

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starting on page 7)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

And people were saying NAB conventions are getting dull.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sony Corp. of America has Japanese-made portable unit at \$10,900, promised deliveries beginning in Aug. Dimensions are 17 x 25 x 17 in., weight 145 lb. Tape speed is 5¼-ips on 2-in. tape, or 63 min. on 7-in. reel. Unit features single-frame stop motion and slow-motion playback at 1/60 normal speed. Scan is helical, with one video head and one sync head. Horizontal resolution is 250 lines.

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

Among advantages of electron scanning system, as enumerated by Camras: (1) Regular audio tape could be used; super-high-quality tape wouldn't be required. (2) Half-inch tape at 7½ ips could provide broadcast quality. (3) Equivalent of 8-mm could be obtained from ¼-in. tape. (4) System priced low enough for home use could eventually result.

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paul Bosted named International Rectifier director general of European operations.

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

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

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

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

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

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

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

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

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

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

Jan. Sales Figures: TV distributor-to-dealer sales were up 7% in Jan. over Jan. 1961 figures, phono sales up 44%—and radio down 20%—according to EIA market data released last week (see p. 9 for later estimates). Production statistics showed all-channel sets accounted for 12% of Jan. output, vs. 7% a year before. EIA's Jan. 1963 figures vs. Jan. 1962:

	PRODUCTION		DISTRIBUTOR SALES	
	Jan. 1963	Jan. 1962	Jan. 1963	Jan. 1962
Total TV	484,415	488,869	503,821	465,886
TV with uhf	58,032	39,609	—	—
Total radio	1,229,507	1,850,603	—	—
Non-auto	635,002	820,041	453,348	562,869
FM radio	87,641	76,510	—	—
Auto	594,505	530,589	—	—
Total phono.	341,694*	259,559*	316,525	219,728
Mono.	83,638*	68,545*	81,046	48,423
Stereo	258,058*	191,014*	235,479	171,305

* Factory sales.

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

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

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

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

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

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

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

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

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

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

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

Transitron Electronic anticipates further losses in its 3rd fiscal quarter ended March 31 but is "shooting for the break-even point toward the end of the 4th quarter," ending June 30, Pres. David Bakalar said. Transitron was in the red \$257,101 at close of 2nd fiscal quarter (Vol. 3:8 p12). In 1962 fiscal, Transitron lost \$763,755. Company's profitability depends largely on volume, he said, and he estimated \$6.5 million a quarter as break-even point in sales.

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

Jan.-1962 stock dividend.

Common Stock Dividends

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

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

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

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

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

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

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

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NEW SERIES VOL. 3, No. 74 ¹⁴**The authoritative service for executives in all branches of the television arts & industries**

APR 8 1963

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

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

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Next meeting, in Washington, comes April 29.

Farewell to co-ax: Only 2% of Bell System's inter-city TV mileage is now represented by coaxial cable—down from 30% in 1954. So said AT&T long lines div. engineer Sheldon C. Jenkins in paper presented at NAB broadcast engineering session last week. Other facts about current status & future plans for Bell's TV relays: Carrier now maintains 94,000 miles of inter-city channels (up from 39,000 in 1950) and has 141 TV operating centers. This does not include nationwide network of multi-purpose broadband channels, available to TV in emergencies and for occasional special use. AT&T's standard TD-2 microwave amplifiers are being modified to increase their power to 5 watts from current ½ watt. New TD-3 system, to be available in 1965, will have 5 watts from start. Joint broadcaster-AT&T Network TV Committee has completed 2nd edition of its standard text, *Video Analysis*, now being sent to all NAB member stations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Among topics & responses at FCC panel session:

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

GI's transistor tuner is 2nd to be revealed in 2 weeks. GE disclosed at recent IEEE convention in N.Y. that new miniature uhf tuner is going into production there (Vol. 3:13 p7). New GI tuner measures 2 x 2½ x 1 in., presumably will be widely used in 16-in. & smaller sets where space is important consideration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Sales		Earnings	
	1962	1961	1962	1961
Aerovox	—	—	\$ (506,909)	\$ (606,568)
Amphenol-Borg Electronics	\$ 93,082,750	\$ 73,204,641	2,345,298	623,299
Clevite	101,175,033	91,874,140	6,562,236	5,142,689
CTS Corp.	28,245,799	21,468,189	2,153,391	1,822,734
Dynamics Corp. of America	75,014,106	49,165,655	3,572,778	2,093,596
Eitel-McCullough	—	—	750,000	486,671
Erie Resistor	—	—	1,032,449	495,050
Gabriel	31,649,503	30,304,892	1,032,594	591,049
General Bronze	18,957,533	18,641,852	(141,108)	(1,663,832)
Globe-Union	69,440,000	62,518,783	2,024,000	2,592,505
Hawley Products	7,500,000	5,880,000	400,000	104,570
Indiana General	25,501,081	22,034,915	2,076,121	1,790,663
International Resistance	29,423,449	24,717,034	2,481,698	2,088,315
P.R. Mallory	99,060,031	85,197,027	5,121,145	4,513,224
Muter	16,500,000	14,553,107	350,000	243,962
National Union Electric	39,488,498	36,517,713	1,151,694	962,214
Oak Mfg.	30,591,623	23,017,077	907,031	557,662
Sonotone	21,772,006	22,328,588	301,944	(103,726)
Sprague Electric	86,954,897	77,254,031	6,066,319	6,092,473
Standard Kollsman	89,958,321	104,289,859	2,324,816	3,189,761
Texas Instruments	240,692,588	233,223,325	8,557,200	9,446,386
Thompson Ramo Wooldridge	460,314,000	409,077,000	12,454,000	6,459,206
Tung-Sol	64,683,240	65,946,154	842,139	1,510,577
TOTALS	\$1,531,004,458	\$1,471,213,982	\$61,858,836	\$48,432,480

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

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

Common Stock Dividends

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

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

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

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starting on page 7)

APRIL 15, 1963

NEW SERIES VOL. 3, No. 15

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

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

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

APR 15 1963

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

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Personals

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

• • • •

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Arrow Electronics	1962—year to Dec. 31	\$ 5,067,112	\$ 223,577	\$ 110,913	\$0.26	430,000
	1961—year to Dec. 31	4,219,203	274,236	135,406	.31	430,000
Corning Glass	1963—12 wks. to Mar. 24	66,138,295 ¹	13,258,683	6,931,683 ¹	1.01 ²	6,791,885
	1962—12 wks. to Mar. 24	60,357,929	12,576,903	6,768,903	.99 ²	6,785,662
GE	1963—qtr. to Mar. 31	1,154,473,000 ³	119,631,000	58,979,000	.66	89,453,687
	1962—qtr. to Mar. 31	1,100,566,000	114,169,000	55,963,000	.63	88,962,489
Hallcrafters	1963—6 mo. to Feb. 28	34,132,000	1,959,000	979,000	.40	2,463,585
	1962—6 mo. to Feb. 28	35,599,000	1,742,000	842,000	.35	2,429,000
	1963—qtr. to Feb. 28	16,986,000	956,000	472,000	.19	2,463,585
	1962—qtr. to Feb. 28	15,840,000	826,000	396,000	.16	2,429,000
Harvey Radio	1963—year to Jan. 31	7,188,020	736,801	357,453	.46	770,000
	1962—year to Jan. 31	4,356,081	480,445	232,592	.30	770,000
Littelfuse	1962—year to Dec. 31	6,510,384	—	326,087	1.00	323,043
	1961—year to Dec. 31	5,357,669	—	197,630	.75	323,043
MCA	1962—year to Dec. 31 ³	188,160,276	27,291,840	12,706,849 ⁴	2.50 ^{2,4}	4,601,670
	1961—year to Dec. 31 ³	172,329,325	24,456,554	10,916,554	2.14 ²	4,040,735
Muter	1962—year to Dec. 31	16,382,731	751,918	374,274	.30	1,257,695
	1961—year to Dec. 31	14,553,107	434,962	243,962	.20	1,199,094
Outlet Co. (WJAR-TV Providence)	1963—year to Jan. 31	19,454,270 ⁵	2,089,440	1,013,593 ⁷	2.04 ⁷	497,100
	1962—year to Jan. 31	19,329,437 ⁶	2,023,226	958,820	1.93	497,100
Pacific Industries	1963—6 mo. to Feb. 28	14,437,828	123,694	28,739 ⁸	.02 ⁸	1,887,239
	1962—6 mo. to Feb. 28	11,348,712	719,294	413,294	.22	1,627,239
Sangamo Electric	1962—year to Dec. 31	49,336,151	(1,817,410)	(901,410) ⁹	—	1,637,617
	1961—year to Dec. 31	48,397,578	3,123,310	1,745,310	1.07	1,636,378
Stanley Warner	1963—26 wks. to Feb. 23	66,881,757	2,176,965	1,058,965	.52	2,033,924
	1962—26 wks. to Feb. 23	67,371,250	2,774,984	1,559,984	.77	2,033,924
	1963—13 wks. to Feb. 23	32,672,868	777,187	429,187	.21	2,033,924
	1962—13 wks. to Feb. 23	32,087,800	337,264	247,264	.12	2,033,924
Storer Bcstg.	1963—qtr. to Mar. 31	9,770,711	3,361,478	1,627,228	.67	2,440,300
	1962—qtr. to Mar. 31	8,700,000	2,862,030	1,238,627 ¹⁰	.51 ¹⁰	2,474,943
Times-Mirror	1963—qtr. to Mar. 31	36,000,000	—	1,752,000	.40	4,300,492
	1962—qtr. to Mar. 31	30,512,449	—	162,705	.04	4,296,872

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

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

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

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

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

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

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

**HANDY POCKET DIRECTORY
of
TELEVISION STATIONS
IN OPERATION
1963**

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APR 15 1963

Distributed as a Special Supplement of

Television Digest

2025 Eye Street, N.W.
Washington, D. C.

Television Stations in Operation

Or Due to Be Operating by Spring of 1963

(Channel Numbers in Parentheses)

* Indicates CP Status as of December 1, 1962, Station Having Reported Plans to Start This Year.

† Indicates Non-Commercial Educational Station.

ALABAMA	Birmingham — WBRG-TV (16)	Montgomery — WCOV-TV (20)	Wetumpka — WWSB-TV (12)	Mobile — WKRQ-TV (15)	Prichard — WJTV-TV (11)	Montgomery — WMOB-TV (12)	Wetumpka — WWSB-TV (12)	Montgomery — WMOB-TV (12)	Wetumpka — WWSB-TV (12)
ALASKA	Anchorage — KENI-TV (12)	Fairbanks — KFAR-TV (12)	Juneau — KINY-TV (18)						
ARIZONA	Phoenix — KTVK (31)	Phoenix — KPHE-TV (15)	Phoenix — KOOL-TV (10)	Phoenix — KTAR-TV (12)	Phoenix — KTAET (18)	Tucson — KVOA-TV (14)	Tucson — KGUN-TV (19)	Tucson — KOLD-TV (13)	Yuma — KIVA (11)
ARKANSAS	El Dorado — KTVB (11)	Hot Springs — KFOY-TV (19)	Little Rock — KARK-TV (14)	Little Rock — KATV (17)	Little Rock — KTHV (11)				
CALIFORNIA	Bakersfield — KEBO-TV (11)	Bakersfield — KLYD-TV (17)	Bakersfield — KBAK-TV (29)	Chico — KHSL-TV (12)	El Centro — XHBC-TV (13)	Eureka — KQIO-TV (16)	Fresno — KFRE-TV (13)	Fresno — KMLJ-TV (24)	Fresno — KJEO (147)
CONNECTICUT	Hartford — WTIC-TV (31)	Hartford — WHNH-TV (13)	Hartford — WHB-TV (15)	Hartford — WTRN-TV (12)	Hartford — WHB-TV (15)	Hartford — WTRN-TV (12)	Hartford — WHB-TV (15)	Hartford — WTRN-TV (12)	Hartford — WHB-TV (15)
DISTRICT OF COLUMBIA	Washington — WRC-TV (14)								
FLORIDA	Daytona Beach — WESH-TV (12)	Daytona Beach — WFTS-TV (35)							
GEORGIA	Atlanta — WAGA-TV (15)	Atlanta — WATL-TV (11)							
HAWAII	Hilo — KHBC-TV (19)	Hilo — KALU (11)	Hilo — KHJ (13)	Honolulu — KONA (12)	Honolulu — KHVH-TV (14)	Honolulu — KMBM-TV (19)			
IDAHO	Baise — XBOI-TV (12)	Idaho Falls — KID-TV (13)	Idaho Falls — KIFI-TV (18)	Lewiston — KLEW-TV (3)	Pocatello — KTLB (16)	Twin Falls — KLIX-TV (11)			
ILLINOIS	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)	Chicago — WLSU (18)
KANSAS	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)	Topeka — KTVB (16)
KENTUCKY	Bowling Green — WLTV (13)	Lexington — WLEX-TV (18)	Louisville — WKYT (12)						
LOUISIANA	Alexandria — WLSI (15)	Baton Rouge — WBRZ (12)	Lafayette — KLFY-TV (10)						
MAINE	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)	Augusta — WCBB (11)
MARYLAND	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)	Baltimore — WMAR-TV (12)
MASSACHUSETTS	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)	Boston — WBZ-TV (14)
MICHIGAN	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)	Detroit — WJLB-TV (21)
MINNESOTA	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)	Minneapolis — KSTP-TV (12)
MISSISSIPPI	Biloxi — WLOX-TV (13)	Columbus — WCBI-TV (4)	Greenwood — WABG-TV (16)	Hattiesburg — WDAF-TV (17)	Jackson — WJBT (12)	Meridian — WTOP-TV (11)	Tupelo — WTVV (19)		
MISSOURI	Cape Girardeau — KFVS-TV (11)	Columbia — KOMU-TV (18)	Hannibal — WHEC-TV (10)	Quincy — KHQA-TV (17)	Jefferson City — KRGG (13)	St. Louis — KMOX-TV (12)			
MONTANA	Billings — KOOK-TV (2)	Butte — KXLF-TV (4)	Glendive — KXGN-TV (5)	Great Falls — KRTV (13)	Helena — KBLL-TV (12)	Missoula — KMSO-TV (13)			
NEBRASKA	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)	Omaha — KMTV (16)
NEVADA	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)	Las Vegas — KLAS-TV (18)
NEW HAMPSHIRE	Durham — WENH-TV (11)	Manchester — WMUR-TV (19)							
NEW MEXICO	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)	Albuquerque — KOB-TV (17)
NEW YORK	Albany — W-TEN (11)	Binghamton — WNGF-TV (12)							
NORTH CAROLINA	Asheville — WLOS-TV (11)	Chapel Hill — WUNC-TV (14)	Charlotte — WBTW (13)						
PENNSYLVANIA	Allentown — WFGD-TV (11)	Philadelphia — WPTZ-TV (12)							
RHODE ISLAND	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)	Providence — WJAR-TV (12)
SOUTH CAROLINA	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)	Charleston — WUSN-TV (21)
SOUTH DAKOTA	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)	Sioux Falls — KSD-TV (17)
TENNESSEE	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)	Chattanooga — WRBC-TV (13)
TEXAS	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)	Austin — KRBK-TV (19)
UTAH	Provo — KVCN-TV (11)	Salt Lake City — KUTV (12)							
VERMONT	Burlington — WCAX-TV (13)								
VIRGINIA	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)	Richmond — WRVA-TV (12)
WEST VIRGINIA	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)	Charleston — WSAZ-TV (13)
WISCONSIN	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)	Madison — WISC-TV (13)
WYOMING	Casper — KTVL-TV (21)	Cheyenne — KFBC-TV (15)	Riverton — KWRB-TV (11)						

Television Digest

APR 22 1963

with

Consumer Electronics . . . (starts page 7)

APRIL 22, 1963

NEW SERIES VOL. 3, No. 16

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

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rep. Harris also knows how to walk the tightrope.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

—■—

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
CTS Corp.	1963—year to Mar. 31	\$ 28,867,246	\$ 2,217,710	\$ 2,222,526	\$1.50	1,482,003
	1962—year to Mar. 31	23,700,815	2,162,406	2,021,505	1.40	1,447,003
	1963—qtr. to Mar. 31	7,293,933	567,714	619,149	.42	1,482,003
	1962—qtr. to Mar. 31	6,672,486	495,404	550,014	.38	1,447,003
Electronic Specialty	1963—qtr. to Mar. 31	16,753,006	1,049,788	574,788	.40	1,440,557
	1962—qtr. to Mar. 31	14,999,886	987,224	589,224	.41	1,440,557
GT&E	1963—qtr. to Mar. 31	332,479,000 ³	—	22,060,000 ³	.29	75,264,000
	1962—qtr. to Mar. 31	317,906,000	—	18,162,000	.25	73,470,000
Macfadden-Bartell	1963—qtr. to Mar. 31	—	—	483,651	.30	1,593,482
	1962—qtr. to Mar. 31	—	—	(136,458)	—	1,593,482
P. R. Mallory	1963—qtr. to Mar. 31	24,441,022	1,833,888	864,221	.53 ¹	1,617,353
	1962—qtr. to Mar. 31	24,506,709	2,259,462	1,074,321	.66 ¹	1,501,848
MGM	1963—28 wks. to Mar. 14	70,114,000	—	(8,716,000)	—	2,569,229
	1962—28 wks. to Mar. 14	70,766,000	—	2,553,000	1.00	2,545,229
Metromedia	1963—qtr. to Mar. 31	13,527,470	—	703,283 ³	.40 ¹	1,715,044
	1962—qtr. to Apr. 1	12,270,314	—	138,732 ⁵	.07 ¹	1,707,057
Movielab	1962—year to Dec. 29	6,549,244	555,778	292,278	.86	341,010
	1961—year to Dec. 29	5,810,577	520,974	279,474	.82	341,010
Muter Co.	1963—qtr. to Mar. 31	4,172,531	212,126	104,561	.08	1,257,695
	1962—qtr. to Mar. 31	4,132,740	150,059	72,701	.06 ²	1,199,094
Paramount Pictures	1962—year to Dec. 31	106,286,000	—	(3,410,000)	—	1,681,681
	1961—year to Dec. 31	115,514,000	—	5,668,000	3.35	1,684,481
RCA Story on p.11	1963—qtr. to Mar. 31	436,000,000 ³	35,300,000	17,300,000 ³	.95	17,364,000
	1962—qtr. to Mar. 31	425,000,000	28,900,000	14,500,000	.81	16,913,000
Raytheon	1963—qtr. to Mar. 31	126,409,000	4,146,000	(1,434,000) ⁴	—	4,124,858
	1962—qtr. to Mar. 31	157,334,000	5,219,000	2,499,000	.60	4,013,754
Texas Instruments	1963—qtr. to Mar. 31	59,797,000	5,376,000	2,455,000	.61	3,948,238
	1962—qtr. to Mar. 31	57,483,000	4,663,000	2,411,000	.60	3,945,613
Vornado	1963—6 mo. to Feb. 28	78,313,968	—	2,438,654	1.86	1,310,593
	1962—6 mo. to Feb. 28	57,081,325	—	1,936,843	1.48	1,310,593
	1963—qtr. to Feb. 28	39,420,646	—	1,415,450	1.08	1,310,593
	1962—qtr. to Feb. 28	28,878,919	—	1,072,914	.82	1,310,593
Wells-Gardner	1963—qtr. to Mar. 31	3,764,000	—	(53,000)	—	422,400
	1962—qtr. to Mar. 31	4,380,000	—	62,000	.15	422,400
Westinghouse Story below	1963—qtr. to Mar. 31	489,742,000 ³	23,588,000	12,588,000	.34 ¹	35,633,070
	1962—qtr. to Mar. 31	460,466,000	21,178,000	11,778,000	.32 ¹	35,618,153

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

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

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

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

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

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

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

Television Digest

with

Consumer Electronics . . . (starts page 7)

APRIL 29, 1963

NEW SERIES VOL. 3, No. 17

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

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

NO FCC-NCTA AGREEMENT ON CATV LAW, but some operators see 'glimmer of hope.' Fact-finding committee to show Commission probable results of regulation in multiple-station markets. Canadian gov't.-industry conflict coming to head (p. 2).

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

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

Consumer Electronics

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

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

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

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

RATINGS—DAMAGE SUITS, USER REACTION: Repercussions of Washington ratings hearings brought these developments among others last week: (1) First suits against Nielsen & Pulse, by radio station, seeking damages. (2) Growing body of reaction by ratings users—agencies, reps, stations—against gov't. intervention in the business and for maintenance of a non-user-connected competitive ratings system.

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

At convention in White Sulphur Springs, W. Va. last week, AAAA Chmn. Marion Harper, one of ad agencies ablest spokesmen, called for gov't.-hands-off and asked that rating services be allowed to compete in free marketplace (see p. 5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Broadcasters With CATV Interests

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unusual new CATV operation is that planned by Vincennes U., Vincennes, Ind. As a state agency, it has sold \$770,000 worth of 5½% bonds to investment firm of Goodbody & Co., to finance new systems in Vincennes & Washington, Ind. Another bond issue is planned to finance systems in Lawrenceville & Bridgeport, Ill. University had retained management consultants Howard S. Frazier Inc. to see whether Vincennes could support combination commercial-ETV station. Frazier judged that it couldn't—but CATV was recommended as source of income for pure ETV station—and school has asked FCC to reserve Ch. 52. In 6 years, Frazier estimates, Vincennes will have 4,900 subscribers, Washington 3,125. Frazier, incidentally, reports his firm working on 18-20 systems in various stages of planning—including Fayetteville, N.C., where city council has voted tentatively to franchise local group. NCTA reports following new members: Long Island Cable Vision Corp., Bayside, N.Y.; Cablevision of Va., Covington, Va.; Lee County TV, Beattyville, Ky.; Dryden Community Antenna Corp., Dryden, N.Y.; Okaloosa TV Cable Co., Ft. Walton Beach, Fla.; Flora TV Cable Co., Flora, Ill.; Owsley Co. TV, Booneville, Ky.; Laverne TV Cable Co., Laverne, Okla.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Quentin L. Harvell promoted to vp-administration, Mae Keenan to club service administrator, Advertising Federation of America . . . Serge T. Popper elected vp, Mort Bassett & Co.

John Mankin, mgr., promoted to vp-gen.mgr., Tyler & Jacksonville, Tex. CATV systems . . . Billy I. Ross, So. Ill. U., elected pres. of Alpha Delta Sigma, professional advertising fraternity.

Obituary

David B. Stillman, 57, Seven Arts Productions pres., died April 25 of heart failure at Westport, Conn. home. Prominent theatrical attorney, he was named to Seven Arts post when company was reorganized in 1960. He served as general counsel for numerous motion picture & TV ventures, including late Mike Todd's "Around the World in 80 Days." He is survived by wife, son, brother, 2 sisters.

Personals

Thomas H. Dawson, CBS-TV vp-network sales, promoted to vp-sales, succeeding William H. Hylan, who joins J. Walter Thompson as vp in charge of TV & radio . . . Carl Tillmanns, CBS-TV vp-eastern sales, promoted to vp-gen. sales mgr.

William G. Porter promoted to exec. editor, CBS News-TV . . . John Dragomier promoted to TV sales mgr., James Fox to radio sales mgr., Chicago office, Venard, Torbet & McConnell.

Clark Ramsay promoted to exec. asst. to pres., in charge of marketing, MGM, N.Y.; Dan Terrell promoted to exec. dir., advertising, publicity, promotion . . . Tom T. Miller, ex-movie theatre owner, appointed gen. mgr., Muscle Shoals TV Cable Co. (CATV).

Robert S. Haft promoted to international business affairs dir., CBS TV Stations Div. . . . Leonard J. Patricelli promoted to vp & gen. mgr., WTIC-TV-AM-FM Hartford, succeeding late Walter C. Johnson; Robert S. Tyrol, vp-radio sales, named secy. & a dir.

Robert Storer, youngest son of Storer Bestg. Chmn. George B. Storer, named sales promotion dir., WAGA-TV Atlanta, coming from similar post at radio KGBS Los Angeles.

Graydon R. Powers Jr., ex-Porcelain Enamel Institute information services, Washington, named asst. exec. dir., Assn. of Maximum Service Telecasters . . . Daniel D. Calibraro, WGN-TV Chicago public relations mgr., adds duties as exec. admin. asst.

Frank H. Nowaczek Jr. promoted to research dir., newly-formed research & development council, National Community TV Assn. . . . Robert G. McHendrix, ex-pro-

George Foster Peabody awards for 1962: Walter Cronkite, CBS News, news; Carol Burnett, CBS-TV, & *Du Pont Show of the Week*, NBC, entertainment; "A Tour of the White House With Mrs. John F. Kennedy," CBS News, public service; "San Francisco Pageant," KPIX San Francisco, & *Elliott Norton Reviews*, ETV WGBH-TV Boston, locally produced program; William R. McAndrew, NBC News exec. vp, special award; *Exploring*, NBC News, youth & children's series; *Walt Disney's Wonderful World of Color*, NBC, for "outstanding contributions" to youth & children's programming; *Adlai Stevenson Reports*, ABC, contribution to international understanding; *Books of Our Time*, ETV WNDR N.Y.; *Biography*, David Wolper & Mike Wallace, education. TIO & NAB received special award for study of children's programming that led to book, "For the Young Viewer" (McGraw-Hill). Broadcast Pioneers Pres. Ward Quaal, WGN-TV Chicago, announced special citation to Rep. Harris (D-Ark.), House Commerce Committee chmn., for "firm and fair leadership" overseeing "America's system of free broadcasting."

Closer ties between broadcasting & psychiatric-psychological professions, to eliminate misconceptions about mental health, were called for by Stockton Helffrich, N.Y. mgr., NAB Code Authority. He spoke during April 22-23 conference co-sponsored by NAB & National Assn. of Mental Health at West Point, N. Y.

New Westinghouse series on art appreciation, *America: The Artist's Eye*, will be seen starting in May on WBC stations and on syndication. Narrated by Fredric March & Florence Eldridge, 15-part series includes 9 segments in color. Highlight is 15-min. telecast of White House paintings; others are less than 5 min.

Ch. 5 Boston application of Hub Bestg. has been returned as incomplete, FCC denying waiver seeking delay in submission of details.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY GROPE WITH RADIO RIDDLE: What's happening to radio? Why is it happening? What's the cure? Industry's top marketing minds are pondering this puzzle, with little agreement—and not even many opinions. In an industry usually given to glib answers & voluble explanations, many are now just saying "I don't know."

At present, there's more mystery than misery in radio's sudden decline at marketplace—TV is selling well; phono sales are excellent; even radio's drop is large only when compared with 1962 (sales are only 3% below first quarter 1961). Inventories have been cut sharply in line with sales dip.

Here are facts to date about domestic-brand radios: For first 16 weeks of 1963 (through April 19), distributor-to-dealer sales are about 14% below last year's similar period. For first quarter, sales totaled about 1,902,000, some 13% below the 2,177,998 of first quarter 1962. Jan. sales were off 20%, Feb. 13%, March 9%, compared with 1962, and preliminary reports for April indicate fall-off has increased from March. Factory & distributor inventories as of April 1 were down 13% from year-ago levels.

Transistor radios are leading the decline—but it extends almost across-the-board. One set of estimates for first quarter has miniature radio sales down only 10% from last year's same period, personal size sets down 45%, AM table models down 29% and FM & FM clock radios down 18%. Industry production has been trimmed by about 25% from last year's figures. At same time, imports of transistor radios are setting new records.

Imports, radio saturation, lack of profit, bad weather—all get at least partial blame as industry leaders try to figure out what's really going on. They're frank to admit they have no pat answers—but here are some appraisals of situation from top manufacturers:

One large radio manufacturer, who requested anonymity, blamed "competitive circumstances, the volume of merchandise on the market and the Japanese increasing their share of the market." However, he said, "no big trends are discernible and we don't regard the situation as basically serious from the long-term point of view."

Imports come in for major share of blame by Emerson Pres. Benjamin Abrams and others. Says Abrams: "There's nothing the matter that couldn't be cured if we stopped importing Japanese junk. If you include imports, radio business isn't bad as a whole. It has reached saturation because of low prices in the transistor field. Our table & clock radio sales are ahead of last year. But remember—if a person buys an imported set at \$5.99, he's out of the market for a \$20 set. I see no change in the foreseeable future. The only answer is in better sets. For example, our 9-transistor radio is doing well, although pocket sets are slow."

"We've just hit a breathing spell following 2 good years," says an Admiral spokesman. If you include imports, a lot of radios are being sold, he adds.

Conceding he can see "no good reason" for sudden dip, Motorola consumer products marketing vp S. R. (Ted) Herkes speculates that this year's bad winter weather kept consumers from "shelf-shopping." He adds that radio's an impulse item, but people buy TV regardless of weather. Motorola's radio business has picked up somewhat, according to Herkes.

GE isn't seriously concerned, spokesman said, noting that 1962 was excellent year, and therefore slump isn't great when compared with previous years. He offers theory that dip may be seasonal and that some people are delaying purchase of walk-in-&-buy items for other larger purchases.

Even Zenith's Leonard C. Truesdell concedes he's "puzzled." The pres. of Zenith Sales Corp. adds: "I've said for years we were reaching saturation on radios—every kid in America has one—but I didn't expect it to be this sharp." But he feels that if there's any sign of buying strike, it may be by dealers

rather than public. "Discount houses have sold so many radios so cheap and have beaten prices down so low, I know of many retailers who aren't even interested in radio any more. When they can't make more than \$1 or \$1.50 on a sale, what's the use of making the effort? The attempts of some American manufacturers to get volume through discount houses have hurt the business. Zenith's radio sales are down slightly, but only one-fourth as much as the rest of the industry."

• • • •

Distributor-to-dealer sales of b&w TV may be leveling off to last year's levels, judging by preliminary unofficial figures for March. These show dealers bought about 592,000 sets last month, up only 2% from the 581,000 of March 1962. For first quarter, sales were about 4% ahead of last year. April 1 TV inventories at factory & distributor levels stood at about 1.12 million—down nearly 12% from year-ago total. (For official 2-month EIA TV-radio-phono sales & production figures, see p. 10.)

23-IN. COLOR TUBE OUTPUT NEXT MONTH: Motorola's 2-year drive for rectangular 90-degree color tube is scheduled to achieve first tangible results in May, when National Video plans to begin first production-quantity output of 23-in. version.

Motorola itself now plans to introduce 2-size color set line early this summer—"a minimum number of 23-in. tubes in the top of the line" (to quote Motorola), and regular 21-in. round 70-degree tubes in other sets. Motorola & National Video have spent more than \$4 million developing the 90-degree rectangular 3-gun shadow-mask tube, Pres. Robert W. Galvin said recently.

Zenith's Rauland Corp., meanwhile, is concluding pilot runs and expects to begin production output of 21-in. round 70-degree color tubes at its new plant in May, starting with small quantities and gradually increasing through July. Sylvania will start shipping 21-in. color tubes in quantity some time during 2nd half of year, probably in 4th quarter (Vol. 3:15 p11).

National Video plans to end pilot runs of 23-in. color tubes by about May 15 and start production by end of month, Pres. Asher Cole told us last week. Both he and Motorola spokesmen declined to estimate quantities which will be produced, but Cole said production would be stepped up through rest of year.

Tube will be made available to other set manufacturers in quantity around end of this year, Cole said, with sampling coming earlier. He estimated it would cost "roughly in the price class of the 21-in.—maybe about \$10 more." National Video plans to produce none of the 21-in. round 70-degree tubes now being built by RCA and scheduled to be produced by Sylvania & Rauland this year.

National Video's color tube appears to be interim size, and it's good guess that when Corning's 25-in. rectangular glass bulbs become available (Vol. 3:13 p8) 23-in. will have run its course. Corning says its rectangular bulbs may take up to 2 years' development time, but there's some feeling among tube makers that they'll be available considerably ahead of Corning's stated target dates. Same chassis presumably can drive either 23- or 25-in. 90-degree color tube, so it's assumed changeover problems will be minimal.

Behind Motorola's crusade for rectangular 90-degree color tube is saga of dogged persistence which is already resulting in change in size & shape of color tubes. There's little doubt that Motorola's campaign against bulky color sets—and its desire to do something about it—is bearing fruit in accelerated efforts by Corning & RCA to bring out shorter color tube in rectangular design.

New tube uses specially re-formed black-&-white 23-in. bulb—refined to color's tightened tolerances and with special 3-gun neck affixed. RCA-type round tube and Corning's upcoming 25- & 19-in. color bulbs use "hard" color glass. Use of b&w glass made it possible for Motorola & National Video to break one bottleneck in development of rectangular 90-degree color tube. Motorola virtually roamed world to obtain equipment to make it possible to produce such a tube now. That the tube will be seen in production quantities this year, despite widespread skepticism of its competitors, is tribute to Motorola's determination.

TOP TV BRANDS-IN-USE IN 15 MARKETS: How various TV brands stack up in terms of total sets used in selected markets is again shown in tabulation of surveys made by local newspapers. The tally for 1963 by Consolidated Consumer Analysis is reproduced by special permission in the table on p. 9.

Owned by its member newspapers, CCA conducts annual research surveys of consumer ownership & use of various products. The 15-market survey of TV ownership was based on sample size of 43,104 fam-

ilies in areas comprising total of 2.9 million households. Most interviewing was conducted during last 3 weeks of Oct. 1962.

TV study covers all sets-in-use in homes of interviewed families, which therefore reflects yearly changes in brand preferences only slightly. Rankings aren't necessarily representative of country as whole, showing ownership only in markets surveyed. Survey does show variations in regional brand preferences.

Tabulations of TV ownership rank 13 brands according to percentage of households owning them in markets covered. Survey isn't directly comparable with last year's (Vol. 2:19 p7), because of different markets covered. Last year's study tallied 17 markets, including 4 not represented this year. Two new markets have been added this year—Des Moines (survey results represent entire state of Iowa) and West Palm Beach.

RCA was listed as top brand-in-use in all but 2 markets. Like last year, Zenith & Philco were first in one market each. Here are top-place rankings by ownership, with last year's figures as general guide:

RCA ranked first in 13 markets, 2nd in 2 (last year first in 15 and 2nd in 2). Zenith, first in one, 2nd in 5, 3rd in 6, didn't rank below 6th place in any market (last year, first in one, 2nd in 3, 3rd in 6). Philco was first in one, 2nd in 4, 3rd in 2, didn't rank below 7th in any market (last year, first in one, 2nd in 3, 3rd in one).

Admiral was 2nd in 2 markets, 3rd in 4, didn't rank below 7th in any market (last year, 2nd in 4, 3rd in 4). GE was 2nd in 2, 3rd in 2, didn't rank below 7th (last year, 2nd in 3, 3rd in one). Motorola was 3rd in one market, same as last year.

For direct comparisons of sets-in-use ratings with past surveys, check your back files of Television Digest—1962 (Vol. 2:19 p7), 1961 (Vol. 17:28 p15), 1960 (Vol. 16:35 p11), 1959 (Vol. 15:26 p16), 1958 (Vol. 14:28 p12), 1957 (Vol. 13:40 p10).

More detailed tabulations of brand preferences in individual markets (including, in some cases, radio & stereo brands as well as TV) will be found in Consumer Analysis reports published by each of the CCA member papers. These participating newspapers will supply copies of own areas' analysis on request: Denver Post, Des Moines Register & Tribune, Duluth Herald & News-Tribune, Honolulu Star-Bulletin & Advertiser, Indianapolis Star & News, Long Beach Independent Press-Telegram, Milwaukee Journal & Sentinel, Omaha World-Herald, Pensacola Journal & News, Phoenix Arizona Republic & Gazette, Providence Journal-Bulletin, Salt Lake Tribune & Deseret News-Telegram, St. Paul Dispatch-Pioneer Press, Palm Beach Post & Times, Wichita Eagle & Beacon.

Television Set Ownership in 15 Markets, 1963

(See story above)

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CITY	RCA Victor	Zenith	Philco	Admiral	General Electric	Motorola	Silvertone	Packard-Bell	Emerson	Westinghouse	Magnavox	Sylvania	Hoffman
	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %
Denver	1. 18.1	2. 12.9	6. 8.7	4. 12.0	5. 11.1	3. 12.7	8. 5.1	7. 5.7	10. 4.0	12. 3.6	13. 3.5	15. 2.6	16. 2.1
Des Moines (1)	1. 16.5	3. 19.9	2. 11.8	5. 8.2	6. 7.8	4. 10.2	9. 3.3		12. 2.5	7. 4.4	13. 2.3	8. 3.9	17. 1.1
Duluth-Superior	1. 25.5	5. 8.3	3. 9.6	4. 8.4	2. 17.3	9. 5.1	10. 4.3		6. 6.9	8. 5.4	11. 2.5	18. 1.2	
Honolulu	2. 20.2	1. 20.3	5. 8.7	7. 7.6	3. 13.8	6. 8.5	4. 11.0	9. 3.7	10. 3.2	11. 3.1	12. 1.7	8. 5.8	
Indianapolis	1. 19.8	3. 10.5	4. 9.6	2. 15.4	5. 7.0	6. 6.5	8. 4.4			9. 3.6	10. 2.3	7. 4.6	
Long Beach	1. 21.2	2. 13.8	7. 8.7	4. 11.2	3. 11.3	10. 5.4	5. 10.4	6. 10.2	11. 2.7	13. 2.5	9. 7.2	14. 2.0	8. 8.4
Milwaukee	1. 27.6	3. 14.9	5. 9.7	2. 18.6	6. 7.3	4. 10.4	7. 5.5		10. 2.5	9. 3.2	8. 3.9	10. 2.5	
Omaha	1. 22.7	3. 14.6	2. 16.7	6. 9.0	4. 10.1	4. 10.1	7. 5.1		9. 4.3	10. 3.0	8. 5.0	16. 1.2	18. 1.1
Pensacola	1. 22.8	3. 16.9	2. 18.2	5. 9.6	7. 8.0	4. 11.5	6. 8.4		9. 2.3	10. 1.8	10. 1.8	8. 2.6	
Phoenix	1. 11.1	4. 9.2	7. 5.5	3. 9.8	2. 10.7	5. 7.0	8. 5.3	9. 4.6	6. 6.6	11. 3.7	10. 4.0	12. 3.3	13. 3.2
Providence	2. 12.0	3. 10.7	1. 12.4	4. 10.4	7. 6.4	6. 9.4	12. 2.4		5. 9.7	8. 4.2	9. 3.6	11. 3.1	
Salt Lake City	1. 18.2	6. 7.5	2. 13.2	3. 11.9	4. 11.8	5. 8.2	8. 5.2	9. 4.9	13. 2.8	7. 6.1	11. 4.5	12. 4.0	10. 4.6
St. Paul	1. 23.8	2. 13.9	5. 9.7	3. 12.5	4. 11.9	5. 9.7	19. 1.1		13. 2.0	10. 3.4	9. 3.7	17. 1.3	
West Palm Beach	1. 24.4	2. 15.4	3. 12.5	7. 5.6	5. 8.0	5. 8.0	4. 8.7		10. 4.3	11. 2.7	7. 5.6	13. 1.9	
Wichita	1. 13.7	2. 11.2	4. 8.4	3. 10.6	6. 7.2	5. 7.7	8. 4.4		19. 1.0	10. 3.3	7. 4.6	13. 1.9	9. 4.0

(1) All figures are for the state of Iowa.

TV-RADIO PRODUCTION: EIA statistics for week ended April 19 (16th week of 1963):

	Apr. 13-19	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	131,801	137,969	122,798	2,146,536	2,069,025
Total Radio	312,176	332,909	363,154	5,198,298	5,736,115
Auto Radio	135,276	147,956	130,482	2,392,241	2,015,844

TV UP, RADIO DOWN: EIA's release of official 2-month sales & production figures confirms preliminary reports—radio sales down substantially (see p. 7), monochrome TV sales up somewhat, phono sales running way ahead of last year, at distributor-to-dealer level.

Distributor sales of b&w TV for first 2 months topped the million mark, running about 6% ahead of 1962, but only up 3% in Feb.-to-Feb. comparison. In production column, all-channel sets accounted for 12% of total output in 2-month period, and were running 41% ahead of last year.

Phono distributor sales for Feb. were 38% better than Feb. 1962, and, following a 44% increase for Jan. this year, 2-month results showed year-to-date rise of better than 40%.

In Feb. radio figures, even FM didn't provide usual bright spot, showing slight decline compared with Feb. 1962. In 2-month figures, however, FM production was still a little less than 5% ahead of 1962. Only cheering radio news was in specialized field of auto radios—along with good new car business, production was 24% higher than same 1962 period. Official EIA 2-month figures, compared with last year:

TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	508,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
TOTAL	1,039,820	987,111	1,069,384	1,260,762

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
TOTAL	1,042,346	1,030,363	121,745	86,324

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	657,691	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
TOTAL	2,619,159	2,815,427	1,252,196	1,010,821	163,185	156,223

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	81,046	235,479	316,525	48,423	171,305	219,728
February	73,424	256,548	329,972	50,563	188,857	239,420
TOTAL	154,470	492,027	646,497	98,986	360,162	459,148

PHONO FACTORY SALES

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	83,638	258,058	341,694	68,545	191,014	259,559
February	77,971	262,304	339,275	52,566	202,846	255,412
TOTAL	161,609	520,362	681,971	121,111	393,860	514,971

New sets: (1) Western Auto's Truetone color line, with 3 models, will begin with metal console at about \$495, include step-ups at \$595 & \$645. (2) Sonora adds 17-in. portable at \$139.95 list, 19-in. at \$159.95, 23-in. consoles at \$224.95 & \$234.95, TV combos at \$299.95 & \$399.95, plus 4 new phonos. (3) Electrohome of Canada, claiming 300 retail outlets in all 50 states, adds TV to its combo & stereo line, 9 units starting with 19-in. portable at \$179.95; color is due this summer. (4) Packard Bell adds 19-in. remote portable at \$229.95. (5) Mercury Phonographs (div. of Mercury Records) adds first units built in Holland by Philips—transistor portable phono (8 lb.), operating on 6 flashlight batteries (\$59.95); deluxe stereo portable (\$139.95). (6) Magnavox to add 2 new 27-in. consoles to line, including Danish walnut set with tambour doors at \$378.50. (7) Sharp introduces 11-transistor 2-speed portable phono with AM-FM radio. (8) Zenith debuts Jetliner slim luggage-style portable with 19-in. bonded tube (\$189.95).

Motorola challenged FTC examiner's findings in asking full Commission to review initial decision recommending cease-&-desist order against advertising claims for TVs & radios (Vol. 3:14 p14). Of particular interest to industry is Motorola's objection to doctrine that sets containing imported components should be labeled as to origin. In this connection, Motorola counsel said examiner had raised new issues, and in view of fact that company's major competitors engage in similar practices, results of decision would have far-reaching effects—probably far beyond transistor radio industry. In addition, Motorola called examiner's finding "vague, indefinite and excessive in scope" and added that claims which were challenged are technical in scope and were voluntarily abandoned before complaint was issued. FTC counsel also asked Commission to review case, challenging examiner's dismissal of 2 charges against Motorola.

"Single most important instrument" for solving mankind's present & future problems may well be electronics. So said RCA Pres. Elmer W. Engstrom last week in address to SMPTE convention in Atlantic City. Electronics has now advanced "to a new & essentially unlimited technology capable of application to virtually every organized human activity," he said. In future, he said, electronics may play the major role in organizing man's knowledge, improving genetic strains of plant & animal life to feed expanding populations, supplying inexpensive & inexhaustible energy sources, educating & communicating with peoples throughout the world, exploring space, forecasting significant climatic changes far in advance.

Zenith's famous Trans-Oceanic 8-band portable radio, first introduced in 1941 in tube version (and since transistorized), has been reduced from \$250 to \$199.95, including batteries, as result of "new technology in transistors and their circuits."

Trade Personals

Robert W. Galvin, Motorola pres., will be toastmaster at EIA's Annual Award Dinner, Chicago, June 19 . . . **Titus Haffa**, Webcor chmn., named among 11 recipients of 1963 Horatio Alger Awards.

Frank M. Folsom, RCA exec. committee chmn., will be national chmn. for National Bible Week, Oct. 21-27.

Gerald L. Phillipe, GE pres., and **Donald C. Power**, GT&E chmn. & chief exec. officer, named among 10 recipients of Beta Gamma Sigma's national honor award for members who best personify "integrity & accomplishment."

Ross Siragusa Sr., Admiral chairman, to represent consumer durables industry in panel on business outlook May 16 at 6th annual economic conference of National Industrial Conference Board at Waldorf Astoria, N.Y.

George E. Shea, onetime GE, appointed Philco Consumer Products Div. distribution mgr., a new post.

Ray V. Bruland, Collins Radio, and **George Church**, Bendix Radio Div., elected EIA's rep & alternate, respectively, on exec. committee of Radio Technical Commission for Aeronautics.

Martin Sugar named Bell TV chmn. & vp, succeeding **Brose Bunting**, elected treas.; **Lee Bunting** succeeds Sugar as pres. & gen. mgr.

Kenneth W. Mabee, ex-Philco, named Sylvania distributors field sales mgr. for home entertainment products, headquartering in Batavia, N.Y.

Duncan C. Menzies, Servel pres., elected to Sonotone board; **Irving I. Schachtel**, Sonotone pres., reelected a dir. . . . **James C. Sheenan**, Westinghouse Credit Corp. operations vp, elected a dir. of Westinghouse subsidiary.

Herbert H. Friedman, onetime CBS Electronics & former Electro Components founder & pres., joins Du Mont Labs' Electronic Tube Div. as distributor sales mgr.

Distributor Notes: Motorola names **Appliance Distributors**, Charleston (John Bailey, pres.; Charles Peele, sales mgr.) distributor for 30 South Carolina counties formerly served by Gas Engine & Electric • **Sylvania Tube Div.** appoints **Everett H. Frost** New England district sales mgr., succeeding **James W. Ritter**, named assistant to renewal mktg. mgr. **William T. Buschmann** • **TelePrompter** appoints **Fines Sales Corp.**, Hialeah, Fla., sales rep in Florida for its Weathers hi-fi & stereo lines • **Olympic Radio's** N.Y. sales branch, Olympic Appliances, Glendale, N. Y., names **Bennett F. (Ben) Singer** district sales rep, succeeding **Jack Lee**, resigned • **Westinghouse** has established district offices in Milwaukee (G. B. Williams, district mgr.) & Cincinnati (W. B. Compton, district mgr.). Other changes: **C. R. Ross** appointed mid-Atlantic regional mgr., headquartering in Phila., succeeding **Leo M. Cronson** who retires May 1; **R. J. Bittner** named Northwest regional mgr., Chicago hq, succeeded by **W. C. Fortune** as Chicago district mgr.

GE is plugging **Compactrons** to TV manufacturers in trade ads, stressing long life, economy & cool operation of the multi-function tubes.

Sylvania offers "Technical Report on Tunnel Diode Measurements" brochure, available gratis from Sylvania, 1100 Main St., Buffalo 9, N.Y.

MORE RECORD QUARTERS: Magnavox & Zenith joined growing parade of first-quarter record breakers. Sales & earnings of both firms rose to new highs in 1963's opening 3 months (see financial table). Magnavox earnings gained to \$2.9 million from \$2.4 million on 2% sales rise to \$43.8 million. Zenith rang bell with 7% profit improvement to \$5.1 million on 13% sales jump to \$92.3 million.

Magnavox consumer product sales climbed 16%, and sales of TVs & stereo hi fi "continue to outpace the industry trend," Pres. Frank Freimann reported.

Zenith set variety of records: Share of industry's b&w TV sales, production & factory shipments of b&w TVs, distributor unit sales to dealers, production & factory shipments of radios. Chmn. Hugh Robertson emphasized that upbeat business is continuing, said April sales are running some \$3 million ahead of April 1962.

"Color TV contributed significantly to Zenith's increased first quarter sales volume," he said. "Distributor sales to dealers of Zenith color TV receivers during the period were approximately double the sales of a year earlier." He also pointed out that consoles accounted for approximately 1/3 of Zenith's first-quarter b&w TV unit sales—"a substantially higher percentage than the industry average."

Reports & comments: Avco, memo, Bache & Co., 36 Wall St., N.Y. 5 • **Metromedia**, analysis, J. W. Sparks & Co., 120 Broadway, N.Y. 5 • **AT&T**, comments, Walston & Co., 120 Broadway, N.Y. 5 • **Erie Resistor**, report, Fulton Reid & Co., 1186 Union Commerce Bldg., Cleveland 14 • **Textron Electronics**, review, Peter P. McDermott & Co., 42 Broadway, N.Y. 4 • **GT&E**, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • **Sony Corp.**, prospectus, Smith, Barney & Co., 20 Broad St., N.Y. 5 • **Schlumberger (Daystrom)** and **General Tire & Rubber (T.K.O. General)**, discussions, Shearson, Hammill & Co., 14 Wall St., N.Y. 5 • **Arvin Industries**, report, W. E. Hutton & Co., 14 Wall St., N.Y. 5 • **Stewart-Warner**, report, Pershing & Co., 120 Broadway, N. Y. 5; review, Sincere & Co., 231 S. La Salle St., Chicago 4 • **Scripps-Howard Bestg.**, prospectus, The First Boston Corp., 15 Broad St., N.Y. 5 • **Maremont Corp.**, prospectus, Georgeson & Co., 52 Wall St., N.Y. 5 • **General Tire & Rubber**, report, Schweickart & Co., 29 Broadway, N.Y. 4 • **RCA**, research study, Goodbody & Co., 2 Broadway, N.Y. 4; analysis, A. M. Kidder & Co., One Wall St., N.Y. 5 • **Sprague Electric**, discussion, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5 • **Fairechild Camera & Instrument**, report, Amott, Baker & Co., 150 Broadway, N.Y. 38. • **Electronics Capital Corp.**, brochure, Electronics Capital Corp., 1400 Fifth Ave., San Diego 1 • **Oak Mfg.**, analysis, Gude, Winmill & Co., One Wall St., N.Y. 5 • **Motorola**, comments, Purcell & Co., 50 Broadway, N.Y. 4 • **Crowell-Collier**, prospectus, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • **GT&E**, report, Janney, Battles & E. W. Clark, 1401 Walnut St., Phila. 2 • **Clevite**, report, Francis I. DuPont & Co., One Wall St., N.Y. 5.

GE stock is owned by more than 515,000 individual shareholders, including nearly 100,000 of company's 250,000 employees. Of 105 million authorized GE common shares, 89 million are outstanding.

GT&E has filed FCC application for authorization to purchase stock in Communications Satellite Corp.

WEEKLY

Television Digest

with

Consumer Electronics . . . (starts page 7)

MAY 6, 1963

NEW SERIES VOL. 3, No. 18

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

NAB LIBRARY SUMMARY-INDEX OF WEEK'S NEWS

MAY 6 1963

Broadcast

CONFLICT RISES IN UHF STUDY as 'haves' & 'have nots' argue how far committees should go in compiling programming & business data—on affiliations, film availability, etc. FCC staff recommends rare exemptions from all-channel-set rules for receivers on master antenna systems (p. 1).

GE'S TALARIA PROJECTOR appraised as capable of utilizing full potential of NTSC color on full-size theater screen with movie brightness; company sees near-term demand for 400-500 units (p. 2).

TRAVAILS OF ETV IN NEW YORK: FCC looking into any 'understanding' on program policy between WNDT & donors; controversy arose over NBC's \$100,000 gift (p. 3).

INDUSTRY GEARS FOR NEXT RATINGS ROUND, Harris Subcommittee giving time for self-improvement planning, NAB Pres. Collins reports on goals. ARB & Nielsen continue working on modifications (p. 4).

NETWORKS REPLY ON CIGARETTE commercials, Stanton, Kintner & Goldenson telling Sen. Moss medical information is still lacking, that no special attempt to reach youth is made (p. 5).

Consumer Electronics

COLOR'S FUTURE—PROJECTION? Provocative question about eventual design of home sets is implicit in GE's Talaria demonstration. Added feature might be inclusion of thermoplastic video recorder (p. 7).

ALL-CHANNEL LAW will result in depressed TV sales next year, most industry leaders agree, but extent of impact is debated; strong dissents registered by some who feel law will increase sales (p. 7).

3M TAPE CARTRIDGE models to be added next year after nationwide distribution is reached; device seen moving eventually to mass market as competitor to phono (p. 8).

NEW-LINE CALENDAR shows debut dates for most manufacturers' new models; few dealer-showing junkets planned this year (p. 9).

JAPAN PINS HOPE ON TV for future increases in consumer electronics exports, according to predictions by govt. & manufacturers' association; elimination of sales tax on transistor TV seen as boost (p. 10).

RADIO IMPORTS UP another 24% from Japan in first 2 months of year, while average price drops again. Toy radios & tube radios register sharp decline, recorders & phonos rise (p. 10).

CONFLICT RISES IN UHF STUDY: Self-interest of parties became more abundantly apparent last week in Washington meeting of executive committee of Committee for Full Development of All-Channel Broadcasting. Chaired by FCC Comr. Lee, committee got into substantial controversy of duties of "Committee No. 2"—on uhf station operation.

Controversy seems about as basic as this: The "have nots" want to dig as deeply as possible into business & programming practices; the "haves" fear that govt. pressure might be brought to bear on status quo, through committee. Meeting ended with majority voting to explore the controversial areas—but with Comr. Lee making it clear that govt. won't pressure anyone, that Commission isn't dictating committee's work.

Uhf station operation committee, under Seymour Siegel, WNYC-TV N.Y., has established these subcommittees: (1) Programming resources, Lawrence Turet, WUHF-TV Milwaukee, chmn. (2) Network affiliations, John English, WSEE Erie, Pa., chmn. (3) Influence of ratings on uhf, rep Adam Young, chmn. (4) Advertising practices, Lawrence Webb, SRA, chmn. (5) CATV & pay TV, William Putnam, WWLP Springfield, chmn.

You can well imagine concern of networks, et al., about a committee probing such things under aegis of FCC. Many reservations were voiced by Peter Kenney, NBC; Harvey Struthers, CBS; Frank Marx, ABC; Vincent Wasilewski, NAB; Lester Lindow, AMST—and several attorneys for vhf operators. Though Lee sought to assure them that subcommittees weren't going to browbeat networks and others about uhf-affiliation practices, price of film, etc., many of foregoing either voted against subcommittees or abstained.

Commission's representatives are very concerned about being labeled "promoters." Reflecting Comr. Ford's reservations, Lee stated that Commission doesn't intend to put out rosy predictions to entice newcomers into uhf station operation. However, as Lee's engineering asst. Robert Weston puts it: "We're promoters in only one sense—promoting the distribution of all-channel sets."

There hasn't been serious split yet in technical committees. However, one may be brewing. Receiver manufacturers are worried about FCC's recent move to allow uhf audio power reduction (Vol. 3:14 p5). Zenith, in fact, last week petitioned Commission to reconsider the action; it insisted that lower audio power will seriously reduce fringe-area reception, that FCC is technically misinformed.

FCC is expected soon to act on requests that manufacturers be permitted to continue making vhf-only sets for schools, hospitals and other organizations using master distribution systems (which need no uhf tuners on sets, because conversion can be done with one master converter).

We understand Commission staff is recommending denial of most requests, on grounds that exemptions might limit uhf-set growth substantially. However, staff suggests to Commission that it grant case-by-case waivers only for receivers shipped to educational institutions for use solely in in-school teaching—and that such sets be labeled "For In-School Use Only."

Staff believes that development of all-channel master distribution systems should be encouraged. All such systems are vhf-only now, because of heavy cable transmission losses occurring at uhf frequencies—but Commission staff believes state-of-the-art can & should be advanced to provide vhf-uhf systems. Staff also believes policing of exempted vhf-only-set distribution would be tough—that such sets might slip into general sale eventually.

Set manufacturers are very uncertain, meanwhile, about potential impact of all-channel law on set sales. For their speculation, see p. 7.

REPORT ON TALARIA COLOR PROJECTOR: We were privileged to view one of first demonstrations of GE's Talaria light-valve theater-TV projector last week, and we can report that system appears capable of utilizing full potential of NTSC color signal on full-size theater screen with brightness equivalent to 35-mm film.

This is the projector scheduled to be backbone of National General Corp.'s planned full-time theater-TV network, which is due to begin operation next year (Vol. 3:9 p3). We viewed demonstration at GE's Technical Products Operation in Syracuse, on screen 19-ft. wide, with projector operating at one-third maximum brightness. System is designed for screens as large as giant 39-ft. wide.

Picture we saw had excellent color, comparable to best we've seen on home screen, with full movie brightness extending even to corners. Viewed close-up, limitations of NTSC 525-line system for theater use were obvious; but at distance where we sat (about 2½ screen widths from screen), picture appeared clear & sharp. Talaria system, according to Technical Products Operation Marketing Mgr. Harry E. Smith, is capable (with altered electronics) of handling non-standard and non-encoded color signals up to 20-mc bandwidth. GE has experimentally projected 1029-line picture. (National General's operation will use standard NTSC signal, which AT&T network facilities are designed to accommodate.)

Talaria is based on same principle as Eidophor—use of layer of fluid in place of cathode-ray tube. Electron gun causes ripples in fluid, controlling its light-transmission characteristics. Thus external light source (instead of cathode-ray tube) can be used. GE uses 5-kw xenon lamp for illumination, shines light directly through control layer of fluid, where Eidophor system uses light refracted from layer.

Real breakthrough of Talaria is its color system, which uses only 2 electron guns—one for green and one for red & blue. Green image uses one portion of control fluid and one lens system, red & blue together using single location on fluid and single lens system. Red light emerges from control layer in horizontal plane, blue light vertical; masking system separates the 2 light beams. Combination of 2 colors into one single gun & projection group vastly simplifies registration and makes possible economies in design.

Talaria projector itself is somewhat smaller than 35-mm theater film projector, weighs about 1,000 lb. is designed to fit in projection booth. Prices haven't been divulged yet—but National General's order runs into "millions of dollars" and is believed to involve about 100 projectors. NGC is U.S. distributor of Talaria for entertainment field. GE sees other uses for system—including military, commercial & educational. Smith forecasts "short-range market" for 400-500 units in U.S.

We saw some of units being assembled in Electronics Park, but full production isn't scheduled to begin until late this year. National General will give press preview of system on West Coast in few weeks.

Talaria's brightness exceeds SMPTE standards for 35-mm theater projection on screens up to 36-ft. wide. An additional feature is light-modulation system which reduces effect of scanning lines. In demonstration we saw, pictures from GE's new live color camera were excellent and well registered on giant screen, exceeding in quality the films which were shown on system.

GE officials say they hope eventually to design smaller versions of Talaria for use in halls which don't need theater-size pictures. This gives rise to interesting speculation about possible development of projection color for home. (See story on p. 7).

TRAVAILS OF ETV IN NEW YORK: Peculiar to-do has been going on about N.Y.'s ETV station WNDT (Ch. 13). Since many people believe station can & should be nation's ETV bellwether, there's a lot of disquiet among educators and other ETV supporters.

Here's the situation: Station was running short of operating cash for year ending next June 30 (total budget running \$3.1 million). CBS pitched in with \$100,000 recently, then NBC did same. April 17 Variety magazine carried story reporting that WNDT Pres. Samuel Gould, in accepting funds, "guaranteed" that at least 80% of programming would be "strictly classroom-type material." Implication was that CBS & NBC were paying to eliminate programs which might compete with theirs. About same time, Gen. Mgr. Richard Heffner was dismissed. Gould said move was dictated by economics—need to save Heffner's \$32,500 salary. Heffner's friends began rallying around, blasting Gould—but WNDT board backed Gould. Heffner, meanwhile, has signed with Metropolitan Bcstg. to moderate series, "The American Experience."

Then FCC became concerned. WNDT is a sort of pride & joy of Chmn. Minow, because he was a catalyst in getting station bought for ETV use from National Telefilm Associates (it was WNTA-TV, Newark-N.Y.). Naturally, Commission can't condone any program dictation as implied by news stories. Then N.Y. Times played it up, printing exchange of letters between NBC Chmn. Robert Sarnoff & Gould. Wrote Sarnoff: "I was impressed by your outline of plans for the future of WNDT and your conviction that the station must evolve a pattern of operations where the bulk of its service would be directed to the type of educational programs which would serve a specific teaching function, and the rest of the programming would be directed to specialized interests not met by commercial broadcasting." Gould response: "It is a great pleasure to talk with you and [David C. Adams, NBC senior exec. vp] about station policy. I look forward to continuing our discussions at some later time."

Sarnoff & Gould promptly & vehemently denied that any deal had been made. FCC concluded that controversy was too strong to ignore, asked WNDT to tell all about it. Commission's letter is broadly worded to suggest to WNDT that it supply information on any "understandings" with any donors—not only with NBC. This could open a large field, because there are a lot of donors to a lot of ETV stations. But it probably won't; everyone would be much surprised if any clandestine "deal" is uncovered.

Minow is concerned about WNDT's health in a broad sense—in addition to question of Sarnoff-Gould situation. He says he recognizes the dispute among educators—some wanting classroom use, others seeking to provide informational & cultural programs. And, he worries: "If ETV can't go in New York, where can it go?"

William Harley, pres. of National Assn. of Educational Bcstrs., tells us: "We've always felt that an established New York station could give ETV a place in the sun. It provides a showcase and has created much interest through stories in national publications." However, he said N.Y. operation has little in common with other ETV outlets in terms of budget & labor. WNDT has experimented with use of "professional approach" to programming & production.

David Stewart, dir. of NET Washington office and secy. of Joint Council on Educational Bcstg., doesn't believe WNDT operation is so vital, nationally. He says its success is important, but: "ETV is largely a local matter; its national growth isn't dependent on New York."

There are 79 operating ETVs—about two-thirds owned by institutions, one-third by community groups as in N.Y. Looking beyond WNDT's problems, NAEB's Harley stresses 2 areas most important to national ETV growth: (1) All-channel-set distribution—because two-thirds of ETV reservations are uhf. (2) Funds from Congress; Senate last week approved \$1.5 million for ETV facilities for fiscal 1963, following House's similar action. For fiscal 1964, President seeks \$7 million; House has trimmed this to \$5 million.

