., initial decision becoming final. Ch. 24, Austin, Tex., proposed grant to Austin Bctg. Co., issued by examiner following withdrawal of competitor Capitol Telecasting.

Fine of \$2,000 was imposed on radio KISN Vancouver, Wash. by FCC which found station responsible for "willful & repeated" identification misleading public into believing station was licensed solely to Portland.

FCC Comr. Lee speaks Feb. 11 at Washington Ad Club luncheon honoring Richard Eaton, owner of upcoming all-Negro uhf WOOK-TV (Ch. 14) Washington.

Sale of WDBO-TV (Ch. 6), WDBO (5 kw, 580 kc) & WDBO-FM Orlando, Fla. to Outlet Co., owner of WJAR-TV & WJAR Providence, R.I., for approximately \$6 million, was announced last week by Outlet Pres. Joseph S. (Dody) Sinclair and estate of late William S. Cherry Jr., principal owner of Orlando stations. Preliminary agreement provides sale of all stock of Cherry Bctg. Co. and involves disposition of Cherry-Plaza Hotel (also owned by Cherry Bctg.) before closing date. Sale price included "stations & certain other assets." Announcement stated that Arnold F. Schoen Jr., present WDBO-TV exec. vp-gen. mgr., would continue to manage Orlando station. Orlando TV & radio outlets are CBS affiliates; TV station began operation in 1954, was purchased by Cherry group in 1957.

FCC was reversed in Court of Appeals last week—which doesn't happen often. Commission had granted moves of WEAT-TV & WPTV W. Palm Beach to point 12 miles nearer Miami—over objections of WTVJ Miami and without a hearing. Judges Miller, Bastian & Wright ordered case back to FCC for evidentiary hearing, stating that issues presented by WTVJ "were so substantial that the Commission erred in disposing of them in a summary manner." WTVJ had argued points of coverage, program needs of area, equitable distribution of facilities.

Relic "of a dead age" is what CBS Inc. Pres. Dr. Frank Stanton termed American Bar Assn. Canon 35, during address Jan. 23 before N.D. legislature in Bismarck. Stanton also blasted another popular industry target, Sec. 315, which he said "needs to be thrown out" and whose "abortioness is no longer in dispute." Stanton urged N.D. Gov. William L. Guy & legislature to set example for other state bodies & Congress by permitting TV-radio coverage of sessions & hearings.

Radio WYNR Chicago, one of McLendon group, was ordered by FCC to hearing in Chicago on grounds it misrepresented program plans when application to buy station (then WGES) was filed with Commission. FCC said that McLendon had claimed it would continue substantially same programming but dropped about 32 hours of weekly foreign-language fare some 20 days after taking over station Aug. 8, 1962. Commission said "a serious question is raised as to the licensee's candor."

Sales Approved: KOAT-TV (Ch. 7) Albuquerque & KVOA-TV (Ch. 4) Tucson, for \$3,250,000, to Steinman stations (WGAL-TV Lancaster, Pa., etc.); KPIC-TV (Ch. 22) Los Angeles, for \$180,000, to Central Bctg. Corp. of Cal., principals of which hold interests in radio WENO Madison, Tenn., WGUS, North Augusta, S.C. & WYAM Bessemer, Ala.

Sale of KKTV (Ch. 11), KFMH(FM) Colorado Springs, and radio KGHF Pueblo, for \$1 million to Tele-Broadcasters Inc., was announced by Blackburn & Co. Sellers were Mr. & Mrs. James D. Russell, Gifford Phillips, Robert Ellis. H. Scott Kilgore is Tele-Broadcasters pres.

LEE & MST, UHF & VHF: Evaluation of FCC's N.Y. uhf-reception results added a chapter last week when Maximum Service Telecasters criticized FCC Comr. Lee's criticism of MST's original criticism of FCC's original report (Vol. 2:47 p3, 2:48 p3, 3:1 p3).

To go back: FCC found uhf as good as vhf within 25 miles, with indoor antennas—except in 10% of locations. MST said figure should have been "50%," using picture evaluation by householders instead of by technicians. Lee came back with statement that technicians' judgments are more reliable.

Now—in letter to Lee last week—MST comes back, sticking to its reliance on householders, and claims: There are 13 million people within 25 miles of Empire State Bldg. transmitter. Of these, 9% couldn't get even a "passable" picture from uhf, while only 4.7% on Ch. 2 and 4.9% on Ch. 7 couldn't get "passable" quality. Thus, said MST, some 530,000-560,000 people in area couldn't get passable picture from uhf but could from vhf. In addition, MST stated, some 1,675,000 people in area couldn't get a "fine" picture from uhf but could from vhf.

Lee had chided MST for raising questions about test procedures after report was published. But, said MST last week, it had raised the questions earlier—e.g., had told Commission engineers that receiver locations were too concentrated within 10 miles of transmitter.

MST concluded with its long-held premise—that uhf can provide "substantial" service, even in N.Y., but is inferior to vhf and isn't substitute for vhf, and that uhf & vhf should therefore exist "side-by-side."

House Commerce Committee changes: New Democrats—Hull (Mo.), Long (La.), Van Deerlin (Cal.). They replace Kilgore (Tex.), who moved to Armed Services Committee, Mack, (Ill.), defeated in election, and Moulder (Mo.), retired. Republicans appointed, Brotzman (Colo.), Broihill (N.C.), and Cunningham (Neb.), replacing Dominick (Colo.), elected to Senate, Collier (Ill.), to Ways & Means, Thompson (Wis.), to Foreign Affairs. Van Deerlin formerly was news dir. with KOGO-TV-AM-FM San Diego & XETV Tijuana. Subcommittee assignments haven't been completed.

Clarification of Clyde, Kan. vhf translator situation (Vol. 3:1 p4) is offered by WIBW-TV Topeka Gen. Mgr. Thad M. Sandstrom. FCC had turned down translator's request for waiver to permit contribution from WIBW-TV. Sandstrom notes that station had offered \$500 to translator group before FCC changed rules to prohibit such support. After rules change, he suggested that Clyde group seek waiver, which FCC finally refused.

Ban on TV-radio cigarette advertising before 8 p.m. has been proposed by Rep. Udall (D-Ariz.) in questionnaire to some 9,000 constituents. He said he has received complaints about tobacco commercials broadcast when children are watching, asked voters if they would approve introduction of bill prohibiting practice.

Agencies could charge fees to finance operations under bill (HR-834) submitted by Rep. Younger (R-Cal.). FCC would charge licensees for initial grants & renewals. Younger told us he believes it unfair for taxpayers to foot bill for work involved in granting profit-making franchise to private businessman.

New Hollywood-TV Marriage: A movie news conference on closed-circuit TV facilities of NBC Telesales fed to 9 major cities—at a cost of \$15,000 "not including sandwiches for newsmen"—was the latest instance of the marriage of Hollywood & TV. The conference was staged recently by Universal, which is financing & distributing "40 Pounds of Trouble," a comedy starring (and produced by) Tony Curtis.

