

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

DECEMBER 2, 1963

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Consumer Electronics

ECONOMY STRONG, business climate good, consumer electronics leaders agree; some see temporary buying slowdown, but predict Johnson administration will be favorable to business (pp. 7 & 10).

ALL-CHANNEL PRICE HIKES next year will be ingeniously hidden, manufacturers agree, facing problem of taking water out of already-dehydrated sets; price leaders seen starting at same point as today; mad scramble on for foreign parts; across-line average boost as low as \$15 (p. 7).

COLOR SET STATISTICS on production & sale to be urged at EIA meeting this week, in all-out push to restore integrity of market data; immediate decision not anticipated (p. 8).

JAPANESE EXPORT PRICES continue drop, as 9-month figures show increased shipments; average TV price dropped from \$59.34 to \$53.71 in Sept. 1963; transistor radio 9-month average price is \$7.89 (p. 9). Table of Japan-to-U.S. shipments (p. 10).

JOHNSON ADMINISTRATION, AND THE INDUSTRY: You can get complete spectrum of speculation in Washington, but virtually no information, on what Johnson Administration may mean to TV-radio industry. (For roundup of opinion on consumer electronics industry, see p. 7.)

Mrs. Johnson moved promptly last week to disassociate President from financial connections with industry, by filing application with FCC to put control of her broadcast interests in hands of trustees A.W. Moursand & J.W. Bullion, Johnson City, Tex. Stock is to be held in trust for Johnsons' 2 daughters. Mrs. Johnson will resign as chmn., have no voice in management. President Johnson is said to have had nothing to do with running stations. Johnsons have no holdings in other federally-regulated industries.

Mrs. Johnson holds 52.8% of LBJ Co., licensee of KTBC-TV Austin, plus minority holdings in KWTX-TV Waco, KBTX Bryan, radio KNAL Victoria (all Tex.), KVII Ardmore, Okla. Moursand & Bullion now own 30.9% of LBJ Co., will also control Mrs. Johnson's 52.8%.

Common assumption here is that FCC's tough regulatory stance would rub President Johnson wrong way. If this is true, it would mean that FCC Chmn. Henry will be leaving before very long. This is because Presidents get results they wish primarily by appointing men who think as they do—

not by telling regulatory agencies what to do. There's recurrent talk, of course, that Attorney General Kennedy will resign, after "decent interval," and that many Kennedy appointees will follow suit.

Henry has "placed myself at the President's disposal"—customary practice of Presidential appointees when new chief executive takes over. Meanwhile, Henry says: "It's business as usual here—as usual as it can be after such a tragedy."

Because of his long & influential role in Congress, Johnson has extraordinarily broad & deep acquaintanceship with leaders in all industries and in govt.—in addition to his relationships with world leaders as Vice President. So, heads of networks, groups, individual stations, plus newsmen, are well known to him.

Many of Johnson's most-trusted advisers are names out of the New Deal—Benjamin Cohen, Dean Acheson, Abe Fortas. His long-time top administrative aide is Walter Jenkins. Senators close to him include: Magnuson (D-Wash.), Pastore (D-R.I.), Fulbright (D-Ark.), McCarthy (D-Minn.), Dodd (D-Conn.). Others in govt. close to him are: Cyrus Vance, Secretary of the Army; Harry McPherson, a Vance deputy; William Moyers, Peace Corps deputy. Among Washington TV-radio figures, some who have worked with Johnson are: Frank Russell, retired NBC vp; Leonard Marks, who was treasurer of Johnson's campaign committee; John Hayes, of Post-Newsweek stations, who helped in use of TV-radio during campaign.

You can weave plausible-sounding speculation about all kinds of "ifs." If Henry leaves, will incumbent FCC Democrat be elevated to chmn.—Bartley, Cox or Loevinger? Most guessers predict there'd be a new man, because there's probably more political advantage in such move. Republican Comr. Ford, whose term is due to end next July 1, presumably has excellent chance of reappointment if he wants it. Heretofore, there was talk that Kennedy Administration would replace him with a Republican of its own choice.

THE INDUSTRY ACHIEVEMENT: A nation's gratitude & recognition, beyond anything it has ever known, has been accorded the TV-radio industry. Networks & stations poured unceasingly of their superb people & equipment to give the nation what it needed. Aside from fullness of coverage, industry by its whole tone provided a base of stability to the national mood—grief rather than anger, then hope rather than panic. The industry's contribution is a perfect subject for a book by an able historian. A selection of tributes is well worth listing:

(1) President Johnson himself, on night of Nov. 25 called the patriarch of news commentators, H. V. Kaltenborn, to thank him for his comments on NBC-TV's "LBJ Report No. 1."

(2) Presidential news secretary Salinger relayed to TV-radio & press the appreciation of Mrs. Kennedy, Kennedy family and those closest to them "for the very dignified manner in which they covered the death of the President and the events which followed it."

(3) FCC Chmn. Henry on behalf of Commission: "Americans are deeply indebted to the broadcasting industry for its comprehensive, dignified coverage of the tragic & solemn events surrounding the death of President Kennedy... In this hour of tragedy, broadcasting achieved greatness."

(4) Sen. Magnuson (D-Wash.), chmn. of Commerce Committee: "The remarkable coverage during this period of shock, bewilderment & confusion attests to the skill & maturity of electronic journalism... I would estimate [the cost] runs into the millions of dollars... I must state for the record that the excellent performance of recent days brings to them the highest commendations that I can make."

(5) Rep. Harris (D-Ark.), chmn. of Commerce Committee: "The performance... tends to offset much of the criticism leveled against the industry... Having been a frequent critic of particular aspects of the broadcasting industry, I am particularly gratified that I can say to the industry today thanks for a job well done. We can say truthfully today that we Americans have felt fused together as one people largely because of the outstanding contribution made by the broadcasting industry."

(6) Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee: "Skillful, respectful, detailed & tasteful coverage... Superb performance—electronic journalism at its best and public service programming in the true meaning of the phrase..."

(7) Sen. Gore (D-Tenn.): "Deep appreciation for the sensitive & magnificent coverage... I do this,

first, out of deep gratitude; and second, because heretofore I have been a critic of the programming & commercialism of TV & radio."

(8) Sen. Proxmire (D-Wis.), also a frequent critic: "The intelligence & sensitivity of the commentary and the continuously expressed dedication to this country's strength & solidity in its hour of terrible grief was superb."

(9) Rep. Sisk (D-Cal.): "We all recall charges against this industry and statements with reference to the 'vast wastelands,' many of which I have agreed with in the past, but I am proud to say... That this great industry has finally grown to adulthood and has contributed an outstanding service to America and to the world."

* * * * *

Network duties were staggering. Many hundreds of people worked under enormous tension, many around the clock. Individual groups & stations gave all they had.

Costs were enormous. Estimates run up to \$100 million for whole industry—most of it irretrievable. Industry gave unstintingly. (We know of only one blatant note—an ad more than 1/4 page, taken in Washington papers by local radio broadcaster who asked: "I wonder how many realize the tremendous losses in revenue incurred by these stations? I wonder if the above will be overlooked along with some newspapers that were filled with advertisements...")

Hundreds of millions of people in rest of world got coverage live, filmed or taped—via satellite or jet—and kudos poured in from virtually entire world.

In Washington, pervasiveness of radio was astonishing. As one stood on cortege routes, thousands of transistor radios made it sound as if subdued public address speakers were strung along streets. Demand for batteries taxed supply.

Print media have done well in national crises & tragedies. Radio brought events even closer. TV, now, makes the public involvement complete. More than ever, public & govt. leaders will look to TV & radio to keep them together in the critical aftermath.

BELL'S OUTLOOK FOR CODES: Howard Bell takes over as Code Authority dir. today (Dec. 2). Though he's done his homework, he says his real education is just beginning, and "stakes are high."

Bell is collecting ideas & recommendations to carry Code program "forward". These he will unveil at separate TV & radio Code board meetings sometime in Jan. before semi-annual gathering of full NAB board.

Bell is an optimist with an open mind on Code problems. But he's sure of at least 2 things: (1) If Code is going to work, it will need full cooperation of all elements of business. (2) Entire Code approach needs basic research to suggest fresh ways—or possibly, to confirm merits of old ways. He's not entirely convinced, for example, that quantitative "time" standards can't be made to work.

One of Bell's major concerns is relationships among broadcasters, agencies & advertisers. His view: "We should know their problems and concerns, but in the final analysis, it is the broadcaster who has to establish the ground rules for use of his facilities."

Advertising fraternity will support industry's self-regulatory efforts, Bell believes: "Government encroachment would hurt everybody. The press is aware of its involvement, too, and has generally supported the industry in its current battle over government restrictions."

Ad agencies probably will have to make individual judgments in supporting Code, Bell said. He points out that even if Justice Dept. were to clear any joint agency move to back Code, this would erase only the threat of criminal anti-trust action. There would still exist threat of other legal action—where non-Code station claiming injury because of alleged conspiracy could pursue civil suit, which can yield treble damages. "This wouldn't help the Code very much," Bell said.

Biggest help Code must get is greater support from industry itself. "We've got to find ways to increase its acceptance and implementation," Bell repeatedly asserted. He believes stronger Code

may be part of answer; "The Code will have most respect when it means what it says," meaning "sanctions," too.

If Codes are to have new look, research will lead way. NAB has contracted with Columbia U. for analysis of certain raw data on commercials that were part of psychologist Gary Steiner's research, but not included in his report—"The People Look at Television." It's hoped this will be ready in Jan. Bell feels strongly that qualitative standards, especially, will have to be guided by research because these criteria are "extremely subjective."

* * * * *

FCC's legal memorandum, to support authority to set limits on commercials, has been approved by Commission, will be delivered this week to Rep. Rogers (D-Tex.), chmn. of Communications Subcommittee. At hearings, FCC said its authority comes from public interest mandate, its powers to classify & prescribe nature of broadcast services, plus Supreme Court decisions stating if issues can be dealt with on case-by-case basis, they can be handled by over-all rule. FCC oral argument is set for Dec. 9.

ARF EXPANDS MEDIA RESEARCH ACTIVITY: Responding to cries from some admen that it take stronger hand in research reform, Advertising Research Foundation has formed new "Committee on Improving the Measurement of Advertising Media," simultaneously expanding its interest in Detroit methodology study sponsored by ARB & RKO-General.

Originally retained as consultant, ARF has ticketed Detroit project as Committee's "Experimental Study #1". It's estimated that cost of study to ARB & RKO-General is about \$70,000. Project was designed primarily to test ARB's experimental individual diary—as opposed to family diary—in measuring today's radio listening. But it has been expanded now, under ARF scrutiny, to examine new diary's ability to measure all media.

Field work, to take 4 weeks, will probably begin in Jan. First results won't be known until late in March. Base of project has been expanded to determine: (1) Value of 7-day individual diary in measuring total radio. (2) Value for simultaneous measurement of all media. (3) Possibility of converting individual TV-radio exposure into family units. (4) Whether individual diary can provide depth of exposure to print media, i. e. what proportion of pages are looked at. (5) Whether media exposure can be related to sales by determining degree of cooperation among housewives in keeping product purchase diary following their participation in multi-media diary sample.

In other rating developments: (1) Plans are expected to be finalized this week for incorporation of NAB's Rating Council—held up in hope that AAAA & ANA would become full members of board. Chances now are that they will have "associate" status. (2) RAB & NAB have expanded their steering committee, to implement joint \$200,000 radio methodology study, from 5 members each to 7. It's understood action was taken to expand geographical representation. First meeting is scheduled Dec. 6.

FCC HITS METROMEDIA WITH OWNERSHIP QUIRK: New problem for multiple owners with public stock outstanding has been raised by FCC. It came to head last week in Commission consideration of Metromedia's purchase of radio WCBM & WCBM-FM Baltimore for \$2 million. FCC found that a mutual fund owns more than 1% each of Metromedia & Taft; rules provide that no one can own more than 1% in more than 7 stations. So—FCC granted approval on condition Metromedia "demonstrate compliance with" rules.

Metromedia now must get the mutual fund (unidentified) to sell off enough stock in either company to bring holdings below 1%. Will fund demand outrageous ransom? Metromedia is worried—for it has no control over fund.

If Metromedia runs into trouble, many other similar groups—including networks—may be in for trouble, unless Commission relents. In case of publicly held mutual funds, their holdings can be determined readily because they're published. But what if an individual stockholder is the "violation"? Broadcaster knows his stockholders, but not others', thus may be in violation without knowing it. It's up to FCC, apparently, to gather the data, compare lists of holders. Some at Commission were reluctant to sock Metromedia with "condition" now, plumped for unconditional grant to be followed by Commission study of whole problem. But majority of 6 commissioners present (Hyde absent), concluded condition had to be imposed. Comr. Bartley abstained; Loevinger dissented.

COLLINS ATTACKS LUCKIES COMMERCIAL: NAB Pres. Collins assailed current Lucky Strike commercial as "brazen, cynical flouting of the concern of millions of American parents about their children starting the smoking habit."

"Lucky Strikes separate the men from the boys, but not from the girls," he said, is just like saying: "If you will smoke Luckies you will acquire the virtues or the manners of manhood." In address to Assembly of United Churchmen, National Council of Churches, Collins said tobacco firms generally have taken steps to minimize their appeal to youth, in response to plea he made previously.

He observed once more that "specific action" by broadcasters on tobacco commercials awaits Surgeon General's report, due out in Jan.

Alluding to Council pronouncement of last June calling for increased govt. control over TV, Collins said the way to improve TV is not by "the morally-indignant but spiritually-lazy: 'There ought to be a law.'" He urged gathering to take its complaints about broadcasting to broadcasters. He said if FCC must become involved, "tell the FCC to consider your charges on the issue of whether or not the offending station should or should not be licensed. But do not demand that the FCC tell the station how it must meet its program responsibilities."

Screen Gems earnings in fiscal 1964's opening quarter ended Sept. 30 topped record \$467,717 posted a year earlier and "give us a fine start" for the new year, Jerome Hyams, exec. vp & gen. mgr. told annual meeting. Figures are not yet available. Leo Jaffe, SG first vp and exec. vp of parent Columbia Pictures, which owns 89% of the subsidiary, said "we have every reason to believe our growth will continue unabated." Though SG's prime evening TV network programming is down to 4 hours from 6 last season, and its "Redigo" show "has not proven a success and will leave the air Dec. 31," it has about doubled its network re-run programming to 3 hours, has sold 2 new 30-min. cartoon programs (one debuts in Jan., other in Aug.) and is producing pilots for 4 other TV shows which haven't been sold. It's also producing 26-installment series narrated by former President Truman, "HST: The Decisive Years," which has not yet been offered for TV sale.

Filmways profit in fiscal 1963 ended Aug. 31 topped \$120,000 vs. year-earlier loss of \$125,860. Revenue, however, slipped to about \$11 million from \$12.8 million. Chmn. Martin Ransohoff attributed profit to reduced expenses, consolidation of operations and termination of unprofitable TV-commercial production in N. Y. Withdrawal of N. Y. production resulted in fiscal-1963's revenue decline. He said that earnings in fiscal-1964's opening quarter, ended Nov. 30, would be at least as good as year earlier's \$44,880.

NAB has named special committee of 12 broadcasters to join Pres. Collins & staff when they meet with National Council of Churches in N. Y. Dec. 9. Meeting was prompted by anti-TV pronouncement of NCC last June. Campbell Arnoux, WTAR-TV Norfolk, is chmn.

Broadcast scholarship has been established by Assn. of Broadcast Executives of Texas. First award of \$500 will be for term starting next Sept. Recipient must have completed one year of college in Texas with TV-radio as career objective.

New Starter: WHNT-TV (Ch. 19) Huntsville, Ala. got program test authorization Nov. 26 for Thanksgiving Day debut as CBS-TV outlet. It's year's 14th new station, brings operating total to 648 (116 uhf). It has 25-kw RCA transmitter and 254-ft. used Blaw-Knox tower. Charles Grisham, ex-WAPI-TV Birmingham, is pres., 25% owner, gen. & sales mgr.; Bob Jones is operations mgr.; V. Bankowski, chief engineer. Base hour is \$300. Rep is Venard, Torbet & McConnell.

CBS-TV's nighttime lead over NBC-TV has risen to 13%, from 10% last year at this time, Pres. Frank Stanton told annual meeting of CBS 20-Year Club. Network's after-dark lead over ABC-TV is 25%, he said. Basing figures on Nielsen ratings, Stanton stated: (1) CBS has largest audiences on 6 of 7 nights, is 2nd on remaining night. (2) Network has 9 of 10 most popular shows, night & day. (3) Daytime audience is 49% greater than NBC's, 98% greater than ABC's.

Network TV's gross time billings jumped 5.7% for first 9 months of 1963—to \$612,054,600, compared with \$580,137,700 for similar 1962 period, TvB reports. Sept. billings were up 6.5%—to \$67,988,700 from \$63,869,000. Each network's billings for first 9 months: ABC, up 6.3% to \$158,482,200; CBS, up 5.8% to \$239,272,000; NBC, up 4.5% to \$214,300,400.

Hotel TV is sizeable bonus to advertisers, survey by WJXT Jacksonville shows: Of 1,084 hotels-motels responding to survey in 49-county area, 950—87.5%—reported having TV in rooms, amounting to 21,447 rooms, about 76% of total for responding establishments. Another 93 hotels-motels—8.5%—had sets available in either lobby or office. Only 42—4%—had no TV service available.

KUAM-TV-AM (Ch. 8) Agana, Guam, has been sold for \$650,000 by Phil Berg to Pacific Bcstg. Corp. (H. Scott Killgore, pres.). Killgore is pres. of Tele-Bcstrs. Inc., owner of radios KALI Los Angeles (San Gabriel), KOFY San Francisco (San Mateo) & KUDL Kansas City. Broker: Blackburn & Co.

American Federation of Musicians and its New Orleans local have again petitioned FCC to deny or designate for hearing renewal of WWL-TV. AFM claims it failed to fulfill pledges on local live public service programs. Union made similar complaint in 1961. Union claims station has done nothing to improve local live shows or to ascertain local needs.

NAB will support court battle of 4 Minneapolis TV stations refusing to pay \$500 each to FCC which held they "willfully" & "repeatedly" failed to identify sponsor. Stations had carried taped program supporting Sunday closing ordinance, but failed to announce that it was sponsored by merchants assn. Douglas Anello, NAB gen. counsel, praised stations for making test case of issue, costs of which will far exceed FCC fine.

NBC-TV affiliates convention, scheduled for Dec. 1-4 at Hollywood's Beverly Hilton Hotel, was postponed because of the period of national mourning. It will be rescheduled, probably in Feb. or March.

Pay-TV start in Denver was extended 2 months by FCC, to give experimenters time to equip for picture scrambling (Vol. 3:47 p1). Eight months had been requested.

Personals

Steve Weston, NBC-TV business affairs mgr. for programs, promoted to dir. of Tele-Sales & unit managers. . . **Ronald S. Friedwald**, ex-media dir., Mogul, Williams & Saylor, named NBC ratings mgr.

David N. Lewis, advertising & sales promotion mgr., KDKA-TV Pittsburgh, promoted to similar post for parent Group W, succeeding **David Partridge**, named to new executive duties in Special Projects, Creative Services.

Asher H. Ende, FCC examiner, promoted to assoc. chief, Common Carrier Bureau, and chief of Office of Satellite Communications, succeeding **Bernard Strassburg**, now Bureau chief.

Hendrik (Hank) Booraem, ex-Lennen & Newell, named vp in charge of programs, WPIX N. Y.

Obituaries

Richard A. Mack, 54, former FCC commissioner, key figure in 1958 "influence" scandals, was found dead Nov. 27 near Miami's skid row, on sheetless bed—with 40¢. Death was believed due to natural causes. He was last remaining principal of Ch. 10 case, following deaths of main figures of 4 original applicants and suicide of his benefactor, attorney Thurman Whiteside. An alcoholic even before being forced off FCC, Mack subsequently was divorced by wife on grounds of desertion, underwent psychiatric treatment, drifted out of public sight.

Frederick J. Molchin, 32, chief engineer of WTTV Indianapolis-Bloomington & of the Sarkes Tarzian stations, died 2 weeks ago after being shocked while working on transmitter of WPTA Ft. Wayne. He'd been with company since 1957.

"FM Magazine" will debut next month in N. Y., Chicago, other markets. Eventually, according to editor-publisher Robert J. Wattoff, it will have editions in nation's top 10 FM markets. Publication will feature national feature section & local program listings, will begin with guarantee of 75,000 copies monthly. Wattoff is former publisher of "FM Listener's Guide," whose 6 editions ceased publication early this year. Serving as FM industry consultant to new publication is David Lachenbruch, editorial director of "Television Digest." Publisher is Cadmus Corp., 270 Madison Ave., N. Y. 10016.

Triangle Stations Pres. Walter H. Annenberg will pay remaining \$12,217 mortgage on home of J. D. Tippit, policeman slain attempting to arrest President Kennedy's accused assassin. TV personality Jack Paar sent Tippit family \$1,000.

USIA has assigned TV writer Stirling Silliphant to write first of new TV series, "The Continuing Revolution," to be distributed to all Free World countries. Series will consist of six 30-min. programs on subjects ranging from civil rights to American economy.

"Study Guide on Broadcasting" has been prepared by NAB for General Federation of Women's Clubs. It's 22 pages, contains background material and suggested discussion & study topics on TV-radio.

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Theater Network TV demonstrated new Norelco color Plumbicon camera, used with its color Eidophor large-screen closed-circuit TV system at Pentagon last week. TNT claims Plumbicon is only about 1/3 size of image orthicon color camera, requires only 5 minutes of "warm-up," can operate with 2/3 less light. In addition, TNT claims Plumbicon, now in production, has uniform color, presents no "image lag" or "burn-in." For Eidophor, TNT claims 4,000 lumens, contrast ratio of 100:1, resolution of 700 lines, distortion of less than 1%.

"People really don't care very much what they see [on TV]," concludes Dr. William Stephenson, British-born psychologist, now U. of Missouri Distinguished Research Professor of Advertising. In study of what people remember from exposure to mass media, Stephenson said: TV poses special problem because "constant interruption of commercials" kills any real chance of "viewer absorption."

New camera tube developments: GE has extended warranties up to 60% on 4 types of image orthicons. RCA has introduced new 1-in. high-resolution vidicon, which, it says, "promises the possibility of new camera designs for commercial broadcast service." Resolution capability is 1,000 lines (700 at corner).

Huge marketing report on Mexico is available from J. Walter Thompson, N. Y. & Mexico City, for \$20. It terms country "young, dynamic, fast growing," says it tripled gross national product during 1950s.

Case studies of 13 video tape commercials have been published by 3M Co. in 36-page booklet, "Advertising with Video Tape." It explains techniques and costs that range from \$300 to \$12,000 each.

3M Co.'s stereo tape cartridge line will duplicate & distribute, under new licensing agreement, music of ABC-Paramount & its subsidiary Westminster.

Ampex's closed-circuit Videotape recorder is now sold in N. Y. by ITV Inc., 342 W. 40th St., and in New England by Lake Service Corp., 75 N. Beacon St., Watertown, Mass.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

ECONOMY STRONG, BUSINESS CLIMATE GOOD: Leaders of consumer electronics industry last week were inclined to agree with other business spokesmen that long-term prospects are unchanged, that economy is resilient, that outlook for business is good.

There was some feeling that tax bill now has better chance for early passage because of emotional support by Congress and traditional "honeymoon period" of new President with legislature. In survey of consumer electronics leaders, we found optimism that Johnson administration would be friendly toward business. Stock market rally and President's request that Congress pass tax bill "without delay" added to general confidence.

Some manufacturers anticipate damper on Christmas buying during period of national mourning, but, as Motorola's Ed Taylor expressed it, were not anxious to "put a dollar sign on tragedy." While most commented on general economic outlook, we think there is one point which should be mentioned in connection with future of our own specific industry:

TV & radio have demonstrated as never before how vital they are as unifying communication force among American people. In national crisis, electronic mass communication has been elevated to stature of a necessity second only to food & shelter. TV & radio have matured far beyond the antique designation of "home entertainment." This new awareness of importance of electronic enlightenment in the home, we believe, will be most significant lasting result of Nov. 22 tragedy upon our industry.

For digests of industry leaders comments, see p. 10.

WHAT \$20-\$30 UHF PRICE DIFFERENTIAL? Almost to a man, set manufacturers are betting that highly-touted \$20-30 price increase on TV sets in next year's all-channel models won't show up—at least, not so anyone could recognize it.

Prices will go up, on the average—particularly at middle & high ends of line. But increases will be so ingeniously hidden & camouflaged as to make comparisons with current models virtually impossible. In many cases it will appear—repeat, appear—that industry is giving away uhf tuners for free.

This is consensus of large number of TV manufacturing topkicks—all of whom were promised anonymity, since next year's plans are already under way. They're all praying, of course, that Congress will eliminate 10% excise tax—which could wipe out cost differential between today's vhf & tomorrow's all-channel sets—but, being realistic, they concede that this isn't likely, and they're planning accordingly.

Real problem is that there's no water in today's sets, and neither manufacturer, distributor nor dealer can eat the price increase. Any cheapening will have to come out of set's performance. And there will be some of that. Magnitude of problem was summed up nicely by one manufacturer: "When you take \$2 out of a set, you're eating into performance pretty badly." Yet all-channel costs manufacturer nearly \$10 more than vhf-only,

Nevertheless, there's agreement that leader prices won't go up much, if at all. There's general belief that 11-in. all-channel sets will still start at \$99.95 ("How can you sell 'em at any other price?" asks one manufacturer), that 19-in. will generally start at \$139.95 list if not below. Nobody is saying just how he's going to do this, of course—but we don't doubt for minute there are plans.

There's one obvious way to cut costs just a little more—foreign parts. Everybody has his purchasing agents & engineers in Japan right now, and mad scramble for low-cost, good-quality parts is intense.

Nobody denies for minute that there will be price increases. But some will be partially offset by new corner-cutting methods. It's possible that low-end chassis will be carried higher up in line, that hardboard & other wood substitutes will be used for more low- & medium-price consoles, etc. With mass production & heavy competition, tuner prices are expected to continue their decline.

How will new prices affect consumer? There are 2 main schools of thought. As expressed by one top sales mgr.: "The public won't resist the price. The average consumer has no idea of TV prices until he's in the market for one and goes into the first store. It's the dealer who establishes price, not the public."

Other view, stated in various ways by several, is this one: As public hears about uhf and prospective increases, they'll start buying more. Thus, June-Aug. sales may well be higher than usual, with plenty advance buying to beat price jump. When pipelines are drained of vhf sets, there'll be slump for while. This will be ended by pre-Christmas buying, when people who postponed purchases in fall may decide to make up for lost time.

All manufacturers saw real effect of hidden price increases—if any—hitting some time after Labor Day. None predicted extra heavy stockpiling of vhf sets. If good business continues, some said they couldn't stockpile if they wanted to—and they're not sure they want to.

Set makers obviously will heed recent warning of FCC Comr. Robert E. Lee, who said in Toledo speech that stockpiling of vhf sets would indicate "lack of faith and could well leave a lasting impression, one that might be recalled in any future discussions with industry on measures it deemed too binding & restrictive." He also plugged up what he called "seeming escape hatch" in all-channel law—production of sets for shipment within state—giving Commission's opinion: "If the manufacturer is still producing all-channel sets for shipment outside the state where made, the law is binding on all receivers produced."

Here's what it all means to us, summing up: Plans already in works for biggest model change in TV's history... costly... would affect profits if business weren't so good otherwise. Most leader prices probably won't appear changed. (Nobody said it, but it stands to reason margins might be even shorter and leaders harder for public to buy.) Throughout entire line, increases will average something less than \$20—perhaps getting down to \$15—but most of them will be difficult to pin down because of impossibility of directly comparing 1965 models with ones currently on market.

EIA TO PUSH FOR COLOR SET DATA: Set manufacturers will make another attempt to add color TV production & sales to official industry statistics when they meet this week at Los Angeles' Statler-Hilton for EIA quarterly conference.

Spearheading attempt to break statistical blockade will be EIA's Consumer Products Executive Committee, headed by Olympic Pres. Morris Sobin. Key to problem is RCA, which has been withholding its color statistics, presumably on grounds it produces more than 50% of all color sets. At meeting last March, it appeared that RCA had agreed to contribute its figures, but this turned out to be false alarm (Vol. 3:12 p7).

EIA officials & market data specialists are concerned about recent trend of manufacturers to withhold data—as manifested by RCA's refusal to submit color figures and GE's more recent decision to hold up statistics on 11-in. TV (Vol. 3:40 p8). Although manufacturers are under no compulsion to give data to EIA, rules provide that EIA is to collect all data and to black out figures for any product in which one manufacturer has more than 50% of market, at request of manufacturer. Unilateral decisions by manufacturers to withhold information threaten integrity of entire marketing data program, some EIA officials believe.

EIA officials aren't optimistic that they'll get pledge this week from RCA for submission of color data, but they feel that strong stand may pave way for possible consent beginning in Jan. GE has informally stated it will give EIA its 11-in. figures next year, including retroactive figures for 1962—but there still seems to be concern about whether this actually will happen.

Consumer Products Executive Committee will also discuss a couple of old chestnuts: (1) EIA's role in spreading information about uhf & all-channel law. (2) FTC request for more help in arriving at definition of "high fidelity."

JAPANESE EXPORT PRICES FALLING: Perhaps most significant news in Japan-to-U.S. export figures (see table, p. 10) is continuing drop in average prices.

Although most categories of exports to U.S. appear to be leveling off in quantity—with obvious exception of TV—shipments do continue to show increase in units, if not in dollar volume.

TV shipments to U.S. totaled 317,089 units for 9-month period, as we reported last week (Vol. 3:47 p7). While average TV export price had been increasing throughout year as result of heavier percentage of transistor sets, Sept. saw decrease as compared with Sept. 1962—the \$59.34 average unit price dropping to \$53.71. For full 9-month period, unit price was slightly higher than last year—\$56.47 vs. \$55.37.

Average transistor radio price (3 or more transistors) dipped sharply in 1963 to \$7.89 from last year's \$9.51, and while total shipments were up 4.6%, dollar volume was down 6.5%. Tube radios bucked trend—shipments were off more than 30% while dollar volume was down only 10%, and per-unit price rose to \$8.05 from \$6.85, presumably because of greater percentage of FM sets.

Tape recorder shipments for 9-month period more than doubled 1962 figure, while average unit price fell to \$11.53 from last year's \$13.66. Radio-phono shipments went up by 18.4% and prices inched upward to \$39.31 from \$39.20.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 22 (47th week of 1963) excluding 11-in. and smaller:

	Nov. 16-22	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	150,992	152,288	109,260	6,440,550	5,951,361
Total radio	456,538	450,019	358,880	16,677,632	17,420,007
Auto radio,	198,196	204,651	180,686	7,233,755	6,395,141

TOPICS & TRENDS

Temporary restraining order barring Industrial Electronic Hardware Corp. and 2 employes from using or disclosing any General Instrument trade secrets (Vol. 3:47 p7) was continued in N. Y. State Supreme Court last week pending decision on GI's request for preliminary injunction. GI alleges piracy in connection with IEHC's hiring of 2 of its key TV tuner experts preceding IEHC's announcement of entry into uhf tuner business. In another legal case, N. Y. Federal Court heard arguments on motion by Nippon Electric and other defendants to vacate charges in anti-trust and breach of contract suit brought by Symphonic (Vol. 3:29 p7, 43 p10).

Contract for 1,500 TV sets has been received by Admiral International from U. S. Govt. for use in Colombia under Peace Corps supervision. Peace Corps volunteers will use TV relay network covering Bogota and remote mountain areas in drive to reduce illiteracy. First 400 of the special 23-in. table models were due for shipment by air from Miami to Bogota last week, with remainder to be delivered early next year.