INDUSTRY GEARS FOR NEXT RATINGS ROUND: Industry is being given a few more weeks' collecting time before hearings in ratings investigation resumes. Chmn. Harris (D-Ark.) and his Subcommittee met last week, agreed on taking more time, will meet again in 2 weeks to plan next phase. To be heard: FCC Chmn. Minow, FTC Chmn. Dixon, NAB Pres. Collins, advertisers.

Concern about ratings isn't a partisan thing in Harris Subcommittee. GOP Rep. Springer, from Nielsen's home state of Illinois, isn't seeking to take heat off Nielsen. In speech to Ill. Bcstrs. Assn. last week, he said Pres. A. C. Nielsen Jr. "may be invited to appear and present, in person, whatever testimony he feels was neglected or barred during the 10 days that Nielsen company witnesses were on the stand." Springer also reflected Harris's views—give industry chance of self-policing, legislate if that doesn't work. Harris, incidentally, is expected to make major pronouncement in speech at May 16 SRA luncheon in N.Y. It's understood he's much impressed with way NAB Pres. Collins is handling industry cleanup efforts.

Collins spoke to Canadian Assn. of Bcstrs. in Toronto last week, spelled out NAB's goals: Establishment of a "Broadcast Audit Service" to audit and certify rating services—to see that they do "what they purport to do," complying with minimum standards. He said BAS would be "independent of the rating services and of govt., responsible to the broadcaster." It will function under board including all industry elements. In addition, Collins said, NAB wants "a continuing research program to develop ways of improving rating methodologies & procedures." Said he: "It took a congressional investigation to call us to clear duty." NAB is consulting with leading figures in academic & applied research, will contact rating services shortly.

Confusion of effort, if not actual competition, seemed to be developing between TvB, NAB & others. TvB is working on a "Broadcast Auditing Bureau," same thing as NAB's BAS. However, NAB & TvB representatives have been talking informally about resolving differences. NAB argues that ratings research is management & policy matter, not sales consideration. And then there's RAB, which wants separate radio research project through Advertising Research Foundation—and ARF would like the whole TV-radio auditing job, too.

TvB has been asking Nielsen & ARB to hold off their announced changes, pending further TvB study—but both services told TvB they couldn't wait. Nielsen wired that it will proceed with rate increases based on improvements in local sample designs. ARB wrote that it must go ahead with doubling samples for all reports, said that if it waited too long it wouldn't be able to make change by Sept. 1 for new season. N.Y. Arbitron sample is being increased to 400 homes from current 340; it was 225 year ago.

ARB informed all clients that doubled sample will reduce fluctuations and element of chance. Cost will increase 50-60%. ARB has also established methodology committee to examine diary fulfillment error, etc. It had first meeting April 25, is headed by Dr. Maurice Kendall, pres. of Royal Statistical Society of England, includes 3-4 statisticians from CEIR, ARB parent. ARB also reported that doubled sample was started 1-2 years ago in several markets at request of clients, that some seek even a tripled sample. Among cities where sample (and cost) was increased: Salt Lake, Houston, Greenville-Ashville, Orlando, Daytona Beach, Miami, Stockton.

Nielsen plans to increase number of field supervisors, in addition to changing national sample. Plans for news conference were called off, spokesman stating there is "no hard news" to report.

Nielsen Jr. vigorous defense of his service, and his attack on Subcommittee's actions, continues to irk several members. They claim they leaned backwards to be fair. They said they could have placed addresses of 70 Audimeter homes in record, could have demanded detailed financial records, could have called more field men as witnesses.

In his Illinois speech, Springer also laid it on FTC: "Putting it mildly, perhaps the FTC has not done all that it might have done to assure the accuracy of . . . ratings." In addition, he said: "ARB, Hooper & Sindlinger, while their results may or may not have been good, were given a clean bill of health as far as their honesty was concerned."

FCC's program-form committee is still working on drafts for submission to full Commission. But personnel has changed—new Comr. Cox replacing Chmn. Minow and joining Comrs. Ford & Bartley.

ABC has ordered 11 additional RCA transistorized TV tape recorders (TR-22), bringing its total purchases to 25 units, valued at more than \$2 million, RCA announced last week.

NETWORKS REPLY ON CIGARETTES: Networks disagree with Sen. Moss (D-Utah) about "glamour" in cigarette advertising. Because of link between cancer & smoking, he wrote them recently, "I am concerned about the appeal to youth through advertisements which make it appear that the most virile and accomplished of men, the most attractive and feminine of women, and our leaders in almost every field are all cigarette smokers."

CBS Pres. Stanton replied: "First, the medical conclusions to which you refer and with which I am familiar are, of course, not universally accepted in this country. We feel it would be premature on our part to take action in an area in which we are not experts until we have a more generally accepted factual basis."

"Second . . . the advertising of cigarettes, in common with the advertising of most other products, involves the depiction of the use of the product in attractive and pleasant surroundings and a portrayal of pleasurable reactions of users. To do otherwise would negate the purpose of advertising."

NBC Pres. Kintner: "In our general policies we have been guided by the position expressed by [HEW Secy.] Celebrezze: That the government should not undertake to tell citizens to stop smoking; that as reliable information is developed on the consequences of smoking the government has the responsibility to provide the information to the public, and that the choice of whether to smoke or not is an individual one . . . Within this framework, one of the specific aims of our surveillance over cigarette commercials is avoidance of any special appeal to young people."

ABC Pres. Goldenson: "There are differing schools of thought as to whether or not tobacco commercials on television represent or are intended to represent a special appeal to our youth. . . . We have not and will not permit tobacco commercials to appear in programs directed specifically to children . . ."

"The difference of opinion arises mainly in those cases where the programs and commercial content are designed primarily to reach adults, but also are viewed by a number of younger people in the early evening . . . It is difficult to see how this situation can be totally eliminated short of an outright ban against tobacco advertising."

WGN-TV Chicago is latest big broadcaster jumping into CATV field—contracting to buy 2,100-subscriber Houghton, Mich. system from TelePrompTer for undisclosed price. Exec. vp Ward Quaal said station hopes to buy or build more systems. It's understood acquisitions won't be limited to Midwest and that extensive investment may be made. TelePrompTer said that sale doesn't mean it's reducing CATV activity; it will expand in CATV elsewhere, has some 40,000 subscribers on other systems. (For list of broadcasters in CATV, see Vol. 3:17 p3).

Replacement for FCC Chmn. Minow when he goes (when he goes, nobody knows) shouldn't be a broadcaster, according to EIA's Land Mobile Communications Section. Its Chmn. William Weisz, Motorola, wrote President Kennedy, telling him new man should have experience in "the entire radio spectrum" rather than broadcast-only or no radio experience.

NBC News' documentary films will be distributed by McGraw-Hill, for educational purposes. Under agreement, McGraw-Hill has first choice of shows for coming year.

NAB As Program Adviser: NAB program dept. moved major step toward reality, when special committee recommended its creation. Committee headed by co-chmn. Joseph Baudino, Westinghouse, and Allan Page, KGWA Enid, Okla., will take final action June 4, recommending to NAB Board how program services should be provided.

NAB Pres. Collins had urged the study, was given go-ahead on it by Board last Jan. NAB once had a program dept., in late 1940's, but most of its work consisted of revising radio code. It's assumed new dept. will be expected to do considerably more.

Annual CBS-owned TV stations' international program exchange will be joined this year by broadcasters from 8 countries: Radiodiffusion Francaise, govt.; Norddeutscher Rundfunk (West Germany), govt.; Swiss TV Service, govt.; Radiotelevisione Italiana, govt.-franchised commercial; Canadian Bestg. Corp., govt.; Telesistema Mexicano, private; Tokyo Bestg. System, private; Telefis Eireann (Ireland), govt. American program to be exchanged will be "The International Hour: American Jazz," produced by WBBM-TV Chicago, sponsored by Miller Brewing (Vol. 3:14 p8). It will be seen on 5 CBS outlets week of May 20; foreign shows will be seen in following weeks.

Only 3 TV stations still charge sponsors extra for tape playback of spot commercials, according to survey by Videotape Productions of N.Y. as reported in its external house organ, *Tape Measures*. According to report, they are WJBF Augusta, Ga. (\$2 per min. spot), WLW-TV Cincinnati (\$30 per min. spot), WTVO Rockford, Ill. (\$5 per min. spot). Stations reported as having recently eliminated spot playback charges are KLBK-TV Lubbock, Tex.; WDBJ-TV Roanoke, Va.; WBTW Florence, S.C.; WNCT Greenville, N.C.; WPIX N.Y.; WTAR-TV Norfolk.

New TV applications filed during last 2 weeks: Ch. 79 Toledo, by Producers Inc. (owner of WTVW Evansville and other properties); Ch. 3 Vernal, Utah by owners of KREX-TV Grand Junction, Colo.; Ch. 40 Fontana, Cal. by Angel Lerma Maler, producer of Spanish-language TV programs, who says he will stop distribution to Los Angeles area TV stations and program exclusively over Ch. 40 if granted; Ch. 36 Atlanta by Supreme Bestg. Co. (also Ch. 33 applicant for Miami and part owner of WORA-TV Mayaguez, P.R.); Ch. 3, educational, Portales, N.M. by Eastern New Mexico U. (For details, see *TV Addenda 33-L & K*, supplied to full service subscribers.)

Legislation setting uniform time standards received support from NAB, Exec. vp Vincent T. Wasilewski informing Chmn. Magnuson (D-Wash.) of Senate Commerce Committee that such standards would "lessen clock confusion." Magnuson bill—and similar one by Sen. Cotton (R-N.H.)—would establish 8 standard time zones: Atlantic, Eastern, Central, Mountain, Pacific, Yukon, Hawaii-Alaska, Bering. Bill would replace daylight savings laws, would establish "advance-time sub-zones" with "uniform switchover dates."

Admitted quiz-riggers Jack Barry & Dan Enright should get renewal of their radio WGMA Hollywood, Fla., according to FCC Examiner Elizabeth Smith. She concluded in initial decision that they've been bad boys—but that their operation of WGMA in "a highly commendable manner" warrants renewal.

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Montreux, Switzerland . . . **Tod Moore**, ex-Ted Bates asst. vp & account exec., named spot TV sales development dir., Katz Agency.

Charles Woodard Jr., vp & asst. to pres., Westinghouse Bestg., appointed Peace Corps associate dir. for public affairs . . . **John C. Doerfer**, ex-FCC chmn., appointed gen. counsel-exec. secy., Maryland-D.C. Bestrs. Assn.

Jack Kuncy, ex-CBS-TV, appointed Westinghouse Bestg. exec. producer . . . **Joseph Fusco Jr.**, ex-Official Films, named to new post of sales promotion dir., 20th Century-Fox TV.

Guy Cunningham, TvB creative dir., elected vp . . . **Riek Chapman**, ex-Ted Bates print procurement supv., named sales dept. admin. asst., Videotape Productions.

Richard Hill, ex-film producer & salesman, appointed Video House western div. mgr., L.A.; **Gerald S. Corwin**, ex-NTA regional sales mgr., named central div. mgr., Minneapolis.

Howard Duncan elected vp-sales dir., WEHT Evansville & KGUN-TV Tucson; **William Hight** elected vp in charge, WEHT . . . **George W. Bowe** promoted to asst. program mgr., WTIC-TV Hartford.

WBKB Chicago promotes **Carl Tubbs** to exec. producer, **Bob Rhodes** to sports dir., **Lynne Walker** to women's dir. . . **Robert E. Arne**, KTVU San Francisco-Oakland chief engineer, elected vp.

Personals

Lawrence White, ex-Goodson-Todman program administration dir., rejoins CBS-TV as program development dir. . . **Len Chaimowitz**, ex-*Newsday* (L.I.) feature writer, named WCBS-TV N.Y. press representative for public affairs programming.

William Firman, ex-CBS Radio asst. gen. sales mgr., named ABC-TV dir. of sales for news & public affairs; **James T. Shaw Jr.**, ex-Miller-Shaw Productions, appointed asst. daytime sales mgr.; **Irv Wilson** named dir. of sports & special programs sales.

Sid Garfield promoted to CBS-TV network exploitation dir. . . **Harry J. Feeney** promoted to associate dir., trade & business news, CBS-TV press information; **James J. Kane** to associate dir., affiliate press relations.

William A. Corley, editor, NBC Radio's *World News Roundup*, named NBC News mgr., Chicago, for network & WNBQ-WMAQ; **Malcolm R. Johnson**, NBC News program service mgr., named night mgr., succeeding **Samuel Sharkey**, appointed exec. news mgr., KING-TV Seattle.

William E. Goetze, ex-vp & gen. mgr., KOGO-TV-AM-FM San Diego, appointed pres., A. H. Meyer Co., San Francisco RCA distributor . . . **William Cooke**, ex-CBC TV sales mgr., named to represent CBS-TV network sales in Canada, hq in Toronto.

Lawrence J. Pollock, ex-WABC-TV N.Y. research & advertising services dir., appointed gen. sales mgr., WTEN Albany . . . **Marvin W. Grieve**, ex-Video Craft sales vp, appointed United Artists Associated national spot sales mgr.

Serge Bergen, Washington consulting engineer, planning to attend May 20-25 International TV Symposium,

Obituary

Leon Pearson, 63, NBC News, died April 29 at Roosevelt Hospital, N.Y., after heart attack suffered April 18. He joined NBC in 1947 after working with brother, **Drew**, producing "Washington Merry-Go-Round" column & radio program, and later working for INS. Recently, he was NBC entertainment critic. He is survived by wife, brother, 3 sons, one of whom, **Andrew**, is NBC correspondent-cameraman in New Delhi.

New anti-payola rules finally have been adopted by FCC, will be released this week. It's understood that feature films will be exempted, but that Commission concludes they're covered by law, that FCC will keep eye on industry practices and remove exemption if & when abuses develop.

"**Telebi**," as it's called in Japan, gets clever treatment in article by **William J. O'Neill** in May *Show Magazine*. **Ben Casey** is top show, and the late-night erotica would curl your hair: "Even the commercials would have made a Minsky blush."

Televising of Senate debates on major issues will be urged by Sen. **Javits** (R-N.Y.) in resolution he will introduce this week, according to by-line story in May 11 issue of *TV Guide*. He says Rules Committee would set times & conditions for coverage.

Macabre suggestion: Resolution proposing telecast of 4 Cal. gas-chamber executions was proposed by Assemblyman **Lester A. McMillan**, opponent of death sentence.

FCC Chmn. Minow will be featured in June 3 *Brinkley Journal*. Program was filmed in Minow's office May 3.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

IS PROJECTION IN COLOR'S FUTURE? We call your attention to report on p. 2 which we believe is first published review of GE's Talaria color theater TV system—because it is just possible that Talaria may hold clue to eventual new design of home color sets.

Talaria in present form is fantastically expensive—and GE officials deny practicability of developing home version of system in near future. Nevertheless, you'll note that Talaria overcomes biggest stumbling block in projection TV and goes long way toward licking a major problem inherent in projecting color.

All home TV projection systems have suffered from fatal drawback of poor brightness. Talaria licks this completely by use of external (rather than cathode-ray) light source. Second problem, color registration, is vastly simplified through use of 2 electron guns instead of 3—requiring convergence of only 2 images.

Despite its complexities, Talaria-Eidophor principle is the only known method of developing practical brightly illuminated projection TV for the home. And this type of projection system—when & if evolved into home equipment—may offer another startling advantage:

Combining it with related process of thermoplastic recording—which works on same principle and was demonstrated by GE early in 1960 (Vol. 16:3 p2)—might make possible a simplified home video recorder at lower cost and earlier date than can be achieved via magnetic recording principles.

ALL-CHANNEL LAW—WHAT EFFECT ON SALES? One year from now, production of TV sets for sale on U.S. consumer market will be confined to all-channel receivers. Inclusion of uhf tuners will result in price increase to public which has been estimated at \$20-\$30 over vhf-only models. What will this do to next year's TV market?

We questioned large number of TV set industry's leading figures on this issue. Predominant opinion was that price increase inherent in all-channel law would hurt TV unit sales temporarily. But this view was not unanimous—2 high industry figures predicted added features of uhf, together with promotion of all-channel sets, would boost, rather than hurt TV sales.

There seems to be no uniformity of opinion as to how long vhf-only sets will be on market after U-Day next April 30 (sets made through cut-off date can legally be shipped and sold), whether these vhf-only sets will be drug on market suitable only for dumping, or whether they'll be highly prized & sought after in non-uhf markets because of their somewhat lower list prices.

Those who thought law would hurt set sales agreed that biggest impact would be at low end, where price is important. Zenith Sales Corp. Pres. Leonard C. Truesdell pointed out that inclusion of all-channel tuner would raise price of low-end set by 15-20%. "People may not be so quick to buy a 2nd set," he said. "But if a person really wants a set, he'll pay the price."

Truesdell pointed out that 50% of 19-in. sales are in \$169-or-lower price bracket and that 19-in. market represents 65% of total black-&-white sales—therefore "this could affect an important part of the market." The remedy? Stop selling on price alone, said Truesdell, returning to his theme song: "This again proves price selling doesn't pay. For the love of Pete, why beat prices down so low?"

Another official of a TV manufacturing firm, who requested anonymity, told us: "Of course it will depress sales—a \$30 increase has got to hurt. A strong publicity program could help minimize loss of sales. Fortunately, we'll still be allowed to sell our vhf-only sets on the market at the same time. How much will sales drop? As a rule of thumb, I'd say it would be the same percentage as the price increase. Thus a 20% increase in prices of low-end portables will mean a 20% drop in that part of our business. How long this continues will depend on how well we promote to the consumer that he's getting something for this extra

money. I personally feel this condition will last about 6 months. As production and knowhow improve, all-channel tuner prices should start coming down, partly offsetting the increase."

Motorola Pres. Robert W. Galvin took note of problem in recent annual report, in which he stated that all-channel bill will cause "moderately deflating situation" in TV business at first, probably ending in fall 1964 as consumer becomes accustomed to all-channel TV.

"We feel it will hurt sales at first, but we don't know how much," said a Magnavox spokesman. "Forcing the consumer to pay extra is bound to have an adverse effect."

As GE analyzes it: "Of the 3 buying groups—original set, 2nd-set and replacement—only the 2nd-set buying group will be sharply affected, and this should only be temporary. At the outset, price differential will be about \$20 [between all-channel & vhf-only set], but competition will knock it down to about \$10. At retail, this is not a tremendous enough figure to be a major stumbling-block."

Three other manufacturers thought law would have no appreciable effect on TV buying one way or another. Said one: "Next year there'll still be so many vhf sets available that there'll be no effect at all. Toward the end of the year it might hurt, might slow down black-&-white sales. But remember, everybody will load up on vhf-only sets during the first quarter, so they'll be available most of the year."

"The market is influenced by economics, not legislation," said a Philco spokesman. "All manufacturers will be in the same boat. We're already noticing an increasing demand for all-channel sets; by the end of this year about 20% of our mix will be all-channel." Said another big set maker: "We're not concerned, since we think it will have no noticeable effect on buying. As one of our big dealers says, 'let's stop talking about that \$20 and sell sets.' The only thing that concerns us is the possibility of vhf dumps."

Accenting the positive, Emerson Pres. Benjamin Abrams thinks all-channel law "will have a salutary effect on TV. It's a new thing and will stimulate buying of 'up-to-date sets.' Our own business is now 20% all-channel, increasing continually; 80% of the sets we ship to Los Angeles have uhf, and even N.Y. is beginning to wake up. By fall, I think 30-35% of all set sales will be all-channel."

"I think it will boost sales rather than hurt them," reasons Sears Roebuck's TV chief H. E. McCoy. "It should rejuvenate the whole industry. Looking for a feature? This is a real one—not a gimmick. This is something more to talk about—more stations. People are beginning to learn about uhf—in Chicago they're asking for all-channel sets and the uhf stations haven't gone on the air yet. To the customer, it's often simpler than to the dealer. Let's not complicate it. What all-channel does can be said in a few words—it makes more TV stations possible."

"We must be fair with our customers," continued McCoy. "Anyone who sells vhf-only receivers after next April 30 to gain price advantage is kidding himself. I don't know of a better way to encourage growth of this industry than to help increase programming sources and competition between broadcasters. The all-channel law makes it possible for us to help develop this business and eventually increase the market for sets. Sears has been working for more than a year on all-channel campaign, pushing it very vigorously for the last 6 months, and our all-channel sales constitute a greater percentage of total merchandise each month."

NEW 3M TAPE CARTRIDGE MODELS IN '64: Minnesota Mining is "starting at the top" with its 3M-Revere tape cartridge system at \$450 (Vol. 2:46 p9), but has no intention of confining system to the audiophile's rarified price range. 3M has the time, and it's gaining the experience—but there's no doubt it hopes eventually to aim cartridge system squarely at mass market. Nor is there any doubt that world's biggest tape maker will marshal its considerable forces in drive to obsolete both records & phonographs.

That's the mighty oak which 3M hopes to cultivate carefully from its \$450 acorn. At present, the single portable tape cartridge changer system (which provides 15 hours of music from stacked 3¾-in. square cartridges) is working its way into national distribution. From its present areas of St. Louis, Minneapolis-St. Paul, San Francisco & Los Angeles, it will fan out this month to Chicago, Kansas City, Omaha, Des Moines, Seattle & Portland, reaching all major markets this fall.

As to its sales success, Revere product mgr. Darrell H. Boyd will say only that it is "more than meeting our expectations" and that additional franchised dealers have been added in the 4 original market areas. Customers have principally been component hi-fi enthusiasts (who use recorder as additional component).

people who want compact music system because of space limitations, and professional people seeking background music systems, Boyd told us recently.

No new models are planned this year, and national advertising—when it begins this fall—will be keyed to single unit, according to Boyd. After national distribution has been attained, he says, new models will be first order of business—for 1964. But even then, there's no sign of low-priced unit. Although Boyd wouldn't comment, it's good speculation that 3M will continue to try to skim cream from top of market—aiming at both component & package areas with tape-cartridge deck (sans amplifier & speakers) and furniture console.

Obviously deck could also be sold on OEM market, but if 3M has any OEM deals now it's certainly not talking about them. It does say it's interested, however.

Other new-model possibilities which may eventually come under consideration: Single-play cartridge player for automobiles; battery portable.

In its marketing experience to date, 3M seems to have sold larger-than-expected ratio of blank tape cartridges to pre-recorded selections. Presently only 60 pre-recorded selections are available (more will be announced soon), priced rather steeply at \$8.95 & \$9.95. Boyd's personal feeling is that customers have been buying blank tape to build up libraries of recordings made from the air or from discs, and that as available repertoire increases there'll be far smaller proportion of blank to pre-recorded tape sales.

One step in making cartridge system a competitor of record changers may well be elimination of recording feature—at least in competitive models. This obviously can't be done until cartridge tape repertoire is somewhat comparable to discs. But what is starting as record-&-play system may well end as a play-only system competing principally with phonos rather than with tape recorders.

It's not logical that 3M plans its cartridge machine as competitor to conventional tape recorders (which it is now). As matter of fact, the cartridge machines use far less tape than open-reel machines for comparable playing time (tape is only 1/7-in. wide, runs at 1 7/8-inch per sec.). Real goal—albeit, perhaps, far in 3M's future master plan—obviously is unseating of the plastic platter as source of America's recording music and replacing it with 3M-made magnetic tape.

CALENDAR OF NEW-LINE SHOWINGS: It could be uncertainty over Internal Revenue Service rulings, or just a straight get-down-to-business attitude, but we see few, if any, new-line showings scheduled at special dealer junkets this year.

Survey of industry indicates most unveilings will be held about same time as last year—that is, from mid-May to mid-June—and almost all will be labeled "for distributors only," distributors having their own open houses for dealers later. A good number of manufacturers are still vague about debut dates. Here's schedule of showings available so far:

Manufacturer	Products	Dates	Event & Location
Admiral	TV, radio, phono	Week of May 19	Distributors, Chicago
Du Mont, Emerson, Telectro	TV, radio, phono, recorders	Not set	Distributors, probably Miami Beach
General Electric	TV, console phono radio, portable phono	June 3-7 May 19-20	Distributors, Appliance Park, Louisville Las Vegas
Magnavox	TV, radio, phono	July 21-25	Music Show, Chicago
Motorola	—	Not set	To be announced
Olympic	TV, radio, phono	June 2-5	Distributors, Chase Hotel, St. Louis
Packard Bell	TV, radio, combos	June 3-6	Distributors, Miramar Hotel, Santa Monica
Philco	TV, radio, phono	May 18-20	Distributors, Fontainebleau, Miami Beach
RCA	TV, radio, phono	May 15-17	Distributors, Riviera, Las Vegas
Sylvania	TV, radio, phono	June 5-7	Distributors, Edgewater Beach, Chicago
Symphonic	TV, phono	May 19-22	Chicago
Westinghouse	TV, stereo radio, phono	May 20 Not set	Distributors, Cleveland To be announced
Zenith	TV, radio, phono	May 23-25	Distributors, Chicago

TV-RADIO PRODUCTION: EIA statistics for week ended April 26 (17th week of 1963)

	Apr. 20-26	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	138,536	131,801	131,543	2,285,072	2,200,201
Total radio	355,989	312,176	352,278	5,543,150	6,098,498
Auto radio	145,257	135,276	123,233	2,528,084	2,137,627

JAPAN PINS HOPE ON TV: TV is shining new star in Japanese export firmament, judging from predictions emanating from Tokyo which envision TV shipments overseas increasing more than all other categories.

Decision of Japanese govt. to waive domestic commodity taxes on transistor TV from May 1, 1963 to March 31, 1966 is expected to increase purchases by Japanese, leading to production and lower export prices. Tax on sets with screen sizes less than 20-in. has been 10.32% of retail list price; tax wasn't imposed on exported sets.

EIA of Japan estimates production of transistor TV sets will total 600,000 units this year, of which 240,000 will be exported at average FOB export price of \$82 a set. In 1964, EIAJ forecasts increase of total output to 1.2 million, with 600,000 exported at \$71 each, and in 1965 total would rise to 2.4 million, of which 960,000 would be exported at average of \$60.

Meanwhile, Japan's Ministry of International Trade & Industry released new 5-year plan for electronics industry, forecasting increase of 171% by 1967 to \$3.2 billion output (increase from 1957 to 1962 was 300%). In its forecasts of 1963 exports, MITI sees TV leading consumer electronics growth, rising 44% over 1962 to \$31.8 million (or approximately 500,000 sets at current prices). Modest growth of 1.4% in radio exports (to \$163.2 million) is predicted, with radio-phonos exports going up 10.1% to \$12.6 million, recorders 26.1% to \$47.7 million.

February factory sales of TV picture & receiving tubes declined sharply in both units & dollars from Feb. 1962, EIA reported. Unit sales of TV picture tubes dropped to 636,392 from 733,670 a year ago. Dollar value slumped to \$11,990,596 from \$13,944,313. Receiving tube sales declined in units to 26,382,000 from 27,977,000. Dollar value fell to \$22,354,000 from \$23,841,000. Here are EIA's figures:

	Picture Tubes		Receiver Tubes	
	Units	Dollars	Units	Dollars
January	890,246	16,846,046	27,025,000	22,524,000
February	636,392	11,990,596	26,382,000	22,354,000
Jan.-Feb. 1963	1,526,638	28,836,642	53,407,000	44,878,000
Jan.-Feb. 1962	1,535,731	29,569,617	57,588,000	48,647,000

"Integral Circuit Package" (ICP) is new name chosen for microelectronic products—at least for marketing purposes—by EIA's Marketing Services Dept. as result of nearly year of study by 50 manufacturers working under EIA's semiconductor marketing services committee. ICP will be over-all designation for circuits identified by such terms as microelectronics, microminiaturization, integrated, modular, functional, etc. Calling ICP "the most important techno-economic trend in the electronic industries," committee developed series of definitions to permit measurement of various products composing this market.

Radio Imports Up, Too: Exports of transistor radios from Japan to U.S. took another jump—nearly 24%—during first 2 months of 1963, as compared with same 1962 figure. This Japanese govt. tally follows recent report that U.S.-bound shipments of TV sets during 2-month period increased almost tenfold from comparable 1962 figures—52,578 units vs. 5,290 (Vol. 3:15 p8).

Exports of toy transistor radios (fewer than 3 transistors) and tube radios, however, were down about 43% each during first 3 months of year, while radio-phonos & recorder shipments increased substantially. Here are unit & dollar-volume Japanese exports to U.S. for Jan.-Feb. 1963 (with unit shipments for same 1962 period in parentheses):

Transistor radios (3 or more transistors), 939,587 at \$7,180,538 (vs. 760,302 last year); tube radios, 123,312 at \$794,833 (215,490); toy radios, 298,762 at \$751,858 (529,115); tape recorders, 229,344 at \$2,528,161 (148,623); radio-phonos, 19,841 at \$917,919 (9,868).

Meanwhile, U.S. Customs figures on imports during the 2-month period, as compiled by *Electrical Merchandising Week*, showed 32,278 TV sets entering U.S. from Japan, valued at \$1,948,042, and 79,251 transistor radios from Hong Kong at \$312,479, plus 33,664 transistor radios from Okinawa at \$140,731. (This is first year Customs is compiling figures on TV set imports.)

Average prices of transistor radios continued their decline in this year's figures. For 2-month period, average billing price of transistor radios exported from Japan was \$7.64, compared with \$9.19 for full-year 1962 and \$10.60 for 1961 (Vol. 3:6 p7). Transistor radios imported from Hong Kong dipped to slightly below \$4 average, from \$5.19 last year and \$6.28 in 1961; Okinawa average sank to \$4.18 from \$5.15 in 1962 and \$6.01 in 1961.

Philco claimed a basic color patent last week when Patent Office dismissed 13-year-old interference proceedings by RCA and granted patent to Philco as assignee of inventors Wilson P. Boothroyd & Edgar M. Creamer Jr. Boothroyd, former Philco electronic engineering mgr., is now with Sylvania; Creamer is mgr. of Philco's advanced development engineering lab. Patent, which Philco claims is essential to NTSC method of transmitting & receiving color, relates to process of superimposing color information on b&w information within same 6-mc channel. Under terms of last January's RCA-Philco patent license settlement (Vol. 3:1 p7), RCA will have non-exclusive license for life of the patent. Philco officials said they hadn't yet determined whether they will seek back royalties from other manufacturers or how they would attempt to license others under the patent.

Channel Master has cut prices on 12 transistor radios from \$2 to \$20. Leader 6-transistor set now has \$14.95 list and \$12.95 minimum retail price.

Trade Personals

David Sarnoff, RCA chmn. & **Frank Stanton**, CBS Inc. pres., named to committee of 100 planning dinner for Roger Blough, U.S. Steel chmn., who receives National Conference of Christians & Jews' brotherhood award May 14 at Americana Hotel, N.Y.

Robert S. Alexander terminates chairmanship of Wells-Gardner as board eliminates post at his suggestion "to better identify members of operating management;" he continues as a dir., representing ITT . . . **George F. Smith**, Magnavox Govt. & Industrial Div. vp-gen. mgr., elected a dir.

George D. Hill elected Westinghouse Credit Corp. controller, a new post . . . **Harold Goldberg** elected Raytheon engineering & research vp . . . **Robert A. Marshall** named ITT Federal Labs mktg. vp.

Paul W. Van Orden appointed sales planning mgr., GE Electronic Components Div.; **Charles A. Richardson** named field sales operations mgr.

Paul E. Bryant, Fisher Radio gen. sales mgr., promoted to sales vp. . . **R. E. Culligan** appointed sales promotion mgr. of Minnesota Mining's Revere-Wollensak Div., a new post; **S. C. Prater** named division's consumer products ad mgr.

Simon Pomerantz appointed Jerrold Corp. treas. & asst. secy. . . **Joseph W. Gross**, former GE receiving tube district sales mgr., joins Du Mont Labs' Electronic Tube Div. as power tubes sales mgr., a new post.

Distributor Notes: Admiral names 2 home entertainment & appliances distributors: **Vaugh Electrical Co. of Maine**, Portland, for Maine & 2 northeastern New Hampshire counties; **Marshall Wells Co.**, for Fresno, Cal. territory • **Motorola** appoints **Jones Distributing Co.**, Sioux City, Ia., to service region formerly served by **McKenzie Distributors** • **Ampex** names **George S. Shoaf** northeastern regional manager for all sales & service activities, succeeded by **Thomas W. Harleman** as midwestern regional mgr. • **Motorola's** Washington, D. C. distributor, **Washington Appliance Wholesalers**, adds Maryland's Western Shore area, including Baltimore; **Arctcraft Electric Supply**, Salisbury, Md., adds 12 Eastern Shore counties. The territories formerly were served by **Motorola-Baltimore**.

Major new market for transistors has been opened by Western Europe's current plans for widespread UHF TV broadcasting, reported **Philco Lansdale Div.** vp-gen. mgr. **Michael W. Newell**. He said **Philco** expects to deliver some 500,000 transistors to European TV set makers this year. Most European countries have passed govt. regulations requiring all-channel TV sets, he noted.

Zenith's famous **Trans-Oceanic** 8-band portable radio, first introduced in 1941 in tube version (and since transistorized), has been reduced from \$250 to \$199.95, including batteries, as result of "new technology in transistors and their circuits."

TV set sales in Washington, D. C., for first quarter 1963 increased to 24,566 from 1962's 19,780, according to **Electric Institute of Washington**. Color sales totaled 1,007 (no color figures reported for same 1962 period).

Mergers & acquisitions: **Advance Ross Electronics** stockholders have approved proposal by **H. M. Byllesby & Co.** to acquire company's remaining outstanding common stock on share-for-share basis (Vol. 3:13 p12). **Byllesby** currently owns 32% of TV components maker's 707,131 shares • **GPE** is negotiating to acquire electronic systems manufacturer **Radiation Inc.**, Melbourne, Fla. for some 296,000 GPE common shares. Exchange would be on basis of one GPE share for each 3½ **Radiation** common shares • **Hewlett-Packard** has teamed with Tokyo-based **Yokogawa Electric Works** to form **Yokogawa-Hewlett-Packard Ltd.** to produce electronic measuring equipment in Japan. **Hewlett-Packard** will own 45% of new company, subject to approval of Japanese govt.

Packard Bell board has approved sale of \$5 million in 5½% 15-year convertible debentures to Bermuda-based **Electronics International Capital Ltd.** Company also reported conclusion of its last major loss contract through negotiation with **Telecomputing Corp.** One small loss contract remains & is scheduled for completion in June. Pres. **Robert S. Bell** said that "reserves set aside at the end of fiscal 1962 are believed more than adequate to cover any losses on the remaining contract."

Packard Bell Electronics' Home Products Div. increased sales a record 38% in fiscal-1963's first half, ended March 31, from year ago. Distributor sales climbed 44%. Vp-gen. mgr. **Kenneth R. Johnson** said sales momentum is continuing, noted that April's volume in first 3 weeks was at all time high.

Chris Craft (formerly **NAFI Corp.**) reported first-quarter profit decline from year-ago's \$469,240. Pres. **John G. Bannister** forecast that 1963's operating profit would top 1962's \$1.4 million. However, because of uncertainty of realizing nonrecurring profit from sale of assets as in previous years, he said he couldn't predict whether net income would exceed 1962's \$2.1 million.

P. R. Mallory, which suffered sales & profit sag in first quarter (Vol. 3:16 p12), expects total 1963 sales to fall 1-2% from 1962's record \$99.1 million. Pres. **G. Barron Mallory** also told annual meeting that earnings "may not be as high" as 1962's peak \$5.1 million. He attributed profit squeeze largely to price pressures & rising material costs.

Four Star TV earnings in fiscal 1963, ending June 30, are expected to compare favorably with year-earlier's \$1.20 a share. Pres. **Thomas J. McDermott** said fiscal-1963 will include "substantial write-offs & a special credit." Revenues will include a \$500,000 tax-free insurance payment on life of late Chmn. **Dick Powell**.

Macfadden-Bartell is being sued by Justice Dept. for \$95,000 at FTC's request on grounds that company violated 1960 order prohibiting payment of discriminatory promotional allowances to certain distributors of its publications.

Hallicrafters has arranged for \$6 million in new financing to retire present short-term loans & to increase working capital.

Reports & comments: **Metromedia**, study, **Coggeshall & Hicks**, 111 Broadway, N.Y. 6 • **RCA & GT&E**, comments, **Carl M. Loeb, Rhoades & Co.**, 42 Wall St., N.Y. 5.

Reeves Industries Inc. is new name of **Reeves Soundcraft Corp.**, following stockholder approval.

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
Crowell-Collier	1963—qtr. to Mar. 31	\$ 21,810,066	—	162,639	\$0.05	3,256,552
	1962—qtr. to Mar. 31	16,989,671	—	226,869	.07	3,091,886
Eitel-McCullough	1963—qtr. to Mar. 31	6,580,000	—	151,000	.08	1,842,288
	1962 ²	—	—	—	—	—
Four Star TV Story on p. 11	1962—26 wks. to Dec. 29	—	—	187,111	.31	600,000
	1961—26 wks. to Dec. 29	—	—	367,461	.60	600,000
General Bronze	1963—qtr. to Mar. 31	4,114,822	\$ (172,220)	(172,220)	—	391,820
	1962—qtr. to Mar. 31	3,518,297	9,457	9,457	.02	391,820
Giannini Scientific	1962—year to Dec. 31	12,108,538	—	272,180	.46	397,871
	1961—year to Dec. 31	4,620,338	—	157,312	.42	397,871
International Resistance	1963—15 wks. to Apr. 14	8,588,476 ¹	922,089	452,089	.31	1,462,209
	1962—15 wks. to Apr. 14	8,391,400	1,480,596	680,896	.46	1,433,388
Lear Siegler	1963—9 mo. to Mar. 31	147,591,261	6,401,383	3,937,778	1.00	3,911,168
	1962 ¹	—	—	—	—	—
	1963—qtr. to Mar. 31	49,548,289	1,431,725	1,024,722	.26	3,911,168
Ling-Temco-Vought	1963—qtr. to Mar. 31	79,242,000	2,697,000	1,672,000	.60	2,783,821
	1962—qtr. to Mar. 31	82,347,000	2,223,000	2,223,000	.80	2,781,832
Oak Mfg.	1963—qtr. to Mar. 31	9,345,333	502,685	240,685	.35	667,074
	1962—qtr. to Mar. 31	7,415,802	569,463	276,013	.42	655,794
Packard Bell	1963—6 mo. to Mar. 31	27,553,000	791,000	752,000	.88	854,043
	1962—6 mo. to Mar. 31	23,776,196	661,895	661,895	.78	854,043
	1963—qtr. to Mar. 31	13,278,000	247,000	229,000	.27	854,043
	1962—qtr. to Mar. 31	11,730,615	186,751	186,751	.22	854,043
Pentron Electronics	1963—9 mo. to Mar. 31	7,811,156	—	133,384 ²	.05	2,532,644
	1962—9 mo. to Mar. 31	7,542,604	—	364,553	.15	2,441,037
	1963—qtr. to Mar. 31	2,891,709	—	93,112 ³	.04	2,532,644
	1962—qtr. to Mar. 31	2,815,521	—	201,459	.08	2,441,037
Sonotone	1963—qtr. to Mar. 31	5,833,100	—	—	.09 ⁴	1,224,271
	1962—qtr. to Mar. 31	5,088,321	—	509,746	.03 ⁴	1,169,137
Trans-Lux	1963—qtr. to Mar. 31	—	—	142,718	.20	723,037
	1962—qtr. to Mar. 31	—	—	192,920	.26	723,037

Notes: ¹ Unavailable because of June-1962 merger of Lear & Siegler.
² Before \$300,000 provision for anticipated loss on obsolete inventories.

³ Before \$100,000 provision. ⁴ After preferred dividends. ⁵ Not available, quarterly earnings heretofore not released. ⁶ Record.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Radio	Q	\$0.08	May 26	May 14
Avnet Electronics	Q	.10	May 22	May 8
Gen. Tire & Rubber	Q	.10	May 31	May 17
P. R. Mallory	Q	.35	June 10	May 10
Magnavox	Q	.17½	June 15	May 24
Oak Mfg.	Q	.07½	June 14	May 31
TV-Electronics Fund..	—	.03	May 31	May 3
Thomp. Ramo Woold...	Q	.35	June 15	May 24

Granco Products Inc., manufacturer of FM radios & tuners and hi-fi equipment, is operating under Chapter XI bankruptcy petition, filed in Brooklyn. It will continue to operate under Pres. Henry Fogel as debtor in possession. Liabilities were listed at \$640,543, assets \$362,982. Fogel told us that company's inability to collect insurance claim on \$335,000 fire in Dec. 1959 was most important contributing factor. Early this year, Fogel bought from Emerson Radio 150,000 shares of Granco stock which Emerson had purchased in 1961 (Vol. 3:4 p13). Emerson is biggest creditor, claiming \$232,500.

Reeves Bestg. & Development's TV stations increased revenues by average 20% in 1962 over 1961, Pres. J. Drayton Hastie noted in annual report. Studio Div. revenues jumped nearly 38%. (For 1962-vs.-1961 corporate report, see Vol. 3:12 p12.) Balance sheet at year's end showed total current assets of \$1,573,084 (including \$272,618 cash & \$687,429 accounts and notes receivable) vs. current liabilities of \$1,440,009. Current assets at end of 1961 totaled \$1,571,125 (including \$333,996 cash & \$547,797 accounts and notes receivable) vs. current liabilities of \$1,279,176.

Sylvania's "over-all picture" has made GT&E "very enthusiastic," Chmn. Donald C. Power noted in reporting parent company's record first quarter (Vol. 3:16 p12). "Sylvania has turned around its operations very effectively & is doing an excellent job in bringing further increases in sales & earnings. Many important new efficiencies have been achieved," he said.

Howard W. Sams & Co. will be honored May 16 as "Great Hoosier Company of the Year" by Sons of Indiana in N.Y. at annual dinner at Sheraton-East Hotel, N.Y. Chmn. Howard W. Sams will make acceptance talk.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

MAY 13, 1963

NEW SERIES VOL. 3, No. 19

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast MAY 1 1963

FORECAST OF 'OVER-COMMERCIALIZATION' proposal expected soon from FCC: Start with NAB TV & radio Codes; ask industry to justify waivers—with copious detail. Rep. Harris 'concerned' with 'interruptions' from commercials (p. 1).

RATINGS FRONT—HEARINGS, PLANS, STUDIES: Harris resumes hearings, calls Census Bureau & RAB's Bunker; Nielsen sets to battle FTC; Sindlinger moving into local radio (p. 2).

REPS BACK RATINGS BUT WANT CHANGES: Spot check of N.Y. sales reps shows strong support for competitive services; well informed, vitally concerned, reps want improvements, too (p. 3).

CBS AFFILIATES MEETING hears pep-rally reports on strength & durability of network's nighttime shows, witnesses preview of new star-studded shows, hears Aubrey & Stanton on high price of sportscasts and need for ETV (p. 4).

FEES NOW FINAL, effective next Jan. It's \$100 for major TV applications, \$50 for major radio filings, \$30 for all other broadcast applications. Non-broadcast figures down somewhat. Total annual take put at \$3,843,000 (p. 5).

CBS SEEKS ETV COMPETITION: Stanton telling affiliates ETV should have 'broadest' type of program, urging commercial telecasters to spark heavy campaign to raise ETV funds from public (p. 5).

HENRY'S TOUGH LINE—use sustaining-program percentage as a 'yardstick'; require stations to announce, regularly, their 'legal responsibilities' re programming (p. 6).

Consumer Electronics

NO COLOR SERVICE PROBLEMS found by Mansfield nation-wide survey of owners & dealers; average yearly repair bill is \$30.50; 'captive service' seen decreasing (p. 7).

FEW WARRANTY CHANGES expected this year with new lines, but extended & free-labor warranties can be expected to remain as controversial as ever; only handful of major set makers still adhere to standard warranties (p. 7).

PROFILE OF ELECTRONIC PARTS DISTRIBUTORS: Industry's 1,770 distributors are believed to have topped \$1 billion sales last year for first time—up from 1961's \$940.3 million. Sales of TV accessories declined 2.5% from 1957 through 1961, but components boomed 75.9%; batteries, 37.9%; tubes 27%. We analyze 7 companies' sales & earnings (p. 8).

RCA'S FINANCIAL PROSPECTS: Color them bright, stockholders are told at annual meeting geared to color's success; Sarnoff reports record 4-month period, projects all-time high for '63 (p. 10).

MORE FIRST QUARTERS: Admiral boosts sales & earnings; Motorola experiences 45% profit drop despite 4% sales rise to record \$80.6 million. Latter attributes decline to investment in color tube & new semiconductor products (p. 12).

FORECAST OF 'OVER-COMMERCIALIZATION' PLAN: Proposal to put ceiling on commercials, first announced by FCC just before NAB convention (Vol. 3:13 p2), is about to come out in formal rule-making proceeding. Presumably, majority will again include Minow, Lee, Henry & Cox—though they could pick up another vote because action wouldn't be final.

Guts of proposal will be NAB TV & radio Codes—FCC's premise being that it wouldn't be any more demanding than industry is of itself. In addition, Commission will spell out the kinds of situations which might warrant waivers of ceilings—daytime-only stations (particularly in north, in winter), outlets in cities with seasonal economies, small-market TV stations, communities with "too much competition." However, Commission is expected to ask those filing comments to spell out exactly what kind of information should be supplied by stations seeking waivers. For example, if station is to be allowed to claim "economic hardship," FCC is likely to ask it to spell this out—precisely.

If anyone wants to criticize proposal (and Commission evidently believes this is conceivable), it will ask them to supply critical analysis and counterproposals. In addition, Commission is expected to emphasize strongly its desire to get comments from non-broadcast organizations and individual members of public.

Commission is likely to justify its proposal on grounds that "over-commercialization" is disruptive of service and that NAB doesn't have real power to punish violators—or to reach those who don't subscribe

to Codes. Commission is expected also to say that specific rules on commercial ceilings would allow it to mete out punishments short of "death penalty" (license revocation or renewal denial)—issuing cease-&-desist orders or levying fines.

FCC doesn't know much about the business of broadcasting—particularly radio, which it hasn't studied recently—and this rule-making may be a real primer for it. Said one commissioner, who favors proposal: "Broadcasters aren't likely to tell us much about the business—unless they're given an incentive."

Commission may not be without support, to some degree, in its efforts. Rep. Harris (D-Ark.), chmn. of House Commerce Committee, of recent ratings-investigation fame, last week told Washington Ad Club: "The frequency with which advertising messages interrupt radio programming is something with which I am concerned, and I believe that the average listener is not necessarily favorably inclined towards excesses in this respect." He also said, on a different front: "Much radio programming today is not balanced programming, and I think it can be stated without question that radio today . . . does not provide service at its full potential."

RATINGS FRONT—HEARINGS, PLANS, STUDIES: Census Bureau witnesses are latest angle in Rep. Harris's ratings show—one or 2 experts to appear as Subcommittee hearings resume for 2 days. They appear May 14, RAB Pres. Edmund Bunker May 15. (For our roundup of "what to do," from station reps, see p. 3).

Testimony from NAB Pres. Collins, FCC Chmn. Minow, FTC Chmn. Dixon, others, is tentatively scheduled for next week; Subcommittee wants to wait until Collins is ready with proposals.

Other key developments this week in far-reaching ratings hassle: NAB research committee meets May 14 in N.Y., will talk with RAB about cooperative efforts; Nielsen meets with reps & station clients in N.Y. May 14-15; Harris addresses SRA awards luncheon May 16 in N.Y., is expected to make major commentary on ratings.

Nielsen took unusual action of making public statement on unannounced proposal of FTC—that research firm divest itself of half its broadcast clients.

FTC anti-trust action, according to Nielsen, would "require a division of Nielsen's national radio & TV audience research services among two or more research companies," says "FTC's proposals appear to be without legal or factual justification."

Nielsen would have to drop at least one network, a few ad agencies & advertisers. Company spokesman estimates this would double cost to remaining clients, would create chaos because all TV networks wouldn't have same standards, could force Nielsen out of audience research entirely. Nielsen is in "batting mood," will seek court action if FTC proposals stand; this would likely last 1-2 years or more.

Nielsen meeting with reps & stations this week follows earlier meetings with national agency-advertiser-network clients (Vol. 3:17 p2). More rep & station meetings are set for Chicago May 23 and on West Coast later—San Francisco or Los Angeles. At Sales Executives Club meeting in N.Y. last week, Nielsen Jr. said company would be "happy to cooperate" in industry auditing plans.

RAB Pres. Edmund Bunker and NAB Pres. LeRoy Collins, with top aides, met in Washington last week to talk about cooperation. RAB has insisted it wants separate radio research project, through Advertising Research Foundation. It was agreed that RAB meet this week with NAB research committee in N.Y. Even if basis for cooperation is reached, RAB is still likely to go ahead with separate radio study.

Research firm Sindlinger & Co., whose Pres. Albert E. made hit with Harris Subcommittee with his assertion that no sample should be below 2,000, expects this week to announce entry into local radio reports. Sindlinger inched into audience research last summer when Nielsen "cancelled" ABC Radio. Company has since Sept. issued regular audience report for ABC Radio—its only broadcast client.

Sindlinger will announce timetable for starting local radio surveys in 187 markets, using minimum 2,000 sample each. These are same markets he uses for ABC.

Sindlinger is ready to measure top 15 markets. He also tells us he's negotiating to get another network as subscriber to his national radio service.

Sindlinger local report will also provide demographic data—age, occupation, income, etc. Technique consists of recall telephone interview—"What did you do yesterday?"—averaging 11 min. Data is processed through IBM 1440 computer.

Sindlinger sees possibility of measuring entire "media mix" because interviews cover all media. From same interview, Sindlinger also gains information on auto ownership, which he uses for car clients (GM, Ford, Chrysler).

At RCA stockholder meeting last week, NBC Chmn. Robert Sarnoff said: "When properly gathered and properly used, ratings are valuable tools . . . We remain confident of the value of national audience rating services. Along with the rest of the industry we are seeking improvements in methodology."

REPS BACK RATINGS BUT SEEK CHANGES: We made quick spot check of station national TV reps (sample size 4, response 100%)—and it revealed strong support for competitive rating services—but also a demand for improvement in methodology and cleanup of shoddy practices. (For other ratings developments, see p. 2.)

No segment of TV-radio-advertising fraternity relies on ratings for its meat & drink as much as reps. Overlooked at Washington hearings, reps are well informed, vitally concerned.

"Definite improvement in methodology is required for greater reliability & acceptance," states Martin Nierman, Edward Petry & Co. exec. vp & member of TvB board (also chmn. of its special practices committee studying ratings). But, he says: "We look for continuation of the present rating services."

On things that need doing, Nierman says an audit bureau to verify performance of research services—as proposed by NAB & TvB—is "definitely in order." He also believes that a research committee to explore improvements in methods & standards is required. "Increase in sample size is not enough," he tells us. "We also need the support of agencies. One major agency has already told me it supports plans for ratings cleanup."

There'll be no problem between NAB & TvB over similar audit & standards proposals each put forth separately, according to Nierman. "There is agreement among the 2 organizations on steps to be taken." He sees nothing wrong with NAB doing the job, as long as TvB can participate.

Adam Young, pres. of Adam Young TV who started career as NBC researcher, sees 2 sides to ratings coin. In Nielsen's attempt to drastically improve radio research, he finds justification for stand his company took about 4 years ago. Then, it took Nielsen to task for "incredibly bad job of measuring radio," in a special presentation calling attention to specific weaknesses, shown to top agency researchers in N.Y. & Chicago.

On other side of coin, Young believes ARB & Nielsen should be given support for their TV studies which are "basically good." He says: "Too many people are becoming experts, based on assumptions & half-truths; they believe that all research is bad. Certainly, there is much to be criticized, but no research will ever be perfect. We have to deal with a sample of judgment because it is uneconomical to have the truly large samples that would materially cut room for error."

As for improvements, Young would like to see Nielsen become "a little more communicative with clients. 'Nielsen can't be wrong' attitude has to go." He says ARB is "extremely cooperative," but thinks that its plan to double samples will only increase stability an additional 5%.

Increases in research costs announced by ARB & Nielsen will place great burden on TV stations in small & medium markets, Young states: "My fear is that we will end up with only one service in some of those markets. We have recommended to our stations that they subscribe to both, but some have already indicated they will go to one service when new prices are in effect."

On auditing plans proposed by NAB & TvB, Young believes "all constructive ideas are good if they can be implemented. We want to reserve the right, however, to do our own auditing. If we think there's something wrong, we'd like to have the opportunity to satisfy ourselves that good research was conducted."

Frank Pellegrin, H-R TV exec. vp: "Ratings will always be with us. Advertisers & agencies need them to justify spending; networks need them to determine programming; we need them to sell . . . We have always

believed in the need to place more emphasis on qualitative information, but you have to count heads first before you can count the kinds of heads."

Ratings can be improved, but so can any business, Pellegrin states: "There are a few crooks, but for the most part we believe in the integrity of the major rating services. I think the print media are making more out of this than is warranted."

Pellegrin doesn't believe in a single service. "There is a need for competition because any one service can be wrong. If a tri-partite research company were established—comprising agencies, advertisers, broadcasters—it should be in competition with present research firms."

Thus, there seems to be substantial support for views expressed by SRA Pres. Edward Codel, Katz Agency TV dir., who recently told us (Vol. 3:17 pl): "A single system would work a great hardship on the business. There would be no recourse. No one has a foolproof service."

CBS'S N.Y. PEP RALLY: Annual gathering of CBS affiliates in N.Y. last week had much of feeling of a well-heeled Yankee baseball fan club which has just seen its team win Series. Mood was optimistic (without being pugnacious) and relaxed (without forgetting ever-present competition from NBC and ABC) concerning forthcoming 1963-64 season. Affiliates also received Pres. Frank Stanton's full views on role of ETV (see p. 5).

CBS-TV pres. James T. Aubrey Jr. addressed morning gathering of broadcasters May 8, shoe-horned into Trans-Lux movie theater near Waldorf-Astoria, to stress durability & acceptance of network's nighttime programming. "There was a time when, if a program lasted 3 years, it was a big success," he said. "Now, there's no reason to believe that if we keep a show bright & fresh it won't last for many years."

Retrenchments may be made in one programming area, Aubrey suggested, however. Terming TV sports "the biggest poker game in the world," Aubrey cited recent CBS attempts to acquire rights to pro football championship game, which it had last year for \$615,000. This year, CBS entered bid of \$750,000—"about what we thought traffic should bear"—but lost out to NBC, which got it for \$926,000. Snapped Aubrey: "In my opinion, if this spiralling continues, we'll be priced right out of the TV sports market."

General strength of CBS shows is in healthy state, affiliates were told by Dick Golden, network's market planning dir. Golden's presentation included some charts which made basic point that CBS program structure has "never succumbed to passing fads." Action programming (westerns, private eyes, etc.), he said, has declined both in terms of amount of time given in 3-network combined schedules (from 45% of nighttime shows in 1959-60 to 35% in 1962-63) and in average ratings (from 20.0 to 18.4). "Not one of the ABC 'action' shows in the Top 40 two years ago is still there," said Golden.

Attempts to maintain "balance" in programming have paid off during past few seasons for CBS, Golden added, citing fact that CBS shows have edge in long-range durability and thus form keystone of fall program structures. In fact, CBS is bringing back 20 shows this fall which ranked in Top 30 this season, as compared with 5 for NBC and only 3 on ABC.

Denial of "star-oriented" schedule was made by new TV Program vp Mike Dann, who defined network's approach as "... dedicated to attracting & holding the best talent available," while not signing stars without "the production team to back up." Actually, Dann's we-don't-just-buy-stars protests sounded somewhat thin in face of new shows CBS will add this fall. With exception of relative newcomers like George C. Scott ("East Side, West Side") and Ray Walston ("My Favorite Martian"), CBS's fall program deals have centered on program showcases for such ready-made, big-name stars as Danny Kaye, Judy Garland, Phil Silvers and Robert Goulet. ("CBS buys programs the way Aristotle Onassis buys paintings," said one knowledgeable broadcaster after the session, "and does little to encourage new artists.")

Further proof of CBS bias in favor of established performers and program artisans could be glimpsed in postscript statement by Aubrey to Dann's preview of new fall offerings. Shows built around Silvers, Garland and Kaye were bought without seeing pilots ("That way we wouldn't wound the vanity of a major star") although CBS insisted on deals "whereby we have the right to approve the creative process, step by step."

CBS SEEKS ETV COMPETITION: CBS Pres. Frank Stanton disagrees with NBC Chmn. Robert Sarnoff on role of ETV. In address to CBS affiliates last week, Stanton said ETV should compete with commercial TV, "in its broadest, not its narrowest, concept . . . We should welcome educational TV into the free competition for the viewer's attention."

Stanton's views thus contrast with Sarnoff's, who recently wrote Dr. Samuel Gould, pres. of ETV WNDT N.Y. (Vol. 3:18 p3): "I was impressed by your outline of plans for the future of WNDT and your conviction that the station must evolve a pattern of operations where the bulk of its service would be directed to the type of educational programs which would serve a specific teaching function, and the rest of the programming would be directed to specialized interests not met by commercial broadcasting."

Sarnoff had been accused by some of making NBC's \$100,000 donation to WNDT based on "don't-compete-with-us" agreement. Sarnoff & Gould have denied this repeatedly, both doing so again last week. Sarnoff, at RCA stockholders meeting, said: "NBC believes ETV stations must ultimately receive support from communities and foundations. They can't indefinitely continue to look to commercial broadcasters . . . We made the contribution because we felt it important that a cultural & educational TV service be continued . . . It did not involve any condition on programming. None was sought, offered, discussed, or desired by NBC."

Gould, in news conference outlined "typical" programming for next year, showed that "teaching type" programs wouldn't crowd out "cultural" & "informational" programs.

WNDT hasn't yet answered FCC's request for information about any alleged "deal" with NBC or anyone else. Response is expected next week—and Commission doesn't anticipate shocking revelations.

Stanton said commercial telecasters would benefit from a strong ETV system which would "give us the kind of prodding anyone needs in order to improve constantly." He also called on industry to help get ETV bulk support from public through "a mighty annual campaign"—and "it ought to be community-wide and it ought to be saturating," including heavy series of commercial-station announcements. Concept is one that could well snow-ball.

Live TV from Japan will be possible via Telstar II, AT&T officials said last week during press demonstration of new satellite's performance. New ground station being constructed in Japan will have "mutual visibility" with AT&T station in Andover, Me. for periods of up to 15-20 minutes during certain periods when Telstar's orbit is in Southern Hemisphere. Due to Telstar II's higher orbit than its predecessor, at some times (July will be optimum because of location of orbit then) mutual visibility between U.S. & Europe will be one hour or more in single orbit. Both color & B&W pictures transmitted via Telstar II, as we observed them, were extremely good. Last 3 minutes of color tape segment from *Bell Telephone Hour* was received in France, where reception was reported "excellent."

New TV Affiliates Corp. member—WTVN-TV Columbus, O.

FEES NOW FINAL: Starting next Jan. 1, broadcasters and most other FCC licensees will start paying fees with their applications—Commission finalizing rules last week. Fees were set as we indicated earlier (Vol. 3:13 p2): In TV, it's \$100 for applications for new stations, major changes, renewals, assignments; in radio, it's \$50 for same. For all other broadcast applications, it's \$30. In non-broadcast field, fees are dropped somewhat from previous proposals.

Though at one stage there were predictions that Commission would get mere \$1 million a year, FCC now estimates some \$3,843,000 will be collected (going to Treasury, not earmarked for FCC)—about one-third its annual budget. FCC noted that other govt. agencies charging fees now include: Defense Dept., FAA, Immigration & Naturalization Service.

Exempted are noncommercial ETV stations, safety services (police, fire, etc.) and novice amateurs. Smallest fee is \$2 for regular amateurs.

Vote was 5-2—Bartley & Ford dissenting. Bartley argued that fee "may well create here a contention of ownership or proprietary right . . ." Ford said that though fee idea "has much to recommend it," he doesn't believe Congress was specific enough in its law and that Congress should be asked for more instructions. FCC sources say FCC has received commendation from half dozen Congressmen & Senators—and no criticism from Hill.

Full text will be published in *Federal Register* and weekly Govt. Printing Office pamphlet.

Agency for International Development has quietly dropped project to bring ETV to underdeveloped countries by installing more than 1,000 transistorized TV sets. Plan came under Congressional fire last year when it was discovered that AID official negotiated contract for production of sets without giving major TV manufacturers chance to bid (Vol. 2:34 p8). In recent testimony on foreign aid bill, AID Dir. David Bell said \$400,000 contract with Warwick was cancelled in Jan. Set installation was part of \$1.6 million program.

Tobacco company presidents replied last week to letter Sen. Moss (D-Utah) sent to TV networks about "glamour" in cigarette ads. They said that book isn't closed on cancer-smoking link, that they don't seek to exploit youth market, that ads are created merely to make products appear desirable. Network presidents replied week earlier (Vol. 3:18 p5). Tobacco respondents: Philip Morris, American Tobacco, R. J. Reynolds, Brown & Williamson, P. Lorillard, Liggett & Myers, Larus & Bro.

FCC's anti-payola rules were released last week, and, as we indicated (Vol. 3:18 p6), the only major change from original proposal of April 27, 1961 (Vol. 17:18 p5) is to exempt feature films "produced initially & primarily for theatre exhibition." Full texts of rules and 36 examples of do's & don't's will be published in *Federal Register* and in Govt. Printing Office weekly pamphlet.

CBS won 1963 World Television Festival Award at Montreaux, Switzerland, for "Julie and Carol at Carnegie Hall." It's first American production to win prize at 3-year-old festival.

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Personals

William M. Materne promoted to CBS-TV vp-eastern sales . . . Tom Tilson promoted to Metro TV Sales eastern sales mgr., succeeded as midwest sales mgr. by Alfred Parenty, ex-Adam Young eastern TV mgr.

Weston J. Harris, ex-USIA TV program mgr., appointed WNBC-TV N.Y. program mgr. . . Robert D. Gordon, ex-KIRO-TV Seattle program dir., named USIA deputy chief of production for information TV.

Leroy E. Lattin, ex-General Telephone Co. of California chmn., named pres., Home Entertainment Co. of America, Santa Monica, pay-TV firm . . . Ted Robertson, TV programming mgr., Compton Adv., Los Angeles, elected vp.