Conference, piped from Burbank origination to N.Y., Boston, Chicago, Pittsburgh, Dallas, etc., went off fairly smoothly, with plenty of plugs for picture (which has strong resemblance to Shirley Temple oldie "Little Miss Marker" circulating on TV). Curtis stated pointedly during question period (queries were piped to Burbank via phone lines from various cities in turn) that he had no intention of doing TV series, felt medium demanded quick production & too much strain.

One of best bits in conference was use of "out-takes" (i.e., reject footage & fluffs) from picture. In one such scene, Phil Silvers, as big-time gambler, is asked if he has suggestion about who should take care of 6-year-old girl with which gambling group is stuck. Obviously forgetting his line, Silvers ad-libbed: "How about Beverly Aadland's mother?"

“Blanket license” ASCAP system, under which TV stations presently hold what amounts to run-of-schedule music licenses and which costs industry some \$19 million annually, provides “very little incentive” to producers of movies & film shows seen on TV to negotiate for music performance rights. So stated Hamilton Shea, committee chmn. & pres. of WSVA-TV Harrisonburg, Va., to us last week as he clarified position of All-Industry TV Station Music License Committee in running duel with ASCAP on which Supreme Court rejected appeal (Vol. 3:3 p3). What broadcasting group is really seeking, explained Shea, is limited form of music license “which would required producers of any filmed or taped program to negotiate the TV music performing rights directly with a composer or publisher at the time production is being started.” This won’t mean that stations will have to clear music in movies or syndicated or network shows, but they would seek a form of blanket license to cover music used in purely local programming. Shea’s group hopes to pursue matter further before summer in 2nd Circuit Court of Appeals.

Pitch to local businessmen was launched by Tvb in Washington last week with showing of “Jericho . . . the Wall Between Us.” Some 250 industry, govt. & trade assn. representatives attended 40-min. color presentation, available without charge to TV stations. Film is aimed at small businessmen at local level, according to Tvb vp & gen. mgr. George Huntington. Theme: TV increases sales & profits, keeps firm’s image before public.

National Audience Board will be reactivated under new name by Peter Goelet, who recently discontinued organization because, he said, costs were too great. Group’s publication, *The Viewer*, will be resumed. Organization’s purpose is to raise quality of TV programming. Address: 152 East End Ave., N.Y.

New TIO newsletter, *information*, is being distributed to sponsor stations & industry leaders. Letter is designed to inform stations of data available for use in professional & community relations activities.

Personals

Lyndon O. Brown, Dancer-Fitzgerald-Sample senior vp, elected Advertising Research Foundation chmn., succeeding **Frank W. Mansfield**, Sylvania marketing research dir.; **Richard J. Babcock**, *Farm Journal* publisher, named vice-chmn.; **Arthur C. Bryan**, Union Carbide Consumer Products Co., elected treas.; **Vernon C. Myers**, *Look* publisher & **Ray Weber**, Swift & Co. advertising dir., elected dirs.

Paul Miller, Gannett newspapers & bestg. pres., elected AP pres., succeeding *Washington Star* editor **Benjamin M. McKelway**.

George Patrick promoted to ABC-TV program & commercial production mgr. . . . **Lester Dinoff**, ex-WABC-TV N.Y. publicity & exploitation dir., appointed asst. to publicity-PR dir., Freedomland Inc., Bronx, N.Y.

Michael Peacock named head of 2nd BBC-TV channel due to start April, 1964, will be succeeded as BBC-TV news editor by deputy news editor **Waldo Maguire**.

John Sias, ex-Westinghouse Bestg. national TV sales mgr., appointed vp & dir., Metromedia's Metro Broadcast TV Sales div. . . . **William B. Hull** promoted to WJW-TV Cleveland special services mgr., a new post . . . **Sydney A. Abrams**, *Mercer Island (Wash.) Reporter* publisher, also named KIRO-TV & KIRO Seattle merchandising dir.

William R. McAndrew, NBC News exec. vp., invested by Francis Cardinal Spellman as a Knight of Malta, one of highest honors given Roman Catholic laymen.

T. Mayer promoted to Marconi Bestg. Div. mgr., succeeding **D. G. Smee**, recently promoted; **F. J. Sidebotham** moves up to sales mgr., **A. A. McKerrell** to asst. sales mgr.; **D. Law** named product planning chief, a new post.

Manny Reiner, ex-UA TV international operations vp, appointed Four Star TV foreign operations vp, a new post . . . **Marshall Davidson** promoted to CBS News film production mgr.

Henry V. (Hank) Greene Jr., ex-KDKA-TV Pittsburgh, appointed national TV sales mgr., Westinghouse Bestg. Co.

Martin Codel, former *Television Digest* publisher, now consultant, leaves Feb. 7 with Mrs. Codel for 10-week survey trip to Australia, New Zealand, Philippines, Japan & other Far Eastern countries. In last 3 years, he has surveyed nearly 50 countries for TV-radio-telecommunications potentials.

Lamont L. Thompson, ex-TvAR Chicago mgr., appointed KPIX San Francisco sales mgr., succeeding Bill Hunefeld, resigned . . . **Patricia Peterson** promoted to administrative asst. to Metromedia Chmn. & Pres. **John W. Kluge**.

Richard Sinclair resigns as KHJ-TV Los Angeles advertising & promotion mgr. . . . **Don Mills**, ex-TV Radio Mirror assoc. editor, appointed educational KQED San Francisco PR dir., succeeding **Marianne Goldman**, resigned.

William Condon promoted to TvAR midwest sales mgr., succeeding **Lamont L. Thompson**, recently named KPIX San Francisco sales mgr. . . . **David Tasker** promoted to Canadian Bestg. Corp. employe & talent services dir., a new post.

Joseph A. Staton, deputy chief of National Institutes of Health clinical & professional education branch, named interim secretary of Council on Medical TV, succeeding

Exec. Secy. John K. Mackenzie, who joins American Assn. for Advancement of Science as producer of its *Science and Engineering TV Journal* on educational WNNDT N.Y.

Phil D'Antoni, MBS vp & gen. sales mgr., and news & public affairs dir. **Norman Baer**, resign from network to form own TV production & talent rep firm, TV Productions of America, Inc., N.Y.

Douglas W. Hartman, former Senate Commerce Committee minority counsel, joins Washington law firm of Roberts & McInnis . . . **David Green** promoted to KMBC-TV Kansas City advertising & promotion dir.

Arthur O'Connor promoted to Avery-Knodel Detroit dir., succeeding **Stuart I. Mackie** . . . **Martin Ludington**, ex-Gardner Advertising, St. Louis, named mgr. of new Venard, Torbet & McConnell office at 915 Olive St. there.

Don Shepherd, ex-WLOS-TV Asheville, N.C. promotion dir., named to similar post with KFRE-TV & AM, KFRM(FM) Fresno. . . . **George Finkel**, ex-WTVO Rockford, named WFIE-TV Evansville production mgr.

