

Television Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: NO. 32

SUMMARY - INDEX OF THE WEEK'S NEWS—August 6, 1955

REVOLUTIONARY RADIO communication system put to work by military far ultra-reliable long-distance use. TV may use it to span oceans & continents (pp. 1 & 8).

HOTEL & MOTEL ROOMS increasingly important outlets for TVs, same 10-15% of them now equipped; how the business is handled (p. 2).

FEATURE FILM FEVER grips networks, eyeing success of "Million Dollar Movie." CBS & NBC may underwrite or produce movies for TV first, theatres later (p. 3).

INITIAL DECISION favors Piedmont far Charlotte's Ch. 9; Clarksburg case wait with sale of station & CP; Congress leaves protest rule unchanged (p. 4).

ALLOCATIONS PLANS studied at all levels—include off-record FCC-RETMA session, new low-power vhf drop-in plan, Jan. 17 start of Senate hearing (p. 5).

CANADA'S 28th TV goes on air in St. John's, Newfoundland. New stations due to start next week in Petersburg-Richmond, Va. and Lufkin, Tex. (p. 7).

AUTO INDUSTRY offers guidance far repeat TV sales: liberal trade-ins, restrictive franchises, greater use of accessories. Admiral ups prices (p. 9).

MERGERS ACCELERATE, with "diversifications" the aim as big companies enter electronics; Avco again denies it's selling Crasley stations (p. 12).

TRANSISTORS REPLACE TUBES in avian gear, survey showing 33% of sockets in equipment now under development are designed for tube substitutes (p. 12).

RCA-NBC COLOR CAMPAIGN evokes varying reactions; Dr. Baker skeptical, another manufacturer calls it "first real step"; good discounts on sets (p. 13).

NETWORK TV BILLINGS nearly \$200,000,000 far 6 months, may approach \$500,000,000 far year; PIB report shows radio down about \$6,000,000 (p. 14).

FILM ACTORS STRIKE won't seriously affect fall programming unless it continues far lengthy period. Prospects far immediate settlement are slim (p. 14).

REVOLUTION IN THE ETHER—VHF-UHF 'SCATTER': The hottest thing in radio communications -- and you'll be hearing plenty about it in coming months -- goes under the name of "forward scatter transmission," now in practical use by the military to transmit vhf signals for distances up to 1000 mi. and uhf as far as 400 mi. or more, both without intermediate relay hops.

The truly sensational aspect of the new type of transmission is this: For the first time, long-distance point-to-point radio systems are being built which are designed not to fail at all -- with reliability so close to 100% as to make radio communication even more dependable than wire or cable!

Its practical uses today are entirely military -- but AT&T is now conducting uhf scatter experiments with TV signals -- and scientists envision the new method as the vehicle by which TV will some day span oceans and continents.

First public revelation that scientists had harnessed "scatter" principles for long-distance radio communication was made by Television Digest on April 26, 1952 (Vol. 8:17) when we reported exclusively that the National Bureau of Standards was receiving vhf signals 774 mi. from transmitting point -- and the signals were constantly receivable "irrespective of season, time of day or geomagnetic disturbance."

Progress has been tremendous in the 3 years since that announcement. For the last 18 months, Air Force has been operating high-reliability vhf radio link, carrying multi-channel teletype transmissions, from Limestone, Me. to Thule, Greenland, over series of relays whose longest hop is 1000 mi.

Scatter transmission is used to connect stations in Arctic continental defense radar "DEW line." Bell System has installed another multi-channel system for military use, with uhf relay hops as great as 225-250 mi. The new "Texas Tower" offshore radar stations will be linked to mainland by many-channel scatter hookup, designed with standby equipment for reliability of 99.9% or better.

TV signals are being beamed over the horizon by Bell Labs and AT&T for distances as great as 200 miles in experiments described at this year's IRE convention

(Vol. 11:13). AT&T is now operating experimental uhf TV relay from Florida to Cuba. It should be borne in mind that scatter is useful only in point-to-point communications, and that home viewers' receivers won't pick up such long-distance signals.