Joseph F. Gagen, ex-Hackensack (N.J.) Record, opens ABC News Ireland office, hq in Dublin . . . William McIntyre, ex-ABC News, appointed radio-TV-film officer, Agency for International Development.

James Taglia, ex-Philco representative, Washington, named exec. asst., National Community TV Assn. . . Robert A. Bernstein, ex-Westinghouse Bcstg. public relations dir., named vp & special projects dir., Softness Group, PR.

Charles Britt, ex-National Telefilm Assoc. southern rep, appointed southern sales mgr., Embassy Pictures' TV dept. . . John J. (Chick) Kelly, Storer Bcstg. advertising & promotion dir., elected vp.

Charles J. Mathews, national sales mgr., WLBW-TV Miami, promoted to general sales mgr. . . David Drisin, ex-MGM, appointed special projects dir., Marketscope Research.

Dr. Margaret Mary Kearney, educational dir., WCAU-TV & WCAU Philadelphia, named national pres., American Women in Radio & TV.

Rollin K. Godding, ex-account exec., J. G. Kelly Adv., Buffalo, named WKBW-TV promotion mgr., succeeding O. Lyle Koch, appointed program dir. (incorrectly reported in Vol. 3:16 p5).

HENRY'S TOUGH LINE: FCC Comr. E. William Henry is not shy. And if he becomes next chairman, as speculation has it, industry may have someone harder to deal with than Chmn. Minow. After reading his recent Nashville speech, many industry people have been shaking their heads.

Henry was addressing Radio & TV Council of Middle Tennessee. Excerpts: "Network proposals for [public affairs specials] are exceedingly vague. I wonder if the reason for this vagueness will prove to be the networks' intention to inject public service specials as sporadic substitutes for programs whose ratings turn out to be lower than their competition. . .

"A network recently reported that when it cancelled a certain program in its winter schedule, it received between 40-50,000 letters of protest from loyal fans of that program. Now what do you suppose happened as a result of these letters? We may guess that there were some second thoughts, but otherwise, absolutely nothing. The network, having inhaled the mystic vapors from the rating service oracle, announced *ex cathedra* that its audience did not justify the program's continuance. So be it; the decision is theirs to make. Nor could the FCC approve or disapprove this or any other specific program, and rightly so. Censorship by any group is bad, and if exercised by government, it can be fatal.

"On the other hand, if 50,000 letters were received by the FCC next Monday morning demanding more general public service programming in prime viewing hours, or less conformity, or more creativity in programs, there would be a flurry of interest at our 12th and Pennsylvania Avenue offices the likes of which has not been seen since the rigged quiz scandals. If Sen. Pastore, who chairs the Senate Subcommittee on Communications, received 50,000 letters on these or any other broadcasting subjects, there would probably be an inquiry within days. And remember, 50,000 is only a small fraction of the people in the 59 million homes having television sets. The area served by Nashville's stations would meet its quota with only 225 letters."

So how does Henry propose to improve things? His suggestions:

"(1) Adopt a staff proposal to re-evaluate our policy with respect to sustaining or noncommercial programming. While public service programming may well be commercial or noncommercial, and entertaining as well as not, the percentage of sustaining time in the broadcast day is one of many appropriate yardsticks or guidelines for use in the examination of a station's over-all performance in the public interest.

"(2) Propose a rule to require all broadcasters to carry over their facilities regularly-scheduled announcements concerning the legal responsibilities of television stations to serve their listening public's needs and interests—at the same time soliciting public response, criticism, and suggestions for improved programming."

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

COLOR SETS POSE NO SERVICE PROBLEM: Most owners are satisfied with ease of tuning and repair costs of their color sets. Dealers' attitudes, too, have changed, and most of them are optimistic about color. These were highlights of report by Sylvania Market Research Dir. Frank W. Mansfield on 3-month national survey of color owners & dealers, as presented to NATESA regional directors' meeting at week's end in Kansas City.

Average color repair bill is \$30.50 a year, Mansfield said, reporting on sets in use at least 2 years and not covered by service contracts. About 40% of owners said cost of their color set repairs was no more than they had experienced with black-&-white sets, and 22% couldn't even remember repair costs of preceding 12 months. (We recently queried manufacturers about average repair costs for black-&-white sets; replies varied from \$8.15 to \$25 a year.)

"About 70% of the dealers surveyed," said Mansfield, "indicated that their customers had little or no trouble with color repairs and set owners themselves generally were not critical of tuning problems previously associated with color sets." He found that 37% of owners said they used their sets more than 6 hours daily.

"Captive service on color sets," survey showed, "is considerably less today than it was in the early days of b&w TV. A large majority of the dealers contacted reported that color service contracts are optional with the consumer." Color service business, Mansfield told the service technicians, "represents bonus business to the service industry."

Interesting counterpoint to Sylvania survey was statement by RCA group exec. vp Charles M. Odorizzi at last week's stockholders meeting that this year RCA Service Co.'s revenue from installation & service of color TV "could surpass revenue on b&w sets" (see p. 10).

Mansfield's bullish report on color is particularly noteworthy considering the source; Sylvania in recent years has been anything but a flag-waver for color.

FEW WARRANTY CHANGES EXPECTED THIS YEAR: While battle continues over labor warranties and extended parts warranties, there seems to be little prospect of any major defections by either camp when new lines are announced.

Standard EIA warranties (one year on picture tube and 90 days on receiving tubes & parts for black-&-white, one year on all tubes & parts for color) is being followed by these major manufacturers: Emerson & Du Mont, Olympic, Packard Bell, RCA, Zenith. Admiral also follows standard warranty, except that it guarantees etched circuit boards for 5 years (parts only). GE, which has adhered to standard warranty, has not disclosed whether its program will be changed.

Extra warranties by other manufacturers are subject to considerable variations, and there are no indications any changes are contemplated. Magnavox has 3 warranties—"Gold Seal" on all 24- & 27-in. models providing 3 years on picture tube (prorated after one year), one year on other parts & tubes, including labor; "Silver Seal" (middle price range sets) providing one year on picture tube & parts, 90 days labor (carry-in service on portables); other Magnavox sets have one year on picture tube & parts, no labor. Magnavox last week announced new color set warranty which adds 90 days free service to regular one-year tube & parts warranty.

Motorola's warranty, expected to remain in effect with new line, provides full-year parts replacement, no labor. Philco has standard parts warranty for black-&-white sets but adds 90 days labor warranty; its color warranty is standard. Westinghouse continues 90-day parts & labor warranty on b&w sets (carry-in

for 19-in. sets), with one-year set replacement guarantee against printed circuit board breakage. Westinghouse also has guarantee plan optional with distributors, providing additional 9-month parts & labor warranty for all 19-in. Instant-On sets.

Warranty on Sylvania b&w TVs provides one-year replacement of all parts & tubes, guarantee of Halolight power transformer & lighting tube for life of receiver.

Sears Roebuck & Montgomery Ward have somewhat similar warranties including labor. Sears warrants all tubes & parts for one year, with 90-day labor warranty (carry-in for portables). Ward's warranty provides for one year on all tubes, 90 days labor (carry-in for portables).

Thus, warranty picture remains complex & muddy, with nothing near unanimity in industry. Many companies will continue to merchandise warranties as selling feature, while others hew strictly to "standard" warranties. Warranty issue therefore should stay hot & controversial for another year.

PROFILE OF ELECTRONIC PARTS DISTRIBUTORS: Quietly going about their business, nation's 1,770 electronic parts distributors topped \$1 billion in sales last year for first time, or surely will do it this year, according to latest projections. Final 1962 figures aren't in yet, but sizable jump from 1961's \$940.3 million sales is evident.

Profits in 1962 may be different story, however. Squeeze was on, and if our analysis of 7 major parts distributors is indicative, earnings plunged despite soaring sales. National Credit Office's Market Planning Service says 50% of electronic parts volume is done by 9% of total distributors—those whose annual sales volume exceeds \$1 million. We analyzed 7 of these million-dollar distributors: Allied Radio, Arrow Electronics, Harvey Radio, Lafayette Radio & Electronics, Newark Electronics, Radio Shack, Terminal-Hudson Electronics.

Total 1962 sales of these 7 distributors whooshed to \$107 million from 1961's \$86.9 million. Their earnings dropped to \$1.4 million from \$2.3 million. However, drop in earnings of the 7 is unduly emphasized by Radio Shack's 6-month loss of \$593,590.

Sales gains were posted by 6 of 7 distributors. Only Radio Shack declined. But only 2 of 7—Harvey Radio and Lafayette Radio & Electronics—increased profits, both by sizable margins. Here are 1962-vs.-1961 sales & earnings of 7 electronic parts distributors:

	Sales		Earnings	
	1962	1961	1962	1961
Allied Radio (6 mo. to Jan. 31, 1963)	\$ 32,477,965	\$25,957,785	\$ 638,764	\$ 723,989
Arrow Electronics	5,067,112	4,219,203	110,913	135,406
Harvey Radio (year to Jan. 31, 1963)	7,188,020	4,356,081	357,453	232,592
Lafayette Radio & Electronics (6 mo. to Dec. 31)	15,974,879	12,131,076	482,092	338,897
Newark Electronics (year to Aug. 31)	22,384,646	16,941,429	258,824	368,698
Radio Shack (6 mo. to Dec. 31)	8,024,854	10,432,949	(593,590)	102,206
Terminal-Hudson Electronics	13,917,652	12,884,957	162,770	430,120
TOTALS	\$107,035,128	\$86,923,480	\$1,417,226	\$2,331,908

Without fanfare, electronic parts distributors have been riding with changes in electronics industry during past half decade and increasing their volume significantly. From 1957 through 1961, NCO's Market Planning Service found, sales have mushroomed more than 39% to \$940.3 million from \$671.9 million. In that period, sales of TV accessories declined 2.5% to \$82.6 million from \$84.7 million—but components sales more than took up slack with 75.9% surge to \$359.7 million from \$204.6 million. Battery sales jumped 37.9% to \$38.1 million. Test equipment increased 29.8% to \$31.1 million. Tube sales jumped 27% to \$272 million. Significantly, sales of sets & other devices boomed 38.4% to \$135.9 million, represent industry's 3rd highest volume producer.

Components & tubes still are bread & butter of parts distributor business. In 1961, components led all product categories by accounting for 38.3% of total parts distributor sales—up from 35.3% in 1960. Tubes were second, with a 28.9% take—down from 1960's 30.5%. Thereafter, product mix is thin. Sets & other devices accounted for 14.4% of 1961 sales; TV accessories, 8.8%; batteries, 4.1%; test equipment, 3.3%; tools & manuals, 2.2%.

Primary customer of parts distributor is dealer-servicemen group, which in 1961 accounted for 56.2% of total sales—down from 1960's 58.7%. Industrial & govt. customers represented 34.3% of sales—up from year-earlier's 32.5%. Consumers chipped in balance of 9.5%, up from 8.8% in 1960.

"Home electronics dealer portion of the business has leveled off at approximately one half-billion dollars in annual sales," noted RCA Tube Div.'s D. M. (Max) Branigan in recent speech before N.Y.-N.J. Chapter of National Electronic Distributors Assn. He continued: "With the replacement portion of the electronic parts business declining, increased sales promotion efforts must be placed on product lines with elastic demands—where effort can expand coverage & total market as well. This applies to many of the so-called consumer products: Radios, tape recorders, as well as such items as antennas & test equipment."

Servicemen & dealers still account for nearly \$6 of every \$10 dollars of total distributor sales, NCO emphasized in its analysis, but largest percentage increase in 1961 business was netted by "direct sales to individual consumers—specifically mail order, sales to amateurs, and over-the-counter." Concluded NCO: "Sales of primarily parts distributors are now certain to enter into the prestige of the Billion Dollar Industry bracket in 1962."

More distributors than ever before are slicing industry pie. At end of 1962's first quarter, there were 1,770 distributors with total of 2,570 outlets & branches. However, number of newcomers is declining. Some 43 companies entered field in 1961, down from 58 in 1960 & 73 in 1959.

Here's size breakdown of the 1,770 distributors & their share of 1961 parts business: Largest group—33% of total—is represented by distributors with \$100,000-\$249,000 volume. They did 12% of parts sales. In order come the under \$100,000 group, 26% of total, 3% of business; \$250,000-\$499,000 group, 20%, 16% of sales; \$500,000-\$999,000 group, 12% of total, 19% of sales; over \$1 million group, 9%, 50% of total parts sales.

TV-RADIO PRODUCTION: EIA statistics for week ended May 3 (18th week of 1963)

	Apr. 27-May 3	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	134,716	138,536	127,169	2,419,788	2,325,684
Total radio	327,779	355,989	341,596	5,870,929	6,447,852
Auto radio	134,704	145,257	118,026	2,662,788	2,255,666

Seminar on uhf in N.Y.'s Carnegie Hall May 14, sponsored by Committee for Full Development of All-Channel Broadcasting, will feature addresses by Comrs. Lee & Henry. Pilot project in all-channel promotion campaign, it will be open free to dealers, distributors & technicians. Lee's keynote speech will be introduced by N.Y. Deputy Mayor Paul Screvane. Municipal Bestg. System Dir. Seymour N. Siegel will describe programming plans for city-owned WNYC-TV. Five-man panel will answer questions posed by Siegel and members of audience. Panel members: Philco Electronic Engineering Mgr. Harris O. Wood; Robert G. Weston, engineering asst. to Comr. Lee; Knickerbocker Distributing Corp. (Motorola) Service Mgr. Jack Warganz; Ed Cicchetti, operator of C.S.I. Electronic Servicing Inc., Flushing, N.Y.; Jerrold Technical Operations Mgr. Jack D. Beaver. Comr. Henry will present plaque to dealer most successful in selling all-channel sets this year.

Of England's new TV sets, 80% are rented, and rental is reduced annually as inducement to keep same set. Recent survey found, for example, that 19-in. set that sells for \$176 rents for \$1.20 a week, with rental reduced 7¢ a week for each year used. Rental for first 3 months is paid in advance. Rental companies service their sets without charge. Unless set is kept for 4 years, survey found, renting is cheaper than buying.

Recent set introductions: (1) Magnavox—2 color stereo theaters with fully transistorized radio & stereo components, tambour doors, at \$1,250; 4 color consoles at \$650 (3 models) & \$795; five 19-in. spring portables from \$169.90 to \$229 (remote); 2 stereo portables at \$99.90 & \$139.90 (all-transistor), latter being Magnavox's entry in drop-down phono field; stereo consolette for use on shelf, table or own legs, all solid-state (\$139.50). (2) Zenith—formally announced availability of its Stereo Professional & Stereo Precision record changers as separate components through Zenith dealers. (3) GE—introduced its anticipated coffee-table stereo units at \$229-\$309 with swivel-out turntable to leave top of table free for use. (4) Sylvania—3 new color lowboys at \$599.95, \$639.95 & \$725.

German-made multi-band transistor portable may be added to RCA line, group exec. vp W. Walter Watts said at stockholder meeting last week (see p. 10), in response to question from floor as to why RCA has no AM-FM-SW transistor set. "We're now studying such a unit, made in Germany," he replied. "To date it will not pass our engineering standards. When it does, it will be in our line."

"Five TV Picture Tube Designs" is title of new pamphlet by Sylvania Electronic Tube Div., describing Corning & PPG-type bonded tubes, Kimcode, plastic laminate & conventional tubes. It's available free from Sylvania, 1100 Main St., Buffalo 9, N.Y.

RCA'S COLOR—ROSY: RCA put on its biggest financial spectacular in color—glowing color—for stockholders at annual meeting in N.Y.'s Peacock Theater (formerly Studio 8H) last week. Color was dominant feature of meeting, and hue was rosy. Entire meeting was covered by closed-circuit color, with monitors dispersed around main studio, in an overflow studio and at Exhibition Hall across street. Camera work was excellent, even focusing on questioners as they arose.

Tenor of reports from RCA's divisions added to general good feelings of stockholders by the time they opened their box lunches after harmonious meeting. Chmn. David Sarnoff reported first 4 months set new record, predicted new record sales & earnings this year, "given a favorable national economic climate." Pres. Elmer W. Engstrom, and all divisional chiefs, in their reports, reiterated the optimism. Among highlights of meeting:

Home instruments—Group exec. vp W. Walter Watts reported upward trend is continuing in 1963, with color set sales still running 40% ahead of last year and increase in this rate anticipated before year's end. Color tube shortage, he predicted, will continue through 1963. He said RCA's share of portable TV market is rising, and its radio sales are up in face of general industry decline.

Components—Continued accelerated business this year, to reach all-time dollar high in 1963. Tube Div. first quarter sales set record. Semiconductor situation should improve this year.

NBC—Chmn. Robert Sarnoff reported "sales & earnings momentum of 1962 is carrying forward into the present year, with NBC's first-quarter profits well above last year's record first quarter; this favorable trend is continuing into the 2nd quarter," with new all-time high predicted both for quarter and for full year. TV network & TV stations are setting the pace.

RCA Service Co.—"This year, for the first time, revenue from installations & service on color TV receivers could surpass revenue on black-&-white sets."

Other reports: Group exec. vp Charles M. Odorizzi predicted a nearly fivefold increase in number of TV stations in U.S. as result of growth of uhf. RCA Victor Records "continued its record-breaking trend for the first quarter of 1963. RCA still expects its data processing operations to cross over into black by end of 1964.

Good reports at meeting were taken to heart by investors. Next day (May 8) RCA stock rose 2½. At week's end it was 66%, year's high.

Gen. Sarnoff was in fine fettle at meeting, fielding questions with wit and good humor—even those which might appear embarrassing on a less auspicious occasion. Example: Grey-haired woman stockholder asked him where was the picture-on-wall TV he "promised for your 50th anniversary" in electronics industry. Replied Sarnoff: "My dear lady, I didn't promise—I asked for it. I hope you'll have it for your 50th anniversary."

Admiral will move northern California hq, sales office & distribution facilities of its San Francisco Div. to new 32,000-sq.-ft. building at 280 Valley Drive, Crocker Industrial Park, San Francisco, around Aug. 1.

Importance of retail salesmen in TV & stereo is emphasized in recent letters to retailers from 2 companies. Motorola Consumer Products Inc. marketing vp S. R. (Ted) Herkes last week decried those who see salesmen as "vanishing Americans," adding: "No manufacturer . . . no dealer can continue to live with a selling philosophy based on price alone." He stated that Motorola is now sending more than 5,000 merchandising awards monthly to retail salesmen in its "Step-Up to Leadership" program. Magnavox Pres. Frank Freimann, in recent letter to dealers, condemned those who "follow the path of least resistance" in selling, converting salesmen into "order-takers." "People want to be sold—honestly," he said.

EIA has reorganized its International Dept., dropping product orientation in favor of 8 functional committees. Four committee chairmen already have been appointed: U.S. govt. affairs, William M. Adams, Sprague Electric; international statistics, L. C. Melas, RCA International; transportation & traffic, Paul E. Romberg, Philco International; Trade Expansion Act, R. Edward Warn, Litton Industries' Westrex Communications Div. Chairmen will be named shortly for 4 other committees: International investment & manufacturing, international marketing, export financing & insurance, U.S. export regulations.

Magnavox will conduct 250 sales training clinics for more than 5,000 dealer salesmen & service clinics for more than 3,000 dealer technicians this year, mktg. coordinator James J. Shallow told 4th annual marketing strategy conference of Sales Executives Club of N.Y. Pres. Frank Freimann noted that Macy's will sell some \$4 million in Magnavox products this year, explained that company's franchising of Singer Sewing Machine dealers is a plus market because latter attract customers who normally do not shop traditional Magnavox dealers. Magnavox's approximately 2,000 dealers operate a total of 3,000 outlets.

FTC advisory opinion, declaring unlawful small retailer co-op practice that includes prices in pooled ads, was attacked last week by Sens. McGee (D-Wyo.) & Humphrey (D-Minn.). Resolution by McGee asked that no action be taken on FTC doctrine until June 30, 1964, to allow time for investigation & possible legislation. Humphrey called for White House Committee on Small Business to study over-all effects of anti-trust laws on small business.

Color TV & stereo advances have sparked 22% increase in Du Mont sales during first quarter, as compared with same 1962 period, according to Emerson Radio vp George M. Hakim. He said about 50% of Du Mont sales were in "higher-ticket models," despite general industry trend to portables. Du Mont will double its color line in June.

Western Electric and Sanders Associates have signed worldwide nonexclusive license agreement under which, in part, latter will use & pay royalties on Western Electric patents for semiconductor & thin film devices. Western Electric will pay royalties to Sanders for use of its patents on flexible printed circuitry & microwave strip transmission line. Agreement extends to AT&T.

GE & IUEW will establish 3 joint subcommittees to "identify the specific areas of agreement or disagreement . . . regarding arbitration, contract language & employe benefits" in advance of contract negotiations which begin in Aug. Similar committees will be formed with other GE unions, company said.

Trade Personals

Armin E. Allen appointed Philco Consumer Products Div. general mktg. mgr., succeeded by **William Balderston** as product planning mgr. Other changes in Philco's splitting of sales & marketing activities: **Charles Hakimian**, formerly general sales & mktg. mgr., becomes distribution & service dir.; **James T. McMurphy**, formerly Philadelphia-based eastern regional mgr., named national sales mgr., a new post; **Kenneth A. Cooper**, formerly general sales mgr., appointed midwest regional sales mgr., with Chicago hq.

Everitt A. Carter elected Oak Mfg. Co. chmn., succeeding **Robert A. O'Reilly**, retired; Carter also continues as pres. & chief executive officer.

Harry A. Steinberg appointed Jerrold Electronics controller . . . **J. Frank Leach**, Amphenol-Borg Electronics vp & Amphenol Connector Div. pres., elected a dir. of parent company.

David Gilmour, Clairtone Sound co-founder & exec. vp, named pres. of Clairtone Electronic, N.Y.-based subsidiary. He'll retain present title with parent company, but will hq in N.Y.; **David Scott-Atkinson**, planning & development dir., also transferred to N.Y. office.

Dr. Edmond H. Borneman, ex-Westinghouse & Philco, appointed General Instrument Rectifier Div. engineering dir., a new post . . . **Dr. Janis Galejs**, Sylvania senior scientist, will lecture in Germany this summer at NATO-sponsored conference on low-frequency electromagnetic radiation.

Edwin J. Dcadrick named Audio Devices mfg. vp . . . **Arnold R. Kaufman** named pres. of Litton Industries' Triad Transformer & Triad Distributor Divs.

Distributor Notes: Packard Bell Electronics appoints **L. R. Swiney Co.**, 2745 W. Palm Lane, Phoenix (headed by ex-Packard Bell district sales mgr. **L. R. Swiney**) distributor for northern Arizona & Maricopa County • **Marshall C. Wells** establishes Marshall Wells Co. to represent Admiral as distributor in Fresno, Cal. area, succeeded by **Frank D. Neer** as Admiral-San Francisco Div. gen. mgr.

Reports & comments: **Aerovox**, review, Leason & Co., 39 S. La Salle St., Chicago • **Stewart-Warner**, analysis, Halle & Stieglitz, 52 Wall St., N.Y. 5 • **GPE**, review, Hirsch & Co., 25 Broad St., N.Y. 4 • **CBS**, study, A. M. Kidder & Co., One Wall St., N.Y. 5 • **RCA**, analysis, 120 Broadway, N.Y. 5 • **AT&T**, report, Gerstley, Sunstein & Co., 121 S. Broad St., Phila. 7 • **Time Inc.**, report, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 • **Walt Disney Productions**, comments, Bache & Co., 36 Wall St., N. Y. 5 • **United Scientific Labs**, report, Alessandri & Co., 11 Broadway, N. Y. 4.

Dynamics Corp. of America's 1963 performance "should be at least equal to & probably better than" 1962's \$3.6 million earned on \$75 million sales. Chmn.-Pres. **Raymond F. Kelley** also told annual meeting that a regular cash dividend would have to be deferred for company growth. If anticipated earnings are paid out, he said, "we can't make more money next year. We can't grow."

Davega Stores' bankruptcy referee will hold hearing May 15 on \$285,000 offer by **Henry Modell & Co.**, or higher offers, for Davega's assets & name. Hearing is scheduled for 11 a.m., U. S. Courthouse, Foley Square, N.Y.

Mergers & acquisitions: **Webeor** has sold its Chicago-based Lamination Div. to **Howard Industries** for some \$2 million in cash & a 15-year convertible note • **Victoreen Instrument** has purchased **Hymeg Resistance**, will transfer manufacturing of latter's resistors from Willow Grove, Pa. to its Cleveland plant • **Avnet Electronics** will acquire by June 30 **Fairmount Motor Products**, Philadelphia-based distributor of automotive replacement parts. Purchase price: \$3 million in cash and non-interest bearing notes maturing between March 1964 & June 1966, \$500,000 in Avnet common shares • **Maremont** now owns 90.3% or 665,729 of **Gabriel's** outstanding 737,113 common shares. Under recent exchange program, Maremont offered Gabriel stockholders for each of their common shares \$3 cash & \$20 in par amount of its 1963 cumulative convertible preferred stock.

Hoffman Electronics' Consumer Products Div. is producing only 5%, or \$2 million, of total annual volume, and this "is not satisfactory," Pres. **Stanley W. Horrocks** told stockholders. Hoffman is projecting \$8-10 million volume for consumer products in 1964, he said, and consumer operation may be scuttled unless it shows ability to hit that level. In addition to present line of radios & tape recorders, Hoffman is contemplating adding stereo consoles. (For Hoffman's first-quarter report, see financial table.)

Purolator has bought 17,000 of **Tung-Sol's** 900,000 outstanding common shares, but Purolator Pres. **James D. Abeles** said oil filter company has "no intention of acquiring Tung-Sol at the present time." However, Tung-Sol Pres. **Milton R. Schulte** said the 2 companies have been exploring merger & joint marketing possibilities intermittently for past 2 years. New talks began April 30, he noted, adding: "Whether a union can be effected will depend on mutually satisfactory terms."

Sylvania's first quarter earnings rose 21% to record \$22,060,000 from \$18,162,000 a year earlier. Pres. **Gene K. Beare** said that although electronics market seems "unsettled," business is "good and will be very good for many, many years to come." He said color TV "will be a big boost" to Sylvania, noted that production of color tubes is expected to begin "perhaps later this year."

Magnavox is aiming for 20% profit increase this year over 1962's \$12.7 million. "The increase can be accomplished with effective performance from within the company," Pres. **Frank Freimann** told annual meeting. "We have the opportunity to continue this growth into the foreseeable future."

Telectro Industries experienced first-quarter loss of \$19,780 vs. year-earlier profit of \$188,734. Pres. **S. Robert Gordon** told annual meeting, however, that profitable operations are anticipated for rest of year.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
CBS Inc.	Q	\$0.35	June 7	May 24
Consol. Electron. Ind.	Q	.25	July 3	June 10
Cowles Mag. & Bcstg.	Q	.10	June 15	May 31
Goodwill Stations	Q	.12½	June 5	May 26
Meredith Publishing....	Q	.35	June 14	May 24
Screen Gems	Q	.15	June 28	May 23
Storer Bcstg.	Q	.45	June 7	May 24
Storer Bcstg.-B.	Q	.12½	June 7	May 2
Taft Bcstg.	Q	.15	June 14	May 15

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
Admiral Story below	1963—qtr. to Mar. 31	\$ 49,907,686	\$ 1,560,813	\$ 784,545	\$0.32	2,423,161
	1962—qtr. to Mar. 31 ¹	48,309,910	1,357,446	509,957	.21	2,423,161
Clevite	1963—qtr. to Mar. 31	25,275,052	—	1,450,690	.75	1,900,000
	1962—qtr. to Mar. 31	25,972,229	—	1,852,350	.96	1,893,000
CBS Inc.	1963—qtr. to Mar. 31	141,213,861 ²	—	10,175,001 ²	1.11	8,889,932
	1962—qtr. to Mar. 31	131,967,395	—	8,073,780	.88	8,896,813
Decca Records	1963—qtr. to Mar. 31	—	—	983,611	.64	1,527,401
	1962—qtr. to Mar. 31	—	—	2,135,858	1.66	1,285,701
Disney Productions	1963—6 mo. to Mar. 30	32,241,856	5,343,556	2,576,556 ²	1.49	1,725,049
	1962—6 mo. to Mar. 30	32,643,281	5,211,065	2,425,065	1.45	1,674,804
Friendly Frost	1963—year to Jan. 31	28,531,478	—	(610,406)	—	937,620
	1962—year to Jan. 31	29,273,895	—	300,943	.32	937,620
Gross Telecasting	1963—qtr. to Mar. 31	634,950	—	163,841	.11	440,000
	1962—qtr. to Mar. 31	549,182	—	138,898	.35	400,000
Hoffman Electronics Story p. 11	1963—qtr. to Mar. 31	8,852,355	—	3,739	—	1,538,888
	1962—qtr. to Mar. 31	12,234,879	—	183,085	.11	1,537,312
International Rectifier	1963—9 mo. to Mar. 31	13,497,881	1,243,055	677,687	.28	2,414,542
	1962—9 mo. to Mar. 31	12,850,172	1,838,495	937,630	.39	2,414,542
	1963—qtr. to Mar. 31	4,723,483	376,452	167,318	.07	2,414,542
	1962—qtr. to Mar. 31	5,101,371	722,142	382,287	.16	2,414,542
ITT	1963—qtr. to Mar. 31	270,867,548 ²	26,130,062	9,407,958 ²	.56 ³	16,646,640
	1962—qtr. to Mar. 31	241,964,362	23,840,131	8,181,921	.49 ³	16,404,626
Meredith Publishing	1963—9 mo. to Mar. 31	54,449,000	—	1,919,571	1.44	1,331,212
	1962—9 mo. to Mar. 31	52,845,000	—	2,413,174	1.81	1,323,866
Minnesota Mining & Mfg.	1963—qtr. to Mar. 31	172,135,132	—	19,616,006	.33	52,064,535
	1962—qtr. to Mar. 31	161,685,673	—	18,974,652	.37	51,754,142
Motorola Story below	1963—qtr. to Mar. 31	80,590,096 ²	3,199,148	1,356,667	.34	4,030,282
	1962—qtr. to Mar. 31	77,017,162	5,148,654	2,455,944	.61	4,028,652
National Co.	1963—qtr. to Mar. 31	1,736,156	(23,202)	(45,102)	—	804,246
	1962—qtr. to Mar. 31	2,389,666	79,711	51,831	—	802,779
National Union Electric	1963—qtr. to Mar. 31	9,059,626	—	242,777	.04	5,747,479
	1962—qtr. to Mar. 31	9,318,768	—	348,507	.06	5,747,479
Reeves Bcstg. & Development	1963—qtr. to Mar. 31	1,297,559	179,792	82,739	.06	1,408,893
	1962—qtr. to Mar. 31	1,126,481	24,452	14,952	.01	1,408,893
Standard Kollsman	1963—qtr. to Mar. 31	18,020,000	—	265,456	.12	2,245,301
	1962—qtr. to Mar. 31	23,436,000	—	805,381	.36	2,245,301
TelePrompTer	1962—year to Dec. 31	5,431,930	—	55,957	.07	748,090
	1961—year to Dec. 31	4,921,319	—	(884,604)	—	738,410
Warner Bros.	1963—6 mo. to Mar. 2	47,941,000	—	3,927,000	.81	4,837,052
	1962—6 mo. to Mar. 2	40,901,000	—	4,074,000	.84	4,830,052

Notes: ¹ Restated to exclude subsidiary Admiral Italiana, closed at end of 1962 (Vol. 3:13 p11). ² Record. ³ After preferred dividends.

MORE FIRST QUARTERS: Admiral & Motorola opened 1963 with quarterly performances at variance with their 1962 showing. Admiral, which suffered 1962 profit decline (Vol. 3:12 p11), increased first-quarter earnings to \$784,545 from \$509,957 a year earlier on sales rise to \$49.9 million from \$48.3 million (see financial table). Motorola, riding 28% profit jump in 1962 (Vol. 3:11 p11), experienced 45% profit slide in first quarter to \$1.4 million from \$2.5 million despite 4% sales gain to record \$80.6 million from \$77 million.

Admiral's civilian business more than offset lower military volume, Pres. Vincent Barreca reported. Color

TV unit sales mushroomed more than 100% from a year ago, and stereo radio-phonograph combinations posted "substantial increases" in sales. Radio sales slipped some 2%.

Motorola attributed its profit decline to color tube development costs & expense of marketing new semiconductor products. Pres. Robert W. Galvin said 23-in. rectangular color tube project already has cost Motorola & National Video more than \$4 million. "Our endeavor to produce this tube," he said, "is reaching the point of decision." Despite certain continuing "extraordinary costs" on the color tube & semiconductor devices, he added, "we expect earnings in the 2nd quarter to approach more closely the year-earlier level." Sales & earnings in 3rd quarter "should exceed" 1962's like period & total 1963 sales "should set a record." Galvin said 2nd-half profits should be "creditabile."

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 8)

MAY 20, 1963

NEW SERIES VOL. 3, No. 20

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NEXT—THE 'HENRY ADMINISTRATION', expected to regulate more via rules than through appeals to public a la Minow. Henry gives views on top topics. What's expected of Loevinger. Minow summarizes 2-years' events (p. 1).

VHP DROP-INS—THE 51-49 QUESTION facing Minow, who is probably the swing man. Fortunes ride on vote (p. 3).

STAGE SET FOR NAB'S RATINGS REMEDY: Harris Subcommittee to hear Pres. Collins; NAB-RAB meet again, not yet agreed; NAB shows proposal to raters, asks support; Harris addresses SRA (p. 3).

SHAPE OF FCC'S TV PROGRAM FORM beginning to emerge as Bartley, Ford & Cox submit concepts for full FCC discussion, possible this week. Three approaches, with many similarities, studied (p. 5).

TOO-MANY-COMMERCIALS PLAN issued by FCC, 4-3 vote, July 1 deadline for comments. Hyde sees 'enormous policing' job, departure from statute. Bartley calls it 'irritating act of futility,' says quality should count, not quantity. NAB's Collins asks top agencies to 'cooperate' with Code subscribers (p. 6).

PROPOSED AM-FM STANDARDS: FCC sets rule-making to tighten engineering, encourage FM growth; rules would establish maximum number of stations per market by population, would forbid more than 50% FM duplication of AM (p. 7).

NEXT—THE 'HENRY ADMINISTRATION': "Tough" is the word everyone uses to describe the kind of FCC we'll have—with William Henry moving up to replace Newton Minow, Lee Loevinger coming in to fill the vacancy, joining Kenneth Cox as the 3rd Kennedy appointee.

Certainly there will be attempts at toughness, undoubtedly more than under Minow. But remember that the 3 New Frontiersmen don't make a majority—and their efforts to give industry stronger medicine could well become more & more unpalatable to their 4 colleagues—Hyde, Bartley, Lee & Ford. Last 3, however, aren't averse to prodding industry from time to time.

Henry is hard to puzzle out. Couple times, he has used strong language—but seemed to water it down when asked to elaborate. For example, in news conference during Omaha hearings, he said: "I don't think necessarily that the standard that the community might have [regarding programming] is necessarily the one we would have." This prompted Rep. Harris (D-Ark.) to ask Minow if that's FCC policy. Minow then wrote that Henry said he intended only to reflect Commission's 1960 policy statement, didn't mean that FCC should direct programming. Another case: In recent Nashville speech, he said that station's percentage of sustaining time "is one of many appropriate yardsticks or guidelines" with which to judge performance. Then, in news conference last week, he said: "Public service programs can be commercial," but the 1960 policy statement "isn't clear" and "we should reevaluate the policy; I don't know what it should be."

Though Henry is personable, most observers expect him to work through FCC rules rather than "going to the public"—as Minow did with tremendous flair. Henry is 34, youngest chairman in FCC history,

Consumer Electronics

THE NEW LINES—Philco & RCA feature surprising price reductions and upgrading of product without increases; both show 16-in. sets at \$129.95, place more emphasis on middle & low-end consoles & combinations. RCA \$450 color drop-in may be coming (pp. 8 & 13).

TINYVISION, U.S. STYLE, introduced by GE at \$99.95; new 11-in. set weighs 12¾ lb., uses no chassis, will be at stores early in June. All-channel version uses transistorized tuner (p. 8).

SET MAKERS NET GOOD FIRST QUARTER: 11 of 13 TV-radio manufacturers analyzed boosted sales, 9 increased earnings, 7 had record sales, 4 record earnings. However, combined earnings of 8 volume producers dipped more than \$300,000 despite \$17.2 million sales gain to \$287.8 million (p. 9).

FM-STEREO STATION slowdown results in only about 20 new stereo-casters so far this year; total now stands at 230 in U.S. & Canada. FM Stereo Market Guide shows 86 stations preparing for stereo (p. 10).

FIRST-QUARTER SALES: EIA's official Jan.-March figures show distributor sales of b&w TV ahead of 1962's opening quarter by some 73,000 units, radio down 290,000, phonos ahead 134,000 (p. 14).

SIRAGUSA LOOKS AHEAD, predicts 2.5 million color set sales, 23.5 million radios, 4.2 million stereo phonos in 1968 at NICB conference; sees good business rest of this year (p. 14).

a lawyer, bright, aggressive, diligent. He, too, will mellow somewhat in the job, as did Minow—when as chairman he feels full pressure from all sides. Position is at least 10 times as active as that of other commissioners.

Minow's resignation, announced by President Kennedy, is effective June 1—but he'll stay on longer if Loevinger isn't confirmed by then. As long expected, Minow will return to Chicago as exec. vp-gen. counsel of Encyclopaedia Britannica. Kennedy gave him big sendoff, said FCC's actions during his tenure "are indeed impressive." Kennedy released Minow's letter of resignation, in which Minow listed progress of last 2 years: (1) U.S. leads in space communications. (2) ETV "has made extraordinary progress." (3) All-channel-set bill will make more program choice available. (4) Phone rates have been cut. (5) FCC is reorganized, now "effective, viable." (6) License fees were adopted. (7) "There is a greater awareness on the part of the public and the broadcasting industry of the massive responsibilities of broadcasters to serve the public interest. Under the able & dedicated leadership of Gov. LeRoy Collins, the NAB has taken constructive steps. And the FCC's emphasis that broadcasters have a unique public trust has, I believe, contributed to improved service to the public."

Designation of Lee Loevinger to fill Minow vacancy is a surprise, as have been all Kennedy's appointments except Cox's. Loevinger (pronounced LEV-in-ger) is top anti-trust man, Asst. Attorney General under Robert Kennedy. He's to be succeeded at Justice Dept. by William H. Orrick from State Dept. All the shifts bespeak power of Bobby Kennedy—all clearly tied to him. (Incidentally, Henry's daughter attends White House school with Caroline. You can't get much "in-er" that that.)

Those who know Loevinger expect him to give AT&T rough time on communications satellites, because he's done that at Justice Dept. Beyond those, it's popularly assumed he'll generally bug industry about "monopoly." Everyone wonders why he was shifted to FCC; move is considered a step down. Obviously, he didn't satisfy Bobby—though both publicly deny there's a rift. Loevinger is 50, native of Minn., was in private Minneapolis practice 1947-60, served on state Supreme Court a year before taking anti-trust job. He's Democrat, of course, has 3 children—and confesses he's been so busy in Washington he hasn't watched TV.

Henry held news conference last week (attended by his beautiful wife), gave these responses:

(1) Major FCC job—satellite communications.

(2) Major job in broadcasting—making all-channel law work. He said he wants to see "uhf get a fast start—but there's a danger of overselling it." He'd hate to see a lot of operators "lose their shirts."

(3) Overcommercialization—"I have no preconceptions on what that is, but we need a written policy. We have a policy, but even the commissioners don't know what it is."

(4) How to improve programming—"Be alert about segments of the public not served adequately. Make the public aware of its role and our role. Most of the public doesn't know that broadcasters operate under legal obligations. We should keep broadcasters alert to the public's needs. I question whether all major segments are served in prime time. I believe there has been no improvement in program diversity in prime time . . . It's not appropriate to get into what I like or don't like . . . I agree that it's bad to infringe on the freedom of broadcasters. But broadcasters are not free to conform to majority tastes alone—because that doesn't include the public interest . . . I'm not satisfied there are enough public service programs . . . There are green shoots in the wasteland . . . More news . . . More radio news . . . More coverage in controversial areas."

(5) Advertiser domination—"Perhaps there's too much of this. I'd like to see programs more independent. But I'm not for the the magazine concept."

(6) Newspaper ownership—"I agree with our statement to the Celler Committee. You can't generalize"—meaning, sometimes it's all right, sometimes not.

(7) Multiple ownership—"We have many, many more important matters. I think it's worth noting, though, that 15 owners could own the top 75 stations in the nation. But I have no plans for getting into that now."

(8) Ratings—"Industry should come up with its own suggestions. I don't believe the answer now is regulation by FCC. We're concerned about broadcasters following inaccurate ratings like lambs to the slaughter."

Comr. Ford is next man on the spot. Term expires June 30, 1964. Since FCC has 4 Democrats now, Kennedy must appoint a Republican (or independent). We have a year to speculate on whether President will reappoint Ford or look for someone with "Republican" handle—but with New Frontier philosophy. Though Ford is govt. career man, likes job, he won't kowtow to keep position. Brilliant attorney, hard worker, he's singularly employable on outside.

Minow got tremendous farewell from press, which he has always charmed—editorials almost universally praising him. Henry got a baleful greeting from N.Y. Herald-Tribune's Donald I. Rogers, May 15 issue. Writing about Henry's comments on sustaining vs. commercial time, he said: "This means that the lousier business is, the better the FCC should consider the station to be . . . With ideas of this caliber, Mr. Henry seems certain to get the job. The govt. places a high value on failure."

VHF DROP-INS—THE 51-49 QUESTION: In these waning days of Minow administration at FCC, one of most intense questions remaining is—vhf drop-ins. The thing is hot & unsettled. Last official time around (Vol. 3:13 p2), Commission voted 4-3, tentatively, to reject addition of the 3rd vhf station, at short spaces, to: Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte.

But it hasn't stopped there. Minow is the swing man, and the pressures are on him, both ways. He believes this is closest issue he's faced in his FCC career—a 51-49 matter, either way. But vote may be deferred from projected May 22 meeting to May 29, because Comr. Ford will be out of town May 22. There's considerable determination at Commission to get decision before Minow leaves—by June 1, if new Comr. Loevinger is confirmed by then. No one at FCC relishes job of deferring issue until Loevinger gets familiar with the tremendously complex matter.

Latest move in picture is that of new Comr. Cox. Though strong uhf advocate, he believes that 3rd competitive service from uhf in the 7 cities is many years off without vhf. Therefore, he has quietly resurrected Minow's original compromise proposal: Make the vhf drop-ins—but tell those who get the CPs for them that they must, in 6-10 years or so, shift to uhf. One problem with that is dispute over whether this FCC can bind future Commissions to honor that commitment. Competent men argue both sides.

There are other angles. FCC staff members offer alternatives & questions for whatever is presented: (1) If "no drop-ins," they suggest that no vhfs be added anywhere, even if fully spaced, if they might hurt development of uhf in markets involved. (2) If "yes, drop-ins," should drop-in operators be required to simulcast on uhf? (3) If "yes, drop-ins," should drop-in operators be required to simulcast part-time on uhf—and should they be required to shift to uhf eventually?

And, suppose Minow doesn't turn out to be swing man? Suppose someone else decides to shift? Not impossible—but not likely. If vote doesn't come before Loevinger is sworn in, he has our deepest sympathy.

STAGE SET FOR NAB'S RATINGS REMEDY: Ratings problem—and what to do about it—reaches another climax this week as Harris Subcommittee holds long-awaited hearings May 23 with NAB Pres. Collins. New twist: N.Y. stations reps may be called (for reps' ratings reaction see Vol. 3:19 p3).

With Collins will be Donald McGannon, Group W pres. & NAB research committee chmn., Melvin Goldberg, NAB research vp. If reps appear, they'll testify in June. Staff attorney Robert Richardson has talked to Henry Christal, Christal Co., & James Parsons, of Harrington, Righter & Parsons, others.

Ratings controversy was filled with behind-the-scenes maneuvering last week, e.g., RAB asked NAB to raise \$75,000 if latter wants to partner All-Radio Methodology Study; NAB also held long-expected meeting with raters at individual confabs in N.Y., showed them proposal, asked for support—got it.

Rep. Harris (D-Ark.) kept fire going. He told Station Representatives Assn. awards luncheon in N.Y.: "The big, still unanswered question is how broadcast licensees, who as a group possess enormous resources and influence, have allowed themselves to become so shackled by ratings?"

"The regulatory hold on broadcasters of the FCC pales by comparison with the chains that bind the broadcaster to the ratings . . . I suspect the answer lies in the fact that the chains . . . are chains of gold.

"Some broadcasters and some broadcasting publications have advanced the argument that ratings constitute a practical application of democracy with regard to radio and television programming. This is

a complete misconception of the obligation imposed upon radio and television licensees by law to perform in the public interest.

"The public is made up of a diversity of interests, and broadcasters are expected to serve this diversity. Ratings have not been employed as I see it in the furtherance of this objective. Rather, the opposite has been true. I think broadcast licensees and persons serving them should come to realize that a radical change in approach is needed."

Harris is concerned that hearings disclosures will be brushed under rug; he wants industry to rebuild ratings house, doesn't want to take govt. action, but several federal courses are open to him.

As Subcommittee hearings resumed last week, he posed: If Congress were to ask Census Bureau to conduct broadcast ratings—assuming broadcasters would pay for it—could Census tackle job? "We could do it," answered Dr. Conrad Taeuber, Census asst. dir. He said Bureau has had no experience in area, would first have to study.

He was queried about methodology (Census uses personal & telephone interviews, mail questionnaires). With obvious reference to previous ratings revelations, Taeuber was asked about its random sample, field controls, editing, weighting, non-cooperators.

Taeuber said he didn't think much of permanent-sample-method, for psychological reasons; respondents can become conditioned to information being sought. He said monthly unemployment study of 40,000 households costs about \$2 an interview, said that 95% of information is usable, that non-cooperators represent only about 1%, that samples yielding less than 50% usable data wouldn't meet effective standards.

RAB was big hit with Subcommittee, told it exactly what it wanted to hear—that modern radio with personal listening, portable sets, is being damaged by present audience research, especially by Nielsen & its meter. RAB proposes to raise \$200,000 for its All-Radio Methodology Study. Pres. Edmund Bunker said about half is already raised, believes he could get remainder.

RAB is studying proposals of Audits & Surveys and of Politz subsidiary Universal Marketing, on ways to measure radio's total sets-in-use. Bunker & Administrative vp Miles David said plan could conceivably use personal & telephone interviews & diaries to derive different listening aspects & to serve as cross-check.

ARMS field work in 4 cities is targeted for Sept. 1, with published report Jan. 1, 1964. After that, it would be up to present raters or new company to adopt proposed methodology, sell it to industry. ARMS would be cleared through Advertising Research Foundation to insure acceptance by agencies. RAB said it will use services of Dr. Herbert Arkin, Subcommittee statistical consultant.

RAB financing became center of fuss between it & NAB. At N.Y. meeting—2nd in 2 weeks at which NAB research committee sought cooperation—radio assn. laid out plan, asked NAB to put up \$75,000 if it wants to co-direct ARMS. RAB said it would put up a little more than that, said it expects to get remainder from stations, networks, plus token support from agencies to insure their involvement.

NAB is mulling plan, will discuss it at June board meeting. NAB also held meetings with major raters, presented general proposal for auditing agency, code of ethics & standards, methodology committee—to function under all-industry board. NAB's plans are still pretty general, super-task to clean up ratings is proving to be heavy load. Financing plans for its proposals call for NAB, station, rating service participation.

Radio research is the most worrisome area. It was learned that NAB research committee met 3-4 weeks ago to explore problem with Metromedia's Mary McKenna, Westinghouse's James Yergin, Katz's Dan Denenholz, RKO General National Sales' Frank Boehm, Blair's Robert Galen. It was suggested that radio needs a general study to investigate proper techniques, similar in part to RAB's plan. Also on radio front, it is understood that ARB has been asked by broadcaster to come up with radio ideas; it has already done extensive FM survey in southern market.

Nielsen met with about 200 reps & station clients May 14-15 in N.Y. Pres. A. C. Nielsen Jr. didn't take usual swipe at Washington hearings. He made plea for station support, said he was concerned over TV cancellations and agency & station drop-outs in radio. Some reps got impression Nielsen is of mind to drop radio. Company holds similar meetings May 23 in Chicago, week later on West Coast.

And Bob Hope closed last show of season with: "And you on the other side of the wasteland, thanks for telling those lies to Nielsen."

SHAPE OF FCC'S TV PROGRAM FORM: Proposed new TV program form, designed to implement FCC's famous July 1960 statement on its programming policy, finally has been submitted to Commission by its special committee: Comrs. Bartley, Ford & Cox. It's on agenda this week.

Proposals haven't been made public, but we've learned their essence. Actually, it isn't a single proposal; its 3: (1) Staff's, which Cox had headed. (2) Bartley's. (3) Ford's. They agree on quite a few matters, disagree on some. Here's what we understand to be nub of proposals:

(1) Bartley: Public is to be canvassed, and station is to tell what it finds of public's needs & interests. Same for city leaders—who are to be identified. Station is to evaluate these needs. Then, programs to meet needs in following year are to be listed. Total number of public service announcements in various categories are to be given. If programs vary from earlier plans, FCC is to be told why.

If foregoing isn't adequate, according to station, it can supply whatever added data it wants. The needs-survey must be done within 6 months before filing, and covers area receiving acceptable signal.

(2) Staff: Station is to poll public & leaders for needs, in same way Bartley proposes—but it doesn't need to show how it evaluated these, concept being that program schedule will reflect station's evaluation. A Proposed Typical Week is to be submitted, showing breakdown by 7 program types, source, length & frequency. The 7 types are taken from the 14 in FCC's 1960 Policy Statement; the 7 remaining types are to be listed separately—giving details of each program for coming year, Nov. 15 to Nov. 15. The 7 latter types include: minority programming, local self-expression, local music, children's, etc. Staff suggests surveys cover Grade B area.

(3) Ford: Station submits narrative statement covering methods station employed, in preceding 6 months, to learn needs and complaints. Then, station gives statement telling what kinds of programs are scheduled to meet those needs—with brief description of all such regularly scheduled programs, including day & time of telecast. Station is also to describe programs presented as result of its survey—and to indicate what kinds of programs were offered to local groups which failed to cooperate, leaving the shows unproduced. Major changes from proposals are to be explained each Nov. 15—with particular attention to programs proposed but not telecast. Records must be kept for 3 years, unless FCC orders them kept longer. Ford would have surveys cover areas getting "acceptable signal," not Grade B.

Once a program form is adopted, FCC believes, stations will know what information must be given Commission—reducing number of charges that staff is trying to dictate programming by "letter writing" campaign attempting to steer stations in particular directions.

All-channel "clinic" in N.Y.'s Carnegie Hall, under sponsorship of govt.-industry Committee for Full Development of All-Channel Broadcasting, drew attendance of about 250 retail, distributor, technician & set manufacturer personnel. Comr. Lee, featured speaker, told group FCC hopes to propose new uhf allocation plan within month, chided N.Y. State Board of Regents for sitting on its 10 uhf ETV allocations. Panel of experts (Vol. 3:19 p9) answered questions from floor, which varied from method of using remote control with all-channel receivers (answer: use "U" position on dial for first channel, strips for any others) to why there is "no network programming on uhf" (answer: there is in some locations) to complaints about "govt. interference" through all-channel-set law. At earlier press conference, Lee predicted "within our lifetime we will have 200 million people and 100 million TV sets" and suggested that there's "pretty good chance in the near future for a 4th TV network," based on anticipated expansion of uhf. Lee said new proposed allocations plan, due in a month, will provide for following number of channels per city (including vhf & uhf, excluding ETV): one in cities of 10-50,000; 3 for 50-150,000; 5 for 150-500,000; 7 for 500,000-2 million; 9 for 2-5 million; 11 for 5 million-plus.

"Group W" is new identification for Westinghouse Bestg. Co. (no corporate change). Concerned about group-station identification, WBC had Psychological Corp. survey ad community, and it found only 1/3 could define what it is & does. Group W—with unique eye-catching, bold lettering designed by Lippincott & Margulies—will appear in heavy ad & promotion campaign breaking today (20) in *N.Y. Times*, *Herald-Tribune*, national & trade magazines. Lettering of same type as Group W will also be used by group's 5 TVs, 6 AMs. Westinghouse sees industry-wide need in establishing group operation as separate communications & advertising force. Pres. Donald McGannon said that 18-month campaign is planned, that extra costs are involved—but that total expenditures won't greatly exceed normal advertising-promotion budget. Plans include presentation to advertiser-agencies groups in major cities.

Central American TV Network, 6-nation group associated with ABC International, reaches 110,000 sets today compared with 48,000 when it was formed in May 1960 by 5 stations, ABC reports. Half-hour prime time now costs \$366 on 6 stations against \$281 then. Celebrating 3rd anniversary, CATVN countries are Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, Panama.

TOO-MANY-COMMERCIALS PLAN: FCC's proposal to limit commercials was issued last week, is as we indicated (Vol. 3:19 p1). Vote was 4-3, as expected—majority: Minow, Lee, Henry, Cox. Ford, Hyde & Bartley dissented, last 2 with statements.

NAB TV & Radio Codes are basis of proposal, and Commission adds a few trimmings. (It's Doc. 15083, comments due July 1, and we'll be glad to get you copy of full text.) As we reported, FCC believes NAB Codes are fine but that too few stations subscribe to them, that many subscribers violate them—and they have no teeth.

Commission also invited stations to tell why they should be exempted from limitations—small market, daytime, seasonal economy, etc. Dissenter Hyde said proposal could "place an enormous policing duty upon the Commission which could give more adverse results than benefits" and "I believe the proposal is inconsistent with the statutory concept of broadcasting as a competitive private enterprise service."

Dissenter Bartley called it "an irritating act of futility." He said FCC already knows why many stations should be exempt. Furthermore, he said, some stations with plenty of good commercials are much better to listen to than others with fewer commercials of the "screaming, irritating & obnoxious" kind that produce "headaches that the advertised product is supposed to cure." In addition, he said, move would be improper delegation of responsibility, would have tendency to freeze NAB Code and would encourage stations into "hiding behind the skirts of recognized maximum quantity and disregarding acceptable quality."

NAB Pres. Collins, meanwhile, continued to blast plan in speeches around the country, insisting that industry can take care of itself. As example, he wrote heads of 50 largest ad agencies, urging them to "cooperate" with Code subscribers. He carefully didn't define "cooperation"—but obvious assumption is that agencies are urged to buy time on stations which subscribe, bypass those which don't. NAB also announced it had contracted with Air Check Services Corp. to do its TV & radio monitoring. Firm is headed by Richard Drost, covers 400 cities, and 50% of its employes are people with physical handicaps.

Highest price on record for one-minute program participations—\$75,000 a shot—is being sought by NBC-TV for commercials in big pro grid event of season, National Football League championship game, to which NBC holds rights. King-sized price tag stems from king-sized price (\$926,000) NBC shelled out recently for TV rights (not counting production or time charges) to game. NBC predicts record audience for game, expects to have no trouble unloading its expensive package, privately hopes that recent prediction by CBS-TV pres. James T. Aubrey Jr. that TV sports events are likely to price themselves out of market (Vol. 3:19 p4) won't throw NBC for 10-yard loss.

Boston Ch. 38 CP has been granted to Boston Catholic TV Center Inc., which proposes to operate commercially and to feed instructive programs to schools. For school programs, FCC said, station must limit sponsorship announcements to name of company.

Theater-TV color network is planned in Japan by Toho Co., that country's largest movie producer, distributor & exhibitor, which has placed order for 10 GE Talaria color-TV projectors (Vol. 3:18 p2) at more than \$500,000. Under name of Toho TV Theaters, company will begin regular theater TV next spring, plans 10 hours daily of sports (including 1964 Olympics), education, culture, drama & news. Five theaters in Tokyo; 3 in Osaka, and one each in Kyoto & Kobe will participate. Toho is seeking govt. allocation of 7.5-mc bandwidth microwave system to accommodate color pictures of greater resolution than those televised by broadcast stations. National General Corp. has already announced plans for closed-circuit theater-TV network in U.S. (Vol. 3:9 p3).

National Community TV Assn.'s 12th annual convention will have Sen. Magnuson (D-Wash.), Commerce Committee chmn., as keynote luncheon speaker June 11. Meeting at Seattle's Olympic Hotel June 10-14 will also hear: Dr. Royal L. Garff, U. of Utah marketing & speech professor; Loren B. Stone, ETV KCTS-TV Seattle mgr.; Cowles Andrus, special asst. to deputy administrator for financial assistance, Small Business Administration. NCTA's 1963 awards will be judged by Washingtonians: Henry J. Kaufman, Henry J. Kaufman Assoc., adv.; Bryson Rash, WRC-TV-AM; Robert K. Richards, Richards Assoc., PR.

ETV WNBT N.Y. denied in reply to FCC that any donations from commercial broadcasters carried conditions that it alter its programming in favor of instructional TV (Vol. 3:18 p3). Chmn. Howard Shepherd said there's been no change in proportion between cultural & instructional programming, and there'll be none. He said programming discussions between Pres. Samuel Gould & NBC Chmn. Robert Sarnoff & Exec. vp David Adams were regarded by Gould as "collateral material," not related to NBC's recent \$100,000 donation.

Plans for NAB program dept. were outlined by Pres. Collins to South Dakota Bestrs. Assn. May 17. He said NAB shouldn't get into programming production business, but should offer "extension service" to exchange techniques & ideas, make information available on program material, offer in-service training to programmers. Collins noted that NAB has commissioned U. of Denver research project on entertainment & its values.

Vast & expensive coverage of Maj. Cooper's orbital flight was most impressive to date—though public attention wasn't as rapt as with earlier flights. For first time, Mercury capsule carried slow-scan TV camera for shots in & out of vehicle; pictures were generally poor. TV coverage was taped, relayed to Europe, including Iron Curtain countries, via satellites Telstar & Relay—all in all, a resounding programming & technical feat.

Round-robin "Education Exchange," inaugurated May 20 by 5 NBC owned TV stations, will run 20 weeks starting with 4-week offering of each stations' local series: WNBC-TV N.Y., *Science Age*; WRCV-TV Philadelphia, *U.S. Might & Studies in Creativity*; WRC-TV Washington, *Focus on World Affairs*; WNBQ Chicago, *Modern Math*; KNBC-TV Los Angeles, *Feitelson on Art*.

San Diego Assn. of Bestrs. is financing 1,600-interview study to determine number of receivers in market, to gather data on FM listening. Accounting Corp. of America will tabulate results turned in by supervisor & 8 interviewers.

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Personals

Felix Jackson, NBC-TV network programs vp, West Coast, promoted to newly created vp, NBC Productions, succeeded by **Grant Tinker**, programs operations vp, West Coast.

Rep. Harris (D-Ark.), chmn. of Commerce Committee, to be honored at luncheon of Broadcast Pioneers D.C. chapter, International Inn, Washington, June 6.

John M. Couric promoted from mgr. to dir., NAB public relations; **Milton E. Magruder**, public relations asst. mgr. to publications mgr.; **Arthur D. Stamler**, audio-visual asst. to mgr. **Robert E. Hallahan**, ex-Army Times Publishing, named NAB public relations asst.

Ben Norman, ex-western regional bestg. dir., Cunningham & Walsh, Los Angeles, appointed vp & operations dir., Gerald Schnitzer Productions. . . **Al Maffie**, ex-Hallmark Trading Co. pres., returns to radio WNAC Boston as Yankee Network sales mgr.

Matthew Gordon, one-time head of UN press services, appointed information dir., Communications Satellite Corp.

W. Hal Thompson, ex-Peters, Griffin, Woodward Dallas mgr., named commercial mgr., KSYD-TV Wichita Falls.

Obituary

Hugh T. Graham, 44, CBS-TV network gen. mgr.-operations, died May 11 of pneumonia. He joined CBS in Oct. 1957 as unit management & control services mgr. after 8 years with NBC. Native of N.Y., he lived in Yorktown Heights, is survived by wife, 3 daughters, parents.

PROPOSED AM-FM STANDARDS: Controversial new AM-FM standards were proposed by FCC last week (Vol. 3:14 p6); comments due July 17, Comr. Hyde only dissenter.

Heart of proposal is to sharply tighten engineering standards & encourage FM growth. Commission would establish a "go-no go" criteria for new daytime AM applications, protecting present contours. Station would have to provide 1st or 2nd service to at least 25% of area or wouldn't exceed total number of stations in market based on new maximum requirements by city population. Allowable AMs also would be determined by number of FM assignments in communities over 100,000.

Commission wouldn't accept new nighttime applications (other than class II-A) unless new station wouldn't raise RSS limitation of any existing station, and it would have to conform with daytime 25% criterion.

To encourage FM: In cities over 100,000—where there are no unassigned FM channels under table of assignments to be issued—each FM would be required to devote no more than 50% of average week to AM duplicated programs within one year after adoption. Comments are requested on whether rules should apply to metropolitan statistical areas or to cities with over 100,000 population. This rule would not apply to cities under 100,000, nor to cities over 100,000 where there are still available FM channels.

Commission believes separate AM-FM ownership in same community is "necessary long range goal," says duopoly rules are closely related to AM-FM duplication. It believes, however, that present state of FM development does not permit separation now.

FCC adds: As AM frequencies become scarce, it's expected there'll be increase in number of competing applications at renewal time of AM-FM operators in largest markets. In such situations, FCC says, some dual AM-FM operators "may well be vulnerable," particularly if existing licensee has been presenting bare minimum of non-duplicated programming.

Commission expects to issue 2nd rule-making proposals to cover financial qualifications, city signal requirements, dual-city identification, studio location, additional engineering data with renewal applications. When adopted, new rules would lift present AM freeze.

Dissenting Comr. Hyde said that fixing arbitrary numerical limit on stations per market is inconsistent with Communications Act, that it's "unfortunate" NAB's plea against changes affecting competitive free enterprise was ignored, that new rules would abandon discretion to authorize new & changed operations to conform to population & market changes & technological developments, that he didn't think development of FM should become involved in AM allocations.