Obituary

Dr. Walter M. W. Splawn, 79, one of drafters of Communications Act of 1934, died in Washington Jan. 17. As aide to Sam Rayburn, when latter was chmn. of House Commerce Committee, he had hand in legislation forming many regulatory agencies. He was later appointed chmn. of Interstate Commerce Committee, served agency 19 years. Widow & 2 daughters survive. FCC adopted resolution of respect & regret, forwarded it to his widow.

FCC staff appointments we reported (Vol. 3:3 p2) were announced officially: **James Barr** to chief, Safety & Special Bureau; **Robert Rawson** to chief, renewals & transfers div.; **Sylvia Kessler** to chief, offices of opinions & review. Appointment of **James Sheridan** as chief of Broadcast Bureau presumably won't be announced until predecessor **Kenneth Cox** is confirmed as a commissioner.

New officers of Federal Communications Bar Assn. elected Jan. 25: **Donald Beilar**, pres.; **Thomas Wilson**, first vp; **Maurice Jansky**, 2nd vp; **Philip Bergson**, secy.; **Herbert Schulkind**, asst. secy.; **Ernest Jennes**, treas.; **Warren Baker** & **Marcus Cohn**, 3-year term on exec. committee; **W. Theodore Pierson**, 2-year term on exec. committee.

NAB Public Service Institute Feb. 7-8 at American U., Washington, will include 56 representatives from 51 non-profit organizations & govt. agencies. Institute is set up to acquaint delegates with problems & techniques involved in making public service time available to them. Delegates included representatives from military, many cabinet-level departments, non-profit associations.

Advertising Federation of America & Advertising Assn. of the West will hold annual mid-winter conference in Washington Feb. 6. Major speakers: HEW Undersecretary **Ivan Nestingen**, FCC Chmn. **Minow**, FTC Chmn. **Dixon**.

Establishment of NAFMB N.Y. office and hiring of exec. dir. were approved by board at recent meeting. Pres. **T. Mitchell Hastings** said negotiations for office space are underway and committee is screening applicants who may submit resumes to him at WNCN, 11 E. 47th St., N.Y.

FCC personnel changes: **Richard F. Solan**, to Budget Officer; **Pauline M. Foster** to asst. chief, manpower utilization & survey div.—both in Office of Executive Director.

MEDICAL TV GROWTH: Steady, solid development characterizes use of TV in medical & dental schools, hospitals, other health facilities.

Council on Medical TV, which coordinates & promotes use of TV, reports 40 of nation's 87 medical schools now employ TV, compared with 26 two years ago; dental schools with installations have risen from 18 to 27 in same period. No figures are available on number of hospitals using TV, but Council officials tell us there are many, some with more than 20 cameras.

Membership of 4-year-old Council has about doubled in past 2 years to 179, plus 18 sustaining contributors. Membership categories include medical & dental schools and professional organizations, broadcasting & electronics firms, advertising & pharmaceutical companies, govt., military, educational, philanthropic & research groups. Its annual budget of about \$20,000 comes mostly from contributions.

Council's biggest project to date is comprehensive study of effectiveness of TV in medical & dental schools. Project was financed by grant under Title 7 of National Defense Education Act, with findings to be issued at annual meeting & workshop May 6-7 at National Institutes of Health, Bethesda, Md.



Tele-Beam TV projector, low-cost & portable, made its N.Y. debut at special showing at Summit Hotel by distributor Tele-Measurements Inc. (72 N. Mitchell Ave., Livingston, N.J.) Manufactured by Waltham Precision Instruments, successor to Waltham Watch Co., Tele-Beam models are priced at \$2,630-\$2,880. Uniquely designed projector consists of 2 units, projector head weighing 42 lb., and control unit at 68 lb. including tuner. Measured brightness using 9x12-ft. screen is 5 foot-lamberts. Tele-Measurements, headed by J. R. (Jack) Poppele, also demonstrated GE closed-circuit TV system, Du Mont electronic microscope, new Bogner "End Fire" uhf receiving antenna, Century Lighting equipment and Tele-Pat measurement & calibration device for TV stations. Interesting sidelight of show was 1926 "Jenkins Radiovisor" TV set, which provided 2-sq. in. picture using revolving drum, from Poppele's personal collection.

TV for Greece & Uganda is being planned by govts. of both countries. Uganda has invited U.S. & foreign firms to submit proposals to construct 9 stations, including financing, staffing & training of Ugandan personnel. System would be govt.-controlled, carry advertising. Proposals are being accepted by A. A. Nekyon, Information Minister, Broadcasting & Tourism, Kampala, Uganda. U.S. Embassy in Geneva reports Greek govt. again is actively considering establishment of TV system, may call for bids this year.

Expanded Cyprus TV operation is due by late 1963, *International Commerce* reports. Govt.-owned Cyprus Bctg. Corp. reportedly has signed \$400,000 contract with Pye Electric of England to install two 40-kw transmitters to cover entire Levant.

NBC International had record overseas sales in 1962, up 61% over 1961. Sales of news & public affairs programs to foreign stations rose 52%. NBCI distributes programs to more than 100 stations in 60 countries, serving estimated 300 million viewers.

Georgia Potpourri: FM allocations table, similar to TV, was urged by FCC Comr. Henry in address to Ga. Radio & TV Institute last week. He contended this could help remedy some of problems FCC is encountering in development of FM, such as concentration in large communities & rapid growth of time-consuming hearings. Although complete substitution of FM for AM may come about in distant future, he said, larger communities probably will continue to have both, providing wider range of programming.

Stephen Labunski, radio WMCA, N.Y., added voice to criticisms of FCC's Omaha-type hearings, stating that Commission is relying on "vigilante committee of unrepresentative witnesses."

RAB Pres. Edmund Bunker came up with well-received proposal that his organization act as employment bureau for journalism students seeking to break into radio.

Washington TV-radio attorney Leonard Marks spoke on "responsibility" of industry and FCC. He said that stations should present community issues, offer forum for controversies, live up to program promises, etc. But FCC, he said, isn't carrying out its responsibilities, is making "keeping of records the principal effort of stations—making a nation of bookkeepers." He believes that Communications Act should be amended to: (1) Provide an "Administrator" to process FCC applications. (2) Put all hearing cases into an "Administrative Court." (3) Leave an FCC (reduced from 7 to 5 members) free to concentrate on policy planning—uhf, space, stereo, CATV, etc. On Jan. 25, in Washington, he reported details of recommendations to meeting of FCBA; he's chmn. of committee examining Communications Act. He suggest FCBA meet within 60 days to discuss proposals.



Denver pay-TV tests "definitely" will be in operation next May, Pres. Gerald A. Bartell of Macfadden-Bartell Corp. and Macfadden Teleglobe Denver Corp. announced last week at technical symposium on pay TV in Denver. Denver's KTVR (Ch. 2) will use Teleglobe system.