Singer is increasing TV activity. Sewing machine manufacturer now is importing 6-in. transistor TV from Japan, is selling it under Singer tradename at \$175 in 1,000 stores. Before Christmas it will be offered in about 1,200 of Singer's 1,600 retail outlets—all of its stores in non-uhf areas (set is vhf-only). Singer also is broadening its test of Magnavox line, which formerly had been handled only in Eastern stores. Test is apparently going well, since selected stores in Midwest and on West Coast are now getting Magnavox line, with Houston area stores adding it within next couple of weeks. Singer spokesman said company had no plans to add non-transistorized Japanese sets under its own label, although it did sell some 8-in. "Singer" sets several months ago, as well as liquidation of Westar TV inventory.

INDUSTRY LEADERS' VIEWS: Here are representative comments by leaders of consumer electronics industry on immediate & long-term outlook (see p. 7).

Admiral Chmn. Ross D. Siragusa Sr. "I don't believe these tragic events will have any significant effect on business... I am convinced that under President Johnson this country and the world will unite and carry forward."

EIA Exec. Vp James D. Secrest. "The outlook is reasonably good. Johnson is no novice to govt., and can carry out what was started under the Kennedy administration. We can expect a stable transition. The climate could actually be very good, since Johnson is expected to offer support to business."

Emerson Pres. Benjamin Abrams. "We may even see an improvement in the business climate. I feel Johnson will get a break from Congress, particularly with respect to the tax bill. He has experience, and the confidence of Congress. I'm optimistic from the economic standpoint of business in general, and our business in particular."

Magnavox Finance Vp Robert H. Platt. "Continuing, and perhaps increasing, prosperity for consumer electronics business is foreseen under the administration of President Johnson. The President's quick & effective assumption of Presidential power, his vow to continue programs of the Kennedy administration and the general high level of the economy today bode well for the future... The President has long been recognized as conservative in his approach to business. [He] is determined to re-establish confidence in the nation and the economy. This confidence is expected to translate into a sound period of economic activity."

Motorola Consumer Products Inc. Pres. Edward R. Taylor. "The economic climate positively will be warmer under President Johnson. That's what the stock market is telling us. I believe that the force of the economy and the momentum developed will carry through. We've lost some valuable days, of course, but you certainly can't put a dollar sign on tragedy."

Muntz TV Pres. Wallace Keil. "We'll feel the impact for a week or 10 days, but after that I believe shoppers will return to their buying mood—particularly after viewing a few commercials on TV... We don't anticipate any long-range effects of the change in administration. We expect more business in the long range, but not because of the govt.—we're just setting our sights on more business and going out for it."

Olympic Pres. Morris Sobin (Chmn., EIA Consumer Products Div.). "The long-term outlook is still very favorable. There may be an unsettled period because of uncertainty & shock. I don't think Johnson's policies will create any abrupt change in the economic climate."

RCA Chmn. David Sarnoff. "The people of the United States are fortunate in having in President Johnson a statesman with a long record of distinguished public service, proven ability and intimate knowledge of the difficult problems which face our nation and the world today."

Symphonic Pres. Max J. Zimmer. "The events of the last few days since Lyndon Johnson took over the Presidency clearly indicate that he will follow the Kennedy program and vigorously push for its passage, which should

not affect our economy adversely. If anything, the general situation should go forward at full speed."

Wells-Gardner Electronics Pres. Grant Gardner: "Except for a brief dip in business, not lasting more than a week, I see no change in the economy resulting from the tragic events. I believe that possibly the business climate may become a little warmer under President Johnson and business conditions may become easier, but we really foresee very little change."

JAPAN-TO-U. S. EXPORTS: Japan was shipping more consumer electronics equipment to U. S. at lower prices during first 9 months of this year as compared with 1962 period (see story, p. 9). Here are summary tables of 9-month & Sept. shipments, with 1962 comparisons (data courtesy of Electrical Merchandising Week):

	1963		1962	
	Units	Value	Units	Value
TV sets	317,089	\$17,904,480	86,899	\$4,811,975
Transistor radios	5,996,458	47,332,656	5,323,239	50,623,000
Toy tr. radios	1,524,027	2,489,745	2,109,520	4,756,678
Tube radios	838,872	6,752,559	1,202,389	8,240,706
Radio-phonos	80,367	3,160,636	67,868	2,655,550
Tape recorders	1,513,813	17,457,615	748,640	10,233,205
SEPTEMBER				
TV sets	62,630	\$3,362,294	24,295	\$1,441,852
Transistor radios	903,528	7,812,950	821,210	7,469,283
Toy tr. radios	110,944	146,664	190,535	365,852
Tube radios	118,684	1,208,150	148,371	902,970
Radio-phonos	11,684	478,733	10,657	463,125
Tape recorders	236,570	2,476,487	135,379	1,629,600

Waltham brand name will go on line of imported & domestic consumer electronic products under agreement between Sampson Co. & Waltham Watch Co. First items will be 12 Japanese-made radios & tape recorders, to be marketed in Jan. through jewelry & TV-radio-appliance stores in U. S., Canada & Mexico. They will be followed by TV & phono lines, either domestic or imported.

UHF converter promotion, featuring price reductions, special dealer discounts and ad program, has been announced by Blonder-Tongue. Its top-selling converter has been reduced from \$28.95 to \$26.95.

DISTRIBUTOR NOTES: Olympic Radio & TV opens Minneapolis sales branch, Olympic TV North Central Inc., at 4906 W. 35th St. Daniel R. McKinnon is mgr.. Gerald Larson credit mgr.; Jack Izenstark, ex-Columbia Phonograph Dept., named Olympic of Chicago mgr., succeeding Austin White, resigned... Sylvania is now selling direct in Cleveland market, succeeding distributor G. M. Nutter Co. which has discontinued operations... Westinghouse appoints Paul L. Brown south Texas district mgr., succeeding A. N. Dargan, retiring after 40 years with company... RCA appoints Raybro Electric Supplies (Milton O. Hollis exec. vp & gen. mgr.), 907 Ella Mae, Tampa, Fla., home entertainment equipment distributor, replacing Electric Supply Co., Tampa... Ampex Consumer Products Div. names John C. Dewa midwestern regional mgr.

COLOR'S WORLD FAIR: Though color TV will mark 10th birthday as regular TV service next month, and though color set sales are now rolling at healthy clip—N. Y. World's Fair may well mark true beginning of color TV era.

It's expected, at least, to provide greatest exposure to date of Americans to color TV, through RCA's strategically located exhibit (right at most used entrance) and 250-300 color sets which will be located throughout grounds.

RCA's whole exhibit will be geared entirely to color, and its closed-circuit color system is Fair's "official" communication system. Principal feature of exhibit will be glass-enclosed color TV studio, where there will always be "behind-the-scenes" activities for visitors to watch—rehearsals, set-up, actual shows.

To James M. Toney, RCA Fair exhibit dir., falls task of developing more than 2,000 hours of color programming to feed Fair's color sets, keep RCA exhibit's studios constant hub of activity. Programs fed to closed-circuit network 12 hours daily, 7 days a week will be live, film & tape—but always Fair-oriented, Toney told us—always in color. All programs, he said, will be keyed to color values, calculated to show off color TV at its finest. No off-air or network programs will be put on Fair circuit, although some network shows may originate at RCA's World's Fair studios, which will be able to handle 3 programs simultaneously.

Studio will be completely equipped with latest color origination equipment, but it will all be regular production studio gear—no experimental or developmental equipment. Included will be 3 live color cameras (with 4th available), 4 RCA color TV tape recorders (among first of new TVR-22 solid-state units), 3 complete color film-slide chains, one mobile remote color TV truck, one mobile TV tape truck.

Mobile unit, scheduled to be on continuous duty, will cover entire Fair, which will be equipped with 28 AT&T-installed pods for power & coaxial connection to studio. Generally, taping of remote events will be done in studio, but tape truck will be used in locations where there are no power-coax connections.

Another new electronic medium will get exposure at Fair. WTFM, Friendly Frost Stores' 24-hour-a-day FM stereo station at nearby Fresh Meadows, N. Y., will broadcast at least 6 hours programming daily from Fair's Better Living building. WTFM Dir. David H. Polinger says station will originate stereo programming from Fair for network of stereo stations in Boston, Philadelphia & Washington, hopes to send FM stereocasts to Europe via space satellite.

Special color-TV issue of "Radio-Electronics" magazine for Dec. features comparison of circuits of 11 different brands of color sets (Admiral, Curtis Mathes, GE, Heath, Magnavox, Motorola, Packard Bell, Philco, RCA, Toshiba, Zenith), listing of color TV test equipment, advice on color antennas & boosters.

"**Tape Recorder Directory**," giving descriptions & specs of 200 tape recorders, is being supplied free to Audiotape distributors by Audio Devices Inc. Individual copies are available for 25¢ from Audio Devices, 444 Madison Ave., N. Y. 10022.

Trade Personals

Dr. Lloyd P. Smith, Philco Aeronutronic Div. research dir., elected a Philco vp & placed in charge also of company's Philadelphia-area research activities. Hq continues at Newport Beach, Cal.

Edwin H. Seim, formerly gen. mgr. of Micarta Div., elected Westinghouse Mfg. vp, succeeding **Roy V. Gavert**, retiring Dec. 31.

Russell W. McFall, formerly Litton Industries vp & Radcom Div. gen. mgr., elected Western Union exec. vp, a new post.

Lee D. Webster, Electro-Science Investor pres., elected Tamar Electronics chmn.

Francis R. Flood, ex-GE, joins Raytheon Semiconductor Div. as mktg. mgr., headquartering in Mountain View, Cal.

Chester D. May appointed Hoffman Electronics controller... **Gerald L. Moran**, Sylvania vp, elected to Argus board... **Jerry Balash** appointed Blonder-Tongue Labs home products mgr., a new post.

New permanent date for Music Show has been established as last week in June, as result of poll of NAMM members. Next year's show will be held June 28-July 2 at Chicago's Conrad Hilton Hotel.

Electro-Voice will build 30,000 sq.-ft. plant at Newport, Tenn. to consolidate production of phonograph cartridges now carried on in 3 separate factories.

Mergers & acquisitions: **Telex Corp.**, Tulsa, Okla. maker of phonographs, tape recorders, electronic components and devices, has acquired for stock and cash **Astrocom Inc.**, Monrovia, Cal. manufacturer of subminiature electric motors and related equipment, and certain assets of **Portable Electric Tool's Precision Motor Div.**, Geneva, Ill... **ITT's** proposed acquisition of **Cannon Electric** has been approved by shareholders of Los Angeles electrical connector manufacturer (Vol. 3:29 p11)... **Tele-Tronics**, Ambler, Pa. test equipment manufacturer operating under Chapter 10 Federal court trusteeship, has been acquired by **Winslow Electronics**, Asbury Park, N. J. electronic test instrument maker, and reorganized into new company, **Winslow Tele-Tronics Inc.** Latter will exchange one share of common for each five Tele-Tronics shares... **ITT** acquisition of Philadelphia-based heating, ventilating and air-conditioning equipment manufacturer **John J. Nesbitt Inc.** has been approved by latter's shareholders. **ITT** will exchange 3/10 share of common & 4/100 share of its 4% cumulative convertible Series B preferred for each of Nesbitt's 994,075 outstanding common shares. Acquisition is expected to be effected in Dec.

Dividend news: **Zenith** has increased quarterly cash dividend on common stock to 30¢ a share from 25¢, and declared 30¢ year-end extra, both payable Dec. 27 to holders of record Dec. 6. Action increases total 1963 dividends to \$1.35 vs. \$1.20 in 1962, which included 35¢ year-end extra... **20th Century-Fox** declared 4% stock dividend on its common shares, payable Dec. 31 to holders of record Dec. 9.

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
Filmways	1963—year to Aug. 31	\$ 10,763,767	\$ 272,408	\$ 122,408	\$0.21	595,445
	1962—year to Aug. 31	12,829,849	(275,860) ¹	(125,860)	—	584,004
Microwave Associates	1963—year to Sept. 30	10,543,600	—	69,100 ²	.07 ²	1,026,600
	1962—year to Sept. 30	12,802,192	—	639,906 ³	.63 ³	1,912,700
Rollins Bcstg.	1963—6 mo. to Oct. 31	4,252,750	—	486,385	.51	957,244
	1962—6 mo. to Oct. 31	3,948,919	—	323,200	.34	955,475
Sangamo Electric	1963—9 mo. to Sept. 30	38,354,000	(711,000)	(401,000) ⁴	—	1,637,617
	1962—9 mo. to Sept. 30	36,165,000	(1,166,000)	(528,000) ⁴	—	1,637,161
20th Century-Fox	1963—9 mo. to Sept. 30	79,954,000	—	6,841,000	2.69	2,546,000
	1962—9 mo. to Sept. 30	76,555,000	—	(16,816,000)	—	2,545,845
	1963—qtr. to Sept. 30	30,761,000	—	2,081,000	.82	2,546,000
	1962—qtr. to Sept. 30	26,239,000	—	(4,360,000)	—	2,545,845

Notes: ¹Before \$150,000 tax credit. ²After special \$29,100 (3¢ a share) charge. ³After special \$80,683 (8¢) charge. ⁴After tax credit.

Japan's major electronics-appliances-electrical firms generally were down in sales & pre-tax earnings in the 6 months to Sept. 30, according to report by Yamaichi Securities Co. of N. Y. Of 7 firms studied, 6 declined in pre-tax earnings, 3 were off year-earlier sales pace. Nippon Electric was only company with improved sales & earnings. Sales rose to \$77.3 million from \$73.7 million, earnings improved to \$6.5 million from \$6.2 million. Hitachi sales slipped to \$412.8 million from \$445.5 million, profits dipped to \$33.2 million from \$35.4 million. Toshiba increased sales to \$330.5 million from \$320.1 million, but earnings dropped to \$22.9 million from \$26.7 million. Mitsubishi Electric showed sales gain to \$208.3 million from \$206.5 million, profit decline to \$10.9 million from \$14.9 million. Fuji Electric sales dropped to \$75.5 million from \$86.7 million, earnings declined to \$3.2 million from \$5.6 million. Oki Electric sales slipped to \$28.9 million from \$29.3 million, earnings slipped slightly to \$2.3 million from \$2.4 million. Ricoh sales jumped to \$18.1 million from \$15.8 million, earnings dropped to \$1.6 million from \$1.7 million. All earnings are pre-tax. Meanwhile, big Matsushita reported sales in current 12-month period up to \$556 million from year-ago \$472 million. Approximately 10% of sales represent export volume, and some 30% of export volume are U. S. sales.

Allied Radio has "deliberately accepted some reduction in potential sales in order to cut our delinquency rate on installment receivables," Pres. A. D. Davis told annual meeting. "The quality of credit business now being accepted has been raised significantly, in keeping with our decision to be much more selective in the choice of credit fund customers." Davis said operating costs in first fiscal quarter ended Oct. 31 were about same as year ago despite increased expenses for development of improved quality and procedure systems, emphasized that return of merchandise by customers has been reduced (Vol. 3:36 p11).

Muntz TV "conservatively expects to earn between 44¢ & 50¢ a share" in fiscal 1964 ending next Aug. 31 vs. 44¢ in fiscal 1963 (Vol. 3:43 p12). Sales are expected to rise 15% from fiscal-1963's \$11.8 million, according to Secy.-Treas. Daniel Domin. In new fiscal year's opening quarter, ended Nov. 30, sales are expected to climb 15% from year-earlier's \$3.3 million, but earnings should dip slightly from 1962's \$331,235 Sept.-Nov. profit because of full provision for federal income taxes and continuing start-up costs for color sets. Muntz will increase color production after first of year, expects to sell 20,000 sets in 1964. Pres. Wallace A. Keil noted: "We're making about 1,000 a month and keeping up with demand. We haven't had our dealers push color yet because we're more or less on a test-run basis." Muntz also expects to increase total TV sales in 1964 to more than 100,000 (including 70,000-80,000 combinations) from 1963's 85,000 (55,000 combinations). Prior to Dec. 21 annual meeting, Keil also noted, board will consider declaring company's first dividend in 12 years. Last dividend came in 1951 with declaration of 15¢ a share and 10% in stock.

Packard Bell Electronics consumer products sales rose 31% in fiscal year ended Sept. 30 to record level approximating \$24 million from year-ago's just-under \$19 million. Home Products Div. Vp Kenneth R. Johnson forecast 30% increase in consumer products sales in current fiscal year. Over-all, company earned \$1.2 million on \$49.4 million sales vs. fiscal-1962's \$1.4 million loss on \$49.6 million sales. Net working capital increased to \$4.4 million, highest since March 1962.

Ling-Temco-Vought will redeem Dec. 27 \$27,029,880 in long-term debt, leaving balance of \$34,807,060. Called for redemption are L-T-V's 4-3/4% subordinated convertible debentures due Sept. 1976, 5-1/4% convertible subordinated debentures due Oct. 1971, 6-1/4% senior notes due Dec. 1974 and 5-1/2% first mortgage bonds due Aug. 1970.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

DECEMBER 9, 1963

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

PRESIDENT BRIEFS AGENCY HEADS, rejects resignations, opposes 'complacent & static regulation', asks for 'new areas of cooperation' instead of 'control' (p. 1).

FICTION, 'FAIRNESS' & FCC: Ruling on CBS-TV's 'Smash-Up' expected soon, Commission likely to say 'fairness doctrine' applies to drama but that techniques are up to broadcasters' common sense (p. 2).

LOEVINGER SEEKS PROGRAM-FORM CONSENSUS for AM-FM. Details of proposal for special Jan. meeting (p. 2).

COMMERCIAL-LIMITS SHOWDOWN in FCC oral argument, House Committee consideration of bill to block Commission. FCC submits legal memo to House (p. 3).

McLENDON AIMS FOR 34,400 CATV SUBSCRIBERS in 13 communities, starts construction in Jan., to charge \$10 installation, \$5 monthly, giving 8 TV stations, 2 FM, one local weather-time TV channel (p. 3).

MOBILE SHARING OF Ch. 7-13 should be explored, according to FCC staff as it seeks relief for congestion in land mobile service, says TV needs all uhf (p. 4).

RATING COUNCIL QUICKENS: Seven firms, vying for job of auditing raters, briefed by 5 rating services (p. 4).

RECOUPING LOSSES DURING CRISIS, TV industry hopes for 75-80% of network business, 50% of spot & local (p. 5).

2 STATIONS CHARGED WITH DOUBLE BILLING: Renewals of WFHA-FM Red Bank, N. J. & WILD Boston

are at stake. WFHA-FM charged with sending agency bill 10 times its spot rate (p. 5).

Consumer Electronics

COLOR TV STATISTICS to go into EIA's market data hopper in 1964, but actual figures may be combined with b&w if RCA asserts security privilege; tape recorder statistics due early next year (p. 7).

NEW INDUSTRY RECORDS seen in 1963 & 1964 by EIA Pres. Horne, who predicts electronics factory volume of \$16.3 billion next year; consumer products increase of \$100 million is forecast (p. 8).

COLOR TUBE CAPACITY could reach 1.5 million next year, barring new problems; Sylvania shipping color tubes to Warwick; talk of possible Sony color tube plant in U. S. (p. 8).

BATTLE OF LOUISVILLE: Conventional retailers invoke 162-year-old no-work law, win injunction to force discount houses to close on Sunday (p. 10).

WINTER DROP-INS BEGIN with biggest RCA midyear line featuring remote control color at \$550, complete portable series (p. 10).

NEW DIRECTION FOR MAGNAVOX is possible if private-label negotiations with Montgomery Ward bear fruit; company has capacity in new plant (p. 11).

RCA DOES IT—spreading Christmas cheer to stockholders with proposed 3-for-1 stock split and another dividend hike (p. 12).

PRESIDENT BRIEFS AGENCY HEADS: No resignations accepted, President Johnson told chairmen of regulatory commissions in special meeting last week—squelching for present speculation that he might welcome changes. In relatively brief statement, he told agency chiefs that he needs their help and that he intends to continue President Kennedy's work in their fields.

Text of his statement is being interpreted variously, naturally. Key quotes: "President Kennedy did not speak from weariness of the long battles to protect the public interest. The public interest never had a more fearless or a more tireless champion; but for himself and for his generation and for his time, President Kennedy expressed the weariness that Americans feel for another battle—the battle against substitution of government's interest for the public interest. . .

"A moving & progressive society finds oppressive, distracting, irritating and ultimately intolerable the heavy hand of complacent & static regulation. . .

"We are challenged. . .to concern ourselves with new areas of cooperation before we concern ourselves with new areas of control. . .

"I know the pressures that you feel and the duties you must discharge. When those pressures are honorable, respect them; when they are not, reject them."

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FICTION, 'FAIRNESS' & FCC: Application of FCC 'fairness doctrine' to broadcast dramatic works comes before Commission soon again. Subject was before FCC in Sept., involving CBS-TV show "Smash-Up" on Armstrong Circle Theater (Vol. 3:36 p3). Now both "Smash-Up" and Oct. 3 "Good Samaritan" episode of NBC-TV's "Dr. Kildare" are up for consideration.

Indications are that Commission is still prepared to rule: (1) It has no authority to tell to anyone what to broadcast or not to broadcast. (2) "Fairness doctrine" applies to drama, too, but it's up to licensee's judgment to determine how to achieve fairness—by another dramatic work, public affairs documentary, panel, or what have you.

Complaints come from National Assn. of Claimant's Counsel of America (NACCA), through Pres. Jacob D. Fuchsberg. He argued that "Smash-Up" pictured claimant attorneys as ambulance-chasers pushing fraudulent claims, that show was instigated by insurance industry.

It's expected that Commission will tell Fuchsberg it found nothing to substantiate "instigation" claim, that it will not rule whether program was "controversial"—but will tell CBS that "fairness doctrine" applies to all programming. In FCC's first consideration of case in Sept., some argued that Commission should decide program was controversial—but that seems to be out now.

Fuchsberg wrote NBC Pres. Kintner before Oct. 3 "Dr. Kildare" show, said he understood it was about malpractice, said he was worried though he hadn't seen show but trusted NBC to be fair—and he enclosed copy of our Sept. 9 story about "Smash-Up." NBC's Robert Kasmire answered, assured him "NBC aspires to the highest standards of integrity... and I am certain our conscientious efforts in this respect will be evident to you."

But Fuchsberg was unhappy about show, in which jury ruled against doctor in malpractice case involving emergency treatment. He argued that doctor & his attorney were pictured sympathetically, plaintiff & attorney unfavorably; that amount awarded was "grossly excessive as to tend to shock"; that show propagandized against contingent fees; that "the very jury system itself was indicted." Commission apparently hasn't had chance to discuss this case yet.

LOEVINGER SEEKS PROGRAM-FORM CONSENSUS: New proposed AM-FM program form, intended to be consensus of views of FCC commissioners & Broadcast Bureau, has been submitted to colleagues by Comr. Loevinger. It's due for special Jan. 6 meeting, and Loevinger urges acceptance—saying continued attempt to approach perfection is blocking decision. We've learned that Loevinger proposal would request data of operators essentially as follows:

(1) You may use any 7-day period as a representative week—or you can use FCC's conventional "composite week." Copy of logs for the 7 days are to be filed. (2) Applicants for new stations & buyers of stations submit data on proposed programs. Sellers file only regarding past operations. (3) Tell how needs of community are determined. Who did you talk to? Who do they represent? What do they want? What do you think of their ideas? Specify each program broadcast to meet such needs.

(4) Give total daily & weekly operating hours, including sign-on & sign-off time. (5) How many hours of news do you carry weekly? Describe them & staff used in their production. How much time given to local & regional news? What's your minimum scheduled plan for news, in hours & as percentage of total.

(6) How much time (in hours & percentage) do you give to public affairs programs? Are they scheduled regularly or otherwise? Give description of typical public affairs program. What's staff involved in such shows? How much time will you devote to them each week? What's your policy on selection of time, subjects & people for public affairs discussions? (7) What's your specialty format, if any, & how do you determine that it meets community needs? (8) Do you duplicate AM-FM? How much?

(9) How much time (in hours & percentage) do you give to commercials? What's maximum you propose in future? What's your policy on commercials—how many, when, what kind? (10) Which stations compete with you, & what are their program formats, in general? And how does your output differ from theirs? (11) Tell us anything else you wish regarding your method of serving public. (12) If your output differs from plans you outlined to us previously, tell us why.

COMMERCIAL-LIMITS SHOWDOWN: Though FCC enthusiasm has cooled, Commission goes ahead nonetheless with oral argument this week, Dec. 9-10, on proposal to limit commercials by regulation. It's clear that Commission can't muster enough votes for any tough set of restrictions, but it would be foolhardy to assume FCC will forget whole thing. It's also clear that while a lot of congressional sentiment opposes Commission proposal, that though House could even conceivably pass a bill to block FCC (unlikely, however), Senate just won't go along. At this stage, it looks as if main effect of whole to-do will have been to publicize fact that FCC is worried about over-commercialization & that it welcomes complaints.

More than 40 people have filed appearances for the hearing—including NAB, networks, groups, single stations, state associations, Washington attorneys. There'll be 2 congressmen, including Rep. Langen (R-Minn.) who introduced a bill to head FCC off. Some parties will support FCC League Against Obnoxious TV Commercials, National Assn. for Better Radio & TV. Networks & others are filming & taping for TV-radio coverage.

Ironically, while oral skirmish goes on, full House Commerce Committee meets Dec. 10 to act on HR-8316—bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting commercial limits. Measure has already passed Communications Subcommittee, is expected to pass parent body with perhaps only one dissent—that of Rep. Moss (D-Cal.).

On eve of oral argument, Commission last week sent to Rogers legal memorandum asserting its authority to set commercial limits. It cautions that it has reached no conclusions on merits of proposal, that memorandum is only to support power to act. NAB Gen. Counsel Douglas Anello will devote his argument to countering FCC's legal brief. Here's core of Commission's position:

(1) Advertising practices are a factor in determining if station is fulfilling public interest standard—to be examined at renewal time or in new applicant proposal (Sec. 307a, 307d, 309a). To think otherwise is to ignore impact of advertising on public interest. If over-commercialization is consideration in individual cases, then it can be subject of a rule, provided regulation is not inconsistent with Act (Supreme Court interpretations, plus Sec. 303r & 4i).

(2) Commission says it "could rest our entire case at this point"—that to dispute its position opponents would have to prove that Commission would be powerless to act even if applicant specified 50% of time for commercials. But FCC has more to say:

(3) It has right to classify & prescribe nature of services (303a & b)—bestowing on it "broad grant of authority" that encompasses the "nature" of "commercial broadcast service." This involves questions, too, of whether "valuable spectrum space" is being properly used. To arguments that it has no "explicit authority" on commercials, FCC says Supreme Court made clear that subject matter of rules need not be specifically spelled out in Act, that "broad powers" are adequate.

(4) Non-censorship provision of Act (Sec. 326) isn't being violated because FCC has powers "not limited" to technical aspects & courts have ruled that denial of license on matters related to public interest is "neither censorship nor an abridgment of the right of free speech." FCC argues that commercial limitations would not lead to rate regulation (violating Sec. 3h because broadcasting isn't common carrier). Contrary to industry arguments, FCC says, legislative history is on its side, that framers of 1927 & 1934 Acts considered FCC to have authority.

McLENDON AIMS FOR 34,400 CATV SUBSCRIBERS: Last April, multiple-radio-station operator John McLendon announced plans to get into CATV in substantial way (Vol. 3:15 p5)—but he wasn't ready to say where. Now, his plans have firmed up, and he's ready to start building in 13 communities, with total potential of 34,400 subscribers, first to get underway Jan. 6. Each will have capacity to provide 8 TV stations, 2 FM, one local weather-time TV channel. Each will have \$10 installation fee, \$5 monthly charge. Herewith are communities, dates for construction start, estimated potential subscribers:

Jan. 6—Brookhaven, Miss., 1,800; Alexander City, Ala., 3,400. Feb. 6—Magnolia, Ark., 1,500. March 6—El Dorado, Ark., 4,000; Madisonville, Ky., 3,000; Sebring-Avon Park, Fla., 1,000; Talladega, Ala., 3,500. May 1—Arkadelphia, Ark., 1,800; Ozark, Ala., 3,000. June 1—Kennett, Mo., 1,800; Union City, Tenn., 1,800; Murray, Ky., 1,800; Middlesboro, Ky., 3,000.

MOBILE SHARING OF Ch. 7-13? FCC's marathon proceeding on allocations in 25-890-mc band, started in April 1957, is near end of one phase—and next phase may include proposal that mobile radio users get congestion relief through sharing of TV's Ch. 7 to 13.

We have learned that FCC staff has prepared its recommendations, and special Commission meeting for its consideration is reportedly scheduled for Jan. 10. Proposal was submitted by all bureau chiefs, plus chief engineer & general counsel.

Staff suggests that industry's Joint Technical Advisory Committee be asked for technical help, including exploration of sharing Ch. 7-13. Staff's view is that: (1) TV needs all of uhf for expansion, particularly for ETV. (2) "Sporadic E" interference in lower spectrum precludes sharing of Ch. 2-6. (3) Vhf band is stable—in terms of station assignments—as compared with uhf, so sharing appears more feasible in vhf.

Staff proposes at same time that an Industry Advisory Committee for the Land Mobile Service be created—with membership limited to land mobile licensees and makers of their equipment. Job of committee would be to gather data on: (1) Usage of land mobile channels. (2) Interference in the service. (3) Technical & operational means for reducing interference. (4) New communications techniques. (5) Future needs. (6) Possible value of spectrum over 890 mc. (7) Sharing of spectrum among different services. (8) Possible improvements in FCC administrative & procedural operations to ease crowding.

Staff recommends termination of current proceeding (Doc. 11997), denying all petitions seeking chunk of uhf for TV spectrum non-broadcast service—including EIA mobile equipment makers' request that Ch. 14 & 15 be turned over to land mobile.

Something of a dissenter is James Barr, chief of Safety & Special Bureau, who believes that relative lack of use of uhf should be stressed & that Commission should warn that it will re-examine uhf-TV allocations if usage grows too slowly.

FCC Comr. Ford strongly supported fairness doctrine, contained in Commission's 1949 report, as sound in concept and requiring no sanctions or penalties. Most broadcasters know their obligations to encourage presentation of opposing views, he said in speech to Arizona Bcstrs. Assn. However, he questioned certain provisions in FCC's July 26 "clarification" of doctrine. He said that statement erred when it generalized on how stations should handle such problems as segregation. He favors case-by-case approach, believes it "essential to the proper development of the doctrine." He said there are relevant cases pending before Commission and that it would have been better to await decisions on them.

RCA Chmn. Sarnoff predicts that satellites within 2 decades will allow a billion people to watch same TV program simultaneously. In speech at dinner on behalf of Hebrew University of Jerusalem, Sarnoff said it's possible that automatic language translator would provide instant comprehension of program's content.

Trusteeship for station holdings of Mrs. Johnson, President's wife (Vol. 3:48 p1), was approved promptly by FCC at staff level, no decision by commissioners considered necessary.

RATING COUNCIL QUICKENS: Decision is expected in few weeks on choice of firm to conduct audit of rating services under Rating Council supervision. Audit Subcommittee met last week in N. Y. with representatives of 7 CPA & management consulting firms who are in running for assignment.

They were briefed on task by 5 rating services: Nielsen, ARB, Pulse, Hooper, Sindlinger. Council also has been interviewing prospective heads of RC, selection expected in few weeks. Other developments:

(1) FCC Comr. Cox & Asst. Broadcast Bureau Chief Hy Goldin met with NAB Research Vp Melvin Goldberg, for progress report on reform program.

(2) NAB is expected to release this week details of minimum standards & criteria for rating service performance. Copies were sent last week to raters.

(3) Prominent among standards is requirement for adequate & full disclosure of rating methods & techniques. Standards will back use of single estimates with incorporation of ranges, or confidence limits, in front of ratings report. They will state that ranges shouldn't be used alone. When ranges are used, statement also will be required to make clear they're limited because they're not derived from true probability samples. We understand that Harris Subcommittee is considering similar recommendation on ranges.