Comr. Ford, concurring, expressed reservations about "go-no go" system, table of maximum assignments per market, inclusion of FM in AM allocations.

Pulse reports 9 new agency clients & one agency renewal. New: Doherty, Clifford, Steers & Shenfield; North Advertising; Lennen & Newell; Smith-Greenland; John W. Shaw; Brangham/Brewer/Holzer; Smock, Debnam & Waddell; Scotty Glasgow Adv.; Screenboard. Kenyon & Eckhardt expanded to full service.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

THE NEW LINES—PHILCO & RCA: If there are price hikes in the works, they're being deferred till later. First 2 complete 1964 TV-radio-phono lines—from RCA & Philco—seem to go in other direction, to more for the same money, the same for less money. RCA's color line, in fact, now has gap which indicates possibility of future drop-in table model at around \$450.

"Despite the pressure on costs such as material & labor," RCA Sales Corp. Pres. Raymond W. Saxon told distributors at Las Vegas unveiling last week, "we have decided to take advantage of the favorable climate for home entertainment merchandise and introduce product lines that have much more value in lower price categories." RCA distributors noted particularly the large expansion in furniture models in the popular \$500-650 sector of RCA's color line.

RCA joined march to 16-in. set, pricing it as leader model at \$129.95 & \$139.95, and Philco—apparently on same premise that smallest screen should carry lowest price—brought out new leader 16-in. at \$129.95, just \$10 below previous 16-in. leader.

Both lines have increased number of color sets, with more features beginning at lower prices. Black-&-white combo lines are lengthened, with stress on middle & low end. Philco has virtually eliminated metal cabinets, switching to hardboard at same or lower prices as result of recent modernization of its furniture factory. Both RCA & Philco introduced their first FM-stereo table models, former at \$199.95, latter at \$139.95. Phonos feature more drop-down changers, non-scratch cartridges. For highlights, see p. 13.

Dawn-of-a-new-era feeling was widespread at RCA distributor meeting, as Saxon made these points: (1) "Color TV will undoubtedly be the largest individual contributor to the home entertainment industry's sales volume this year." (2) RCA is predicting banner b&w year, too—sales of 6.5 million of them, plus 750,000 color sets for total of 7.25 million TV's. (3) Integrated circuits may show up within next 5 years in RCA consumer products. (4) Convertibility to uhf "could easily be the most important selling feature of the industry's new sales season." (5) "Days of foreign advantage in manufacturing costs are about over."

U.S. TINYVISION—GE's 11-IN. AT \$99.95: GE's widely anticipated 11-in. set at \$99.95, which goes on sale nationwide June 1, is unorthodox both in construction & appearance. Although there are step-up models at \$109.95, GE hopes to push for mass sales on low-end model, thereby opening up what it believes to be vast 2nd-set market for U.S.-made personal portables.

Here are specs: Square-cornered 11-in. Lamelite (laminated plastic safety shield) picture tube gives 60-sq. in. picture. Weight is 12¼ lb. Speaker is front-mounted, 6 x 2 in. Plastic cabinet, 10⅝-in. high, 9⅞-in. deep, is 14-in. wide at front, tapers to 10-in. at back, has monopole antenna. In addition to picture tube, set contains 9 receiving tubes, including 6 (14 functions) compactrons. It operates on house current only.

Really unique feature of set is that it has no chassis at all, in conventional sense of term, eliminating virtually all metal parts. Circuits & components are mounted directly on front escutcheon and picture-tube mask. GE calls this "unitized construction," says virtually all hand soldering operations are eliminated.

GE engineers discarded traditional TV set construction concepts with specific goal in mind—set which could be sold for less than \$100. However, they also came up with valuable byproduct—easy accessibility to all parts. Polypropylene cabinet is made in 2 pieces—front escutcheon and unitized box composing back & sides. Box is removed by taking out 4 long bolts, exposing all parts. GE says picture tube replacement takes 6 minutes, including opening & closing set. In tests of replacing 7 most commonly serviced components, says GE, job could be done about 45% faster on little set than next most serviceable TV set.

All-channel version will contain GE's new miniature transistorized uhf tuner (Vol. 3:13 p7), which will go in all new all-channel sets in GE line and represents GE's entry into tuner manufacturing business. In little set, it's expected to add \$20 to price, although no retail price has been announced for all-channel version. Since this will bring nominal retail price up to \$119.95, you can bet that in coming months GE will be working furiously on further manufacturing efficiencies to make possible all-channel version at magic figure of \$99.95 come U-Day next April 30.

The \$109.95 step-up has aluminum handle (instead of plastic), dipole antenna, earphone jack, comes in 2 colors—champagne or bright cherry red (the color itself being an innovation in TV set design).

Entire industry will be watching progress of GE's little personal portable. Only other U.S. firm known to be planning to produce its own tinyvision is Admiral (best guess as to introduction month: September), but others are seriously considering import of small Japanese sets. For example, Toshiba says it has contracted to sell Sears Roebuck 10-in. house-current sets; initial quantities have been estimated at 10,000.

Philco product planning mgr. William Balderston told us last week: "There'll be a market for 11-in. sets. We're looking at them but have no plans for them at this time. We think that TV ultimately will fragmentize, as radio did. Ultimately, few manufacturers will be able to make all sizes."

Firmly committed to "fragmentation" of TV audience into personal viewing units, GE can be expected to introduce further unique variations of its 11-in. set soon.



GE announced "lifetime guarantee" on etched circuit boards of the 11-in. Defects occurring in boards will be repaired "at no cost to the customer" during full life of set.

GE TV ad mgr. Vincent Novak said that study 4 years ago of 10,000 service calls revealed only 2 circuit boards had to be replaced. "Any confusion remaining in the customer's mind about the superiority of modern assembly methods," he said, "should be forever laid to rest by this new warranty." Thus GE joins RCA & Philco in declaring unremitting war against claims made for hand wiring. Incidentally, so-called "standard" warranty (Vol. 3:19 p7) is mythical, dating back more than decade when EIA had warranty standards, since discontinued.

SET MAKERS NET GOOD FIRST QUARTER: TV-radio manufacturers were off & running strong in 1963's opening quarter, despite signs of foot-dragging here & there. Sales generally fared better than profits, however. Eight volume set makers boosted collective sales \$17.2 million over 1962's first-quarter level, but their earnings sloughed off by more than \$300,000. Conversely, 5 companies in which TVs & radios are but several of many consumer & military products increased their earnings by \$10.7 million on a \$112 million sales gain.

Our analysis of these 13 set makers produced these capsule findings: (1) Aggregate corporate sales & profits were decidedly ahead of a year ago. (2) Surprising number—7 of 13—posted sales records. (3) Four had record earnings. (4) Overwhelming number—11 of 13—boosted sales. (5) Nine of 13 increased earnings. (6) Only 2 failed to finish quarter in the black.

Eight manufacturers which concentrate on home electronic products ran their collective sales to \$287.8 million from \$270.6 million a year ago. Their earnings, however, slipped to \$10.4 million from \$10.7 million. The 1963 figure is after deducting losses of \$53,000 by Wells-Gardner & \$6,208 by Andrea Radio. The 8 companies: Andrea Radio, Admiral, Magnavox, Motorola, Muntz TV, Packard Bell, Wells-Gardner, Zenith. Six increased sales, 4 improved earnings.

Record sales & earnings were scored by Magnavox & Zenith. Motorola had record sales. In addition to its loss, Wells-Gardner experienced 14% sales drop. Pres. Grant Gardner attributed loss largely to start-up expenses for color TV production & drain of subsidiary cabinet factory, forecast "profitable" 1963. Motorola, which saw earnings drop 45%, noted major investments in color TV & new semiconductor products. Muntz TV, 3rd company with a profit slide, despite sales rise, had to make provision for first time in many years for federal taxes. Comparison with year-earlier's taxless earnings is therefore not entirely valid.

Solid sales & profit gains were scored by the 5 multi-product companies in which TVs & radios produce only a portion of over-all volume. Combined first-quarter sales of Arvin Industries, GE, GT&E, RCA

& Westinghouse burgeoned to \$2.435 billion from \$2.323 billion. Their amalgamated earnings increased to \$111.5 million from \$100.9 million. All improved sales & earnings over 1962's first quarter, and GT&E and RCA had record volume & profit. GE & Westinghouse also had record sales.

Profit gains of 9 companies which improved earnings picture were more solid than dramatic. RCA was up 19% to \$17.3 million from \$14.5 million. Zenith climbed 7% to \$5.1 million from \$4.7 million. Magnavox improved to \$2.9 million from \$2.4 million. Westinghouse gained 7% to \$12.6 million from \$11.8 million, and GE boosted earnings more than \$3 million to \$59 million from \$56 million. Admiral, which saw profits sink in 1962, got them moving ahead again with a gain to \$784,545 from \$509,957.

Major sales gains were made by Zenith, up 13% to \$92.3 million from \$81.5 million; Westinghouse, up 6% to \$489.7 million from \$460.5 million. Other strong gains: Motorola—to \$80.6 million from \$77 million. Packard Bell—\$13.3 million from \$11.7 million. Arvin—\$22.1 million from \$18.8 million. GE boosted sales nearly \$54 million to \$1.154 billion from \$1.1001 billion.

Here's 1963-vs.-1962 first-quarter performance of 8 volume producers:

	Sales		Earnings	
	1963	1962	1963	1962
Andrea Radio	\$ 944,493	\$ 1,455,312	\$ (6,208)	\$ 87,185
Admiral	49,907,686	48,309,910	784,545	509,957
Magnavox	43,821,000	43,039,000	2,903,000	2,435,000
Motorola	80,590,096	77,017,162	1,356,667	2,455,944
Muntz TV (qtr. to Feb. 28)	3,205,000	3,140,000	140,365	264,549
Packard Bell ..	13,278,000	11,730,615	229,000	186,751
Wells-Gardner	3,764,000	4,380,000	(53,000)	62,000
Zenith	92,266,684	81,520,763	5,062,980	4,728,794
TOTALS	\$287,776,959	\$270,592,762	\$10,417,349	\$10,730,180

Here are comparative first quarters of 5 multi-product companies:

Arvin Industries	\$ 22,144,000	\$ 18,815,000	\$ 535,000	\$ 472,000
GE	1,154,473,000	1,100,566,000	58,979,000	55,963,000
GT&E (Sylvania)	332,479,000	317,906,000	22,060,000	18,162,000
RCA	436,000,000	425,000,000	17,300,000	14,500,000
Westinghouse	489,742,000	460,466,000	12,588,000	11,778,000
TOTALS	\$2,434,838,000	\$2,322,753,000	\$111,462,000	\$100,875,000

SLOWDOWN IN FM-STEREO STATION STARTS: New FM-stereo starters have slowed down to trickle since first of year, with only a score beginning stereocasting. Count of known stereocasters now stands at 230 in U.S. & Canada.

Survey of broadcast equipment manufacturers shows slowdown is general—but there's feeling among manufacturers and at FCC that there'll be pickup toward fall. Commission is expected to end FM new-station freeze before it goes on vacation at end of July, opening way for more new stations—and majority of new FM stations go on air equipped for stereo.

Our survey of equipment makers did turn up 88 FM stations which are preparing for stereocasting—they've ordered or have received equipment. Among stereocasters are now appearing some of the big names in broadcasting, as well as young new entrepreneurs anxious to make a name with stereo. All 3 major networks now have definite plans to start stereocasting on owned-&-operated stations. NBC's WMAQ-FM Chicago is already broadcasting in stereo. CBS is preparing its KCBS-FM San Francisco, KNX-FM Los Angeles & KMOX-FM St. Louis. ABC's FM flagship, WABC-FM N.Y. plans to begin stereocasts shortly.

Here are our latest lists of FM stations now broadcasting in stereo, followed by upcoming FM stereo markets (expected to be on air in stereo by end of year):

STATIONS BROADCASTING IN FM STEREO (Continued)

UTAH		WEST VIRGINIA		PUERTO RICO	
Salt Lake City	KSL-FM	Charleston	WKNA	Rio Piedras	WFID
VIRGINIA		Martinsburg	WPEM-FM	CANADA	
Martinsville	WMVA-FM	WISCONSIN		Kamloops	CFFM
Norfolk	WTAR-FM, WYFI	Kenosha	WAXO	Montreal	CFCF-FM, CKVL-FM
Richmond	WFMV	Madison	WHA-FM, WISM-FM, WMFM	Ottawa	CFRA-FM
Roanoke	WSLS-FM	Milwaukee	WFMR, WMKE, WTMJ-FM	Quebec	CHRC-FM
WASHINGTON		West Bend	WBKV-FM	Toronto	CFRB-FM, CHFI-FM
Seattle	KETO-FM, KGMJ, KISW, KLSN, KZAM			Vancouver	CHQM-FM
Tacoma	KLAY-FM			Winnipeg	CKY-FM

STATIONS PLANNING FOR STEREO BROADCASTING

ALABAMA		INDIANA		PENNSYLVANIA	
Huntsville	WAHR	Richmond	WKBV-FM	Hanover	WHVR-FM
Mobile	WKRK-FM	KANSAS		Philadelphia	WDVE
ARIZONA		Wichita	KCMB-FM, KWBB-FM	Pittsburgh	WWSW-FM
Tucson	KSOM	KENTUCKY		Warren	WRRN
CALIFORNIA		Louisville	WLVL	SOUTH CAROLINA	
Los Angeles	KBMS, KNX-FM	Prestonsburg	WDOC-FM	Columbia	WCOS-FM
Oceanside	KUDE-FM	MAINE		Seneca	WSNW-FM
Sacramento	KFBK-FM	Caribou	WFST-FM	TENNESSEE	
San Bernardino	KRCS	MICHIGAN		Camden	WFWL-FM
San Diego	KBBW	Detroit	WBFG	Greenville	WGRV-FM
San Francisco	KAFE, KCBS-FM, KEAR, KXXX	Interlochen	WIAA	Johnson City	WJCW-FM
Santa Barbara	KDB-FM	Lansing	WMRT-FM	Lebanon	WCOR-FM
Thousand Oaks	KNJO	MISSOURI		McKenzie	WKTA
Woodland	KATT	St. Joseph	KUSN-FM	TEXAS	
COLORADO		St. Louis	KADI, KMOX-FM, KWIX	Dallas	KRLD-FM, KSFM
Boulder	KRNW	NEVADA		Gainesville	KGAF-FM
Denver	KFML-FM	Las Vegas	KLUC-FM	Lubbock	KBFM
Manitou Springs	KCMS-FM	NEW JERSEY		Midland	KNFM
CONNECTICUT		Paterson	WPAT-FM	San Antonio	WOAI-FM
Hartford	WCCC-FM	Trenton	WTTM-FM	VIRGINIA	
DELAWARE		NEW MEXICO		Richmond	WCOD
Wilmington	WDEL-FM	Los Alamos	KRSN-FM	WASHINGTON	
FLORIDA		NEW YORK		Bellingham	KGMI-FM
Cocoa Beach	WXBR	Buffalo	WADB, WYSL-FM	Seattle	KGFM
Gainesville	KRUF-FM	New York	WABC-FM, WYNC-FM	WISCONSIN	
Miami	WMIE-FM	OHIO		Eau Claire	WIAL
Palm Beach	WQXT-FM	Cincinnati	WAEF-FM	Green Bay	WBAY-FM
Winter Haven	WINT-FM	Cleveland Heights	WCUY	Kenosha	WLIP-FM
GEORGIA		Columbus	WMNI-FM	Wausau	WSAU-FM
Columbus	WRBL-FM	Dover	WJER-FM	WYOMING	
IDAHO		Springfield	WBLY-FM	Cheyenne	KVWO-FM
Boise	KBOI-FM	Toledo	WTOL-FM	PUERTO RICO	
ILLINOIS				Aquadilla	WABA-FM
Champaign	WLRW			Isabella	WISA-FM
Decatur	WSOY-FM				
Mattoon	WLBH-FM				
Waukegan	WEFA				

TV-RADIO PRODUCTION: EIA statistics for week ended May 10 (19th week of 1963)

	May 4-10	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	118,364	134,716	126,412	2,538,152	2,450,219
Total radio	322,782	327,779	378,179	6,143,711	6,834,111
Auto radio	128,254	134,704	132,301	2,791,042	2,387,770

PHILCO & RCA (cont.): Highlights of new consumer electronics lines introduced last week by RCA & Philco (see also p. 8):

Color: RCA's color line, largest ever, contains 21 models, with more dollar-for-dollar value than last year. Bottom of line still is \$495, but this year it's wood-grained metal console (not table model), roughly equivalent to last year's \$525 model and leading to speculation that black metal table model might be dropped in later at low promotional price. Lowest-priced color remote is now \$595 (vs. \$750 last year), cheapest all-wood cabinet set \$549.95 (vs. \$595), with color combos starting at \$895 (vs. \$995) and running up to \$1,700. All sets use new RCA color chassis (Vol. 3:10 p7).

Philco's color line, produced in own factory for first time, is lengthened to 14 models from last year's 8. New price leader is hardboard-cabinet table model at \$495, and line is topped by "under-\$1,000" combo.

Black-&-white: Philco's prices & styling are news, with everything (including redesigned Town & Country 19-in. sets) down about \$10, where direct comparison is possible. Philco's flexible curtainwood doors are employed on sets selling as low as \$269.95. Two promotional consoles feature opaque-finished cabinets—in black hitchcock design & green Pennsylvania Dutch (complete with hex signs)—at \$299.95. Philco's 23-in. line begins with hardboard-cabinet table model at \$179.95 (vs. metal set last year at \$199.95). One model is available with tea-cart accessory. Combo prices are lower, too, starting with TV-phono at \$329.95; lowest-priced TV-radio-phono is \$399 (vs. \$499 last year). Top of combo line is \$645, with woven walnut speaker grille, well under last year's top-of-line price of \$829.

RCA's black-&-white line now has 27 basic models, much of it priced comparatively with last year. Lowest-priced remote control 23-in. table model is now \$259.95, some \$10 below last year's point; compact console sets start at \$219.95 (\$20 less than year ago). Combos with radio start at \$399.95 (vs. \$495), with first FM-stereo combo at \$425. Top-of-line b&w combo is now \$550 (vs. \$650).

Stereo: Portable stereo begins at \$69.95 with drop-down changer in both Philco & RCA lines, and both lines feature tape input & output jacks extensively in stereo units to take advantage of recording possibilities inherent in FM stereo. Philco's stereo consoles start at \$129.95, RCA's at \$149.95. Philco features 2 unique cabinet styles for stereo—one convertible to either desk or bench by changing legs (\$299.95), the other in form of secretary desk.

Radio: RCA's new FM-stereo table model uses twin units; Philco's has detachable speakers. Both transistor radio lines begin with 6-transistor sets at \$14.95 (Philco's is gift-packed), and both lines are believed to include imports. RCA introduced first FM-AM-SW set (11 transistor), at \$89.95—this is the German-made unit mentioned by Group Exec. vp W. Walter Watts at recent stockholders meeting (Vol. 3:19 p10). Philco line features 9-transistor AM-FM at \$49.95; RCA has added new FM-AM clock radio at \$59.95, replacing former one at \$79.95. RCA has "spice chest" radio which can be hung on wall.

Among other new features: Philco's new "high-gain" picture tube, said to reduce tube & set failures; RCA's new FM-AM tuner for all stereo merchandise.

Japanese TV exports to U.S. during first quarter 1963 totaled 87,836 sets, more than 4½% of U.S. TV production for same period and 8 times as many as the 11,039 exported to U.S. in first quarter 1962. Here's breakdown (last year's figures in parentheses): 21-in. & over, 4,767 (2); under 21-in., 46,033 (7,070); transistorized, 37,036 (3,976). Multi-transistor radio shipments also showed increase during same period: 3 or more transistors, 1,537,997 (1,285,253); tube radios, 212,071 (376,378); others including "toy" radios, 556,654 (896,108).

Customs Bureau backed down, reportedly on its strict policy of assigning relatively high base prices on imported Japanese radios (Vol. 2:49 p10). Customs had been applying duty on basis of \$6.30 for "Class C" (lowest-performance transistor radios on Japanese rating scale) radios, \$6.80 on Class B radios and \$7.30 on Class A. Base valuation on Class C sets has been reduced to \$5, on Class B to \$5.50 and on Class A radios to Japanese invoice prices. Reduction in Class C base means duty saving of 16¢ per set to importers of low-price radios in this class.

Color sales & production statistics will not be compiled by EIA in foreseeable future, as result of change in RCA's plans. Company had agreed last March to supply its own color statistics to industry pool beginning next July. However, it's understood RCA has now decided to wait for completion of reorganization of EIA Marketing Services Dept. before making final decision. Under EIA rules, no company which makes more than 50% of industry total of any single product need report data on that product.

FM-stereo facilities were built into virtually 50% or 205,217 of 411,252 combination receivers produced in 1963's first quarter. Of 62,816 TV-radio combos produced, 24,465 had FM-stereo, EIA reported. Of 348,436 radio-phono combos, 180,752 were FM-stereo equipped. For total 1962, nearly 46% or 767,539 of 1,677,385 combos produced featured FM-stereo.

3M-Revere tape cartridge recorder (Vol. 3:18 p8) will be sold in Chicago area initially by 16 retail outlets, including Marshall Field & Co.'s main store & 2 suburban stores, Lyon & Healy Music Co.'s 7 stores, Musicraft and Gill Custom House in Chicago, plus stores in Highland Park, Park Ridge and La Grange.

Japan's TV manufacturers plan this year to establish voluntary ceiling on exports to U.S. EIA of Japan exec. dir. Hiromi Kono said outlook is for initial quota of 10% of U.S. production. Total Japanese TV shipments to U.S. this year, he said, will rise to about 300,000 from 150,000 sets last year.

Oak Mfg.'s McCoy Electronics subsidiary is building adjacent to its Mt. Holly Springs, Pa. hq a \$500,000, 50,000-sq. ft. plant which will more than triple production capacity for quartz crystals, filters & frequency control units. Addition is slated for completion in Oct.

Ohio's Fair Trade Act was declared unconstitutional by 4-3 vote of State Supreme Court—but Act still stands. Under Ohio law, appellate decision can be upset only with approval of 6 of 7 Supreme Court justices. Appellate Court of Northern Ohio had upheld Act.

Admiral's 5-year warranty on etched circuit boards (Vol. 3:19 p7) covers circuit boards only, no other parts. Our warranty roundup last week was not properly explicit on this point.

Sylvania will begin recall this fall of workers to resume production of color TV tubes, suspended in 1957.

FIRST-QUARTER SALES: EIA's official report on first-quarter performance of home electronic products is strictly up & down. Monochrome TV moved ahead of year-ago's distributor sales by more than 73,600 units, but production increased less than 50,000. Radio sales dropped more than 290,000 units, and manufacturers cut back on output by nearly 439,000 units. Phonographs continued making merry 1963 music with sales gain of 134,000 units over 1962's first quarter.

Distributor sales of b&w TV gained some 20,000 units in March over March 1962, pushed quarterly total to 1.64 million units from year-earlier's 1.57 million. Production picture shows all-channel sets continuing to account for increasing share of total output. March's all-channel production jumped markedly to 76,481 from March-1962's 48,323. For first quarter, all-channel output ran more than 40% ahead of year-ago.

March radio sales by distributors to dealers dropped nearly 100,000 units from March 1962. First-quarter total dipped to 1.9 million from 2.2 million. FM radio production, which had dropped in Feb. from year-ago month, came about in March and went ahead of March 1962's output by nearly 25%. Quarterly output of FM radio also ran ahead.

Distributor's March phono sales continued year's up-beat pattern. Sales rose nearly 47,000 units from March 1962, and first-quarter volume rose to 992,649 from 1962's Jan.-March volume of 758,405.

Here are EIA's official 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
TOTAL	1,641,617	1,567,987	1,887,894	2,177,998

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
TOTAL	1,738,781	1,639,614	198,226	134,647

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	657,691	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
TOTAL	4,187,540	4,625,844	1,929,809	1,618,331	264,125	241,736

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	81,046	235,479	316,525	48,423	171,305	219,728
February	73,424	256,548	329,972	50,563	188,857	239,420
March	78,922	267,230	346,152	63,206	236,051	299,257
TOTAL	233,392	759,257	992,649	162,192	596,213	758,405

PHONO FACTORY SALES

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	83,638	258,058	341,694	68,545	191,014	259,559
February	77,971	262,304	339,275	52,566	202,846	255,412
March	92,871	236,842	329,713	60,991	237,492	298,483
TOTAL	254,480	757,204	1,011,684	182,102	631,352	813,454

SIRAGUSA LOOKS AHEAD: Confident picture of consumer durables' near-future was painted last week by Admiral Chmn. Ross D. Siragusa in panel on business outlook at National Industrial Conference Board's annual economic conference in N.Y.

For 1968, he ventured these distributor-to-dealer sales projections: 2.5 million color TV sets, out of total 7 million TVs; 23.5 million radios; 4.2 million stereo instruments; 4.35 million refrigerators; 1.25 million home freezers.

For more immediate future—balance of 1963—Siragusa said he expects good sales volume in consumer durables to continue, and predicted that "sales increases in the consumer electronics-major appliance field will exceed 3-5% rise anticipated in Gross National Product." He estimated industry color TV sales this year at "approximately 700,000 units, or more than 10% of the projected total TV sales of 6.5 million" and pointed out that color's dollar volume "will approximate 25% of the aggregate total because each color set sale is equivalent to about 3 black-&-white TV sales."

TV industry, he said, "has been experiencing a steadily increasing average retail selling price" due to "higher sales of big-ticket color TV and to greater concentration on sales of TV-stereo phono combinations." In phono field, he added, distributor sales of stereo instruments increased 27% in first quarter over same period last year. "By summer, you will see a variety of completely transistorized stereo radio-phonograph combinations at the top of the line."

He expressed opinion that softness in radio market (Vol. 3:17 p10) is "a breather after 2 high-volume years in which total industry sales reached 40 million units."

His optimism for business conditions this year, Siragusa declared, was not due solely to high level of govt. spending, but also: (1) Continued rise in personal income. (2) High level of consumer savings and satisfactory level of debt repayment. (3) Increasing employment. (4) Estimated 1.4 million new home starts.

Two more Motorola distributors have joined Fair Trade parade (Vol. 3:14 p13): Gough Industries, for San Diego & Imperial counties, California; Craig Electronics, 7 southern California counties. Both commence fair trading June 1.

Zenith was honored by National Alliance of TV & Electronic Service Assns. (NATESA) with its "Friend of Independent Service" award, only TV manufacturer to be so honored this year.

Symphonic's new phonograph line is its largest—17 portables, priced from \$19.95 to \$229.95, and 13 consoles, \$99.99 to \$339.95. Four top-end portables feature drop-down changers.

Davega Stores' assets, trademarks & name have been purchased for \$311,100 by Henry Modell Co., N.Y. operator of 4 sporting goods stores (Vol. 3:19 p11).

Reports & comments: CBS, special report, A. M. Kidder & Co., One Wall St., N.Y. • "The Electronics Industry," discussion, Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. 4.

Officers & Directors stock transactions as reported to SEC for March:

Allied Artists. Roger W. Hurlock bought 400 in Feb., held 37,400.

Arrow Electronics. Maurice Goldberg bought 100, held 133,086.

Arvin Industries. Edmund Ludlow bought 137, held 3,637. Frank H. Sparks sold 2,500, held 6,250.

Avnet Electronics. Alvin Bennett sold 13,000, held 42,661. Jack Stadler sold 10,500, held 35,785. Lester Avnet exchanged for tangible personal property 33,654 held in trust, held 246; held personally 217,156.

Capital Cities Bestg. Robert Lipton sold 2,275, held none.

Clarostat Mfg. Irvin Lavine bought 500, held 1,018.

CBS. Frank Stanton sold 20,000, held 145,890.

Decca Records. MCA bought 7,500, held 1,348,015.

Dynamics Corp. of America. R. F. Kelley bought 10,000, held 70,400.

Federal Pacific Electric. Clifford Harris sold 1,100 in Feb., held 30,000.

Globe-Union. R. H. Warner bought 750, held 2,415.

Hallcrafters. Edward Bishop Jr. bought 800, held 4,400. Stanley Rendell bought 1,200, held 4,100.

Lear Siegler. Pierpont Hamilton sold 7,200 in Feb., held 29,521.

Macfadden-Bartell. David Bartell bought 200 in Feb., held 222,238. Gerald Bartell bought 200 in Feb., held 221,072. Lee Bartell bought 200 in Feb., held 221,072. Melvin Bartell bought 100 in Feb., held 100,800.

Magnavox. David Martin sold 100, held 3,204. John Sturgeon sold 500 in Feb., 200 in March, held 12,385.

P. R. Mallory. Boone Cross bought 100, held 100.

MGM. Nathan Cummings bought 7,900, held 62,681.

Metromedia. Richard Geismar bought 2,000 in April, held 2,300.

Muntz TV. Daniel Domin bought 1,000, held 27,008.

National Video. Harold Cole sold 800 Class A, held 100.

Reeves Bestg. & Development. Harry L. Petersen bought 100, held 2,730.

Reeves Soundcraft. Milton Untermeyer bought 200 in Feb., held 700.

Stewart-Warner. Donald Potter bought 600 in Feb., held 4,356.

Taft Bestg. Roger Read sold 500, held 353.

TV Industries. Walter Mack sold 500 in Feb., 6,300 in March, held 2,870.

Terminal-Hudson Electronics. Harry Donner sold 1,780, held none.

Texas Instruments. R. W. Olson bought 900, held 11,160.

Thompson Ramo Wooldridge. Charles Ohly sold 500, held 3,790. Dean Wooldridge sold 500 in Feb., 500 in March, held 35,507.

Thompson-Starrett. Herbert Kabat sold 7,000, held 190,365.

Trans-Lux. Harry Brandt bought 500 in Feb., held 115,050.

20th Century-Fox. Adam Gimbel bought 200, held 200.

Webcor. Paul Roth bought 100 in Feb., held 200.

Electronics International Capital Ltd., Bermuda-based investment firm, has obtained stockholder approval to purchase \$5 million of Packard Bell Electronics debentures.

Trade Personals

Bert S. Cross elected Minnesota Mining & Mfg. pres. & chief exec. officer, succeeding **Herbert P. Buetow**, who retires as pres. but continues as a dir. and will become finance committee chmn.

John E. Wiegel appointed GE audio products sales mgr., succeeding **Charles J. Fabso**.

Henry E. Hockeimer, Philco Communications & Electronics Div. gen. mgr., elected a vp . . . **Frank R. Wheeler** appointed Philco purchasing dir.

Virgil B. Day, GE vp for management development & employe relations services, will receive 1963 award of International Council of Industrial Editors for "outstanding contributions to communication & better industrial understanding."

Morris J. Feldman, N.Y. Transistor Corp. pres., elected pres. of American Radio Importers Assn. Other elections: vp, **Saul E. Ashkenazi**, Realtone Electronics pres.; secy., **Harold Harris**, Channel Master vp. **David Simon**, Harpers International pres., re-elected treas.

R. C. Lanphier Jr. elected Sangamo Electric engineering & mfg. exec. vp; **Cecil L. Clark**, sales & finance exec. vp . . . **John A. Spencer** elected GE regional vp for N.Y., N.J. & New England states, succeeding **Harold A. Olson**, who retires July 31

J. Keith Hunton named solid state semiconductor devices engineering mgr., Sylvania Microwave Device Div.

Distributor Notes: Philco Distributors-St. Louis will service 10 of 12 southern Illinois counties formerly covered by **Merkle Bros. Hardware**, which continues as Philco dealer in Quincy; **Hardware Products**, Philco's Sterling, Ill. distributor, will absorb other 2 counties, plus 6 counties (5 in eastern Iowa, one in Illinois) formerly served by **J. H. Ewinger & Son Distributing**, which continues as Philco dealer in Burlington, Ia. Four other counties formerly served by Ewinger will be absorbed by Philco branches • **Magnavox** names **Richard J. Guilfoyle** zone mgr. for New England states, headquartering in Boston • **Motorola** appoints **Braid Electric**, Nashville, Ben S. Gambill pres., distributor for Chattanooga area, replacing **Harwell Distributing** • **William E. Goetze** appointed pres. of RCA distributor **A. H. Meyer Co.**, San Francisco, succeeding **A. H. Meyer** who becomes chmn. • **Philco Consumer Products Div.** appoints **Frank Bonner** eastern regional mgr. He had been gen. mgr. of Philco Distributors' Washington-Baltimore Div., which is now split into Washington Div. (**Wally McGregor** gen. mgr.) & Baltimore Div. (**Irv Fulton** gen. mgr.) • **Motorola's** Sioux City, Ia. distributor, **Jones Distributing Co.**, adds most of South Dakota territory, succeeding **McKenzie Distributors**.

Capital Cities Bestg. has filed SEC registration statement (File 2-21412) for 250,000 shares of common, 114,003 of which are currently outstanding & will be publicly offered via underwriters headed by **White, Weld & Co.** Sellers of the outstanding shares are **Lowell Thomas** (offering 64,000 of 116,767 shares held) & **Chase Fund** of Boston, disposing of its 50,000-share holdings. Remaining shares will be offered after exercise of outstanding warrants.

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
Andrea Radio	1963—qtr. to Mar. 31	\$ 944,493	—	\$ (6,208)	—	254,136
	1962—qtr. to Mar. 31	1,455,312	—	87,185	\$0.34	254,136
Chris-Craft (formerly NAFI)	1963—qtr. to Mar. 31	17,468,186	\$ 315,449	290,449	.21	1,376,672
	1962—qtr. to Mar. 31	17,803,252	859,240	469,240	.34	1,376,672
EICO Electronic	1963—6 mo. to Mar. 31	4,550,023	—	87,450	.14	607,143
	1962—6 mo. to Mar. 31	4,896,800	—	174,992	.29	607,143
Gabriel	1963—qtr. to Mar. 31	7,390,000	—	107,519	.15	737,113
	1962—qtr. to Mar. 31	7,529,828	—	222,735	.30	737,113
Gulton Industries	1963—year to Feb. 28	30,044,860	2,869,241	1,409,241	1.24	1,138,992
	1962—year to Feb. 28	24,400,687	2,089,415	1,039,415	.92	1,129,810
Jerrold	1963—year to Feb. 28	24,816,000 ⁷	—	735,967 ⁷	.36	1,999,682
	1962—year to Feb. 28	18,002,000	—	597,234	.29	1,884,569
Litton Industries	1963—9 mo to Apr. 30 ¹	402,000,000	—	17,000,000	1.67	10,143,000
	1962—9 mo. to Apr. 30	274,508,000	—	11,646,000	1.17	9,869,895
MCA ²	1963—qtr. to Mar. 31	—	—	3,157,796	.63	4,519,603
	1962—qtr. to Mar. 31	—	—	4,203,841 ³	1.04 ³	4,040,735
Paramount Pictures	1963—qtr. to Mar. 31	—	—	275,000 ⁴	.17 ⁴	1,681,681
	1962—qtr. to Mar. 31	—	—	1,129,000	.67	1,684,481
Howard W. Sams	1963—9 mo. to Mar. 31	10,655,270 ⁷	—	760,904	1.41	536,225
	1962—9 mo. to Mar. 31	9,925,698	—	674,949	1.26	530,383
Sangamo Electric	1963—qtr. to Mar. 31	13,387,000	204,000	148,000	.09	1,637,617
	1962—qtr. to Mar. 31	10,615,000	(1,222,000)	(546,000)	—	1,637,161
Silicon Transistor	1962—year to Dec. 31	2,898,311	546,558	163,962 ⁴	.31	533,958
	1961—year to Dec. 31	1,682,382	62,992	36,008	.07	516,250
Transitron Electronic	1963—13 wks. to Mar. 30	6,211,161	—	(663,023) ⁵	—	7,503,368
	1962—13 wks. to Mar. 30	6,033,624	—	(297,101) ⁶	—	7,503,368

Notes: ¹ Estimated. ² Includes on "pooling of interests" basis MCA's interest in Decca Records' consolidated net income. ³ Includes non-recurring income equal to 46¢ a share. ⁴ After \$117,204 (22¢) in special

charges. ⁵ After \$725,000 tax credit. ⁶ After \$315,000 tax credit. ⁷ Record. ⁸ Before investment profit of \$445,000 (28¢).

"William S. Paley & Frank Stanton provide smooth direction to world's largest advertising medium," declared May 15 *Financial World* in front-cover story, "CBS Rings the Bell." Although CBS doesn't publish divisional earnings, analysis noted, "it's estimated that about 85% of the company's profits comes from TV & most of the remainder from the Record Div. Radio is probably a small factor in the profit picture at the moment as earnings from the CBS-owned radio stations, in large measure, are offset by losses on the radio network." Among numerous accolades: "CBS also has the management talent & strong finances to eye new avenues of diversification within the broad boundaries of the entertainment & educational fields."

GT&E's first-quarter earnings rose 21% to record \$22,060,000 from \$18,162,000 a year earlier. Sylvania Pres. Gene K. Beare said color TV "will be a big boost" to Sylvania, noted production of color tubes will begin later this year. Item in this space last week (Vol. 3:19 p11) erroneously identified earnings as Sylvania's and was indefinite with regard to Sylvania's color tube plans. We regret the error.

Metromedia has purchased for \$5 million cash Ice Capades Inc. & affiliate International Ice Attractions. John H. Harris continues as producer of the 2 companies, which will function as Metromedia subsidiaries. Metromedia also bought WCBM-AM-FM Baltimore for more than \$2 million cash.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T	Q	\$0.90	July 1	May 31
Federal Pacific Elec. ..	Q	.32	June 4	May 21
GPE	Q	.30	June 15	May 27
Hazeltine	Q	.20	June 14	May 31
Minnesota Mining	Q	.22½	June 12	May 24
Thompson Ramo Woold. Q	Q	.35	June 15	May 24

Outlet Co.'s broadcast operations produced \$900,259 of fiscal-1963's \$1,013,593 operating profit (Vol. 3:15 p12). Earnings in fiscal-1964's first quarter, ended April 30, dropped \$239,074 from a year ago, but Pres. Joseph S. Sinclair said "we hope to wind up fiscal 1964 with earnings as good or possibly better than in" fiscal 1963.

Metromedia expects 1963 earnings to climb to "about \$2 a common share" from 1962's \$1.40 on a sales gain to "about \$55 million" from \$53.1 million. Chmn.-Pres. John W. Kluge said all operating facilities are in the black & running ahead of previous estimates. (For first-quarter report, see Vol. 3:16 p12.)

Famous Players Canadian operating profit in 1963's opening quarter rose at least 7% from year-ago's \$611,711, 35¢ a share, vp R. W. Bolstad reported. He noted that Famous Players is negotiating to buy into a number of CATV systems, said all TV stations in which company has interest "did better" in March quarter than year ago.

WEEKLY **Television Digest**

NAB LIBRARY with **Consumer Electronics . . .** (starts page 7)

MAY 27, 1963

NEW SERIES VOL. 3, No. 21

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NEW FCC CHAIRMAN OFF & RUNNING, fast shouldering full load, says mail running '100-to-1' favorably, looks toward major decisions, has some ideas jelling (p. 1).

HARRIS LIKES NAB'S RATINGS PROPOSAL: Pres. Collins shows reform plan to Subcommittee—including criteria & standards, Rating Audit Service, methods research. Harris reservation: Will industry cooperate to make plan reality? (p. 2).

COURT AFFIRMS FCC POWER OVER CATV MICROWAVE, unanimously holding in Carter Mt. case that Commission can impose conditions to protect stations economically (p. 4).

FCC STILL HIPPED ON 'LOCAL-LIVE', queries 5 New England stations on plans for all segments of day, not only 6-11 p.m. Hyde & Lee dissent, former decries efforts to 'influence program selection' (p. 4).

NAB QUESTIONS CODE commercial limitations, Swezey urging considerations of 'quality,' says FCC shouldn't compound NAB's 'error' (p. 5).

SARNOFF ON ETV GOALS: NBC chmn. sees 'unique opportunities' in special interest programming, experimentation, instructional TV to assist overburdened educational system. NET's White says ETV future is not dependent on N.Y. (p. 5).

SALANT EXTOLLS TV NEWS: CBS News pres. points to Roper, Steiner studies showing impact, believability of TV journalism (p. 5).

NEW FCC CHAIRMAN OFF & RUNNING: FCC's E. William Henry, who becomes chairman June 1, is beginning to feel full load of job, apparently enjoys it. "As soon as people quit trying to psychoanalyze me, I'll be able to get some work done." He's deluged with mail, interviews, speech invitations. He's trying to answer the mail, grants the interviews—but has accepted only one speech date: Sept. 24, International Radio & TV Society, N.Y., doesn't expect to give any before then. (Our prediction: He won't be able to hold out that long.)

Henry tells us mail is running "100-to-1 favorably." "Usually," he says, "they say that Minow has done a wonderful job and I sound as if I'll do the same." Any such from broadcasters? we asked. "Usually, they send congratulations and wish me well."

Henry is accustomed to hard work, long hours, takes increased load in stride. His age, 34, helps. "Sen. Pastore," he said, "told me he was governor of Rhode Island when he was 37—but that he wouldn't want to handle that grueling job now."

New chairman has been interviewed so thoroughly that there are few subjects he hasn't discussed. He certainly isn't afraid to take a stand—though he readily admits he has at times failed to elaborate on controversial matters, leaving unintended impressions.

Take for example his comment that sustaining time may serve as a yardstick of station perform-

ANA PROBES TV VALUES at spring meeting in N.Y., hears research reports which show that commercials buried in 'clutter' are less effective than those in 'clean' positions. (p. 6).

Consumer Electronics

COLOR PRICE BREAK resounds through industry as Admiral shows table model at \$399.95, remote-control version at \$429.95, console at \$495. Zenith cuts several color models \$50, brings out 16-in. & 19-in. at \$10 & \$20 below predecessors; Admiral confirms forthcoming 11-in. at under \$100 (p. 7). Other new sets (p. 9).

FAIR TRADE DISTRIBUTOR MEANS BUSINESS: Motorola-Chicago takes prompt legal action against 2 dealers who sell below stated prices; 90% of distributor's dealers have signed individual fair trade contracts. (p. 7).

'HI-FI' DEFINITION still many months off, but FTC currently leans toward sliding-scale method; Commission invites industry members to submit ideas, insists disagreement won't block eventual ruling (p. 8).

FIRST-QUARTER TUBE SALES: Factory sales of TV picture tubes slipped to 2.3 million units from year-earlier's 2.4 million; dollar value dropped more than \$2 million to \$43.1 million. Receiving tube sales, EIA reports, plunged more than 8.8 million units to 83.7 million; dollar value fell \$7.9 million to \$70.5 million (p. 10).

MAJ. ARMSTRONG'S VINDICATION nearly complete, with settlement on FM-TV patents attained in 19 out of 21 cases; Motorola & Philco are last holdouts (p. 11).

ance (Vol. 3:20 p1). "What I meant was this," he said. "In its network inquiry, FCC found that networks often offered unsold public service programs to affiliates—but that affiliates frequently rejected these in favor of some 'Krazy Kat' thing that they could sell. I think there may be more public demand for the public service programs than stations realize."

Henry had hoped to issue his report on Omaha local-live hearing about now—but events of last 2 weeks may delay it until late summer. He wouldn't speculate about conclusions—except to say he expects Commission to take more liberal view of "local live" definition.

Henry is extremely interested in new TV program form, up for discussion this week (Vol. 3:20 p5). "It will be extremely important," he said, "but not a panacea. It will save a lot of letter writing. It will help clarify the FCC's position on programming. It will be helpful to the industry. But, the more I think of it, the more I think we'll have to adopt a spot check system—a fine tooth comb—like the Internal Revenue Service. Talk about staff! We'll get mountains of material—impossible to study carefully."

Lot of big subjects are on tap this week—Commission planning to meet 3 days in row, May 27-29, on option time, vhf drop-ins, CBS compensation plan, program form, etc. Apparently, Minow wants to get in on these big ones before he leaves—June 1, definitely, he announced, even though Lee Loevinger's Senate confirmation hearing is June 4. Minow's colleagues give him farewell party at FCC May 29.

Henry has some ideas on FCC procedures, hasn't firmed them up, won't disclose them until he gives concepts to colleagues. However, he said he thinks Commission might be wise to meet more frequently than it does now (regularly Wed., plus irregular special sessions).

HARRIS LIKES NAB RATING PROPOSAL: NAB's ambitious 3-point plan for ratings reform was removed from drawing board last week, shown to Harris Subcommittee. Legislators praised undertaking, expressed some reservations, said they hoped broadcast industry would make plan reality.

NAB Pres. Collins, who appeared with Group W Pres. McGannon (NAB research committee chmn.) & Melvin Goldberg, NAB research vp, said assn.'s objective is to secure "audience measurement services that are valid, reliable, effective and economically viable"—"without govt. control." Here's the NAB Industry Research Plan:

(1) "Rating Council" will establish "minimum criteria and minimum standards for rating services," establish & administer system of accreditation. Council will be composed of NAB representatives, RAB-TVb presidents (or their designees), plus "liaison" representatives from AAAA & ANA.

(2) Rating Audit Service—formerly referred to as Broadcast Audit Service (Vol. 3:18 p4)—will be organized by Rating Council subcommittee, directed by professional management, financed by rating services & "users." RAS will provide for auditing of methodologies & implementation procedures. RAS audit reports will be made to Council on regular basis. Raters who don't comply with minimum criteria & standards will be given chance for "remedial action;" if none is taken, accreditation will be rescinded. First RAS step will be to obtain, through questionnaire, present methods & operations of each rating company to serve as base in determining performance.

(3) NAB research committee will start "immediately" a continuing program of methodological research to seek improvements in techniques. Research will be split into 4 parts—local radio, local TV, national radio, national TV—supervised by subcommittees. NAB reported that TV networks have started, in cooperation with NAB, to research improvements in measuring national TV audiences. Special attention will be given to serious problems of local radio measurements affected by out-of-home & portable listening.

McGannon told of Collins' long-standing determination to overhaul broadcast research, conceded NAB plan is a "most ambitious undertaking," said it was necessary in order to be "responsive to the attitude and spirit of this Subcommittee."

Some specifics of plan were filled in by McGannon. Under criteria & standards, there'll be 2 broad categories: (1) Ethical standards on rating service implementation. (2) Statistical communications research standards to be evaluated by broadcast, academic & applied researchers.

Whether audit & accreditation would be performed by independent 3rd party (e.g., an accounting firm) or by a new organization, is under study, along with costs & frequency, McGannon said.

On methodology research into 4 basic broadcast areas, McGannon emphasized that the "most difficult area is that involving local radio." It has all the problems of local TV in sample size & reporting, plus difficulties in changing nature of mobile medium. Researcher Goldberg told us he's tackling job as though broadcast research were new area, is starting from ground up, has checked with electronics firms on new developments in instruments.

Legal issues of reform plan have been checked out by Douglas Anello, NAB gen. counsel, and Judge Bruce Bromley, of Cravath, Swaine & Moore. Justice Dept. approval will be sought.

Harris appears to be solidly behind NAB's effort, will watch closely industry cooperation & NAB's ability to get project off the ground. He's interested, too, in what Madison Avenue thinks of plan; if it scoffs, he may ask some ad leaders to come to Washington and tell why.

Harris is also mindful that any federal moves—FTC trade practice rules, Census Bureau ratings, FCC action—could be more difficult to implement than industry plans.

NAB reported it has approval of plan from ARB, Nielsen & Pulse, though Nielsen suggested it would like another look at implementation planning. Other researchers will be contacted shortly. Collins said Rating Council will set date, "hopefully within 60 days," for receiving applications for accreditation.

About 30 of 45 members of NAB radio & TV boards telegraphed approval last week, with 3 expressing reservations. Telegram containing doubts of Robert Pauley, ABC Radio pres., was used for questioning by Robert Richardson, Subcommittee staff attorney. Pauley wanted to know what NAB was going to do about the permanent sample method. Goldberg said he agreed with Census Bureau (Vol. 3:20 p4) that the method has problems, said he believed sample would have to change with population. Pauley also said that audits should be made without prior notice, and he questioned whether rating companies would be willing to pay for audits. "They didn't disagree violently" when advised they would have to share costs, said Goldberg.

AAAA & ANA have also pledged support, said McGannon, although ANA expressed doubts about tri-partite approach.

Subcommittee reservations: Whether this effort will succeed where compliance with Codes has been less than perfect; whether rater that doesn't seek accreditation (or loses it) will still be able to sell its numbers; whether NAB plan should be conducted by outside group (such as Stanford or Columbia).

Harris asked Collins for progress reports whenever NAB "did something." He also said that within a reasonable time he would expect complete report, perhaps in open hearing.

Large unanswered question last week: What's happening between NAB & RAB over latter's All-Radio Methodology Study, and its request that NAB put up \$75,000 of needed \$200,000? Based on emphasis made on local radio needs in Collins-McGannon testimony—and statements by those close to RAB—it appears that they're going separate ways. NAB board will weigh it at June 24 meeting.

RAB's plan calls for evaluation of research methods to measure more accurately radio's total sets-in-use, not ratings per se. Its methodology study would then be turned over to rating company—perhaps a new one—to sell method to industry. NAB's plan is vastly more comprehensive—covering long-term auditing, accreditation, methodological studies for TV & radio.

Newton Minow, outgoing FCC chmn., could have testified this week, but passed it up, believing task belonged to incoming Chmn. Henry, who may get Subcommittee call in 1-2 weeks. To names of reps who will appear (Vol. 3:20 p3)—if & when Subcommittee decides to call them—add Ward Dorrell, Blair research vp. Plan to call FTC Chmn. Dixon appears to have been dropped.

Leonard Goldenson, AB-PT pres., told stockholder meeting that the Harris Subcommittee "has done a great service to the industry [and] we feel we should operate through the NAB in exploring improvements in ratings. He said ABC Radio Pres. Robert Pauley has come up with new audience measurement method—but declined to elaborate.

COURT AFFIRMS FCC POWER OVER CATV MICROWAVE: FCC & telecasters won significant decision against CATV in Court of Appeals last week. Unanimously, Court held that Commission can refuse to authorize construction of a microwave system to serve CATV systems—if FCC believes result would be to hurt a TV station seriously. With Judges Bazelon, Miller & Washington representing both liberal & conservative branches of Court, chances of reversal are very slim. However, loser may seek Supreme Court review.

Decision came in famous "Carter Mountain" case, in which FCC declined to grant microwave facilities to serve CATVs in Riverton, Lander & Thermopolis, Wyo.—after protest had been filed by KWRB-TV Riverton. In denying the microwave, Commission had told Carter Mountain Transmission Corp. it could file again—if it could show that the CATVs would carry KWRB-TV's signal and wouldn't duplicate its programs with those relayed from other stations.

Court denied Carter Mountain's claims all down the line. It said FCC isn't required to "apply classic common carrier criteria." Rather, it said, FCC "was entitled—if indeed it was not obliged—to consider the use to which the facilities & frequencies requested were to be put, and to weigh that use as against other legally relevant factors, including the effect on existing local stations." Court asserted that the CATVs aren't entitled to common carrier service "as a matter of law"; that FCC isn't going beyond its legal powers and taking over regulation of CATVs; that Commission isn't engaging in "censorship."

Court accepted FCC's conclusion that microwave service to CATVs would probably kill off KWRB-TV. With such service, Court said, KWRB-TV would lose audience and "its survival would be seriously jeopardized." Furthermore, according to Court, demise of station would mean loss of local programs, loss of free TV, and loss of all TV in rural areas which cable doesn't reach.

Decision undoubtedly strengthens FCC's hand in negotiating with CATV operators regarding legislation. Also, it may be assumed that any telecaster who believes microwaves serving CATVs can hurt him will rely on decision to invoke FCC protection. NAB sources were cheered by decision—though they see some unwanted extensions of FCC powers over broadcasters too. Meanwhile, meeting of NCTA & FCC representatives—on legislation—is expected to be postponed from May 28 to June 3.

FCC STILL HIPPED ON 'LOCAL-LIVE': So-called "6-to-11" issue—amount of local-live material telecast 6-11 p.m. (Vol. 3:11 p3)—came to head again last week. Five New England stations' renewals were pending, and question before FCC was whether they're carrying enough local-live.

Comr. Ford came up with a letter Commission accepted—Hyde & Lee dissenting. It's much in line with FCC's 1960 program-policy statement. Letter asks station to give: (1) Narrative description of how it determines needs for local-live. (2) How station believes such needs should be filled in all segments of day—not only 6-11 p.m. (3) Description of local-live programs carried during last 12 months, and whether they pre-empted other programs. (4) Plans for fulfilling local-live needs in next renewal period.

Comr. Hyde described each station's proposals, as shown in pending applications, concluded:

"I find no justification for further delay & inquiry concerning the applications of these stations. There is no question as to the power of the Commission to request information, but this authority should not be invoked to needlessly burden applications & FCC processes. Moreover, I think this authority should not be used to influence program selection."

Stations queried: WAGM-TV Presque Isle, Me.; WCSH-TV Portland, Me.; WHYN-TV Springfield, Mass.; WLBZ-TV Bangor, Me.; WNHC-TV New Haven, Conn.

Investment in legitimate theatre will be made by AB-PT for first time this fall—in 3 Broadway musicals to be produced by On-Stage Productions, owned by Lester Osterman & Jule Styne. Cast album rights will go to ABC-Paramount Records. Shows: "A Girl to Remember" with Carol Burnett, opens Nov. 23; "The Ghost Goes West," Styne musical of film; "Mrs. A," Richard Aldrich book about his wife, Gertrude Lawrence, with Cole Porter music.

Local TV movie "specials" took another step last week with signing of 15-market licensing deal between Drewrys Ltd. (beer) and MGM-TV, covering 3 post-1948 features which Drewrys will sponsor. Agreement is first to be made directly between a feature distributor & a major TV client and follows pattern of old-line syndication "regional deals" such as Ballantine's purchase of *Highway Patrol*. Movies will be slotted on holiday weekends this summer.

NAB QUESTIONS CODE: FCC's proposal to put teeth into NAB Codes' commercial limits by giving them force of law (Vol. 3:20 p6) got severe kick last week—when NAB in a sense disowned Codes.

Code Authority Dir. Robert D. Swezey said it's time to get away from strict time limitations and adopt "more intelligent" approach of considering quality instead of quantity.

Swezey told Pennsylvania Assn. of Bcstrs.: "I am sure . . . we are barking up the wrong tree in placing our Code emphasis virtually entirely upon the limitation of the time devoted to commercials, and I can see absolutely nothing to be gained by [FCC's] pursuit of our error."

Joint study by broadcasters & advertisers should evolve simple "do's" & "dout's," Swezey said. He called for immediate study of network & local commercials to categorize them in terms of quality (creative, entertaining, educational, dull, repetitive, obtrusive), placement, length, etc.

FCC plan was attacked last week by Rep. Roberts (D. Ala.), member of Commerce Committee: "The adoption of such a proposal . . . is a very definite form of rate-setting which I believe to be outside and beyond present regulations."

Best TV commercials were honored in N.Y. May 24 with "Clio" Awards presented at 4th annual American TV Commercials Festival. Total of 56 awards in 33 product or special categories was handed out to winners selected by 135 admen in 5 regional councils from nearly 1,400 commercials submitted by clients, agencies, stations & producers in U.S. & Canada. Hottest winner was Good-year Tire's "Go, Go" series of film spots, produced by VPI for Young & Rubicam, which won "best" as over-all series, as well as its product category, plus top scores for editing & scoring. Interestingly, no awards were voted in tobacco & dentifrice categories because "no exceptional advertising was introduced during the past year." Multiple-award winners were Volkswagen, Chevrolet Trucks, Trushay, Sprite Soda, Laura Scudder Potato Chips, Cracker Jack. Best locally produced commercial was musical spot series which helped to win upset election for Indiana's Birch Bayh over Sen. Homer Capehart. Video-taped commercials were represented at event (to delight of festival dir. Wallace Ross), being screened on closed-circuit system. Festival will be re-staged June 5 in Toronto; reels of winners will be shown to ad clubs in U.S. & overseas.

Top industry officials host annual campaign luncheon of radio-TV div., United Jewish Appeal tomorrow (28) at N.Y.'s Waldorf-Astoria: Simon Siegel, AB-PT exec. vp, UJA div. chmn.; Leonard Goldenson, AB-PT pres.; Robert Hurleigh, Mutual pres.; John Kluge, Metromedia pres.; Donald McGannon, Group W pres.; William Paley, CBS chmn.

Measure to lift equal time proviso of Communications Act for "legally qualified candidates" for President & Vice President was approved by House Commerce Committee last week. Resolution (H.J. 247) provides for suspension of Sec. 315 of Act for 75-day period immediately preceding Nov. 3, 1964, asks FCC to make detailed report to Congress by May 1, 1965, on effects of suspension.

Sarnoff on ETV Goals: NBC Chmn. Robert W. Sarnoff, in the running dispute over his views on ETV's role (Vol. 3:18 p3, et seq.), elaborated last week. Speaking to National Congress of Parents & Teachers in Miami, he said that:

ETV has "unique opportunities" to present in detail subjects of special interest to minority audiences, to engage in program experimentation that at first may attract small number of viewers, to provide formal instruction to ease load of overburdened educational system.

Earlier in week, Sarnoff received award from American Assn. of Colleges for Teacher Education for *Continental Classroom*, "first nationally televised college course, 1958-1963."

A plea on behalf of ETV's versatility was made by John F. White, NET pres., in a May 17 speech before PR directors of ETV network's affiliates in N.Y. "We must resist the efforts of those who would drive us to a single philosophy," he said, adding, "It is your role to develop the strongest kind of local programming, and it is here, I think, that all of us have not done our very best. We need more showmanship."

ETV's success should not be measured in terms of medium's problems in N.Y., White warned. "All of this business about the N.Y. affair damaging ETV across the country is in my mind a lot of poppycock."

Salant Extolls TV News: Increased faith of public in TV news was underscored by CBS News Pres. Richard S. Salant in speech before Chicago Broadcast Advertising Club last week.

Citing 1962 Elmo Roper study, he said 39% of public termed TV news "most believable," up 10 points from 2 years ago, while newspapers dropped from 32% to 24%. "Least believable" to interviewees, Roper found, were: newspapers, 28%; magazines, 25%; radio, 9%; TV, 7%.

Salant said new study by Dr. Gary Steiner, a follow-up of "The People Look at Television" (Vol. 3:8 p2), will show that percentage of public believing TV has most complete coverage has increased from 20% to 29% in 2 years; TV brings latest news most quickly, from 36% to 47%; TV has most unbiased news, from 29% to 40%.

No self-representation plans are blueprinted by Triangle Stations, apparently. Triangle last week renewed its national rep contract with John Blair & Co. Said Triangle Vp-Gen. Mgr. Roger W. Clipp: "It is a pleasure to continue our association." Similarly, C. Wrede Petersmeyer recently told us that Corinthian Bestg. Co.'s stations were also "quite happy" with firm's rep, H-R, and "have no plans to create our own rep firm" in the manner of Westinghouse Bestg. Co. and RKO General. Triangle deal with Blair involves TV outlets in Philadelphia, Hartford-New Haven, Altoona-Johnstown, Binghamton, Fresno and Lancaster-Lebanon, plus radio representation of 5 Triangle outlets.

CATV in program distribution: Cablevents, subsidiary of Daniels & Assoc., Denver, gets U.S. & Canadian CATV distribution rights from SportsVision for closed-circuit Liston-Patterson return championship bout July 22 in Las Vegas. Pres. Bill Daniels said this marks firm's entry into special CATV programming & distribution.

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Personals

Frank Stanton, CBS pres., named a trustee, Carnegie Institution of Washington succeeding late Henry R. Shepley.

Stephen C. Riddleberger, ABC-owned radio stations pres., named ABC News vp & gen. mgr., succeeding Robert E. Lang, vp in charge of news, resigned. Robert J. Quinn promoted to exec. producer-gen. operations mgr.

Stuart Temkin, CBS TV spot billing section supervisor, promoted to CBS TV Stations National Sales business mgr. . . . Howard Karshan, asst. to CBS News business affairs dir., promoted to dir. of administration, Europe, hq Paris.

William Cooke, ex-Canadian Bestg. Corp. TV sales mgr., named gen. mgr., CBS TV Network Sales of Canada, new subsidiary . . . Raymond V. Schneider elected TelePromTer vp in charge CATV div., Jay J. Merkle vp-programs & productions div.

David Gerber elected GAC-TV senior vp, Lester Gottlieb rejoins company as vp-East Coast creative programming . . . Albert Kinsey, ex-Lewis, Dobrow & Lamb vp, named station mgr., uhf WOOK-TV Washington.

Paul Marlowe promoted to WESH-TV Daytona Beach news dir., Ben Taylor to sports dir. . . . William J. Silag, ex-asst. to pres., Ithaca College, named asst. to Phil Cowan, Metromedia PR vp.

David H. Horowitz, ex-partner, law firm Schwartz & Frohlich, named Screen Gems gen. attorney . . . James E. Corkey, ex-FTC senior trial lawyer, appointed Senate Antitrust & Monopoly Subcommittee gen. counsel.

Robert Rausch, ex-WREO Ashtabula, appointed West Coast broadcast sales rep, General Electronic Labs.

ANA PROBES TV VALUES: Cold-eyed look by admen at TV's ability to punch across sales points and stimulate consumer purchasing was dominant feature of spring meeting in N.Y. last week of Assn. of National Advertisers.

Brown & Williamson's Ad Dir. John W. Burgard told ANA members of notable difference in TV commercial effectiveness when product message is in "island" position as opposed to being buried in "clutter" at station-break and group-commercial points.

A major broadcast ad buyer, Burgard said tests of kines on audience panels showed 40% more viewers recalled brand, 35% more recalled specific copy points than did viewers who saw commercial in "clutter" position.

Narrowing product protection in nighttime TV is obviously part of problem of commercial effectiveness, as Burgard sees it. He cited further research to show average 44% gain in effectiveness of commercials when tested alone, as against spotting in show with 15-min. product protection.