"Loud commercials" are being studied by FCC engineers using VU meter, modulation monitor, and instrument used by audio engineers to measure sound levels in factories, streets, etc. FCC reports no conclusions so far.

New West German TV network, due to start April 1, has bought first U.S. series from NBC International. *Dr. Kildare* will start about end of April, *Dick Powell Show* sometime before summer.

N.J. ETV legislation was signed into law Jan. 17, by Gov. Hughes, permitting local boards of education to contribute up to \$2 per pupil yearly for construction, operation & maintenance of ETV facilities.

Confirmation hearing on appointment of Kenneth Cox to FCC is set by Senate Commerce Committee for Jan. 31, 10 a.m., Room 5110, New Senate Office Bldg.

Full 1,504-ft. height has been reached by new tower of KTVH Wichita, which aims to start using new structure by Feb. 15.

Washington report by WTIC-TV & WTIC Hartford will begin Feb. 2, with 5-min. reports on Congressional activities by Conn.'s 2 Senators & 6 Representatives.

WFTV is new call of WLOF-TV Orlando, effective Feb. 3.

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

U.S. TINYVISION—BY ADMIRAL & GE? Trade is buzzing about tiny TVs. Most U.S. manufacturers have tentatively rejected the concept—as they did the 16-in. last year—but will be ready to enter field if pioneers make a go of it.

We reported last week that 2 set makers have firmed up plans for sets smaller than 16-in. (Vol. 3:3 p8). GE has made no secret of fact that it's interested in tinyvision market. In all probability, the other manufacturer is Admiral—although company officials say no such introduction is planned at spring showings or earlier, and won't concede they will have such a set at all.

Despite some conjecture that GE will soon introduce 10-in. transistorized battery-operated portable, best guess is that company's first entry into wee TV will be regular 110-volt line cord model, with new 11-in. square corner tube reported here last month (Vol. 2:52 p7). Set may be priced competitively with small-screen Japanese imports; i.e., less than \$100.

Those manufacturers considering tiny-screen sets are doing so in expectation of accelerated trend to personal viewing and fragmentation of TV audience. These new small sets could be forerunners of whole new tinyvision lines, with step-ups and special-purpose sets, eventually including transistorized battery models at top of line.

Industry is sharply divided about merits of tinyvision. RCA group exec. vp W. Walter Watts was asked whether RCA planned "Sony-type compact set" last week at meeting of N.Y. Society of Security Analysts (see p. 12). "We brought out one several years ago and could find no market for it," he replied. "Originally we priced it at \$139.95, then dropped it to \$100 and finally liquidated it at \$60. The Sony set at \$229 isn't selling in any volume. We are going to make very sure there is a market for it before we do it again."

PRIVATE-LABEL TV BUSINESS BOOMING: Mushrooming demand for private-label TVs has business booming in the "you-name-it" set industry. Private brands accounted for some 10-12% of total 1962 TV sales, according to best estimates, and will be even more important factor in 1963. This is a sure bet in view of (1) private-labelers' plans to get into color TV in big way and (2) mounting interest in private brands among new categories of customers.

"We are being deluged with inquiries from large and small companies," we were told by Wells-Gardner Pres. Grant Gardner. "We can't afford to take on all the business that's being offered us." Wells-Gardner, 100% private label, had record 1962, he told us, and "certainly expects to do as well or better in 1963. We know there's plenty of business around."

What has triggered upsurge in private-brand demand? Gardner gives credit to discounters. "They've cut the price and profits of national TV brands to the point where conventional retailers find it difficult to compete. They're turning to private brands because it's a way to control price and profit."

Muntz TV, which private-labels 10% of its TV output, also notes rise of interest in house brands but credits different reason. "It's the general profit squeeze in national brands that's generating this renewed interest in private labels," we were told by vp Jack Simberg. He also told us "requests to bid are coming in from areas not heretofore in private label." Among them: "Trade association groups with good dealers & strong internal financing."

Relatively few companies share private-label pie, but mounting demand could entice others into field. Wells-Gardner & Travler Industries, both 100% private brand, rate 1-2 in field. Other participants: Muntz

TV, Westinghouse, Sylvania. Symphonic Electronic, a major factor in phono business, is expected to give private-label TV a whirl this year (Vol. 2:50 p10).

Private-labelers will make first serious move in color TV this year. "We did comparatively little with color last year," Gardner told us, "but we expect to make it an important segment of our business in 1963. We will be assembling our own color sets in our own plant by the end of May." Travler Industries also is getting into private-label color, we were told by vp-gen. sales mgr. I. Edelstein. "We're now in the process of making our own color sets. We'll be out with them sometime this year." Muntz TV also expects to introduce color TVs this year, but "on a limited basis," Simberg said.

Demand for own-brand color sets is coming in from multi-outlet chains. W. T. Grant, for example, is marketing "Bradford" brand color set, supplied by Wells-Gardner, in 25 stores. Color set is walnut contemporary console with \$569 price tag. Western Auto Supply, whose "Truetone" TV sets are made by Wells-Gardner & Travler, says it will add color to line in May. Montgomery Ward, which has various suppliers (Wells-Gardner, Westinghouse) for its Airline line, is now marketing Airline color set.

We spoke with Montgomery Ward gen. merchandise vp C. W. Wood who told us "we are exclusively private-label in both color & b&w TVs. We were marketing RCA color sets but now we have our own brand." He said Montgomery Ward is aiming at 100% private-label merchandising as means of meeting discount competition. Pres. Robert E. Brooker recently reported that company will have 80% of its merchandise under house brand by year's end, compared with 40% at start of 1962. He said house brands are means of combatting loss-leader tactics of discounters. Wood told us "house brands can be developed to the stature of national brands," said private labels are advantageous because "we eliminate intensive competition, eliminate the costs of national brand sets for advertising, sales commissions and so on, and we have captive customers." Here are additional comments we got from private-label companies:

Wells-Gardner: "We've had overtures from discounters," Gardner told us, "but we haven't taken any on so far. We want to be loyal to our old-line customers."

Muntz TV: "The people we sell private label TVs to are doing a better job for us in the categories we produce," Simberg said. "We don't make private-label portables. We concentrate on consoles and combinations, and we see an upward trend. We have been invited to bid on a lot of combo business, and we definitely see this phase of our private-label business increasing in 1963. We don't anticipate much change percentagewise in our 1963 private-label business from 1962's 10%. However, we'll be up in units & dollars because we're shooting for total sales of \$15 million compared with \$12 million last year."

Westinghouse: "We have no plans at the present time to go beyond our present private-label business, which is limited to Montgomery Ward," we were told by O. H. Yoxsimer, TV-Radio Div. gen. mgr. "We have no plans either to sell color sets that don't carry our own brand." He told us "there always are queries about private labels from buying syndicates. It's a continuing thing. There are some indications that more & more people are now looking at private labels and think they should be in it."