(4) Advertising Research Foundation "clarified" its position on ranges. It also backs NAB idea that ranges shouldn't be used alone, that single figure is still "best estimate." ARF Technical Committee also voted in favor of including in all media research reports a full description of sampling & non-sampling errors. This will be similar to NAB's standards, too.

(5) NAB-RAB steering committee on joint radio methodology study put off first meeting to Dec. 12.

Complicated Terre Haute Ch. 10 & 2 situation came to FCC decision last week: (1) WTHI-TV, now operating on Ch. 10, was favored over competitor Livesay Bcstg. (2) New hearing for Ch. 2 was ordered, pursuant to court decision. WTHI-TV, which sought shift to Ch. 2, is permitted to refile, as are other prospective applicants, including Illiana Telecasting, which had been competing with WTHI-TV. Chmn. Henry & Comr. Loevinger dissented, would have ordered a lumped hearing for both channels, the 2 winners to take whichever channel FCC allotted. Comr. Bartley preferred Livesay over WTHI-TV.

Budget differences over FCC & FTC 1964 appropriations were split last week by Senate-House conferees: FCC got \$15.6 million, \$200,000 more than Senate voted, that much less than House approved. FTC was voted \$12,214,750—\$114,750 less than Senate passed, that much more than House okayed.

Warner Bros., always a TV bridesmaid but never a licensee, is dipping toe again—filing for Ch. 38 Chicago & Ch. 20 Ft. Worth, and expected to file for uhf elsewhere, too. Warner's was a pre-freeze TV hopeful, later dropped out.

ABC-TV affiliation in Portland switches from KPTV to KATU, sister station of KOMO-TV Seattle, also ABC-TV.

RECOUPING LOSSES DURING CRISIS: Hopes increased last week that industry would salvage substantial portion of business lost during 4-day coverage of assassination. Network executives estimated that 75-80% of TV revenues would be recouped through rescheduled participations & renegotiation & extensions of program-sponsorship contracts—"make-goods."

TvB Pres. Norman (Pete) Cash looked for a 50% recovery of spot & local business through make-goods. He sent wire to top advertisers, urging them to reschedule spots instead of asking for credit for commercials skipped during crisis. He said response has been "excellent." Though he didn't identify advertisers accepting make-goods, following are reportedly included: American Home Products, Pepsi-Cola, Pan Am, Lever Bros. Pan Am, for one, didn't even ask for make-good—said it wanted to give a "small salute" to the industry for its coverage.

House Commerce Committee meets Dec. 10 to consider Senate amendments to House-passed equal-time suspension for 1964 Presidential & Vice Presidential campaigns. It also will consider bill to prevent FCC from setting limits on commercials (see p. 3). In addition, Communications Subcommittee headed by Rep. Rogers (D-Tex.) meets Dec. 9 to consider action on editorializing. Problem of license fees, which go into effect Jan. 1 but which Rogers opposes, also will be weighed. Then there's bill by Rep. Younger (R-Cal.) providing that stations don't have to give free "fair time" to balance against sponsored programs with controversial issues. He has promised hearings, probably will get Subcommittee attention. Sens. Monroney (D-Okla.) & Dominick (R-Colo.) introduced bill to block license fees, but it's aimed at aviation & boating problems, would forbid fees where govt. requires radios to be installed.

Stock dividends: Macfadden-Bartell declared initial common stock dividend since 1962 merger, a 5% stock distribution payable Jan. 2 to stock of record Dec. 19. Chmn. Gerald A. Bartell attributed declaration to sharp improvement in operations this year. . . **Universal Pictures** spiced regular 25¢ quarterly cash dividend by declaring extra 25¢ cash payment, both payable Dec. 27 to holders of record Dec. 17.

"That Was the Week That Was," much-acclaimed satirical show, will start life as regular NBC-TV series Jan. 10, 9:30-10 p.m., after considerable cliff-hanging (Vol. 3:46 p4). Patterned after British show of same name & theme, "TW3" had been ticketed for next fall, but "overwhelming acceptance" of Nov. 10 special moved date up.

End to racial injustice and new opportunities through adequate education for all was called for last week by NAB Pres. Collins in speech to Greater Columbia (S. C.) Chamber of Commerce. He proposed a National Minimum Foundation Plan to assure universal education & "full development" of every child's talents.

Expanded billboard holdings have been acquired by Rollins Bcstg., purchasing for \$5 million plants & real estate properties, in Washington & Philadelphia, of General Outdoor Advertising Co. Earlier, Rollins bought firm's Mexican holdings.

2 STATIONS CHARGED WITH DOUBLE BILLING: FCC moved against 2 radio stations last week on charges of double billing, first such since its order of March 1962 warning industry against "fraudulent practice."

Stations are WFHA-FM Red Bank, N. J., & WILD Boston. It's learned that more stations, especially in northeast & northwest, will also be called for accounting when renewals come up.

WFHA-FM acknowledged that it had sent bills to ad agency that were 10 times rate agency was paying to station (\$20 versus \$2 per spot). WFHA-FM said it didn't think that was double billing because it was only sending one bill. Commission advised it otherwise, asked for full accounting before renewal—held up since June—could be acted on.

Agency involved is Mark Mitchell Advertising, N. Y. (& predecessor Beston Advertising). This agency reportedly has similar arrangements with other stations in N. Y. area. FCC called station's attention to fact that standard agency commission is 15%, not 90%.

WILD has been operating on deferred basis since Aug. 1962, following one-year short term renewal. It was charged with 3 instances of double billing plus other transgressions: Broadcast of lottery advertising, failure to withhold Federal income tax & Social Security deductions, false & misleading financial reports. In addition, station has been charged for not properly identifying record company sponsors. Application for sale of station as well as renewal are held up.

NEW & UPCOMING STATIONS: KBLU-TV (Ch. 13) Yuma, Ariz. began programming Dec. 4 as CBS-TV affiliate. New starter raises operating total to 649 (116 uhf). It's using 2-kw Dynair transmitter with Jampro antenna on 200-ft. Blaw-Knox tower. Robert W. Crites, 25% owner, is gen. mgr.; Carl Langewisch, sales mgr.; James Sears, program dir. Rep is Grant Webb. Base hour, \$175.

* * * * *

In our continuing survey of upcoming stations, here are latest reports received from principals:

WBGU-TV (Ch. 70 ETV) Bowling Green, O. is now installing 1-kw RCA transmitter on top floor of Bowling Green State U.'s new administration building. It expects to meet Jan. 13 programming target, writes Dr. Duane E. Tucker, gen. mgr. & dir. of broadcasting. On Dec. 4, it started installing RCA antenna.

WNJE-TV (Ch. 77 ETV) Glen Ridge, N. J. hasn't ordered transmitter, but still hopes to start in "early 1964," according to Robert Pellet, project dir. for N. J. Educational TV Corp. It will share tower & transmitter house of radio WJRZ, W. Orange, paying only maintenance costs.

WHS-TV (Ch. 38) Boston is keeping to Sept. 1, 1964 programming target, reports Austin A. Harrison, gen. mgr. for grantee Catholic TV Centre. RCA 25-kw transmitter is scheduled for April delivery; antenna is to be mounted on roof of Prudential Tower.

Sale of KTVE (Ch. 10) El Dorado, Ark.-Monroe, La. to Fuqua Industries Inc. by Veterans Bcstg. Co. & Wm. H. Simons for \$650,000 was approved by FCC. John B. Fuqua also owns WJBF(TV) Augusta, Ga.

Personals

AB-PT Pres. Goldenson receives Poor Richard Club of Philadelphia's 1964 Gold Medal of Achievement, on Jan. 17... **David Schoenbrun**, ex-CBS, joins Metromedia as world affairs correspondent.

Donald H. McGannon, Group W pres., named chmn. of 1964 broadcasting fund drive for Radio Free Europe.

Wells Church, CBS, elected chmn., Radio & TV Correspondents Assn., Washington; others: **Stephen McCormick**, MBS, vice chmn.; **John (Bill) Roberts**, Time-Life Broadcast, secy.; **John Rolfsen**, ABC, treas.

Robert J. McGeehan elected exec. vp of Entron, CATV mfr... **Malcolm M. Ferguson** rejoins Jerrold Electronics as chief engineer, Community Operations Div.

H. Needham Smith promoted to WKRC-TV Cincinnati gen. sales mgr., succeeded as local sales mgr. by **Carl Flickinger**, account exec.; **George H. Rogers Jr.**, national sales mgr., adds duties as midwest regional sales mgr.

Fred Vance, ex-gen. mgr. of KVOA-TV Tucson & KOAT-TV Albuquerque, assumes management of own station radio KHOS Tucson... **Ed Hardison**, ex-N.W. Ayer timebuyer, appointed Metro TV Sales Philadelphia mgr.

D. W. G. (Don) Martz promoted from gen. sales mgr. to mgr., CFCF-TV Montreal... **S.B. (Bud) Hayward**, ex-mgr., radio CFCF Montreal, named Canadian Marconi Broadcast Div. mgr.

Peter Thornton, KDKA-TV Pittsburgh publicity dir., promoted to advertising & sales promotion dir... **Gerald M. Goldberg**, public relations dir., radio WINS N. Y., adds duties as special projects dir.

Frank G. King, vp in charge of sales, KTVU San Francisco-Oakland, returns to work after emergency appendectomy... **LeRoy V. Bertin**, ex-vp, Bernard Schnitzer agency, San Francisco, appointed sales mgr., WNBC-TV Binghamton.

John Quigley, production mgr., KMBC-TV Kansas City, promoted to operations mgr... **Carl Rochelle** promoted to news dir., WITN Washington, N. C.

TV-radio students at U.S. colleges & universities number 2,994, according to NAB study prepared by Dr. Harold Niven, asst. to vp for planning & development. Another 595 are studying for master's degrees, 132 for doctorates. Number of undergraduate students is increase of 89 over last year.

Farewell luncheon for Robert Swezey, outgoing Code Authority dir., was held by NAB at Mayflower Hotel, Washington. Pres. Collins was among 2 dozen executives & staffers who attended. Swezey's plans aren't yet known; he's residing at his Virginia farm.

New reps: WTRF-TV Wheeling, from George P. Hollingbery to Edward Petry; KEZI-TV Eugene, from Meeker to Venard, Torbet & McConnell; KROD-TV El Paso & KOSA-TV Odessa, both ex-Bolling, to Advertising Time Sales; KNOX-TV Grand Forks & KEND-TV Fargo, ex-Meeker, to Blair's BTA Div.

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MGM, despite profitable TV operations, suffered \$17.5 million loss in 1963 fiscal year ended Aug. 31 compared with year-earlier \$2.6 million profit (see financial table). Gross revenues slipped to \$136.2 million from \$137 million. TV income also slipped slightly, to \$20,962,706 from \$21,174,495. TV profits, however, were wiped out by \$39.1 million pre-tax loss in film production & distribution. Pres. Robert H. O'Brien said sag in TV revenue resulted "because some of the original license deals for the pre-1949 films were approaching expiration," noted that group of 40 post-1948 films is now in preparation for syndication. He forecast return to profitable operations in current fiscal year, said results of first fiscal quarter ended Nov. 30 confirm this expectation.

Outlet Co. expects earnings in fiscal 1964, ending Jan. 31, to "come close" to year-earlier's \$945,007 (\$1.90 a share) despite fact that first-half profit was down sharply (Vol. 3:43 p12). Pres. Joseph S. Sinclair said lower earnings "were anticipated" this year because company's WJAR-TV Providence has additional competition from new station. He said Outlet's broadcasting revenues & earnings will be aided by acquisition last summer of WDBO-TV Orlando. In fiscal 1963 (Vol. 3:15 p12), company's broadcasting operation earned \$900,259 on record \$2,227,212 revenues.

Ampex expects earnings in its 1964 fiscal year ending April 30 to rise 10% above fiscal-1963's \$5 million, despite slip to \$1.272 million in 2nd quarter ended Oct. 31 from year-earlier's \$1.291 million (see financial table). First-half sales and earnings records were set, \$48.2 million (vs. \$43.1 million a year ago) and \$2.2 million (\$2.169 million) respectively. Midyear backlog rose to \$37 million from \$35.5 million, incoming orders totaled \$50.2 million vs. \$49.9 million at end of fiscal-1963's first half.

CBS, which sold movie rights to "My Fair Lady" to Warner Bros. for \$5.5 million, will share in revenues of film which is being produced for \$17 million and is expected to gross more than \$100 million. Break-even point: \$34 million. CBS's take: 47% of Warner's gross income over \$20 million, under 7-year license agreement.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

EIA TO GET COLOR TV STATISTICS IN '64: Rosy-fingered dawn of new era in TV marketing data was discernable at last week's EIA quarterly meeting in Los Angeles when all members of its Consumer Products Div.—including RCA, including GE—agreed to throw all their production & sales figures for color and b&w TV into EIA's statistical pot, beginning Jan. 1.

Thus, for first time in 10 years, EIA's TV data will be complete. RCA has always withheld color figures, and, more recently, GE held up data on its 11-in. sets, but had agreed last Oct. to report them beginning at first of year (Vol. 3:40 p8).

Vote does not necessarily mean that EIA will report color or tinyvision output & sales as separate categories. Neither RCA nor GE is understood to have waived its "security" privilege. Since RCA currently makes more than 50% of total U. S. color sets, and GE more than 50% of all 11-in., each company will have right to invoke security—which would mean that there would be no breakdown showing color or 11-in. sets. If RCA chooses to invoke security, color & b&w sets would be lumped together. In case of 11-in. sets, EIA would probably have to revise its screen-size breakdown system to lump them in category of "16-in. & under" or "19-in. & under."

Decision does not carry any implication of release of retroactive figures, although GE has already stated it would give EIA its 1963 figures on 11-in. next year when it starts reporting 1964 figures. RCA has made no such commitment in regard to color. Admiral, Emerson & Zenith, not EIA members, participate in its market data program.

More California sunshine than smog crept into extremely harmonious 3-1/4-hour Consumer Product Exec. Committee meeting chaired by Olympic Pres. Morris Sobin. Group heard of another marketing data victory—long step toward goal of reliable tape recorder statistics. Members were told that EIA had received assurances from all major manufacturers of tape recorders—with one exception—that they will participate in statistical program. Committee was optimistic that lone holdout will reconsider and is shooting for Jan. 1 start of recorder data.

In move to obtain more import information, Committee agreed to explore what statistical data could be obtained from Japan on regular basis, and voted to consider exchange of information with other countries if it's found beneficial to U. S. manufacturers. Other actions by EIA Consumer Products Exec. Committee:

(1) It approved booklet explaining uhf & all-channel law, prepared jointly by Better Business Bureau & EIA, and voted to finance initial publication. Self-liquidating booklet will be distributed through EIA to manufacturers, dealers, service technicians, stations & consumers, will go into distribution as soon as it can be printed, to be sold in bulk by EIA. Final draft was written by consumer products staff dir. Norman Jack Wayman—who was named last week as chmn. of consumer information committee of industry-govt. Committee for Full Development of All-Channel Bcstg.

(2) It agreed to ask all manufacturers of FM stereo receivers to monitor stereo broadcasts to assure that performance standards are being met. It was told that EIA engineering dept. is studying current FM broadcast standards and investigating need for new ones.

(3) It opposed FCC ruling permitting uhf stations to transmit audio at one-tenth the power of their video signals, requesting consideration of 5-to-1 ratio instead. It also endorsed engineering committee recommendation that FCC delay proposed reduction in permissible radiation limits for uhf receivers (Vol. 3:46 p9).

(4) It reiterated its proposed definition of high fidelity, supplied to FTC, and declined to endorse hi-fi quality rating system proposed by Lincoln Walsh. It consolidated its radio, phono & new products sections into single section, whose first meeting next March will be chaired by Arvin vp Orphie R. Bridges.

Adding to sweetness-&-light atmosphere was presence at meeting of Packard Bell Pres. Robert S. Bell, 14-year EIA board member who pulled his company out of EIA last spring, partly in protest against dues structure (Vol. 3:25 p10). Although there was no indication Packard Bell intended to rejoin, Bell's presence at meeting in his company's home territory helped create old-home-week atmosphere for EIA veterans.

NEW INDUSTRY RECORDS SEEN IN '63, '64: U.S. electronics industry's factory volume will reach new all-time high of \$15,325,000 000 this year, then move up nearly billion dollars more for another record—of \$16.3 billion—in 1964.

This is opinion of EIA's marketing analysts, as detailed to the manufacturer association by its Pres. Charles F. Horne at last week's winter conference in Los Angeles. Here are EIA's factory sales projections for 1963-64, compared with 1962 figures (add 000):

Product Category	1962	1963	1964
Consumer products	\$ 2,407,000	\$ 2,550,000	\$ 2,650,000
Govt. products.	8,348,000	9,400,000	9,900,000
Industrial products.	2,450,000	2,700,000	3,000,000
Replacement components.	620,000	675,000	750,000
TOTAL	\$13,825,000	\$15,325,000	\$16,300,000

EIA's projected rate of increase next year represents slowdown as compared with \$1.5-billion growth from 1962 to 1963. Much of this leveling-off is attributed to impact of imports. As Horne pointed out, "although the U.S. still enjoys a favorable balance of trade in the international exchange of all electronic products, a very unbalanced situation has arisen in consumer products & components. Only military-industrial exports maintain our over-all advantage."

In consumer products, color TV sales increase is expected to make difference between anticipated dollar-volume increase (modest \$100 million) and potential decrease in face of import competition. "Only a sharp decline in monochrome set sales after the all-channel law becomes operative" could reverse trend to increase, Horne added.

Summing up 1963, he cited "renewed vigor" of consumer products, sparked by color TV, tiny-vision, FM stereo & AM-FM auto radios. Latter 2 categories, he added, have resulted in increased average dollar volume for all radios. Although public in 1963 probably will have bought more than 30 million radios of all types, imports are expected to represent some 14 million of this number. He credited phono business with sales of 5.6 million instruments at \$460 million this year—a figure which many phono manufacturers seem unwilling to accept in view of recent evidence of winter sales slowdown.

"The dollar volume of domestically produced monochrome TV sets has declined as imports have risen sharply," said Horne. "The year 1964 may see a decline not only in monochrome TV dollars but also in units as imports increasingly penetrate the domestic market." TV imports for 1963 are estimated by EIA as approximately 450,000 sets.

Effect of component imports is underscored in EIA's revelation that 12% of the content of domestically produced TV sets was represented by imports during first half of year. Adding imported complete sets to this figure (156,000), Horne concluded that 16% of domestic market for TV receiver components was taken over by foreign producers. Imports comprised 18% of domestic tube market—or 50 million through Sept., compared with 52 million for all of 1962.

Uncertainties which "cast clouds over this optimistic forecast" were listed by Horne as: (1) Possible decline in TV sales as result of all-channel law. (2) Potential lowering of tariffs on electronics imports by as much as 50% at 1964 GATT international trade conference.

COLOR TUBE CAPACITY COULD REACH 1.5 MILLION: As Sylvania & Rauland begin phasing into production, and RCA continues to blast away on 3-shift basis, it appears possible that industry may have capacity to turn out 1.5 million color tubes next year. This is number of tubes cited to us last

Sept. by RCA Group Exec. Vp W. Walter Watts as estimated minimum number industry will require in 1964 (Vol. 3:37 p8).

There's no assurance industry will reach 1.5 million tubes, of course—but this number might be good educated guess, if no more unforeseen snags develop.

Sylvania says it's now beyond pilot production phase, is shipping color tubes, and sticks to earlier forecasts that it will turn out 15-20,000 balance of this year. (Most industry observers see results closer to low figure.) Sylvania's principal customer is understood to be Warwick.

Zenith's Rauland Corp. isn't in big production yet, but is now optimistic. One report is that its Nov. color tube output was double that of Oct., and is expected to redouble in Dec.—for whatever that's worth. It's understood Rauland has decided to order supplementary production equipment to double its present capacity. This is taken to mean that company is confident its production problems are on way to being licked, and that it expects good demand. National Video is still plugging away with small-scale output, and isn't expected to have any sizeable production this year.

As to 1964, guessing game puts Sylvania's color tube production capacity at about 190,000, Rauland's at perhaps 250,000, RCA's at whopping 1 million. For longer-term future, it's believed Rauland's new plant can turn out about 400,000 annually, and that RCA can convert sufficient facilities to make 2 million a year.

Also on longer-term basis, there's some spicy speculation going around about new contract negotiations between Paramount Pictures & Japan's Sony Corp. Principals are silent, but there are reports that deal would provide for Sony to manufacture Paramount Chromatron color tube in Japan in small sizes for domestic use and export to U. S., and later perhaps for Sony to participate in setting up color tube plant in U. S. Sony already has license from Paramount to develop Chromatron for domestic use, and officials have said practical producible tube is at least 2 years off—so speculation about Sony's plans is in terms of late 1960's... not near-future.

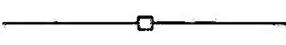
TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 29 (48th week of 1963) excluding 11-in. and smaller:

	Nov. 23-29	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	114,976	150,992	98,551	6,555,526	6,047,292
Total radio	327,898	456,538	412,185	17,006,859	17,825,961
Auto radio.....	167,475	198,196	196,427	7,400,061	6,583,305

TOPICS & TRENDS

Third U. S.-made 11-in. set is now being shipped to dealers by Curtis Mathes. As reported in these pages last Sept., new entry in tinyvision race is first set to feature Shelbond bare-faced picture tube. CM is offering 4 basic models, leader set bearing list of \$99.95, as does GE's & Admiral's, with step up at \$109.95, all-channel models \$20 extra. Set weighs 13 lb. (about same as GE's), has steel-frame chassis, horizontal plastic cabinet which resembles GE's more than Admiral's. Dimensions are 14-3/4-in. wide, 9-1/4-in. high, 10-1/4-in. deep.

GE will emphasize all-channel sets when it drops in 2 more 11-inchers next month, featuring uhf versions on spec sheets, mentioning vhf-only sets in smaller type. New sets will be one in desert sand color at \$119.95, ebony & chrome \$134.95 (vhf-only \$20 less).



First book-length biography of Gen. David Sarnoff was published last week by Encyclopaedia Britannica Press as part of its "Great Lives" book series for young adults. "Putting Electrons to Work—David Sarnoff," by John Tebbel, head of NYU journalism dept., contains hitherto unpublished anecdotes about the RCA chairman, as well as plea to young scientists to learn more about man himself. "Though man has understood the complexities of the atom, he has largely failed to understand his fellow man," Sarnoff is quoted. "He has learned to see & hear electronically to the outer reaches of space, yet his mind has been unable to cross the narrow boundaries of prejudice."

BATTLE OF LOUISVILLE: Old-line retailers have won first skirmish in interesting battle to force Louisville discount houses to comply with Kentucky's 162-year-old Sunday anti-work law. In decision which could have national ramifications if upheld by state's Court of Appeals, slated to review case Dec. 6, Chancery Court issued injunction barring Sunday opening against 9 discounters, effective Dec. 2.

Injunction suit, believed first action of its kind by conventional retailers against discounters, was filed by The Retail Merchants Assn. of Louisville. It was aimed at some pretty big discount chains. Among them: Arlan's, GES, Zayre. "We went to court because in this state, as in many others, the Sunday closing law was not enforced," we were told by RMAL Pres. Harold S. Johnson, pres. of J. Bacon & Sons Department Stores. "It had been enforced for a while but only nominal fines were imposed, and they began to open again on Sundays."

Action was viewed by GES Pres. Alvin Einbender as part of "concerted effort by some conventional retailers to seek enforcement against large retailers, mainly discount firms. They're feeling the competition. The law has been enforced only against a small number of retailers."

Nub of controversy is Kentucky's ancient anti-work law which, if enforced, "would make it unlawful for you to even mow your lawn on Sunday," in opinion of James Thornberry, attorney for the discount defendants. "This is a nuisance law and it could be enforced against anything that moves on Sunday. You don't even have to get paid for the work to be in violation." He noted that law was revised "several years ago by old-line merchants to combat the discount stores," emphasized that "our law is stronger than similar ones in most states because it's a no-work statute, not an anti-selling law." Fines for violation range from \$2 to \$50.

"I think we have a good chance to upset the injunction before the Court of Appeals," Kentucky's highest court, Thornberry told us. "If we don't, I'll have to advise my clients to close on Sunday. It's one thing to take a chance on a misdemeanor. It's something else again to risk contempt of court."

His optimism about upsetting injunction stems in part from his conviction that plaintiffs can't prove irreparable damage resulting from discounters' Sunday business. "An injunction is for extraordinary relief," he noted, "and those asking for it must show irreparable damage. Obviously, stores that remain closed Sundays can't prove that they're losing business because they can't prove that the people who bought from discounters on Sunday would have bought from them on Monday if the discounters also were closed on Sunday."

Administration's anti-Quality Stabilization stand is expected to remain unchanged under President Johnson, in opinion of discount industry's 2 major anti-QS groups. "President Johnson has promised to carry on the programs of the Kennedy Administration and the latter was 100% opposed to any form of price fixing," we were told by Roger Courtland, exec. secy. of National Assn. of Mass Merchandisers. Committee for Competitive Prices (Vol. 3:41 p7) told us: "Our hasty calls and checks indicate that President Johnson is firmly opposed to price fixing. Also, he comes from a non-Fair Trade state."

FIRST WINTER DROP-INS: No radical changes showed up at first major new-set showings of winter, at distributor meetings of RCA & Zenith in New Orleans & Chicago, respectively.

Zenith showed its traditional complete new line, but withheld details pending distributor showings. It's understood, however, that there were no startling innovations either in set design or pricing.

In its largest midyear TV line in history, RCA dropped in 24 new TVs, including 10 color sets. New portable line, usually shown in Feb. or March, was pushed up to Dec.—obviously because all-channel law will require another complete new line next summer. Color sets begin with new low-end ebony table model at \$449.95, now available with remote control at \$549.95. Other new color sets are metal-cabinet console at \$499.95, variety of consoles & consolettes at \$549.95, \$599.95 & \$650.

Portable line is led off with new version of 16-in. at \$129.95, with \$139.95 step-up, followed by open-list 19-in., other 19s at \$149.95, \$159.95 & \$179.95. Seven-set line is 2 models shorter than last year's. RCA also introduced 7 new 23-in. table models & consoles starting at \$189.95. Color line now has 22 sets, New Vista b&w line 24.

Olympic has added 4 new color consoles in decorator cabinets, unpriced, to bring color line to 13 models in 17 versions.

Philco will debut new portable TV series and additions to its console TV & stereo lines at Dec. 15-17 distributor meeting at Ford hq in Dearborn, Mich. Packard Bell will show portable line in mid-Jan.

Authority to decide matters of warranty & customer service has been given to Philco branch distributor service managers. Heretofore, service district representatives were responsible for final approval. Authorizing branch service managers to "make these decisions on their own authority without waiting for a service district representative to act," emphasized Philco Parts & Service Operation Mgr. Ray Nugent, "means faster decisions which, in turn, means faster handling of customer problems." Philco also realigned its field service organization, named A. J. Tagnon field service mgr.

Temporary injunction was won last week by General Instrument in its "piracy" case against Industrial Electronic Hardware Corp. and 2 former GI employes who are heading IEHC's upcoming uhf tuner production activity (Vol. 3:47 p7). N. Y. Supreme Court Judge Sidney A. Fine granted temporary injunction with proviso that GI accede to IEHC's request that suit be filed promptly. GI is expected to charge that former employes intend to use its uhf tuner trade secrets.

Oak Mfg. plans to double tuner production in 1964 to about 3 million from 1963's estimated 1.5 million. To accommodate increased production, Oak is expanding Elkhorn, Wis. factory 35%, will add 300-400 employes early next year.

U. S. debut of Sony's 9-in. transistor portable is scheduled next month at Chicago's furnitures & Housewares shows. The 12-lb. battery & AC set is still unpriced, measures 9-5/8-in. high, 8-5/8-in. wide, 7-5/8-in. deep.

Trade Personals

Charles F. Horne, pres. of EIA & General Dynamics/Pomona, selected to receive EIA Medal of Honor, manufacturer association's highest award, for "outstanding contribution to electronics industry" at EIA quarterly conference in March at Washington.

Clarence B. Flinn promoted from Admiral gen. sales mgr. to independent distributors vp, a new post.

Stanley L. Abrams, asst. to Emerson Pres. **Benjamin Abrams**, elected a dir.

Jim Turner named Packard Bell Home Products Div. value analysis & engineering coordinator, a new post. . . **Bruce Bradway** appointed Philco Consumer Products Div. merchandising specialist, a new post.

Herman Fialkov, General Instrument vp & group vp of company's Semiconductor Products Group, appointed chmn. of EIA's newly formed Microelectronics Section of Semiconductor Div.

Ronald I. Friedman appointed General Instrument national distributor sales mgr. for capacitor products.

Mel Levine named Monarch Electronics International sales vp, succeeding **Herbert Levy**, appointed exec. vp of the L. A. radio-phono-recorder firm.

Roger B. Neighborgall, ex-General Precision & ITT Federal Labs, appointed asst. vp of General Instrument's Defense & Engineering Products Group with hq in Washington.

Andrew M. Kennedy Jr., Westinghouse purchases & traffic vp, named mgr. of Micarta Materials Mfg. Div. & Industrial Ceramics Div.

Joseph W. Barron elected administration & planning vp, **Robert J. Campbell** mktg. vp, GPE's Link Div.

John A. Johnson, ex-NASA gen. counsel, appointed ComSat international arrangements dir.

John B. Montgomery, Daystrom pres., elected a vp & a dir. of parent Schlumberger Ltd.

Shapp's Senatorial ambitions: Jerrold Chmn.-Pres. Milton J. Shapp is giving "serious consideration" to seeking Democratic nomination for U.S. Senator in Pennsylvania's primaries next year, expects "to have an announcement shortly after Jan. 1." If he fails to win organizational support for Senatorial nomination, noted Dec. 1 "Philadelphia Inquirer," Shapp, "it was disclosed by a reliable party source, has served notice on Pennsylvania's party leaders that he is prepared to wage an independent campaign."

Motorola's b&w TV sales at distributor level set new unit record in Nov., Motorola Consumer Products Inc. mktg. vp S. R. (Ted) Herkes announced. He said sales were 40% higher than Nov. 1962. Stereo phono sales were up, too—more than two-thirds of distributors showing "substantial unit sales increases."

Symphonic Electronic's anti-trust suit against Nippon Electric and others (Vol. 3:43 p10) was not vacated by Federal District Court, as requested by defendants. Judge Edward C. McLean reserved decision on motion.

MAGNAVOX—NEW DIRECTIONS? Magnavox's reported deal to make private-label TV & stereo for Montgomery Ward lacks confirmation at all levels, and there's industry speculation that it's at the negotiation—rather than contract—level. Nevertheless, move into large-scale private-labeling—if it comes off—seems to be logical move for Magnavox.

To some, it appears only way to achieve Pres. Frank Freimann's stated goal of 10% of industry TV sales. Magnavox, of course, is self-limited in its growth potential by its franchise system, although in recent months its extension of franchise to Singer Stores, Friendly Frost & Sol Polk (Vol. 3:48 p9) has broadened its direct-to-dealer horizons.

With its new modern plant in Greenville, Tenn., Magnavox has far greater production capacity than it's now using. Magnavox, which acquired Spartan & Sentinel TV brands in 1956 (Vol. 12:6 p6), has been in & out of private-label business, but never was in firmly with both feet. It has made phonos for Columbia, TV & phonos for several dept. store labels.

Principal suppliers of Ward's Airline brand are currently Wells-Gardner, Westinghouse (portable TV) & Travler. There's no question private-label field is growing—some estimate it as encompassing 20-25% of TV market next year—and there are few set makers who wouldn't listen to interesting private-label proposition.