Report on another TV study came from Paul E. J. Gerhold, vp & mktg. dir. of Foote, Cone & Belding. In telephone survey (11,000 completed calls) in Queens County, N. Y., researchers found that TV wasn't doing well in reaching, or impressing, housewives in evenings. Highlights of study: only 9.4% of housewives viewed part of average evening network TV show, and only 2.5% of housewives could recall, a day later, something said or demonstrated in commercials they had seen. Commented Gerhold: "Program ratings are . . . an unsatisfactory basis for improving TV advertising efficiency."

On special ANA front news was made by noted electronics industry adman—Westinghouse's Roger H. Bolin. He was voted Paul B. West Award for Leadership for, among other things, "powerful determination to achieve the high objectives he sets for himself & the organizations he helps guide."

WHAS-TV Louisville was socked by FCC with \$1,000 fine for failing to identify sponsor of political broadcast relating to May 28 election for governor. Commission said April 29 program was announced as sponsored by "Committee for Good Government," when station "had reason to inquire as to whether the true sponsor was in fact Edward T. Breathitt, one of A. B. Chandler's opponents . . ." Commission said station's explanation wasn't satisfactory, that violation was "willful." Counsel for station said action will be contested.

Seven studio consoles and related equipment, worth about \$500,000, have been ordered from Gates by CBS for its new Broadcast Center. Contract for the transistorized equipment, Gates said, is "probably the largest single order for sound control equipment ever placed by a U.S. company."

Eidophor simultaneous color TV projector was delivered by Theatre Network TV this month to Hazeltine Electronics Div. for installation at Rome Air Development Center, Rome, N.Y. TNT said delivery was the first of any projector using Eidophor principle to project NTSC-standard color.

FCC Chmn. Minow's appearance on *Brinkley's Journal* has been rescheduled for May 27.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

THE NEW LINES—COLOR PRICE BREAK: That crunching sound you just heard was the breaking of color prices. To accompaniment of raised industry eyebrows, Admiral at week's end showed 16-set color line which started with \$399.95-list table model, remote-control version at \$429.95 and console at \$495. Zenith's color line was marked by reductions of up to \$50 in some models.

Admiral's \$399.95 color leader was week's big surprise. It's black ebony table model. One of top 3 or 4 manufacturers of color, Admiral is making all color sets available with "full-function Sonar wireless remote control" for low additional price of \$30. Its new color sets feature 26,000 volts of picture power, single color-brightness-contrast control.

Effect of Admiral's color move on its competitors is not yet known. However, you'll recall that RCA & Philco color lines also now give more value for money, and neither has black metal table model (Vol. 3:20 p8)—leaving room for introduction of one later at less than current \$495 starting-point (RCA's leader is wood-grain metal consolette, Philco's is hardboard table model).

Zenith, too, has room for lower-priced drop-in color set, if it should so choose—for its leader model is now vinyl-clad consolette at \$499.95, just \$50 less than corresponding model last year. Also a \$50 reduction, 18-set Zenith color line features lowboy console at \$549.95. In Zenith's 34-set black-&-white lines, significant reductions also abound—particularly new 16-in. set at \$149.95 (\$10 cut), 19-in. at \$149.95 (\$20 off). Zenith has introduced solid-state amplifier for its stereo instruments.

Admiral also confirmed report, first printed last Jan. in Television Digest, that it will introduce 11-in. personal TV (Vol. 3:4 p8). It showed set to distributors at last weekend's Chicago meeting, revealed no delivery schedules but announced "pricing will be competitive"—presumably with GE's \$99.95 (Vol. 3:20 p8).

In first statement about its tinyvision, Admiral emphasized its differences from GE's radically designed no-chassis model. It used phrases such as "horizontal precision crafted chassis . . . rugged steel supporting frame . . . the same time-proven circuitry featured in big-screen sets . . . far more than normal strength [in] the chassis."

Trends thus far in 4 major lines announced to date (RCA, Philco, Zenith, Admiral color) and in other lines which have been premiered, shape up this way: Definite price reductions in some sets, more for money in others; big push for 16-in. & below; longer lines in color & b&w TV as well as stereo.

It's obvious no one wants to rock the boat while trade winds are blowing so freshly. New merchandise shown so far—and the prices—constitute industry's strong bid to encourage public to continue its present spending mood. (For details on new sets, see p. 9.)

FAIR TRADE DISTRIBUTOR MEANS BUSINESS: Motorola's Chicago distributor isn't seeking court case to test its newly established fair-trade program (Vol. 3:14 p13), but Motorola-Chicago hasn't hesitated to take prompt legal action to corral 2 straying dealers.

In latest move, distributor obtained temporary injunction against Alan Radio & Appliance, Chicago, which attempted to sell fair-traded \$259.95 Motorola TV for some \$24 less. Alan's owner, Alan Kritz, told us "one of our extra men" made the sale, which "we caught and never shipped." He added: "Our sales force now is fully indoctrinated and I'm happy with the situation. I'd love to see fair trade work out."

We asked Motorola-Chicago's counsel, Robert V. Nystrom, why matter had been taken to Superior Court, Chicago. He explained: "We find it more efficient and impressive if we go to court for an injunction instead of handling the matter with the dealer over the phone. If he violates again, he's in contempt of court."

Although Illinois state law automatically binds all Motorola-Chicago dealers to fair trade contract so long as just one signs it, distributor has been signing dealers to individual contracts, has some 90% of

them already in fold. However, 10% who haven't signed, including Alan Radio & Appliance, are bound just as tightly as the signers. "We have been obtaining individual contracts," Nystrom told us, "because it's more impressive that way and shows individual treatment of our dealers."

Test case is unnecessary, he said, because "Illinois' fair trade law has been fully established." Motorola-Chicago soon will nail down its temporary injunction against Alan's by applying to court for permanent injunction, Nystrom told us, adding: "Alan will not contest, so I can go into court most anytime to obtain a permanent ruling." Injunction had been obtained against a prior violator, "but he signed our fair trade contract the day the injunction was issued."

SLOW PROGRESS TOWARD 'HI-FI' DEFINITION: Federal Trade Commission's Bureau of Industry Guidance is still determined to arrive at definition or standard of "high fidelity" and similar terms to protect public against misleading advertising of home audio equipment. But it's still in stage of "preliminary consideration" and wants more views from industry.

One estimate from within Bureau is that "we could conceivably come up with a definition within the next few months, but it will probably take more than a few months." Timing depends on when all of industry's views are received, on staff members' workload and on FTC procedures.

EIA submitted package hi-fi manufacturers' suggested definition in Jan. (Vol. 3:2 p9)—passed it along to FTC without endorsement. It was met with howls of anguish from some component hi-fi makers, but it's understood that component industry's manufacturing association, Institute of High Fidelity, has not yet submitted any "comprehensive recommendations" to FTC.

"The mere fact that the industry can't agree on a definition will not preclude our trying to protect the public with some specific rules," an FTC spokesman told us last week. "This is an important issue with us. We think the consumer is being deceived, and we have considerable evidence that others feel the same way. We know it's not an easy problem—it's highly technical—and we are awaiting submission of views by other interested members of the industry."

FTC is not wedded to any specific method of "defining" hi fi. In fact, it seems now to be veering toward some sliding-scale method, such as "test standards with clear & conspicuous disclosures." If a manufacturer calls an instrument high fidelity, "he must come up with disclosure of what he means by the term," is how one FTC staffer explains this approach. Presumably, Walsh Engineering Co. grading system (Vol. 2:26 p14, 3:12 p8) would fit this approach.

Hi-fi standards or definition could be established under one of 3 different FTC procedures: (1) Advertising guides, which could be promulgated by FTC without hearing, on basis of Commission stipulation of what are considered adequate advertising safeguards. (2) Commission could call trade practice conference, inviting interested parties to appear for informal exchange of views. (3) It could use new procedure of establishing trade regulation rules—which includes full hearing and full record in consideration of whether to promulgate rules. Best guess is FTC will use simplest method—establishing advertising guides.

There's another possible procedure for setting hi-fi standards—but it doesn't directly involve FTC. This is through Commerce Dept.'s Commodity Standards Div., which establishes industry standards—usually upon petition of members of an industry rather than another govt. bureau. Nevertheless, since FTC may well make use of services of Commerce Dept.'s National Bureau of Standards for technical work on subject of hi fi, Commodity Standards Div. may eventually get into the act.

FTC officials are anxious to get views of individual members of industry on question of hi-fi standards & definitions, and say they'll be happy to receive suggestions in writing or in person. Address: Bureau of Industry Guidance, Federal Trade Commission, Washington 25, D. C.

For status report of staff-level investigation by FTC attorney G. Martin Shepherd, see p. 10.

TV-RADIO PRODUCTION: EIA statistics for week ended May 17 (20th week of 1963)

	May 11-17	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	130,302	118,364	117,930	2,668,454	2,566,590
Total radio	366,198	322,782	360,623	6,559,909	7,202,709
Auto radio	155,058	128,254	129,091	2,946,100	2,516,767

THE NEW SETS: Bigger values, longer lines—and some surprises—highlighted last week's new-set introductions. (See also p. 7.)

At week's end, Zenith hadn't announced full pricing of its lines, but indicated that wood veneer cabinets on color sets would "offer greater values" this year, presumably in line with trend to begin wood cabinets at lower prices. Top of color line is \$1,775 combo. In black-&-white, Zenith introduced new strip tuner (in 31 sets) which can accommodate any combination of 12 vhf or uhf channel strips—especially useful for remote tuning. In addition, all sets are designed for field conversion to all-channel. Two Zenith portables have new timer which turns set off within 10 hours or turns it on up to 13 hours after setting.

Major innovation in Zenith stereo line, as shown to distributors in Chicago, is solid-state amplifier in 4 models, which supplies 120 watts of EIA music power, and is claimed to provide clearer reproduction, particularly on high sound peaks.

Admiral's color line, aside from leader models, features "Masterpiece Series" of wood & veneer cabinets with 10 models at \$549.95-\$725. Color combos with FM stereo are \$895, \$925 & \$995. The \$399.95 leader model has same basic chassis as other Admiral color sets, but uses gasketed safety glass instead of bonded picture tube. Admiral also introduced redesigned automatic record changer in "pancake"-type slim monaural portable at \$39.95.

Big, big phono line—17 portables & 12 consoles—was introduced by Symphonic last week. Called Symphonic's "broadcast," it features 4-speed portable phono with AM radio at \$29.95, drop-down changers in 4 high-end portables, stereo FM & AM in portable phonos at \$169.95 & \$229.95. Nine consoles have hardwood veneer cabinets. Consoles begin at \$99.95, FM-stereo equipped consoles at \$179.95 (vs. \$239.95 year ago). Top-of-line is \$339.95. Symphonic re-entered tape recorder market with 4 units. Other new-set introductions:

Pilot introduced all-solid-state portable stereo phono at \$199, designed to accommodate drop-in FM-stereo & AM tuner.

RCA Distributor Products Dept. showed new FM-stereo version of its hi-fi FM-AM-tuner-amplifier at last week's Parts Show in Chicago. No price was announced for the 30-watt unit.

Estey Electronics, manufacturer of electronic organs, announced new tape recorder line at \$79.95, \$99.95, \$199.95 & \$299.95.

Magnavox premiered 7-transistor pocket radio with gift-pack at \$17.95, reduced one multi-band portable from \$125 to \$99.95, another from \$99.95 to \$89.95, raised price of 8-transistor pocket set \$2 to \$21.95.

Standard Radio Corp. introduced first FM-only portable radio, 10-transistor, at \$49.95, and 8-transistor version of its tiny matchbook-size Micronic Ruby at \$39.95. Electrohome is introducing FM stereo table radio in U.S. at \$169.95.

Philco will double its dollar investment in point-of-sale advertising for its 1964 TV's & stereos. Promotion mgr. Owen Klepper said Philco's investment in point-of-sale displays in next 12 months also will be highest yearly spending in past decade.

Philco-Ford relationship is paying off, Ford Group vp Irving A. Duffy, a Philco board member, told Philco distributors at Miami Beach convention. Part of the \$17 million Ford authorized for facilities & tooling in Philco's Consumer Products Div. has resulted in redesigned TV sets, he said. In April, after introduction of new Starlite portable line, Duffy said, Philco TV distributor sales climbed 11% from last year, compared with 5% industry-wide increase. Philco also announced first national dealer meeting since acquisition by Ford—May 23, 1964 in Ford Bldg. at N.Y. World's Fair, with 5,000 dealers & distributors attending unveiling of 1965 lines.

Philco employees' claim that increasing imports of transistor radios was major factor in closing of Sandusky, O. production plant was rejected by Tariff Commission (Vol. 3:14 p14). Favorable ruling would have qualified employees to apply to Labor Dept. for variety of Federal aids. Commission said it had confidential information from Philco supporting latter's earlier announcement that Sandusky plant was being closed because "there no longer is economic justification for maintaining separate facilities for the production of home radios alone."

Packard Bell will buy cabinets from Chisolm Industries, Canadian TV & cabinet manufacturer, "due to continued record-breaking sales" which have exceeded Packard Bell's cabinet manufacturing capacity. Home Products Div. vp-gen. mgr. Kenneth R. Johnson estimated that Chisolm "will be producing 3-5% of our cabinets in the near future."

U.S. companies established 1,874 new operations in Europe in 5 years from Jan. 1958 through Jan. 1963, reported Chase National Bank. Of these, 177 were electronics & electrical machinery firms, 53 appliances, 52 research & engineering. Italy was prime choice for electronics-electrical companies with 40. Runners-up: France, 34; United Kingdom, 25; Switzerland, 20.

Audio Devices' first-quarter sales dropped 5-10% from year-ago's \$2.2 million, but Pres. William T. Hack said he couldn't estimate if profits also sagged. Audio Devices issues only semi-annual statements. For total 1963, Hack forecast 11% increase over 1962's record \$8.2 million sales (Vol. 3:14 p16) & "continued improvement in profit margins."

GE record-changer production will begin about Sept. 1 in newly leased 46,000-sq.-ft. Decatur, Ill. building, using dies & designs purchased last March from Glaser-Steers Div. of Ametek Inc. (Vol. 3:13 p7). GE officials said company would also continue to buy changers from current vendors.

International Resistance will erect \$2.5 million, 72,200-sq.-ft. advanced research & development center near Norristown, Pa. next year. Construction, originally slated for this summer, will get underway next March.

Transistorized indoor TV-FM antenna & booster, "Transistar," has been introduced by Spiraling Products. Device incorporates twin dipole antennas, printed-circuit transistor amplifier, sells for \$29.95.

J. C. Penney Co. will sell its own brand TV sets in 96 of its 1,700 retail stores by year's end, Pres. William M. Batten said at firm's annual meeting in N.Y. last week.

"U-Boost"—uhf booster—has been introduced by Blonder-Tongue at \$39.95 list.

FTC's Hi-Fi Comments: Here's status of FTC's staff-level high fidelity investigation (see p. 8) as explained in letter which is sent by G. Martin Shepherd of Bureau of Industry Guidance in response to industry inquiries:

"On the basis of available information, it appears that this term [high fidelity] is being used in such manner as to have the capacity and tendency to deceive consumers. Such a practice could constitute a violation of Sec. 10 of the Federal Trade Commission Act which declares unfair methods of competition, and unfair or deceptive acts or practices, in commerce to be unlawful. Therefore, this bureau's staff is pursuing its responsibility to investigate & determine whether the practice is so widespread and the public interest so substantial as to warrant recommending that the Commission take some industry-wide action to protect consumers & competitors."

"We are now seeking available information & opinions from groups & individual experts in the field of sound reproduction to assist in our determination of what criteria should be met before products could be properly represented as being in the 'high fidelity' range. No one group or segment of the industry has been singled out in this regard. On the contrary, we have indicated that we would welcome the constructive suggestions of any company, group or individual.

"We have received a number of constructive suggestions concerning this very complex problem, but we believe that a full expression of the industry's views would be very helpful in establishing an adequate basis for this bureau's eventual recommendation to the Commission. In this connection, we are awaiting what we hope will be extensive comments from members of the industry who have indicated a desire & willingness to state their positions."

Letter concludes with invitation to present "any serious contribution" in writing or in informal discussion with FTC staff members in Washington.

Magnavox & Pres. Frank Freimann drew May 22 *Financial World* accolade which emphasized that "low-cost production of high quality electronic goods has made Magnavox a growing force in the electronics world." Analysis drew attention to Magnavox's "exceptionally wide profit margins," noted that "some 80% of its sales of TV sets in 1962 was in the \$250 and over bracket." Company also sold "close to 1/2 of all TV-radio-phono combinations last year." Portables & table models "represented 60% of all TV set sales last year," *World* pointed out, "but only 25% of Magnavox sales were in this lower end of the price scale." Consumer products accounted for nearly 3/4 of Magnavox's total 1962 earnings, but "fastest-growing segment of the business has been the Govt. & Industrial Products Div. which contributed more than 45% of 1962 sales."

Raytheon expects profitable first half despite first-quarter loss of more than \$1.4 million (Vol. 3:16 p12). Pres. Charles F. Adams told annual meeting that loss stemmed from writeoff of expenses involved in closing of East Coast semiconductor facilities.

ITT will spend more than \$1 million for 53,000-sq.-ft. addition to its ITT Federal Labs facilities at San Fernando, Cal. New facility is slated for completion by mid-August.

First-Quarter Tube Sales: Factory sales of TV picture & receiving tubes closed 1963's opening quarter on downbeat, trailing in both units & dollars from 1962's first quarter. Picture tube sales dipped more than 66,000 units to 2.3 million from 2.4 million; dollar value dropped more than \$2 million to \$43.1 million from \$45.1 million. Receiving tube slide was even more pronounced. Unit sales fell off more than 8.8 million to 83.7 million from 92.5 million in 1962's opening quarter. Dollar value declined \$7.9 million to \$70.5 million from \$78.4 million.

Lagging first-quarter sales were aggravated by March decline in both units & dollars for picture & receiving tubes. Picture tube sales tumbled more than 57,000 units to 760,524 from March-1962's 817,830; dollar value sank \$1.4 million to \$14.2 million from \$15.6 million. Receiving tube sales in March lagged 4.6 million units behind year-earlier's 34.9 million units; dollar value sloughed off \$4.1 million to \$25.6 million from \$29.8 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	636,392	11,990,596	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
Jan.-Mar. 1963	2,287,162	43,060,145	83,692,000	70,521,000
Jan.-Mar. 1962	2,353,561	45,149,766	92,497,000	78,415,000

Legalities: Zenith & Motorola are dropping their suits against each other for TV patent infringements. The suits: Zenith's 1959 action charging infringement of its "fringe lock" circuit & 5 patents covering "Space Command" remote control; Motorola's 1960 suit alleged infringement • **Sonic Electronics'** 27 1/4% Chapter 11 plan (Vol. 3:8 p11) has been accepted by required majority of creditors of N.Y. phonograph & hi-fi equipment manufacturer. Plan commences 60 days after confirmation, is payable in 48 equal monthly installments. Next hearing before Referee Asa S. Herzog: June 10, 10:30 a.m. • **Rek-O-Kut**, Corona, N.Y. maker of hi-fi equipment, has filed Chapter 11 petition, listing liabilities of \$361,406 vs. assets of \$502,125, including \$100 cash, \$300,000 inventory, \$139,000 accounts receivable. Referee is Sherman D. Warner, Jamaica, N.Y.

Aiming at "component TV" business, Andrea Radio is gradually putting its "Satellite" chassis in national distribution, for sale through parts jobbers & hi-fi dealers. According to gen. sales mgr. Michael Ranalli, Andrea now has sales reps covering about 75% of the country, but only for its Satellite unit—not its full TV line, which is sold mainly in N.Y. metropolitan area. Chassis is being merchandised as component for built-in systems & TV-hi-fi systems, sells for "under \$300." Andrea has tentative plans to add similar color TV chassis.

Home Entertainment Co. of America placed on market 300,000 shares of common (\$10 a share) via underwriters Bernard M. Kahn & Co. Proceeds will be used to install & operate pay TV system in Santa Monica, Cal. Service is slated to commence operation April 1964.

Assn. of Electronic Mfrs. is new name of merged Producers of Associated Components for Electronics and Assn. of Electronic Parts & Equipment Mfrs.

Scripps-Howard Bestg. earnings in 1963's first quarter were 27¢ per share vs. 28¢ a year earlier.

Trade Personals

Allan B. Mills, RCA Sales Corp. advance product planning mgr., retires June 1 after 39 years with RCA. One of consumer electronics industry's best-known executives, he has held wide variety of sales & merchandising posts in company's consumer products operations, including position of sales & merchandising mgr. He'll be succeeded in planning post by David E. Daly, former field sales representative.

Charles B. Thornton, Litton Industries chmn., elected to board of Lehman Bros. investment bankers.

Maj. Gen. David P. Gibbs promoted to U.S. Army Chief Signal Officer, succeeding Maj. Gen. Earle F. Cook; Gen. Gibbs' father, Maj. Gen. George S., held post 1928-31.

Dr. Paul K. Weimer, RCA Labs, receives 1963 David Sarnoff Outstanding Achievement Award in Science for contributions to field of thin-film electronic devices; Dr. Morrel P. Bachynski, RCA Victor Co. Ltd., Montreal, cited with 1963 David Sarnoff Outstanding Achievement Award in Engineering for achievements in fields of microwaves & plasma physics.

Gordon N. Thayer becomes AT&T planning vp June 1, succeeded by Richard A. Goodson as operations vp.

Thomas Q. Fisher appointed Philco TV & hi-fi product planning mgr. . . Philip Weil, former Norge mktg. development dir., joins Magnavox in as-yet-undisclosed post.

George E. Morden, former Martin-Marietta vp, joins RCA Victor Co., Montreal, as asst. to consumer products vp G. L. Mansour.

Dr. F. Lincoln Vogel Jr., ex-RCA, appointed head of Sprague Electric's Semiconductor Research Dept. . . Dr. Charles J. Peters named senior scientist at Sylvania's Applied Research Lab.

Leon Kuby, sales mgr. of Harman-Kardon's Citation Kit Div., also also named Hi-Fi Div. sales mgr., a new post . . . Thomas R. Chadwick, ex-Henri, Hurst & McDonald ad agency, appointed sales mgr., Admiral Color TV Div. . . Norm Sanders appointed hi-fi sales mgr., Lear Siegler's Bogen Communications Div., succeeding Harry Barton, resigned.

Robert Harris, ex-Emerson, joins Symphonic Radio & Electronic as asst. sales mgr. for tape recorders.

Obituary

Henry W. Johnson, 56, RCA International patent attorney, died of heart ailment May 19 in Philadelphia's Hahnemann Hospital. He lived in Bloomfield, N.J. Johnson also was member of IEEE's Standards Committee. Survivors are wife, daughter, son.

Ludwig G. Zucker, 58, retired design services lab mgr. of Allen B. Du Mont Corp., died May 16 at St. Michael's Hospital, Newark, N.J. He had been previously an RCA project engineer & Emerson Radio chief mechanical engineer.

Distributor Notes: William E. Boss, ex-RCA & for past year vp of Southern Wholesalers Inc. of Va., appointed exec. vp of parent Southern Wholesalers • Olympic Radio & TV names Jack Wolf mgr. of Boston sales branch, succeeding David Schwartz, resigned. He also continues as northeastern regional sales mgr.

ARMSTRONG'S VINDICATION: Nine years after his death, estate of Maj. Edwin H. Armstrong now has made nearly complete sweep of settlements with TV-radio industry, collecting untold millions on basis that Armstrong's FM inventions "are to be found in every FM broadcast receiver, in every TV receiver, and they have wide applications to military, police & other mobile services."

Wording is from opinion in 1959 suit against Emerson, first of FM cases to reach decision, which marked turning point in fight of Armstrong against most of TV-radio industry (Vol. 15:40 p15). Recent settlements by Admiral and Du Mont Labs (now a Fairchild Camera div.) brought total to 19, out of 21 cases filed by Armstrong estate. Two suits now remain on books—against Motorola & Philco. Motorola action went full legal route, now awaits decision in Chicago Federal Court.

First out-of-court settlement was reached with RCA shortly after Armstrong's death in 1954. Other firms which have settled are Arvin, Avco, Bendix, Fada, Gilfillan Bros., Hoffman, ITT, Packard Bell, Philharmonic, Radio Craftsmen, Radio & TV Inc., Raytheon, Sentinel, Sylvania & Wells-Gardner.

The 28 companies which took licenses under Armstrong patents paid royalties totaling \$4.5 million from 1940 to 1954. They include GE, Zenith, Fisher, Westinghouse, Hallicrafters, Western Union, Stromberg-Carlson, Western Electric.

Mergers & acquisitions: General Controls has been merged officially into ITT (Vol. 3:15 p12), will be operated as wholly owned subsidiary named ITT General Controls Inc. • Emerson Electric, St. Louis maker of electric & electronic products, and Rantec, Calabasas, Cal. manufacturer of microwave devices, antennas & electronic instrumentation, will merge if their stockholders approve. Amalgamation calls for exchange of 2.35 shares of Rantec common for one share of new Emerson preferred that would be convertible into .8 share of Emerson common. • Cox Instruments shareholders have approved merger into Lynch Corp. (Symphonic) on basis of 1.05 shares of Lynch common for each Cox share. Lynch already owns some 55% of Cox's outstanding 373,674 shares.

Bankruptcy frauds are on rise, reported May 20 *Wall St. Journal*, adding: "Investigations of suspected frauds in bankruptcy cases have risen 40% in the past 3 years and criminal convictions for such frauds have more than doubled in that time, the FBI reports." One estimate of cost to American businessmen is \$1.5-2 million per business day, up from about \$500,000 in 1955. Result: some manufacturers "have increased significantly the provisions they make for potential bad debts." Example: "Emerson Radio in the 5 years to 1962 increased its reserves for doubtful accounts 125% while sales rose 47%."

Howard W. Sams expects earnings in 1963 fiscal year ending June 30 to top \$1 million vs. year-ago's \$860,061. Sales are expected to rise to "at least \$14 million" from fiscal-1962's \$13 million. (For 9-month report, see Vol. 13:20 p16.)

Litton Industries will sell to institutional investor \$50 million of promissory notes due Dec. 1, 1984. New financing, arranged by Lehman Brothers and Clark, Dodge & Co., will be used to repay short-term bank notes.

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 Artists	1963—39 wks. to Mar. 30	\$ 13,584,000	—	\$ (1,200,000)	—	931,608
	1962—39 wks. to Mar. 30	9,585,000	—	(1,196,000)	—	931,608
Automatic Radio Mfg.	1963—6 mo. to Mar. 31	7,068,600	—	294,800	\$0.13	2,038,415
	1962—6 mo. to Mar. 31	7,259,900	—	477,600	.22	1,960,015
Avnet Electronics	1963—9 mo. to Mar. 31	34,616,846	\$ 4,261,461	2,157,791	.70	3,090,837
	1962—9 mo. to Mar. 31	30,420,066	4,749,444	2,385,495	.77	3,090,837
	1963—qtr. to Mar. 31	11,792,982	1,065,866	536,444	.17	3,090,837
	1962—qtr. to Mar. 31	11,016,824	1,664,702	821,230	.27	3,090,837
Federal Pacific Electric	1963—9 mo. to Mar. 31	70,841,889	1,629,304	794,404	.09 ¹	2,426,096
	1962—9 mo. to Mar. 31	71,913,054	2,748,562	1,601,206 ²	.39 ¹	2,371,127
	1963—qtr. to Mar. 31	22,997,148	125,595	67,695	—	2,426,096
	1962—qtr. to Mar. 31	23,405,186	(562,528)	(353,484) ³	—	2,371,127
Lafayette Radio & Electronics	1963—9 mo. to Mar. 31	24,215,696 ⁴	—	672,207 ⁴	.63	1,061,675
	1962—9 mo. to Mar. 31	18,975,813	—	478,143	.45	1,061,675
Microwave Associates	1963—6 mo. to Mar. 31	5,274,800	—	35,800	.04	1,019,100
	1962—6 mo. to Mar. 31	6,261,700	—	265,900	.26	1,012,200
Oxford Electric	1963—qtr. to Mar. 31	2,089,800	(61,673)	(61,673)	—	461,989
	1962—qtr. to Mar. 31	2,263,583	46,664	22,664	.05	436,466
Screen Gems	1963—9 mo. to Mar. 31	—	5,496,810	2,783,218 ⁴	1.10	2,538,400
	1962—9 mo. to Mar. 31	—	4,851,500	2,428,236	.96	2,538,400
Technicolor	1963—qtr. to Mar. 31	18,616,166	—	866,437	.33	2,655,921
	1962—qtr. to Mar. 31	14,796,100	—	513,511	.20	2,623,218
20th Century-Fox	1963—qtr. to Mar. 31	23,961,000	2,824,945	2,292,000	.90	2,545,845
	1962—qtr. to Mar. 31	32,668,000	(209,347)	(513,587)	—	2,446,986

Notes: ¹ After preferred dividends. ² Includes \$563,122 non-recurring income ³ After \$209,044 tax credit. ⁴ Record.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Disney Productions	Q	\$0.10	July 1	June 12
Emerson Radio	Q	.10	June 20	June 5
Famous Players	Q	.25	June 14	May 30
Globe-Union	Q	.22	June 10	May 31
Harvey Radio	Stk.	5%	July 19	June 21
MGM	Q	\$.37½	July 15	June 14
Scripps-Howard Bestg.	New	.25	June 10	May 24
Sprague Electric	Q	.30	June 14	May 27
Time Inc.	—	.75	June 10	May 24
Warner Bros.	Q	.12½	Aug. 5	July 12

ABC-TV's strong program schedule for next season will be "fully competitive," Pres. Leonard H. Goldenson told AB-PT stockholders last week in N.Y. However, he said, some of this season's programs have not "measured up to expectations," and this was reflected in lower first-quarter earnings than year ago. Current-quarter earnings may be lower than last year for same reason, he added, declining to predict full-year results. Following the meeting, he said sales of new shows are increasing—running about same as sales this time last year—despite fact that "tried-&-true" shows generally are easier to sell. He said colorcasting next season will be doubled on ABC-TV, to total about 3 hours weekly.

Thompson Ramo Wooldridge scored record March sales of more than \$40 million, and Chmn. J. D. Wright told annual meeting that 1963 sales could climb to \$475 million range from 1962's \$460.3 million.

Packard Bell Electronics derives some 40% of its sales from TV & radio sets, 23% in space & systems, 26% in computers, balance in physical sciences & services, noted May 20 *N.Y. Herald Tribune* in analysis of \$5 million investment made by Electronics International Capital Ltd. in "financially-ailing Packard Bell for the equivalent of a 38% ownership of the company." Other EIC investments: British Ultra Electronics, \$5 million for 40% ownership; Belgian Novak Electronics, \$3 million for 70%; Vectron Electro-Physics Ltd. of Britain, \$500,000. EIC-Packard Bell deal, analysis said, "fills a need which both organizations have, on the one hand, of investing funds in attractive situations and, on the other, of getting cash on a crash basis."

Reports & comments: Dynamics Corp. of America, discussion, Bregman, Cummings & Co., 100 Broadway, N.Y. 5 • Gulton Industries, analysis, Gude, Winnill & Co., One Wall St., N.Y. 5 • Sears Roebuck, study, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5 • Curtis Mathes, review, William R. Staats & Co., 640 S. Spring St., Los Angeles 14 • Walt Disney Productions, discussion, L. F. Rothschild & Co., 120 Broadway, N.Y. 5.

R. H. Macy has leased departments in 4 N.Y.-area stores to Terminal-Hudson Electronics for sale of hi-fi equipment, audio devices, tubes, batteries & amateur equipment. Agreement marks Macy's entry in field. First leased department will open around August 1 at Macy's Herald Square store. Terminal-Hudson has had leased departments since July 1962 in Bamberger's, N.J. department store chain owned by Macy.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 3, 1963

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

OPTION TIME—NEW FCC, NEW VIEW, bring 6-1 vote for abolition. CBS compensation plan rejected, too. Court appeals expected, postponement of Sept. 10 deadline likely (p. 1).

FINIS FOR DROP-INS, FOR NOW, as Commission 4-3 vote confirms intentions. Long-range health of uhf favored over quick improvement of ABC-TV competitive position (p. 2).

FLURRY OF RATING REFORM MOVES: Raters' reaction to NAB plan. Cost formula weighed. NAB-RAB still unresolved on radio proposals. Hooper readies out-of-home measurement (p. 2).

CANADIAN THEATER-TV HOCKEY, via Eidophors, added to cable TV in Toronto. Paramount-Maple Leaf agreement provides 11,000 seats in 9 theaters in addition to Telemeter cable homes. Broader income base designed to attract better programs (p. 4).

ATTACK ON FCC COMMERCIAL PLAN, from NAB Radio Code Board, says public would count numbers rather than over-all performance, freeze standards by 'govt. fiat' (p. 4).

HILL PROBES EDITORIALS: Rep. Rogers (D-Tex.) will hold hearings in July, will also look into equal time & general fairness doctrine (p. 5).

Consumer Electronics

COLOR AT \$399.95 probably will be shunned by most manufacturers in favor of 'halfway to gutter' approach, with \$449.95 seen as probable starting point when new leaders are introduced. Industry views summarized (p. 7).

RADICAL CHANGES IN MIX will accelerate as TV undergoes most revolutionary phase in history—due to color, personal portables & imports; average b&w factory price last year hit all-time low of \$126.61; portables & table models now approaching 70% of market (p. 8).

PARTS DISTRIBUTORS TOPPED \$1 BILLION in 1962 as sales rose 9.9% to record \$1.04 billion from 1961's \$940.3 million. Dealer-servicemen group was top customer category by wide margin, but continued to lose ground to industrial-govt. accounts & consumers (p. 9).

ZENITH'S NEW LINES feature both increases & decreases in prices compared with last year; other new-set introductions (p. 10).

'ORDERLY' TV EXPORTS sought by Japan, as govt. prepares for export controls: EIAJ business mgr. arrives in U.S. on mission to 'insure continued stability' of market for Japanese TV (p. 10).

OPTION TIME—NEW FCC, NEW VIEW: FCC ordered end of option time in 6-1 vote last week (Lee dissenting), surprising no one. It specified next Sept. 10 as end of the road for practice which networks have had since their beginnings. Court appeals are virtually certain, so postponement of effective date is probable. Commission also knocked out CBS's incentive compensation plan, as expected, and CBS is likely to challenge that, too, in courts.

What it amounts to is that composition of Commission has changed since its 4-3 Jan. 1959 vote in favor of option time—3 New Frontiersmen replacing 3 Eisenhower appointees (Doerfer, Craven, Cross), and newcomers take a tougher line toward networks. It's noteworthy that FCC specifically said it didn't rely on anti-trust angle to rule out option time. Presumably, it's on better strategic grounds relying primarily on "public interest" considerations.

In 39-page decision, FCC says essentially: Without option time stations will have better control over their programming, while non-network program sources will flourish because they'll have access to better station time, and public will benefit from increased program availability & competition. Networks, we believe, won't be hurt by loss of option time; we simply disagree with networks' predictions. But if we're wrong, we can move fast enough to rectify things before networks are damaged.

Commission insists that networks will get adequate clearances, without the guarantees provided by option time, and that "erosion" of clearances won't be serious, won't drive away advertisers in any significant amount. "Television is too much a part of national life & advertising," FCC said.

Elimination of option time will also benefit following. Commission stated: Non-network advertisers, independent stations, national spot reps. Said FCC, in summary:

"We recognize that in reaching this conclusion we are rejecting the unanimous views of the networks and their affiliate committees. But, as indicated, the showings of these parties are for the most part conjectural in nature; the tangible material in the record indicates to the contrary. We note also that these arguments have been repeatedly made before, e.g., in 1941 with respect to any limitation in radio, and again in 1958 and 1959 with respect to TV and any reduction in option hours. Yet network radio continued to flourish until TV developed, and, as noted above, there is no indication that the recent reduction in TV option hours (and other further restrictions) has had any substantial adverse effects."

Lee's dissent was one sentence—saying he stuck by his original view that option time is "reasonably necessary" for networking.

Networks and affiliate groups couldn't offer much evaluation of decision, because text was released late Fri. But one thing bothering them substantially is that FCC outlawed option time and anything else that "has the same restraining effect." This, attorneys say, leaves FCC wide-open door. (For text of amended rules, see p. 3.)

CBS has 27 affiliates operating under its compensation plan, and FCC asked network & stations to tell it "immediately of the steps taken to ensure compliance" with new ruling.

FINIS FOR DROP-INS, FOR NOW: Vhf drop-ins are dead—for the foreseeable future. FCC finally voted 4-3 to kill them, after Chmn. Minow went through tortures of the damned before again voting "no." ABC never says die, however, will ask for reconsideration, will plug away as it has for years, seeking to convert Minow's replacement, Lee Loevinger.

Now that 3rd vhf's are out of picture for number of major markets, in decision intended by FCC as a boon to uhf, Commission seeks other means of helping uhf. Along with quashing drop-ins, FCC invited networks to conference (no date yet) to see how programs not carried by vhf's may be given to uhf's in same areas.

If Minow had voted for drop-ins, he'd have put FCC on rough spot—because reconsideration would then be sought, and Minow's replacement Loevinger very likely would vote with new Chmn. Henry against drop-ins in sudden reversal.

So 3rd vhf outlet is out of picture for Charlotte, Dayton, Jacksonville, Birmingham, Knoxville, Baton Rouge, Johnstown. Moreover, though Commission had planned to let KOCO-TV Enid, Okla. move to Oklahoma City at short space, it changed mind, insisted that station can move and identify itself with the bigger city but must maintain normal spacing. It's 37 miles from Oklahoma City now, could move to 14 miles from city, FCC said—but station argues "air hazard" problem at new site.

FCC's rationale in final vote was that drop-ins would hurt long-range growth of uhf more than they'd help competitive position of ABC—from public's standpoint. Commission said it must give uhf—and all-channel-set law—every chance to work. If it doesn't work, FCC said, vhf drop-ins could again be considered.

Minow's concurring statement said decision was toughest he's faced at FCC, a 51%-49% matter. He concluded that majority's action is good for long-range goals—but that more should be done short-range to increase network competition—and he insisted that both FCC & industry try more imagination now. Comr. Cox plans dissenting statement, didn't have time to get it written last week.

FLURRY OF RATING-REFORM MOVES: After 3 months of headline-making, ratings controversy is going through house-building stage for reform program.

Major raters' reaction to NAB's reform plan shows strong endorsement, a few reservations. One told us he's concerned about "liaison" representation from AAAA-ANA (Vol. 3:21 p2), believes they should be full participants so that they can speak for ad fraternity and endorse or challenge proposals with authority. He's afraid conflict of needs will arise, squeezing research firms in middle—Rating Council endorsing one thing, agencies wanting another.

Another problem worrying researchers: What will broadcasters do if proposed new methodology would yield lower ratings? Also, what happens if a research firm develops acceptable technique with sample smaller than audit requires?

Researchers see ray of light in NAB's setting standards: Broadcasters couldn't kick, would be obliged to pay higher tariff, if their own NAB recommends more expensive methodology. Other developments:

(1) NAB is almost ready to announce members of Rating Council who will oversee audit-accreditation plan—NAB representatives, TvB-RAB presidents or other top men, liaison representatives from AAAA-ANA.

(2) Planners still don't know how much program will cost, but it'll run into 6 figures annually. Formula may look like this: Rating services would pay a regular tithe for NAB accreditation & audit, part of this cost to be passed on to "users." Stations competing for national business—the main buyers of ratings—would be expected to increase research budgets, pay raters about 1% of their national gross, instead of present approximately .5%. They would get more in terms of reliable & recognized research, even though many believe they're paying too much now. Question also being asked: Can reps continue not paying for local station research, in spite of great use they make of it in selling?

(3) NAB told RAB last week, we understand, that radio recommendations from NAB research committee will first have to be examined before NAB can determine merits of RAB radio sets-in-use methodology proposal. RAB had requested such a meeting last week. It wants NAB to put up \$75,000 of total \$200,000 for radio study (Vol. 3:21 p3). So far, groups have been headed separate ways. NAB is to take up matter at June 24 board meeting.

(4) Hooper will soon jump on bandwagon of self-improvement, announce new out-of-home measurement based on "telephone recall." Calls will be made in evening to measure each rating day's out-of-home listening; in-home Hooper ratings use "telephone coincidental."

(5) Pulse will meet with clients June 4-5 at breakfast sessions at N.Y.'s Plaza to explain changes in procedures & services.

(6) Inside ratings at ABC: Though battle of ABC Radio with Nielsen has been well-publicized, it isn't widely known that ABC-TV has strong gripes over Nielsen's permanent-sample ratings. Network believes that because sample hasn't kept pace with changing population its programming directed to young adult audience has been short-changed.

(7) About reform plan, NAB Pres. Collins told Connecticut Bcstrs. Assn.: "While it is going to be a very difficult job, we feel confident that it can be done, and further, that it will prove to be one of the most significant developments in the history of broadcasting. . .

"For entirely too long, broadcasters have allowed an outsider—the rating services—to influence strongly advertising patronage and programming policy without making any meaningful check on credentials, and all the while paying handsomely for it."

Elimination of option time (p. 1) was ordered by FCC simply through following amendment of Sec. 3.658 (d) of its rules: "(d) *Station commitment of broadcast time.* No license shall be granted to a television broadcast station while having any contract, arrangement, or understanding, express or implied, with any network organization, which provides for optioning of the station's time to the network organization, or which has the same restraining effect as time optioning. As used in this section, time optioning is any contract, arrangement, or understanding, express or implied, between a station and a network organization which prevents or hinders the station from scheduling programs before the network agrees to utilize the time during which such programs are scheduled, or which requires the station to clear time already scheduled when the network organization seeks to utilize the time."

Changed station-sale rules proposed by FCC, to require owners of 7 stations (maximum) to sell one before buying another (Vol. 3:7 p6), were strongly attacked in comments filed last week. NAB, the 3 networks, many major groups, argued that FCC states no reasons for proposal, that present practice puts no burden on FCC, that Communications Act would be violated, that public & station employees would be damaged under new rules, that there are no abuses which changes would eliminate.

End of fuss over ETV WNDT N.Y. was declared by FCC last week, when it said it's satisfied that neither NBC nor any other donor is dictating station's programs (Vol. 3:18 p3, et seq.). There had been allegations reported in press to the effect that NBC gave WNDT \$100,000 on condition it concentrate on classroom programming non-competitive with commercial fare.

Canadian Theater-TV Hockey: More customers & more "product" for pay TV in its various forms is result of latest tieup in Toronto area. Maple Leaf's 35 away-from-home hockey games will be carried in 9 theaters with 11,000 seats in addition to homes which have been getting them on Telemeter cable TV.

Seven of the 9 theaters are owned by Famous Players, 51% controlled by Paramount Pictures, which operates International Telemeter cable system. Last year, one of the movie houses carried hockey and "moved from the red to a substantial profit," according to Famous Players' Pres. R. W. Bolstad. Agreement with Maple Leafs is for 4 years.

Equipment will be black-&-white Eidophors, bought from Theatre Network TV; pictures average 31x25 ft. TNT has supplied U.S. Air Force with a simultaneous color Eidophor, and Telemeter Exec. vp Leslie Winik reports that similar machines will be available for theaters. Equipment is related to, but differs from, color "Talaria" made by GE for National General Corp., which plans theater-TV chain (Vol. 3:9 p3, 3:18 p2).

Paramount Pres. Barney Balaban said agreement solves a major problem in expanding pay TV in the home—"excess cost of special & sports programming in the early stages." He said arrangement also "provides an important partial solution to the present product shortage" in theaters, may put marginal houses into black. Principals look for eventual expansion across Canada & U.S.

New CATV-microwave channel in Business Radio Service was granted by FCC to Wentronics Inc., to serve its Casper, Wyo. system, with the restrictions Commission proposes in rule-making proceeding. Grantee accepted CP with this condition: "If the CATV system operates in an area within the predicted Grade A contour of any television broadcast station in operation, or which subsequently comes into operation, the CATV system must not duplicate simultaneously or 30 days prior or subsequent thereto a program broadcast by such television broadcast station, provided the CATV operator has received at least 30 days' advance notification from the broadcast station licensee of the date of such broadcast. Further, if requested by such television station, the CATV system must carry the signal of such station without any material degradation in quality."

Add CATV owned by broadcasters (Vol. 3:17 p3, et seq.): Florence, S.C. (under construction), owned by WIS-TV Columbia, S.C.; Charlottesville, Va., by WSLSTV Roanoke, WRGM Richmond, WICO Salisbury, Md. & Washington consultant Howard Frazier; Lafayette, Ind. (under construction), by WSJV Elkhart-South Bend; Huntsville, Ala., by WBHP; Del Rio, Tex., by KDLK; Winona, Minn., by KWNO; Junction City, Kan., by KJCK.

Another CATV purchase by Cox Stations—9,500-home Harbor TV, Aberdeen, Wash., reportedly for about \$1.5 million. Harbor TV Pres. Fred Goddard will remain as mgr. Cox recently bought systems in Lewistown & Lock Haven-Tyrone, Pa. (Vol. 3:17 p3), also holds franchises for Athens, Ala., Lima, O. (latter 50-50 with WIMA-TV).

CATV technical & management training will be undertaken by new Telesystem Services Corp. div. to provide source of personnel. Classes start in fall.

Attack on FCC Commercial Plan: NAB Radio Code Board last week vigorously supported Pres. Collins' fight against FCC proposal to put Code's commercial limitations into Commission rules.

Meeting in Washington, Code directors stated that FCC move "would spell the doom of self-regulation in broadcasting." They said plan would: (1) Cause public to measure stations by number of commercials rather than over-all contributions. (2) "Freeze into govt. fiat" standards which should be readily amendable. (3) Emphasize quantity rather than quality of commercials.

Board appointed committee to study alternatives to current Code time limitations. It also asserted that Radio Code support is greater than critics claim—subscribers having increased 19% in last year, so that 37% of all radio stations subscribe. NAB reported that Code compliance ran 91.7% in spot check of 244 stations, 1,088 hours, in last 10 months.

Of efforts to weaken NAB—recent abortive attempts by some minor broadcasters—NAB Pres. Collins told Connecticut Bestrs. Assn.: "When I first came to NAB, a few fine broadcasters cautioned that if the individual state associations should grow to be much stronger, they might well pose a threat to NAB and contribute to disunity in our ranks. But in this I did not agree, nor did our boards. In fact, since then, NAB has expended much effort to strengthen measurably our state groups . . . I am not unmindful that from some quarters these days we are getting criticism. I deeply believe in dissent and disagreement; there is room for both within the NAB house . . . Frequently, [the critic] will provide nothing more than . . . emotional appeal without suggesting alternative courses of action."

Guidelines for news media in event of crises short of war, e.g., Cuba, will be issued by Defense Dept. in about 30 days. After closed House Information Subcommittee hearings with Arthur Sylvester, Pentagon News Chief, Chmn. Moss (D-Cal.) said guides would promote coordination among newsmen & govt., help avoid confusion. Guides aren't to be confused with standby voluntary censorship code for all media in event of war, developed by Office of Emergency Planning, sent by NAB vp Howard Bell to broadcasters for consideration.

Bill to prevent FCC from charging fees (Vol. 3:19 p5) —"unless specifically permitted by law"—has been introduced by Rep. Rogers (D-Tex.). FCC's new fees, Rogers said, are based on 1951 Appropriations Act which gave Commission general authority to charge fees. Measure (HR-6697) would amend Communications Act, leaving it to Congress to spell out more precise standards.

NAB's 4th Executive Development Seminar will be held at Harvard U. July 14-26, attended by 66 TV-radio executives. Special attention will be given to: Competitive programming, personnel, budget, selling. Case method technique will be used, research materials supplied by broadcasters.

FCC's existing horse-racing broadcast policy remains in effect pending conclusion of current proceeding designed to tighten rules. Commission so informed Sen. Magnuson (D-Wash.), chairman of Commerce Committee, in response to his query.

HILL PROBES EDITORIALS: Next potentially hot Congressional probe of TV-radio may be hearing on editorializing, planned for July by Rep. Rogers (D-Tex.) and his Communications & Power Subcommittee.

"Many members of Congress," he told us, "feel that the policy of editorializing has been misused by stations." Hearings will examine political "equal time" Sec. 315 of Communications Act and "the general fairness doctrine." Rogers said he has received many complaints from Congress & public, some when Subcommittee was considering lifting equal-time provisions for 1964 Presidential & Vice Presidential campaigns (Vol. 3:21 p5). He said he wants to hear both sides—broadcasters & complainants.

Best guess is that Rogers aims for bill to establish equal-time standards for editorializing.

Hearings could become very touchy, and broadcasters who have gingerly stepped into editorializing may get shy. Incidentally, NAB shortly will issue revised editorializing guidelines.

Investigation will go beyond political candidate issues, is expected to examine reports Birch Society has been getting editorial support from stations after buying time. Subcommittee also seeks answer to: What happens when political & civic groups can't afford to buy time to answer views expressed on paid broadcasts.

Senate Freedom of Communications Subcommittee, under Chmn. Yarborough (D-Tex.), last year recommended FCC speed processing of equal-time & editorial fairness complaints, adopt ground rules for editorializing, etc. (Vol. 2:17 p3).

Kingstree, S. C. "smut" case, now in Court of Appeals after FCC denied license renewal to radio WDKD (Vol. 2:30 p3, et seq.), may be joined by American Civil Liberties Union, which believes FCC has violated freedom-of-speech. ACLU may take position Commission erred in not trying case directly on "obscenity" issue; it rested on findings of "coarse, vulgar, suggestive," etc. Courts always have difficulty defining "obscenity"—which is covered by statute—let alone "coarse," etc., which isn't. ACLU petition to intervene as *amicus curiae* is being handled by Washington attorney Harry Plotkin.

FCC Chmn. Henry's Staff: From Minow's aides, Joel Rosenbloom & John Cushman remain, former shifting from legal asst. to special asst., latter continuing as admin. asst. Coming with Henry from his old office are legal asst. Leonidas Emerson, engineering asst. Bruce Longfellow, confidential asst. Lillian Watson and secretarial staff. Longfellow succeeds Minow's William North who becomes Comr. Cox's engineering asst. Miss Watson succeeds Dorothy Counts who remains with chairman's secretarial staff. Receptionists in chairman's outer office remain: Angie Germaine & Anne Priarone.

Sale of KTTV (Ch. 11) Los Angeles to Metromedia, giving group full complement of 5 vhf's & 2 uhf's, has been approved by FCC. Price is \$10,390,000, highest yet for one TV station; radio WGMG N.Y. brought \$10.9 million—highest for any station. FCC conditioned Los Angeles sale on whatever finally happens to its efforts to find a vhf for ETV in L.A.

Communications satellite economics will be off-kilter for years, according to RCA Chmn. David Sarnoff, because of tremendous increase in undersea cable capacity through transistorization. Confidential letter from Sarnoff to Communications Satellite Corp. Chmn. Leo Welch—which press obtained—recommended that ComSat law be amended to permit it to buy all existing international communications facilities, giving organization "immediate & solid revenue base." Sarnoff said U.S. should nonetheless continue developing satellite communications for prestige and for need as it develops. According to *N.Y. Times*, ComSat officials aren't enthusiastic about Sarnoff's views, believing both cables & satellites are needed now.

Religious leaders' latest criticisms of TV: (1) National Council of Churches has resolution drafted for a major June 6-8 meeting in N.Y., calling for "strict" FCC regulation of stations, Commission control of networks, "divorcement" of advertisers from "control of program content," FCC-enforced reduction of commercial time. (2) Rabbi Maurice N. Eisendrath, pres. of Union of American Hebrew Congregations, urged a 3-faith conference, with network chiefs present, "to elevate the standards of TV." He said TV "has encouraged the American people to squander our leisure in a sodden, bleary-eyed stupor and to wallow in sticky sentimentality, sadism, callous cynicism, in violence, vileness and vice."

"Economics of Educational TV" special conference May 23-26 at Brandeis U., Waltham, Mass., underwritten by U.S. Office of Education, drew dozens of participants from education, govt. & industry. One-page digests of 17 background papers are available from Brandeis U. news bureau dir. Larry Kane. Full report will be published by Office of Education. American Academy of Arts & Sciences, a co-sponsor, will have summary in special issue of its *Daedalus*. Conference chairman was Louis Cowan (ex-CBS), dir. of University's Morse Communication Research Center; Ralph Garry, Boston U., was project dir.

Death sentence to radio KWK St. Louis—license revocation—was ordered by FCC in 3-2 vote holding licensee responsible for "willful" & "repeated" fraud & deception in treasure hunts and contests. Principals argued that station manager, an employe, was sole guilty party, but Commission said owners' inadequate supervision was fatal. Dissenters Hyde & Lee said punishment was too drastic, that \$10,000 fine would have been more justified. Comrs. Bartley & Cox didn't participate. Station was ordered off air by July 29.

Ohio State's 33rd annual Institute for Education by Radio-Television June 12-14 at Columbus includes: Howard K. Smith, ABC; Fred W. Friendly, CBS; Reuven Frank, NBC; Lawrence Laurent, *Washington Post* TV editor; Ted Conant, Ford Foundation; Melvin A. Goldberg, NAB research vp; Robert Weston, FCC Comr. Lee's engineering asst.; Seymour Siegel, WNYC-TV N.Y.; Ned Cramer, WCBS-TV N.Y.; Mike Kizziah, KNXT Los Angeles; John E. Bystrom, HEW Dept.

Cancellation of CP for WHYZ-TV (Ch. 10) Duluth was ordered by FCC—on grounds of unauthorized transfer of control and misrepresentations to Commission. FCC held that the misconduct was inexcusable—even assuming principals of grantee (WDUL TV Corp.) were "otherwise men of excellent character in their community." Vote was 4-0—Comrs. Hyde & Lee abstaining, Cox not participating.

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Ch. 13 Grand Rapids should go to Grand Bestg. Co., according to FCC Examiner Forest L. McClenning whose initial decision recommended denial of West Michigan Telecasts, MKO Bestg. Corp. & Peninsular Bestg. Co. He concluded that Grand is superior in broadcast experience and ownership-management integration. The 4 applicants have been operating WZZM-TV on Ch. 13 on joint & interim basis pending final comparative decision. Major stockholders in Grand, with 16.883% each, are: Leonard Versluis Sr., vp, former owner of WLAV-TV Grand Rapids; Mary Jane Morris, secy., formerly secretary of FCC; John Morris, attorney, Miss Morris's brother; pres. and 6.496% owner is Donald DeGroot, asst. gen. mgr. of WWJ-TV Detroit.

Value of foreign syndication to leading film distributors can be judged by sales of 2 major firms—Independent TV Corp. (controlled by Britain's ATV) and Desilu Sales Corp. (offshoot of Hollywood film factory). ITC has grossed better than \$5 million average annually for past 5 years outside U.S., climbing rapidly from standing start. Foreign sales for ITC for fiscal year ended recently were 40% higher than previous year. Similarly, Desilu sales mgr. Richard W. Dinsmore points to \$5 million gross in foreign telefilm market last year. Other firms whose foreign sales are at least as big as those of ITC and Desilu: CBS Films, MCA, Warner Bros., and UA-TV.

P&G has been toppled from its spot as leading TV spender in cosmetics-toiletries category (although not from listing as top over-all TV client) by upstart Alberto-Culver. TvB analysis of 1962 network & spot spending showed A-C jumping to lead in cosmetic field with billings (gross time) of \$24.4 million as against 1961 level of \$12.3 million. P&G was runner-up. Combined TV spending in cosmetics industry increased by 33.1% in 1962. A-C is virtually a TV-built phenomenon; more than 99% of its budget goes to wide variety of TV buys.

Gift of \$100,000 to ETV WHYI-TV Philadelphia has been made by CBS, bringing network's ETV contributions to about \$1.3 million. Recently, Triangle Publications donated facilities of WFIL-TV, worth \$1.5 million, to WHYI-TV, after WFIL-TV moves to new site (Vol. 3:17 p5).

Brig. Gen. David Sarnoff will be intermission speaker in first program of new NBC Radio series, *Toscanini—The Man Behind the Legend*, which starts June 5. RCA chairman was responsible for bringing Toscanini back to America from semi-retirement in Italy to conduct NBC Symphony Orchestra 1937-1954.

"The Kremlin." NBC's well-received documentary, will be repeated in unusually quick time, June 4, 7:30 p.m., only 2 weeks after original telecast. Re-run gives children chance to see hour show first aired at 9:30 p.m.

Allocation plan for Africa, providing for 7,000 TV stations, has been approved by ITU conference of African telecommunications officials, meeting in Geneva. Group agreed upon CCIR 625-line standards for Africa.

ETV's WHYI-TV Philadelphia & New Jersey's proposed Ch. 77 in Essex County are to be linked by microwave to provide live network for area.

ABC International TV has been named program & sales rep for XHTV Mexico City & its 2 repeaters—Ch. 7 Paso de Cortes, Ch. 6 El Zamorano.

Personals

Rolland V. Tooke, Group W exec. vp, named exec. vp-staff & group operations; Larry H. Israel, TvAR pres., appointed Group W exec. vp-station operations . . . Phil Mazur transferred from ARB's special tabulations dept. to midwest station sales.

Russell W. McCorkle named to new post of asst. controller, Group W, Westinghouse Bestg. Co. . . . Morton Slakoff, ex-WFIL & WFIL-TV Philadelphia, appointed ad & promotion mgr., Allied Artists TV.

Michael J. Roberts, ex-WBC Program Sales vp, named to newly-created post of syndicated program sales dir., Triangle Stations . . . Stanley Levey, ex-N.Y. Times labor reporter, named CBS News Washington correspondent for labor, economics, business.

Dick Stern, ex-vp, Fletcher Richards, Calkins & Holden, Atlanta, appointed WAI-TV Atlanta gen. sales mgr. . . . Lee Carlson, ex-sales development & research dir., ABC-TV Spot Sales, Chicago, named WBKB account exec.

Richard D. Erickson, ex-Broadcasting, named TvB creative associate.

Welch, Mott & Morgan law firm is moving to Farragut Bldg., 900 17th St., N.W., Washington 6, D. C.; phone: 296-5151.

"Spot TV Advertising Cost Summary" has been issued by Katz Agency. In 33rd semi-annual edition, rep provides rate guides in 236 markets for various time classifications & time units. Formulas are provided to help estimate TV budgets. A new formula provides estimated costs for "preceding transition announcement minutes," immediately before evening network time or prime time.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY SHUNS \$399.95 COLOR: Major TV manufacturers indicated no inclination last week to go along with Admiral's move in pushing color prices down to \$399.95 for black metal table-model price leader (Vol. 3:21 p7). However, there were some signs that they would meet it halfway—say at \$449.95.

To say set makers were disturbed is putting it mildly—they were downright hostile. Admiral's action had everyone rechecking his figures. Their conclusion: It can't be done (profitably, that is). Assumption in industry, yielding some comfort, is that margins for distributors & dealers on this leader model are extremely short—so short that many will hesitate before pushing it.

We've noted in previous issues that RCA, Philco & Zenith—only others who have introduced color lines to date—have included no low-end black metal table models, choosing instead to upgrade product and give more for money within \$495-&-up framework, possibly holding out black table model until later, after competition shows lines. Two weeks ago, we speculated that color table model leaders would come in at about \$450 (Vol. 3:20 p8). We see no reason to alter this opinion.

Admiral was silent on facts, figures & quantities. Major color lines not yet introduced (aside from Sears' Silvertone) are now narrowed down to one: GE, due next week.

TV manufacturers, almost unanimously, were reluctant to be quoted—because they hadn't yet decided what to do. But they were vociferous enough. They didn't like what was happening.

"It doesn't take any great artistry to cut prices," said one, "just a pencil. We have a good new product to sell the public on the basis of performance. This is the only industry where people like to kill a good thing before it gets started."

"This move is strictly for traffic," said another. "I think everybody else will be in at the same price to keep Admiral from getting distorted floor traffic. It really had to happen." This manufacturer added: "We're really more concerned about their remote-control models at only \$30 additional than we are about the leader color model at \$399.95."

"This industry likes to kill the goose before he lays the egg, golden or otherwise," said high officials of another company. "It's a problem for everyone—we have to face it like we've faced other competitive situations. We can't be out in left field, even if everyone gets killed. We don't have to get all the way down in the gutter, but we do have to be concerned about what our competition is doing."

This "halfway into the gutter" approach was reflected by several others, and their favorite allusion was the \$139.95 portable. RCA was silent, but was adding up figures like everyone else and obviously considered Admiral's move unrealistic.

The one man who always speaks out, Zenith Sales Corp. Pres. Leonard C. Truesdell, was unequivocal: "This is an unpractical, unbusinesslike approach," he told us. "In a business as new as color, is it advisable to squeeze your dealers & distributors to the point where they don't make a buck?"

There have been no cost economies in color, he pointed out—no "changes, no inventions which reduce the cost of color sets. We have no intention of asking our retailers and distributors to give up their profits. We will not follow that approach." He added that Zenith had no intention of introducing new lower-end color set or reducing prices of existing leader. "Dealers won't go for it any more than they went for transistor radios at \$1 markup."

While maintaining silence on specific issue of color, RCA reiterated its view that its business aims include "good profit for distributor & dealer, good value for consumer."

What does it all add up to? Everybody knows cost of producing a color set, and assumes Admiral has done a mighty job of shaving costs & margins for sake of building traffic. Feeling is that some dealers will rebel. But there's also inclination to meet Admiral halfway, offer that "missing" black metal table model at \$449.95—not immediately, perhaps in fall. Some manufacturers may even meet Admiral's price before year is out—but don't hold your breath.

RADICAL CHANGES IN TV'S MIX: Entire concept of TV is now undergoing its sharpest change in history—even more radical than "portable revolution" of 1955-56. Most important influences in this new revolution are color, "personal TV" (16-in. & smaller) and imports.