Sylvania: Principal customer for Sylvania private-label TVs is Golden Shield Corp., Home Electronics Corp. Pres. Robert Theis told us. Golden Shield, in which Sylvania at onetime held majority interest (Vol. 2:2 p8), has some 7,000 dealers in 1,500 U.S. communities. Theis said Sylvania is not private-labeling color TVs, and "we have no plans to do so at this time."

INDOOR FM ANTENNA SPARKS WIDE INTEREST: New product which came along at just right time is creating excitement in East Coast component hi-fi trade, and seems to have strong possibilities in package hi-fi field as well.

It's the Gallo indoor FM antenna system, which goes into nationwide distribution (at \$29.95 list) around Feb. 1. Smaller than cigar box, Gallo system contains 1/4-wave monopole printed-circuit antenna coupled to broadband transistor amplifier (22 db gain) which feeds into 5-ft. length of 72-ohm coax lead-in line. Unit is plugged into regular 110-volt outlet for power.

Trial marketing of system was conducted by direct mail through ads in Diner's Club Magazine, Saturday Review & N.Y. Times, resulting in about \$100,000 worth of orders in first month. According to Pres. Carl

Gallo, warranty card returns show that about 4 out of 5 purchasers have FM stereo, almost all are component hi-fi enthusiasts.

Antenna system is made by Gallo Electronics Corp., 12 Potter Ave., New Rochelle, N.Y. Carl Gallo, former director of Lincoln School of Radio-Electronics, developed his antenna concept in 1956 for his own use as indoor ham transmitting & receiving antenna. He now plans new versions for TV, shortwave, citizens band, marine & amateur band.

Initial comments from users, according to Gallo, have been enthusiastic. (First unit was installed in East Side N.Y. apartment of Lucille Ball.) Although antenna is omnidirectional, Gallo claims it is not subject to multipath reception, often a severe problem in FM stereo. Officials of 24-hour FM stereo station WTFM Fresh Meadow, N.Y. (on which Gallo has been buying time) say they have tested antenna and found that it provides excellent FM stereo reception in most cases.

Antenna system will be marketed through both one- & 2-step distribution systems under marketing consultant Irving Greene. Larry Dubow is sales dir. No OEM sales, private-labeling or licensing are planned. If system works nearly as well as preliminary reports indicate, you can expect rash of similar and not-so-similar items on market. Importance of new gadget is that it may be first step toward eliminating biggest roadblock to widespread acceptance of FM stereo—need for outdoor antenna.

TV DISTRIBUTOR SALES UP 9% IN 1962: Preliminary unofficial sales estimates place 1962 distributor sales of black-&-white TV at 6,286,000, or 9% above 1961's 5,775,000. Radio sales were up 5% to 11,760,000 from 11,225,000.

Adding an estimated 350-400,000 color TV sales, TV had its best year since 1956 (when 7,028,000 sets were sold). Radio sales year was best in 13 years. If auto sets are included in total (more than 7 million), it was best in 15 years and 2nd best on record. (TV & radio figures include sets in distribution by U.S. manufacturers, including imported units which are sold by American set makers.)

Industry entered 1963 with inventories in good shape. TV stocks were 14% below last year at manufacturer level, about same as end of 1962 at distributor level. In radio, factory inventories were up 15%, distributor down 7%.

EIA predicted another good year in 1963, with factory sales remaining about same as this year. In newly published *Electronic Industries Review, 1962-63*, EIA this week forecast b&w TV factory sales of 6.2-6.3 million TVs (vs. 6,340,000 in 1962), radio factory sales of nearly 12.5 million (up from 11,695,000), phono sales remaining steady at 5 million, auto radio sales dipping to 6.5 (from 7.2 million).

Although consumer electronics factory sales will rise in dollar volume this year, EIA sees biggest growth area in electronics as industrial field, going to \$2.7 billion from 1962's \$2.4 billion. Aided by an anticipated \$1.4 billion increase in govt. electronics spending (to \$9 billion), EIA now predicts that by close of 1963, electronics will rise from its present position of 5th industry to nation's 4th largest industry.

1962 TV IMPORTS—2% OF MARKET: Imports of Japanese TV sets totaled more than 130,000 units, or over 2% of domestic market for black-&-white sets. This is more than 6 times last year's negligible total of about 20,000.

Based on arrivals at U.S. ports, Delmonico International accounted for about 50% of imports, or more than 61,000 sets. Sony appears to be No. 2 importer for 1962, with about 19,000 sets. Others, in approximate order: Olympic, 14,000; Matsushita, 14,000; Westrex, 10,000; Sharp, 9,000; Symphonie, 2,000.

Imports in 1963 are certain to be substantially above last year's figure. Many companies (Symphonie, Sharp, Matsushita, Channel Master) are just beginning their TV import programs or just starting to bring in new models. Matsushita, for example, has now joined tinyvision race, introducing new 5- & 9-in. battery sets at last week's Independent Housewares Show (at \$229.95 & around \$260, battery \$29.95).

Japanese govt. TV export figures indicate heavy influx of TVs is on way. For first 11 months of last year, govt. said 137,875 TVs were exported to U.S., of which 29,152 were transistorized (Vol. 3:2 p10). Export figures are often higher than import figures because of time in transit.

Warning of increased electronics competition from Japan came recently from EIA marketing services dir. William F. E. Long in talk before Philadelphia IEEE. Said Long: "It is obvious that the Japanese intend no status-quo in their assault on world markets. The policy of the Administration to secure Japan as an ally in our struggle for world balance of power will undoubtedly continue to aid in this assault." He pointed out that margin of U.S. electronics industry's favorable balance "declined significantly during 1962 and our manufacturers face an increased flow of Japanese goods during 1963."

Eventual easing of price competition was foreseen by Long, however, as Japan's rapid economic growth brings about labor shortages and inflationary pressures.

Note: Air carriers are making increasing pitch for TV-radio-appliance import business in competition with shipping lines. Pan American has taken ad space in *Home Furnishings Daily* to announce that its cargo rates on such items will be reduced April 1. Examples: Tokyo to N.Y., 88¢ a pound for 440-lb. minimum (formerly \$1.43, 550-lb. minimum); Tokyo to West Coast, 75½ a pound (formerly \$1.30).

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 18 (3rd week of 1963):

	Jan. 12-18	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	144,770	137,773	129,986	348,689	343,482
Total radio	325,217	330,726	343,290	877,112	987,582
auto radio	148,573	156,119	132,087	411,706	395,224

New plants & expansions: Magnavox is building at Greeneville, Tenn. a \$5 million, 400,000-sq.-ft. production plant for color and b&w TV & stereo-TV combos. Plant is slated for completion in June • ITT will begin construction in late spring of \$3.5 million, 115,000-sq.-ft. electronics manufacturing plant at Easton, Pa., scheduled to start operations before year's end • Texas Instruments is building \$4 million, 290,000-sq.-ft. multi-purpose production plant on its 350-acre North Central Expressway site, Dallas. Partial occupancy is slated for this fall. Plant will serve largely to consolidate Apparatus Div.'s design & production activities now carried on in various locations • TelePrompTer in Feb. will relocate its Conley Electronics Div., Weathers Div. & corporate manufacturing, engineering & technical operations at enlarged Cherry Hill, N.J. facility (Vol. 2:51 p11) • Sylvania is building 4,000-sq.-ft. addition to its Wire Plant facilities in Warren, Pa. Construction, slated for completion this spring, will increase area to 75,235 sq. ft.