Sept. factory sales of TV picture tubes declined both in units & dollars from Sept. 1962. Receiving tubes increased in unit sales but declined in dollar value. Nine-month results: picture & receiving tube unit & dollar sales continued to trail year-ago pace by sizable margins. Sept. picture tube sales slipped in units to 847,174 from 866,512, in dollars to \$15.8 million from \$16.5 million. For first 3 quarters, unit sales trailed 6.7 million to 6.8 million, dollar sales \$124.7 million vs. \$130 million. Sept. receiving tube sales rose to 31.8 million units from 31.6 million, slipped in dollar value however to \$24.6 million from \$25.3 million. Cumulatively, Jan.-Sept. unit sales trailed 252.2 million vs. 274 million. Dollar value sagged by more than \$22 million to \$206.2 million from \$228.5 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$ 16,846,046	27,025,000	\$ 22,524,000
February	639,392	11,990,595	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
May	703,393	12,888,058	26,662,000	21,600,000
June	707,541	13,462,906	29,332,000	23,764,000
July	603,622	10,818,297	22,688,000	18,148,000
August	767,529	14,473,647	31,569,000	25,785,000
September	847,174	15,828,272	31,780,000	24,594,000
Jan.-Sept. 1963	6,687,494	\$124,728,710	252,224,000	\$206,235,000
Jan.-Sept. 1962	6,782,798	\$129,970,298	273,911,000	\$228,501,000

N. Y. fair-trade prices of GE color sets have been reduced \$40-\$80, low-end model (formerly \$449) now being fair-traded at \$398. Other sets are fair-traded in N. Y. at \$418, \$468, \$515, \$555 & \$565. At time of color leader's introduction last spring, GE spokesman said \$449.95 price leader could be sold at \$399 on same basis as Admiral's low-end set and "GE is prepared to be competitive" (Vol. 3:24 p7).

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
Ampex Story on p. 6	1963—6 mo. to Oct. 31	\$ 48,217,000 ¹	—	\$ 2,205,000 ¹	\$.28	7,827,434
	1962—6 mo. to Oct. 31	43,120,000	—	2,169,000	.28	7,799,407
	1963—qtr. to Oct. 31	24,804,000	—	1,272,000	.16	7,827,434
	1962—qtr. to Oct. 31	21,607,000	—	1,291,000	.17	7,799,407
Harvey Radio	1963—9 mo. to Oct. 31	5,215,533	\$ 442,198	219,619	.27	808,413
	1962—9 mo. to Oct. 31	5,275,938	536,149	261,173	.32	808,413
MGM Story on p. 6	1963—year to Aug. 31	136,219,445	(31,778,965)	(17,478,965) ²	—	2,574,629
	1962—year to Aug. 31	136,999,002	5,289,269	2,589,269	1.01	2,569,229
Screen Gems	1963—qtr. to Sept. 28	—	1,009,000	515,000 ¹	.20	2,538,400
	1962—qtr. to Sept. 28	—	958,000	468,000	.18	2,538,400
Warner Bros.	1963—year to Aug. 31 ³	87,129,000	—	5,699,000	1.17	4,850,052
	1962—year to Aug. 31	79,864,000	—	7,566,000	1.56	4,830,052
Webcor	1963—year to May 31 ⁴	42,466,285	—	(5,049,168) ⁵	—	987,774
	1962—year to May 31	49,375,681	—	276,323	.28	987,774

Notes: ¹ Record. ² After \$14.3 million tax credit. ³ Preliminary. ⁴ From SEC report. ⁵ Before gains from sale of assets reduced net loss to \$4,474,925.

RCA DOES IT: It finally happened at week's end—but the melon RCA cut was even juicier than some financial observers had anticipated. It was cut 3 ways—not 2—and dividend was increased again.

Three-way stock split was proposed by board of directors Dec. 6, to be voted at special meeting Jan. 29 of shareholders of record Dec. 16. Quarterly dividend on present stock was hiked from 35¢ to 45¢, payable Jan. 27 to holders of Dec. 16. On last March 1, dividend went up from 25¢ to 35¢. Board also announced intention of declaring quarterly dividend of 15¢ per share on new stock March 1.

Stock split proposal & dividend increase, said RCA Chmn. David Sarnoff, reflect "RCA's growth record of the past and its confidence in the future. We expect by the end of this year to register our 11th consecutive quarter of profit improvement over the comparable quarter of the year earlier."

RCA's onrushing common stock, which had a 1963 low of 56 and closed at 70 Oct. 1, broke 100 last week and hit record 102-3/4 on rumors of impending stock split. Stock's last split came in 1929 when it was divided 5 for 1 and a 1924-created Class A issue was called.

TelePrompTer's sale of its Weathers, Conley Electronics & Audio Visual divisions to Defiance Industries (Vol. 3:46 p11) has run into snags. Former's Chmn.-Pres. Irving Kahn charges that Defiance failed to appear by Nov. 15 deadline to close sale, claims breach of contract, is seeking other buyer. Defiance retorted sale couldn't be completed without SEC approval, filed suit in N. Y. County Supreme Court for declaration that contract still is in full force & to restrain TelePrompTer from disposing of properties to another buyer.

Ford-Philco merger so far has cost Philadelphia area "more than it has gained," noted Dec. 2 "Philadelphia Inquirer," adding, "Philco employment in the Delaware Valley was 15,000 in 1961. It fell to a low of 10,000 last April but is now back to 11,200. It may, however, drop again for a period during the reorientation of Philco's Lansdale Div. from the production of transistors to micro-electronic devices." Newspaper also noted that Philco's "principal banking needs are now handled by Ford in Detroit [and] its auditing is now centered in Detroit." At time of merger, paper continued, 4 of Philco's 6 divisions "were operating in the red. Today, according to sources close to the company, only the Consumer Products Div. is still in the red and this division is making 'real progress toward profits.'" Paper quoted Pres. Charles E. Beck: "The very fact that we have such a small part of the appliance field indicates the opportunities for growth." Over-all, Beck was quoted, "Business is up across the board. Substantially so. Philco has a bright future." Although Philco ended 1963's first 9 months still in the red (Vol. 3:45 p10), "Inquirer" summed up: Merger "may turn out to be one of the best things that ever happened to the Delaware Valley economy. Philco was in trouble in 1961."

ITT has completed acquisition of L. A. electrical connector manufacturer Cannon Electric (Vol. 3:48 p11) via a new subsidiary, ITT Cannon Electric. New operation will headquarter in L. A., employ some 4,000 persons, principally in the U. S. Cannon's 1962 sales topped \$50 million.

I. I. T. Research Institute (formerly Armour Research foundation of Ill. Institute of Technology) reported research volume in 1963 fiscal year ended Aug. 31 jumped 16% to \$23.5 million from \$20.3 million a year earlier. During year, it undertook 716 research programs.

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DECEMBER 16, 1963

NEW SERIES VOL. 3, No. 50

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DETAILS OF 'OVER-COMMERCIALIZATION' DECISION disclosed, with final action due this week. Automatic approval for station not exceeding NAB-Code-like limits; those with more to go to Commission for case-by-case consideration (p. 1).

THE PERVASIVE CATV INDUSTRY: President Johnson drawn into Austin case; FCC proposed new CATV microwave rules; 'TAME' fighting new CATVs throughout country, including Dayton, Galveston, Reading; Canadian govt. worried about controls; British gives cabled pay-TV test go-ahead (p. 2).

TELCAN TV RECORDER PREVIEWED by Cinerama for stockholders; production of home video unit promised in 4-6 months, along with \$150 TV camera (p. 3).

HOUSE UNITS ACT ON COMMERCIALS, EDITORIALS: Commerce Committee approves bill to prohibit limits on commercials, Moss preparing dissent. Communications Subcommittee plans bill requiring stations to broadcast they have obligation to present contrasting views. Hearing sought on fairness doctrine (p. 4).

KINTNER WARNS ON RATINGS DECEPTION: Former FTC chmn. says misuse of figures in ads or in sales pres-

entations will bring govt. sanctions, states 'hyponing' is illegal. RAB-NAB steering committee meets (p. 4).

Consumer Electronics

INDUSTRY'S TV PREDICTIONS for '64, based on our special survey: Total TV sales of 7.5 million sets—including at least 1 million color; tinyvision sales to increase, while b&w console sales continue slide; all-channel law to have some effect on sales; imports to rise to 800,000 (p. 7). Digest of individual manufacturer replies (p. 10).

MOTOROLA 23-IN. COLOR prospects are better, says Galvin, but "we still don't know for sure;" Sylvania's Connor sees 1.5-1.6 million factory color sales in '64; RCA hails best color & b&w year (p. 8). Motorola's financial prospects (p. 11).

WINTER DROP-INS from Admiral, GE, Motorola, Sylvania fill gaps in lines, reflect trend to more-for-money (p. 11).

BATTLE OF LOUISVILLE—CONT'D: Court of Appeals refuses to disallow temporary injunction requiring 9 discounters to obey state law and remain closed on Sun. If they win case, discounters plan to seek damages for business lost (p. 11).

DETAILS OF 'OVER-COMMERCIALIZATION' DECISION: FCC's decision on commercial ceiling is due this week—and we've learned what it is. In meeting Dec. 12, following Dec. 9-10 oral argument, Commission told staff to work up draft for final action this week. In a word, FCC will neither throw out its proposal completely nor revert entirely to status quo. Here are the details:

(1) A certain level of commercials (for TV & radio) will be established. These figures will be similar to limits in NAB Codes.

(2) Stations with commercial levels below the established & published figures will be approved automatically at FCC staff level. Those going over the levels will be referred to commissioners for case-by-case action, each to be judged on its special circumstances.

(3) Commission will reassert, of course, that it is satisfied it has statutory authority to do foregoing. It will also say that it's concerned about "over-commercialization."

(4) New TV program form will be issued simultaneously—as a proposal subject to oral argument before full Commission, probably in Feb.

(5) Procedures above are interim, pending finalization of new program forms. Commission will incorporate in new forms what it learns under interim procedure.

(6) AM-FM program form will be discussed in special Jan. 6 meeting (Vol. 3:49 p2).

Guessing at FCC is that foregoing will be finalized this week with 6-1 or 7-0 vote.

We understand that one commissioner, in discussion last week, was violently urging that Com-

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mission throw out entire proposal & forget it. There were enough votes there to do it—but another member, who, though he also opposed proposal, urged that such action would be much too drastic.

Procedure sounds similar to long-time FCC practice. But here's basic difference: Licensee never knew what level of commercials guaranteed automatic approval; Commission would change figures from time to time, telling staff which cases commissioners themselves wanted to weigh.

Earlier in week, full House Commerce Committee told Commission to keep hands off specifics. At same time oral argument was going on, Committee approved bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting limits on length & frequency of commercials (see p. 4). Here's sampling of comments at oral argument:

Clara Logan of National Assn. for Better Radio & TV supported FCC, said it was "shameful" that Commission's efforts have been attacked as govt. interference with private enterprise. She said "flagrant excesses" exist, that one TV station monitored by NAFBRAT was "very careful not to interrupt its commercials with an over-abundance of entertainment." Among many monitoring examples cited, she said one Los Angeles network station telecast 14 spots in 14-1/2 min. news & sports show.

Steven Finz, 20-year-old law student, testified for League Against Obnoxious TV Commercials—group "fighting overly aggressive, downright insulting TV commercial messages." He said League in one year has grown to "6,300 active, balloting, boycotting members."

Richard Nicodemus, sociologist for National Recreation Assn., provided psycho-sociological treatment. He said "OC" (over-commercialization) is an expression of public's immaturity, said standards are necessary in "our organizational society." He referred to "repetition syndrome" as "echolalia"—the habit of repeating. Comr. Loevinger, who likes to read, inquired in kind: Why do viewers insist on this "masochistic exercise" when there are so many other things to do?

Attorney James McKenna appeared for ABC, said he knows FCC isn't going to abandon field of over-commercialization completely, offered this proposal: Ask station on renewal application if it complies with NAB Code; if it doesn't, request its commercial policy—then weigh policy as part of station's over-all performance. He said there are many valid reasons why stations don't subscribe to Code, said it's more suitable to large market vhf's than to smaller-market stations.

Judge Samuel L. Rosenman appeared for CBS, said he opposes plan because: (1) It would take responsibility for determining public interest away from broadcasters. (2) It's first time FCC proposed direct action on the industry income which helps provide "great public service programming."

Attorney Howard Monderer of NBC said public interest can't be equated with mathematical formula, noted that NBC has had its own commercial standards for more than 30 years, that Codes are good accommodation of varying situations. He urged FCC not to act because it has no hard facts on which to base rule. To this, Chmn. Henry repeated his assertion: "We have no information because [the industry has] seen fit not to give it to us."

NAB General Counsel Douglas Anello was on stand 2 hours, challenged FCC's legal memorandum (Vol. 3:49 p3). He said it's "fallacious" to think that because FCC considers over-commercialization on case-by-case basis, it can therefore write over-all rule. He said that this would determine standards "in advance," that commercials should be considered part of over-all programming in determining public interest. Re legislative history: "At best Congress didn't give FCC the power."

Arthur Tatham of Tatham-Laird, Chicago agency, and chmn. of AAAA, opposed FCC plan because it doesn't come to grips with problem, said "clutter" is caused by non-program messages (public service announcements, show credits, etc.), stated broadcasters will—and must—solve problem.

THE PERVASIVE CATV INDUSTRY: CATV continues to penetrate into more & more areas—even into high-level politics. Items: (1) KTBC-TV Austin, Tex., just put into trusteeship by President Johnson's wife, was involved in local CATV conflict decided by FCC last week. (2) FCC issued proposed rules governing CATV use of microwave. (3) "TAME" organization of receiving antenna makers, et al., reports progress in fight to block CATV growth. (4) British govt. decided to allow 3-year test of cabled pay-TV in London. (5) In Canada, Secy. of State Pickersgill urged Parliament to impose

greater controls on CATV while reports circulated that new firm, Canadian Home & Theatre Vision Ltd., backed by British & U.S. capital, planned massive entry into CATV.

Austin situation involves 2 competing CATV systems. TV Cable of Austin Inc. uses microwave to gather distant signals; Capital Cable Co. doesn't, having instead receiving antenna atop KTBC-TV's tower. TV Cable got microwave grant by agreeing not to duplicate KTBC-TV's programs 30 days before or after telecast. It complained to FCC that Capital Cable gets unfair advantage by carrying shows simultaneously with station, asked for waiver of 30-day rule. Last week, FCC turned down request, as it has all similar pleas by CATV microwaves elsewhere.

What heated up the situation was prompt demand by Rep. Gross (R-Iowa) that Congress investigate FCC action—because KTBC-TV has option to acquire 50% of Capital Cable and had been controlled by Mrs. Johnson. He urged ban on TV-radio ownership by govt. officials, including congressmen.

Commissioners are irked by charges, asserting that obviously no skulduggery is involved—because FCC applied its uniform policy. However, politics being what they are, attempts to embarrass President Johnson will be made as long as his family has any connection with stations.

Meanwhile, FCC's proposal on CATV regulation follows general outlines of staff recommendation we disclosed (Vol. 3:43 p3)—except that, for present, it limited its action to microwaves, hasn't moved toward trying to regulate entire CATV industry.

There are 2 basic factors to FCC plan: (1) Duplication of station programs by CATVs in station's Grade A contours would be prohibited for 15 days before & after station telecasts. (2) CATVs would be permitted to carry at least 2 network programs in any situation.

If stations & CATVs arrive at satisfactory arrangements differing from foregoing, it's OK with FCC. If station wants protection out to Grade B, these will be weighed on case-by-case basis. Existing microwaves, abiding by current 30-day protection, will change to 15-day protection after Jan. 13—unless opposed by stations. New applicants agreeing to proposed rules can get grants now.

FCC decision is in form of proposed rule-making in Business Radio & Common Carrier services. Comments are due Jan. 22, reply comments Feb. 12. It's 12 pages—we'll be happy to get you copy.

TAME organization fighting CATV reports it's working at grass roots level in following places now: Georgia, where big meeting is set for Jan. 20 in Atlanta; Connecticut, where Public Service Commission is setting up CATV standards following go-ahead by Legislature; New York, where TAME men are battling against proposed CATVs in Johnstown, Gloversville, Amsterdam, Utica, Glens Falls; Texas, where Galveston system is proposed; Ohio, where CATVs are planned for Dayton & Lima; Iowa, where fight centers on Sioux City & Ottumwa; Pennsylvania, where Reading system is sought by operator of Hazleton CATV.

TAME expects support soon from big National Electronic Distributors Assn.; Carolina chapter has asked for national endorsement of TAME objectives in Jan. 18 New Orleans meeting.

British cable pay-TV test will be in 3 London areas, by 5 firms: Choiceview Ltd. (Rank & Rediffusion); Telemeter Programs Ltd. (Paramount Pictures, "Manchester Guardian," British Lion Films); Tolvision Ltd. (Sir Isaac Wolfson, Hambro's Bank); Pay-TV Ltd. (British Relay Network); Caledonia TV (Scottish group).

SNEAK PREVIEW OF TELCAN TV RECORDER: Cinerama Inc. held first U.S. demonstration of British-developed Telcan home video tape recorder Dec. 13 at its stockholders meeting in N. Y.

No U.S. TV manufacturers, no outside technical people, have yet seen Cinerama's U.S.-standards version of Telcan—nobody, in fact, except Cinerama stockholders, security analysts and "Wall St. Journal" (present at stockholder meeting). Industry, therefore, is champing at bit to see for itself, judge performance. Firm announced last Sept. that it intended to manufacture & market recorder itself.

Home TV recorder will be marketed in 4-6 months, Cinerama Pres. Nicholas Reisini told stockholders, at price "slightly higher" than its proposed British tag of \$160. He said company would also sell miniature home TV camera for about \$150. Stockholders' pictures were recorded & played back at demonstration, Dow-Jones news wire ("Wall St. Journal") reported.

HOUSE UNITS ACT ON COMMERCIALS, EDITORIALS: House put in heavy week as parent Commerce Committee & Communications Subcommittee held wide-ranging closed meetings on commercials, equal time, editorializing, fairness doctrine. Commerce Committee actions:

(1) Approved bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting limits on length & frequency of commercials (for FCC moves see p. 1). If bill gets to House floor, it won't be until next year. Rep. Moss (D-Cal.) criticized move, is preparing dissent, expects others on Committee to join him. "I was the only one to vote against the bill when the Subcommittee considered it, but not when the Committee passed on it," he told us. He said it would be a mistake to deny FCC authority, stated some broadcasters have gone "hog wild." (For N.Y. meeting on commercial practices, see p. 5.)

(2) Discussed Senate amendments to H. J. Res. 247 which would lift equal time requirements for 1964 Presidential & Vice Presidential candidates, but took no action, made no recommendations. It's understood that inclination of Committee is to wait until President Johnson has chance to consider measure.

Communications Subcommittee, chaired by Rogers, reviewed testimony of its editorializing hearings of last July & Sept. It concluded that on-air advocacy is "one of several methods" by which stations can serve their communities and should be considered in the public interest, if conducted fairly.

Subcommittee cautioned, however, that decision to editorialize "should rest entirely with the individual licensee" and "under no circumstances" should decision not to editorialize be considered "adverse factor" by FCC. In letter to Commerce Committee Chmn. Harris (D-Ark.), Rogers outlined these steps Subcommittee thinks should be taken:

(1) Broadcasters should be required to carry statement at time of editorial explaining that they're obligated to "afford reasonable opportunity for the discussion of viewpoints in contrast with those expressed in... editorials." Subcommittee plans to introduce bill to that effect next session of Congress.

(2) Hearings will be held on issues dealing with fairness doctrine—both of which Rogers considers "very controversial": (1) Problem of candidate who is attacked in editorial but is required to have "spokesman" answer editorial, for fear of setting off chain reaction of rebuttals by all candidates. Moss introduced bill requiring that "equal time" apply to editorials for or against candidates. (2) Obligation of broadcasters to permit free presentation of views to answer paid controversial program. Rep. Younger (R-Cal.) introduced bill to relieve broadcasters of obligation to give free answer to paid viewpoint.

KINTNER WARNS ON RATINGS DECEPTION: Misuse of ratings in either station ads or in sales presentations constitutes unfair competition subject to "severe sanctions" of FTC & FCC, so warned former FTC Chmn. Earl W. Kintner, now practicing Washington attorney. He also reminded that "hypoing" is illegal.

Kintner told International Radio & TV Society in N. Y.: "Radio and TV stations must take 'reasonable precautions' to insure that the rating surveys which they employ are valid. Assuming that [they are], stations and their representatives must present survey results in an accurate and truthful manner." To do otherwise makes purchasers of advertising time "victims of misrepresentation, and competitor stations... victims of an unfair method of competition," he stated,

Broadcasters should keep complete file of correspondence when raters answer inquiries on inconsistent or aberrational rating results, he suggested. Practice of hypoing—using special promotions, contests or programming to distort ratings during ratings week—"must be avoided... because [it's] an unfair method of competition and a deceptive practice within the meaning of the FTC Act and ... because the practice is detrimental to the best interests of a great industry," Kintner stated.

In other developments, RAB-NAB steering committee held first meeting to implement joint radio methodology study. George B. Storer Jr., pres. of Storer Bcstg., was named chmn. of 14-man group. Committee announced plans for series of smaller pilot studies, leading to major study that would provide one or more "valid methods" to measure full audience. Technical subcommittee meets this week

N. Y. meeting on commercial practices will be held Dec. 18 for candid exchange by NAB & Code executives with agencies, advertisers, networks. About 2 dozen will attend. Networks are expected to send representatives, though they rebuffed NAB Pres. Collins when he first proposed similar meeting few months ago. Among those attending: Collins, Code Authority Dir. Howard Bell, NAB Board Chmn. William Quarton, TV Code Board member Robert Ferguson, Clair McCollough, Donald McGannon who will also give progress report on rating reform. Top agency & advertiser personnel are being rounded up by AAAA Pres. John Crichton & ANA Pres. Peter Allport. Sen. Pastore (D-R.I.) has requested report on outcome of meeting, invited networks to attend. In related move, NAB topkicks were annoyed at report in trade publication that NAB has "secret deal" with stations telling them not to worry about Code standards during Christmas season. They're concerned over reflection on industry efforts to regulate itself. Collins & Bell said rumor is "completely without foundation."

Local-live programming and meeting community needs were issues raised last week as FCC Comrs. Ford & Cox dissented from majority opinion renewing WCSC-TV Charleston, WFBC-TV Greenville, WSOC-TV Charlotte. Cox said Commission had no information on which to judge stations' adherence to criteria. On contrary, he stated, information at hand indicated heavy dominance of network & other non-local programming, especially 6-11 p. m. He said FCC should have asked for more data, that perhaps then he would have been able to vote for renewal.

Glare of lights for film at FCC oral argument on commercials last week didn't advance cause of broadcast access to courtroom coverage. With Comr. Loevinger wearing sun glasses, Comr. Bartley shielding eyes, one Commissioner commented to us: "The industry's case against Canon 35 [of American Bar Assn.] was lost right here as far as I'm concerned. How can coverage be unobtrusive with those lights." Some observers pointed out that live TV cameras would require less light.

License fees are effective Jan. 1, per schedule, FCC announced. Rep. Rogers (D-Tex.), who has sought to delay action, tells us he plans no further moves until Jan. In Chicago, 10 organizations joined in Dec. 6 petition to Court of Appeals there to review Commission decision, will seek injunction to block fees meanwhile; all are in aviation field.

President Johnson's statement to heads of regulatory agencies (Vol. 3:49 p1) is interpreted by newspaper columnist Charles Bartlett as warning not to regulate too much. He concludes: "A sharp struggle looms ahead between the passivists and the activists on the basic issue of regulation. Much will depend on the further manifestations of Mr. Johnson's viewpoint."

Interest in TV-radio was expressed by Curtis Publishing ("Saturday Evening Post", et al.) Pres. Matthew J. (Joe) Culligan in meeting with press last week. He said firm has open mind re acquisition of stations, CATV, pay TV.

WBFM (FM) N. Y. has been sold to WPIX (TV) for \$400,000 by Muzak. WPIX is owned by "Daily News," has no AM affiliation.

Split between telecasters & TV set makers was fairly clearcut in their comments on FCC's proposal to make vhf stations' visual-aural power ratio same as uhf's—aural to range between 10% & 70% of visual. ABC favored FCC plan, as did most of half dozen stations commenting individually. WRDW-TV Augusta, Ga. asked for 30-50% range. Telecasters cited prospective savings in aural transmitter costs, tube & power outlays. Set makers were very concerned. RCA urged straight 20% for both vhf & uhf, said there'd be little saving in transmitter costs because of need to make & stock so many variations. Admiral & Motorola urged delay until more tests are made. Emerson said move would sacrifice set performance and/or increase cost. Philco urged 20-30% range—with 30% maximum in any event. Zenith called for retention of 50-70% for vhf, recommended uhf change back to same. Virtually all manufacturers were concerned about loss of service in fringe areas, increased cost of set production to cover ratio variations. Engineering firm of A. Earl Cullum plumped for fixed ratio, perhaps 10%—but said more experience is needed; firm doubts FCC proposal will produce cheaper transmitters because of manufacturers' need to build many variations, stock wide range of components.

FCC has no business moving against stations on "double billing" charges. So said Washington communications attorney Thomas H. Wall, in N. Y. forum on govt. in broadcasting last week, sponsored by International Radio & TV Society. "In my opinion, FCC has been looking for a good case and apparently thinks it has one now," he said, referring to Commission's moves against 2 radio stations (Vol. 3:49 p5). "The FCC hopes to make some new law here. It doesn't belong in this." Other participants in panel commented on regulatory outlook under Johnson administration. Former FTC Chmn. Earl Kintner, now a Washington attorney: "Basically Johnson believes in private enterprise and competition in the marketplace [but] a deeply-rooted attitude has grown up that govt. regulation is a way of life. The best way to combat this is with industry self-regulatory programs." NAB Exec. Vp Vincent Wasilewski: "Before any change is noticeable it will be a while, and when it comes it will be by osmosis rather than by direct action."

Liston-Clay championship fight Feb. 25 will be "biggest attraction in closed-circuit history," TNT Pres. Nathan L. Halpern predicted at week's end after his firm walked away with closed-circuit rights to bout from Miami Beach. Halpern said goal was to present bout to paying theater audience of record one million spectators. Eidophor projection equipment will be used extensively for first time to present a prize fight. Financial arrangements for closed-circuit rights weren't disclosed.

While U. S. pro football clubs are debating pros & cons of showing games on closed-circuit TV (Vol. 3:43 p2), Montreal Alouettes football club has purchased its own Eidophor projection system from TNT and installed it in Montreal's new Place Des Arts to televise games to paying audience.

CP for uhf WONE-TV (Ch. 22) Dayton (off air) transfers to WWLP (Ch. 22) Springfield, Mass., approved by FCC.

Rep changes: WFTV Orlando, from Adam Young to Blair BTA Div.; KKTU Colorado Springs, from Venard, Torbet & McConnell to Avery-Knodel.

Personals

Sam J. Slate, ex-vp & gen. mgr., radio WCBS N. Y., appointed exec. vp, RKO General Bcstg., succeeded by **Ralph W. Goshen**, sales mgr. . . **Michael Joseph**, radio program consultant, elected NBC Owned Radio Stations vp.

Thomas S. Murphy, Capital Cities Bcstg. exec. vp, elected chmn., CBS-TV Affiliate Assn.; **Carl Lee**, WKZO-TV Kalamazoo vp & gen. mgr., elected secy.

John MacVane, ABC News UN correspondent, elected UN Correspondents Assn. pres. . . **Richard D. Dudley**, radio WSAU Wausau, elected to NAB Radio Board, succeeding late **George T. Frechette**, WFHR Wisconsin Rapids.

Homer Lane, KOOL-TV-AM Phoenix, elected pres., Arizona Bcstrs. Assn. . . **Edward Carroll**, ex-Ted Bates film production dept., appointed gen. mgr., KCTO-TV Denver.

Henry P. Hayes, ex-NBC Recording Div., elected TvB asst. secy. -treas. . . **Morris J. Levin**, ex-staff counsel, Senate Commerce Committee, joins Roberts & McInnis, Washington law firm.

Louis B. Ames, ex-cultural programming dir., N. Y. World's Fair, named programs mgr., RCA's Fair operations, to develop color shows. . . **Harry Moses**, ex-advertising & promotion dir., WTTG Washington, named station promotion & services dir., Metro TV Sales, N. Y.

Jacques Biraben, radio WOR N. Y. vp of sales, promoted to vp & sales dir., WOR-TV-AM, succeeding **Burt Lambert**, appointed vp & sales planning dir. . . **David E. Henderson**, ex-TvAR senior account exec., named asst. sales mgr., WBZ-TV Boston, succeeding **Chet Zaneski**, who joins TvAR Chicago office. . . **Bruce Hayward** promoted to public affairs dir., KTVI St. Louis.

Dorman D. Israel, Emerson exec. vp, elected chmn. of Committee No. 1 (technical) of FCC-sponsored CAB (uhf development group), succeeding Adler Electronics' **Ben Adler**, who begged off because of heavy commitments following sale to Litton.

Encyclopaedia Britannica presented Peace Corps with \$75,000 worth of educational film strips for overseas teaching, presentation made in Washington by former FCC Chmn. Newton Minow, EB exec. vp. In addition, EB will publish this spring "Tribute to John F. Kennedy," edited by Presidential press secretary Pierre Salinger & NBC White House correspondent Sander Vanocur.

Audlok system designed to perfect synchronization of remote TV originations has been developed by NBC, used on "Huntley-Brinkley Report" since Sept. 9. NBC says system can control timing of remote pictures to arrive at originating city in same time phase and can be switched to or dissolved to without roll-over or tear.

Procedures for applications for towers which might be air hazards—pending possible FAA & FCC changes—are outlined by FCC in public notice, Mimeo. 44605, available from Commission, or we'll get you copy.

Revised FCC rules & regulations for TV-radio, published in Dec. 14 issue of "Federal Register", available for 30¢ from Govt. Printing Office, Washington.

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When color era comes to CBS, its o&o stations will be ready with plenty of color feature films in their libraries. Latest acquisition is 7-year deal for 215 post-1950 Universal features from 7 Arts Productions, of which 109 are available in color. Under terms of agreement, understood to involve about \$15 million, color rights are included—meaning stations can book color prints of these films any time they choose. Involved in CBS purchase are WCBS-TV N. Y., WBBM-TV Chicago, WCAU-TV Philadelphia & KMOX-TV St. Louis. One industry source speculated that WCBS-TV now has about 3,000 features available, of which probably 1,000 can be shown in color.

HEW approved 5 matching-fund ETV construction grants, totaling \$693,342: Duluth-Superior Area ETV Corp., \$212,625 to activate Ch. 8; Delta College District, \$183,920 to start Ch. 19 Bay City, Mich.; U. of Georgia, \$136,109 to expand Ch. 8 Athens; School District of Kansas City, \$102,000 to expand Ch. 19; School District No. 1, Denver, \$58,688 to expand Ch. 6. So far, HEW has made 10 grants totalling \$1,552,294. Two new applications have been received: Board of Public Instruction, Dade County, Fla., \$71,606 to expand Ch. 2 & 17 Miami; Eastern New Mexico U., \$279,266 to start Ch. 3 Portales.

Three new TV tape machines, including playback-only & "transportable" unit, were announced at week's end by RCA. First playback-only machine is compact (22 x 22-in. square, 68-in. high), is compatible with all broadcast recorders. Transportable recorder can be carried in station wagon; third unit is "compact" recorder. Prices & availability dates weren't announced.

National & regional spot TV increased in 3rd quarter 23.1% over last year's period—\$185,330,000 compared with \$151,922,000. Tobacco products & supplies increased 73% to \$8,644,000 from \$4,990,000. Automotive was up 41% to \$7,583,000 from \$5,375,000.

"Sponsor" magazine has been bought by Ojibway Press, publisher of trade magazines outside TV-radio field, principal stockholder Norman Glenn to remain. Ojibway has hq in Duluth; Marshall Reinig is pres.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY'S OWN TV PREDICTIONS FOR '64: TV set manufacturers believe 1964 will see increase of perhaps 35% in color sales, decline of 8-10% in b&w, 60% rise in TV imports. They feel b&w mix will continue trend toward portables & table models and away from consoles, that tinyvision business will increase, and that all-channel law will affect sales next fall—but not too sharply.