Evidence of the new revolution's first effects is provided by average price of black-&-white TV set, which slipped last year to \$126.61 at factory—an all-time low, even lower than that rock-bottom 14-in. year of 1956. Here is table showing evolution of factory price (before excise tax) of average b&w set since 1947:

1947.....	\$279.34	1951.....	\$177.70	1955.....	\$138.20	1959.....	\$141.19
1948.....	\$235.90	1952.....	\$172.08	1956.....	\$127.06	1960.....	\$144.62
1949.....	\$193.33	1953.....	\$170.50	1957.....	\$130.14	1961.....	\$135.21
1950.....	\$180.88	1954.....	\$140.00	1958.....	\$135.75		

Portable & table models increased their percentage of distributor sales market last year to 64.1%, eclipsing 1956's all-time high. Consoles dropped to all-time low of 31.5% and combinations climbed to record of 4.4% of distributor sales. Here's breakdown of distributor-to-dealer unit sales since 1952:

Year	Table-Portable	Console	TV-Phono Comb.
1952.....	45.7%	50.4%	3.8%
1953.....	45.5%	51.5%	3.2%
1954.....	55.6%	42.9%	1.5%
1955.....	57.2%	41.2%	1.4%
1956.....	62.7%	36.2%	1.1%
1957.....	60.6%	37.8%	1.6%
1958.....	56.8%	40.7%	2.5%
1959.....	55.5%	41.3%	3.1%
1960.....	56.9%	39.3%	3.8%
1961.....	58.9%	37.2%	3.9%
1962.....	64.1%	31.5%	4.4%

With introduction of new "personal" TVs at \$99.95, with 16-in. expected to total 10% of market and gradually nestling into lower price categories, with increasing emphasis on color—trend toward lower average b&w prices and even greater proportion of portables is bound to continue. For first 15 weeks of 1963, portable-table category has captured 68-70% of total b&w unit distributor sales. Console sales are 16% behind last year's comparable figure, but combinations are 7% ahead.

These figures aren't alarming—just a fact of life. Business is excellent. Distributor sales of black-&-white TVs haven't been below 6.5 million-a-year rate any month this year. And a mere statistical quirk causes illusion that TV prices are plunging.

Fact is that these figures ignore large part of TV market. Because they're based on EIA data, they don't include color (Vol. 3:20 p13). If full spectrum of U.S. TV production & sales were included, average factory price of set in 1962 would have been at least \$140, and color unit sales would have represented about 6% of total distributor sales of 6.8 million—considerably larger portion of market than b&w TV-phono combinations.

It's only the beginning of vast changes. With color at high end and tinyvision at low end, an 8-million-set year in 1964 is conceivable—with over-all average factory price level staying around \$140.

PARTS DISTRIBUTORS TOPPED \$1 BILLION IN 1962: Nation's electronic parts distributors pushed sales volume over billion-dollar mark for the first time last year, recently completed study by National Credit Office's Market Planning Service shows. Sales rose 9.9% to record \$1,040,461,000 from 1961's \$940.3 million (Vol. 3:19 p8). Number of distributors also increased—to 1,787 from 1,770 at end of 1962's first quarter.

Dealer-servicemen continued as primary customer group in 1962, but percentage of total slipped to 51.7% (\$538.2 million) from 56.2% in 1961, 58.7% in 1960. Industrial & govt. customers accounted for 37.5% (\$390.1 million) of total sales—up from 1961's 34.3%, 1960's 32.5%. Consumers continued to account for increasing share of sales with 10.8% (\$112.2 million) of total—up from 9.5% in 1961, 8.8% in 1960.

Components, to no one's surprise, were major volume producer. They also represented only product category to show percentage improvement from 1961. Components accounted for 42.5% of 1962's total \$1.040 billion—up sharply from 38.3% in 1961. Tubes ranked 2nd in sales parade—but this category's 25.6% was down from 1961's 28.9% share of total. Other product sales percentages (vs. 1961 performance): TV accessories, 8% (8.8%); sets & devices, 14.4% (14.4%); batteries, 4.1% (4.1%); test equipment, 3.2% (3.3%); tools & manuals, 2.2% (2.2%).

Nearly 1/3 of 1962 business (32%) was done by only 3% of total 1,787 distributors. Each distributor in this 3% group had annual parts sales of more than \$2.5 million. Here's size breakdown of the 1,787 distributors & their share of 1962 business: Largest group—31% of total—embraces distributors with \$100,000 to \$249,000 volume. They did 11% of total volume. In 1961, this volume group represented 33% of total distributors, did 12% of business.

Other size-volume breakdowns, in order: Under \$100,000, 22% of distributors, 3% of business; \$250,000 to \$499,000, 22% of distributors, 14% of volume; \$500,000 to \$1 million, 13%, 17% of business; \$1 million to \$2.5 million, 9% of distributors, 23% of volume; over \$2.5 million, 3% of distributors, 32% of volume. In 1961, 9% of total distributors had annual sales of more than \$1 million, did 50% of volume. Last year, 12% were "millionaires" & represented 55% of total 1962 parts sales.

TV-RADIO PRODUCTION: EIA statistics for week ended May 24 (21st week of 1963)

	May 18-24	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	124,193	130,302	109,361	2,794,993	2,449,685
Total radio	362,941	366,198	332,149	6,927,009	7,542,572
Auto radio	141,623	155,058	125,798	3,086,347	2,642,473

Color TV servicing presents few problems, an RCA Service Co. official told International TV Symposium at Montreux, Switzerland. Consumer products service vp L. G. Borgeson recited these facts about RCA Service's color experiences: (1) 70% of company's consumer calls are for TV set service—40% b&w, 30% color. (2) During last 4 years, b&w service calls decreased 20%, color 40%. (3) Average work time on home color service calls is only 11% more than b&w; in the shop, differential is 14%. (4) Same percentage of color and b&w sets can be repaired in the home.

Exemption from all-channel-set rules—covering receivers used for in-school instruction—has been granted by FCC, as expected (Vol. 3:18 p2). Exemption affects sets made up to April 30, 1966. Commission denied all other exemptions sought for institutional users. Thus, vhf-only sets may be shipped to schools; cartons must be marked "For In-School Use Only".

Triple-play sound recording tape has been introduced by Minnesota Mining, with 3,600 ft. on 7-in. reel, 50% more than normal double-play tape. Tape was made possible by development of new ultrathin oxide coating. It's priced at \$11.95 per reel.

TV system for the blind, bypassing human eye and sending electronic impulses directly to brain, was advanced as possible future development by Dr. Allen B. Du Mont in keynote address to 3rd International TV Symposium at Montreux, Switzerland. Discussing TV "25 years from now," Dr. Du Mont forecast pocket TV receivers, home electroluminescent screens in every room connected to master receiver, 3-D TV with stereophonic sound, multi-lingual multiplexed sound for telecasts, TV tape recorders which automatically record programs when owner isn't home. Military TV will no longer exist in 1988, he predicted—"because there will no longer be military establishments." He added: "We will have either gone too far with our nuclear lunacy, or the essential problems of peace & mutual existence will have been solved."

Battery-operated vhf-uhf TV-FM receiver was shown by Lowe Opta at West Germany's Hannover fair. Set weighs 16½ lb., has 10-in. screen, can be operated on AC as well as battery. It has 31 transistors.

Sylvania's factory TV sales for first 4 months of 1963 were 15% ahead of same 1962 period, while stereo sales were up 12%, Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis announced last week.

NEW SETS—ZENITH & OTHERS: Closer look at Zenith's complete line, full details of which were released last week, confirms more-for-the-money character of lower part of its color & b&w lines (Vol. 3:21 p7). It also confirms truth of old saying that Zenith is "staying out of the bargain basement," because—mixed with the reductions—there are also some definite price increases.

Although Zenith's lines are long, there are fewer Space Command remote-control models—in fact, no remote b&w combinations—possibly in anticipation of confused remote situation with all-channel sets. (Zenith did, however, introduce new turret tuner which can accommodate 12 strips in any combination of vhf & uhf.)

Color line, which starts with grained vinyl-clad console at \$499.95 and lowboy console at \$549.95—both \$50 below last year's corresponding models—steps up to first wood veneer sets at \$599.95. This is entire new series of attractive compact consoles, apparently \$95 below first wood-cabinet (but not comparable) sets last year. Space Command begins in new line with \$699.95 version of compact set (first remote color set last year was \$649.95 metal console). Top of regular color line is \$875, Space Command color line \$1,025. There are 2 color combos—\$1,300 and \$1,775, latter with remote control. Corresponding prices in preceding line for color combos were \$1,245 & \$1,750.

Black-&-white line starts, as noted, with 16-in. at \$149.95 and \$159.95 step-up. The 19-in. portable line also begins at \$149.95, going to \$209.95 in \$10 steps (last year highest non-remote portable was \$229.95). Remote 19-in. portables are \$229.95 & \$249.95. Table model line (23 in.) beginning at \$189.95, is relatively unchanged, except for

addition of \$199.95 step-up in place of last year's \$209.95. Remote 23-in. table models start at \$249.95, \$10 lower than last year. B&w console prices are similar to last year's, except that remote consoles start at \$329.95, up \$10. B&w combos start at \$514.95 with conventional AM-FM (vs. \$499.95 last year) and at \$595 with AM-FM-stereo. Top of combo line is now \$650 (vs. \$750 for manual, \$925 for remote). Highest console with remote is now \$419.95, compared with last year's top of \$495.

Prices in phono line are virtually unchanged, Zenith apparently being in mood to consolidate last year's gains in this category.

* * * * *

Other new set introductions:

RCA Service Co. announced 2 new 19-in. hospital sets with wired remote control.

Webcor unveiled unique 11-oz. pocket tape recorder, measuring 3 x 5 x 7/8-in., operating on rechargeable batteries, playing new tiny cartridge tape (developed by Ferrodynamics) at 1-in. per sec. It will list for \$149.95.

Panasonic began sales campaign for its portable 19-transistor battery-powered AM-FM-stereo 2-piece receiver at \$175.

Hitachi 16-in. portable at \$129.95 is now in distribution by Sampson Co., Chicago.

Arvin has entered tape recorder field with 3 models at \$99.95, \$169.95 & \$229.95.

New **Sony** line of 7 recorders, all fair-traded, was shown last week by U.S. distributor Superscope Inc. Prices range from \$119.50 (deck only) to \$450.

Emerson TV-radio-phono & Telectro recorder lines will be shown at distributor convention June 17-19 at Miami Beach's Americana Hotel. **Du Mont** lines will be introduced later at regional meetings in N.Y., Chicago & Los Angeles.

'Orderly' Japan TV Exports: Japan's desire "to maintain an orderly market for TV sets in the U.S." was evident in 2 separate actions last week: (1) Japanese govt. added TV receivers to list of goods for which export licenses are required, thereby giving govt. advance notice of types, prices & quantities of shipments, and paving way for possible export controls, quality stabilization or minimum price standards. (2) Mineo Sakai, EIA of Japan business mgr., arrived in N.Y. on mission whose first priority was examination of TV market.

"A main goal for me during my visit," he told trade press on his arrival, "will be to determine what, if any, action or combination of actions our industry could take to insure continued stability of the American market for Japanese TV." He will meet with importers, manufacturers, customs officials and others.

Also on Sakai's agenda is quest for "equitable solution of the difficulties involved" in U.S. Customs' valuations of Japanese transistor radios above invoice prices for purposes of levying duties.

Sakai's announced drive to upgrade tape recorders exported to U.S. will begin this week. "Experience has shown," he said, "that low-cost [toy tape recorders] have not satisfactorily withstood the abuse to which they are often subjected in the hands of children. Therefore, effective June 1, tape recorders will be required to pass considerably toughened export inspection."

Meanwhile, last major holdout among U.S. set manufacturers against Japanese parts—Zenith—had 6-man team inspecting facilities & products of Japanese plants for possible buys in components. Zenith's decision to consider foreign parts was reported in these pages 2 months ago (Vol. 3:13 p8).

Use of TV as ad medium by TV manufacturers will be spotty again next season, although color programs may attract more set makers, according to roundup in May 27 *Sponsor*. Highlights: RCA, co-sponsor of *Walt Disney's Wonderful World of Color* on NBC, spent more than \$1 million on that show last year, and this year reportedly will earmark even more for network TV. Philco will spend \$750,000 on 4 hour-long ABC documentaries in 1963-64 season. Emerson sees "possibility" of using TV next fall. Motorola, which sponsored specials last year, has TV "under consideration." Westinghouse is out of network TV now, but also may return. Zenith will repeat its co-sponsorship of *World Series of Golf* in color on NBC this year. GE cut back network TV this season, but will be back "with a good-sized budget" for 1963-64, including colorcasts this year of *GE College Bowl* on NBC. Spot TV is on most TV manufacturers' approved list for co-op ad media.

Trade Personals

Luther M. (Sandy) Sandwick resigns July 1 as EIA consumer products staff dir. Former Pilot Radio sales vp had been in newly created post since Jan. 1962 (Vol. 1:14 p7). His future plans were not disclosed, successor has not yet been named.

George A. Bradford, ex-GE, joins Westinghouse TV & Radio Div. as mktg. mgr.

Sidney Metzger, ex-RCA satellite communications expert, named components development & systems research mgr., Communications Satellite Corp.; S. H. Reiger, ex-RAND Corp. senior staff member, appointed systems analysis mgr.; Edwin J. Istvan, ex-Air Force Office of Space Systems, named technical asst. to Pres. Joseph Charyk.

John W. Craig, onetime Crosley, resigns as Westinghouse vp & consumer products group special accounts gen. mgr., to join Hupp Corp. in new post of vp & assistant to pres.

C. Raymond Smith, former Western Electric vp, elected Martin Marietta vp.

Wayne Etter appointed pres. & gen. mgr. of P. R. Mallory's Mallory Capacitor Co. Div. . . . S. Wellford Corbin, GE industrial sales operation gen. mgr., elected a vp.

Joseph A. DeMambro, DeMambro Radio Supply, Boston, elected National Electronic Distributors Assn. chmn.; V. N. Zachariah, Zach Electronics, San Francisco, re-elected pres.

Giichi Hirata named vp, consumer goods, Hitachi N.Y. Ltd. . . . Fumio Iwashita, Toshiba pres., re-elected pres. of EIA of Japan. Konosuke Matsushita, chmn. of Matsushita, and Izumi Kuboki, Japan Radio Co. pres., elected vps; Hiromi Kono re-elected managing dir.

K. G. Summerville, sales mgr. of Deilcraft Furniture Div. of Dominion Electrohome, elected chairman of Canadian Home Furnishings Institute . . . Charles C. McGregor, formerly with receiving tube operation, named industrial relations mgr., Sylvania picture tube operation, succeeding Henry S. Prisby, transferred to Lighting Products Div.

A. Bruce Rozet, ex-vp, Electra Megadyne's GENCOM Div., Capitol Records subsidiary, joins Stanford Research Institute as a senior staff member.

W. Rogers Hamel, Robert E. Sonnekson, John G. Stobo, A. V. Schene appointed Raytheon vps.

Mergers & acquisitions: Lynch Corp. shareholders have approved acquisition of Cox Instruments (Vol. 3:21 p11); merger is expected to be completed by end of June • GPE & Radiation Inc. have dropped their merger talks (Vol. 3:18 p11). • Macfadden-Bartell has purchased for more than \$2 million Fawcett Publications' *True Confessions* and *Motion Picture* magazines • Electronic Assistance shareholders have approved acquisition of Ideal Brass Works for \$2.8 million in cash & stock (Vol. 3:15 p12).

CBS is not preparing stereo starts soon in San Francisco, Los Angeles & St. Louis. CBS officials state that report of readiness is incorrect (Vol. 3:20 p10 & 11).

Gas-operated TV sets are here. Sony will offer portable gasoline generator, developed by Honda Motors, as optional power source for its Micro TV in Japan.

Controversial "Project West Ford" appears to be off to successful start. Some 400 million tiny 8,000-mc copper dipoles, weighing 50 lbs., were orbited some 2,000 miles above earth, are now spreading, will in month or so form ring around earth—with dipoles about ¼ mile apart—serving as reflectors of earth-originated transmissions. Similar Oct. 1961 effort failed when dipoles failed to disperse. Some scientists argue that dipoles will interfere with reception of outer-space-originated signals used by radio-astronomers. Dipoles are expected to be pushed into earth's atmosphere by sun rays within 5 years, burn up & disappear. Early Air Force tests were reported "successful"—with radar, radio, voice, teletype, digital data.

TelePrompTer plans to sell its electronics manufacturing operations at Cherry Hill, N.J. to "private group of investors" for terms to be announced following SEC approval of transaction. Manufacturing operations, embracing Weathers hi-fi equipment, audio-visual products, magnetic tape cartridges, represent some \$2.5 million or about 40% of TelePrompTer's anticipated 1963 sales. Pres. Irving B. Kahn said businesses to be sold are "doing fairly well" but "the timing is not in our favor." Noting "current profitability & growth rate" of CATV & "tremendous potential" of pay TV, Kahn said these activities "require the undiverted focus of our management." If SEC approves transaction, company will seek stockholder approval for sale at July annual meeting.

Ampex earnings in 1963 fiscal year ended April 30 climbed to "a shade over \$5 million" from \$3.2 million in fiscal 1962 on sales rise to \$93.7 million from \$84.1 million. Pres. William E. Roberts said fiscal 1964 should produce sales rise of "better than 10%" & "substantially" faster climb in profits. Ampex plans to introduce "at least another 2 dozen & hopefully 2½ to 3 dozen" new products in new fiscal year, Roberts said. Order backlog currently is \$39 million, up from \$29.8 million at close of preceding fiscal year. Foreign sales accounted for 18.5% of volume. up from 17% a year earlier. Goal this year: 20%.

Texas Instruments expects 1963 sales to set record earnings to reverse downward trend of preceding 3 years. Order backlog May 1 was up 14% from start of year, to record \$125 million from \$110 million, Pres. Patrick E. Haggerty told Chicago Investment Analysts Society. Noting that profit decline resulted from severe competition & price cutting in semiconductor field, he said that some "stabilization" has developed in recent months. Industry this year, he forecast, will produce ⅓ more transistors than in 1962, dollar sales will rise about 12%.

General Instrument wound up 1963 fiscal year Feb. 28 with \$2.7 million loss (see financial table) but company believes "turn-around in fortunes" is now underway. Loss year resulted largely from heavier-than-anticipated costs on military & govt. systems contracts. Chmn. Martin H. Benedek & Pres. Moses Shapiro noted that GI's entertainment electronics operations "did well and the current year should show further gains," principally because of new all-channel law. GI, they said, already is experiencing "a significant increase" in tuner business.

Rek-O-Kut, Corona, N.Y. manufacturer of hi-fi equipment now in Chapter 11 proceedings (Vol. 3:21 p10), was continued in operation without indemnity at hearing before Referee Sherman D. Warner, Jamaica, N.Y. Next hearing: June 5, 2 p.m.

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—9 mo. to Apr. 30	\$ 48,528,000	—	\$ 969,317	\$0.88	1,065,098
	1962—9 mo. to Apr. 30	39,713,000	—	1,081,340	.98	1,019,739
	1963—qtr. to Apr. 30	16,051,000 ⁴	—	330,553	.30	1,065,098
	1962—qtr. to Apr. 30	13,756,000	—	357,351	.32	1,019,739
Audio Devices	1963—qtr. to Mar. 31	1,899,050	\$ 249,880	123,480	.14	868,371
	1962 ¹	—	—	—	—	—
Emerson Radio & Phonograph	1963—26 wks. to May 4	—	1,765,082	847,282 ²	.37	2,270,497
	1962—26 wks. to May 5	—	2,142,485	1,140,910	.50	2,270,497
General Instrument	1963—year to Feb. 28	83,392,743	(5,906,978)	(2,702,281) ²	—	2,570,401
	1962—year to Feb. 28	86,541,415	1,812,147	1,043,965	.42	2,492,558
H & B American	1963—9 mo. to Apr. 30	3,317,390	—	93,184	.04	2,575,160
	1962—9 mo. Apr. 30	2,777,796	—	27,861	.01	2,575,160
Movielab	1963—qtr. to Mar. 31	1,747,468	—	83,585	.25	341,010
	1962—qtr. to Mar. 31	1,685,314	—	97,235	.29	328,034
Schlumberger (Daystrom)	1963—qtr. to Mar. 31	72,068,000	8,468,000	4,574,000	.85	5,333,587
	1962—qtr. to Mar. 31	61,090,000	8,781,000	4,956,000	.93	5,333,587
Terminal-Hudson Electronics	1963—qtr. to Mar. 31	3,611,544	—	55,989	.05	1,026,804
	1962—qtr. to Mar. 31	3,504,091	—	66,600	.06	1,026,804
Transistor Specialties	1963—6 mo. to Jan. 31	558,502	276,439	13,783	—	—
	1962—6 mo. to Jan. 31	202,719	39,620	(129,660)	—	—

Notes: ¹ Not available; quarterly reports not previously issued. ² After \$3.2 million tax credit. ³ Before "substantial" non-recurring gain from

sale of 86%-owned Emertron subsidiary to Litton Industries (Vol. 2:47 p11). ⁴ Record.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg Elec. ..	Q	\$0.20	June 28	June 14
Arvin Industries	Q	.25	June 29	June 10
Bendix	Q	.60	June 29	June 7
GE	Q	.50	July 25	June 21
Rollins Bcstg.	Q	.10	July 25	June 25
Springfield TV Bcstg. ...	Q	.10	June 15	June 1
Times-Mirror	Q	.12½	June 24	June 7
Trans-Lux	Q	.15	June 28	June 14
Wells-Gardner	Q	.30	June 15	June 7

Varian Associates' fiscal-1963 earnings will drop from year-ago's \$4.2 million because of industrywide decline in demand for microwave tubes, Pres. H. Myrl Stearns told San Francisco Security Analysts. "It is currently thought that the demand for microwave tubes is off 30% this year," he said. "This estimate is borne out by our order receipts." Microwave tubes account for some 65% of Varian Associates' sales.

TV-Electronics Fund net assets totaled \$379,807,557 April 30—down from \$401,094,540 a year ago. Net assets per share slipped to \$7.48 from \$7.83, capital shares declined to 50,804,824 from 51,193,461.

TV Shares Management Corp. has been re-named Supervised Investors Services Inc. to reflect long-range program to broaden operations. Company will continue as adviser & distributor for TV-Electronics Fund.

Westinghouse will pay govt. \$800,000 in out-of-court settlement of civil damage suit arising from 1961 price-fixing case involving heavy electrical equipment.

Hallcrafters expects earnings in the 9 months to May 31 to run 5-10% ahead of year-earlier's \$1.3 million. For total fiscal year ending Aug. 31, Pres. Robert F. Halligan forecast, earnings should be "up slightly" from fiscal-1962's \$2 million on sales "about the same" as year-before's \$66.7 million. Hallcrafters consumer products now account for 35-40% of total sales, he noted, and "we're very confident civilian orders will exceed last year."

Retail Dealers' Merchandising Committee has been established by manufacturer Victor Co. of Japan and importer Delmonico International to help develop new consumer electronic products for sale in U.S. The group of U.S. dealers is meeting with Victor officials in Tokyo & Yokohama.

Tung-Sol was ordered by FTC examiner to cease price discrimination in sales of automatic flasher equipment to jobbers & warehouse distributors. Subject to review by Commission, order relates to 20% discount given distributors & to rebates given competing customers for quantity purchases.

GT&E is now fully listed on Pacific Coast Stock Exchange, as well as on N.Y. Exchange. Listed were 79,524,086 shares, 75,317,841 of which are issued & held by more than 407,000 shareowners. GT&E ranks 5th among companies traded on N.Y. Exchange, topped only by AT&T, General Motors, Standard Oil of N.J., GE.

Harvey Radio sales rose 3.7% in fiscal-1964's opening quarter, ended April 30, to record \$1,778,926 from \$1,716,265 a year earlier. Earnings figures will be released in several weeks. Chmn.-Pres. Harvey E. Sampson forecast record sales & earnings for fiscal year.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 10, 1963

NEW SERIES VOL. 3, No. 23

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CATV REGULATION—A STATUS REPORT on FCC-NCTA negotiations. Commission hand strengthened by court. NCTA willing to give more ground, but FCC staff urges tough line (p. 1).

FCC SELF-RESTRAINT in programming area urged by new Comr. Loevinger. He puts faith in diversity of program sources, sees nothing wrong in 'fair' Omaha-type hearings (p. 2).

RATING REFORMERS NAMED, OTHER MOVES: NAB announces broadcaster-network members of Rating Council, RAB picks Audit & Surveys Co. radio plan, ARB tests radio service, Pulse sets up advisory committee (p. 3).

MINOW SAYS 'REVAMP FCC' by having single Administrator set policy, an Administrative Court handle adjudication. 'Court' concept has growing support; Congress isn't likely to buy Administrator (p. 4).

TELEMETER COST PARAMOUNT \$1,361,000 last year without any return, stockholders are told, but expenses this year are considerably lower; Paramount considering direct leasing of post-'48 movies to TV (p. 5).

HILL SPOTLIGHTS EQUAL TIME: Senate Commerce Committee to hold June 26 hearings on '315' suspension, House Commerce minority issues blast against broadcasters (p. 6).

CATV REGULATION—A STATUS REPORT: Day of federal govt. regulation of CATV appears to be coming closer. As members of National Community TV Assn. meet in Seattle's Olympic Hotel for annual convention June 10-14, CATV industry faces an FCC with position greatly strengthened by Court of Appeals' "Carter Mountain" decision (Vol. 3:21 p4).

Effects of decision were seen last week in meeting of FCC & NCTA committees to discuss possible federal legislation giving Commission regulatory powers. Originally (Vol. 3:17 p2), NCTA was willing to accept law giving FCC power to regulate CATVs in communities with one TV station—only. In meeting with FCC June 4, NCTA representatives first offered: Let proposed law permit FCC to establish rules covering one-station markets—but let Commission regulate CATVs in markets with 2 or more stations only after case-by-case formal proceedings in which it would have to be proved that stations would be hurt.

There was discussion—but no agreement. After meeting, to FCC's surprise, NCTA group came back, giving ground. CATVs said, in effect, "OK, we'll go for rules that allow you to forbid simultaneous duplication, on our cables, of programs offered simultaneously by stations in multi-station markets." This was quite a concession.

But Commission hasn't bought it, probably won't. Staff has recommended against it, claiming FCC now has power it needs. Staff thinking (mainly by Broadcast Bureau Chief James Sheridan & Deputy General Counsel Henry Geller) is that "Carter Mountain" decision immeasurably bolstered FCC's hand. Decision held that FCC has complete authority to withhold grants of microwave systems if it believes microwaves would bring in enough out-of-town programming to jeopardize local stations.

Consumer Electronics

MORE NEW LINES stress more-for-the-money, furniture style, innovations. 'New Sylvania' shows redesigned & re-engineered sets; other new items from Admiral, GE, Olympic, Packard Bell (pp. 7 & 10).

NEW ANTI-IMPLOSION SYSTEM for picture tubes, Corning's 'Shelbond,' to be shown to tube makers this week; process uses no external safety glass, but is said to differ significantly from Kimcode process (p. 7).

FTC OPENS 'DECEPTIVE PRICING' HEARINGS TODAY, seeks industry reaction to proposed changes in guide rules & use of word 'free' in ads; Better Business group approves present rule on use of 'free' but wants offer limited in time (p. 8).

MASS MERCHANDISERS MASS for fair trade fight. Newly formed National Assn. of Mass Merchandisers, now representing discounters in 31 states, argues against S-774 Quality Stabilization Bill before Senate Commerce Subcommittee (p. 8).

COMMERCIALIZATION OF CHROMATRON color tube should be undertaken by combine including Paramount and other firms, management consultant concludes after 20-month study; negotiations reported under way (p. 11).

According to NCTA, about one-third of all CATV systems in U.S. are served by microwaves, and both FCC & industry believe that future growth of CATV is heavily dependent on microwave.

Not generally known is fact that staff has suggested 3 moves to Commission, and FCC has told staff it's interested in studying them: (1) Finalize proposed Business Radio rules which would give microwaves to CATVs—if latter agree not to duplicate local-station programs 30 days before or after they're telecast locally. (2) Propose new common carrier microwave rules with same conditions. (3) Move to assert, flatly, that FCC already has complete jurisdiction over all CATV systems—under Communications Act. If FCC so decides, moves (1) & (2) above wouldn't be needed. It's possible, but not certain, that FCC majority can be mustered for the "assert-complete-jurisdiction" principle; if it is, next question is whether CATVs will fight in courts and whether they'll win.

Fact is that CATV suffered severe blow in court decision. Until it came (unanimously), there seemed to be stalemate—largely because Rep. Harris (D-Ark.), chmn. of Commerce Committee, so obviously favors CATV, meaning FCC could never get law it wants without CATV acquiescence. But Commission now has industry by its microwaves—and there it stands.

There was no acrimony in last week's meeting. Discussion was friendly. FCC's committee comprises Comrs. Bartley, Ford & Cox. NCTA's committee included Chmn. A. J. Malin, Glenn Flinn, Robert Clark, Martin Malarkey, Bruce Merrill, Gene Schneider, Archer Taylor, plus attorneys Robert L'Heureux, E. Stratford Smith & Thomas Dowd—the last a newcomer to group, representing big RKO General. NCTA committee spoke for itself, didn't represent final word of NCTA board; latter has the tough job, in Seattle this week, of deciding: "What next?"

FCC SELF-RESTRAINT URGED BY LOEVINGER: It certainly isn't easy to dope out new FCC Comr. Lee Loevinger, after his appearance before Senate Commerce Committee last week. (He was confirmed quickly by Senate, will be sworn in June 11 by Supreme Court Justice Byron White.)

When it comes to FCC actions in programming, Loevinger's watchword is "restraint." Time & again, he said Commission should "exercise restraint." On other hand, he seemed to find nothing wrong with Omaha-type hearings—"if they're conducted fairly & properly."

Here's more of his thinking: "Censorship has to do with pre-publication control. FCC has no business in that. But FCC has a public-interest duty because stations have a quasi-monopoly. It challenges the judgment & conscience of the FCC. My position is to exercise restraint rather than go too far. There's less danger in restraint than in exercising too much power." The best regulator, he said, "is to have such diversity of ownership that there's real competition . . . FCC shouldn't impose its tastes on the public—any more than someone should impose his tastes on me."

Asked whether there's too much violence on TV and whether FCC should do more "monitoring" of programs, he said: "My private solution is—don't watch them. This would be a much less attractive job if you're going to have to watch TV all day long. But we shouldn't disregard complaints of the public . . . If a man promises classical music, then gives horse racing—then FCC can question licensees."

Loevinger was asked whether stations & networks are better judges of local needs "than govt. officials." Loevinger said: "Stations are—but I have a question about networks. There are only 2 dominant networks. We need diversity of programming & control."

Vhf drop-in proponents took heart from his comments: "I feel strongly about the maintenance of competition. I notice little problem in radio. A large part of the problem in TV is that there have been only 12 channels . . . Vote was 4-3 [against drop-ins]—so I shouldn't attempt to indicate my thinking now. I should study the record." Senators Monroney (D-Okla.) & Scott (R-Pa.) were particularly unhappy about FCC's turndown of drop-ins, Monroney complaining about Commission's change of mind over the years. Herewith are Loevinger's views on other matters:

(1) Fairness in news coverage of candidates: Loevinger said he was instrumental in getting Minneapolis newspaper to accept judgment of a special board which evaluated news reports—only such board in country.

(2) Editorializing: "I believe it's working reasonably well. We should always be concerned about the workings of such a powerful medium."

(3) License fees: Hadn't studied subject—but it's "my general observation" that Congress shouldn't set precise fees because "there's too much detail involved."

(4) FCC limits on commercials: Haven't studied that.

(5) Option time: Agrees with FCC decision.

(6) Newspaper ownership: Where there are competing applications, "other things being equal, I'd favor the non-newspaper." Problem is "more serious" in community with one newspaper & one station under same ownership.

Loevinger so often said that FCC should exercise "restraint" in program field that Sen. Cotton (R-N.H.) finally said: "Your predecessor [Minow] made a lot of noise—had a good effect. I feel you may be the complete antithesis to your predecessor."

"You may be right," Loevinger responded. Then, he went on, FCC should be "more active & aggressive" in developing more sources of programs. "My whole instinct is restraint—even where FCC may have legal powers."

"You sound a little bit like a Republican," Cotton said, with some astonishment. Loevinger laughed: "That's the first time that charge has been leveled at me."

Loevinger also took Chmn. Magnuson (D-Wash.) aback at one point. Magnuson was complaining about agency appointees serving too briefly, then frequently joining the industries they had regulated. He said appointees should serve as long as President desires. "I did that in my present job," said Loevinger, who was anti-trust chief of Justice Dept. Magnuson then asked: "You mean you served as long as the President wanted you there?" When Loevinger gave an affirmative, Magnuson looked around with some disbelief, said, "no further questions on that"—a bit amazed at this candid admission that Kennedy no longer wanted him as anti-trust chief.

RATING REFORMERS NAMED, OTHER MOVES: Rating reform actions sprouting: NAB announces Rating Council members; RAB may go it alone on radio study using Audits & Surveys Co. plan; ARB may get into radio; Pulse will set up interim advisory committee; FCC Chmn. Henry appears before Harris June 20.

NAB announced 14 members—networkers & broadcasters—to serve on Council to oversee reform program, no NAB staff included. Representatives from AAAA & ANA who will serve as liaison members are not yet announced, but NAB expects they will be AAAA Pres. John Crichton & ANA Pres. Peter Allport. First meeting of Council will be held with NAB Research Committee in N.Y. June 17-18.

RAB picked Audits & Surveys Co.—over Politz's Universal Marketing subsidiary—to find new methodology to measure total AM-FM sets in use. Program will cost \$200,000, will be conducted in 3-4 markets. Field work is scheduled to begin in Sept., report due next Jan. Audits & Surveys is Nielsen's biggest competitor in marketing research.

NAB & RAB are still mile apart on co-partnership of radio study. NAB will take up matter at first Rating Council meeting. RAB has raised about half funds, plans to get remainder from stations, token agency support, extra kick-in from stations in markets where methodology study will be conducted.

Never in radio before, ARB is testing radio in 2 markets, successfully so far, ARB says. Technique uses personal listening as base unit—long considered ideal for measuring today's "personal" radio medium—as opposed to traditional household-family base unit. If ARB decides to start radio ratings, it will make plans known in about 2 months.

ARB also reached agreement with WLUK-TV Green Bay, after rater cancelled May-June market report—because station aired announcements asking viewers with ARB diaries to call station. Station agreed last week to pay for extra week of sampling for entire market; ARB will eliminate first week of 4-week study.

Pulse held N.Y. meetings with reps & agencies, explained changes in procedures—temporary elimination of weighting, strengthened field controls (Vol. 3:16 p3). Pulse also asked for volunteers to serve on interim advisory committee on changes & methodology; it will probably have 4 rep & 4 agency members.

NAB Rating Council members: Don McGannon, Group W, (he's also NAB Research Committee chmn.); Hugh Beville, NBC; Edmund Bunker, RAB; Norman Cash, TvB; Joseph Drilling, Crowell-Collier Bcstg.;

Thomas Fisher, CBS; Simon Goldman, WJTN-AM-FM Jamestown, N.Y.; Fred Houwink, WMAL-TV-AM Washington; Robert Hurleigh, Mutual; Bennett Korn, Metropolitan Bcstg. TV; Fred Paxton, WPSD-TV Paducah; Willard Schroeder, WOOD Grand Rapids; Simon Siegel, ABC; Ben Strouse, WWDC Washington.

Ratings Criteria Subcommittee will be headed by Goldman, will help develop minimum standards & criteria for rating services, along with plan for accreditation. Audit Subcommittee, headed by Houwink, will form program for professional auditing of research services. Membership of subcommittees, when announced, will include researchers—not only broadcasters as in parent Rating Council. NAB Research Committee, at work on methodology improvement phase, will include FM in local radio proposals.

MINOW—'REVAMP FCC': Ex-FCC Chmn. Minow's recommendation to President Kennedy, to revamp govt. regulation drastically, isn't likely to get far precisely as he proposes it. However, it adds another articulate push in one direction—and demand for change may snowball.

In letter to President Kennedy, Minow suggested:
 (1) A single Administrator set all communications policy.
 (2) An Administrative Court handle all adjudicatory matters.

Many others have suggested that FCC and similar agencies should quit being both prosecutor & judge—that special court be set up to take over Commission's judicial functions. But few have suggested that a single man set policy. A Federal Communications Bar Assn. committee has suggested that 5-man Commission set policy. Louis J. Hector, ex-CAB member, recommended that policy be handled by group reporting to President, a court handle litigated cases, Justice Dept. do the investigation & prosecution.

Minow would put the Administrator under President—something Congress would scarcely tolerate. As it is, every agency nominee, as he appears before Senate committee, is asked to make declaration of faith that his agency "is an arm of Congress." And he does.

Multiple-member Commission, Minow wrote President, not only has trouble agreeing on policy—it's inconsistent. He says Administrator wouldn't become a "czar"—because courts & Congress can quickly squelch him. Furthermore, said Minow, we have single administrators in govt. with "far more vital responsibilities for policy development than are involved in the communications field."

New Chmn. Henry was asked for reaction, said there's "merit" in Administrative Court idea, didn't indicate his thinking on single Administrator.

Last week wasn't first time Minow has advanced his proposal. He's suggested it in speeches & interviews, but got little attention, being lost in other material. Even *Wall St. Journal* commended Minow for seeking improvement, though it said: "Good govt. does not lie in having a 'czar' of the TV industry, or any other. The best way to simplify any regulatory agency is to regulate less."

Minow has more ideas on govt. improvement, is expected to pass them on to President. One of them: Red tape prevents govt. from advancing & using people more efficiently.

Color transmission seminars for station chief engineers & transmitter supervisors will be conducted by RCA in 6 cities. Some 600 engineers have signed for sessions at: Princeton, June 10; Chicago, June 12; Atlanta, June 14; Dallas, June 19; Los Angeles, June 21.

Harsh blast at KATV Little Rock was delivered by FCC Examiner Thomas Donahue, who recommended denial of transmitter move from Pine Bluff to Little Rock. He said station misled FCC and Pine Bluff business & civic leaders about plans, virtually abandoned community to concentrate on the larger market. Said Donahue: "KATV presents a sorry record upon which to assess a request for authority to deprive some 12,000 people of their only TV service in order to pick up a population of 150,000 . . . There is grave doubt that KATV Inc. has the requisite character qualifications to be a broadcast licensee."

Excerpts from FCC Chmn. Henry's appearance on CBS's *Portrait* June 5: (1) Govt. ownership or subsidy of a network has too great danger of "getting it involved in politics." (2) Advertiser influence on programs "is waning." (3) "I wouldn't want to see advertising divorced from free TV. This is what gives free TV to the public . . . and that's a system that we all prefer." Pay TV should "stand or fall" in the "marketplace." (4) "Broadcasters in general are a responsible group."

All-Industry TV music committee, fighting ASCAP licensing policies, has voted to take new legal step. Meeting in N.Y., group moved to ask U.S. District Court for declaratory judgment broadening stations' rights under the anti-trust consent decree governing ASCAP licenses. Committee doesn't complain about Court's operation of consent decree; rather it claims that consent decree doesn't go far enough in controlling ASCAP.

"Town Meeting of World" via Telstar, promised by CBS Pres. Frank Stanton last year (Vol. 2:44 p2), is set for July 10. Stanton said participants will be Eisenhower from Denver or Gettysburg, Anthony Eden from London, Jean Monnet from Paris or Brussels. Stanton asked Olaf Rydback, pres. of European Bcstg. Union, to suggest a 4th. Each is to speak before an audience, answer questions.

NAB asked FCC to defer deadline for comments on FCC's commercial limitations proposal (Vol. 3:20 p6) from July 1 to Nov. 1. NAB said proposal raises "basic questions of statutory and constitutional law" as well as "grave considerations of national public policy."

Rep. Harris (D-Ark.), receiving Broadcast Pioneers award at Washington luncheon for "firm and fair leadership" and devotion to idea that "broadcasting should be free," said that, in general, "industry is doing a fine job for the American people."

Control of KETV Omaha has been granted by FCC to Northwest Agencies Inc. (now 45.2% owner), which acquires remaining 54.8% for \$2,442,857.

Traditional Aug. vacation has been announced by FCC which will hold only one meeting that month, Aug. 1.

PARAMOUNT'S TELEMETER PLANS: Paramount Pictures' loss on its Telemeter pay-TV system last year amounted to \$1,361,000, but it now is running at annual rate of \$750-800,000, and recent developments should cut losses substantially this year.

So said Paramount Pres. Barney Balaban & Treas. James H. Richardson in answers to question at last week's stockholder meeting in N.Y. Balaban specifically pointed to 9-theater Eidophor closed-circuit sports network which will carry Toronto Maple Leafs' 35 away-from-home games at the same time as they are piped to Telemeter subscribers' homes in Etobicoke, Canada (Vol. 3:22 p4). This, he said in his report to stockholders, "will enable us to reduce, by approximately \$250,000 annually, the program cost in operating the home pay-TV installation." Elaborating, he added that "the sports program is now self-supporting."

Balaban stated that Paramount's 51%-owned Canadian subsidiary, Famous Players Canadian Corp. Ltd., realized cash gain from pay-TV system, since parent company assumes loss under agreement establishing system.

He reported progress by Midwest Video Corp., Telemeter franchise-holder in Southwest (Vol. 2:38 p2), in negotiating with Ark. Bell System for rate structure, and expressed hope it will serve as pattern for other wired pay-TV negotiations with local phone companies. "We're getting closer to a deal we can live with," he said.

As to Paramount's post-1948 feature film library of nearly 200 pictures—last major studio backlog as yet unreleased to TV—Balaban said company will lease these rather than sell them outright as it did its pre-1948 product. "We may form our own organization—we haven't yet decided." He said Paramount's pre-'48 films, distributed to TV by MCA subsidiary Emka, have already grossed \$62 million, a gross return of \$44 million to Paramount.

On subject of program production, he said: "We hope to have an important announcement shortly which will place us in the forefront as a producer of programs for TV."

Paramount's KTLA Los Angeles, which in 1962 "earned more than twice the profit of any other independent TV station in that market," again is headed for satisfactory year, "although we know it will not be as good as 1962."

Famous Players, Balaban said, "is investing in a substantial number of CATV systems throughout Canada." (For report on Paramount's color tube and financial outlook, see p. 11.)

Networks are having trouble selling some of new shows in fall schedules. A few key headaches: ABC-TV—no sponsors yet for *Channing*, hour-long film show scheduled to follow *Ben Casey* on Wednesdays; CBS-TV—segments of *East Side, West Side, The Great Adventure* and *Judy Garland Show* have "For Sale" tags; NBC-TV—toughest sale on network are participations in new *Espionage* series, despite strong, well-received pilot. Reason: *Espionage* faces competition on Wednesdays from *Beverly Hillbillies*, on CBS, and *Ben Casey*, on ABC. Interestingly, NBC is having no great difficulty selling slices of National Football League Championship game (for which it paid over \$900,000 for TV rights). Big sports event is almost completely sold out—at blockbuster price of \$77,500 for each commercial.

Syndication is lucrative sideline for Warner Bros., whose track record in fall network program sales has not been so hot this season but whose off-network station-level sales practically sizzle. WB averaged "more than a million dollars a month" in sale of former network shows to stations between March 15 and May 31, according to TV vp Joseph Kotler. Actual box score: 58 off-network TV shows (*Cheyenne, Hawaiian Eye, Bronco, Surfside 6, Roaring 20's*, etc.) sold during period in 35 markets for gross of \$2.6 million, with 34 of 58 shows sold to stations previously buying one or more WB syndicated shows. Defending itself against charge (largely by old-line syndicators of old-but-durable shows like *Sea Hunt*) that ratings of 60-min. syndicated adventure shows don't justify hefty price, WB pointed out that they have plenty of pulling power. In major southern market, *Maverick*—now in reruns—reaches 67% more homes than did another show on same station in same time slot a year ago.

Network TV gross time billings for Feb. were \$64,482,525 compared with Feb. 1962's \$61,242,551, up 5.3%, according to TvB. Feb. gains for each network were: ABC, from \$15,757,364 to \$17,489,935, up 11%; CBS, \$23,528,815 to \$24,082,486, 2.4%; NBC, \$21,956,372 to \$22,910,104, 4.3%. Daytime gross jumped 10.9% from \$19,836,914 to \$22,006,851. Sat.-Sun. daytime was up 43.9%. Nighttime billings rose 2.6%, from \$41,405,637 to \$42,475,674. Combined Jan.-Feb. 1963 was up 4.5%, from 1962's \$127,023,310 to \$132,732,916.

NAB's Program Study Committee gave final endorsement to Pres. Collins' plan to supply program services for members (Vol. 3:18 p5). Committee, under co-chmn. Joseph Baudino, Group W vp, & Allen Page, KGWA Enid, Okla., recommended NAB board implement plan. Service would concentrate on idea exchange & collection of reference material on techniques & trends.

NAB's concern over FCC's proposed AM-FM standards (Vol. 3:20 p7) is reflected in move to reactive Radio Development Committee—George Hatch, KALL Salt Lake City, chmn. Committee will examine AM assignment standards, relationship of AM-FM, meet in Washington June 14 to make recommendations.

Sale of KTVU Oakland-San Francisco for about \$10 million, to Cox stations, nears signing stage. Cox's present TV holdings: WHIO-TV Dayton, WSB-TV Atlanta, WSOC-TV Charlotte.

Miami-area newspapers sold by Storer Bestg. to group headed by Knight papers' James L. Knight: *Miami Daily Sun*, weeklies *Miami Shores Journal*, *North Miami Journal*, *North Miami Beach Journal*.

Lectures on RKO's Hartford pay-TV, offered experimentally: June 9, Emily Kimbrough, writer-commentator; June 16, Ray Middleton, singer-actor; June 23, Art Buchwald, columnist.

KBLL-TV & KBLL Helena, Mont. will be transferred to Capital City TV Inc., Tex. & Mont. CATV operator, for \$260,000, approval of sale having been authorized by FCC.

Sale of KVIP-TV Redding, Cal., for \$1,280,000, to Sacramento Valley TV, has been granted by FCC. Purchasers will drop Ch. 9 Redding application.

Addition of Ch. 20 & 26 to Phoenix is proposed by FCC. First is sought by Dwight Harkins, who proposes pay-TV operation. Second is petitioned by Power TV Inc.

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Personals

Harold Graham Jr., ex-McCann-Erickson senior vp & TV programming mgr., named CBS-TV network program vp . . . Drew Brinckerhoff, ex-CBS salary administration dir., named gen. mgr., CBS-TV Network Operations . . . Robert J. Burton, BMI vp, elected exec. vp.

Frank Stanton, CBS Inc. pres., & Pauline Frederick, NBC News, receive Boston U. doctor of humanities and doctor of letters degrees, respectively . . . Donald H. McGannon, Group W pres., receives U. of Scranton doctor of humane letters degree.

NAB Pres. Collins awarded honorary doctor of laws degree by Millikin U. . . William N. Cothran promoted to news & documentary programs dir., KRON-TV San Francisco.

John O. Gilbert, ex-radio WXYZ Detroit vp & gen. mgr., promoted to WABC-TV N.Y. vp & gen. mgr.; Harold L. Neal Jr., ex-radio WABC N.Y. vp & gen. mgr., elected ABC-owned radio stations pres.

C. Robert Gross, ex-KNXT Los Angeles asst. technical operations dir., appointed WCAU-TV Philadelphia engineering dir.

William W. Rogal, attorney-adviser to FTC Comr. MacIntyre, appointed attorney-in-charge of special legal assts., succeeding Sherman R. Hill, who joins legal dept., GE Houseware & Commercial Equipment Div., Bridgeport.

Obituary

Isidor S. Becker, 66, retired CBS Radio business affairs vp, died of heart attack June 2 at Lake Mahopac, N.Y. summer home. He joined CBS in 1934, was elected vp in 1952, served as consultant after retirement. Survivors are widow, son Arnold, mgr. of CBS-TV coverage research analysis, daughter.

HILL SPOTLIGHTS EQUAL TIME: With election-eering only year away, political equal time & editorializing issues are getting plenty of congressional attention.

Senate Commerce Committee, under Sen. Magnuson (D-Wash.), will hold hearings June 26, running 3-4 days, on 2 measures to lift equal time (Sec. 315, Communications Act)—S-251 for 1964 Presidential & Vice Presidential candidates, S-252 for permanent suspension for above offices, plus Senate, House, governorships.

Witnesses will include FCC, NAB, networks, probably senators, congressmen, others. FCC will supply committee with huge documentation (over 400 pp.) on how measure worked in 1960 campaign. House Communications & Power Subcommittee, headed by Rep. Rogers (D-Tex.), also will hold hearings, in July, on broadcast editorializing, equal time, fairness doctrine (Vol. 3:22 p5).

House Commerce Committee last week published report on its measure to suspend equal time for 1964 Presidential & Vice Presidential candidates (Vol. 3:21 p5). Strongly-worded minority opinion, however, had industry observers wondering. Measure is in Rules Committee; action is expected this week.

Industry is apprehensive that minority views of Reps. Bennett (R-Mich.), Williams (D-Miss.), Younger (R-Cal.), Devine (R-Ohio) may be widespread, that favorable committee vote was merely to accommodate April 1962 recommendation of President's Committee on Campaign Costs.

In recommending closer congressional examination of Sec. 315 & editorializing, minority said: "Our friends in the broadcasting industry, having been given merely a glimpse of power in the political arena, are now hungrily pursuing its ultimate; the right to hound people out of office who do not please them, the right to openly groom a successor for an official in disfavor, the right to control completely what an official or candidate may say to his audience in his own behalf, the right to use the airwaves to argue for its own political point of view, its own candidates, and with impunity. A license renewal each 3 years is no defense against the mischief possible under such conditions . . .

"Judging from the quality of editorial opinions now expressed by most stations upon subjects of community interest, there is no reason to expect a highly informed or responsible activity in the political field . . .

"The suspension of 1960 was basically for the benefit of the broadcaster and not the political parties . . . What resulted was a series of glorified news conferences. Most of the exposure . . . could have been accomplished through regularly scheduled news and public affairs programs . . .

"It is generally recognized that most political contests after the primaries . . . narrow down to two candidates and present a minimal problem in the application of the equal time requirement."

Sol Schildhouse, asst. chief of FCC Rules & Standards Div., named a hearing examiner, successor not yet selected; he has served as legal asst. to late Comr. Hennock, headed Renewals Branch, Office of Opinions & Review, TV Applications Branch.

George Liebowitz, TelePrompTer controller, asst. secy., asst. treas., promoted to secy., treas., chief financial officer.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

NEW LINES—LOWER PRICES, MORE WOOD: Consumer electronics industry's new product for 1964 continues to stress more-for-the-money theme, more & better furniture, lower prices at top & bottom ends—and a few novelties & innovations.

This week's highlight introduction was by "the new Sylvania," whose lines—even down to name-plate—represent complete departure from anything offered by that company. Young new team, under Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis, is undergoing massive image-changing operation, stressing corporate affiliation with big GT&E, electronic research, and quality.

Transformation of Sylvania image was accompanied by complete transformation of its product, in what was clearly heavy bid for prestige image. Even its full-feature 19-in. portable at \$129.95 (which Theis said would be withdrawn when competitive conditions warrant) isn't most newsworthy item in line. Biggest news is redesign. TV line features 3 new horizontal chassis, virtually all new high-style furniture, and one unique 19-in. set (\$159.95) with optional plug-in clock & timer. Even more impressive is Sylvania's big push in console stereo with 13 models whose selling point will be "component quality." Line starts with wood-veneer cocktail table at \$149.95.

Admiral's 23-in. TV line extends to black-&-white its program of "remote control on any set for \$30." Leader is \$169.95 "portable" 23-in. set. Admiral phono line, like Magnavox & Zenith, takes transistorized approach on its 4 top-end consoles (all open list)—with electronic components warranted for 5 years. Full stereo line has 19 consoles beginning at \$129.95, features new adjustable-pressure tone arm.

GE's portable phono line boasts reductions of up to \$20 in some models, "professional" tone arm, stereo headphone jacks. Its radio line has wood cabinets in models beginning at \$64.95, FM-AM clock radio at \$39.95.

Olympic's TV-phono combination line now starts with 23-in. AM-FM at \$299.95. Its portable TVs, many imported, begin with 16-in. at new low of \$114.95, with open-list 19-in. leader followed by \$129.95 step-up. All of Olympic's 23-in. sets now use same new 23,000-volt chassis.

Packard Bell's new sets show more effort in lower price ranges, plus such unusual furniture pieces as wall-mounted 19-in. TV with tambour doors, hanging cordless radio, marble-top color console. Company's remote-control options now include 4 different units, including 2 wired systems containing chairside speakers at \$39.95 & \$49.95 (latter including color controls), wireless remotes \$50 & \$80. Longer color line now starts at \$499.95, and "speakerless stereo" system is available to convert color set into TV-AM-FM-stereo combo.

(For more highlights of last week's new lines, see p. 10.)

CORNING'S NEW ANTI-IMPLOSION SYSTEM: Still another implosion-protection system will be demonstrated to picture tube manufacturers this Thu., June 13 by Corning Glass Works.

Corning's new "Shelbond" process, like Owens-Illinois' Kimcode, requires no external or bonded safety shield, presumably depending on strengthened glass and enclosure of funnel to minimize & contain any possible implosion. Corning's invitation to tube makers stated that it would demonstrate "fail-safe system for implosion protection of tubes at lower costs than any known system."

Corning officials declined to give any information. Asked if Shelbond was designed as answer to Kimcode, one official replied: "It's not the answer to anything except how to save money." New process seems similar enough in principle to Kimcode—particularly the integral implosion protection concept—to prompt one tube industry figure to refer to it as "Corncode". However, another leading tube manufacturer stated that Shelbond isn't "answer" to Kimcode, but "the result of an evolutionary development of which Kimcode was one step."

On basis of preliminary information, it's understood that Shelbond has significant differences from Kimcode. It's believed to lack Kimcode's steel tension band around rim of faceplate as well as Kimcode's Fiberglass sleeve cemented around funnel. In place of latter, Shelbond is believed to use thick layer of resin.

Shelbond is understood to have been tested by UL and to have received preliminary okay. It's expected to see first use some time next year.

Kimcode itself still hasn't shown up in any of the new 1964 lines. Curtis Mathes, however, is using it in all of its 19- & 23-in. TVs, reportedly with satisfactory results. It's still probable that Kimcode will appear in a TV line in next week or so, and that further use of it will be made in later drop-ins.

All picture tube manufacturers are set up to make it. RCA, in fact, has developed its own special (and secret) process for making Kimcode-type tubes; one difference from standard Kimcode is believed to be use of welded, rather than crimped, rim band. No Kimcode-equipped sets appear in RCA Victor's new line.

Effect of Corning's Shelbond process on various manufacturers' plans for use of Kimcode will be unknown, of course, until Shelbond is fully evaluated.

On the color front in picture tube industry, meanwhile, here are latest developments: (1) National Video started production of 23-in. rectangular color tubes June 3, Pres. Asher Cole told us last week. Motorola, however, still hasn't made final decision whether to use tube in its forthcoming line. (2) Zenith's Rauland Corp., which begins regular color tube production in its main plant this month, says it is already supplying some color tubes to Zenith for use in production TV sets. (3) Corning says it's proceeding on schedule in its development program for rectangular 25- & 19-in. color bulbs, and it hopes by middle of summer "to prove that our design assumptions are correct." (4) Owens-Illinois (Kimble) plans to be in production of conventional 21-in. round 70-degree color bulbs next fall.

FTC OPENS 'DECEPTIVE PRICING' HEARINGS: Proposed draft of new book which is sure bet to become overnight best seller will be previewed by industry this week when FTC opens public hearings June 10 on its "Guide to Deceptive Pricing," last issued in 1958 (Vol. 2:35 p10). More than 200,000 copies of 1958 edition were distributed. New draft incorporates changes stemming from since-1958 litigations & FTC decisions.

In addition to seeking industry reaction to proposed rules revisions & new interpretations, FTC wants opinions on use of term "free" in retail advertising. Until about a decade ago, FTC had insisted that offer be completely & unqualifiedly "free", with no strings attached. However, some 10 years ago, Commission relented, agreed item could be offered "free" with purchase of another product—so long as: (1) this condition was clearly stated at outset of ad; (2) price & quality of product remained unchanged. FTC is now seeking recommendations about retaining new interpretation or reverting to traditional stand.

Assn. of Better Business Bureaus, trade association for all BBBs, will appear at June 10 hearings and, among other recommendations, will call for retention of present concept, we were told by Hugh R. Jackson, pres. of Metropolitan N.Y. BBB & member of ABBB's Board of Governors.

"We will urge one additional condition, however," he told us. "It is our contention that the public is not deceived by an offer of something 'free' with the purchase of another product. However, to the conditions that this proposition be clearly stated at the outset of the ad and that price & quality remain unchanged, we will recommend that the 'free' offer be for a limited time. Otherwise, the offer becomes deceptive in fact, and with the passage of time the manufacturer in reality is offering two items for the stated price."

MASS MERCHANTISERS MASS FOR FAIR TRADE FIGHT: Newly formed & rapidly growing National Assn. of Mass Merchandisers (Vol. 3:16 p9), which says it speaks for discounters serving 15 million customers in 31 states, spoke up loud & clear against stabilization legislation last week as Senate Commerce Subcommittee opened hearings on S-774 bill.

Warning that "this type of legal price fixing" may skyrocket cost of living as high as 32% in some localities, NAMM exec. dir. Roger Courtland told Senate group: "Mass merchandising has brought the cost of living down in those areas where legitimate discount business establishments have developed. The fact that sales in these stores have increased & are increasing weekly indicates that the American public approves of this form of lowering the cost of the merchandise they need, want and seek to purchase."

Courtland called on govt. to focus its attention "upon the benefit to the consumer public resulting from the advent of mass merchandising" instead of "hindering or passing legislation that is harmful to this new industry."

He later told us that NAMM, which was organized in April, now represents 136 discount stores plus lessee organizations that operate a total of 247 leased departments in discount stores throughout the country. Sights are set on vastly larger organization, however.

NAMM has scheduled 3rd recruitment meeting July 12 at N.Y.'s Savoy-Hilton Hotel. In "open letter of invitation to mass merchandising industry," Irving Mills, pres. of Indianapolis-based Gov-Co discount operation, and chmn. of NAMM's steering committee, warned discounters at large: "If a national, so-called 'Fair Trade' law is passed, the damage it would do to you & your business is obvious. Individually, each of us can do very little to combat anti-discount legislation on the national level. A strong, effective & articulate organization can make its collective voice heard with great impact, great dignity & great force."



"Discount stores, contrary to their stereotype, are exerting at least as strong a pull for upper & middle income groups as for those in more modest circumstances," concluded Opinion Research Corp. after investigation of consumer behavior patterns in metropolitan areas. Finding: "3 homemakers in 10 in the \$3-5,000, \$5-10,000 & over \$10,000 income groups had shopped in a discount store in the preceding month, compared with 15% of homemakers in the under \$3,000 grouping."

Other findings: retail outlets most frequently visited by homemakers are supermarkets, drug stores, department stores, in that order. In period studied, "twice as many homemakers visited department stores as visited discount stores," but 43% said they were visiting discount stores more frequently than in past years. Statistical findings: 66% of surveyed homemakers had visited department store in preceding months, 29% discount store, only 9% appliance store.

TV-RADIO PRODUCTION: EIA statistics for week ended May 31 (22nd week of 1963)

	May 25-31	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	107,719	124,193	107,335	2,902,712	2,781,477
Total radio	317,902	362,941	289,390	7,244,911	7,835,495
Auto radio	147,563	141,623	34,391	3,233,909	2,735,339

Market for remote-control sets won't be "greatly affected" by next year's shift to all-channel set production, in opinion of Zenith Sales Corp. Pres. Leonard C. Truesdell. "Zenith will continue to offer a full line of Space Command-equipped sets in black-&-white and color," he said, pointing out that Zenith's new sets can accommodate any combination of 12 uhf & vhf channel strips (Vol. 3:21 p9). He foresaw continued use of strip approach for remote control, with continuous tuners for manual uhf station selection. All-channel law provides that sets made after April 30, 1964 must be able to tune to all 70 uhf channels.

Stereo pace has quickened suddenly, FCC reporting 9 new starters last week: WKBV-FM Richmond, Ind.; WDVR Philadelphia, Pa.; WBFG-FM Detroit, Mich.; WWOS-FM Palm Beach, Fla.; WYZZ-FM Wilkes-Barre, Pa.; WLBH-FM Mattoon, Ill.; KWBB-FM Wichita, Kan.; WCOS-FM Columbia, S.C.; WSOY-FM Decatur, Ill.

Canadian FM-stereo stations CFPL-FM London, Ont.; CJOB-FM Winnipeg, Man.; CFMO-FM (formerly CFRA-FM) Ottawa; CKFM (formerly CFRB-FM) Toronto. CKY-FM Winnipeg has not yet started stereocasts. Our last list of stations broadcasting in stereo (Vol. 3:20 pp 11-12) should be changed accordingly.

Japanese TV exports to U.S. for first 4 months of 1963 totaled 102,135 sets, or about 4 1/2% of U.S. black-&-white TV production for same period, and more than 6 times higher than the 16,544 exported during same 1962 period. Breakdown for 1963 period: Transistorized TV, 38,976; conventional sets, 21-in. & larger, 5,267; smaller than 21-in., 57,992. Japanese exports to U.S. of radios with 3 or more transistors showed substantial increase during period—2,209,919 sets vs. 1,824,363 last year. Tube radios declined to 324,283 from 468,482, and other radios (mostly 1- & 2-transistor "toys") dropped to 755,139 from 1,113,013.

Philco orders for b&w TV at recently concluded Florida convention (Vol. 3:20 p8) jumped 73% from year ago. Radio orders boomed 130%, console hi-fi sets 60%, portable phonos 8%. "Color TV orders were more than 2,000% ahead of 1962 convention orders," noted gen. mktg. mgr. Armin E. Allen. He termed convention "most successful this company has had in years," emphasized "we have been working toward this order position since the Ford acquisition 18 months ago . . . obviously, they [Philco's distributors] believe that we're on our way up."

Admiral has licensed Westinghouse under its wireless TV remote control system, Admiral announced last week.

HIGHLIGHTS OF NEW LINES: There were no obvious new color surprises in the 3 lines introduced last week (see p. 7). Sylvania, still buying chassis from RCA, showed 8 sets (including 3 carryovers), starting with black metal table at \$495 and topped by \$725 lowboy. Packard Bell's redesigned line boasts 18 models, now starting at \$499.95 in wood table model, with high-end at \$925 and 2 color combos at \$995.50 & \$1,195. Olympic's 7 sets were all open-list—from grained metal console to 2 "highly competitive" combos.