"The art of commercial definitions for high fidelity is improving rather slowly," is wry comment in Feb. *Radio-Electronics* (Gernsback Publications) about hi-fi definition EIA recently forwarded to FTC (Vol. 3:2 p9). *Radio-Electronics* quotes from Gernsback's old *Radio-Craft* magazine (Sept. 1934) a 28-year-old tentative definition of hi-fi by Engineering Div. of Radio Manufacturers Assn. (EIA's predecessor) as applying to receivers having audio range of at least 50-7,500 cycles with variations not exceeding 10 db, total output of at least 10 watts, total distortion not exceeding 5%. New 1964 definition provides for minimum MPO output of 5 watts, response from 100 to 8,000 cycles, with minimum acoustical output ranging from 74 db (8,000 cycles) to 80 db (1,000 cycles).

Thermoelectric portable refrigerator, which holds eight 12-ounce cans or equivalent volume, will be marketed this year by Whirlpool. Unit weighs 30 pounds, operates from 110-volt power source, is expected to retail for \$110-150.

Philco will spend some \$40 million in next 4 years to modernize & improve facilities & equipment. Consumer Products Div. will spend another \$8.2 million over same period for tooling costs. "After a year of intensive study of the operations of Philco & its potential in each of the areas in which it operates," said Pres. Charles E. Beck, "we have developed what we believe to be realistic objectives of increased penetration in each of our markets. To reach the goals we have set for ourselves will require extensive investments." Among investments: Consumer Products Div. will spend \$6.6 million to modernize & rearrange plants, purchase equipment for manufacture of new products; Lansdale Div., \$7 million, to be spent primarily for equipment to produce new silicon semiconductor products.

Microelectronic circuits may be applied to TV, radios & phonos before their widespread use in industrial applications. This was prediction of lab mgr. George H. Siegel at opening of new GE \$500,000 microelectronics lab in Utica. He said micro-circuits promise tenfold increase in reliability and 25-50% cost savings. Cost reductions, he said, will be most striking in consumer area. He forecast that microelectronics would be \$500-million-a-year business in 5 years, with impact on industry similar to introduction of the transistor.

That 16-in. Symphonic set advertised in Spiegel's catalog at \$79.95 (Vol. 3:2 p11) was priced at profitable figure, Chmn. Modie J. Spiegel is quoted in Jan. 24 *Wall Street Journal*. He predicted imported sets would normally be sold at \$79.95 in future, "and the domestic producer will find a way to meet it."

All GE TV-stereo combos are now being sold equipped for company's "Home Music Distribution System." Tiny FM transmitter in combination permits use of extension speakers anywhere in house merely by plugging into power line.

COLOR BANDWAGON—ALL ABOARD: Color's momentum seems to be increasing almost daily now—as last holdouts in TV set field climb aboard bandwagon. One key is contained in statement by RCA Pres. Elmer W. Engstrom in RCA management team report Jan. 24 to N.Y. Society of Security Analysts:

"Color TV receivers and color picture tubes were the greatest profit contributors of any RCA products in 1962."

Among other developments in fast-accelerating color story:

(1) Philco confirmed that it will begin its own manufacture of color sets this spring, aiming at 300-400% increase in its share of that market. Vp-gen. mgr. Larry H. Hyde conceded that patent suit settlement with RCA (Vol. 3:1 p7) helped make possible Philco's entry, but wasn't responsible for decision. He said color sets would incorporate some important Philco-patented advances. It's understood that Philco will earmark about \$1 million to prepare for color set manufacture.

(2) Canadian set makers pushed hard for color broadcasting start in hearing before Board of Broadcast Governors, while the 2 networks—CBC & CTV—sought further study and continuance of ban on colorcasting. RCA Victor (Montreal), now producing color sets for sale in areas where U.S. colorcasts are available, and Dominion Electrohone urged BBG to lift colorcasting restrictions, while Canadian Marconi asked that moratorium be con-

American manufacturers used 12% more loudspeakers during first 11 months of 1962 than they did in same 1961 period, according to Hawley Products Co., St. Charles, Ill. manufacturer of speaker cones. Total rose to 40,868,592 from preceding year's 36,497,425. Increase was in oval speakers and in round speakers under 8-in.; tweeters and 8-in.-&-over categories declined on year-to-year basis. Hawley Products has also released list of "Laboratory Equipment Necessary for Making Adequate Loudspeaker Measurements," as proposed recently by General Radio Co. Total cost comes to \$19,335.

IEW has offered to help RCA get govt. contracts. Noting that some 3,000 of its members have been furloughed at RCA's Camden, N.J. defense plants, union proposes a joint committee to study means for obtaining additional govt. business. RCA said proposal is "being studied by top management." Union emphasized that joint committee would devote itself exclusively to question of attracting new defense contracts.

Sales of electron tubes for broadcast, industrial & military equipment in 1963 will climb 10% to record \$350 million, G. W. Duckworth, RCA industrial tube products mktg. mgr., predicted. Tube Div. vp-gen. mgr. D. Y. Smith said RCA tube sales in 1962 rose 20% over 1961 volume to record high, noted division "currently has annual sales in nine figures."

Reports & comments: MGM, comment, Bruns, Nordeaman & Co., 52 Wall St., N.Y. 5 • National Tel-Tronics, memo, Edward F. Henderson & Co., 15 William St., N.Y. 4 • RCA, review, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4.

tinued. EIA of Canada recommended over-all plan to begin colorcasting at specific date.

(3) Private label begins to loom as important field for color—with Wells-Gardner, Travler & Muntz all planning early entry, and such key accounts as Montgomery Ward, Western Auto & W. T. Grant placing orders (see story, p. 8).

(4) Importer Delmonico International, which showed 14- & 17-in. Japanese color sets at recent Chicago marts (Vol. 3:1 p9) is talking of importing \$10 million worth of color sets beginning next June.

(5) Magnavox, hardly the most rabid color enthusiast in the past, concedes its 1962 color sales were above expectations, now plans to start producing own chassis next month.

(6) CBS-TV got another color sponsor—Campbell's Soups deciding to run *Lassie* in color for 4 or 5 weeks beginning Feb. 17. Network had previously announced its Feb. 17 *Tour of Monaco*, sponsored by Ford & Chemstrand, would be colorcast (Vol. 2:50 p4).