(For description of "scatter" principles, etc., see story on p. 8.)

HOTELS & MOTELS—A GROWING SET MARKET: With little fanfare, a few set manufacturers and a handful of special lessors have been diligently and successfully working a vein of receiver and other equipment sales & servicing that seems to have plenty of potential in it yet -- namely, hotel and motel installations.

Though statistics are extremely difficult to pin down, it's estimated that there are some 2,750,000 hotel-&-motel rooms in the nation, and that not more than 10-15% have been equipped with TV sets.

Accentuating role of TV in recent years is fact that struggle between hotels and motels has become extremely intense, each seizing upon every feature that promises to enhance its appeal to the traveler -- and TV is a valuable "weapon."

It's estimated hotels have 1,500,000 rooms, motels a surprising 1,250,000. Last Census Bureau figures, 1948, show 8664 hotels with 50 or more rooms. There were only 25,919 motels then, but there are believed to be 48-50,000 now, growing at rate of 3000 a year -- most new ones having 50 or more rooms.

Hotel-motel business is handled by 3 principal methods: (1) Outright purchases of sets and associated equipment direct from manufacturers, practiced mainly by the major hotels. (2) Leasing arrangements with special contractors, by large & small hotels. (3) Leasing or coinbox deal with local distributors & dealers, a method employed generally by motels.

Penetration of hotels is much smaller than motels, percentagewise. Arthur J. Moxham, pres. of Master Video System, a major lessor, estimates less than 5% of all hotel rooms are equipped. Milton Shapp, pres. of Jerrold Electronics, installers of master antenna systems, believes 300-400 hotels are wired up, while E.M. Lurie, pres. of contractor American Communications Corp., sets higher figure -- 500-600.

Motel installations are really burgeoning. According to D.J. Berne, mgr. of RCA's sound & community antenna equipment dept., virtually all new motels are building in master systems and supplying sets. It's estimated that 3000 new motels provide potential of 150,000 new set sales annually.

Interest of hotel managers is growing, nonetheless. One contractor says he made 2000 set installations last year, expects to hit 5000 this year. Potential isn't merely in old or small hotels. For example, James B. Morris, mgr. of Washington's new Congressional, near the Capitol, says apologetically: "We're up-to-date in all respects, with air-conditioning, etc., but we missed putting in TV, and we have to do so soon. We've been renting sets, but our modern steel construction makes rabbit ears ineffective."

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Majority of hotel installations are made on lease basis, hotel buying no sets but laying out flat sum per set -- by year or by day of room occupancy. Daily fee ranges 20-50¢, depending on size & construction of hotel, kind of set, etc.

One lease operator gives this breakdown of his costs on recent job, figuring on a 5-year basis: \$140 for a set, \$85 antenna & installation, \$125 servicing, \$50 carrying charges -- total \$400 (22¢ per day per set over the 5 years). Hotel paid \$450 (25¢ per day), giving operator net of \$10 per year per set. Jerrold's Shapp estimates cost of installing master systems at \$20-\$50 per room.

Some of major Statler hotels have bought own sets. W.R. Lever, chain's engineering v.p., says they write own specifications for sets, antennas & service, then get competitive bids. As result, Statlers bought DuMont for New York, Boston and Hartford, RCA for Los Angeles and Washington. Among big hotels on lease basis is New York's Waldorf-Astoria, working through Master Video Systems, which provides sets made by CBS-Columbia. (For list of major lessors, see p. 14).

Cost of TV is almost always included in hotel room charge. Some hotels raised rates when TV was added, others didn't. Few use coin-operated sets.

Older motels rely heavily on coin sets, on other hand. With somewhat less solid financing, they were generally unable or unwilling to undertake outright pur-

chase or fixed rental fees. They're usually served by local distributor or dealer who handles everything, gives motel 10-25% of gross. Newer motels, however, are getting away from coin sets -- becoming more and more like hotels. Master antenna for motels is often simple installation handled by local men, whereas hotel systems frequently pose major construction and engineering problems.