Sylvania's stereo console line has high-styled wood veneer cabinets from top (\$795) to bottom (\$149.95). All units have Garrard changers. "Component quality" claim is backed up in high end with Pickering magnetic cartridge, Jensen exponential horns, completely sealed & baffled speaker systems. Consoles with FM stereo begin at \$229.95.

In TV, Sylvania steps up from \$129.95 portable to \$139.95 set originally dropped in March at \$144.95. New "Skylark" series (\$159.95 & \$169.95) has optional \$10 clock which sits, Predicta-like, on pedestal protruding from top of set. First 23-in. table model (metal) is \$169.95. One lowboy unit has "Grecian green" finish. Halovision sets start at \$249.95 (vs. \$289 last year). Combos—3 models—are \$399.95-\$649.95.

First Sylvania imported radios—each made by a different manufacturer: 7-transistor miniature at \$14.95 and 8-transistor miniature at \$19.95, both gift-packed & Japan-made; 9-transistor AM-FM at \$79.95 & 10-transistor AM-FM-SW at \$99.95, both German. Short line of Sylvania-built table & clock radios had no FM or AM-FM sets.

Olympic: 13 portables, mostly open list; 23-in. sets from \$179.95 (table model) to \$349.95; combos start with 23-in. unit with AM radio (open list), stepping up to \$299.95 with AM-FM, multiplex units at \$379.95 (\$20 less than last year), and top of line is \$615 (vs. \$800 year ago). Long hi-fi console line starts at \$119.95, first FM stereo unit at \$219.95, \$10 below last year. Top of line is \$359 (vs. \$429 last year).

Admiral: TV console line is long, with many open-list items. There are 6 basic combos, starting at \$399.95. Stereo line features "Vari-gram" tone arm, whose pressure can be adjusted from 0 to 5 grams. Top-end transistorized units have maximum peak power output of 250 watts.

Packard Bell: Portables now start at \$139.77 (vs. \$148.88 in 1962), wall-mounted 19-in. set at \$199.95-\$219.95, first 23-in. table model down to \$189.95 from last year's \$229.95. B&w combos are \$499.95-\$775, down from last year's top of \$875.

Zenith reported record orders for its new products were placed by distributors at its sales convention for 3rd consecutive year. Zenith Sales Corp. Pres. Leonard C. Truesdell said orders were "substantially" ahead of last year and more than 28% higher than same 1961 period. B&w orders set all-time high, he added, and Zenith's entire production of color TV is sold out through Aug. "We are required to revise our initial production schedules and increase them substantially through Sept.," he said.

Mergers & acquisitions: Dage Div. of Thompson Ramo Wooldridge will sell its closed-circuit TV business for cash to **Harvey-Wells Corp.**, Framingham, Mass. electronics manufacturer, if latter's shareholders approve at special June 24 meeting • **Hickok Electrical Instrument**, Cleveland-based maker of electronic test & control equipment, has acquired for undisclosed cash **Stark Electronics Instruments Ltd.**, major Canadian manufacturer of electronic service instruments & equipment • **Bendix** has purchased for cash **Motorola's** aviation products business, which produced annual sales of about \$1 million.

Texas Instruments has developed new process for manufacturing high-quality silicon crystals. Process is called Lopex, for low oxygen pulled crystal, and TI says it yields a crystal that enables transistors to gain more amplification than with other silicon crystals. Lopex crystals will account for "1/3 or more" of TI's crystal output by year's end.

Admiral has formed new distributors' advisory council of 10 distributors & branches. Meetings will be held thrice yearly, with first scheduled for July. Admiral also has created annual awards for distributor & branch with highest over-all share of market on all products, separate awards for distributor & branch with greatest improvement over preceding year.

Collins Radio has declared first cash dividend since 35¢ payout in 1957, a 20¢ payment July 1 to holders of record June 24. Chmn.-Pres. Arthur A. Collins said board will consider dividend action again in Dec., added: "Resumption of cash dividends at this time is a reflection of the board's confidence in the continuation of the company's improved operations."

Admiral's \$399.95 color set has adequate profit margins, a company spokesman declared last week in response to industry comment (Vol. 3:22 p7). He conceded that margins on the leader set were lower than others in the line, but added that margins on the other 15 sets "are substantially higher than a year ago."

Reports & comments: **Walt Disney Productions**, analysis, 40 Wall St., N.Y. 5 • **GPE**, comments, J. W. Sparks & Co., 120 Broadway, N.Y. 5 • **Bendix**, review, Weingarten & Co., 551 Fifth Ave., N.Y. 17 • **Magnavox & Zenith**, discussions, Amott, Baker & Co., 150 Broadway, N.Y. 38.

Standard Kollsman Industries' 1963 sales & earnings are expected to fall below 1962's \$4.3 million earned on \$90 million sales. Pres. James O. Burke told annual meeting that company is going through transition to increase production of space system components while demand for similar components for manned aircraft declines.

Distributors' Advisory Council is being formed by Admiral, to be composed of 10 distributors & branches, Pres. Vincent Barreca announced. It will discuss planning, marketing problems and policies and serve as clearing-house for suggestions & recommendations.

Heathkits will soon be marketed in West Germany, Pres. John Montgomery of Daystrom Inc. told N.Y. Society of Security Analysts. Daystrom, subsidiary of Schlumberger Ltd., is parent of Heath Co.

GE's "lifetime guarantee" on etched circuit boards, announced with introduction of 11-in. set (Vol. 3:20 p8), has been extended to all TV sets in GE line.

Trade Personals

New officers, Armed Forces Communications & Electronics Assn.: Pres., **Walter Pagenkopf**, Western Electric Indianapolis Works mgr.; vp, **Dr. Herbert Trotter Jr.**, GT&E Labs chmn. Re-elected vps: **Adm. Bernard Roeder**, asst. chief of Naval operations-Naval communications dir.; **Brig. Gen. J. Francis Taylor Jr.**, Air Force command & control communications dir.; **Maj. Gen. Earle Cook**, Army chief signal officer; **Lt. Gen. Alfred Starbird**, Army Defense Communications Agency dir.; **Peter Schenk**, Peter J. Schenk & Co., managing partner. **John O'Brien**, Hoffman Electronics govt. relations vp, re-elected treas.

Dr. James Hillier, RCA Princeton Labs vp, in Japan for 6-week study of industry, guest of **Dr. Martin C. Steele**, RCA Tokyo Labs research dir.

Frank B. Sobieralski appointed CBS Labs administration & business development vp.

Robert L. Werner, RCA exec. vp & general attorney, elected to RCA board.

Asher J. Cole, pres. of National Video and its Puerto Rican affiliates Rico Electronics and Caribbean Electronics, honored by Puerto Rican govt. with plaque for his "contributions to the social & economic development of the Commonwealth of Puerto Rico."

James Schwartz, ex-RCA, named National Video chief color engineer; **Bert Squier**, ex-Raytheon & Hewlett-Packard, appointed chief of color production engineering.

Anthony J. Froio, in charge of Sylvania Home & Commercial Electronics account, formerly with Allen B. Du Mont Labs, elected a vp of Kudner Agency.

Bureau of Standards appointments: **Robert S. Kirby** to asst. div. chief for research & development, troposphere & space telecommunications div., Central Radio Propagation Lab.; **Bradford R. Bean**, consultant to div. chief for lower atmospheric physics; **Raymond E. McGavin**, acting chief, lower atmospheric physics; **Albrecht P. Barsis**, chief, spectrum utilization research.

Albert C. Embrechts elected GT&E International vp & head of new telecommunications mktg. group; **Robert W. McMichael**, GT&E International vp, also appointed to new telecommunications group, will coordinate marketing activities from N.Y. hq.

Leonard S. Bass named Admiral builder-sales mgr. . . . **Donald R. Welsh** appointed Sylvania Tube Div. renewal sales merchandising coordinator, a new post; **John E. Murray** named mktg. cost mgr. . . . **Donald G. McKelvey** named diodes product mktg. mgr., Sylvania Semiconductor Div.

Donald E. Smith, ex-Sylvania, joins International Resistance as mktg. mgr. of semiconductor device division, North American Electronics; **Kenneth C. Dreusicke** named mktg. mgr., Burlington (Iowa) Div.

Otis C. Ferrell, formerly Pa. State U. Institute of Science & Engineering, appointed planning vp, Lab for Electronics' Electronics Div.

John P. Sohn appointed engineering dir. of Arvin Industries' Consumer Products Div.

Richard D. Hershey appointed technical training mgr., Philco parts & service dept., a new post . . . **James T. Smith** named operations dir. of Magnavox's Urbana, Ill. lab.

CHROMATRON INC. IN WORKS? Paramount Pictures' long effort to commercialize its Chromatron color tube has borne few results—but there was talk last week of establishing a special enterprise, including Paramount and others, to try to accomplish the job.

Paramount Pres. **Barney Balaban** touched on subject at stockholder meeting in N.Y. last week (see also p. 5). He reported on 20-month analysis of Chromatron potential by industrial consultant **Arthur D. Little Inc.**, which concluded that color TV's future is good, that Chromatron offers potential for lower-cost color TV, and that it may require "some years before significant income is realized."

"The full implementation of Chromatron cannot be done by Paramount alone," Little's report stated, "but will require the cooperative effort of others as well. For the past several months . . . Paramount and we have been establishing the proper group to commercialize Chromatron. It would be premature and cause great harm to disclose at this time any details of this progress." Said Balaban: "We're being encouraged by outside companies of substance."

Paramount's only licensee for the tube to date is Sony of Japan, which holds rights for non-U.S. markets only. "We're very much encouraged," said Balaban, referring to Sony's progress with tube. In annual report, he had stated that Sony "is now doing production development work on 16-, 12- & 9-in. Chromatron color TV sets."

In answer to question from stockholder, Balaban said Paramount is currently spending "at the rate of \$400,000 a year" on development of Chromatron, about half of last year's rate. About half of this amount is represented by salaries, the balance legal & patent fees, etc.—including \$30,000 a year to group holding patent on Chromatron (Lawrence tube). This royalty arrangement has "few more years to run," said Balaban.

In other developments, Balaban said Paramount had sold all of its Fairchild Camera & Instrument stock, received in exchange for its Allen B. Du Mont Labs stock, and disposed of two-thirds of the Ampex stock it had received when it sold a Telemeter subsidiary.

Financially, he said Paramount's first-half showing will not be very good, but 1963 will be "much better" than last year, when company suffered net loss of \$3,410,000—its first in 25 years.

Common Stock Dividends

<i>Corporation</i>	<i>Period</i>	<i>Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Collins Radio		\$0.20	July 1	June 24
Corning Glass	Q	.37½	June 28	June 17
Hawley Products	Q	.05	June 28	June 14
Newark Electronics ...	Q	.06¼	June 28	June 14
RCA	Q	.35	July 29	June 17
Republic	Q	.15	Aug. 15	July 23
Howard W. Sams	Q	.15	July 25	July 10
Schlumberger	Q	.25	Sept. 3	Aug. 15

Conrac Div. of Giannini Controls Corp. has acquired assets & business of Jet Electronics Corp., Azusa, Cal., maker of cathode ray tubes & TV camera deflection components, for undisclosed cash sum.

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—9 mo. to May 3	\$ 177,356,000	\$ 5,015,000	\$ 2,408,000	\$1.08	2,230,050
	1962—9 mo. to May 3	144,607,000	4,192,000	2,012,000	.90	2,230,062
Columbia Pictures	1963—9 mo. to Mar. 30	—	2,390,000	1,160,000	.62 ¹	1,617,757
	1962—9 mo. to Mar. 30	—	2,127,000	1,689,000 ²	.95 ¹	1,535,027
Consolidated Electronic Industries	1963—qtr. to Mar. 31	37,998,168	1,833,193	1,049,083	.33	3,176,908
	1962—qtr. to Mar. 31	38,160,107	2,095,132	1,033,041	.33	3,171,377
Hawley Products	1963—qtr. to Mar. 31	1,736,283	—	50,911	.18	260,000
	1962—qtr. to Mar. 31	1,716,994	—	101,332	.36	238,450
Hewlett-Packard	1963—6 mo. to Apr. 30	54,777,000	—	3,522,000	.30 ¹	11,162,314
	1962—6 mo. to Apr. 30	52,884,000	—	3,446,000	.30 ¹	10,992,267
Lynch Corp. (Symphonic)	1963—qtr. to Mar. 31	5,593,259	(80,998)	(95,814)	—	963,926
	1962—qtr. to Mar. 31	3,625,180	(182,108)	(234,386)	—	963,926
Republic Corp.	1963—6 mo. to Apr. 27	23,010,579	—	1,146,585	.39 ¹	2,443,448
	1962—6 mo. to Apr. 27	21,899,523	—	974,328	.32 ¹	2,443,448
Taft Bestg.	1963—yr. to Mar. 31	12,485,942	—	2,310,425	1.45	1,589,485
	1962—yr. to Mar. 31	10,936,237	—	1,887,929	1.19	1,589,485
TV Industries	1962—yr. to Dec. 31	884,232	—	99,805	.10	1,015,700
	1961—yr. to Dec. 31	1,365,237	—	(4,125,799) ³	—	1,015,700

Notes: ¹ After preferred dividends. ² Before profit of \$413,000 (25¢ a share) from sale of land. ³ After non-recurring charges of \$4.3 million—

including \$2.6 million provision for loss on film & film rights.

Officers & Directors stock transactions as reported to SEC for April:

Avnet Electronics. Joseph Cornoni bought 200, held 500. Morton Weiner bought 200, held 831.

Chris-Craft Industries. John Banister sold 2,000, held 2,025. Morris Leahy sold 500, held 350.

Clevite. A. L. W. Williams sold 2,500, held 36,934.

Collins Radio. J. G. Flynn sold 500, held 545.

Corning Glass. Amory Houghton Jr. bought 3,000, held 3,400.

Federal Pacific Electric. Clifford Harris sold 1,600 in March, held 28,400. Harold Vorzimer sold 8,900 in March, held 52,244.

Gabriel. Maremont Corp. bought 286,389, held 665,729.

GE. Fred J. Borch sold 1,400, held 9,706. C. W. LaPierre sold 1,202, held 10,980. Gerald L. Phillippe sold 2,000, held 12,000.

Giannini Controls. W. I. Shevell bought 500, held 1,000. Dwight Whiting bought 1,000, held 3,000 plus 1,000 in trust.

Hewlett-Packard. Robert M. Brown bought 300, held 1,350.

ITT. Henri Busignies bought 666, held 6,297.

Macfadden-Bartell. Gerald A. Bartell bought 1,000 in March, held 222,072. Lee B. Bartell bought 200 in March, held 221,272.

Magnavox. Richard A. O'Connor sold 4,100, held 115,601. Stanley Sondles sold 200, held 19,000.

Metromedia. Robert Dreyer bought 2,000, held 2,000. Benedict Gimbel Jr. sold 2,000, held 11,000. Joseph Madden bought 250, held 250.

Microwave Associates. Thomas McMains bought 200, held 200. J. Z. Miller bought 1,200, held 2,200.

Muntz TV. Daniel Domin bought 4,000, held 31,008. Jack Simberg bought 2,000, held 32,500.

National Co. Louis Lerner bought 400, held 158,055.

Outlet Co. George O. Griffith bought 400, held 800.

Oxford Electric. Adolph Dresner bought 700, held 8,059. Leon Sadacca bought 2,700 in March, held 16,061.

Pacific Industries. F. L. Anderson sold 1,390 in March, held 85,000.

Packard Bell Electronics. C. A. Duffy sold 1,000, held 122.

Paramount Pictures. Paul Raibourn bought 900, held 1,900.

Pentron Electronics. Osborn Andreas bought 2,000, held 250,034. R. L. Moxley bought 2,000, held 192,380. A. L. Thompson bought 2,000, held 22,126.

RCA. Kenneth Bilby sold 166, held 4,280. Rodolfo Correa bought 648, held 966.

Raytheon. Charles F. Adams bought 3,200, held 41,253.

Republic Corp. Victor M. Carter bought 300, held 74,600.

Standard Kollsman Industries. James O. Burke bought 2,000, held 362,682.

Stewart-Warner. Wilfred Reetz sold 200, held 4,600.

Storer Bestg. George B. Storer sold 439,700 Class B, held 418,490 plus 182,750 in trusts.

Taft Bestg. Donald Chapin sold 500 in March, held 755.

Texas Instruments. Lloyd Berkner bought 100, held 400. Jay R. Reese bought 1,000, held 3,405. E. O. Vetter bought 300, held 3,452.

20th Century-Fox. Arnold M. Grant sold 200, held none.

Webcor. Paul W. Roth bought 100 in March, held 300.

Zenith. Edwin M. Schroeder sold 150, held 620.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 17, 1963

NEW SERIES VOL. 3, No. 24

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

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

NETWORK 'MOVIE PREMIERES' planned by MCA (which owns Universal Pictures) and NBC-TV (which has 2 network movie showcases). NBC tested idea in 1955, now plans to have modest-budget features on air in 1964 before U.S. theatrical run. Exhibitors pan idea (p. 1).

NEW COMMERCIAL CODE IN THE WORKS: NAB TV Code Review Board's new resolution backs percentage limitations as standard instead of fixed time specifications; it asks for staff study of new guidelines covering content, placement, production (p. 2).

FTC-FCC TO EXAMINE USE OF RATINGS: FTC launches field investigation into practices of broadcasters, agencies, advertisers. FCC to crack down on stations using faulty ratings or manipulating figures (p. 3).

CATV—PROSPERITY & GROWING PAINS: NCTA Seattle convention welcomes broadcasters to fold, voices concern over 'Carter Mountain' decision, hears Research Council projections (p. 3).

EQUAL TIME & POLITICS: Pastore's Subcommittee will hear from top industry executives, others; House debates its equal time measure Jun 19; NAB editorializing committee to meet with FCC (p. 5).

PROGRAM CONTROL CONTROVERSY: Washington lawyers Pierson & Plotkin debate FCC right to influence programming (p. 6).

NBC AS 'MOVIE EXHIBITOR': Nearly a decade ago, NBC-TV uncorked radical TV concept: network telecasts of feature movies before U.S. theaters showed them (Vol. 11:23 p1). Trial run was "The Constant Husband," an Alexander Korda comedy starring Rex Harrison and Margaret Leighton, televised Nov. 6, 1955. Since then, NBC has pulled same stunt at least twice more, with network showings of British-made "Richard III" (1956) and "Macbeth," filmed special for Hallmark (1960) seen in theaters after telecast.

NBC's brainchild is back again, as story broke last week of handshake deal between Lew Wasserman and Bob Kintner, presidents respectively of MCA and NBC, whereby MCA-owned Universal will make season's worth of features for NBC-TV scheduling in 1964. Project stirred up storm of interest both in TV field (agency men swamped NBC sales dept. with calls) and in movie field.

Particularly interested in project are such agencies as J. Walter Thompson (where Liggett & Myers is biggest buyer, currently, of participation in network movie shows), Young & Rubicam (where Lipton, Beech-Nut & Bristol-Myers are heavy TV movie buyers) and N. W. Ayer (Corning Glass, U.S. Rubber).

Network movie participations are usually bought by advertisers seeking, simply, wide reach at efficient price. NBC's "Monday Night at the Movies," which shows recent (but not pre-theater) Hollywood product, has going price of about \$36,000 per spot in fall moviecasts and relatively low cost-per-m track record. Such figures, however, dictate to some extent what sort of movies TV audiences and NBC affiliates can expect from Wasserman-Kintner deal.

There won't be any "Cleopatras" in such a project. Even if NBC premiered a movie which cost \$2 million and tried to recoup only half on first run (figuring rest would come from foreign market and theatri-

Consumer Electronics

'YOUTHFUL GIANT' is image sought by 'new Sylvania,' keying ads to GT&E tie and young operating team; Theirs gives views on portables, uhf, color, distribution (pp. 7 & 10).

SHELBOND PICTURE-TUBE anti-implosion process, unveiled by Corning, uses metal shell around rim, but no safety glass, pressure band or Fiberglass. Tube makers impressed by simplicity & promise of low cost (p. 7).

COLOR PRICES DROP in GE line, which starts at \$449.95 with set which 'can be sold at \$399.95,' Magnavox color combo at \$795. GE shows 11-in. clock-TV-radio at \$149.95, reprices 16-in. & 19-in. leaders at \$129.95; Magnavox 16-in. now \$119.90. Kimcode tube used in all GE 23-in. sets (pp. 8 & 9).

TV DISTRIBUTOR SALES show biggest 1962-to-1963 gain in April, while radio sales show biggest decline. B&w sales pass 2-million mark in first 4 months (p. 9).

TV IMPORT STEP-UP due for rest of year, with declining prices; Real-tone offers 12-in. below \$100 and 9-in. all-channel at \$79.95, predicts price decline to \$59.95 with supermarket & drugstore distribution; other makes due on U.S. market (p. 11).

cal reruns), NBC would have to price participations around \$80,000 each—a tab likely to be too rich for most advertisers' diets.

Outlook is therefore in realm of modestly-budgeted "A" pictures of under-\$1 million, turned out by Universal on assembly-line basis with few likely to contain "big" (i.e., Cary Grant or William Holden) star names or made by "big" producers (Billy Wilder, Stanley Kramer, et al.). In other words, a fancy, feature-length TV anthology series.

Veteran movie exhibitors have mixed feelings & fears about the NBC-MCA movie project. Source at Trans-Lux (which operates N.Y.-area movie houses and is in TV program field as well) told us: "NBC's deal isn't really likely to remove feature product from the market so much as it is creating a new TV series on film. We might, or might not, book such films in theaters, depending on how well they might draw after TV exposure." An official of a leading movie exhibitor trade organization added: "Sure, TV competes with theaters for reruns of some recent Hollywood pictures, and the deal may not do Universal any good with theater men. NBC may find it tough to develop domestic feature revenue from its pictures, because who wants to pay to see entertainment you can see for free?"

Other TV networks aren't likely to develop similar plans soon. CBS, which officially denies it has even given a thought to network moviecasts, this spring considered such a show but turned down idea on orders from Chmn. William S. Paley, who prefers that TV create its own fare. ABC, with its link to Paramount Theatres, isn't opposed to moviecasts, but doesn't want to make program movies which will hurt movie box office.

NEW COMMERCIAL CODE IN THE WORKS: Asserting FCC lacks realism in its proposal to put NAB commercial Code into govt. rules, NAB TV Code Review Board last week proposed change in Code to use percentage of time—instead of number of minutes—as ceiling for commercials. Board instructed staff to draft recommendations, by next fall's Board meeting, on new guidelines for evaluation of commercials for content, production techniques, placement.

Resolution adopted by Board at 2-day N.Y. meeting—to be voted on at June 24 TV Board session—is designed to give stations more flexibility. NAB says it's particularly concerned about stations in small markets.

No more than 17.2% of any hour during 3 continuous prime evening hours can be devoted to non-program material (commercials, billboards, public service spots, promotion announcements), according to resolution. Other hours it can be as high as 30%, but commercial time cannot exceed 20% of broadcast day.

New prime time percentage standard is almost equal to present numerical limitations in those hours, NAB says—4 minutes of commercial time, plus one minute & 10 seconds of station break announcements in 30-minute period. In non-prime time, 6 commercial minutes are allowed, plus same station break standards. NAB stated that new measure would reduce average permissible non-prime commercial time by 13.5%.

NAB measure criticized FCC for its proposal to adopt commercial limitations rule by incorporating "time" standards of Code (Vol. 3:20 p6)—which NAB now wants to disown. "Such action, even if legally sustainable, would be fraught with rigidity and [would be] unresponsive to changing needs . . . would not deal realistically with the most important criteria of content and placement of commercial messages," Code Board said.

An FCC official said NAB's changes would have to be studied and that Commission might still go ahead with rule if it doesn't like NAB's new standards—but this isn't considered too likely if TV Board adopts Code resolution.

In developing new standards for commercials, Code Authority staff will consider criteria such as frequency of interruption, quality of commercials, how they blend into programming. It will also evaluate placement.

Interview with FCC Chmn. Henry, by Linton Wells, Storer Bcstg., elicited this comment: "Certainly, whatever we do, it's my very definite opinion that it will not put anyone out of business or be an undue economic burden on anyone."

FTC-FCC TO EXAMINE USE OF RATINGS: FTC & FCC, in partnership, jumped into ratings controversy last week. FTC Chmn. Dixon announced investigation to uncover violations in use of ratings by broadcasters, agencies, advertisers. FCC announced it will hold stations responsible for using "valid" ratings and for legitimate use of results in promotion & selling.

FTC will launch full field investigation from Washington, ask rating services how surveys are supposed to be used, before talking to users. Substantial part of investigation will examine some of situations forwarded to FTC by Harris Subcommittee. FTC isn't sure how long study will take, will either issue an interim report or a case-by-case accounting. It's the 2nd ratings investigation for FTC. First one led to Nielsen, ARB & Pulse consent decrees last Dec., prohibiting misrepresentation of accuracy & reliability of surveys.

Joint concern of FTC & FCC lies in this example offered by Dixon: If a broadcaster claims he has a certain audience percentage, based on a survey, and claim is proved to be false & deceptive, "Commission will take vigorous action to prohibit the claim." FTC official told us, however, that Commission isn't quite certain what kind of abuses it's looking for at advertiser-agency level.

Although FCC is partner on TV-radio questions, FTC has primary jurisdiction. Here's how it will work: An alleged impropriety will be investigated by FTC. If it confirms wrongdoing, FTC will issue complaint order. If all parties agree, cease & desist order will be issued. FCC will be kept informed.

In cases of violations reflecting on character & operation of station, FCC can catch station at renewal time. FTC has first crack, under laws governing unfair methods of competition and false & misleading practices.

FCC made clear that it doesn't intend to "discourage valid audience research or its proper use by broadcast licensees in their selling campaigns." It says licensee must take "reasonable precautions" to determine if survey is "properly conceived, reasonably free from bias, has an adequate sample;" also, licensee should act responsibly in the "use he makes of the survey."

FCC Chmn. Henry goes before Harris Subcommittee June 20, will undoubtedly take position that the FTC-FCC action was most effective measure govt. can take. It's believed FCC thinks that any govt. regulation of ratings—or the supplying of ratings, e.g., by Census Bureau—will have net effect of having govt. endorse ratings & assume responsibility for them. This, FCC doesn't want. FCC's thinking, it's understood, is that NAB's plan is sound solution.

But Commission believes that ratings are only one part of problem—that stations have responsibility, as described in program policy statement of July 1960, to seek out & meet needs of community, regardless of high or low ratings. FCC is hopeful that pending new program reporting form will clarify programming responsibilities.

FCC believes that FTC-FCC pressure will induce caution in users of ratings, that they'll be slow to buy ratings until their ills are cured—thus pressuring rating services & rest of industry into faster reform.

CATV—PROSPERITY & GROWING PAINS: The relatively carefree days of community antenna industry's youth are about over. At convention of National Community TV Assn. in Seattle last week, it was more apparent than ever that maturity, prosperity & problems seemed to go hand in hand.

Delegates seem resigned to prospects of eventual govt. regulation, but they're primed for vigorous fight for best terms. They've upped dues (from 5 to 5¼ cents per subscriber per month per member) to pay for litigation, PR, etc. They gave warm welcome to growing number of broadcasters in field, elected to board Cox Stations' J. Leonard Reinsch—TV-radio adviser to President Kennedy. Among other broadcasters on hand were WGN-TV Chicago's engineering vp Carl Meyers and its auditor & controller John Herklotz. A careful observer was Harvey Struthers, CBS station services vp.

With heavy growth of CATV admittedly dependent on use of microwave, CATV operators acknowledged that recent Court of Appeals' "Carter Mountain" decision is rough—giving FCC great power to withhold microwaves when it thinks stations may be hurt. They're anxiously waiting for FCC action on their compromise proposal for legislation (Vol. 3:23 p1). Commission is studying it, and there's no certain

indication what it will do. If FCC doesn't accept it, NCTA is thinking of going to Congress, seeking legislation without Commission's assistance, fighting FCC if necessary.

Carter Mountain decision is "engraved invitation" to stations to object to microwave grants, according to NCTA special counsel Jack Cole. He termed decision "a dramatic departure from precedent—making all radio services subservient to broadcasting." He said "logical extension" is to have FCC controlling CATV through operators' use of long-distance phone. NCTA Pres. William Dalton blasted the "dedicated effort of govt. to regulate." NCTA gen. counsel Robert L'Heureux called decision "creeping socialism."

NCTA is unhappy about multiple-system operator H & B American's pull-out from membership. It represented about 50,000 subscribers out of the 700,000 served by NCTA members—a loss of \$35,000-\$40,000 dues. However, RKO General's acquisition of substantial share of H & B's stock (see p. 12) raised hopes latter may be brought back to NCTA. RKO is also a major multiple-system owner.

Olympic Hotel was awash with wheeling, dealing & rumors. Brokers were racing around, following tips, negotiating. As for rumors, a persistent one, unconfirmed, was that someone had retained big N.Y. PR firm to fight CATV.

NCTA elected as chairman Fred Stevenson, Rogers, Ark., who was warmly congratulated by Rep. Harris (D-Ark.), who jealously protects CATV. (For other officers & directors, see p. 6.)

One of biggest developments at convention was disclosure of work of NCTA Research Council. Some remarkable work in ETV has been done—tying schools together via cable, feeding ETV stations to homes, etc. As Lawrence DeGeorge, of Times Wire & Cable put it: "Do it soon—or someone else will do it." Tele-Prompter's Irving Kahn told who: "AT&T is a big competitor." CATV's strong suit is that it can underbid phone company by up to 66%.

Other major Research Council report covered "information services"—weather, news, background music, FM stereo, civil defense messages, etc.—via vidicon pickup. Alfred Stern, ex-NBC vp, now head of Televents group, urged operators to stress local expression—asserting that most communities can't afford TV station to provide it. Local origination, with \$3,000 slide system, he said, can offer messages from community officials, public service announcements, time, etc. "We need to become a more active service in our communities," he said. Members were hopeful FCC would take note, since its whole concern is that CATV might kill local stations or preclude their establishment—thus constricting local expression. One system in distressed area feeds "employment service"—a situation-wanted offering for people who can't afford classified ads.

For future, there's thinking of pay TV, fire alarm service, utility meter reading, audience-response measurements (ratings?), merchandising.

Supporting foregoing, exhibitors featured more & more all-band equipment, to enable operators to feed up to 12 TV channels plus FM. Aluminum-shielded cable has big vogue—being light and having low radiation, allowing pumping of more power over longer distances with fewer amplifiers.

Canadian CATV operators have their share of problems, too. Kenneth Easton, secy. of National Community Antenna TV Assn., reported that govt. already regulates systems, held hearing June 4 to consider tighter restrictions. He said he's optimistic about outcome. Canadian CATVs can't get microwave if they're within Grade B contour of stations. In British Columbia, CATVs were declared by provincial govt. to be public utilities. NCATA has obtained temporary moratorium on regulation pending appeal to courts in fall. Easton said country has 250,000 CATV subscribers, 5% of population, compared with 2% in U.S.

NCTA now has 532 system members, 36 associate members (mostly manufacturers), had net gain of 50,000 subscribers last year despite loss of H & B's. Convention had 550 registrants, including 34 Canadians, 96 exhibitors' staff members.

Seems as if everyone is scouring country, seeking sites for new systems. There's report, for example, that WKTV Utica is due for franchise this week. Some far-ranging operators have been to Europe recently, coming back with gleam in eyes. Financing doesn't seem difficult to find for "right" situations. James Ackerman, vp of Economy Finance Corp., Indianapolis, reports making loans to about 80 systems—typically \$100,000-\$200,000.

EQUAL TIME & POLITICS: Top-drawer & varied witnesses are tentatively set to testify, starting June 26, at Senate hearings on 2 measures (Vol. 3:23 p6) to suspend equal time (Sec. 315, Communications Act).

Communications Subcommittee, headed by Sen. Pastore (D-R.I.), plans to hear: FCC Chmn. Henry, NAB Pres. Collins, CBS Pres. Stanton. Also, Walter Thayer, Whitney Communications, for President's Committee on Campaign Costs; a Socialist Labor Party representative; Senators & Congressmen, names not yet confirmed. ABC will probably send statement from Pres. Goldenson.

House Rules Committee has set June 19 for one-hour debate on measure (H.J. Res. 247) to lift equal time for 1964 legally-qualified Presidential & Vice Presidential candidates (Vol. 3:21 p5).

Sen. Hartke (D-Ind.) last week introduced bill (S-1696) to eliminate equal time for candidates. "It is time that we recognized the maturity of the broadcasting industry and, by repealing this provision, give it a vote of confidence," he said. Suspension worked well in 1960, he stated, and equal time should be repealed rather than suspended election by election.

FCC is gathering material for House hearings on editorializing, equal time & general fairness doctrine that Rep. Rogers (D-Tex.) plans to hold next month (Vol. 3:22 p5).

NAB's editorializing committee meets June 20 in Washington to pass on new editorializing guidelines which are being expanded to cover editorials on candidates. Next day, committee will meet with FCC Comrs. Henry, Ford, Bartley & staff.

After Yarborough report last year (Vol. 2:17 p3), NAB took initiative in establishing liaison with FCC on editorializing problems. Yarborough suggestion that FCC adopt rules was attacked by NAB on grounds that these would impinge on broadcaster's freedom & responsibility.

NAB hopes its new guidelines will forestall formal FCC or Congressional action on editorializing standards.

FCC sent Senate Communications Subcommittee a report on 1963 political campaigning on TV-radio, stating that \$20 million was spent for time for those off-year elections. Showing growing importance of TV-radio electioneering, that figure was more than \$1 million above 1960 campaigning and nearly double 1956, another presidential year.

In 1962, about \$12 million came from Democrats, \$7.5 million from Republicans, \$700,000 from other candidates. TV received about \$12.5 million, radio \$7.5 million.

First ETV-fund applications have been received by HEW Dept., which has \$1.5 million available out of \$32 million authorized for next 5 years. Applicants: Pennsylvania State U., \$240,000, seeking Ch. 69 from FCC; N.J. Educational TV Corp., \$340,000, Ch. 77; WTTW Chicago, \$270,000, now operating Ch. 11, seeking to add Ch. 20 outlet.

Clinton, Okla. CATV system has been bought for \$200,000-plus by Okla. Video Corp., headed by Robert Strom, Del Ray Beach Fla., former owner of Strom Steel Ball Co., Chicago. System has 1,200 connections. Broker: Daniels & Assoc.

Personals

Edgar J. Scherick, ex-TV network sales vp, appointed ABC TV programming vp.

Harold E. (Hap) Anderson, consultant to NBC International, named NBC Enterprises mgr., special projects.

Hathaway Watson, RKO General pres., appointed chmn., American Heart Assn.'s Heart Committee of the Bestg. Industry, Local Div. . . . Harry Smart, Blair TV sales mgr., Chicago, elected SRA local chapter pres.

Robert Wogan, NBC Radio programs dir., elected vp . . . Robert M. McGredy, TvAR exec. vp, promoted to managing dir.

Ben F. Waple, FCC acting secy., appointed secy. Position used to be a political plum—but it has been reclassified to regular career civil service position.

Oliver T. (Ollie) Trittler, Blair TV salesman, St. Louis, promoted to Los Angeles mgr., succeeded by William D. McKinstry, ex-Avery-Knodel.

Martin S. Fliesler, vp-adv. & sales development dir., WOR-TV N.Y., appointed radio KHJ Los Angeles vp & gen. mgr. . . . Howard Stalaker, ex-KPHO-TV Phoenix station mgr., named gen. mgr., WOW-TV-AM-FM Omaha, succeeded by Gene Spry, radio KPHO station mgr.

Sydney A. Grayson, ex-pres. & gen. mgr. KYSD-TV-AM Wichita Falls, appointed KOVR Stockton gen. mgr. . . . Jim Suggs promoted to KR0D-TV El Paso national sales mgr.

Philip Sterling, ex-CBS Radio press, joins CBS-TV network press information dept. . . . John R. Mulligan, ex-Fawcett Publications, joins Group W PR dept.

John X. Ward, WTOP-TV Washington merchandising dir., promoted to local sales mgr., succeeded by Harry F. Langford, ex-Walter Leaman Co., food brokers.

Obituary

Jack Van Volkenburg, 59, former pres. of CBS-TV network, died in his sleep June 11 at Merrifield, Minn. home. He joined CBS's KMOX St. Louis in 1932, worked up CBS executive ladder, serving as TV network president from 1951 to his retirement in 1956. In 1960, he became pres. of McCann-Erickson subsidiary M-E Productions, left following year. He also was pres. of Bay Area Telecasting Corp., applicant for Ch. 10 Tampa-St. Petersburg. Survivors are wife, son, daughter.

FCC Comr. Lee Loevinger on June 11 took oath administered by Supreme Court Justice Byron White, went to work immediately, sitting in on June 12 Commission meeting. It's understood that the former Justice Dept. anti-trust chief, a critic of AT&T, showed in the session he intends to pursue the phone company. At swearing-in ceremony, Chmn. Henry said that Loevinger had already earned title of "honorable" through legal experience, that after "dissection by the trade press," he is well known. In unusual action, following Presidential directive, Attorney General Kennedy appointed Loevinger a Special Asst. to Attorney General in matters covering restrictive business practices in international trade; Loevinger will continue as vice chmn. of Restrictive Business Practices Committee of the Organization for Economic Cooperation & Development.

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'PROGRAM CONTROL': Debate over FCC's authority & capacity to influence program content—involving Sec. 326 of Communications Act on censorship—produced these eloquent rejoinders at Federal Communications Bar Assn. luncheon last week:

W. Theodore Pierson, of Pierson, Ball & Dowd—"There is no counter-balancing benefit to the public from govt. interference with mass communicators; only illustrations of benefits that never arrive."

Harry Plotkin, of Arent, Fox, Kintner, Plotkin & Kahn—"Public interest must mean what comes out of the receiver—not just the purity and sharpness of the emission, but what the public hears and sees. Govt. supervision is necessary to make sure that objective is met."

Conceding that judicial decisions & FCC practice weigh in favor of Commission's right in such matters, Pierson said there is just as much reason to "reappraise" as there is to "accept" such thinking. Said he:

"In our free, competitive and diversified system, concentration of communication control is a corrupting rodent, regardless of its name . . . Control by a central authority such as the FCC (or NAB) cannot but pollute the very essence of our hope for the future . . .

"The basic issue is not and can not be whether we must have selectors or moderators—but shall we have many or one? One centralized authority, presumably all-knowing and without competition, or many competing moderators among whom authority is dispersed . . .

"It is beyond the capacity of any man or group of men to understand the complex needs and desires of our pluralistic society sufficiently to evaluate the performance of 5,000 stations in 1,500 communities who each broadcast

from 10 to 24 hours every day. No mere mortal is that smart."

Arguing on behalf of the Commission's "authority to prescribe standards of quality," Plotkin said: "The profit system is geared to make profits. There is nothing wrong with profits, but public service and profits are not necessarily the same. For example, the profit motive might dictate that dull and boring political campaigning be eschewed. Yet the vigor of our democratic system demands that broadcasting be an essential part of the electoral process."

"A good deal of self-restraint on the part of the Commission is called for," Plotkin emphasized. "A great deal of latitude must be given to licensees to devise their own particular methods of meeting . . . standards." Rather than argue "ad nauseam" on whether Commission has authority, he said, FCBA should help FCC exercise self-restraint "to make sure that in its administration of existing power, a deadening effect on free speech is not created."

This effect is produced when Commission is slow to process program complaints, he said, offering this plan:

(1) If Commission feels no prima facie case is established, it should so advise complainant & station, shouldn't force station into expense of filing comments and guessing what Commission's attitude will be.

(2) If it believes prima facie case is strongly established, Commission should send complaint to station for comments, indicating areas of concern.

(3) All complaints, replies, FCC letters should be open so that public will know about substantial complaints against station and also will see whether Commission is going too far in attempting to impose its will.

(4) FCC should act quickly on all complaints, for fear stations will anticipate Commission objections and prematurely suspend questioned program practice. He said Commission has acted quickly in cases of network controversies, should do same for small stations.

NCTA officers elected: Fred Stevenson, Rogers, Ark., chmn.; Archer Taylor, Kalispell, Mont., vice chmn.; Jack Crosby, Del Rio, Tex., secy.; R. Lee Stoner, La Grande, Ore., treas. New board members: George Barco, Meadville, Pa.; Benjamin Conroy, Uvalde, Tex.; Douglas Danser, Naples, Fla.; Bruce Merrill, Phoenix; J. Leonard Reinsch, Atlanta; Franklin Valentine, Dallas; Ralph Weir, Junction City, Kan.; Harrold Harkins, Webster Springs, W. Va.; Charles W. Fribley, Corning, N.Y.; William Maginnis, Yreka, Cal.

FCC is trying to guide programming largely through procedural devices, according to Comr. Hyde. Speaking at meeting of Ga. Assn. of Bestrs., he said: "You might find that procedural legal devices can subordinate basic substantive policy, particularly if an adequate alert is not maintained." Strongest opponent of Commission action affecting programming, among FCC members, Hyde listed these methods used by FCC: public notices, "lifted eyebrow," speeches, inspections, community hearings, record-keeping requirements, letters of inquiry, withholding action on applications, unnecessary hearings, procedural freezes, exacting application forms requiring minute detail. He asserted that FCC can "encourage the larger & more effective use of radio" by "encouraging, not restricting, individuality."

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

'NEW SYLVANIA' IMAGE—YOUTHFUL GIANT: That self-applied description, "The New Sylvania," could have been used several times in recent past to describe that company's consumer electronics operation in its various do-or-die phases. But from our own observation at recent sales convention in Chicago, what is really new at Sylvania—more even than faces or product—is entire corporate personality.

Product lines, as we reported last week (Vol. 3:23 p7) have been completely revamped in crash program, and now show remarkable sheen of beauty & quality. At same time, Sylvania Home & Commercial Electronics Corp., headed by Pres. Robert J. Theis (formerly of Philco), is stressing youth of its new team (average age of executives, 39; of engineers, 36; of product planners, 34).

Sylvania has discovered another asset in its own backyard—or, more literally, in house itself. Nearly 5 years after merger with GT&E, it has decided to make parent company part of its image by calling attention of public to fact that Ford, RCA, GE & Westinghouse aren't only American industrial leaders who make TV & stereo. Sylvania's new consumer electronics trademark features telephone headset and eye, its ads will speak of "telephone quality," its cartons will bear the slogan, "inspired by the telephone people."

Bigness-begets-progress theme was carried through at convention even to featured dinner speaker, Dr. Lee Davenport, head of GT&E's General Systems Labs, who explained that only a large corporation can support big lab facilities, attract best scientists, etc.—and proceeded to illustrate how such telephone-inspired research as microminiaturization would work its way into consumer products within next 5-10 years.

Sylvania has new product, new operating team, new distribution pattern. Next comes the new image. For some views & actions of Sylvania Home & Commercial Electronics' chief image-maker, see p. 10.

CORNING UNVEILS SHELBOND PROCESS: Look, ma—no safety glass! No pressure band. No Fiberglass either. And cheap. And easy to make. And UL-approved in 16-, 19- & 23-in. sizes.

This was pitch by Corning Glass in introducing its new Shelbond process to 50 representatives of picture-tube makers (Vol. 3:23 p7). Manufacturers we talked with were strongly impressed with possibilities.

Shelbond uses 3 components plus tube: Lightweight metal shell, 1 to 1½-in. wide, which fits like rim around edge of tube faceplate (and which can be decorated to blend with tube mask); strip of putty-like gasket material; alcohol-base resin. Processing is simple, fast & inexpensive, according to Corning.

System is similar to Kimcode only in that it requires no safety glass or plastic—either bonded or external. Unlike Kimcode, it uses neither pressure band nor Fiberglass funnel sleeve. No pressure is applied to tube in manufacture. Shelbond uses principal of "dynamic compression," according to Corning engineers, who say rigid shell around rim of tube, in effect, "locks" glass together. If a crack starts, it has no place to go. For split second, crack lets air into tube, equalizing pressure. Result: no implosion, no flying glass.

Bulb used for Shelbond is same type used for Kimcode—standard heavy bulb but with tinted faceplate to compensate for lack of tinted external safety glass. Corning will supply both bulb & .03-in. thick steel shell, at price reported to be very little more than that of standard heavyweight bulb (bulb itself is same price as standard bulb used with external glass). Metal shell contains tube-mounting lugs, thereby saving set maker cost of brackets. Tube makers' manufacturing process is claimed to be extremely simple, and there are indications even further simplifications & economies are on way.

Using same rigid tests as it used on Kimcode, UL has given approval of system in 23-in. 92-degree, and 16- & 19-in. 114-degree types. Tube makers' sampling of set manufacturers will start soon. Bulbs probably will be available in production quantities in early fall.

What will this system do to Corning's own twin-panel bonding process? Corning points out that it's designed principally for "low-cost multi-purpose sets," can't economically be made with reflection-free (Vel-

vetone) surface available on bonded tubes, and doesn't have strength of bonded tube's face assembly (although it is as safe). There seems little doubt, however, that if Shelbond meets general acceptance, it will cut sharply into use of bonded tube.

It certainly competes directly with Owens-Illinois' Kimcode process—but, since it uses exactly same bulb, it shouldn't affect O-I's business one way or other. Kimcode undoubtedly helped pave way for proper psychological climate for Shelbond, by conditioning industry to think in terms of bare-faced tube.

On same day as Corning's Shelbond showing, incidentally, GE announced its full line of new 23-in. sets, all of which use Kimcode tubes (see below). RCA will give details of its own version of Kimcode at this week's IEEE Chicago Spring Conference on Broadcast & TV Receivers.

Shelbond or Kimcode—they both add up to further savings in manufacture, with absolute implosion protection. Manufacturers will be checking, in near future, whether new system—as Corning claims—provides least expensive approach yet.

MORE LOWER-PRICED COLOR & PORTABLES: In a double-whammy, top product news came this week from GE & Magnavox—in color, black-&-white and stereo.

Color: New price leader in GE's line is ebony table model bearing suggested retail tag of \$449.95. GE officials, however, said that it could be sold at \$399.95, if retailers chose to do so, on same basis as Admiral's \$399.95-list color leader. As TV receiver marketing mgr. Marshall Bartlett put it: "We know of no technical breakthrough that makes [Admiral's] new price possible, unless manufacturer, distributor & dealer have sacrificed profit. If this is the case . . . GE is prepared to be competitive." GE showed 5 new color models.

Magnavox's color line, 15 sets long, features combo at surprising \$795—lowest of majors so far for one-piece color combo. It starts at \$495 with hardboard console, including—as do all Magnavox color sets—90-day service warranty. Top of color line is now \$1,250 combo with solid-state audio components.

Portables: GE's 11-in. tinyvision line has been extended (from original \$99.95 & \$109.95) to wood-grained square-cornered table set at \$119.95 and unique bedside clock-TV-radio (AM) at \$149.95. In 16-in. merchandise, GE took another \$10 chop out of its prices, which now stand at \$129.95 & \$139.95. Its 19-in. line also begins at \$129.95 (for promotional ebony no-handle model), meeting Sylvania's starting price in 19-in. category (Vol. 3:23 p7).

Magnavox quietly dropped price of its good-looking Japanese-made 16-in. portable another notch to \$119.90 in choice of 2 colors. Its 19-in. sets begin at \$149.90. "Videomatic" sets with electric eye automatic contrast-brightness now begin at \$179.90 (formerly \$229.50).

Other black-&-white sets: GE became first major line to feature Kimcode bare-faced tube—putting it in all 23-in. sets. Drawing on well-known tradename of its lamp div., GE has christened it the "Sealed Beam tube." First 23-in. lowboy now cuts in at \$199.95, compared with \$239.95 last year and 23-in. combos start at \$399.95 (vs. \$650 starter in old line), with step-up at \$499.95. Remote control now adds \$40 to GE retail price.

Magnavox concentrates heavy attention on middle end, with stepped-up values. Top-end 27-in. consoles are now \$349.50. New 24-in. consoles with doors covering screen, controls & speakers, are \$319.50. Low-end 23-in. Videomatic is \$198. Remote control now adds \$35-\$50 to Magnavox price.

Stereo: Magnavox's Astro-Sonic solid-state radio & sound system is now featured in sets starting at \$398—\$100 below last year. Stereo coffee tables start at \$169.50 with transistorized amplifier. Among other new Magnavox models is table-model all-transistor phono in walnut case with drop-down changer at \$139.95. Entering hi-fi component field, Magnavox showed combination changer & solid-state amplifier with separate speaker cabinets at \$139.90 (with FM-AM \$179.90).

GE showed coffee tables galore, as well as new long-low designs in high-end stereo with solid-state amplifiers. Also in high end, GE joined Sylvania in new trend of providing individual acoustical enclosures for speakers. Last year's wireless home music distribution system has been renamed "Porta-Fi" and made an option on 70% of console stereo line at lower prices (\$69.95 for speaker & transmitter, \$39.95 for additional speakers).

(For other new-line news, see p. 9.)

TV-RADIO PRODUCTION: EIA statistics for week ending June 7 (23rd week of 1963)

	June 1-7	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	112,241	107,719	116,694	3,014,953	2,897,009
Total radio	321,962	317,902	358,716	7,566,837	8,195,231
Auto radio	132,711	147,563	150,091	3,366,620	2,883,005

NEW SETS (cont'd): It didn't take Admiral long to respond to lower price movement of its competitors in portable field (see p. 8). Admiral Sales Corp., N.Y., introducing line to dealers, showed 19-in. portable with minimum resale price of \$129.88 for N.Y. area, and revived 17-in. set with \$118.88 price.

Vogue of "functional stereo furniture" took new turn, meanwhile, when Symphonic introduced all-purpose decorator series at \$99.95 suggested list. Available in 5 styles & 6 furniture finishes with drop-down changer & swivel speakers, units are shipped with 2 sets of legs—5-in. & 10-in. Symphonic suggests that these can be used as "regular console, room divider, coffee table, cocktail table, TV stand, bric-a-brac stand, planter bench, etc."

Symphonic also announced prices on its new line of tape recorders: \$89.95, \$119.95, \$159.95 & \$219.95.

GE's recently introduced radio line has some interesting features, including 5-transistor miniature line-cord clock radio at \$39.95, transistor FM portable at \$69.95. Also introduced were GE's first portable multi-band radios, American-made, at \$29.95 (broadcast & marine) and \$49.95 (including SW band). GE says this category now accounts for 8% of national radio dollar volume.

Second annual "TV Set Buyers' Guide" will be published by *TV Guide* as special supplement to its Sept. 7 issue. This year's guide will be 40 pages, with 20 pages of advertising—compared with last year's 32-pp. supplement including 12 pages of ads. Expected to exceed 9 million circulation, *Guide* will contain descriptions & photos of sets from all major 1964 TV lines, "how-to-buy" information, styling & decoration hints, special feature on home entertainment centers. Advertisers in "Buyer's Guide" will be GE, RCA, Sylvania, Westinghouse, Philco, Sears Roebuck & Zenith, according to ad dir. Eric G. Larson. Packard Bell will advertise in 11 West Coast regional editions. Regional editions will feature dealer & distributor advertising.

TV accounted for 30.4% or lion's share of sales dollars garnered by TV-appliance dealers in 1962, NARDA's 16th "Cost of Doing Business" survey established. Runners-up: refrigerators, 15.7%, washers, 13.5%, radios & phonos, 13.1%. Total sales, including revenue from servicing, climbed 7.5%. Service revenue improved to 15.5% of total from 15% in 1961. Merchandise sales slipped fractionally to 84.5% from 85%. Merchandise-service firms increased net operating profit ratio to 1.14% on net sales from year earlier's 0.4%. Total gross margins increased to 28.06% from 27.25% in 1961.

GT&E has received FCC authorization to purchase stock in Communications Satellite Corp.

TV SALES STILL GOOD: Distributor-to-dealer black-&-white TV sales registered their greatest 1963-over-1962 gain in April, while radio sales showed their biggest decline in the same month. TV sales passed 2-million mark for the year during month, and were 8% higher than April 1962, while 4-month period represented 5% increase over same 1962 period.

With coming of spring, radio's 1963 sales slump worsened, with distributor-to-dealer sales down 21% on April-to-April comparison and 15% for year-to-date, as compared with 1962. Radio's bright spots were auto radio, up substantially from last year due to boom in new-car sales, and FM (excluding auto FM), whose production was up 62% in April and 20% for year-to-date.

April TV production figures showed that 13% of total output for month was all-channel as it left factory, up from 10% in April 1962. For year to date, all-channel TV production was running 45% ahead of 1962. Here are official TV-radio sales & production figures, as released last week by EIA:

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
TOTAL	2,036,783	1,932,729	2,525,337	2,987,497

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
TOTAL	2,287,418	2,200,201	268,631	185,754

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	81,216
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
TOTAL	5,547,309	6,098,498	2,526,708	2,137,627	366,333	304,929

Guy Hobbs Inc., Dallastown, Pa. TV stand & cabinet manufacturer, is entering phono field with 7 portables & 4 consoles under "Music Master" brand name. Electronics for the units will be made by Sonic Electronics, now under Chapter XI proceedings. Sonic's reorganization has resulted in the naming of Guy T. Hobbs as pres., Charles T. Baxter (onetime RCA Victor TV div. gen. mgr.) as vp-gen. mgr. Former Sonic Pres. Ray Clevens continues as head of sales.

TV IMAGE-MAKER: "There's a lot of telephone in Sylvania TV" says new advertising slogan (see p. 7). There's also a lot of energy in its new team, and much of it is concentrated in Sylvania Home & Commercial Electronics Corp.'s Robert J. Theis, who, in his year at helm, has rejuggled Sylvania's distribution system, brought in new men at virtually all levels of operation and directed crash program to design & produce new line in half the time it should have taken.

Theis likes to hammer home his point that Sylvania is now "a profit line, not a promotional line." Most radical departure in his regime is perhaps the overhaul of distribution—direct factory-to-franchised dealer in large markets, through independent distributors in smaller ones. Currently, he says, 38-40% of company's volume goes to about 900 dealers in direct distribution, the remainder to 3,500 dealers through independent distributors.

Here are some of Theis's views as expressed at recent Sylvania convention:

On costs: "There's very little water left. The battle will be won in 3-4 years from now on the basis of distribution costs, purchasing costs and what's now in the labs. Our whole approach is to have the best distribution base this industry has ever seen."

On portables: "The 19-in. size will account for the bulk of the business for some time to come. In one year, U.S.-made 16-in. portable prices have been eroding from \$170 to \$130. Japanese equipment must ride lower in the market than American equipment—by \$25-\$30. An American 16-in. TV receiver would be fantastic at \$99.95, but who can get there? The manufacturing cost difference between a 16-in. and a 19-in. is perhaps \$2—or closer to \$1.50—at the most. To be a substantial factor, 16-in. American-made portables should be priced \$8-\$9 an inch below the 'go' prices of 19-in. merchandise. With so many manufacturers swimming in the same shallow pool, we question if there's enough 16-in. business to go around.

"Tinyvision—below 16-in.—is a specialty class. It will sample well but sell in limited quantities. We will build our \$129.95 16-in. portable at 25% of our portable mix the next 3 months. When the [competitive] need passes, we will withdraw the model."

On color: "There's tremendous interest. The public no longer has fears. 700,000 sets this year is within the realm of possibility. We plan no change in our [\$495 & up] color prices." Sylvania begins production of own color sets in Aug.

On all-channel law: Theis takes strong stand that it is "basically good," urges industry to adhere to spirit of law, and makes this pledge: "We will make only all-channel receivers for sale for the home entertainment market after the law becomes effective. We will not stockpile [vhf] receivers in advance, nor will we knowingly help any dealer stockpile in advance. We will not assemble or manufacture vhf sets in any of our Sylvania plants across the country for intrastate shipment. We will not co-op on any TV advertising that might mislead the public on the subject of uhf-vhf reception, equipment or price."

As to future problems for TV industry, Theis sees as one of most serious "the tremendous competition from big soft goods chains—such as J. C. Penney—now going into TV."

One of incentive innovations announced by Sylvania's consumer products operation at convention was borrowed from its tube div.: Company will give distributors & dealers Green Stamps with their purchases of merchandise.

RCA has realigned Electron Tube Div. and Semiconductor & Materials Div. into new organization of 5 operating units under direction of electronic components & devices vp Douglas Y. Smith. New units & their executives: Commercial Receiving Tube & Semiconductor Div., William H. Painter, division vp & gen. mgr.; Industrial Tube & Semiconductor Div., C. E. (Tex) Burnett, division vp & gen. mgr.; TV Picture Tube Div., John B. Farese, division vp & gen. mgr.; Special Electronic Components Div., Lloyd R. Day, gen. mgr.; Distributor Products, Harold F. Bersche, division vp. Dr. Allan M. Glover, previously vp & gen. mgr. of RCA's Semiconductor & Materials Div., has been named division vp for technical programs.

Campaign to repeal excise tax on all-channel TV sets, approved by EIA board last March, will be discussed by Consumer Products Div. executive committee and Legislative Policy & Tax Committees at EIA's annual convention this week at Chicago's Pick-Congress Hotel. Radio & phono sections will weigh proposals aimed at giving U.S.-made consumer products equal access to overseas military post exchanges. GE vp L. Berkley Davis, 2-term past pres. of EIA, will receive association's Medal of Honor. New association & division officers will be elected.

Monthly transistor sales figure releases have been discontinued by EIA at the request of majority of firms contributing their figures. EIA is continuing to compile statistics on production & sales of transistors and other semiconductors, but now releases them only on annual basis. We've been asked by several subscribers why we've discontinued printing these monthly statistics. It's because they're no longer available.

Ad plans: Admiral will use newspapers in 165 cities as well as national magazines in \$1.8 million summer-fall campaign principally featuring TV & stereo . . . Sylvania steps up advertising in 3-month \$1 million fall schedule keyed to national magazines, newspapers & spot radio . . . Philco re-enters network TV sponsorship with 4 hour-long documentaries on ABC-TV this fall, under title of *Philco Presents the World Over*.

Two indoor TV antennas have been introduced by Gallo Electronics. Color Master, designed for both TV & FM, contains transistorized amplifier; "Twin" antenna, without amplification, has separate units for low- & high-band reception. Both are housed in 7x9-in. rectangular cabinets.

Recorded tape cartridges for 3M's stereo tape cartridge system will be marketed under Command label by Grand Award Record Co. within 60 days. Making available 10 albums initially, Grand Award is 3rd record firm to offer music for use with 3M-Revere system.

Westinghouse is furloughing 100 production employees at its Bath, N.Y. tube plant because increasing Japanese imports have whittled anticipated sales, reported plant mgr. Walter Fleck. He said, however, that many would be recalled at end of annual plant-wide vacation July 27.

Trade Personals

Howard B. Saltzman, Alpha Wire pres., elected pres. of Assn. of Electronics Mfrs., newly formed from merger of Producers of Associated Components for Electronics (PACE) & Assn. of Electronic Parts & Equipment Mfrs. (EP&EM). Other officers: Vp, **Robert Svoboda**, Amphenol-Borg Electronics; secy., **Thomas B. Ure**, Hardwick, Hindle Co.; treas., **Wilfred Larson**, Switchcraft.

Donald C. Power, GT&E chmn., receives American Heart Assn.'s "Heart & Torch" award for "outstanding leadership and distinguished service."

Robert H. Tucker elected Minnesota Mining & Mfg. vp & secy. . . **F. Philip Hunt** elected Corning Glass vp & industrial relations dir.

George H. Fezell, onetime (1956-61) Magnavox vp & gen. merch. mgr., and for past 2 years with Montgomery Ward, rejoins Magnavox as TV-Radio Div. sales mgr., with N.Y. hq; **Harold Lembke**, ex-Hammond Organ, named Electronic Organ Div. mktg. dir. Fezell & Lembke also will become Magnavox corporate vps. **Richard Kelly & Dale Kelly** appointed Consumer Products Div. eastern sales mgr. & western sales mgr., respectively.

Robert M. Morris, formerly RCA International Ltd. vp in Rome, elected pres., National Foreign Trade Council.

Eugene M. Kinner, Zenith vp & dir., appointed pres. of newly formed Zenith Hearing Aid Sales Corp., a wholly-owned subsidiary.

Tucker P. Madawick, RCA Sales Corp. mgr. of industrial design, has been named Industrial Designers Institute exec. vp in charge of its 13th Annual Design Awards Program, to be held in Rochester Oct. 3-5.

Lewis C. Meyer, ex-deputy for financial analysis to Air Force Asst. Secy. for financial management, named Communications Satellite Corp. financial coordinator.

Victor Muscat, chmn. of B. S. F. Co., also elected TelePrompTer vice chmn. & a dir. (p. 12).

George Liebowitz elected TelePrompTer secy., treas. & chief financial officer.

Daniel O'Connell named mktg. administrator, Jerrold Electronics' Distributor Sales Div., a new post.

Ira James, ex-Polarad Electronics, named Pilot Radio administrative coordinator, a new post.

Joseph Burns appointed mgr. of newly established Advanced Research Lab of Du Mont Labs' Electronic Tube Div.; **Howard W. Grossbohlen**, ex-RCA, rejoins Du Mont Labs as product development mgr.

P. O. Willett, mgr. of Warren Radio, Kalamazoo, Mich., elected a vp of National Electronic Distributors Assn.

Obituary

Edward T. Lockwood, 59, asst. vp of AT&T, died June 7 in Bridgeport, Conn. hospital. He is survived by his widow & 3 daughters.

Distributor Notes: Admiral appoints **John A. Kenney** regional sales mgr. for distributors in Atlanta, Birmingham, Knoxville, Nashville, succeeding **R. F. Mewburne**, resigned • Zenith's Atlanta distributor, **Graybar Electric**, appoints drug wholesaler **John B. Daniel Inc.** associate distributor for Zenith radios only.

TV Import Step-up: Rapid acceleration of imports of small TVs can be anticipated for rest of year, accompanied by declining prices.