(7) RCA group exec. vp W. Walter Watts at week's end estimated 1962 color TV retail sales at "close to 450,000." At N.Y. Security Analysts' dinner, he explained his previous estimate that market could absorb 750,000-1 million color sets this year: "This is a projection of 1962's curve. It also represents our production limitations, particularly in the picture tube area. If I can believe the preliminary indications from our tube customers, I think one million is a pretty good bet. The question is—will they take them, and can we deliver them?"

Private-label color TV is being marketed in 25 largest W. T. Grant stores which handle other consumer electronic products & major appliances. Sold under Grant's "Bradford" label, set is made by Wells-Gardner and is priced at \$569 in walnut contemporary console cabinet. Local service dealers are retained for \$70 one-year service contract, sold with set. The 1,031-store chain sells TV in its larger outlets, will expand color line and number of stores handling color if experience in the 25 stores is good. Color sets went

Cut-rate promotions on low-end transistor radios & tape recorders abounded at recent Independent Housewares Show in Chicago, according to *Home Furnishings Daily*, a trade publication for retailers. The publication reports retailers were offered 6-transistor radios as low as \$5.75, 4-transistor recorders at \$8, although there also seemed to be more emphasis on quality items than formerly.

Magnavox has developed electronic system, the Magna-Miler, which signals drivers when tire pressure slips below recommended levels. Intended primarily for trucks & buses, Magna-Miler embraces battery-powered transmitter on each wheel which is actuated by pressure switch on tire valve stem. Falling pressure closes electronic circuit, causes transmitter to send signal which triggers warning light or buzzer on dashboard.

Sylvania has slated "intensive" first-quarter ad program to support offer of free bowling ball to purchasers of HaloVision TVs (Vol. 2:52 p9). Program embraces TV spots throughout Jan., on ABC-TV's *Pro Bowlers Tournament*; daily "saturation radio spots" in key marketing areas through 2nd week in March.

Factory transistor sales in Nov. contained no surprises. Industry continued to sell more and earn less. EIA's figures show unit sales of 20,672,176 transistors—up 2.3 million over Nov.-1961's 18,342,285. Dollar value, however, increased by only \$739,000 to \$24,773,966 from \$24,034,703. For year to date, industry sold 48.2 million more transistors than in 1961's Jan.-Nov. period, but earned \$7.3 million less. Unit volume climbed to 220,975,480 from 172,749,515. Dollar value dropped to \$267,347,517 from \$274,655,222. Here are EIA's figures:

	1962		1961	
	Units	Dollars	Units	Dollars
January	17,233,376	\$ 21,459,598	12,183,931	\$ 22,955,167
February	20,239,880	24,151,155	13,270,428	25,699,625
March	22,932,655	28,202,422	15,129,273	29,815,291
April	19,621,048	25,097,960	15,072,064	27,388,278
May	21,217,919	24,951,738	15,128,181	25,113,042
June	21,776,037	26,374,356	17,899,005	26,148,746
July	15,434,205	19,476,017	11,227,388	17,506,011
August	20,369,281	24,128,668	17,193,860	25,155,627
September	20,568,110	24,729,997	19,386,202	27,220,248
October	20,905,793	24,001,640	18,232,530	24,018,037
November	20,672,176	24,733,966	18,342,285	24,034,703
Totals	220,975,480	\$267,347,517	172,749,515	\$274,655,222

Emerson Radio has sold its stock in Granco Products Inc. to Granco Pres. Henry Fogel for undisclosed amount, and is ending its exclusive marketing arrangement for Granco products. The 150,000 shares, which Emerson purchased in Nov. 1961 at 70¢ a share, would be valued at between \$37,500 & \$75,000, according to recent bid & asked prices for the over-the-counter stock. In Aug. 1960, Emerson obtained option to buy 540,000 shares, or controlling interest, but only purchased the 150,000. Granco, which specializes in low-priced FM radios, is now setting up own sales organization and renewing franchises with its former distributors. Pres. Fogel said Granco would also continue to serve its private-label customers, including Emerson, with which it has manufacturing contracts. Granco will announce new radio line by end of this month, according to Fogel.

New Sets: Dominion Electrohome of Canada introduced 3 new TVs and 4 stereo consoles to its U.S. franchised dealers through sales subsidiary International Electrohome. Top of TV line is TV-AM-FM-phono combo at \$649.50; other 23-in. consoles are \$419.50 & \$339.50. Phono consoles are \$299.50, \$359.50, 399.50 & \$529.50. Columbia Record Distributors introduced 4 new items under Master-work label: Drop-down portable stereo at \$79.95; portable stereo with AM-FM, \$129.95; AM-FM clock radio, \$89.95; stereo console with AM-FM, open list.

Distributor Notes: Motorola names four 19th Quarter winners of Climbers Club promotion, which honors quarterly improvement in TV market penetration by distributors. Winners: Bristol Distributing, Fargo, N.D.; Universal Products, Norfolk, Va.; McCracken Supply, Raleigh, N.C.; Cooper Distributing, Newark, N.J. • Philco names Brown Distributing, Atlanta (J. C. Brown, pres.), already distributor for 81 Georgia counties, to serve 50 additional Georgia counties relinquished by Ferrell-Wight, Albany, Ga. • Curtis Mathes names Robert Thompson sales rep for downtown Philadelphia, Pa.

Assets of TV-Electronics Fund increased to more than \$373 million Jan. 15—up sharply from \$331.9 million at close of 1962 fiscal year Oct. 31. Assets at end of calendar year, Dec. 31, rose to more than \$359.8 million.

Trade Personals

Charles M. Kirkland elected Heath Co. pres., succeeding Allan W. Greene, resigned.

Jack Kramer, formerly Arvin Industries & Gem Electronics, joins Matsushita Electric Corp. of America in new post of consumer products mktg. mgr.

Arnold Henderson, former Emerson sales dir., rejoins Emerson as sales administrator from Dynamic Instruments Corp.

David T. Richardson named Magnavox corporate credit mgr., a new post; Dean M. Davis appointed Consumer Products Div. credit mgr., headquartered in Greeneville, Tenn.

John Hawkinson, TV Shares Management Corp. pres., elected a vp & a dir. of TV-Electronics Fund.

Ralph H. Glover named exec. vp of Muter's Jensen Mfg. Co. Div.; Walter R. Wolfgram named division mfg. vp; Horace L. White industrial sales vp.

David Libsohn, former General Magnetics & Electronics pres., joins Telectro Industries' Consumer Products Div. in general sales capacity.

William Szabo named contract operations & construction vp, Reeves Soundcraft's subsidiary Reevesound Co. . . . Robert O. Vaughan appointed mktg. vp of GPE's Librascope Div.

Dr. Robert T. Watson, onetime RCA Tube Div. executive, elected pres. of ITT's Industrial Labs Div.

Nicholas A. Rabiecki Jr., ex-Standard Systems Corp. & General Dynamics/Electronics, appointed closed circuit & ETV mktg. mgr., Sylvania Home & Commercial Electronics Corp. . . . R. Kenyon Kilbon promoted to RCA editorial & publication services mgr.