These are results of our survey of 19 TV manufacturers on outlook for 1964. Questionnaire replies were received from 11, and forecasts are surprisingly optimistic, considering uncertainties of all-channel law and other unknowns facing industry in 1964. Optimism, in fact, is higher than in our similar survey last year, when even most optimistic prediction for total 1963 TV sales turned out to be far short of actual sales results for this year (Vol. 2:46 p8).

Here are highlights of results of TV survey (radio-phono results will be reported next week):

Total distributor-to-dealer TV sales: Median estimate for '64 was 7.5 million sets (compared with anticipated 7.6-7.9 million for 1963). Although estimates varied from 6.8 to 8.5 million, most were quite close to 7.5-million figure, 7 of the 11 forecasts falling between 7.25 & 7.7 million. Last year's median forecast was 6.7 million; highest was 7.2 million.

Color TV sales: Median forecast for 1964 was just slightly on high side of 1 million sets. Near-unanimity was striking—9 of the 11 manufacturers forecast color sales of 1 million or more. Forecasts ranged from low of 900,000 to high of 2.5 million. These forecasts represent interesting raising-of-sights from predictions of just few months ago. Last year's median color sales forecast for 1963 was 550,000.

Black-&-white TV sales: Median prediction was 6.5 million sets for 1964, although this category showed widest variations—ranging from 4.5 to 7.4 million. However, 5 of the 11 manufacturers placed their forecasts between 6.4 & 6.8 million. Last year's median forecast of b&w sales for 1963 turned out to be way low—6.1 million.

Changes in b&w TV mix: Feeling that portables & table models will continue to increase share of b&w market was almost unanimous—but not quite. Nine manufacturers felt this trend would be maintained or accelerate; 2 thought proportions would level off at present mix. It should be noted here that some manufacturers included tinyvision in portable category and others didn't. Some expressed opinion that combinations' share of market would begin decline in '64.

Where does tinyvision go from here? Most manufacturers were cautious in their comments—not wanting to tip their hands on their own plans—but it was clear that there's feeling this market is here to stay and will grow next year. Those who did give estimates of wee-TV sales placed them in 500,000-660,000 range.

All-channel law: Although slight majority said they thought new legislation would affect sales, none expressed opinion that effect would be sharp, severe or devastating. Six respondents indicated it would have "some" or "little" effect, 2 felt it wouldn't affect market and 3 didn't comment either way. Those commenting on price increases generally thought uhf tuners would add 15-20% to list prices. Several expressed hope that Congress would repeal excise tax on all-channel sets.

TV set imports: At time we mailed questionnaire, we thought TV imports would reach 500,000 this year, and made this assumption in our letter. Now it appears they will be somewhat lower (see 10-month figures on p. 9). We don't know how this assumption affected replies—but of 10 manufacturers commenting on situation, only one thought TV imports would decrease next year. Of those predicting increases, median figure given was 800,000. Estimates ranged from 535,000 to 850,000, and 4 respondents chose 800,000 figure.

Replies to TV section of our questionnaire are digested on p. 10. Deletions have been made in all cases where portions of individual replies were marked confidential.

STRAIGHT TALK FROM BOB GALVIN: Prospects for Motorola's 23-in. rectangular color tube are better, but "I cannot say we have it made... We still don't know whether we have a consistently reproducible tube."

This was Motorola Pres. Robert W. Galvin's frank comment on Topic A last week in his talk to N. Y. Society of Security Analysts. Large part of his off-the-cuff speech, and question period later, centered around prospects for new color tube, being developed at National Video plant under Motorola auspices. Here are highlights:

"We have re-established our production line, and are now running a considerable number of tubes. The yield has been substantially improved. If all goes well, we will have a 23-in. color set on the market in the first & 2nd quarter of next year. The tube is either going to be a success or a failure—there's no half way. We hope to be delivering by tens of thousands next year. Otherwise, we'll have none at all." Rectangular-tube color sets are now being built, but for testing only.

He shed some light on Motorola's relationship with National Video. "We just agreed to agree," he said. "They invested hundreds of thousands in the program, and we have spent some millions." Its tube investment will be returned to Motorola out of price of color tubes sold by National Video to Motorola and to other set manufacturers.

In comments after his talk, Galvin conceded that failure to deliver 23-in. color set on time had "hurt our over-all TV business with dealers." However, he added, "the consequences have not been serious. We had a good black-&-white year." Profit margins on b&w sets were good in portable, table & console models—"and we see them continuing good." He said Motorola had been able to maintain prices reasonably well.

He voiced long-standing Motorola color-tube complaint that it's not getting as many 21-in. tubes as it feels it should. In answer to question, he said: "We received less 21-in. tubes as a function of the fact that we were developing our own tube. The preference was given to others who don't have another source. The same reason is being given to other manufacturers who have alternate sources of [color tube] supply."

He predicted 1964 color sales of 1 million (but later said it could be anywhere from 900,000 to 1.3 million), b&w 6.6 million—vs. 600,000 color & 7.3 million b&w this year. He saw radio sales declining to 9.5 million in '64 from this year's 10,080,000.

He was pessimistic about stereo's immediate future. "Stereo is qualitatively in trouble," he said. "Inventories are under control, but the market has not responded." He predicted no growth next year, adding that the market may have reached saturation point, with only "slow growth & replacement" in prospect for future. From an estimated 4,880,000 phono sales this year, he projected decline to 4,780,000 in 1964.

For Galvin's comments & predictions on Motorola's financial results, see p. 11.

* * * *

Another consumer electronics executive spoke out on color & stereo last week. Sylvania Home & Commercial Electronics Div. Sr. Vp-Gen. Mgr. George C. Connor predicted factory sales of 1.5-1.6 million color sets in 1964, although he declined to estimate dealer sales. He made his comments at informal news conference after official opening of Sylvania's N. Y. showroom (3rd Ave. & 45th St.).

Color's biggest need, he said, is greater brightness—but he held out little hope for this improvement in near future. He forecast that color tube shortage would continue at least another year, with further bottleneck coming in 1965 during period of changeover to 25-in. rectangular tube.

As to tinyvision—"I think the 11-in. is here to stay, but we have no immediate plans to bring one out." He said he couldn't predict effect of all-channel law on set sales, but saw price differential declining from nearly \$20 to about \$15 as tuner costs go down. Turning to stereo, he called transistorization "electronically the equivalent of putting more chrome on a car." Sylvania, he said, is going slow on transistorization until it has more data on reliability."

* * * *

RCA likes to have last word on color—and at week's end it put out statement detailing happy prosperity of its consumer products operation in 1963. Year-end wrap-up by RCA Sales Corp. Pres. Raymond W. Saxon made these points:

RCA's TV dollar volume was highest in history in both dollar & unit sales, both color & b&w. Color distributor unit sales are running 59% ahead, b&w sales 10% ahead of year ago. Dollar volume for all RCA Victor home entertainment products in year's first 11 months is already more than 15% above previous full-year record, set in 1962. Saxon observed that TV is now beginning to follow radio's trend to "a set-for-every-room business."

RCA's radio-Victrola products were up 36.3% in dollar sales in Oct. from year-before pace, Saxon said. "The lower price direction of the radio industry has been compensated by a strong improvement in or toward higher-priced console phonograph sales."

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 6 (49th week of 1963) excluding 11-in. and smaller:

	Nov. 30-Dec. 6	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	114,333	114,976	121,141	6,668,276	6,165,400
Total radio	388,950	327,898	380,100	17,395,809	18,200,965
Auto radio.....	174,022	167,475	178,182	7,574,083	6,753,992

TOPICS & TRENDS

Japanese TV exports to U.S. for first 10 months of 1963 totaled 366,285 sets, more than 3-1/2 times the 103,474 shipped during same 1962 period, and slightly more than 6% of domestic U.S. b&w set production during same period. Shipments in Oct. totaled 49,196, about triple Oct. 1962's 16,575, but indicating some tapering-off from the record 62,630 shipped in Sept. 1963.

Shipments of transistor radios (3 or more transistors) from Japan to U.S. for first 10 months of this year totaled 7,101,697, up from 6,321,616 in same 1962 period, with 1,105,139 shipped in Oct., compared to 989,379 in Oct. 1962. Other radio categories were down from 1962 in Oct. & year-to-date: Tube radios, 120,609 in Oct. (vs. 162,325 in Oct. 1962), and 959,481 for 10-month period (vs. 1,364,714); "toy" radios, 154,320 in Oct. (vs. 217,363) and 1,678,347 in 10 months (vs. 2,326,892).

Raytheon will close N. Windham, Mass. tube plant, cut production & employment at Quincy, Mass. plant. "Operating losses from the company's receiving tube business have been substantial," Pres. Charles F. Adams explained, "and without the consolidation would become increasingly so. Under the circumstances the necessity of the move is clearly indicated even though the costs involved will be substantial." He estimated consolidation will reduce annual net income by some \$2.8 million (70¢ a share) after tax credits. Raytheon earnings dropped below \$5 million from \$7.8 million in 1963's first 9 months as sales fell to \$364.4 million from \$440.9 million (Vol. 3:41 p12). Production of tubes for home electronics and commercial use will be transferred to Raytheon's Newton, Mass. plant. Quincy will continue production of storage tubes, cathode ray tubes & circuit modules. Decision to consolidate tube production, Adams emphasized, resulted from industry's overcapacity, rising imports, and resultant price reductions.

Two questions were answered by Philco last week: (1) How long will it be before the Ford subsidiary re-enters car radio business? (2) What will it do with excess capacity in its Lansdale plant, which recently discontinued transistor manufacture? Company announced it will produce auto radios there to supply undisclosed portion of Ford's 1965-model year requirements. Lansdale Div. Vp-Gen. Mgr. Michael W. Newell said Philco's new car radio design is being offered to other auto makers.

GE will become sole supplier of receiving tubes to Astrex Inc., which operates self-service tube-checking & sales machines, Astrex announced last week. Agreement provides for 5 million tubes yearly at cost of about \$5 million (retail value about \$15 million). Astrex formerly bought tubes from several manufacturers, once was distributor for Du Mont-branded tubes.

INDUSTRY'S TV FORECASTS: Here's what individual manufacturers think 1964 holds in store for TV market. These are digests of replies to our survey (see summary on p. 7), from which confidential portions have been deleted. Sales quoted are distributor-to-dealer.

Admiral Vp Ross D. Siragusa Jr.: B&w TV sales of 7.4 million (including more than 500,000 sets 11-in. & smaller), color 1-1.1 million. Portable-table model movement may increase somewhat, consoles slipping slightly, combinations holding about same. All-channel should add about \$15-\$20 at retail. TV imports may reach 800,000.

Emerson Pres. Benjamin Abrams: B&w sales 6.5 million, color about 1.2 million, with this b&w breakdown: 500,000 tinyvision (11-in. & smaller), 4 million portable & table model, 2 million console & combo. All-channel law will add \$20 per unit to retail prices but "will have no material effect on sales." TV imports may be lower than in 1963.

GE: All-channel law will result in \$20-per-set price differential and will depress sales somewhat. Radio & TV Div. Vp-Gen. Mgr. Hershner Cross said in separate statement that business this year was "excellent," and "we look forward to a continuation of good business generally on a par with, or slightly above, this year."

Motorola: Pres. Robert W. Galvin estimates sales of 7.6 million sets, including nearly 1 million (or 13% of total) color sets. Motorola Consumer Products Inc. Pres. Edward R. Taylor estimates consoles will shrink slightly to possibly 21% of b&w market or about 1.4 million sets; portable & table model sales running about 4.9 million or nearly 75% of total; combinations slipping to about 300,000 or 4.5%. The 19-in. size will possibly represent little less than 50% of total b&w sales, due to rise in under-19-in. category. He believes "b&w sales will stumble somewhat due to the all-channel law & higher prices."

Packard Bell Pres. Robert S. Bell: B&w sales more than 6 million, color 1.25-1.6 million, only limit being availability of picture tubes. B&w product mix "will change considerably in that tinyvision will be approximately 11% of the market, up from its current 8% position, portable & table-model TV will go to 69% from an estimated current 61%, console & combinations will represent approximately 20%, down from their current 31% position." All-channel law will increase prices from "at least 9% on the lowest-priced models to a significant increase at the high end." He's "somewhat hopeful" that excise tax law will be amended. Imports will probably be in 750,000 range.

Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde: B&w sales 6.4 million, color 915,000. Anticipates consoles & combinations will decline from present 30.3% of product mix to 26%, portables increasing from 61.7% in 1963 to 68% in 1964, table models dropping from 8% to 6%. Breakdown of portable category (in terms of percentage of total b&w sets): 11-in. & under going from present 3.5% to 10%, 16-in. dropping from 7.5% to 6%, and 19-in. rising from 50.7% to 52%. All-channel law will bring "slight increase in price and a somewhat slower 3rd quarter in sales." Imports will rise from 425,000 sets this year to 550,000 next year.

RCA Sales Corp. Pres. Raymond W. Saxon: B&w sales 6.15 million, "color conservatively accounting for

1.2 million sets"—higher if enough picture tubes are available. Portables will increase their share of b&w market—to approximately 72%—but "RCA will increase its console & combination sales over our 1963 total." Public will establish "more of an 'either-or' preference"—either buying a lower-priced portable or a furniture-styled console or combination. "It's still too early to speak knowledgeably about the effect of the all-channel law... Definitely higher prices." Imports of about 800,000 units.

Setchell-Carlson Pres. B. T. Setchell: B&w TV sales 4.5 million, color 2.5 million. Projects 15% increase in sales of tinyvision, 10% in 19-in. portables & table models, with consoles & combos declining about 18%. "We believe the all-channel law will slow sales of TV receivers [for] 3 months, and then regain strength by Sept." If excise tax is eliminated on all-channel sets, "we expect a marked increase in sales during June & July." TV imports may be expected to increase 7% "due to the increasing popularity of small TV receivers and more realistic pricing."

Sylvania Home & Commercial Electronics Pres. Robert J. Theis: B&w sales 6.8 million (including 500,000 tinyvision, up from 250,000 this year), color 1.2 million (up from 800,000). B&w mix will shift from this year's 68% portable-table & 32% console to 72% portable-table, 28% console, fall-off of about 400,000 consoles due to increased interest in color. "B&w combinations will be under pressure, [but] don't count them out, particularly under \$550." All-channel law will cause dealer hesitancy to purchase large quantities, and search "for the least uhf penalty cost in the early stages of the game." But no sizeable reduction in cost is probable in near future. Small savings are possible with heavy production. Dealer "jockeying" in early fall will cause "short-range problem," but eventually dealers will "move on to promote this new feature to the public." Imports will be 800,000 units, figure being held down because more U.S. manufacturers will have U.S. models.

Wells-Gardner Vp-Sales Mgr. Allan Gardner: B&w sales 5.8 million, color 1 million. Expects b&w consoles to decrease 5%, tinyvision rising 5%, portable, table & combinations holding steady. All-channel law "will add \$15 or less to TV price, but will not materially affect sales." Imports will total 800,000 units.

Zenith Vp-Operations Mgr. Clifford J. Hunt: B&w sales 6.5 million, color 1 million. No change in b&w mix, which should level off at present going rates for each category. All-channel law will "retard sales in vhf markets." Imports will rise to 850,000 sets.

Expanding picture-tube lines, Westinghouse last week announced it can now supply PPG-type bonded tubes. Earlier, it had announced availability of complete line of 16-in. 114° tubes in any combination of heater ratings, high or low drive, in "heavy" version or Kimcode or PPG type.

Emerson's 22 millionth home instrument—a 16-in. portable TV—has rolled off line. Set & commemorative plaque were presented to Pres. Benjamin Abrams by personnel of Jersey City, N. J. plant.

In Canada, too: One 11-in. set is sold in Canada "every minute of each working hour," according to Canadian Admiral Pres. Stuart D. Brownlee.

MORE WINTER DROP-INS: New sets unveiled last week by Admiral, GE, Motorola & Sylvania showed usual winter tendency to fill gaps in lines, and to concentrate on more value, with some slightly lower prices. In alphabetical order:

Admiral showed 4 new color sets, including complete combo at \$795—\$100 below previous low color combo. Other new color sets are \$499.95, \$509.95, \$559.95. New Admiral b&w TVs are four 19-in. portables beginning at \$139.95, with high end (open list) featuring 10-hour timer. Eleven new 23-in. sets start with "portable" at \$169.95, grained consoles starting at \$199.95, topped by open-list combo. Most color sets & b&w consoles are available with wireless remote for \$30 extra.

Admiral also introduced 3 solid-state stereo consoles (open list), 3 conventional consoles starting at \$179.95 & 3 stereo portables, beginning with tilt-out at \$69.95—\$10 less than previous tilt-out stereo leader. Also new is compact thin portable phono with changer & AM radio at \$59.95.

GE's 11-in. drop-ins, reported last week (Vol. 3:49 p9), are listed as \$119.95 & \$134.95 with "vhf-only versions \$20 lower." New 19-in. portables including roll-around stands are \$149.95 & \$159.95 (uhf \$25 extra); 23-in. console is \$199.95 (uhf \$25 extra).

Motorola has changed some chassis, introduced new styling, adding 2 portables, 4 "compacts," three 23-in. table models, 4 consoles. Leader 19-in. portable is un-

changed at \$139.88, but has more deluxe cabinet features. Compact 19-in. line starts at \$159.95, with redesigned chassis & cabinet in 3 step-ups at \$169.95—\$189.95. Latter set has wood-grained vinyl-clad cabinet. New 23-in. tables start at \$169.95, and step-ups include swivel & caster models.

New Motorola radios offer more choices at low prices (starting at \$14.95), in some cases feature-price reduction. Lowest-priced wood-cabinet FM-AM is now \$64.95 vs. \$79.95 starting-point last summer; leader FM-AM clock radio is \$10 below previous starter, at \$59.95. Clock radios, starting at \$19.95, all have full-feature clocks.

Motorola also introduced line of FM-AM auto radios at \$139.95, continuing previous FM-only & FM-tuner models. Company predicts 42% gain in FM car radio sales in 1964 on top of 133% increase this year.

Sylvania introduced 8 new TVs, including portable at \$139.95 & new version of its portable which accommodates accessory clock (\$9.95 extra) at \$149.95—\$10 below similar set introduced last June. Two 23-in. table models were introduced at \$169.95 & \$179.95, along with series of metal consolettes at \$189.95—\$209.95, 3 consoles at \$199.95 & \$249.95, including popular white finish. French Provincial stereo was added at \$329.95—\$369.95.

Added to RCA introductions reported last week are new lower-priced tilt-down mono portable phono at \$24.95 and 4 stereos with FM stereo at \$299.95—\$350.

BATTLE OF LOUISVILLE—CONT'D.: Louisville retailers have won 2nd & more significant victory in their fight to force discount competition to obey state law & remain closed on Sun. (Vol. 3:49 p10). Court of Appeals, Kentucky's highest court, on Dec. 6 refused to disallow temporary injunction against 9 discount stores granted a week earlier by Chancery Court. Case will now be tried to determine if permanent injunction should be imposed.

"Whatever happens next, these old-line retailers have gained their initial objective and have won the short-range victory," James Thornberry, attorney for discount defendants, told us. "The Court will be unable to hear the case before the end of the year, and probably not before early February. This means that we have lost the Christmas business. We may yet win the final battle but we've lost the war for Christmas."

He noted that many other types of stores continue to "remain open all over Louisville on Sunday," said "this latest court decision could lead to other suits by other groups against other stores."

Defendants last week initiated action to have bond posted by Retail Merchants Assn. of Louisville boosted to \$100,000 from \$5,000. Bond was posted by order of Chancery Court to provide funds to reimburse discounters for losses sustained by closing Sun.—in event temporary injunction was disallowed or permanent injunction is refused by higher court.

Since state law decrees no work on Sun., we asked Thornberry how discounters could expect to collect damages for lost business if their being open for business Sun. violates law. "This is a civil case, not a criminal case," he explained. "If we do win it eventually, I believe my clients have a good chance to collect damages for lost business. There are many stores that continue doing

business in Louisville on Sunday despite the state law."

* * * *

Court permission to open Sun. despite closing law in St. Paul, Minn. has been obtained by Shoppers World, discount subsidiary of Aldens Inc., Chicago. Discounter got restraining order to bar city temporarily from enforcing its Sun. closing ordinance, instituted Feb. 1962. Court set Jan. 8, 1964 date for hearing on Shoppers World request for temporary injunction. Restraining order will enable discounter to open Sundays to that date.

MOTOROLA'S PROSPECTS: Although Motorola's financial results for 1963 have been hindered by substantial costs in color TV & semiconductors, next year should see higher sales & "important improvement" in earnings. So said Pres. Robert W. Galvin last week in talk to N. Y. Society of Security Analysts (see also p. 8).

For 4th quarter of this year, he said, sales were up more than 5%, for full year more than 8%, with some increase in earnings during both periods. Next year's first quarter should see substantial earnings improvement.

Motorola "is not on the march for diversification," he added, "Our responsibility is to digest what we have." Ticking off company's various operations, he gave this picture: Consumer products—1963 sales about same as last year; earnings good, but far below expectations; increases in both categories next year. Automotive products—volume & earnings excellent, prospects "fine" for 1964. Semiconductor—earned well in '63, but can do better in '64. Communications—good growth this year, more due in 1964. Military—was held to 15% of total sales this year, and will be next year; profitable both years. Solid state systems—probably won't show profit till 1965.

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
Collins Radio	1963—qtr. to Nov. 1	\$ 66,356,000	—	\$ 888,000	\$0.40	2,230,080
	1962—qtr. to Oct. 31	55,628,000	—	883,000 ¹	.40 ¹	2,230,064
Lynch Corp. (Symphonic)	1963—9 mo. to Sept. 30	21,691,043	\$ (158,299)	(108,317)	—	1,175,837
	1962—9 mo. to Sept. 30 ²	23,035,721	453,673	176,179	.15	1,175,873
Newark Electronics	1963—year to Aug. 31	22,462,388	—	135,261	.17	—
	1962—year to Aug. 31	22,384,646	—	77,809	.10	—
Transistor Electronics	1963—6 mo. to Oct. 31	1,754,593	—	218,254	1.12	—
	1962—6 mo. to Oct. 31	859,906	—	75,830	.65	—
United Artists	1963—9 mo. to Oct. 31	81,870,000	—	1,610,000	.87	—
	1962—9 mo. to Oct. 31	91,502,000	—	3,103,000	1.68	—
	1963—qtr. to Oct. 31	31,899,000	—	808,000	.43	—
	1962—qtr. to Oct. 31	29,436,000	—	1,100,000	.53	—

Notes: ¹Restated to reflect 1963 depreciation changes. ²Restated to include Cox Instruments Corp., merged in 1963.

Trade Personals

Harold B. Avery, ex-GE Supply Co. Philadelphia radio-housewares district mgr., ex-Hotpoint & Capehart-Farnsworth, appointed radio & portable phono sales mgr., Philco Corp. Consumer Products Div., succeeding **Bruce Lambert**, now gen. mgr. of PDI-Philadelphia... **Fred W. Rombach** retires Feb. 1 after 25 years as mgr. of Philco's Watsonstown (Pa.) cabinet plant; he's succeeded by **Robert R. Austin**, mgr. of Philco's Fairfield (Ia.) wringer washer plant; **J. N. McDowell**, mgr. of Philadelphia electronics plant, succeeds Austin in Fairfield.

Louis G. Pacent, Emerson vp in charge of mfg. subsidiaries & former engineering-mfg. vp of radio-TV div., elected exec. vp of Emerson's Quiet Kool Div.

Robert Kadets, ex-Sylvania & CBS Electronics, resigns as gen. mgr. of Admiral Sales Co.'s Philadelphia Div.

Benjamin Adler, Adler Electronics pres., elected a vp of parent Litton Industries.

Leonard Carduner, Avnet Electronics dir. since 1960, named vice chmn.; **Morton D. Welner**, formerly assistant to pres., appointed a vp.

D. L. MacDonald, formerly Westinghouse Appliance Sales major appliances merchandise mgr., named to corporate general ad dept. to supervise merchandising plans for TV shows... **William A. Douglass** named WAS sales mgr., succeeded by **R. Frank Spangler** as Major Appliance Div. commercial products mgr.

Saul Decker, ex-Symphonic, Magnavox & Telechrome, appointed section head in CBS Labs' military & industrial systems dept.

John H. Trux, ex-Sales Communications Inc., joins Ampex Consumer & Educational Products Div. as mktg. mgr., a new post.

Obituaries

Arthur F. Vinson, 56, GE vp & group exec. of Industrial Group (including component products & industrial electronics), died Dec. 6 of heart ailment in New York's Waldorf-Astoria Hotel, prior to presiding at annual Congress of American Industry luncheon meeting. He lived at Scarsdale, N. Y., is survived by widow, son, daughter.

Howel H. Barnes Jr., 87, retired (1941) GE commercial vp, died Dec. 7 in New York Hospital after short illness. He joined GE in 1902, became commercial vp in 1931. No immediate survivors.

George Ehret Burghard, 68, radio industry pioneer, died Dec. 8 in New York's Lenox Hill Hospital of heart attack. He organized & was 1920-34 pres. of Continental Radio Corp., RCA distributor in N. Y., was 1921-25 pres. of Radio Club of America, participated in 1921 in one of earliest transatlantic short-wave broadcasts. Burghard was a founder and pres. since 1935 of Armstrong Memorial Research Foundation, named for friend & associate Edwin H. Armstrong. He is survived by stepdaughter, 2 brothers.

Litton Industries' board has approved plan to allow common share holders to exchange up to 4% of their holdings for new convertible preferred shares, on a share-for-share basis. Preferred shares will pay annual \$3 cash dividend each, will be convertible to common at holder's option. In other action, board approved Litton's acquisition of Clifton Precision Products, Clifton Heights, Pa. electronics manufacturer. Pres. Roy L. Ash forecast sales & earnings in 2nd fiscal quarter ending Jan. 31 "will exceed first quarter results" of \$6.5 million earned on \$154 million sales (Vol. 3:47 p12). This will result in sharp gain over year-earlier's first-half results of \$10.9 million earned on \$261 million sales. Litton around Jan. 1 will begin moving into new corporate hq in Beverly Hills, Cal., in 2-story building once occupied & still owned by MCA.

WEEKLY **Television Digest**
with
Consumer Electronics . . .

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

DECEMBER 23, 1963

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SUMMARY-INDEX OF WEEK'S NEWS

NEW SERIES VOL. 3, No. 51

Broadcast

THE COLLINS STORY: 'Intense' desire to serve broadcasting; 'absolutely no plans' to run for office, but resents being asked to 'paint myself into a corner' (p. 1).

RATING COUNCIL PICKS DIR., INCORPORATES: It's understood former NAB research dir., Kenneth Baker, will head Council. Group incorporates following AAAA decision to join board. Top CPA-management firms await decision for audit job (p. 2).

SPORTS TOLLS WORRISOME BELL FOR TV: Industry watching NBC pay record rights of \$13 million for NCAA games for 2 years; theater TV set for Chicago pro football; Subscription TV Inc. West Coast moves (p. 2).

CHANGES IN COMMERCIAL PRACTICES? NAB holds N. Y. meeting with networks, agencies, advertisers, describes it as 'fruitful.' Feb. meeting also planned. House Commerce Committee issues report on commercial bill; 8 dissenters favor FCC (p. 3).

NETWORK-FCC UHF CONFAB—no blockbusters uncovered. ABC asks share-the-wealth in 18 2-vhf markets—each network to get 12 vhf, 6 uhf (p. 4).

THE GOV. COLLINS STORY: Efforts to force NAB Pres. Collins out of job are mounting again, as board meeting in Jan. approaches. Those who consider him too individualistic to run a trade association are redoubling drive to oust him by any means—to get him to run for senator or governor of native Fla., appointed ambassador, cabinet member, dogcatcher, anything.

Gov. Collins is unusual combination of sensitivity & thick hide. He says he has "intense interest in broadcasting" and wishes to continue to serve it. At same time, he resents being asked if he would never consider running for office. "I have absolutely no such plans," he says, "but I don't think anyone should ever be required to paint himself into a corner." Recently, he made speech in Columbia, S. C., devoting it to civil rights, asking Southerners to urge "the bloody-shirt waver to climb down off the buckboards of bigotry." Said he last week: "Some people say my speech means I'm running for office. Such a speech is scarcely the strategy for running for office in the South. It was something I felt deeply and believed I should say. I am not on the phone urging my friends to build up a campaign for me."

Collins was amused about reports that special "emergency" meeting of NAB exec. committee had been called for Jan. 6 to consider what to do about him. He said that he had set meeting date himself some time ago, that such a meeting is normal precedent to board meeting.

Foregoing doesn't diminish in slightest, however, fact that influential & sincere NAB members—regardless of their admiration of or revulsion against Collins as a citizen—believe that an NAB president's job is to insist that the industry is always right.

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Consumer Electronics

TELCAN DEMONSTRATION raises questions about acceptability of recorded picture, speed & volume of tape; developers say they plan U. S. distribution by summer at around \$150, with U. S. set maker as licensee, but have made no licensing agreement yet; home TV camera also planned at \$150 (p. 7).

TOUGHER PHILCO FLEXES MUSCLES FOR '64 PUSH: Sets sights on 50% increase in consumer products sales in next two years, moves aggressively to develop more complete product lines & to find more dealers to sell them. Ad budget up 50% to \$7 million (pp. 8, 11).

RADIO-PHONO '64: Our industry survey shows no unanimity among manufacturers—predictions of increases exactly balanced by predictions of decreases; general agreement that tapering-off point in radio imports is near (p. 9). Digests of individual replies (p. 10).

3M TAPE CARTRIDGE recorder now in 600 retail outlets; future steps include lower-priced models, OEM version for 'packaged component' makers (p. 11).

NEW SETS include \$399.95 color consolette by Emerson, 19-in. furniture-finish line by Philco, whose 16-in. TV is cut to \$119.95 (p. 12).

RATING COUNCIL PICKS DIR., INCORPORATES: Rating Council is hurrying to meet commitment it made Harris Subcommittee—that it would be ready to roll by first of year:

(1) It's understood Council has picked Kenneth Baker, former NAB research dir., 1946-51, as exec. dir.; announcement may come this week. Baker was with TV stations on West Coast, recently showed up at Council & audit subcommittee meetings.

(2) Council filed papers of incorporation in Wilmington last week—AAAA finally agreeing to serve as full board member. Board will have 15 members: NAB, 5; AAAA, 2; one each from 4 networks; SKA, TvB, RAB, NAFMB. Assn. of National Advertisers wouldn't change mind, won't join board, will have associate status. RCI meeting is planned for Jan. 8.

(3) Standards covering minimum criteria & performance were received by raters last week. Standard that has created most interest is on ranges. Council states that single rating is best estimate, that a couple of pages in ratings report should be devoted to explaining "standard of error" using examples expressed in ranges. Other standards are pretty general—complete disclosure of methods, sample sizes, deviations; proper procedures for tabulating, editing, etc. One rating service said they're similar to FTC requirements.

(4) One thing Council won't have ready by Jan. is auditing firm in field. But here are the firms in running, we've learned: Price, Waterhouse; Ernst & Ernst; Arthur Young & Co.; Booz, Allen & Hamilton; Alexander Grant & Co.; Cresap, McCormick & Paget; Peat, Marwick, Mitchell & Co.; Arthur Anderson & Co.

In related development, RAB-NAB technical subcommittee met last week on upcoming radio methodology study. Meeting established "good working relationship," next session set for early Jan.

SPORTS TOLLS WORRISOME BELL FOR TV: TV's involvement with sports—and vice versa—has industry concerned over: (1) What it must pay for game rights and (2) Threats from pay TV, in its many forms. Items:

(1) NBC paid record \$13,044,000 for 1964-65 rights to NCAA games, \$2,844,000 more than CBS shelled out 2 years ago. Almost immediately, NBC announced sellout for first year—Gillette, Chrysler, General Cigar, Texaco will each sponsor a quarter. Most games in color. Those close to industry bidding insist profit can't be turned because rights came so high. It's tremendous testimony to power of sports as audience & prestige builder.