Latest to announce entry into TV is big Realtone Electronics Corp., which claims title [disputed by Channel Master] of largest U.S. radio importer. Its own plant in Japan, which produces for export only, will have shipped one million radios to U.S. this year, according to Realtone Pres. Ely E. Ashkenazi.

Realtone at week's end demonstrated 12-in. plug-in portable, weighing less than 20 lb., designed to retail below \$100 "with full dealer markup," and announced promotional 9-in. all-channel plug-in set for "profitable" sale at \$79.95 for spring 1964 delivery. Both sets have 110-degree square-corner tubes. Ashkenazi said he hopes mass production will permit reduction of 9-in. to \$59.95 or \$69.95 within few years.

Also announced by Realtone: 6-in. all-channel battery portable, unpriced, for delivery between spring & fall 1964.

Ashkenazi believes tinyvision sets will create new market, as did miniature radios, and eventually expand TV sales to 15-20 million units a year. Realtone plant itself is geared to turn out 10,000 plug-in TVs a month. He said Realtone will aim at chain store market, hoping to break into drugstore & supermarket trade, which he sees as ideal showcases for "impulse items" like tinyvision. "We feel," he said, "we belong in the small-screen market," while American manufacturers are perfectly capable of satisfying 16-, 19- & 23-in. demand.

In addition to TV, Realtone is diversifying into personal & professional telecommunications equipment, movie cameras & projectors, tape recorders.

In other TV import developments last week: (1) Delmonico began deliveries of its 4½-in. battery TV (\$149.95 plus \$24.95 battery), announced 9-in. plug-in TV at \$99.95, and 14- & 17-in. color sets (\$369.95 & \$399.95) for delivery next month. (2) Channel Master accelerated deliveries of its 8-in. battery TV (\$239.95, battery \$19.95), saying it was substantially back-ordered, and was planning to introduce 16-in. this summer. (3) Germany's Loewe Opta promised U.S. deliveries in Aug. on unpriced 10-in. battery all-channel set.

EIA will publish next June a revision of its 2-volume guidebook to servicing of home entertainment electronic equipment, "Advanced TV Servicing Techniques" & "Advanced Servicing Techniques." Updated version will include color TV servicing data. More than 42,000 copies of original guidebook have been purchased since its publication in 1954.

All-channel TV seminar will be sponsored by EIA July 22 at Music Show in Chicago's Palmer House. FCC Comr. Robert E. Lee will give keynote address. Panel, moderated by Dir. Seymour Siegel of WNYC-TV N.Y., will consist of engineers Harris O. Wood, Philco; Robert G. Weston, FCC; Jack D. Beaver, Jerrold.

Magnavox has moved some of its executive offices from Fort Wayne to N.Y., on 15th floor of Union Carbide Bldg. Involved in transfer are treasurer's office, credit dept. and sales, ad & PR executives.

Electronic Specialty Co. will be listed for trading on N.Y. Stock Exchange July 1. Symbol: ELS.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Electro-Voice	1963—year to Feb. 28	\$ 11,490,507	\$ 180,024	\$ 104,895	\$0.21	497,332
	1962—year to Feb. 28	12,150,667	779,818	392,908	.79	497,332
Harvey Radio	1963—qtr. to Apr. 30	1,773,084	—	84,799	.11	770,000
	1962—qtr. to Apr. 30	1,716,100	—	81,602	.11	770,000
Seven Arts Productions	1963—year to Jan. 31	19,407,905	—	1,705,793	1.08	—
	1962—year to Jan. 31	15,990,874	—	1,100,555	.85	—
TV Shares Management	1963—6 mo. to Apr. 30	955,002	295,674	149,174	.15	1,018,500
	1962—6 mo. to Apr. 30	1,366,648	748,097	367,258	.36	1,018,500
United Artists	1963—qtr. to Mar. 30	26,994,000	1,084,000	578,000	.32 ¹	1,803,542
	1962—qtr. to Mar. 30	32,065,000	1,757,000	916,000	.51 ¹	1,729,473

Notes: ¹ Based on 1,803,542 shares outstanding March 30, 1963.

TelePrompTer Pres.-Chmn. Irving B. Kahn is selling 40,000 of his 55,000 shares to B. S. F. Co., a holding company, for \$240,000. The stock block represents 5.3% of TelePrompTer's total 762,000 outstanding shares. Three B. S. F. executives were elected to TelePrompTer's 9-man board: Chmn. Victor Muscat, Pres. Robert L. Huffines, exec. & finance committees chmn. Edward Krock. Muscat also was named TelePrompTer vice chmn. "This is not a takeover," Kahn emphasized, adding that he plans to buy back the stock later under an option of the transaction. The repurchase option becomes effective at \$6.50 a share 6 months after sale is completed. Thereafter, price will increase 50¢ a share every 6 months, up to \$10 a share. Stock is being sold and B. S. F. officers are joining TelePrompTer's board, he said, "to make available considerable" B. S. F. capital for TelePrompTer financing & expansion.

Supervised Investors Services, re-named from TV Shares Management (Vol. 3:21 p12), will reduce its fees for investment & other management services to TV-Electronics Fund under proposed new rates subject to approval of latter's shareholders. In lieu of present charge of 0.5% on Fund's total assets, the advisory firm proposes a sliding scale of charges ranging from 0.5% on the Fund's first \$215 million to 0.25% on assets in excess of \$800 million. Supervised Investors Services Pres. John Hawkinson estimates new fee schedule will save Fund shareholders \$205,000 annually.

United Artists' sales & earnings dropped in 1963's opening quarter (see financial table) & Pres. Arthur B. Krim told annual meeting that 2nd-quarter figures would drop in a "relatively similar manner" from year earlier. However, he forecast that year would total out as "satisfactory," that 1964 would be "tremendous." Factor in future improvement is UA's increasing TV business. UA TV shows, he said, will occupy 4½ hours weekly of network time next fall vs. one hour last fall, and income from new TV shows will be reflected in 1964.

RCA Victor Co., Montreal, has sold \$8 million of 5¾%, 20-year promissory notes to institutional investors through Lehman Brothers, Lazard Freres & Co. and Green Shields Inc. Proceeds will be used to reduce bank loans & general corporate purposes.

GT&E's 2nd-quarter earnings are some 10% ahead of a year ago & revenues and sales are running about 5% ahead, Chmn. Donald C. Power told Milwaukee Investment Analysts. "I would expect net income for the 2nd quarter to be about 30¢ a share against 27¢ a year ago," he said. For total year, "we are currently estimating something over \$1.25 a share [vs. \$1.15 in 1962] and in view of our first-quarter results [Vol. 3:16 p12] and our estimates for the 2nd quarter, I would say this is not unduly optimistic. In fact, it is reasonably conservative."

Hewlett-Packard expects sales in its 1963 fiscal year ending Oct. 31 to climb to about \$120 million from \$109.1 million in fiscal 1962. (For first-half report, see Vol. 3:23 p12.) Pres. David Packard foresees earnings topping year-ago's \$7.1 million or 62¢ a share. Current expansion plans, he noted, include new \$2 million oscilloscope facility in Colorado Springs, Colo., addition to plant in Stuttgart, West Germany.

Video Independent Theatres has increased its holdings of H & B American common stock to 343,855 shares—or 13.3% of total 2,575,192 outstanding. Video Independent Theatres, subsidiary of General Tire & Rubber's subsidiary RKO General, also owns \$1.2 million of H & B's total \$2 million 6% convertible debentures, which are convertible into common stock at rate of \$4 per share.

Hitachi, one of Japan's largest electrical & electronic equipment manufacturers, has filed SEC registration for 75 million common shares to be offered publicly around July 10 through underwriting group headed by Dillon, Read & Co. and Yamaichi Securities Co., N.Y. Offer will be in form of 937,500 American Depositary shares.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Axe Science & Elec.	—	\$0.08	July 19	June 28
Clevite	Q	.35	June 28	June 17
Columbia Pictures	Stk	2½%	Aug. 15	June 28
Decca Records	Q	.30	June 28	June 17
Eico Elect. Instr.	Q	(omitted)	—	—
ITT	Q	.25	July 15	June 21
Universal Pictures	Q	.25	June 27	June 17
Western Electric	Q	.90	July 1	June 20

with

Consumer Electronics . . . (starts page 7)

JUNE 24, 1963

NEW SERIES VOL. 3, No. 25

The authoritative service for executives in all branches of the television arts & industries**SUMMARY-INDEX OF WEEK'S NEWS****Broadcast**

CLIMAX ON EQUAL TIME, EDITORIALS: House passes 1964 equal-time suspension, Senate starts its hearings this week, Rogers sets date for House editorializing hearings, NAB warns against any govt. editorial standards (p. 1).

FCC'S PRE-RECESS AGENDA includes heavy load of major matters Commission hopes to finalize or move big step forward (p. 2).

RATINGS—NAB PROGRESS, FCC VIEW: First Rating Council meeting in N.Y. looks at RAB's Audits & Surveys radio proposal, appoints new executive committee; FCC Chmn. Henry appears before Harris; Harris appears at N.Y. meeting (p. 2).

THE 'FORD POSITION' ON LOCAL-LIVE, likely to prevail over the years, insists stations must show FCC they've really canvassed community & plan to program accordingly (p. 3).

FCC SEEKS \$16.5 MILLION: Commission appears before Senate Subcommittee on fiscal 1964 budget, is quizzed on local live, translator backlog, relationship of programming to number of stations (p. 5).

CLIMAX ON EQUAL TIME, EDITORIALS: Since everyone in Washington seems to want a finger in the equal time & editorializing pie, it may be helpful to put current developments in one-two-three order:

(1) House passed H. J. Res. 247 last week, 263 to 126, to suspend equal time (Sec. 315, Communications Act) from Aug. 20 through Nov. 2, 1964 for candidates for President & Vice President only.

(2) Sen. Pastore (D-R.I.) starts hearings June 26 on 3 measures (Vol. 3:24 p5, Vol. 3:23 p6) to either suspend or repeal equal time for 1964. He'll hear: FCC Chmn. Henry, Sen. Hartke (D-Ind.), NBC Chmn. Sarnoff, CBS Pres. Stanton, statement from ABC Pres. Goldenson, attorney Paul Porter for President's Committee on Campaign Costs, probably NAB Exec. vp Wasilewski, a Socialist Labor Party rep, radio WQXI Atlanta Exec. vp Barry Sherman, possibly statements from Democratic & GOP National Committee chairmen. Pastore also invited nation's 50 governors to testify or send statements because one bill exempts their campaigns.

(3) Rep. Rogers (D-Tex.) set July 15 for hearings on editorializing. He told us he's mostly concerned with fairness doctrine.

(4) Rep. Moss (D-Cal.) introduced HR-7072 last week "to assure fairness in editorializing;" it would make Sec. 315 equal opportunities apply to editorials for or against political candidates, not only to time given nominees. It would also ban editorials 2 days before any election.

(5) NAB's Editorializing Committee met in Washington last week, said it was "unalterably opposed" to measures such as Moss's. NAB's 2nd edition of "Editorializing on the Air," expanded to include guidelines on political issues & candidates (Vol. 3:24 p5), will be shown this week to NAB Board. It was also major discussion point between NAB Pres. Collins & staff and FCC commissioners & staff last week.

Meeting was closed to newsmen, but word was that FCC representatives indicated they sympathize with NAB view that restrictive rules shouldn't be promulgated. An NAB spokesman said he thought Com-

Consumer Electronics

16-IN. TV AT \$99.95 climaxes season of price-cutting, as Emerson chops \$30 from list price of U.S.-made set. Pres. Abrams says it will be sold 'without restriction' and without tie-ins. Industry studies move, withholds comment (p. 7). More price cuts in Emerson's line (p. 10).

EIA CRUSADES FOR ALL-CHANNEL TAX REPEAL: Moves to have legislation introduced in House Ways & Means Committee next month. As expected, push will be for repeal of tax on all-channel sets only (p. 7). Other news on EIA convention (p. 10).

SHELBOND PICTURE TUBE is launched with a bang, but tube manufacturers still find its cost-reduction potential attractive, despite incident at demonstration; bonded tubes reach new popularity (p. 8).

JAPANESE TV SETS NEARING U.S. APPROVAL? Several makes now undergoing investigation and 'a couple are coming close to approval, but are not there yet,' we are told (p. 9).

RCA'S ANTI-IMPLOSION rim-band TV tube is Kimcode variation that uses welded band instead of crimped seal. New Pan-O-Ply tube goes into production late this summer; cost will be near Kimcode's (p. 11).

mission showed that it would oppose any Congressional attempt to impose govt. standards. NAB will conduct 2-part survey: (1) Postcard poll to determine extent of editorializing. (2) Depth study of editorial case histories from stations which editorialize heavily.

- Rogers hearings on editorializing will examine "whether or not fairness prevails." "We're on a fishing expedition," he told us. "We want to find out if editorials are influencing the people without telling all the facts." He said he's concerned with local matters as well as political issues.

Format, content, time involved in editorials will be scrutinized. Rogers states he isn't trying to frighten broadcasters away from on-air stands, but "we're trying to establish a policy by which broadcasters will know their responsibilities on equal time and by which the public will know where it stands."

House debate on 1964 equal time suspension underscored mounting Congressional concern over TV's influence at election time. Echoing minority view as contained in Commerce Committee report (Vol. 3:23 p6), Rep. Williams (D-Miss.) said: "Who is to make the determination of who is a major candidate?" He answered with names of the 3 network heads.

Rep. Harris (D-Ark.), referring to those particularly in the South who feared national time wouldn't be given to 3rd parties, stated: "I am confident that the networks, out of fairness, will offer time to a 3rd party." Rogers said: "Don't nominate anyone who doesn't make a good TV appearance because he is going to be on it whether he likes it or not."

House killed amendment by Rep. Ryan (D-N.Y.) that would have limited suspension to joint appearances by candidates, as in the 1960 debates. Rep. Widnall (R-N.J.) called for conferences by FCC, Congressional committees & industry to set up "rule of thumb" on TV-radio appearances by incumbent Presidents during election years. Problem, he stated, is differentiation between partisan talks & crisis situations.

FCC'S PRE-RECESS AGENDA: FCC will try to move a number of major matters before traditional Aug. recess, may well consider the following in the mere 5-plus weeks remaining—a mighty big chunk to chew:

- (1) Clear way for conferences with networks on giving uhfs programs not carried by vhf affiliates.
- (2) Get ready for en banc hearing on radio programming, probably getting field studies lined up.
- (3) Get near-final agreement on TV program form.
- (4) Issue Chmn. Henry's Omaha local-live hearing report.
- (5) Promulgate final FM allocation plan.
- (6) Issue final report on AM pre-sunrise proposal.
- (7) Take final action on proposal to require stations to keep applications on hand for public inspection.
- (8) Finalize proposal to open network affiliation contracts to public at FCC hq.
- (9) Finalize automatic logging & operator rules.
- (10) Issue proposed "saturated" uhf allocation plan.
- (11) Propose rules for airborne ETV operations.

RATINGS—NAB PROGRESS, FCC VIEW: NAB's Rating Council met for first time in N.Y. last week: (1) Named executive committee to keep pressure on reform actions. (2) Started work on methods questionnaire for rating services. (3) Formulated letter to be sent this week to all rating services outlining program & asking for final support. (4) Took a look at Audits & Surveys Co. proposal for new radio methodology study as advocated by RAB.

In other developments, FCC Chmn. Henry testified before Harris Subcommittee. As we forecast (Vol. 3:24 p3), he said recent FTC & FCC measures should not only discourage improper use of ratings by broadcasters, but should shorten time taken by raters to improve.

Rep. Harris (D-Ark.) told Sales Executives Club in N.Y. that "last resort" possibility of legislation could take form of requiring full disclosure by rating services of their methods & limitations on accuracy.

NAB is pulling out all stops to push its program across. It's not generally known that NAB Pres. Collins & Research vp Goldberg met 2 weeks ago with top Bureau of Census men—Conrad Taeuber & Morris Hansen—on their views & possible help on methodology.

New executive committee of Rating Council is composed of N.Y. executives who can gather quickly to expedite reform moves: Group W, McGannon; CBS, Fisher; NBC, Beville; ABC, Segal; TvB, Cash; RAB, Bunker; plus NAB's Goldberg who serves ex officio on all Council committees. Beville also heads subcommittee to develop methods questionnaire to serve as basis for accreditation. It's expected questionnaire will go out in 30-60 days. Also in this group are TvB's Arons, RAB's David, plus possible AAAA representative.

Membership was filled in on Criteria & Standards Subcommittee, headed by WJTN Jamestown, N.Y.'s Goldman, & Audit Subcommittee, headed by WMAL-TV Washington's Houwink.

After meeting with RAB and Audits & Surveys, NAB unanimously passed motion stating that A&S project (Vol. 3:23 p3) has "considerable merit." More conferences are planned—"looking for the time when specific recommendations [to NAB Board] and affirmative action can be taken." NAB still hasn't committed itself to co-partnership with RAB in the A&S study.

NAB has respect for A&S methods but believes plan is still too embryonic to base commitment. RAB was encouraged by NAB stand, said it's closest they've been to "merger of efforts." A&S plan also indicated that study will be of some help to TV—in checking problem of diary fulfillment errors & homes that won't cooperate. Study would evaluate comparative costs of various types of research.

Representing AAAA at NAB meetings were Robert Sorenson & Edward Marshall. William Kistler was there for ANA. NAB would like these 2 groups to have more than present "liaison" status, but so far they've not indicated such desire. As to requests that Advertising Research Foundation participate, here's NAB view: It's willing to consult with any recognized group or individual on any aspect of reform program. However, NAB doesn't think ARF could be part of Rating Council because it's already a tri-partite committee.

In his testimony, FCC Chmn. Henry criticized "overzealous use and blind adherence to ratings," said responsibility for programming belongs to broadcasters—not to networks, agencies or rating services. He said that new program reporting form—due before year end—will clarify licensee responsibilities to meet needs of community, regardless of ratings, no matter how accurate.

Under questioning by Charles Howze, Subcommittee chief counsel, Henry said he would undertake to document cancellations of network programs brought about by ratings. He also said that move by FTC & FCC means broadcasters will have to exercise caution & restraint in use of ratings in trade press & newspaper ads—possibly even stating sample size. At hearings, Harris renewed suggestion networks do a documentary on ratings to keep public informed. He said he wouldn't want to be in it, however.

THE 'FORD POSITION' ON LOCAL-LIVE: Republican FCC Comr. Fred Ford has at times found ex-Chmn. Minow & Chmn. Henry moving for more industry regulation than he can take—but he remains fiercely determined in one particular area. He intends to see that his brain-child when he was chairman—the 1960 Program Policy Statement—brought to fruition. It states that stations must show FCC that they've made a genuine effort to learn what their communities need and how they intend to meet these needs. (For full text of Statement, see Special Supplement, Aug. 1, 1960.)

Last week, Ford strongly repeated his beliefs, in speech titled "Local Live Programming in Prime Time," before Va. Assn. of Bcstrs. He traced history of subject, said Congress, courts & Commission have always held that FCC has right to expect stations to program for local needs. We think Ford's views are pretty close to what will prevail most of time in coming years, though pendulum will swing back & forth through his position, from one administration to another. So quotes from his conclusions are well worth noting:

"It is not, in my opinion, proper for the Commission to speculate or second-guess licensees on what they should or should not broadcast, the content of their programs, and the time they are scheduled, aside from certain limitations on profanity, fraud and so on, but it is our responsibility to see to it that licensees seek out the needs of the public, evaluate those needs and serve them. How they do it is their responsibility, but the fact that they do it is our responsibility.

"Over the years you have heard a lot I am sure about censorship by the Commission and 'regulation by lifted eye-brow.' I am satisfied that no one can successfully maintain that the Commission has ever

engaged in a policy of censorship. The Congress, the Courts and the Executive Branch—through Attorney General Rogers' 1959 Program Report to President Eisenhower—all support the proposition that the vigorous enforcement by the Commission of its statutory obligations constitutes neither censorship nor an improper abridgement on the right of freedom of speech. As a matter of fact, aside from the Constitution and Section 326 limitations on the Commission, I have never heard of a bill even being introduced in the Congress to prohibit, as a matter of policy, the Commission's consideration of programming as a part of its licensing function.

"We have had perhaps not quite so much success in refuting the charge of regulation by lifted eyebrow. Consequently, in closing, I say to you that if you have preserved the evidence of your efforts to seek out the needs of the area you serve; if you have evaluated the needs of your area for local live programming and determined in good faith the amount, type, content and time of local live programming to meet the needs of your area balanced against their needs for national programming, and have broadcast programs substantially in accordance with that determination, then you have the facts, the evidence and the law on your side which all of our collective eyebrows cannot change.

"The Commission in the past has pointed to the need for local programs 'during the best listening hours,' but this in my opinion calls for a judgment that the licensee is particularly qualified to make, taking into account such things as the listening and viewing habits of his audience and the programming of other stations that will be competing for their attention. I have found nowhere at anytime a requirement that stations broadcast local live programming in prime time. Perhaps they should, but only based on the evidence which the local station acquires can the 'best listening hours' for local live programming be determined. Each broadcaster must rely on the evidence in his area before making that determination.

"In this country broadcasters are free and the Commission's Report and Statement of Policy of 1960 is a reaffirmation of that freedom."

"Arm-twisting" of TV-radio stations by Agricultural Dept., on wheat referendum, was charged by syndicated newspaper columnist Richard Wilson last week. He quoted from memo sent by Dept.'s Ray Fitzgerald to field man, including: "As you know, interests representing one point of view in the referendum are blanketing radio & TV stations with material in heavy quantities. It is not expected that we can match the flood of material from this group, which is also in a position to buy time. But it is essential that we act aggressively to make use of public service time . . ." Wilson said field men were told to remind stations that their renewals might depend on their carrying "public service" programs such as sought by Dept. FCC Chmn. Henry was queried about matter during his testimony on ratings before Harris subcommittee, didn't know about it, said: "Broadcasting is our responsibility." FCC will give subcommittee a report. Said one Commission source: "Taken as a whole, the memo isn't as horrendous as indicated. But some of it is as injudicious as hell—and if Agriculture had asked our advice we'd have said so."

Communications Satellite Corp. purchase of all international communications facilities, proposed by RCA Chmn. David Sarnoff (Vol. 3:22 p5), was attacked by ITT Pres. Harold S. Geneen as move to "abandon" competition instead of strengthening it. Geneen suggested, instead, that Congress allow merger of "record" (non-voice) carriers and that ComSat be a "carrier's carrier." Merger of record carriers would involve divisions of ITT, RCA & Western Union. Sarnoff plans response to Geneen proposal.

New affiliates: WHNT-TV (Ch. 19) Huntsville, Ala., CBS-TV, EMP, Sept. 1; KECC-TV (Ch. 9) El Centro, Cal., ABC-TV, primary, Sept. 1.

FCC option time ruling (Vol. 3:22 p1) is expected to be subject of petitions for reconsideration by ABC & CBS; it seems fairly certain NBC won't challenge ruling. Networks' affiliate associations, ABC's particularly, are likely to seek reversal or amelioration, too. No one expects FCC to reverse itself and reinstitute option time—but filing petition with Commission gives appellants better base to argue from in later court appeals. It's also expected FCC will be asked to permit fulfillment of affiliation contracts extending beyond Commission's Sept. 10 deadline. One danger in going to courts now: Original appeal by KTTV Los Angeles argued that option time was an anti-trust violation. FCC didn't rule on that—but if court held against networks on anti-trust basis, they'd risk treble-damage penalties.

New Mexico law governing advertising by optometrist over radio station doesn't conflict with Federal law and FCC powers, U.S. Supreme Court has ruled. Radio KHOB and a newspaper had carried ads of a Texas optometrist, and State of N.M. had declared ads violated state law. KHOB appealed, stating that Communications Act pre-empted control of such interstate commerce and gave overriding power to FCC. Commission & Justice Dept. agreed with KHOB, but Supreme Court said that Constitution "never intended to cut the States off from legislating on all subjects relating to the health, life, and safety of their citizens" even if interstate commerce may be involved. Net effect: Status quo re FCC powers.

U.S. space & radio astronomy allocations proposals, to be advanced at Oct. 7 Geneva conference, have been issued through FCC. Text of 86-page document will be printed in *Federal Register*, may be inspected at Commission offices until available in *Register*.

FCC SEEKS \$16.5 MILLION: Asking Congress for \$16.5 million—\$1.5 million more than last year—FCC last week told Senate Appropriations Subcommittee increased applications & processing rather than new legislation causes stepped-up workload. Sen. Allott (R-Colo.) couldn't see need for more stations, said increase was leading to program deterioration.

Increase in programming choice is only way to improve quality of programming, said Henry. Allott questioned that: "I think the overall quality under the dynamic leadership of your predecessor has completely torn the insides out of good programming."

Subcommittee members asked about delays in processing translator applications. There's only one man doing the job and he's now Comr. Cox's legal asst. Cox said Commission has extended license terms so that they don't come up for renewal too often, said that one of the big problems is unfamiliarity by operators with govt. regulations. Broadcast Bureau Chief James Sheridan seemed to satisfy senators by noting that translator starts are seldom delayed; renewals may be slow sometimes, he said, but translators keep going. Sheridan also noted declining rate in translator applications from 2,000 in 1962 to probable 1,500 in 1963 & anticipated 1,400 in 1964.

On license fees, Henry said Commission expects to recoup 20% of FCC operating costs but stated FCC needs \$75,000 to get fee-collecting program going. Sen. Magnuson (D-Wash.) didn't think that money was necessary—"to bundle the checks up and take them to the Treasury?"

Proposal to limit commercialization would incorporate spot checks, Henry said, adding that no one would rather stay out of this area more than the Commission, but that broadcasters haven't taken care of problem themselves.

Local live hearings in Chicago & Omaha produced some hot comment. Sen. Hruska (R-Neb.) probed cost & preparation involved. Chicago took 9 days, Omaha 10; cost for both was estimated at \$5,000, excluding salaries.

Hruska asked Henry: "You mean your time is worth nothing, so you did not put in anything for the time?" He added: "It was sure a painful way to do it," referring to Omaha. "If there are any additional hearings like that, I would like to be informed of it," he said.

"Kenyon & Eckhardt Market Guide" is new compilation showing markets "fundamentally in terms of U.S. TV coverage" because "the TV area is the market" to many advertisers. Framework of market areas is 27 Nielsen Food & Drug Index areas, using series of maps. Data includes total households, TV homes, food-drug-income figures, originating channels' share of audience, radio & print information, key supermarket & drug chains, etc. Also included are marketing & media factors for 217 TV coverage areas, according to rank, using ARB material. Project is under Stephens Dietz, K&E senior vp & mktg. services dir., who believes book will be particularly useful to those selecting test markets for new products. Volume is offered at \$15 from K&E, 200 Park Ave., N.Y.

SMPTE moves its N.Y. hq office July 1 to 9 E. 41 St., N.Y. 17. Phone: TN 7-5410.

Increased network rates for CBS and NBC will face advertisers by year's end. CBS-TV mailed Rate Card No. 16 to clients last week. Among changes: for lineup of 192 U.S. stations, CBS basic Class A hour rate is \$142,490 (although this will go to \$144,180 on basis of listed increases by end of year); Class D (marginal time) segments are now merged with Class C and Morning Plan (although advertisers currently on D rate will have 6-month protection from June 15); rate, discount & sales policy information are printed on inside of folder, with rate revisions available in form of drop-in sheets. NBC-TV is putting final touches on new rate data. Among changes: Class A hour rate will be \$143,995 for lineup of 203 stations (although due to rise to \$146,550 by end of year for similar lineup). ABC-TV does not plan rate revision in near future, we're told.

Eloquent NAB Pres. Collins is delighting broadcasters with strong language against FCC's proposed imposition of commercial ceiling based on NAB Codes—as much as he upset industry's "schlock operators" by his early attacks on them. Said Collins in Jacksonville speech: "We will take our case not only to the Commission but, if necessary, to the Congress, to the people—and even to the courts. If we lose this battle the cause of free broadcasting will be irreparably crippled. The whole cause of broadcast self-regulation may be lost . . . [The FCC] may well be seeking to impose on the broadcaster a suffocating blanket of obsolescence."

Move of Ch. 6, Providence from Martha's Vineyard to Tiverton, R.I. has been upheld by Court of Appeals. Main claim of Rhode Island TV Corp., challenging FCC action, was that move should have been done through rule-making and that it should have had crack at applying for channel held by WTEV. Commission had ruled that move wasn't a channel reassignment, that station was still assigned to New Bedford—and Judges Bazelon, Washington & Burger agreed.

Portable video-tape recorder developed by Machtronics Inc. and weighing 60 lb. (Vol. 3:13 p6) will be used by ABC-TV news team covering President Kennedy's trip to Europe this month. One machine will be located at Idlewild Airport to cover President's departure & arrival; another will travel with newsmen covering trip. ABC will also use machine in 1964 Winter Olympics' coverage. According to ABC Engineers Pres. Frank Marx, it "will open a whole new field of electronic reporting."

Backlog of color commercials is being stockpiled by Bell Telephone of Pennsylvania, which believes color eventually will be available on virtually all major stations. Pennsylvania Bell is currently filming all commercials used in regional 9-station programs (newscasts, etc.) via Gray & Rogers in color, although only 2 stations are actually airing them this way. Colorcasting stations are WFIL-TV Philadelphia & WGAL-TV Lancaster, with WTAE Pittsburgh to be added shortly.

Network TV gross time billings for first quarter totaled \$204,254,218 compared with \$194,618,376 for same 1962 period, a gain of 5%, TvB reported. By network: ABC-TV, \$55,074,175 vs. \$50,194,007, up 9.7%; CBS-TV, \$76,726,549 vs. \$74,788,854, up 2.6%; NBC-TV, \$72,453,494 vs. \$69,635,517, up 4%. Biggest first-quarter percentage gain was in daytime weekend billings up 32.9% to \$14,557,566 from \$10,952,918.

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Personals

James E. Duffy, ABC Radio exec. vp & national sales dir., appointed vp in charge of TV network sales; **Theodore M. Douglas Jr.**, ABC Radio eastern sales mgr., elected vp & national sales dir., succeeded by **Herb Granath**, account exec.; **Edward G. Bishoff**, ABC Radio central div. sales mgr., elected vp & div. sales dir.; **Gary Kay** named asst. program mgr., ABC International TV.

Leslie Winik, International Telemeter exec. vp, elected pres., succeeding **Howard Minsky**, resigned . . . **Martin J. Brown**, ex-WOR-TV N.Y. sales service dir., named to sales staff, rep Roger O'Connor Inc.

Richard Stern, ex-Fletcher Richards, Calkins & Holden, appointed gen. sales mgr., WAIL-TV Atlanta . . . **Royal E. Blakeman**, of Red Wing Productions, elected N.Y. Chapter pres. of Academy of TV Arts & Sciences.

John F. Crohan, WCOP-AM-FM Boston vp & gen. mgr., elected Boston Executives Club pres. . . . **Julius Edelman**, ex-Ted Bates, appointed exec. vp & producer-dir., Mickey Schwartz Productions.

Martin G. Waldman, ex-Young & Rubicam TV-radio dept., forms Communications Planners Inc., PR, 185 Madison Ave., N.Y. (MU 3-3675) . . . **Robert F. Klein**, ex-Blair TV mgr., Los Angeles, appointed exec. vp, John Cohan Stations.

Harry Frey promoted to WTHI-TV Terre Haute news dir. . . . **Martin Colby**, ex-Triangle TV-radio div. eastern TV sales mgr., named sales specialist, Blair BTA div.

Stanley R. Jaffe promoted to exec. asst. to **Thomas D. Tannenbaum**, Seven Arts vp in charge of TV production & packaging . . . **Murray Oken**, Trans-Lux TV eastern div. mgr., promoted to national sales mgr.

Forfeiture of \$3,500, reduced from proposed \$6,500, has been levied by FCC against radio WCHI Chillicothe, WCHO Washington Court House & WCOV Wellston, all Ohio, for failure to have full-time first-class operator and for WCHI over-modulation. Stations had pleaded difficulty of finding such operators for small-town stations, impressing Commission somewhat. Fine of \$250 was ordered for KVOB Bastrop, La., for illegal "teaser" announcements (no sponsor identification), a cut from proposed \$1,000. Forfeiture of \$3,500 was proposed for WVAR Richwood, W. Va., for failing to have first-class operator.

Request for FCC inquiry into "lack of color TV programming" in Cleveland is subject of unusual resolution introduced in City Council following testimony by TV dealer who said he was selling 10 color sets for every b&w console and that his customers have been let down by local stations' scarcity of colorcasts. Resolution also would urge FCC "to recommend that further stations licensed to the city of Cleveland be granted to local interests who propose to serve a local audience with local color in the public interest."

Speakers' bureau directory, containing names of 472 broadcasters available to address local & national groups on TV-radio, has been published by NAB for 2nd time. Booklet "If You Want a Speaker" is available to professional, charitable, civic groups. More than 50,000 copies of last year's edition were distributed, according to John Couric, NAB public relations dir.

TV glimpses of Soviet cosmonaut in flight & of Moscow throngs lining up for newspapers were seen here via Telstar II as result of ambitious global TV link. Scenes were recorded in Russia, put on Soviet bloc Intervisio, relayed to Eurovision, taped in London, sent to Goonhilly Down for satellite pickup.

Pay TV will eventually reach 15 million TV homes, produce \$2 billion annually, Gerald Bartell, Macfadden Teleglobe pres., told Cincinnati Rotary Club luncheon last week. He predicted that "large motion picture palaces" wouldn't be hurt and neither would commercial TV, "although certainly some alterations will be indicated for competitive reasons."

Station sales approved by FCC: (1) 50% of WNBE-TV (Ch. 12) New Bern, N.C., from 100% owner Nathan Frank to Thomsland Inc. (Harold & Meredith Thoms) for \$60,000. (2) KAVE-TV (Ch. 6) & KAVE Carlsbad, N.M., from Lucile R. Talbott, et al. to KAVE Inc. (John Deme, WINF Manchester, Conn.) for \$168,000.

FCC staff appointments: Wallace Johnson, asst. chief for engineering, Broadcast Bureau; H. H. Goldin, asst. chief for policy & planning, Broadcast Bureau (new post); Thomas Fitzpatrick, chief, Hearing Div.; Louis Stephens, asst. chief, Renewal & Transfer Div.; John Bass, asst. chief, Rules & Standards Div.

Financial crisis of ETV WNDT N.Y. has so eased that it's only \$60,000 short of 1962-63 \$3 million budget. But trustee Charles G. Stradella said more support will be needed from public & industry as foundations gradually reduce contributions.

Better CATV-broadcaster relations were urged by NCTA Pres. William Dalton in speech to Va. Assn. of Bestrs. He said he's delighted to see more broadcasters entering CATV: "This makes sense, and lots of it."

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

EMERSON'S U.S.-MADE 16-IN. AT \$99.95: Price competition in TV industry reached something of a climax last week when Emerson slashed \$30 from its 16-in. American-made set, bringing it down to \$99.95—lower than many imports.

Set is same model introduced last Jan. at \$129.95 (Vol. 3:1 p8), even to earphone jack—normally regarded as step-up feature. Leader is grey, step-ups (in color) are \$109.95 & \$119.95 (sleep switch); all-channel version is \$129.95, a \$30 hike. All-channel versions of other Emerson sets add \$20 to list price. Emerson's leader 19-in., which sold for \$149.95 year ago, is now \$129.95.

"We will produce it to the extent there is a market for it," Emerson Pres. Benjamin Abrams told us at week's end, referring to \$99.95 set. "We will sell it without any restrictions—but only through Emerson dealers, of course. We will sell it without tie-ins with other merchandise." He said set does not depend on foreign parts for its low price. It's understood Emerson has switched to single chassis for both 16- & 19-in. sets, but competitors were dubious that this action could absorb even minor fraction of price reduction.

Sparked by the price-leader, Emerson chalked up more orders at last week's convention than at any time in its 48-year existence, Abrams said. Distributors ordered "all we can give them" of the \$99.95 set. Orders for remainder of line, he said, will take all of factory's production for rest of year, even with output at higher rate than first 6 months—which is 50% ahead of 1962's same period.

It seems unlikely that other manufacturers will come down to \$99.95 at this point. But, mindful of another \$99.95 set which shook the industry—GE's 14-in. portable back in 1955 (Vol. 11:21 p13)—they're watching & surveying, figuring costs & margins. Some price cuts could come with drop-in models later.

Remainder of Emerson's lines—longest in several years and with new emphasis on stereo—is summarized on p. 10.

EIA CRUSADES FOR ALL-CHANNEL TAX REPEAL: Undaunted EIA will have another go at its particular windmill—federal excise tax. Among major developments of 39th annual convention in Chicago last week: Tax Committee & other support groups lined up for Board's March-approved go-ahead for another tilt (Vol. 3:12 p7), and EIA now expects to have tax-repeal legislation introduced in House Ways & Means Committee next month.

As anticipated, sole target will be all-channel sets. Instead of leveling attack against taxes on all consumer products, EIA hopes to pump some hope into its forlorn campaign by calling for repeal only of 10% excise tax on all-channel TVs.

"It's the best chance we've ever had of making a chink in the armor" after failures with 5 successive Congresses, summed up re-elected Consumer Products Div. Chmn. Morris Sobin, Olympic Radio & TV pres. Because all-channel law is expected to add some \$20-\$30 to price of TV sets, he said, "the govt. should feel an obligation to the public."

Despite Sobin's hope that "a different situation exists with all-channel sets," corridor conclusion is that windmill will win again, in a breeze. Other highlights of EIA convention:

(1) Warning that electronics industry is in for "some pretty rough times unless we stick together" was sounded by re-elected EIA Pres. Charles F. Horne, pres. of General Dynamics/Pomona. He called for "constant vigilance" over legislative & administrative developments that affect electronics industry, emphasized that "our greatest threat" is possibility that "we may be fragmented by our diversities of interests & products." He added: "Unless we find a mutually acceptable modus operandi for uniting the electronic in-

dustries & working together toward common goals we may well disintegrate into a heterogeneous assembly of manufacturing groups whose identities are absorbed in our many customer industries."

(2) All-channel set production's current rate is 11.5% of all b&w sets, up from 1962's 9.2%, Sobin reported. He said indications are that 20% of all b&w TVs produced this year will have both uhf & vhf receiving capability.

(3) Electronics volume this year is expected to rise 9% to \$15.075 billion from 1962's \$13.825 billion factory sales, Horne noted in annual report. Consumer products volume will rise to \$2.5 billion from \$2.407 billion; industrial products, \$2.7 billion from \$2.450 billion; govt. products, \$9.2 billion from \$8.348 billion; replacement components, \$675 million from \$620 million.

(4) Challenge, now being heard with increasing frequency, that industry invent new & compelling home product was put to EIA membership by GE vp L. Berkley Davis, who was awarded EIA's Medal of Honor. Calling for "something as entertaining, as educational or as useful as radio & TV," Davis added: "I don't know what it is, but I challenge you to find it. Electronics can provide the means for again raising our standard of living. Electronics can & must develop a new device to make home life easier & more pleasant." (For more on EIA, see p. 10.)

INDUSTRY APPRAISES SHELBOND PICTURE TUBE: Corning's Shelbond implosion-protection process (Vol. 3:24 p7) was talk of picture-tube industry this week—for a couple of reasons.

Corning launched Shelbond with a bang—a rather embarrassing bang at that—when it set out to demonstrate its implosion resistance to tube manufacturers assembled at Corning's plant. During tough 15-ft.-lb. high-energy object impact test on scored (weakened) tube, sample devacuated violently with loud report. It was humbling evidence that there's no such thing as implosion-proof tube.

In repeated later demonstrations, no violent implosion was produced—and Corning said that some 300 tubes had successfully been put through implosion tests. Actually, said Corning spokesman, even the violent implosion at the demonstration would have passed UL requirements. Consensus of observers was that one piece of glass was expelled 3-4 ft. by implosion. Corning explained that pendulum-supported weight hadn't been dropped straight during demonstration.

We found tube manufacturers impressed, by & large, with possibilities of Shelbond, despite psychological stigma imposed by violence of demonstration test. Said one tube maker official, who witnessed demonstration: "We will aggressively go out and sell this thing." Two others said that its promise of savings may well guarantee its adoption by industry.

Preliminary cost estimates given to tube makers by Corning indicated that, excluding overhead but including 4% shrinkage, 19-in. Shelbond tube should cost 76¢ more to make (in materials plus \$2-an-hour labor) than standard heavy tube. Materials alone (steel shell, gasket, resin) will cost about 50¢ for 19-in. tube, 45¢ for 16-in., 65¢ for 23-in., according to Corning estimates. Corning will supply steel shells for tube, making them available independent of bulbs.

Corning revealed that new system is based on French Solidex tube, developed by Corning affiliate in France, but is simpler in several respects, including lack of "sock" around funnel. As Corning explained reasons for system, it said it was addressing itself to "severe cost squeeze on black-&-white sets" due to imports and competitive conditions, particularly "in the small set area, where cost is paramount." Corning will make shells for 11-in. tubes if demand is great enough.

Further improvements to Kimcode may be on way, too, according to developer Owens-Illinois Glass Co., which says even greater cost reductions are possible. O-I Industrial & Electronics Div. vp-gen. mgr. John P. Kearney made this statement to us about Shelbond: "Owens-Illinois has not had any samples of Corning's Shelbond version of an integrally safe tube to test and therefore cannot comment on the details of the system or how it measures up to the claims made by the innovator.

"If Shelbond performs as the sponsor claims, and the costs have been reduced as indicated," said Kearney, "we feel that this is a further refinement of an integrally safe system made possible by the successful pioneering efforts of Kimcode and should be considered a step in the right direction. The ultimate in cost reduction has undoubtedly not yet been reached, and as new approaches and materials emerge, additional improvements to the basic concept introduced by Kimcode will become available for the benefit of the in-

dustry and the public." Kimcode tubes are now being used by Curtis Mathes and in all of GE's new 23-in. sets. Remainder of sets use external implosion protection or bonded tubes.

Bonded tubes, in fact, have achieved unparalleled acceptance this year—both Corning's & Pittsburgh Plate Glass's approaches. All OEM picture tube manufacturers now make both types—last holdout against PPG laminating process, Westinghouse, having recently added it.

Timing of Corning's introduction was considered by tube makers to be perfect for preparation for next spring's set introductions. Although incident at demonstration will undoubtedly be discussed & mulled for some time, tube makers who favor the approach point to UL's acceptance of system and predict use of new process in about a year.

RCA finally unveiled its modifications of Kimcode approach. For details, and UL's comments on picture-tube implosion tests, see story on p. 11.

JAPANESE TV SETS NEARING UL APPROVAL? Although no Japanese TV set yet has received coveted safety seal of approval of Underwriters' Labs (Vol. 3:8 p8), Nippon TV makers are making steady progress to correct this situation.

Several Japanese TV sets are now under investigation at UL's N.Y., Chicago & Santa Clara, Cal. labs, we were told by Leonard Horn of UL's Chicago facility. "A couple are coming close to approval," he said, "but are not there yet."

Communication is major roadblock to UL approval of Japanese sets, he told us. "We have great difficulty transmitting information back and forth. Japanese manufacturers use lots of plastic materials in their TV sets. It is difficult for us to learn what types and families of plastics are being used."

Horn told us that the Japanese have solved the onetime-major deterrent to UL approval. "Their big problem used to be in hook-up wires & cords," he said. "That's been corrected and they now have labeled wires & cords. The big problem today is one of communication."

TV-RADIO PRODUCTION: EIA statistics for week ending June 14 (24th week of 1963)

	June 8-14	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	146,771	112,241	132,617	3,161,724	3,028,599
Total radio	338,147	321,962	335,453	7,905,020	8,532,169
Auto radio	135,681	132,711	122,609	3,502,301	3,003,633

Merger of Wilcox Gay Corp. and American Television Corp., 2 old-time TV industry names, is under negotiation and would result in new consumer electronics firm. Wilcox Gay Pres. Leonard Ashbach would head merchandising & sales, ATC Pres. U. A. Sanabria manufacturing & engineering, under proposed merger, which would result in firm selling equipment under De Forest and Majestic brand names. Meanwhile, there were reports that Wilcox Gay subsidiary Majestic International would be replaced as U.S. distributor of Grundig products by new Grundig subsidiary Grundig-Triumph-Adler Sales Corp., 845 Third Ave., N.Y., now headed by Gen. Mgr. John P. Ryan, ex-Magnavox sales vp.

Philco has established new branch distributor in Pittsburgh, taking over assets and retaining most personnel of its former independent distributor J. E. Miller Co. George B. Strotmeyer, ex-Philco District rep in Pittsburgh, is new gen. mgr. of branch.

Ford Motor Co.'s Aeronutronic Div., employing 2,500 at Newport Beach, Cal., will become a div. of Philco. Gen. mgr. John B. Lawson has been elected a Philco vp.

May TV sales were up nearly 20% over May 1962, at distributor-to-dealer level, according to preliminary unofficial figures, while radio sales plunged 25% below their year-ago level. Black-&-white TV sales estimate for May: 372,000 vs. 311,000 in May 1962; for 1963's first 5 months they were 2,409,000, up nearly 8% from 2,244,000 in same 1962 period. Radio sales for May: 596,000 vs. 772,000; for 5 months, 3,121,000, down 17% from 3,760,000 in 1962 period. TV inventories at manufacturer & distributor level were down 11% from 1962 at end of May, despite sales increase. Radio inventories were down less than 14%, although sales dipped 17%.

Admiral distributor orders for consumer products for June-Aug. are 12% higher than last year's shipments, according to Sales vp Ross D. Siragusa Jr. B&w orders are up 21%; color TV lines will be kept operating during July 1-15 vacation shutdown to meet schedules. Admiral's employment reached record 2,700 in June.

Warwick Electronics Inc. is new name of Warwick Mfg. Corp., Niles, Ill. consumer electronics manufacturer controlled by Sears Roebuck.

EIA CONVENTION: "Govt. has a primary responsibility to do everything possible to increase the number of uhf stations," otherwise "many purchasers of all-channel sets will be paying for a uhf tuner which they may never have an opportunity to use." So said Morris Sobin, Olympic pres. & EIA Consumer Products Div. chmn., in annual report at 39th annual EIA convention (p. 7).

Picking up theme of excise tax repeal, he continued: Congress could "alleviate the penalty" on set owners in non-uhf areas by removing 10% tax. "Removal of this tax would reduce the retail price of all-channel TV sets to the approximate price of a vhf receiver . . . We recognize the chicken-&-egg relationship between broadcasters & set owners in this situation." Among Consumer Products Div. actions at convention:

(1) Voted increase for EIA's International Dept. to gather information on overseas purchases of consumer products by military PX's. "When we get this data," Sobin said, "we'll present it to the Pentagon to see if we can get a fairer shake on this business."

(2) Stood pat on its hi-fi definition submitted to FTC despite latter's request for reconsideration in view of objections from other groups.

(3) Decided to issue yearly reports on new FM stereo stations instead of quarterly.

Sales forecasts: 1963 sales of b&w TVs this year are expected to slip slightly from 1962 to 6.5 million units & \$810 million, Sobin said. Radio sales, including auto—19.1 million units & \$385 million. Phonos—5.2 million units & \$408 million. EIA also estimated that 52% of total factory sales of 1.4 million radio-phono combos will have FM stereo; 46% of 280,000 TV-radio-phono combos.

Failure rate of electronic firms rose to record 88 manufacturers & 39 distributors in year ended March 31, Credit Committee Chmn, John S. Reesor reported. No TV makers were among failures. "Lack of adequate management was most important contributing factor" to failures, he said. In preceding year, failures included 56 manufacturers & 37 distributors.

Distributor Products Div. has been established by EIA, as outgrowth of Distributor Relations Committee, to improve relationship between manufacturers & their distributors. Although membership could include consumer products manufacturers, it's expected that group will comprise manufacturers who sell to tubes & parts distributors. New division will meet before Sept. EIA meeting to organize & elect officers.

EIA elections: Consumer Products Div.—Morris Sobin reelected chmn. Elected dirs.: Orphie R. Bridges, Arvin Industries Consumer Products vp-gen. mgr.; Grant Gardner, Wells-Gardner pres.; Gen. George F. Smith, Magnavox Govt. & Industrial Products Div. vp-gen. mgr. One vacancy exists on board. Replaced on board were Robert Alexander, formerly Wells-Gardner; Robert S. Bell, Packard Bell; Martin J. Caserio, Delco Radio Div.; Frank Freimann, Magnavox. **Parts Div.**—J. A. Milling, pres., Sams Div. of Howard W. Sams, elected chmn. **Tube Div.**—Frank Randall, Ampere pres., elected chmn.

Added to EIA Board: Merle W. Kremer, Sylvania, representing Tube Div., succeeding George W. Keown, Tung-Sol. Bell's vacancy for Consumer Products remains.

Emerson's New Lines: Emerson showed distributors its longest lines in years at Miami Beach last week (see p. 7). Top of 19-in. line continues to be remote-control model which listed last year at \$199.95 and now carries open list. Its 23-in. sets begin with \$169.95 "portable," and consoles are priced \$199.95-\$279.95. One 27-in. console is held over (open list).

Emerson has 3 color sets, all open list, beginning with genuine-wood cabinet console designed to sell around \$499, with top of line at about \$699. Long phono line has some unique features, including swing-down mono unit with tone control at \$24.95, portable with AM radio at \$34.95, manual stereo unit at \$34.95, portable phono with AM & FM stereo at \$149.95.

Phono consoles begin at \$79.95, first FM-stereo console at \$169.95. Radio prices showed some declines, with 8-transistor miniature now \$14.95, high-end 9-transistor pocket set at \$39.95. Telectro tape recorder line has 10 models, \$79.95-\$399.95, features furniture styling. Unique mono unit at \$179.95 has built-in FM tuner for direct recording of radio.

Only major lines yet to be introduced are Westinghouse (next month at Music Show); Motorola, which will make announcement concerning its line this week at simultaneous press luncheons in N.Y. & Chicago; Du Mont, which will be shown in distributor meetings in N.Y. (June 25-27), Chicago (July 9-10) & Los Angeles (July 17-19).

Packard Bell has quit EIA—"In sorrow, not in anger," according to Pres.-Chmn. Robert S. Bell, who was EIA Senior vp and served on board for 14 years. Resignation in part was due to Packard Bell's long-standing dissatisfaction with association's dues structure, which, Bell maintains, places "too heavy a burden on the medium-sized company." In addition, Packard Bell felt manufacturer association should have "better participation of industry" (Zenith, Admiral & Emerson are not members). He praised EIA's recent promotional campaign on FM stereo and expressed regret that Consumer Products Div. declined to sponsor recently proposed educational drive to explain all-channel law and similar activities. He told us he hopes resignation will serve as "catalyst" to help form EIA into stronger & more equitable organization, and that Packard Bell is willing to rejoin when aims are achieved. It will continue in EIA market data pool.

"Simpler approach to all-channel reception" is most imminent need of consumer electronics industry, Admiral Chmn. Ross D. Siragusa told engineers in luncheon address last week at IEEE Chicago Spring Conference on Broadcast & TV Receivers. Management is not as concerned about public reaction to higher set prices necessitated by all-channel law, he said, "as it is about the passive attitude displayed by tuner engineers looking for solutions to mutual problems." Siragusa also made these points: (1) "CBS affiliates and the network are not fulfilling their obligation to the public and are contributing to a major color TV blackout that is not in the public interest." (2) New consumer applications must be found for TV which will sharply increase number of multi-set homes. (3) Technical staffs must become more consumer-oriented in their approach to product planning. (4) Too few engineers are taking advantage of opportunities—such as Admiral's tuition aid program—to keep abreast of newest developments in their own fields.

RCA'S ANTI-IMPLOSION TUBE: Improved rim-band, Kimcode-type TV picture tube that will "reduce spontaneous implosions to the vanishing point" was described & displayed by RCA at IEEE's 4th Chicago Spring Conference on Broadcast & TV Receivers.

Instead of Kimcode's crimped pressure-band, RCA's version, named Pan-O-Ply, uses welded rim band. C. T. Lattimer of RCA's Marion, Ind. tube plant, in technical paper before conference, said new tube has greater reliability than Kimcode, that single-thickness metal weld is as strong as surrounding material, that weld provides markedly greater strap strength & protection from breakdown under implosion than Kimcode's crimping. Weld also permits cutback of band, exposing more viewing area on tube face.

RCA will commence production of Pan-O-Ply tube by late summer and, we were told, welded innovation should have no effect on production cost, either up or down, compared with Kimcode.

We asked D. Y. Smith, RCA electronic components & devices vp-gen. mgr., if advent of Corning Shelbond tube (story p. 9) would affect RCA production plans. "We just heard about the Shelbond tube," he said, "and we're ready to move on the Pan-O-Ply. However, I can tell you this: If Shelbond does the job and is cheaper, we'll move into it."

RCA has obtained verbal UL approval of its new rim-band tube, but Leonard Horn, of UL's Chicago facility, would make no comment on Lattimer's claim that new tube would eliminate spontaneous implosions.

Horn, who delivered technical paper on UL's activities before conference, later told us: "We're obviously more worried about these unprotected picture tubes. Although some manufacturers think we're too stringent, I would not say that we're tougher on Kimcode tubes. Our philosophy is that anything is fair in producing an implosion—and we try anything. Until they're made of cast iron, picture tubes are going to implode—and we want to know how and why."

UL hits rim-band tubes harder, with heavier object and in different ways to produce implosion. Standard tube test calls for 2-in. steel ball bearing weighing 1.8 pounds to be applied to tube face with 5-ft.-lb. wallop. Kimcode tubes are belted with 5-pound missile applied with 15-ft.-lb. force. "And they implode," Horn said. "We feel obligated to do more to test these tubes because there's no protecting shield between the tube face and the public. Testing such tubes by hitting them with the handle of a vacuum cleaner is not the answer, because most implosions are spontaneous and occur at night, when the set is off & the family sleeping."

Lattimer, in his paper, said RCA had conducted "drastic" tests with 200 19-in. rim-band tubes. Some 10-20% imploded with loud noise, he said, but none failed UL tests.

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Uhf, tuners, transistors, and all-transistor RCA TV set were main topics of conversation at Chicago Spring Conference.

Admiral Pres. Ross D. Siragusa's appeal (story p. 10) for industry to come up with improved & simplified all-channel tuner underscored fact that tuner makers already

are at work on problem—but consensus is that answer is still 2-3 years away.

"It will be at least 2 years before industry can come up with a single tuner for uhf & vhf," we were told by one tuner engineer, "and it will cost more than the price of 2 single tuners. We could build today a continuous all-channel tuner with 3 transistors—but it would be more costly than 2 piggy-back tuners, and couldn't match their performance."

TV engineering manager of major set maker told us, however: "I see no reason why we shouldn't have an all-channel tuner by 1965 at the latest; it will cost only 10-20% more than a single tuner."

Charles R. Gray, commercial engineering mgr. at Philco's Lansdale Div., forecast in address to conference that TV sets will be next mass-produced electronic product to run on transistors. RCA went one step further by describing development of a working 19-in., line-operated, 114-degree all-transistor TV set—and demonstrating it in its private suite.

RCA set is purely experimental, and purpose, we were told by RCA engineer C. F. Wheatley, was to see if circuit & design-techniques could be developed to reduce cost of all-transistor set without impairing quality. Although RCA would say only that the exercise had reduced cost from "very high to not so high," we got more precise estimate from another source. Executive of set maker whose engineers had witnessed demonstration of set told us that they costed it out to \$6.15 more than comparable tube TV set. RCA set uses 23 transistors, 14 diodes & high voltage rectifier.

Sylvania color tube engineering samples are now being shipped to receiver makers for evaluation, Vp-Gen. Mgr. Walter A. Weiss announced last week. Sylvania is expected to begin production of 21-in. 70-degree round color tubes this fall.

Trade Personals

Robert L. Shaw, former pres. of Sylvania Home Electronics Corp. and ex-vp of Admiral & Du Mont Emerson, named pres. of Hupp Caribbean Corp., new distributing firm formed by Hupp Corp. in Puerto Rico (Sylvania, Gibson, Perfection, Easy products).

James J. Shallow, onetime vp-gen. mgr. of Columbia Phonographs, June 29 completes 2-year assignment as Magnavox marketing coordinator, returning to management & marketing consulting with hq at 125 Farwood Rd., Philadelphia 51.

Hajime Kurose, former heavy apparatus sales mgr., named Tokyo Shibaura Electric Co. (Toshiba) gen. mgr. for U.S. & Canada, hq at 530 Fifth Ave., N.Y. 36.

Martin Codel, consultant on international TV-radio manufacturing & broadcasting, back in Washington after 4½-month study of 13 Asian countries.

F. J. Dunleavy elected exec. vp, ITT-Europe, succeeding **Charles G. Sherwood**, who returns for ITT assignment in U.S. . . . **John H. Miller**, RCA Communications vp, elected Brown U. trustee . . . **Meyer Leifer**, ex-Ampex, returns to Sylvania as dir. of Systems Engineering & Management Operation, Waltham, Mass. . . . **Dr. William E. Shoupp**, Westinghouse Research Labs vp-gen. mgr., installed as vp, American Nuclear Society.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Avco	1963—6 mo. to May 31	\$ 246,280,713 ¹	\$ 23,181,776	\$ 11,156,776 ¹	\$1.00	11,195,514
	1962—6 mo. to May 31	185,698,585	17,473,125	8,373,125	.77	10,886,109
Hallicrafters	1963—9 mo. to May 31	49,204,000	3,101,000	1,529,000	.60	550,000
	1962—9 mo. to May 31	51,417,000	2,871,000	1,384,000	.55	542,000
Lab for Electronics	1963—year to Apr. 28	60,901,000	—	(340,000) ²	—	1,298,087
	1962—year to Apr. 28	61,482,000	—	102,000	.08	1,298,087

Notes: ¹ Record. ² After \$329,000 tax credit.

Philco has taken over John M. Otter Companies, its former independent distributors in Philadelphia, N.Y. & Newark, after negotiations which started in early spring (Vol. 3:14 p14). The companies will be operated as Philco Distributors Inc. branches, with Bruce Lambert, ex-Philco national radio sales mgr., heading Philadelphia branch, Wallace W. Myers & Robert Furlong continuing as managers of N.Y. & Newark branches, respectively. Answering frequently-asked question, Philco said Otter firms' fair-trade minimum pricing would be maintained by the new branches.

A&P stores in N.Y. area are test-marketing 6-transistor Realtone radios at \$7.95. Realtone, entering TV market, feels that supermarkets & drugstores are ideal outlets for tinyvision and other consumer electronic "impulse" items (Vol. 3:24 p11).

Sears Roebuck's new catalog lists 7 color TV sets at \$499.95-\$579.95, although its retail store prices, in many cases, are lower. During debut of Admiral's \$399.95 color set in Buffalo market, local Sears stores advertised color at \$369.95.

Taft Bestg. executives' salaries & stock holdings, as listed in proxy statement for July 9 stockholders meeting: Chmn.-Pres. Hulbert Taft Jr., \$52,819 & 119,735 shares of common; exec. vp Lawrence H. Rogers II, \$42,391 & 3,510 shares; vp Kenneth W. Church, \$57,222 (annual salary of \$30,000 plus commissions on national ad sales). Salaries are for fiscal year ended March 31; stock ownership is as of April 19.

TelePrompTer reported first-quarter loss of \$80,687 on gross revenues of \$1,242,995. Company said loss reflects expenses & production decreases while relocating 3 divisions at Cherry Hill, N.J. March operations were in the black. No comparable 1962 figures are available.

Mitsubishi Electric has placed privately with U.S. investors \$13.5 million of 6½% convertible debentures due 1978. Financing, first for Japanese firm in U.S., was arranged via Kidder, Peabody & Co.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk.of Record
CTS Corp.	Q	\$0.12½	July 19	June 28
Motorola	Q	.25	July 15	June 28

Republic Corp. earnings in 1963 fiscal year ending Oct. 27 should rise to 80-85¢ a share from 56¢ a year earlier on sales gain to about \$47 million from \$43.3 million, Chmn.-Pres. Victor M. Carter told N.Y. Society of Security Analysts. For fiscal 1964, he forecast earnings of more than \$1 a share on sales in excess of \$50 million. Carter said Republic's appliances-manufacturing Gaffers & Sattler Div. accounts for about half of company's sales & "a significant share of profits," noted also that the Consolidated Film Industries Div. is major factor in gains.

Trav-Ler Industries' sales in fiscal 1963 ended April 30 dropped 10% from year-earlier's record \$25.1 million, and earnings lagged behind fiscal-1962's \$639,499. Pres. Joe Friedman expects about-face in fiscal 1964, forecasts record sales & earnings. Factor in decline was nonrecurring costs of introducing color TV. He said some 90% of this year's scheduled production color sets has been sold and color TVs contribute \$3.5-5 million to Trav-Ler's total TV set volume this year.

Reports & comments: Avco, research study, McDonnell & Co., 120 Broadway, N.Y. 5; review, Purcell, Graham & Co., 50 Broadway, N.Y. 4 • Disney Productions, review, Courts & Co., 11 Marietta St., N.W., Atlanta 1 • Crowell-Collier, discussion, Hayden, Stone & Co., 25 Broad St., N.Y. 4 • CBS, report, McDonnell & Co., 120 Broadway, N.Y. 5 • GT&E, analysis, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5 • Warner Bros. Pictures, discussion, Pennington, Colket & Co., 70 Pine St., N.Y. 5.

Capital Cities Bestg. 2nd offering of 250,000 shares of common stock (Vol. 3:20 p15), at \$22.75 each, has been placed on market by group headed by White, Weld & Co. Proceeds will accrue to selling stockholders. Among them: Lowell Thomas, selling 64,000 shares & holding 52,764; Chase Fund of Boston, selling its complete holding of 50,000 shares.

Sterling TV has been merged into Walter Reade/Sterling following approval of stockholders of both companies. Walter Reade/Sterling had acquired 94.6% ownership of Sterling TV last August through a stock exchange. Chmn. Walter Reade Jr. told special stockholders meeting that company would earn "minimum" 25¢ per share this year.

Globe-Union has placed privately \$5 million of 20-year, 4½% promissory notes. Financing, negotiated by Goldman, Sachs & Co., will be used to retire existing debt & for general corporate purposes.