W. J. Cheesman appointed ITT telecommunications group mgr., continues as pres. of ITT Canada.

Robert E. Lewis, Perkin-Elmer pres., elected a Benrus Watch dir.

Algie A. Hendrix appointed General Dynamics industrial relations vp.

Stanford Kaplan appointed finance vp & a dir. of Republic Corp.'s Utility Appliance subsidiary; Stanley Kraft named engineering vp.

James J. Ling, Ling-Temco-Vought vice chmn., nominated chief exec. officer, succeeding Robert McCulloch who continues as chmn.

Seymour Mintz, onetime Capehart vp-gen. mgr., resigns as gen. mgr. of Datom Industries' Madison-Fielding Div.

Edwin E. Van Bronkhorst appointed Hewlett-Packard vp & treas.; Ray L. Wilbur Jr. & William P. Doolittle named vps.

Arnold E. Last appointed Westinghouse Appliance Sales mgr., a new post, responsible for distribution of TV & stereo products as well as appliances.

N. Thomas Berry Jr. named Regency Electronics gen. sales mgr., a new post, headquartered in Indianapolis.

Obituary

Joseph R. McCurdy, 48, RCA news & press services mgr., died Jan. 23 after long illness. Before joining RCA in 1959, he was a vp of Carl Byoir & Associates. His wife & 4 children survive.

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	1962—year to Nov. 30	\$414,280,128	\$ 39,340,276	\$ 18,790,276 ¹ ²	\$1.72 ²	10,937,474
Story below	1961—year to Nov. 30	323,142,012	25,513,052	12,982,052	.124	10,511,500
Electronics Corp. of America	1962—year to Dec. 31	8,300,000	—	300,000	.41 ³	726,095
	1961—year to Dec. 31	7,544,277	—	256,577	.31 ²	749,495
Emerson Radio	1962—year to Oct. 31	80,371,180	4,766,734	2,278,159	1.00	2,278,739
Story on p. 13	1961—year to Oct. 31	70,903,466	3,751,344	1,851,684	.81	2,278,739
Hawley Products	1962—year to Dec. 31	7,500,000	—	400,000	1.40	260,000
	1961—year to Dec. 31	5,880,000	—	104,570	.44	238,450
Muter Co.	1962—year to Dec. 31	16,500,000	—	350,000	.28	1,257,695
	1961—year to Dec. 31	14,553,107	—	243,962	.19	1,199,094
Packard Bell Electronics	1962—qtr. to Dec. 31	14,275,000	—	522,000	.61	854,043
	1961—qtr. to Dec. 31	12,045,554	—	475,000	.57	840,094
Howard W. Sams	1962—6 mo. to Dec. 31	6,864,372	—	487,451	.90 ²	536,154
	1961—6 mo. to Dec. 31	6,707,953	—	478,309	.90 ²	526,950
Webcor	1962—6 mo. to Nov. 30	24,000,000	—	49,000	.05	940,737
	1961—6 mo. to Nov. 30	29,278,000	—	1,923,000	1.95	940,737

Notes: ¹ Record. ² Before non-recurring profit of \$1,249,989 (11¢ a share) on sale of TV broadcasting properties. ³ After preferred dividends.

Mergers & acquisitions: ITT & General Controls Co. have agreed to merge, subject to approval of their stockholders. Latter's products include controls for household appliances • Howard W. Sams has acquired for undisclosed cash American Handbook & Textbook and its Theo. Audel & Co. Div. which publishes broad range of training & handyman books in variety of fields, including engineering & electrical • Avnet Electronics has bought 50% of Production Technologies, Jamaica, N.Y. maker of sheet metal dies. Avnet also has option to buy remaining ownership, will move Production Technologies to its Plainview, N.Y. facility • Beckman Instruments & Vector Mfg. have dropped their merger plans (Vol. 2:49 p11) • Litton Industries, owner since 1959 of 50.17% of Svenska Dataregister AB, Stockholm manufacturer of point-of-sale recorders & cash registers, has acquired a total of more than 90% of firm's outstanding shares • TV-Electronics Fund shareholders have approved continuation of their management & underwriting agreement with TV Shares Management Corp., paving way for sale by latter of 40% of its stock to Kansas City Southern Industries (Vol. 2:49 p16). KCSI will pay \$10 a share, or \$4,025,530, for stock offered by group headed by onetime TV Shares Management Pres. William H. Cooley & ex-dir. Robert D. Michels • Standard Kollsman Industries has purchased Grigsby Co., maker of electronic switches for "substantial sum of cash & stock."

TV-radio broadcasters were among 6 of 72 major industrial groups that closed 1962 with their stock performance ahead of 1961's, noted Jan. 23 *Financial World*. Broadcasters' 12.2% gain was topped only by shipping's 13.1%. In 1961, only 5 groups failed to post improvement, compared with 1962's 66 decliners. Declines ranged from 0.5% for equities of electrical household appliance firms to 50.8% for vending stocks. Electronics stocks were down 25.7%. TV-radio manufacturers were off 18.1%. Interestingly, *Journal* noted, "shipping companies & TV-radio broadcasters, the 2 outstanding gainers in 1962, had ranked close to the bottom of the list a year earlier."

RCA hopes to surpass 1962's first-quarter record sales & earnings this year, Pres. Elmer W. Engstrom told dinner meeting of N.Y. Society of Security Analysts last week at special presentation by RCA's top management team. Chmn. Brig. Gen. David Sarnoff, looking hale & hearty after recuperating from gall-bladder operation, reiterated that "pioneering & profit do become compatible." Among highlights presented by top RCA officials: (1) RCA home instrument, tube & component sales increased 22% over 1961, with profits up 55%. TV sets' dollar volume reached all-time high. (2) Computers will cross into profit column within 2 years. (3) RCA's sales to govt. (\$600 million in 1962) account for 35% of its total business. (4) Color broadcast equipment could become \$100-million business between 1963 & 1970. (5) RCA anticipates nearly fivefold increase in TV stations by 1970. (6) NBC's after-tax earnings increased 35% in 1962, sales 12%.

Avco earnings rose 45% to record \$18.8 million in its 1962 fiscal, ended Nov. 30, as sales climbed 28% to \$414.3 million (see financial table). Company also had non-recurring income of \$1,249,989 (11¢ a share) from sale of TV broadcasting properties. Operating profit in 4th quarter totaled \$6.4 million & was record for any quarter. Previous fiscal high was 1961's \$13 million. Previous quarterly high: fiscal-1962's 2nd quarter earnings of \$5.1 million. Avco said govt. business accounted for 70% of 1962 sales, but consumer operations produced "slightly" more than 50% of profits.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Raytheon	Stk.	3%	Mar. 1	Feb. 7
Stewart-Warner	Q	\$0.35	Mar. 9	Feb. 15
Texas Instruments	Q	.20	Mar. 14	Feb. 14
National Video "A"	Q	.06	Feb. 25	Feb. 5
TV-Electronics Fund	—	.03	Feb. 28	Feb. 1