(2) Theater TV entered football picture for first time. National Football League will allow Dec. 29 championship game in Chicago to be theater telecast there same time NBC is carrying game on network, as we indicated (Vol. 3:43 p3). Chicago, of course, will be blacked out from free TV for 75 miles under NFL rules. NFL wished to do this last year in N. Y., but network contract didn't permit.

Theater Network TV will handle arrangements, prices will vary \$4-\$7.50, with potential audience of 25,500 in 3 locations. NFL Comr. Pete Rozelle said it would represent only minor part of gross. NBC has paid \$926,000 for championship rights; CBS has telecast regular-season NFL games, paying \$9.3 million for past 2 years. New contracts are up for grabs next month. Ante is expected to rise substantially—one reason being NCAA deal because NFL games show much higher ratings. NFL also will seek closed-circuit TV clause for regular games (theater and/or home TV) on individual team basis when home games are blacked out.

(3) Theater TV is set for Feb. 25 Liston-Clay championship fight, also with arrangements by TNT. No free TV here. As in past, theaters will be set up across country. New large-screen Eido-phor will be used by TNT for both football & fight. About a million theater seats are planned, average price \$5. If potential is realized, it will dwarf receipts for any fight in history.

(4) Subscription TV Inc., with some promise of becoming first pay-TV giant, ordered from RCA \$1,233,000 in studio equipment for Los Angeles & San Francisco. RCA says delivery begins in 4 weeks, is largest equipment order ever from pay-TV firm. STV plans to pay-televisize games of L. A. Dodgers & S. F. Giants next year over cables, equipment developed by Lear-Siegler, billing handled by Reuben Donnelly. Minimum audience of 20,000 is expected in each city at \$1.50 per game.

Though company hasn't changed timetable for games, needed coaxial cables have yet to be strung.

Vp Robert F. MacLeod told us engineering studies are progressing but that plans have been disrupted because of General Telephone strike. Company will use electronic "interrogator" to send coded signal from set to hqs., telling when set is on. Equipment presently can handle 700,000 homes in 6 minutes, STV claims.

STV also is expected to negotiate with NFL & American Football League for individual pay-TV arrangements (Vol. 3:43 p2), as are other pay firms.

STV brought \$117 million damage suit in Los Angeles district court against 5 motion picture theater assn.'s, 12 exhibiting chains, 3 individuals. It seeks triple damages, alleges that parties sought to deter public stock sale through ads & publicity, that they conspired to prevent STV from securing programming material.

California Crusade for Free TV, San Francisco, said suit is "without legal merit," plans petition to put question of pay TV to voter referendum next Nov.

Sports columnist Red Smith, commenting on theater TV phenomenon, said its potential is governed by the Gainford Law: When George Gainford, mgr. of Sugar Ray Robinson, was told of money-making possibilities of medium several years back, with hundreds of thousands of seats available, he commented—"Yeh? How many behinds gonna be in them seats?"

COMMERCIAL PRACTICES CHANGES IN WIND? NAB succeeded last week in bringing together networks, agencies, advertisers, for frank discussion of pressing commercial practices problems—determined that if self-regulation is to work both industry & ad community will have to yield a bit. NAB officials were quite pleased with tone of N.Y. meeting, described it as "very fruitful;" another is planned for Feb. Meanwhile, Pres. Collins will report to Sen. Pastore (D-R.I.), who says he's watching developments.

Problems explored: Multiple announcements. Clutter. Non-commercial announcements—show credits, billboards, IDs. Piggybacks. Content of commercials. In addition, Group W Pres. Donald McGannon, chmn. of NAB Research Committee, described progress in ratings picture.

Major area of concern, as seen by those close to Code, is multiple announcements—using 3-4 commercials in minute. As it now stands, even though practice isn't *per se* violation of Code, it contributes "to feeling of over-commercialization" by public. "Something has to be done," we're told, suggesting possibility of change in Code or new interpretation of standards. Another sore spot is "integrated" announcements of, say, two 30's back to back, used by one company to promote 2 separate products but considered as one announcement.

Among 2 dozen who attended: Collins, Bell, McGannon, Wasilewski, Helffrich, Quarton, Ferguson, Couric, McCollough, NAB; Alfred Schneider, ABC; Ernest Jahncke, NBC; Joseph Ream, CBS; John Crichton, AAAA; Peter Allport, ANA; Richard Pinkham, Ted Bates; Arthur Tatham, Tatham-Laird & AAAA chmn.; E.P. Genock, Eastman-Kodak; John Burgard, Brown & Williamson.

House Commerce Committee released report following approval of bill to prevent FCC from setting limits on length & frequency of commercials (Vol. 3:50 p4). As we indicated, Rep. Moss (D-Cal.) wasn't only member to vote against measure—there were 7 others.

Majority view is that FCC lacks authority, that never in 36 years has Commission seen fit to move into area. It quoted from 1932 Federal Radio Commission stand that additional legislation would be required for it to set such rules. Majority also cites 1940 Supreme Court decision (FCC v. Sanders) stating that broadcasters are not common carriers, that broadcasting is field of "free competition."

Majority states, surprisingly echoing Omaha report, that remedy lies in bringing about greater awareness by viewers & listeners of their rights, as well as improved communication between them & licensees. However, it adds that Commission judgment shouldn't be substituted for community opinion.

Minority believes Commission has authority "to adopt reasonable rules" on over-commercialization, for same reasons mentioned by FCC in legal memorandum (Vol. 3:49 p3). Dissenters also state that bill would create vacuum, by precluding FCC completely from setting rules without suggesting Congressional guidance. They also observed a "trend toward more & more commercialization."

Minority also criticized industry for its attacks without waiting to see what Commission decision was. At same time, it criticized FCC for not bringing together all facts and proposing rules tailored to those facts.

FCC plans for over-commercialization decision, disclosed exclusively in these pages (Vol. 3:50 p1), were deferred last week, will be taken up for action within next few weeks.

NETWORK-FCC UHF CONFAB—NO BLOCKBUSTERS: "How to help uhf" meeting called by FCC, drawing network spokesmen to Washington last week, produced just about what you'd expect.

Comrs. Lee & Cox headed FCC contingent, while ABC produced Julius Barnathan, CBS William Lodge, NBC David Adams—plus aides—highly qualified representatives all.

Commission wanted to know what could be done about getting more network programs to uhfs. Affiliate-shy ABC came up with proposal: In 18 major markets where it doesn't have full-time vhf affiliates, uhfs should be shared—each network getting 12 uhfs & 6 uhfs. FCC people talked about "time-sharing," too, but said they recognize problems involved.

Commission was brought up to date on industry practices, and staff members said they were pleased to learn that advertisers find it less expensive nowadays to extend lineups to more & more small stations.

FCC spokesmen ended up by saying they'd be asking for more information. All in all, nothing startling came of confab.

* * * *

Talk on uhf by rep Adam Young to PR men of United Jewish Appeal in recent N. Y. meeting visualized 1,000 new stations in 6 years. Young said: "I consider the major magazines comparable to the the major vhf TV stations and new uhf stations comparable to the specialty magazines." Young is vice chmn. of FCC-sponsored "CAB" uhf development group.

CAPSULES

"Meet the Networks" program of President Johnson last week—in which top men of each TV network lunched at White House on 3 successive days—reportedly was confined to discussion of national problems & news. No industry-govt. matters were brought up. NBC contingent, headed by Pres. Kintner, arrived Dec. 18; CBS, with Chmn. Paley & Pres. Stanton, Dec. 19; ABC, with Pres. Goldenson, Dec. 20. News chiefs of each, N. Y. & Washington, were on hand—Washington govt. relations vp's not in picture.

President Johnson hasn't made up mind on TV debates next year, told reporters: "I will make those decisions at the time I am the nominee and in the light of the circumstances existing then." He's been meeting informally with reporters, apparently hasn't decided on continuing live TV coverage of news conferences, initiated by President Kennedy: "We will do what comes naturally. Maybe it will be a meeting of this kind today; maybe a televised meeting tomorrow, with maybe a coffee session the next day. We don't want to be too rigid. We always want to be flexible."

"Carter Mountain" CATV case stands—U. S. Supreme Court refusing last week to review lower court's affirmation of FCC decision. Commission had ruled that it could deny microwave facilities designed to serve CATVs, if such service would endanger livelihood of TV stations (Vol. 3:21 p4).

Final decision rejecting vhf drop-ins, affirming recent vote (Vol. 3:46 p1), was adopted by FCC—text to be issued shortly. It's understood that Comr. Loevinger, who was crucial swing man in 4-3 decision, says in concurring decision that he would have voted for drop-ins if he had been in on original vote, that decision was very close one—but that he voted for status quo now to keep Commission from troublesome vacillation.

UPCOMING STATIONS: **KTVS (Ch. 3) Sterling, Colo.**, planned as satellite by KFBC-TV Cheyenne, Wyo. has Jan. 1 programming target, reports William C. Grove, KFBC-TV gen. mgr. It will use RCA transmitter, 600-ft. Stainless tower. Resident mgr. & engineer haven't been appointed.

WMEM (Ch. 10 ETV) Presque Isle, Me. has changed programming target to Jan. 25, tests to Jan. 5, writes John W. Dunlop, gen. mgr. of WMEM & WMEB-TV Orono, Me., both U. of Maine stations. RCA Traveling Wave antenna has been installed on 55-ft. Stainless tower; RCA 25-kw transmitter arrived week of Dec. 2. WMEB-TV staff will also handle WMEM.

WITV (Ch. 7 ETV) Charleston, S. C. has changed targets to Jan. 15 for tests, Feb. 1 for programming, according to Charles S. Morris, technical dir. RCA 5-kw transmitter is scheduled for delivery before Jan. 1. Programs will originate in Columbia, duplicating most of those sent to S. C. ETV Commission's other station, WNTV Greenville.

KCOY-TV (Ch. 12) Santa Maria, Cal. still hopes to meet Feb. programming target, says James H. Ranger, gen. mgr. Work on transmitter house began week of Dec. 2, when GE 10-kw transmitter was delivered. GE antenna has been ordered for 146-ft. tower. Bob Williams, ex-KBAK-TV Bakersfield, will be operations mgr.; Ray Walker, ex-KERO-TV Bakersfield, chief engineer. Rep will be Venard, Torbet & McConnell. Base hour not set.

Transfer of 50.215% of KIRO-TV Seattle to Wasatch Radio & TV Co. (Mormon Church) from Saul Haas for \$5,095,500 has been approved by FCC. This raises Wasatch holdings in KIRO-TV-AM-FM to 90.5%. Mormon Church also owns control of KSL-TV & KSL Salt Lake City, operates ETV KBYU-TV Provo, Utah, has minority interest in 2 Ida. TV-AM stations.

CATV prospects in Canada remain vague, with report that new Canadian Home & Theatre Vision Ltd. plans 200 systems, backed by \$12 million in U. S. & British capital (Vol. 3:50 p3). We spoke to Leslie A. Allen, pres. of Atlas Telefilms Ltd., Toronto, whose name was attributed to announcement. He said: "We have a lot of competition" and therefore wouldn't comment.

ETV program tapes compatible with Ampex Video-tape recorder are available for ETV stations & closed circuit systems from Midwest Program for Airborne TV Instruction, West Lafayette, Ind., & Great Plains Regional Instructional TV Library, Lincoln, Neb.

NAB's "Future of TV" committee, under Dwight Martin, meets in New Orleans Jan. 6 to discuss latest pay-TV, CATV, theater-TV and related developments—some of which are mushrooming to worrisome proportions.

Comments on FCC uhf plan will be accepted until Feb. 3, extended from Jan. 3 at request of National Assn. of Educational Bcstrs. which submitted alternative plan, claiming it's more efficient (Vol. 3:45 p4).

High vs. low vhf field strength measurements are subject of FCC research report (R-6305) now available from FCC Research Div.

FTC charged 3 toy companies with deceptive TV advertising: (1) American Doll & Toy Corp. for Dick Tracy 2-Way Wrist Radio, which FTC says won't receive ham, distress or ship-to-shore signals. (2) Rainbow Crafts Inc. for Forge Press package which, says FTC, doesn't contain everything claimed. (3) Emenee Industries Inc. for Electronic Rifle Range, charged with not having "adjustable telescope-like sight."

Radio KRLA Pasadena, Cal., 50-kw outlet ordered off air by FCC for misrepresentations, etc., has been given until Jan. 27 to submit unusual application. Owners propose to transfer station to ETV group so that profits can support proposed uhf ETV station—if principals get some \$300,000 owed them by station & if new owners lease quarters from them for some \$90,000 a year. Station reportedly earns about \$300,000 a year.

Columnist Art Buchwald heard about League Against Obnoxious TV Commercials, decided to form "counter-group" called League For Obnoxious TV Commercials: "Our forefathers, when they wrote the Constitution, certainly had commercials in mind in writing that everyone was entitled to life, liberty and the pursuit of happiness. If it weren't for TV commercials, no one in this country would know how to achieve these goals."

CBS was honored by N. Y.'s Avenue of the Americas Assn. for "a sense of civic pride and responsibility" in making construction of its new skyscraper less burdensome to public—keeping construction shanties off streets, use of new heavy tower crane, plus attractive photo display at sidewalk fence.

Attempt to block FCC license fees, which are due to start Jan. 1, filed in U. S. 7th Circuit Court of Appeals in Chicago (Vol. 3:50 p5), has been joined by NAB in petition to intervene. Next move is court action on petition to stay Commission action pending final decision on merits.

Five-year probation was sentence handed disc jockey Charlie Walker, after being found guilty of obscenity in famous WDKD Kingstree, S. C. case, in which FCC decided to deny license renewal. Walker conviction was first such in history of U. S. broadcasting.

FCC's proposed TV program form has been issued as anticipated (Vol. 3:20 p5), subject to oral conference Feb. 13. Full text of proposal is Public Notice 63-1163 available from Commission, or we'll be pleased to send you copy.

No TV for Jack Ruby trial in Dallas, Judge Joe B. Brown ruled. He also excluded radio and still photos. "Due process. . . and decorum will be maintained," he said.

Hartford's pay-TV operation taped performance of new off-Broadway musical "The Streets of New York" for showing this month, said to be first musical on pay TV, cost to subscribers about \$2.

FCC & FTC 1964 appropriations were approved by President Johnson last week: \$15.6 million for FCC; \$12,214,750 for FTC.

"Open Mind" NBC-TV interview has been taped by FCC Chmn. Henry, date of telecast not yet indicated.

Personals

Fred L. Nettore appointed ABC-TV Spot Sales gen. sales mgr. . . **Robert L. Hosking** named radio WCBS N. Y. gen. sales mgr.

Arthur H. McCoy, Blair Radio pres., elected pres. of John Blair & Co., succeeding **John Blair**, chmn. & chief exec. officer; **Tom Harrison**, vp in charge, Blair Radio, Chicago, succeeds McCoy; **Stuart Cochran** replaces Harrison, was his asst.

Robert J. Burton elected BMI pres., succeeding **Carl Haverlin**, retiring. . . **Jerry Madden**, dir. of NBC TeleSales & Unit Managers, promoted to special news projects dir.

FCC Comrs. Cox & Loevinger will take part in Georgia Assn. of Bcstrs.' annual Radio-TV Institute, Jan. 21-23.

John F. Meagher, NAB radio vp, resigns after almost 10 years of service to become consultant, Pres. Collins commending him for many contributions, successor not yet indicated.

James S. Gates, KTTV Los Angeles exec. producer, promoted to program dir. . . **Richard Norsworthy**, ex-WBAL-TV Baltimore, named promotion & advertising dir., WTTG Washington. . . **Inez Pedroza**, actress & writer, appointed public affairs coordinator, KMEX-TV Los Angeles.

John C. Butler, radio mgr., Peters, Griffin, Woodward, Dallas, promoted to eastern sales mgr., N. Y., succeeded by **Allen VanHorn Hundley**, ex-John E. Pearson Co. mgr. in Dallas.

Arthur J. DeCoster promoted from account exec. to sales mgr., ABC-TV Spot Sales, Chicago.

Obituary

Kenneth M. Fickett, 60, CBS Radio associate dir., died Dec. 14. He'd been with network almost continuously since 1941, was uncle of actress Mary Fickett.

Fines of \$1,000 & \$1,500, respectively, have been ordered by FCC against radio WOL-FM Washington & KVOC Casper, Wyo. for operating rules violations. Commission rejected stations' pleas of mitigating circumstances.

Revocation of WELF-FM Glen Ellyn & WELG-FM Elgin, Ill. has been ordered by FCC which says stations have been off air without permission since Oct. 1, equipment repossessed, studios vacant, licensee whereabouts unknown.

Handbook designed to help stations plan & promote birthday celebrations & special observances has been distributed by NAB to member outlets. It's called "Congratulations on Your. . .", is 20 pages.

Broadcasters were asked by NAB Pres. Collins to contribute any on-air material of late President for John F. Kennedy Memorial Library, Cambridge.

AM radio membership of NAB has reached all-time high of 2,005, gain of 7.5% over last year.

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Desilu Productions rebounded from \$655,387 loss in 1963 fiscal year ended last April 27, with \$400,005 profit in current fiscal's first half (see financial table), expects profit-comeback to continue. "With all of Desilu's anticipated extraordinary cost adjustments having been effected as of the preceding fiscal year," Pres. Lucille Ball noted: "We believe that Desilu's currently profitable operations will continue and will be reflected favorably at the close of the current fiscal year."

Columbia Pictures' stockholders voted increase in authorized shares to 3 million from 2 million. Secy. Charles Schwartz said increased shares would be available for acquisition & future stock dividends. Queried by stockholder if Columbia wasn't being "carried" by subsidiary Screen Gems, S. H. Malamad, vp & treas., agreed that TV film maker is delivering large share of Columbia's profit.

United Artists will finance at least 15 stage plays at rate of 3 a year over next 5 years, will invest initially \$150,000 in 3 plays slated for tryout in out-of-town theaters next summer.

ABC Films announces sales of 25 hours of public affairs specials in Australia & at least 8 hours of similar programming in Japan, following recent Far Eastern tour. Among programs involved are "Saga of Western Man," "Expedition."

Metromedia is making its programs available to educational & govt. stations. In last 2 years, company has donated more than \$600,000 to ETV in N. Y., Los Angeles, Washington.

Katz Agency's semi-annual "Spot TV Advertising Cost Summary" now is available. It's 34th edition, provides market-by-market cost estimates of various announcement lengths, etc.

TV-radio industry received March of Dimes' Distinguished Service Award, presented to NAB Pres. Collins by House Speaker McCormack (D-Mass.).

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TELKAN DEMONSTRATION RAISES QUESTIONS: We viewed demonstration of British-developed Telcan home video tape recorder (now called Cinerama-Telcan) last week, and what we saw & heard raised more questions than it answered.

Recorder was demonstrated in basement lounge ("Babyrama Room") of Loew's Cinerama Theater in N. Y. by youthful & enthusiastic officials of British group that developed it (Rutherford Engineering Partnership, affiliated with picture tube rebuilder Nottingham Electronic Valve Co.) and Louis Dolivet, official of Cinerama-Worldwide Inc.

Four video recorders were on display—2 using British 405-line standards & hooked to studio vidicon TV camera & British (Baird) TV sets, and 2 modified for U. S. 525-line standards & attached to U. S. standard sets (one 11-in. GE, one 525-line Baird set). Pictures were taped from air (525 lines) & from vidicon camera (405 lines), played back immediately.

It is difficult to make accurate appraisal of playback quality, since original pictures on 525-line receivers were of poor quality—ghosty & snowy—and closed-circuit live pictures were just barely acceptable. Playback tape pictures showed definite degradation—coarseness, low resolution, poor detail; signal-to-noise ratio appeared adequate. We would place them at or below level of old-fashioned poor kinescope recording. Whether or not this is satisfactory picture for home viewing is matter of personal judgment, to be counterbalanced by such other factors as price, convenience, desire for home video recording, etc.

There's no detracting from fact that Telcan is remarkable development. Unit is about size of home audio tape recorder, contains 3 circuit boards (one for video record, one video playback, one sound record-playback), 28-32 transistors (depending on quality of audio reproduction desired). It has video record head, audio record head, erase head, records at 120 ips on 1/4-in. audio tape. One of secrets is in mechanical construction of low-cost, high-resolution video head (which must be replaced every 100 hours).

Several aspects of what we saw & heard disturbed us, however. Co-developers Norman Rutherford & Brian North told us that bandwidth of recorded signal is 2 mc—quite a development in itself—but that resolving powers were not susceptible to improvement without losing in signal-to-noise ratio. In short, Telcan was presented as essentially finished device—not a machine in early stages of development.

Tape speed is another troublesome matter. Machine gobbles up tape at 120 inches per second—7 miles per hour. Used for demonstration was big 11-1/2-in. reel of .4-mil polyester (triple-play) tape. This big reel was able to store 11 min. of recorded material; could be turned over & another 11 min. recorded, for total of 22 min. on 2 sides. Tape has 4 tracks, one video & one audio in each direction. It was explained that machine could be modified for color by eliminating one set of audio & video tracks & substituting color difference signal. This, however, would cut playing time down to 11 min. for 11-1/2-in. reel by eliminating reverse track.

Marketing plans for Telcan system tended to arouse skepticism of observers. Cinerama officials said production model home recorder (more deluxe than the one shown) would sell in U. S. for about \$150 (vs. \$160 in Britain), & that companion miniature home TV camera would be offered for \$150 additional.

Cinerama says it is negotiating with "major U. S. TV manufacturer" to produce recorder for sale in U. S., perhaps elsewhere, says it will discuss licensing to more than one manufacturer, but concedes there will be no serious talks until next month. Nevertheless, officials say shipments should be on way to dealers next June or July for marketing in summer-fall season. Moreover, they say they're aiming at same marketing target date in France, Germany, Sweden, Italy, South Africa & Australia.

British group says it already has booked orders for 100,000 recorders in England, where it will be manufactured under contract by un-named manufacturers (retail target date, Apr.-May). Although officials said they were now showing recorder to TV manufacturers, we know of at least 2 major ones which had not been contacted by week's end. Alvin Barshop, sales dir. of Emerson's tape recorder-phono div. (Telectro recorders), was observer at demonstration when we were there.

New Cinerama-Telcan Co., owned 51% by Cinerama, 49% by British Rutherford group, has U.S.-Canada marketing rights; Cinerama has 40% interest in group exploiting device for U.K. sales, and it has 51% interest for sale in rest of world.

Telcan demonstration proved to us that age of home video tape recording is close at hand. We feel, however, that Telcan, as it now exists, is unlikely to be mass-market product. We believe, too, that stated target dates & prices may be quite over-optimistic—particularly in view of fact that no U.S. electronics mass-manufacturer has signed to produce it.

There will be other demonstrations of home video recording systems in near future. Fairchild Camera plans to show its version to set manufacturers next month. At least 10 U.S. companies—possibly 3 or 4 times that many—are working on problem. Thus we see Telcan as healthy start—instrumental in spurring others to step up research—but not necessarily the answer.

TOUGHER PHILCO FLEXES MUSCLES FOR '64 PUSH: Any doubts that Ford dynamism had rid Philco of its pre-merger sluggishness were impressively dispelled in Detroit last week. Philco distributors attending first national convention in parent company's hq city witnessed ample evidence that onetime consumer products giant is on move again—and moving sure-footedly with aggressive & long-range product & merchandising plans.

Decision to convene distributors in Detroit was purposeful one. Impressively massive & modern Ford complex, coupled with encouraging analysis of Philco's future by Henry Ford II in banquet address, emphasized that they're teamed with parent organization that's a doer, that's accustomed to success, that will not spare management talent, effort or expense to speed Philco on road to dominance in entire consumer products field.

Despite fact that Philco closed 3rd quarter still in red, Ford's putting more money into fight, has okayed Philco-requested hike in budget for 1964 to expand dealer organization & intensify merchandising. "We gave them the go-ahead," Ford Pres. Arjay Miller said. "We feel we have now developed a better product and need a larger and better sales organization."

Philco is still maintaining its "no comment" policy on financial progress. But Pres. Charles E. Beck did reveal that sales today are ahead of the \$421 million posted in 1961, Philco's final year before Ford takeover.

Philco has set sights on 50% increase in consumer product sales in next 2 years. Major elements in big drive will be sharp expansion of dealer organization, 50% boost in ad spending next year to \$7 million, beefing up of product lines, concentration of ad emphasis in local markets.

"Our conclusion is that there is a considerable opportunity for Philco as a full-line manufacturer," said Larry H. Hyde, consumer products div. vp-gen. mgr., in noting that Philco had already placed major emphasis on re-design of refrigerator line. "Success lies in increasing the number of dealers handling Philco as their prime line and improving our customer exposure."

Beck views market for Philco products as worldwide, emphasized that "the Common Market in the next decade will be the most lucrative consumer products market anywhere." He said that Philco's Italian affiliate, which produces full line of white & brown goods, is undergoing major expansion program.

Beck's news conference also revealed that Philco has something cooking in color field. We asked him if Philco planned to produce color tubes at its Lansdale Div. He declined to reply directly but added: "We're doing some advanced research there; this is in the field of technology." Corridor talk indicated that announcement of significance relating to color may be forthcoming shortly after first of year.

For more on Philco distributor convention, see p. 11. For highlights of new sets, see p. 12.

RADIO-PHONO '64--OUR INDUSTRY SURVEY: What will next year bring in radio & phono sales? There's no unanimity among American manufacturers. For every one who sees increase in the wind, another predicts decrease.

This is most notable trend in our survey of manufacturers on prospects for radios & phonos—in marked contrast to our TV survey, reported last week (Vol. 3:50 p7), in which rose-colored glasses were order of the day.

Disagreement & confusion as to 1964 prospects is understandable, in view of 1963 pattern which saw lackluster sales of domestic radio through most of year, with some pickup toward year's end, while phono sales soared most of year only to slow down in home stretch. Here are highlights of our phono-radio survey, to which 13 manufacturers responded:

Radio sales: Of 10 manufacturers venturing predictions, 5 thought sales of domestic radios (to dealers) would be higher next year than in 1963, and 5 thought they'd be lower. Median prediction was 10.5 million, just about same as anticipated 1963 radio sales. Between highest & lowest forecast there was swing of 3.5 million sets. Those who thought sales would decline forecast distributor sales of 8.5 to 9.5 million; those foreseeing rise predicted 10.5 to 12 million.

Phono sales forecasts were just as mixed as radio predictions. Assuming this year's distributor-to-dealer sales will total about 5.1 million, 6 manufacturers saw more sales next year, 6 saw less. This put median in about same range as this year's sales—5-5.2 million. Lowest prediction was 4.5 million (by 2 manufacturers), highest 5.5 (also by 2).

There was general agreement that phono mix next year would be substantially unchanged. But some manufacturers saw somewhat greater demand for high-quality and/or solid-state units.

We've digested individual replies to our radio-phono survey questionnaire on p. 10. Next week, we'll present final installment of survey results—some interesting views on consumer electronics' most pressing problems for 1964.

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 13 (50th week of 1963) excluding 11-in. and smaller:

	Dec. 7-13	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	136,090	114,333	130,260	6,804,366	6,292,526
Total radio	397,929	388,950	388,973	17,793,738	18,584,411
Auto radio.....	192,206	174,022	190,607	7,766,289	6,936,582

TOPICS & TRENDS

Magnavox has reduced dealer prices on "considerable portion" of its TV & phono lines in anticipation of its 6-week annual sale, which starts Feb. 10. Innovation permits Magnavox dealers to buy merchandise now at reduced prices, sell at regular prices until sale begins. Company said discounts are designed to help dealers have more profitable Jan. and to stock up on sale merchandise.

Sylvania has formed govt. systems marketing board "to explore and respond to new business opportunities in the changing electronic defense market." Lawrence J. Straw, military mktg. vp of Sylvania Electronic Systems Div., is chmn. Henry Lehne, a corporate senior vp & the division's gen. mgr., is vice chmn.

Westinghouse's patent infringement suit against International Rectifier, involving 2 semiconductor patents relating to power rectifier devices, has been settled. IRC has taken a license under the 2 patents, will pay back royalties for "past infringements," Westinghouse reported. Suit was filed Jan. 1963.

RADIO-PHONO '64: Here's company-by-company digest of responses to our radio-phono survey (see p. 9 for summary), to which have been added comments from some year-end statements. Some figures have been withheld at request of respondents and used only in computing trends. Sales estimates quoted are domestic-product distributor-to-dealer.

Admiral: Chmn. Ross D. Siragusa predicts increased popularity of stereo, with "solid-state models achieving a large share of the market," radio sales rising slightly to 10.5 million. Vp Ross D. Siragusa Jr. sees stereo phono sales at 3,950,000 units, with radio imports probably unchanged from 1963.

Emerson Pres. Benjamin Abrams: Phono sales 4.5 million, no major changes in mix. Radio sales about 12 million, radio imports decreasing by approximately 30%.

Motorola: Pres. Robert W. Galvin sees phono sales declining to 4,780,000, radio sales dipping to about 9.5 million. Motorola Consumer Products Pres. Edward R. Taylor foresees phono mix remaining at about two-thirds portable, one-third console. FM-AM radio sales should rise from 1.2 million in 1963 to 1.6 million next year, with FM-stereo-equipped phonos increasing from 1 to 1.3 million. He anticipates possible slackening off of imports if radio business continues at low ebb.

Olympic Pres. Morris Sobin: Phono sales 4.6 million, no change in mix. Radio sales 11.8 million, imports remaining "about the same in units, while dollar volume decreases as result of lower prices."

Packard Bell Pres. Robert S. Bell: Phono sales 5.2 million (including imports), no major changes in mix. Radio sales 11.7 million, no significant change in imports.

Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde: Phono sales 5.15-5.3 million, with increased sales of units below \$269.95 and more strength in higher-priced goods over \$400. Radio sales 11 million, with 2% decline in radio imports.

RCA Sales Corp. Pres. Raymond W. Saxon: Phono sales relatively unchanged at 5.2 million, no major changes in mix. Radio sales about 9.4 million, with imports increasing very slightly.

Setchell-Carlson Pres. B. T. Setchell: Radio sales 15 million, with "about a 5% increase in radio imports due to added price-cutting." No major change in phono mix.

Sylvania Home & Commercial Electronics Pres. Robert J. Theis: Phono sales for 1963 were about 5.2 million (1.8 million consoles, 3.4 million portables); next year they will increase to 5.5 million (1.9 million consoles, 3.6 million portables). Mix will hold at about same level, but in console category "the better & higher-priced models will continue to increase." Bench models "will fall off seriously—as the shallow market has been filled." Trend to "component-specification" portables will continue; swing toward transistorization "will not be as fast as some would lead you to believe." Sees "a tremendous stereo market ahead—a resurgence as dynamic as the early talking-machine days." Radio sales to decline to 9 million from 10 million this year, imports to "level off & decline slightly."

Symphonic Pres. Max J. Zimmer: Phono sales showed 5% increase from 1962 (4.84 million) to 1963 (5.1 million). "We conservatively estimate a further

increase of 5% in 1964, to 5.35 million." No major changes in phono mix, but increase in portable sales will continue at faster rate than in consoles. Use of transistor amplifiers will accelerate this trend.

Wells-Gardner Sales Mgr. Allan Gardner: Phono sales 4.5 million, no significant changes in mix. Radio sales 8.5-9 million, imports increasing 15-20%.

* * * *

Received too late for inclusion in last week's TV forecast roundup (Vol. 3:50 p10) was reply of Olympic Pres. Morris Sobin, who predicts b&w sales of 6.7 million, color 850,000. He sees small-screen sales increasing "as plus business to present portable volume—hence an increase in total portables." B&w table models & consoles will decline, with combinations maintaining present level. "Significant increase in color consoles, modest rise in color combinations." All-channel law will cause price increases, but "some models may be revamped to cover up the price rise." Sales will suffer during summer after vhf stocks are sold out, but by Oct. or Nov. sales will pick up again as Christmas buying begins." TV imports will rise by about 25% above 1963 level.

Trade Personals

Hershner Cross, ex-gen. mgr. of GE Radio & TV Div., promoted to vp & group executive in charge of GE's Industrial Group, succeeding **Arthur F. Vinson**, who died Dec. 6. New gen. mgr. of Radio & TV Div. is **Robert C. Wilson**, former radio receiver dept. gen. mgr.

David Westerman elected pres. & a director of Hazeltine Research Inc., succeeding the late **Wilfred M. McFarland**; he also continues as vp-gen. counsel of parent Hazeltine Corp.

Dr. Elmer W. Engstrom, RCA pres., appointed to U. S. Industrial Payroll Savings Committee for U. S. Savings Bonds, representing electronics industry, succeeding ITT Pres. **Harold S. Gense**, who continues as member-at-large.

Frank S. Misterly promoted from RCA patent services mgr. to staff vp for patent operations.

H. L. Romnes elected AT&T vice chmn. & a dir., succeeding **William C. Bolentus** who retires Dec. 31, succeeded as Western Electric pres. by **Paul A. Gorman**.

Herbert F. Lello named GT&E exec. vp for mfg., succeeded by **Darwin H. Deaver** as pres. of subsidiary Automatic Electric... **Charles Hummel**, Bendix controller & member of administration committee, elected a vp.

Lewis J. Cox elected electronic specialty group vp for Industrial-Consumer Products... **Philip C. Shirkey Jr.** appointed GE instrument dept. mktg. mgr.

Obituary

George G. Barker, 55, Raytheon Technical News Section mgr., died recently after a brief illness. He had been with Raytheon for 21 years. He is survived by his widow and daughter.

Stepped-up semiconductor research is planned by Fairchild Camera & Instrument. Semiconductor Div. will double its research facilities by building \$2 million, 100,000 sq. ft. addition to its Palo Alto, Cal. operation.

PHILCO MAPS EXPANSION PROGRAM: Development of more complete product lines and a market-by-market program to find more dealers to sell them aggressively represent Philco's primary aims & efforts for 1964.

"One of our greatest deficiencies is not enough dealers who regard Philco as their prime line," consumer products div. Vp-Gen. Mgr. Larry H. Hyde emphasized at last week's national distributor meeting in Detroit (see p. 8). Company hopes to rectify situation with ambitious Market Acceleration Program that embraces:

(1) A 50% increase in ad spending to \$7 million (not including co-op), some 60% to go into local newspaper ads. Intensive market study established "direct correlation between position in the market and local advertising in that market," Hyde said.

(2) Five retail promotions "oriented to seasonal buying patterns and designed to create store traffic."

(3) Expanded field force to reinforce distributor sales efforts, combined with three-fold expansion of sales training program.

(4) Market-by-market analysis, including survey of thousands of dealers, for use in planning city-by-city campaigns. Special effort will be made to increase sales in non-metropolitan areas, which in past have been particular Philco strongholds. "In the next 2 weeks," said Hyde, "we will review the analysis with all distributor principals & sales managers and form individual plans to build the dealer structure."

Major thrust in Philco's 1964 push will be devoted to developing "balanced offensive in white as well as brown goods," Hyde said. "Our emphasis will be on outstanding middle-of-the-line merchandise with enough unique high-end merchandise & low-end attention-getters to stimulate consumer preference."

Although major attention is being given to revitalization of Philco's white goods lines, Hyde indicated that stereo products would be stressed more than previously, and that important re-design of radios & portable phonos would be evident next spring. TV drop-ins shown in Detroit emphasized "furniture-look" portables & table models (see p. 12).

Hyde indicated that brown goods hadn't yet received their major Ford overhaul. He pointed out that Philco had stronger position in consumer electronics than in appliances. "The consumer electronics business is holding even generally," he said, and "our objective now" is to develop full-line strength. "In appliances, we have made the largest gain in market share of any manufacturer."

Other comments by Hyde: "Enough color tubes will be available by next spring to satisfy all requirements... We are not now in the private-label business nor are we seeking it... We do not engage in large sales of appliances at special prices to builders."

Eitel-McCullough announced 2 international licensing agreements, described as "most significant" in company history: British firms English Electric Valve Co., Chelmsford, and IT&T subsidiary Standard Telephones & Cables Ltd., London, will manufacture E-M's uhf klystron tubes. Move follows BBC award of \$3.5 million for construction of transmitters for new uhf service. Company says other European licensing agreements are pending.

3M CARTRIDGE PLANS: Minnesota Mining is satisfied with progress of its cartridge tape system after first year of distribution, and is now beginning plans to broaden unit's appeal through more new models and OEM versions.

Darrell H. Boyd, Revere-Wollensak Div. mktg. mgr., told us that cartridge changers are now being handled in nearly 600 retail outlets in more than 70 markets, that field performance has been good, that "minor bugs" which developed were handled through modifications which could be made at warranty stations.

As for 1964—year will start with first nationwide TV advertising of cartridge changer, through sponsorship of Bing Crosby Golf Tournament. Phono manufacturers have been sampled with 3M-Revere tape decks, and Boyd believes "packaged component" manufacturers—rather than mass producers—are likely to be first to incorporate changer in their consoles because of its relatively high cost.

Boyd made it clear that 3M doesn't look at today's cartridge units as its complete line. It currently has 4 models, from complete self-contained stereo recorder-player at \$399 (formerly \$450) down to player deck at \$269. "Our marketing approach has been to get acceptance of quality music at this speed and in the cartridge concept," Boyd told us. "We know we must broaden the line. After we research our results, we know we must break the \$200 barrier, and then come close to the \$100 barrier." Auto, boat & battery portable recorders are also possibility.

3M is attacking another barrier first—the cartridge-tape barrier. It has gone into pre-recorded tape distribution business, licensed to make & distribute cartridge versions of ABC-Paramount & Westminster labels, as well as one Warner Bros. Bing Crosby Christmas album. Columbia & Musictapes are also distributing pre-recorded 3M tape cartridges—but all tapes for cartridge changer are duplicated & assembled in 3M plant. 3M says it hopes to sign up other labels soon to help provide more blades for its razor.

As to tape recorder business in general, Boyd sees big shakeout coming, as soon as mass-producing TV-radio-phono manufacturers get into market in earnest. "Our attitude," he said, "has to assume that the major brown goods manufacturers are going to be in this market, and we must be prepared to compete toe-to-toe with them."

Shake-up in Motorola sales dept. has resulted in abolition of posts of national TV, stereo & radio sales mgr. Field sales activities have been enlarged, with emphasis on contact with dealers, & reduced attention to distributors. Mktg. Vp S. R. (Ted) Herkes said newly expanded regional sales manager force will spend about 80% of its time with dealers. Number of field territories has been expanded from 15 to 20. Among personnel changes: Chuck Lloyd, ex-national TV sales mgr., has been named Chicago regional sales mgr.; William Laswell, ex-national stereo sales mgr.; has resigned; C. J. (Red) Gentry, ex-national home radio sales mgr., is now car radio sales mgr.; Edward C. Caliguri, ex-TV-stereo sales promotion mgr., named head of sales planning, taking over sales promotion duties of Bob Farris, formerly national ad & sales promotion mgr., who has taken over direction of local as well as national advertising.

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
Columbia Pictures	1963—13 wks. to Sept. 28	—	\$ 1,591,000	\$ 791,000	\$.44 ¹	1,671,652
	1962—13 wks. to Sept. 28	—	1,705,000	577,000	.32 ¹	1,671,652
Desilu Productions	1963—6 mo. to Oct. 26	\$ 11,195,935	—	400,005	.33	1,233,631
	1962—6 mo. to Oct. 26	9,089,236	—	361,661	.31	1,155,940
	1963—qtr. to Oct. 26	6,318,576	—	315,130	.26	1,233,631
	1962—qtr. to Oct. 26	5,311,391	—	347,356	.30	1,155,940
Famous Players Canadian	1963—9 mo. to Sept. 28	—	—	1,447,508 ²	.83	1,737,072
	1962—9 mo. to Sept. 28	—	—	1,349,847 ³	.78	1,737,072
H&B American	1963—year to July 31	4,472,213	171,294 ⁴	171,294	.07	—
	1962—year to July 31	3,890,485	88,621 ⁴	88,621	.03	—
	1963—qtr. to Oct. 31	1,139,887	79,757 ⁴	79,757	—	—
	1962—qtr. to Oct. 31	1,101,414	27,520 ⁴	27,520	—	—
Hallicrafters	1963—qtr. to Nov. 30	8,607,000	(571,000)	(274,000) ⁵	—	2,545,879
	1962—qtr. to Nov. 30	17,145,000	1,003,000	507,000	.20 ⁶	2,535,433 ⁶
National Video	1963—6 mo. to Nov. 30	9,988,902	—	448,962	.36	1,233,334
	1962—6 mo. to Nov. 30	8,814,993	—	178,908	.15	1,233,334
	1963—qtr. to Nov. 30	5,288,704	—	343,387	.27	1,233,334
	1962—qtr. to Nov. 30	4,895,335	—	92,218	.08	1,233,334
Servel	1963—year to Oct. 31 ⁷	20,842,000	—	1,092,000 ⁸	.49 ¹	1,928,845
	1962—year to Oct. 31	22,920,000	—	2,637,000	1.29 ¹	1,928,345
Silicon Transistor	1963—9 mo. to Sept. 30	3,343,000	750,000	301,000	.53	566,250
	1962—9 mo. to Sept. 30	1,957,000	292,000	131,000	.25	523,230
TraVler Industries	1963—6 mo. to Oct. 31	12,507,581	166,049	83,049	.08 ⁹	1,063,858
	1962—6 mo. to Oct. 31	13,964,590	441,942	225,942	.21	1,013,842
	1963—qtr. to Oct. 31	8,777,558	316,086	167,586	.16 ⁹	1,063,858
	1962—qtr. to Oct. 31	8,750,460	282,379	143,379	.14 ⁹	1,013,842

Notes: ¹After preferred dividends. ²Before \$83,384 profit on sales of fixed assets. ³Before \$872,659 profit on sale of fixed assets. ⁴No provision for federal taxes because of operating-loss carry-forward. ⁵After \$297,000 tax credit. ⁶Adjusted for June-1963 3% stock dividend. ⁷Preliminary. ⁸Includes \$188,000 proportionate share of earnings of 54%-owned Sonotone. ⁹Adjusted for Sept.-1963 5% stock dividend.

NEW SETS, LOWER PRICES: A \$399.95 color consolette from Emerson, a furniture-styled 19-in. line and some lower prices from Philco made this week's TV drop-in news.

At its distributor convention in Detroit (see p. 8), Philco showed 25 new sets, with emphasis on furniture-styled table models—both 19- & 23-in. At same time it cut \$10 from list price of its 16-in., bringing list price down to \$119.95. (Philco's first 16-in. set, introduced in Sept. 1962, bore \$159.95 tag.) New low-end 19-in. portable now lists at \$129.95.

Most interesting new sets are in Woodstock portable series—19-in. sets with furniture design & details, including drawer-pulls, scalloped molding around picture-tube mask, etc. Matching wood bases are available. New series is priced at \$179.95, a \$10 step-up from top of newly revamped Starlite portable line, priced at \$139.-95-\$169.95 (remote, add \$22.95). New 23-in. table models, with matching bases & slip-in cabinets available,

begin at \$189.95, with new consoles starting at \$219.95.

Emerson introduced 15 new sets highlighted by color consolette with grained wood finish at \$399.95, and color consoles at \$449.95 & \$559.95. Five new b&w combos are \$379.95-\$479.95. New 23-in. console is \$179.95. Emerson also dropped in step-up 16-in. portable at \$109.-95 (\$99.95 leader continues in line), transformer-chassis 19-in. portable at \$149.95, and French Provincial stereo with FM stereo-AM at \$299.95.

Electronic components forecast for '64 by GE Components Div. Vp-Gen. Mgr. L. Berkley Davis: Transistors—unit shipments rising from 1963's 291 million to 325-335 million, with dollar volume falling 4-7% from this year's \$301 million. Receiving tubes—spurred by healthy TV production, 1963 factory sales dropped only 12% from 1962 to \$267 million, could hit \$240 million in 1964; import pressure will increase, but at reduced rate from 1963's 30% rise.

with

Consumer Electronics . . .

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

DECEMBER 30, 1963

NEW SERIES VOL. 3, No. 52

SUMMARY-INDEX OF WEEK'S NEWS**Broadcast**

SHAPE OF 1964: Television Digest editors' traditional soothsaying feature—on Congress, FCC, NAB, ratings, codes, FTC, CATV, pay TV, ETV, allocations, station growth, etc. (p. 1).

CAPSULES: Examiner would shift Ch. 10 Miami from L. B. Wilson to South Fla. TV; Court of Appeals puzzles lawyers with Boston Ch. 5 order; FCC says Metro-media purchase OK if mutual funds agree not to vote stock; Commission skirts 'fiction fairness' issue in 'Smash-Up' decision; Chmn. Henry's year-end statement; FCC issues NAEB uhf plan, invites comments (p. 4).

MERITS OF AIRBORNE ETV SYSTEM claimed by Westinghouse in detailed FCC filing. Costs, coverage, dependability, spectrum conservation, among advantages asserted. Would use Ch. 75-83 for 3-program system, Ch. 66-83 for 6 program (p. 5).

STANDARDS NEEDED FOR MULTI-PRODUCT SPOTS, says Scott Donahue, Katz Agency TV sales vp. Urges differences between piggybacks & truly integrated spots must be established (p. 5).

REPORTS ON UPCOMING STATIONS: Progress reported by 3 commercial stations, one ETV—all planning 1964 starts (p. 6).

THE SHAPE OF 1964: Many aspects of TV-radio industry will be influenced by fact that 1964 will be an election year. Politicians will be sensitive to anything that means gain or loss of votes, and broadcasting, with its impact at powerful peak, will be on firing line all year.

It's good to keep foregoing continuously in mind as you attempt to judge trends for the year. We found the factor popping up constantly as we compiled our traditional annual crystal-gazing feature. Herewith are trends for the new year in selected areas of major interest (predictions for consumer electronics will be reported next week):

Congress: Nearly all broadcast actions will be handled first 6 months because of short congressional year—Republican convention in July, Democratic in Aug.

There'll be handful of hearings, some legislation—but plenty of pressures, speeches, lifted eyebrows. House Communications Subcommittee, chaired by Rep. Rogers (D-Tex.), will hold hearings on fairness doctrine, political editorializing, license fees. Bill by Rep. Younger (R-Cal.) would relieve broadcasters of obligation to give free "fair" time to answer paid viewpoint. Even if this passes Committee & House, chances are it won't get by Senate. Sen. Pastore (D-R.I.) opposes. Rep. Celler (D-N. Y.) hasn't finished hearings on concentration of ownership in news media, won't resume until civil rights is out of way.

Senate may find time for hearings on pending bills—more authority for FCC in evaluating prospective purchasers of stations, daytime radio, others. There's chance for hearings on CATV. Sen.

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Consumer Electronics

1964's BIGGEST PROBLEMS, as cited by consumer electronics manufacturers in survey: Transition to all-channel TV, maintenance of fair profit structure, impact of imports (p. 7).

ALL-CHANNEL LAW INTERPRETATIONS on cut-off date and use of uhf adapters appear to give Japanese manufacturers advantage in U.S. market; but this may be canceled by uhf confusion in Japan; latest Japan-to-U.S. export report (p. 8).

DISCOUNTERS FACE RISING COSTS IN '64: Cost of doing business going up as low-margin retailers turn to more selling services, advertising, promotion, better merchandise. Fewer new stores in 1964; many discounters trending to small cities (p. 9).

NEW ZENITH LINE features 9 color consoles available only in all-channel versions, lower-priced color & b&w combos, unique 'drop-up' phono, portable phono with AM-FM-stereo (p. 11).

UPBEAT '64 FORESEEN: Year-end statements by major electronics firms indicate solid sales and earnings gains in 1963 and continuation of good business into 1964. Consumer products volume is on rise, several note, and is expected to compensate for sag in military electronics sales (p. 11).

Dodd (D-Conn.) plans more hearings soon on effect of TV violence on juvenile delinquency, based on new staff monitoring, no dates set. He still hasn't issued report from previous hearings.

One new bill with good chance of adoption is being written now by House staff. It'll require broadcasters, at time of editorials, to state they have obligation to provide contrasting viewpoints. Bill to prohibit FCC from setting limits on commercials may go as far as passing House but is unlikely to get Senate approval.

Suspension of equal time for 1964—passed by Senate & House—awaits President Johnson's views, is expected to go through. Even if new President isn't as enthusiastic about TV debates as JFK, he'll likely accede to minimum number.

Federal Communications Commission: Some of the "strong-regulation" steam will dissipate. Congress will continue to pressure Commission against increasing controls over industry. And President Johnson is hardly expected to encourage tougher regulation.

Among major actions expected during year: "Fairness" problems during election campaigns will be more numerous than ever—but Commission will handle them without serious repercussions. "Over-commercialization" rules, watered down, will be promulgated. License fees will go into effect, but Congress will make FCC uncomfortable about them. Closed-circuit TV & pay-TV will take more & more of Commission's time as it weighs impact of Subscription TV Inc. pay-cable plans, CATV regulation, petitions to make telecast toll TV permanent, theater TV, etc. New program forms will be adopted, and FCC will have huge burden of studying station responses & determining what to do with them. Commission's batting average in courts will remain high, but probably not quite as good as during last few years.

Efforts to reorganize Commission, pull some of its teeth, will continue at accelerated pace in Congress—but no final new law is likely next year. Though relatively few new laws will emerge, Commission will have record year in witness chair on Hill.

National Assn. of Broadcasters: There's fair possibility Pres. Collins will leave to run for senator or governor in Fla., to head educational or philanthropic institution, to accept major ambassadorship—or take other similar position in public eye. If he leaves, a "safe" successor will be selected.

Co-operation with state associations will increase sharply, stimulated by success of grass-roots appeals to congressmen on FCC's proposed rules on commercial limitations. In an election year, members of Congress will be more than ever receptive to requests for aid from broadcasters. (For NAB's role in specific areas, see individual subjects.)

Ratings: All rating services will be audited by independent CPA or management company, under supervision of Rating Council Inc., headed by newly-appointed Kenneth Baker, former NAB research dir., with assistance from small hq staff.

Govt. will keep pressure on, but lightly if Council fulfills promise. Harris Subcommittee will be patient with implementation of audit & standards program—which will start soon but take about 2 years to smooth out. Agency support, as expressed by AAAA, is most encouraging.

Financing of audit not yet worked out. Member organizations on board will contribute; raters are expected to pay fee for audit, will pass on part of cost to users. All segments of industry will be paying more for research—and liking it—as investment in own business.

NAB Research Committee will speed up methodological research to find improved techniques for national & local TV. Joint RAB-NAB study is expected to take charge of radio improvements, should have something definite by mid-year.

Nielsen will be out of radio completely, will soon announce dropping of network radio, has already given up local. Chance for ARB, Sindlinger to fill vacuum.

Look for rating services to continue self-improvement steps. Nielsen will have replaced almost all its national TV sample by end of 1964; at present about 1/4 of homes have been turned over.

Trend to watch is increase of inter-media comparisons. That's next ratings plateau. ARB is testing in Detroit, Nielsen has system, so has Sindlinger. More marketing services will be offered by raters—finer breakdowns on who is watching & listening, more product usage data.

Look for changes in selling practices by stations & reps, especially. They'll be more careful in making ratings claims. Newcomers in ratings field aren't expected to make major inroads in 1964.

TV-Radio Codes: There'll be changes, but not radical. Codes will stick basically to "time" standards, work toward gradual incorporation of "qualitative" criteria.

All-out appeal to industry for financial support will come. If funds are sufficient, expect new departure in Code approach—appeal for public acceptance. It would be broad effort to make Code seal significant to viewers & listeners, an attempt to give subscribing stations a competitive edge.

Major traditional Code problem will remain—economic impossibility of some stations to comply with all standards. Ways & means will be explored to find fair way of getting more of these under Code tent.

Multiple announcements, which give "appearance" of over-commercialization but don't violate Code standards, will be target of all segments of industry.

Research will be much in news, starting with study, nearing completion at Columbia, U., analyzing raw data on commercials gathered by psychologist Gary Steiner.

Big trouble spot ahead: Standards for cigarette commercials, assuming Surgeon General's Jan. report is adverse.

Community Antenna Systems: Continued greater penetration into larger markets, offering more & more channels. More big broadcasters staking claim in field. More national hookups for special events. More efforts to impose federal controls. Operators will seek congressional help to tone down FCC's regulatory moves. Tougher & tougher battles for franchises. Greater & greater capital required. NCTA playing crucial role, much of its effectiveness depending on choice of president; he'll be man of substantial stature. NAB will find its job increasingly touchy as more & more of its influential members go into CATV while more & more members worry about potential CATV competition.

Federal Trade Commission: Will make presence felt more firmly in: (1) Commercials, (2) Ratings. It's already anticipating that Surgeon General's report will conclude there's adverse effect on public's health from cigarettes, smoking in general. Has staff exploring steps to be taken. Will set up standards for labeling, get tough on commercials, expect full co-operation from tobacco & advertising industries. Over-all surveillance of all commercial claims will be stepped up.

FTC's hand in rating reform—to see there's no deception in station & rep selling, promotions, advertising—will come to light shortly. Small staff of investigators has been in field, looking into charges of ratings misuse.

Pay-TV: Subscription TV Inc. cable system in San Francisco & Los Angeles, equipped with money & showmanship, will begin, producing growing uneasiness among telecasters until success or failure is clearly foreshadowed. RKO General will assert that Hartford experiment justifies making pay TV a permanent service, seek to persuade FCC to take wraps off. But Commission & Congress will insist on meticulous & time-consuming study before final decision.

New 1964 TV Stations: Probably no more than 25-30 new outlets—about half of them uhf, and at least half of them ETV. Rate of uhf applications will accelerate, most of them resulting in hearings in major markets. Many of applicants well-heeled, shooting for full complement of stations, financially prepared to sweat out long adolescence.

Educational TV: Infusion of federal funds will continue as pump primer, encouraging serious & substantial state & local expenditures. Use of 2,000-mc band will begin to make itself felt, linking schools in ever-growing webs. With all-channel law taking effect, commercial & ETV stations will complement each other in promoting use of receivers' uhf tuners.

TV Allocations: Expansion in vhf has reached practical limits—barring some far-out technical development, such as splitting channels in half while retaining compatibility with existing receivers. Uhf assignment table will be filled out, substantially as proposed by FCC, but incorporating some features of NAEB's alternate plan.

CAPSULES

Ownership of Ch. 10 Miami should shift from L. B. Wilson Inc. to South Fla. TV Corp., according to surprising initial decision issued by FCC Examiner H. Gifford Irion. Wilson, you'll recall, won 4-month license on July 14, 1960, when FCC decided that its 3 original opponents were tarred with brush of attempting to influence decision off-the-record. Normally, FCC is loath to take facility away from any operator who does decent job. Of course, Commission may not follow Irion's recommendation.

Examiner preferred South Fla. because of civic activity of 80% stockholder William B. MacDonald Jr. and broadcast experience & local familiarity of 3 former WSPT-TV employes—Walter M. Koessler, Eleanor L. May & William R. Needs, each a minor stockholder. MacDonald has holdings in real estate, insurance, Tropical Park racetrack, is president of Tampa Tarpons Baseball Club. Also, examiner notes: "He plays golf several afternoons a week but declared he would sacrifice this recreation if obligations at the TV station required." Irion found that other 2 applicants—Civic TV and Miami TV—had good local ownership but little experience.

There was action in another "influence" case last week, but lawyers are puzzled over its meaning. FCC has hearing going on among 4 applicants for Boston Ch. 5, including operator WHDH-TV, which had been charged with off-record influence attempts. Case is also before D. C. Court of Appeals. Last week, Court issued brief order asking that each party, within 10 days, show cause why WHDH-TV's 4-month license shouldn't be set aside, why WHDH-TV shouldn't be given a special temporary authority to operate instead, and why the current FCC comparative hearing shouldn't be treated as an original comparative case rather than a renewal proceeding.

Year-end statement by FCC Chmn. Henry stresses: (1) Advances toward use of communications satellites were "most significant development of the year." (2) "We note with particular pleasure the stepped-up activity in educational TV. Over 80 educational TV stations were on the air at the year's end and, aided by the federal grant-in-aid program and the all-channel-receiver legislation, we anticipate continuing and substantial growth in this service in the year ahead." (3) "During the year the Commission has also examined the question of the amount of time devoted to commercials, has moved to clarify broadcasters' responsibilities to their local communities in the fair treatment of controversial topics of public importance, has imposed a modest filing fee on most applications to offset, in part, the regulatory expenses of the agency, and has continued its efforts to foster and promote the use of all 82 TV channels." (4) "The magnitude of non-broadcast radio operations in this country is manifested by the fact that the FCC now has more than 1.2 million radio station licensees who operate over 4 million transmitters."

Computer-built uhf plan, proposed by National Assn. of Educational Bestrs. (Vol. 3:45 p4), has been issued by FCC which invited industry comments on it—extending filing date from Jan. 3 to Feb. 3. Commission couldn't help indicating it rather prefers its own plan, at least in some features. It said that NAEB plan "provides somewhat less flexibility in the choice of transmitter sites" and has "assignments in many areas of very low population density raising the question whether demand will materialize..."

Metromedia's problem in acquiring radio WCBM-AM-FM Baltimore (Vol. 3:48 p4) was given a temporary solution last week. Two mutual funds, Keystone & Fidelity Trend, own more than 1% each in Metromedia and Taft Bcstg., thus violating FCC multiple-ownership rules. FCC now says that it will let Metromedia acquire the stations—if the funds agree not to vote stock or try to influence policies, pending forthcoming Commission investigation or rule-making on whole problem.

Simple answer on "fairness in fiction" case—CBS-TV's "Smash-Up" program (Vol. 3:49 p2)—was given by FCC last week. It decided case without ruling on "fairness" issue. National Assn. of Claimant's Counsel of America had complained that program was instigated by insurance companies, asked FCC to prohibit further such programs. Last week, Commission told NACCA that : (1) It finds no basis for concluding that insurance industry was behind program. (2) FCC has no authority to prohibit any programs. Commission informed CBS of what it had told NACCA—period. Evidently, FCC concluded there's no need to rule on "fairness" in this case.

MERITS OF AIRBORNE ETV: Dependable system of ETV using airborne signals requires lower investment & operating costs, compared with ground or closed-circuit systems, can free TV channels for other purposes, Westinghouse's Aerospace Div. said last week in report filed with FCC.

Report is based on experience of Midwest Program on Airborne TV Instruction, now in 3rd year.

Airborne system would require 9 uhf channels for 3-channel service, 18 for 6-channel, for nation, Westinghouse said. It would require capital investment of \$163 million compared with \$392 million for ground system. Airborne operating costs would be \$72 million annually, for 42 million students, or 55 cents per student per channel, compared with \$114 million for ground, or \$1.53 per student per channel. Closed-circuit system was said to be even higher in costs than ground, though no national estimates were given.

Report proposes permanent 6-channel airborne ETV system. It stated efforts are no longer experimental, that MPATI has broadcast pre-recorded lessons simultaneously to an estimated 1,200 schools, with more than 1 million students, in parts of Ind., Ill., Mich., Wis., Ohio, Ky. Group stated that not once in 2-1/2 years did it fail to transmit over its 2 channels, even during blizzards last winter.

Westinghouse says that 33 planes in air could cover entire U.S. in ideal triangular-lattice pattern. It suggests that Ch. 75-83 would provide a 3-program service, Ch. 66-83 a 6-program service. It recognizes that such allocation would preclude use of those channels for ground stations, would also require reallocation of uhf translators which now use Ch. 70-83.

Westinghouse has long knocked on FCC's door to no avail, having pioneered "Stratovision" since 1945. It tried to get idea across during 1948-52 TV freeze, but Commission couldn't see it. Now, with MPATI experience and the educational tieup, FCC may give it better consideration—if satisfied system wouldn't eat up too many channels needed for conventional ground-based operations.

New CATV group, American Cable System, has bought Tupelo (Miss.) Community Antenna Inc., also has assumed franchise for West Point, Miss., & installation of system in Laurel, Miss. for Lancaster Corp. ACS is composed of Philadelphia investors, Ralph Roberts pres. Frank G. Haley will continue to manage Tupelo system, is named ACS vp, will also supervise other systems.

CATV plans of TV Microwave Inc., Elko, Nev. to bring 4 Los Angeles & Oakland signals into Reno, have been opposed by KCRL(TV) Reno. Station said new system would make total of 8 signals available on CATV, causing it serious "competitive difficulties," stated its signal is excluded from local CATV, which also causes degradation of service.

Add broadcasters entering CATV: W. E. Hussman of Palmer Media Group (KTAL-TV Shreveport, etc.) is pres. & 45% owner of Cam-Tel Inc. system in Camden, Ark., due to begin service in Feb., estimating potential at 4,000 homes.

Storer Bcstg. files registration with SEC for 120,000 shares, to be offered officers & key employees under option plan.

STANDARDS FOR MULTI-PRODUCT SPOTS: Industry needs new standards to meet mounting problem of multi-product announcements, Scott Donahue, TV sales vp of Katz Agency, said in memo to rep's stations, stated appropriate differentiations have to be made between piggybacks & integrated commercials.

Donahue said these decisions can no longer be made from account to account, stated agencies & advertisers are beginning to make their own rules. Recently, one agency asked for credit because one of its single-product spots appeared adjacent to multi-product announcement that had been approved by Code as single announcement. Agency called sequence triple-spotting.

Howard Bell, Code dir., told us problem is already receiving top priority, that issue is of "great concern," will be dealt with shortly either through an amendment to rules or through re-interpretation. He recently met with SRA & reps on matter. Bell also had additional concern not mentioned in Donahue memo: Code is troubled because multiple spots contribute to public's impression of over-commercialization. Donahue suggests these definitions:

- (1) Truly integrated announcements: Clearly give appearance of single commercial to average viewer.
- (2) Integrated piggybacks: Average viewer would regard as 2 commercials, but are bridged in such manner as to qualify for Code approval as single announcement.
- (3) Piggybacks: Obviously separate product messages.

Move of WNHC-TV (Ch. 8) New Haven should be granted, according to initial decision by FCC Examiner Walther W. Guenther. Hearing was held on station's application to move from 8.8 miles NNE of New Haven to 19.8 miles NNE, increase height from 720 to 780 ft., install DA. Guenther concluded that move would bring service to more people, wouldn't hurt uhfs which had opposed move—WWLP (Ch. 22) Springfield & WHNB-TV (Ch. 30) New Britain.

FTC's order preventing Carter Products, for Rise shaving cream, from "false disparagement of competing products and deceptive demonstrations" has been modified in line with court ruling that original order was too broad. FTC now states that demonstrations of superiority must be an "accurate" comparison, rather than "genuine or accurate."

Televised boxing, a mainstay in TV's early days, will be dropped by ABC-TV next fall. Low ratings, sponsor disinterest, sport's bad reputation, are reasons given. Boxing at one time was on all networks, but number of homes reached remained static over years.

France's 2nd TV channel has started experimental programming, will officially begin April 18. Govt.-owned system will offer programs contrasting with those of first channel, "less cultural," no commercials.

CBS stockholders approved proposed 2-for-1 stock split, effective Feb. 15 for holders of record Jan. 17. CBS plans to pay 25¢ cash dividend on the split shares in March, representing boost to 50¢ from 45¢ on present stock.

License fees for group applications may be paid with one remittance but should be accompanied by list itemizing amounts to be credited to each application—FCC announced.

Personals

William Dozier resigns as Screen Gems senior vp in charge of production, will reactivate Greenway Productions, which has non-exclusive agreement with SG. . . **Ken Croes**, sales mgr., KERO-TV Bakersfield, promoted to acting mgr., succeeding **Art Mortenson**, resigned.

Lewis M. Marcy, ex-McCann-Erickson vp, named Subscription TV Inc. vp at N. Y. hq, 60 E. 56th St. . . **Alvin A. Dann**, ex-ANA, joins Infoplan (PR service) as account dir. with responsibilities for Infoplan's parent McCann-Erickson Inc.

Warren L. Braun, asst. gen. mgr., WSVA-TV-AM-FM Harrisonburg, promoted to gen. mgr., post relinquished by Pres. Hamilton Shea, who continues as chief exec. officer; **Robert Lee**, program & operations mgr., succeeds Braun.

Krieger & Jorgensen, Washington law firm, moves to 1926 Eye St. NW. . . **John Griffin** promoted from account exec. to national sales mgr., Roger O'Connor Inc.

Ed Reits, ex-consultant, named special TV representative, Precision Instrument Co., for use of firm's portable TV recorder in closed-circuit & educational TV; **C. Robert Paulson**, ex-national sales mgr., Ampex Professional Products Div., appointed special TV sales representative.

Marion (Hank) Tribley, operations mgr. & asst. gen. mgr., WNCT Greenville, promoted to acting gen. mgr.; **John G. Clark Jr.**, sales mgr., to gen. sales mgr.; **A. Hartwell Campbell**, vp & gen. mgr., resigns to develop own broadcast interests, awaits FCC approval to purchase of radio WGTM Wilson, N. C.

Gene O'Dell promoted to production mgr., WTVN-TV Columbus, **Roger Johnson** to commercial operations dir. . . **Don Whiteley**, ex-promotion dir., KTAL Shreveport, named asst. promotion mgr., KTVI St. Louis.

HEW has received 6 new applications, totalling \$1,110,859, for ETV construction grants: Rhode Island State Board of Education, \$172,397 to activate Ch. 36 Providence; Alabama ETV Commission, \$295,661 to activate Ch. 44 Huntsville & \$220,918 to start Ch. 42 Mobile; U. of Washington, \$231,770 to expand KCTS-TV Seattle; Yakima School District No. 7, \$79,277 to expand KYVE-TV; Tacoma Public Schools, \$110,836 to expand KTPS-TV. So far, 10 grants have been approved, totalling \$1,552,294. Total of 38 applications, including above 6, remain, requesting \$7,072,780.

"**Debate**" between broadcasters and FCC Comrs. Cox & Loevinger, at 19th annual Georgia Radio-TV Institute, adds Washington attorney W. Theodore Pierson. Institute takes place at Athens Jan. 21-23, co-sponsored by Georgia Assn. of Bcstrs. & U. of Georgia's Henry Grady School of Journalism.

Former FCC Chmn. Newton Minow, exec. vp of Encyclopaedia Britannica, discussing "The Law and Lee Oswald" with Harvard Law School professor Paul Freund, was scheduled for Dec. 29 on CBS-TV.

"**Super-power**" petition of radio WWL New Orleans, to permit certain stations to go above 50 kw, was opposed last week by Assn. on Bcstg. Standards; it charged that power boost would adversely affect present radio service.

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UPCOMING STATIONS: KFME (Ch. 13 ETV) Fargo, N. D. plans first broadcast Jan. 5, with school programming to start Jan. 27, reports Dr. Clair R. Tettermer, gen. mgr. RCA 10-kw transmitter is ready, & RCA Super Turnstile antenna was placed on 426-ft. Blaw-Knox self-supporting tower in Oct.

Ch. 13 grantee in LaGrande, Ore. doesn't have call letters, but owner KTVB Boise, Ida. plans to start operating it as satellite in fall of 1964, according to Mrs. Georgia M. Davidson, pres. & gen. mgr. RCA transmitter has been ordered & it will use 90-ft. tower on Mt. Fanny. KTVB rep is Avery-Knodel.

WRSJ-TV (Ch. 18) San Juan, P. R. hopes to start March 1, writes Clement L. Littauer, vp & gen. mgr. of Antilles Bcstg. Corp., which also holds CPs for Ch. 16 Mayaguez & Ch. 14 Ponce. Network affiliation hasn't been signed yet, & Littauer states it can't place equipment orders until network negotiations are completed. Julio Morales will be technical supervisor. It doesn't plan to use sales rep "since most of the well-known national agencies either have branch offices here, or work in association with a local agency."

WNJU-TV (Ch. 47) Linden, N. J., with request to move transmitter & antenna to Empire State Bldg. held up by protests, has changed target to fall of 1964, according to Pres. Edwin Cooperstein. Programming will be aimed primarily at Spanish-speaking & Negro population, will include other ethnic groups. Rep will be National Time Sales.

KBAK-TV (Ch. 29) Bakersfield, Cal. CBS affiliate, has been sold by Reeves Bcstg. for sum reported to be "in excess of \$1.5 million." Purchaser is Harriscope Inc. (Burt I. Harris), Beverly Hills, owner of KFBB-TV Great Falls, Mont. & 60% of KTWO-TV Casper, Wyo., and with interests in 3 independent AM's. Reeves Pres. J. Drayton Hastie said his company "will continue its policy of seeking out new opportunities for investment in TV broadcasting & related fields." Reeves also owns WUSN-TV Charleston, S. C. & WHTN-TV Huntington, W. Va.

KGGM-TV-AM Albuquerque & radio KVSF Santa Fe sold for \$2.75 million to James Gilmore, owner of KODE-TV-AM Joplin, Mo. Blackburn & Co. represented buyer.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1964'S BIGGEST PROBLEMS—UHF, PROFITS, IMPORTS: Asked to name most pressing problem for 1964, most industry leaders cite transition to all-channel TV—but only by narrow margin. Close runners-up are maintenance of fair profit structure for dealers and/or manufacturers, and impact of imports.

In our recent survey of industry's topkicks, we asked them what was biggest problem for new year. All-channel law was cited 5 times, fair profits 4 times, imports 3. In addition, effect of tiny-vision on prices, & consumer education on need for high color TV prices (as compared with b&w) were cited once each. Here's rundown on some specific comments:

Citing all-channel problems, Admiral sales vp Ross D. Siragusa Jr. says there probably will be "period of confusion" before public & dealers are completely educated to significance of change. Packard Bell Pres. Robert S. Bell expresses apprehension that "certain segments of industry might build a large vhf inventory prior to April 30 and thereby cause a chaotic market condition." In addition, he says consumer doesn't understand "the virtue of having a uhf tuner in his set which he cannot use in most areas. The usual result in past industry history, when the customers were confused, was that sales have dropped temporarily." Bell proposes "a vigorous campaign by the broadcasting industry—which was largely responsible [for] permitting this law to be passed." Manufacturers can't do it alone, he adds, "without the benefit of a huge war chest." Others who see all-channel change-over as one of industry's biggest problems were Motorola Consumer Products Pres. Edward R. Taylor and Zenith Operations Vp Clifford J. Hunt.

"The biggest problem in 1964," writes Emerson Pres. Benjamin Abrams, "will be the maintenance of a pricing structure to make possible a fair margin of profit at all levels." Olympic Pres. Morris Sobin puts challenge of '64 this way: "Making a profit in the face of severe competition among members of industry, coupled with trying to hold price line in face of higher costs due to uhf, labor & material increases."

"Dealer's profit problem" is called "most serious underlying problem in the industry" by Sylvania Home & Commercial Electronics Pres. Robert J. Theis. He attributes this largely to over-franchising, and suggests that while "action & leadership" must come from industry leaders, dealers can help in 2 ways: (1) Concentrate on fewer lines "to avoid this overcrowding which creates too much same-brand competition." (2) State their intentions to suppliers "as to what they can expect in the way of volume & cooperation. . . They should be ready to back up their intentions by proving (at the end of the year) that they did the kind of a job they said they would do for their suppliers." Wells-Gardner Sales Vp Allan Gardner listed "deriving profit from domestic-manufactured items" as one of 2 major problems. "Tinyvision and its effect on TV prices in general" is biggest problem, as seen by Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde.

Imports represent biggest challenge, in view of RCA Sales Corp. Pres. Raymond W. Saxon. Pointing out that radio imports have now reached same rate as domestic production, he adds: "In TV, imports have begun to seriously establish themselves in the lower-priced portable areas. It remains to be seen whether domestic TV manufacturers can profitably compete with imported products in this particular category without the benefit of technological breakthroughs in the TV product itself. Phonographs are another area that could see increased foreign competition in 1964, particularly in the lower-priced portable field."

Motorola's Ed Taylor says "major task" for industry in '64 will be "holding its own against imports in TV, so that imports do not rock the TV boat as they have in radio." Wells-Gardner's Allan Gardner defines "meeting competition from foreign manufacturers" as one of 2 major problems. Setchell-Carlson Pres. B. T. Setchell thinks pressing issue will be "educating the consumers that color TV is not and cannot be in the same category with b&w TV."

JAPANESE ADVANTAGE IN ALL-CHANNEL LAW? Two recent interpretations of all-channel law appear to give Japanese manufacturers advantage over U. S. set makers after U-Day rolls around. However, it's our impression that there's so much confusion in Japanese TV industry that it won't necessarily work out that way.

Here are aspects of rulings which could work to benefit of manufacturers & importers of foreign-made TV sets:

(1) Imported vhf-only sets could be selling in U. S. after domestic stocks are exhausted. This is because of longer shipping lead-time involved in foreign sets—usually 30-45 days. All-channel law establishes April 30 cut-off date for manufacture of imported vhf-only sets as well as domestic ones. Thus, all sets being shipped by U. S. manufacturers theoretically will be all-channel shortly after May 1—barring stockpiling. But because of shipping time, importers probably won't have to begin shipping compulsory all-channel sets until June 1-15, simply because sets received before that time will have been built before law went into effect.

(2) FCC recently ruled, in response to query from EIA of Japan, that vhf set sold with uhf adapter would meet requirements of all-channel law, "providing that removal of adapter would disable set." While this ruling is of little significance to U. S. manufacturers, it's of top importance to Japanese makers of tiny transistor TV. In effect, it eliminates necessity for expensive retooling.

There's no room for additional uhf tuners in current Japanese micro TV sets. Addition of adapter (with some sort of interlock to disable set if adapter is removed) solves problem very neatly. (Sony, however, has already tooled slightly larger version of its 5-in. set including internal uhf tuner.) It also makes it possible for Japanese manufacturers to continue producing virtually same set for U. S. & domestic market. Only difference currently is slight variation between U. S. & Japanese vhf channels (meaning different vhf tuners); thus, same tooling could still be used for both domestic (vhf-only) & U. S. export (vhf set plus adapter) models.

It's very possible that Japanese TV industry will dissipate these built-in advantages, however. Reports from Tokyo indicate Japan is even less prepared for switch to all-channel than U. S. industry. It's said that TV manufacturers there are having difficulty getting firm commitments from their uhf tuner suppliers. Some producers are still placing stock in rumors—"hot from Washington"—that U-Day will be postponed for year. Despite heavy information program by EIAJ, it's understood that much of Japanese TV industry is fuzzy on meaning of law and is failing to prepare itself.

* * * *

Some indication of slowdown in TV set shipments shows up in Nov. Japan-to-U. S. export figures. As reported by "Home Furnishings Daily," they show only 5% increase from Nov. 1962—by far the smallest 1963-over-1962 rise for any month. In Nov., 36,079 sets were shipped, bringing 11-month total to 402,364 (equivalent to 6% of U. S. b&w production for same period), up from 137,872 for first 11 months of 1962.

Shipments of transistor & tube radios (excluding toys) from Japan to U. S. reached whopping total of 9,219,691 for first 11 months. This compares with U. S. domestic output of 9,606,798 during same period. Nov. Japan-to-U. S. shipments of transistor radios rose big 53% over Nov. 1962 figure to reach 1,053,758. Tube radio shipments were down 16% to 104,755; toys (fewer than 3 transistors) dropped by 60% to 78,499.

DISCOUNTERS FACE RISING COSTS IN '64: Cost of doing business is rising in low-margin retail field & can be expected to put new pressure on profits in forthcoming year, our survey of some 2 dozen top discount chains indicates.

Several new trends, and intensification of previous ones, presage tougher going in 1964 for discount houses. More capital will be invested than ever before to transform discount image from "shlock" to quality. There will be decreasing emphasis on junk merchandise, more on upgraded product lines. Store personnel will be more qualified, better trained—and more costly. Then, too, rise in union activities which became pronounced this year can be expected to become more intensive & widespread—and to boost costs.

In 1964, too, discounters in increasing numbers will continue to look less & less like discounters as they enlist traditional—and cost increasing—merchandising, promotion & selling techniques to stimulate business. There will be increasing use of on-floor selling service, free delivery, credit, mail-&-phone ordering service, advertising. Some discounters will introduce new services—store-to-car delivery of purchases, parking lot attendants, trading stamps, expanded-menu snack bars and full-service restaurants.

However, lest TV-radio-appliance dealers take too much solace from these cost-increasing trends, there are others in wind for 1964 to intensify competition from discounters. Three have particular significance for TV retailers.

(1) Big shake out which hit discount industry in 1962-63 is now virtually shook out. Out of wreckage have emerged the "pros"—astute, experienced, qualified retailers who know what they're doing. These chains tell us 1964 will be year of consolidation & cautious expansion, devoted to tightening operations, beefing sales personnel, sharpening management team. Competition from chains that weathered the shake out figures to be more intensive & effective in 1964.

(2) More discount stores in 1964 will introduce repair service or improve present facilities, for TVs and other warranty home instruments & appliances. This move is part of general trend to embellish quality image & emphasize discounters' one-stop-shopping attraction.

(3) There will be pronounced trend to smaller cities next year. Prime markets are largely overcrowded now, some have passed saturation point. Discounters, therefore, are now scouting smaller towns. "Next year you'll find discount houses opening in towns you never heard of," one discount executive told us. This trend means that TV retailers in many areas who heretofore only read about discount competition likely will be in thick of fight in next 12 months. Here are other observations culled from our survey of discounters:

There's general confidence that 1964's business tone is sound for discounters. With almost no exceptions, discounters we contacted forecast rising sales in upcoming year. Many expect big jumps, stemming largely from new stores opened this year.

There will be markedly fewer new discount stores in 1964. Expansion will proceed cautiously, & some discounters are now more partial to acquisition than to new construction. However, this doesn't mean blackout on new stores. Kresge's K-Mart operation, for example, which opened 35 new discount stores this year for total of 53, plans another 30 in 1964. Korvette has 10 additional stores blueprinted for next 18 months, for total of 40 by July 1965. Interstate and King's are planning in terms of 10 new stores each next year. Just about all chains we surveyed plan some new openings next year, though most will be down from 1963's expansion rate.

Discount attrition will decrease. Shake out, coupled with decline in 1964 expansion plans, has resulted in tapering off of intra-industry competition which ran riot in discount industry in 1962 and through 1963's first half.

Sum-up: TV retailers in 1964 can expect little cheer or gain from discount industry's 1963 attrition. The new discounter image that emerged during last half of 1963 is one of tough, shrewd, knowledgeable retailer. Opportunistic discounters with little experience largely have been driven from field. Survivors, however, although facing problems of rising costs and overcrowded prime markets, are capable & experienced, and they'll continue to give traditional TV retailer a bruising run for consumer dollar.

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 20 (51st week of 1963) excluding 11-in. and smaller:

	Dec. 14-20	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	129, 189	136, 090	125, 405	6, 933, 555	6, 414, 930
Total radio	351, 315	397, 929	380, 877	18, 145, 053	18, 959, 969
Auto radio.....	171, 790	192, 206	179, 453	7, 938, 079	7, 108, 486

TV, RADIO SALES UP: TV sales showed strongest increase over 1962 for any month so far in Oct., while phonos registered biggest decline and radio indicated slight improvement. This is mixed picture shown by official EIA sales & production figures for Oct. and first 10 months of 1962.

TV business continued to zoom toward all-time record, as black-&-white sales to dealers in Oct. came out more than 14% ahead of Oct. 1962, bringing 10-month total to nearly 8% above comparable year-ago period. Actual increase is greater than figures indicate, since tinyvision is not included in EIA figures this year. All-channel set production in Oct. 1963 was 16% of total, compared with 11% in Oct. 1962. For 10 months, all-channel sets constituted 14% of total TV output.

Radio sales to dealers showed slight increase over comparable 1962 month in Oct. for 3rd month in row—up about 1.8% for the month—but for first 10 months of year radio sales were lagging 1962 by more than 13%. FM sets constituted 13% of total radio output (except auto) in Oct., with FM output up 10.5% from Oct. 1962 and up 30% for 10-month period. Car radio production in Oct. soared 32% above Oct. 1962.

Phono sales, subject of concern in industry, dipped in Oct. by 7% at distributor-to-dealer level and by 12% at factory level, as compared with Oct. 1962. Year-to-date distributor sales were 8% ahead of 1962, factory sales 9% ahead. Here are EIA 10-month figures:

TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
March	601,797	580,876	818,510	917,236
April	395,166	364,742	637,443	809,499
May	378,215	310,799	598,410	772,479
June	541,810	480,510	811,923	1,040,598
July	448,441	449,528	698,043	921,089
August	549,421	518,451	849,274	848,881
September	803,521	731,100	1,133,464	1,255,346
October	699,840	611,763	1,081,663	1,063,014
TOTAL	5,428,031	5,034,880	7,698,114	8,888,904

BLACK-&-WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
June	665,004	620,653	107,500	50,283
July	384,291	336,409	75,589	28,359
August	565,198	500,693	90,457	44,862
September	779,405	731,517	133,265	70,299
October	630,091	569,966	100,987	66,059
TOTAL	5,818,906	5,434,086	833,637	485,025

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	594,505	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
April	1,359,769	1,472,654	596,899	519,296	102,208	63,193
May	1,384,063	1,444,074	555,812	504,846	119,756	62,292
June	1,653,866	1,721,873	670,106	629,004	154,818	92,287
July	990,605	1,134,250	331,816	403,946	120,825	68,037
August	1,252,878	1,253,753	489,327	427,747	119,963	98,609
September	2,103,447	2,196,371	952,129	887,104	176,260	165,433
October	1,962,124	1,835,914	894,604	675,680	165,188	149,554
TOTAL	14,894,292	15,684,733	6,420,501	5,665,954	1,223,143	941,141

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	204,073	112,452	316,525	115,998	103,730	219,728
February	192,858	137,114	329,792	130,104	109,316	239,420
March	211,745	134,407	346,152	173,056	126,201	299,257
April	169,478	77,252	246,730	129,175	72,017	201,192
May	129,535	75,513	205,208	136,405	59,159	195,564
June	215,036	100,007	315,043	203,670	70,856	274,526
July	211,645	87,336	299,981	214,007	78,293	292,300
August	283,061	124,287	407,348	281,762	135,026	416,788
September	413,003	178,691	591,694	413,727	182,286	596,013
October	412,174	153,136	565,310	432,776	176,439	609,215
TOTAL	2,442,608	1,180,195	3,622,803	2,230,680	1,113,323	3,344,003

PHONO FACTORY SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	205,955	135,741	341,696	137,090	122,469	259,559
February	190,352	149,923	340,275	130,495	124,917	255,412
March	200,571	129,142	329,713	166,408	132,075	298,483
April	165,016	76,190	241,206	120,793	62,309	183,102
May	123,486	62,723	186,209	132,749	54,543	187,292
June	305,916	149,253	455,199	247,932	135,605	383,537
July	230,282	106,766	337,048	220,196	90,197	310,393
August	300,661	125,779	426,440	293,225	148,230	441,455
September	490,319	212,372	702,691	486,459	201,895	688,354
October	493,547	173,418	666,965	508,130	180,954	689,084
TOTAL	2,706,135	1,321,307	4,027,442	2,443,477	1,253,194	3,696,671

RCA has no plans to pull out of Camden, N. J. area. Pres. Elmer W. Engstrom & Group Exec. Vp Arthur L. Malcarney told meeting of state's U. S. legislators, including Sens. Case (R) & Williams (D). Persistent reports that company will move from Camden are without foundation, they said. Reports mount in wake of layoffs caused by sag in defense business. Legislators & RCA executives agreed to intensify efforts to get more defense business for Camden area.

Nov. was not great month for sales of either b&w TV or radio. Preliminary figures indicate TV sales to dealers only slightly higher than Nov. 1962, while radio sales were 28% below those of corresponding 1962 month. Effect of national mourning for Pres. Kennedy was not reflected in figures, since EIA's statistical month of Nov. ended Nov. 22, day of assassination (for official Oct. figures, see above).

Hitachi Ltd., Japan's largest electrical-electronics manufacturer, has asked Japanese govt. to approve U. S. consumer products sales subsidiary, Hitachi Sales Corp., in Los Angeles, to be capitalized initially at \$500,000. New firm would work through regional distributors, including Sampson Co., Chicago, which has been exclusive U. S. importer & distributor for Hitachi consumer electronics lines.

Color tinyvision is promised for 1964 by Mitsubishi, whose simple announcement of 6-in. color set to sell in Japan at about \$225 has aroused interest among U. S. manufacturers. In Tokyo, Mitsubishi said set is in pilot production stage, may be exported to U. S. by late 1964. Company said marketing would start next May, but revealed no other details.

GE has settled 3 anti-trust damage suits with total \$10.7 million payments to Consolidated Edison (\$5.8 million), Middle South Utilities (\$2.6 million), Niagara Mohawk Power (\$2.3 million). Suits were aftermath of electrical price-fixing conspiracy case.

UPBEAT '64 FORESEEN: Cheery, indeed, is outlook for 1964, if tenor of year-end reports by major electronics companies is criterion. Here are capsule summations of their views:

RCA reported record sales & profits for 1963 (see financial table). Chmn. David Sarnoff saw 1964 as "year of economic advance & heightened business activity." He predicted color set sales at 1.2-1.5 million, depending largely on picture-tube output. "In all its aspects, from manufacturing to broadcasting to servicing," he said, "color at the retail level promises to become a billion-dollar industry in 1964." RCA, he added, expects to achieve record business & profits in 1964 for 3rd consecutive year.

Reviewing 1963 operations, Gen. Sarnoff picked 3 segments of RCA's business as providing "decisive impetus to growth": (1) Color—"profits from the sale of color apparatus & related color services increased by 70% over the previous year." (2) Broadcasting—"NBC earned substantially greater profits than its previous record earnings year of 1962." (3) Data processing—sales & lease increased by more than 50% in 1963.

GE has hopes of record \$5 billion sales in 1963 and "over-all, it looks good for 1964," in opinion of retiring Chmn. Ralph J. Cordiner. He said gross national product would expand in 1964 by 5-6%, declared "we expect to do better than that." He credited Consumer Goods Div. with "doing a terrific job," said sales strength of consumer goods, industrial equipment & international shipments will more than compensate for softening in defense & utility sales. GE is still plagued by anti-trust damage suits arising from 1961 electrical conspiracy case, but Cordiner said firm will soon settle some 2/3 of the claims for about \$75 million.

Westinghouse expects 1963's sales to top 1957's record \$2.009 billion and foresees volume rise in 1964. Pres. Donald C. Burnham forecast total 1964 sales of more than \$27 billion for electrical manufacturing industry, up from 1963's projected \$26.6 billion, said "Westinghouse expects its sales to parallel the experience of the industry." He noted that company "will enter 1964 with the largest backlog of orders since the 1953 Korean war period," said all product groups should contribute to anticipated 1964 improvement.

Motorola is confident its 1964 business will "exceed 1963 in both sales and earnings," looks for "continued high level plateau of national prosperity in 1964," Pres. Robert W. Galvin reported. "Our greatest concern," he continued, "is whether the prospective tax cut in 1964 will be accompanied by the necessary concurrent reduction in the costs of govt." For Galvin's forecasts of Motorola's 1964 sales of TV, radios, hi-fi, other products, see Vol. 3:50 p8.

Arvin Industries sales & earnings are at, or close to, record levels, and Pres. Eldo H. Stonecipher anticipates continuation of "good" business during 1964's initial months. Outlook for 1963 is 10% earnings rise on 5% sales gain from 1962.

Philco's future is bright, in opinion of Ford Chmn. Henry Ford II. "The American market for TV, radio, hi-fi & household appliances is far from saturated," he told Philco distributors at recent Detroit convention (Vol. 3:51 p8). "The market is not saturated when fewer than 1/4 of American homes have air conditioners, freezers

& clothes dryers. The market for TV will not even approach saturation until color TV is as much a fixture in the American living room as black-&-white TV is now. And, even then, there will still be plenty of demand left to satisfy... As family income goes up, I think you can look forward to continued growth in the number of families owning two or more of the many products you sell."

Packard Bell Electronics expects earnings in fiscal-1964's opening quarter, ending Dec. 31, to more than double to more than \$1.35 a share from 61¢ a year earlier. Included will be 80¢ a share in capital gains, compared with 5¢ in 1962's Oct.-Dec. period. Sales should match year-earlier's \$14.3 million. Chmn.-Pres. Robert S. Bell forecast for total fiscal year "an improvement" over fiscal-1963's \$1.1 million earnings on about same sales volume, \$49.4 million.

ZENITH'S ALL-CHANNEL COLOR: New Zenith line, now being shown to dealers at distributor open houses, features more color sets (23 in all), slightly fewer b&w than previous series. Nine color consoles are available only in all-channel, some of them featuring unique radio-type slide-rule dial with 2-speed tuning. All-channel color consoles run from \$750 to \$950 (including 6 remote models), about same prices as their predecessor vhf-only models of last spring. Also new to color line is \$995 color combo (previous combos at \$1,300 & \$1,775 remain in line). Color sets still begin with ebony table model at \$449.95.

Two 16-in. models continue to lead off b&w line (picture power stepped up to 17,500 volts), but they're open list this time (formerly \$149.95-\$159.95). New 23-in. b&w combo with AM-FM is \$449.95 (vs. \$519.95 for former lowest-priced combo), or \$499.95 with FM stereo. Top of line b&w combo is \$629.95 (vs. \$650 top 6 months ago).

Two all-new stereo portables lead off phono line. One is upside-down version of drop-down phono—it flips up, instead, using new changer only 7-1/2-in. wide, which sets on top of wing-speaker cabinet when top is flipped over. This 4-speaker unit is \$129.95. Also new is portable tilt-down phono with AM-FM & FM stereo radio at \$229.95. Solid-state amplifiers are used in 8 stereo consoles & some TV combos.

Columbia Records introduced 10 additions to its Masterwork line, including 2 transistorized 3-piece "packaged component systems" in walnut cabinets—\$225 for phono, amplifier & speakers, or \$325 including AM-FM-stereo tuner. Portable phonos are \$24.95 to \$139.95, latter being transistorized unit. AM-FM table radio at \$39.95 and AM-FM personal portable at \$49.95 were also introduced.

* * * *

Some Zenith TVs will be fair-traded in N. Y. for first time, under new policy of Zenith Radio Corp. of N. Y., factory-branch distributor. It's understood that all color consoles, two 19-in. portables & two 23-in. consoles are involved. Fair trade prices have also been set by Zenith's N. J. distributor, Appolo Distributing Co.

Motorola is test-marketing several hundred 23-in. rectangular color sets in Chicago. Production of the tube has been stepped up at National Video, and Motorola is tentatively planning on shipments of 23-in. color sets in significant quantities in 1964's 2nd quarter.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1963—qtr. to Oct. 31	\$ 13,173,000	—	\$ 34,000	\$0.03	1,065,098
	1962—qtr. to Oct. 31	13,636,000	—	122,000	.11	1,019,739
Muntz TV	1963—qtr. to Nov. 30	3,627,875	\$ 315,563	156,970 ¹	.11	1,437,482
	1962—qtr. to Nov. 30	3,322,068	392,381	331,235	.23	1,437,482
RCA Story on p. 11	1963—year to Dec. 31 ²	1,780,000,000 ³	135,000,000	65,000,000 ³	3.55	17,390,000
	1962—year to Dec. 31	1,751,646,000	107,935,000	51,535,000 ⁴	2.84	17,023,000
	1963—qtr. to Dec. 31 ⁵	466,000,000	—	20,800,000 ³	—	17,390,000
	1962—qtr. to Dec. 31	486,173,000	38,057,000	17,257,000 ⁴	.96	17,023,000

Notes: ¹After full Federal income taxes; previous tax-loss carry-forward credits expired in fiscal 1963. ²Preliminary ³Record. ⁴Before net capital gain of \$6,960,000 (41¢ a share) from sale of 991,816 Whirlpool common shares. ⁵Indicated.

Trade Personals

Dr. Elmer W. Engstrom, RCA pres., appointed to National Bureau of Standards' Statutory Visiting Committee.

William L. Davis, ex-RCA Service Co., appointed Admiral national service mgr. for distributing branches, a new post, headquartering in Chicago.

Robert W. Sanders, Magnavox chief TV engineer, promoted to Consumer Products Div. engineering mgr., headquartering in Ft. Wayne.

Walter Kissinger promoted from Harman-Kardon acting gen. mgr. to vp & gen. mgr. . . **Joseph M. Silver**, ex-Martel Electronics, joins Majestic International Sales Corp. as gen sales mgr. and asst. to Pres. Leonard Ashbach, a new post.

J. Penn Rutherford, formerly International Resistance exec. vp, appointed exec. vp of Penn Controls, Goshen, Ind.

Charles L. Alden appointed Minnesota Mining and Mfg. Magnetic Products Div. merchandising mgr.; **Carl J. Andrews** named ad mgr.

Jack Simberg and **Daniel J. Domin**, Muntz TV vp and secy.-treas., respectively, elected dirs.

Aniello A. DiGiacomo promoted to r&d vp, General Instrument Capacitor Div.; he's succeeded as engineering vp by **Dr. Archie Broodo**, ex-GE.

Obituary

Fred Bonar Wright, 79, retired Western Electric PR dir. (1922-1949), died Dec. 21 in New Rochelle Hospital, N. Y., after short illness. He is survived by his widow and 2 sons.

Jointly owned electronics firm is planned by Thompson Ramo Wooldridge & Martin Marietta Corp. "to engage in applications of electronics to modern industry." Directors of both companies have approved plan in principle, details will be worked out over next month or so.

Muntz TV, which posted \$3.6 million sales in fiscal-1964's opening quarter (see financial table), anticipates total-year volume of \$15 million, up from \$11.8 million in 1963 fiscal ended last Aug. 31 (Vol. 3:43 p12). Pres. Wallace A. Keil expects sales of 20,000 color sets for \$8 million color volume, compared with 2,000 color sets in preceding year. B&w sales are projected at 80,000 units. The 100,000-set forecast approximates fiscal-1963's unit sales, Keil pointed out, but dollar value will be higher. Color & combinations will produce some 70% of Muntz volume this year, he said. Muntz also reported that it will introduce 16-in. TV in Jan., has terminated its private-label business, has 10,000 color tube allocation from RCA for 1964.

P. R. Mallory anticipates 1963 sales & profit slippage stemming largely from "phasing out" of subcontract for electronic assemblies used in Army radios & softening prices in various product lines. Earnings are expected to slip to about \$3 a share on current shares from 1962's \$3.15, sales to \$93 million from \$99.1 million. Pres. G. Barron Mallory said price situation is "still bad" for capacitors, semiconductors & other items. Over-all, however, prospects for 1964 appear "good at least through the first 6 months," & 1964 sales are projected at more than \$100 million.

Seeking lift of 10% excise tax on TV receivers, FCC Comr. Lee & staff recently met with Treasury Asst. Secy Stanley S. Surrey, urging that situation is unique because Congress placed special burden on industry through all-channel law. Lee also warned that increased price of all-channel sets may deter sales, reduce excise collections. Commission has told Budget Bureau that excise tax removal is high on its list of legislative priorities. It's expected several congressmen will introduce bills to remove tax.

Ampex has registered 1,511,230 capital shares with SEC for exchange for 80% or more of Mandrel Industries capital stock. Houston-based Mandrel provides operating services in geophysical exploration. Stock exchange, on basis of 9 shares of Ampex for each 10 of Mandrel, seeks to effect a "pooling of interests," to team Ampex equipment and Mandrel service to develop means for studying earth & oceans.