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Most common hotel set is 21-in., motels leaning toward 17-in. Consoles are preferred, with consoles going into fancier suites. Color is still no factor, though new antenna systems are designed to handle it.

Some outfits offer TV-only, others TV-radio-wired music set or even a TV-dresser-desk such as Wells TV Inc. is promoting. Other modifications may include tamper-proof back and limited volume control -- and sets are usually sturdier, featuring cabinets that resist burns and stains.

Servicing is extremely important, of course, to keep the guests happy. Most hotel contracts call for full-time serviceman for spot repairs and regular checks. In Washington's Statler, for example, serviceman handles 850-set installation from 9-5, house electrician taking over after-hours, doing no repairs but substituting one of 20 spare sets for any that go on the blink.

'FEATURITIS' GRIPS THE TV NETWORKS: The networks are out after top feature films for showing during prime evening hours -- even if they have to make them themselves.

It was General Teleradio's "Million-Dollar Movie" series which convinced the networks that "movies are your best entertainment" -- even in Class A time -- if they're top-notch feature films. So successful were the "Million-Dollar" features that Teleradio first tried to buy out RKO's feature backlog, ended up by buying the entire motion picture company (see p. 7 and Vol. 11:30-31).

NBC-TV was actually the first network to announce feature film spectaculars when it broke stories on its coming TV premieres of British-made Richard III and The Constant Husband before their American theatrical showings (Vol. 11:23,26). It also plans spectacular featuring star-studded British oldie, The Magic Box -- which, incidentally, traces the history of the motion picture industry.

Then came ABC-TV's entry into the spectacular field -- to begin next fall -- via Sun. 7:30-9 p.m. series of new-to-TV J. Arthur Rank feature films (Vol. 11:31).

But now something new has been added -- the do-it-yourself feature film. The networks' reasoning apparently runs this way: If we can't get first-run features, why not make our own, show them on TV first, and later try to recoup some of our investment by peddling them to theatres? No doubt they bear in mind the success of Walt Disney's Davy Crockett in theatres after 3 runs on ABC-TV's Disneyland.

CBS seems to have led the way in the make-your-own-movies field. By putting a 90-min. spectacular on film, there's still something left to show again on TV -- or in theatres. So the network has already announced 2 Bing Crosby features and 6 Orson Welles productions, all 90 min. for first showings as TV spectaculars -- with theatre plans understood to be in the works if it looks profitable.

Biggest deal of all is now in negotiating stage between CBS chairman Wm. S. Paley and independent film producer Louis deRochemont for 3 full-length features to cost \$500,000-\$1,000,000 each on TV-first-theatres-next basis.

Another network venture into theatrical film production was revealed in this week's disclosure of long-term contract between CBS & United Productions of America for series of half-hour cartoon shows (26 next year) which eventually could wind up in theatres as short subjects. In addition, CBS will finance one UPA-produced full-hour cartoon for theatres. Whether the network will hold "second-run" TV rights to this feature wasn't disclosed.

NBC will make feature films too, if negotiations with Hal Roach Jr. and team of Laurel & Hardy bear fruit. Reportedly the plan is to turn out three 90-minute color films, NBC underwriting most of cost, for showing first as TV spectaculars, later in theatres abroad -- and domestically too, no doubt, if there's demand.

All of which suggests this interesting question: With networks apparently aiming to go heavily into feature film production, when will the movie exhibitors start crying for networks to release their backlog to the theatres?

Personal Notes: Louis G. Cowan, packager-producer (\$64,000 *Question, Down You Go, Quiz Kids, Stop the Music*), joins CBS-TV as fulltime producer in development of new programs; he retains his interest in Louis G. Cowan Inc., to be operated by new pres. Harry Fleischman & exec. v.p. Steve Carlin . . . Howard G. Barnes promoted to CBS v.p. in charge of network radio programs, succeeding Lester Gottlieb, now CBS-TV director of daytime programming . . . Ernest Lee Jahncke Jr., ABC v.p. & asst. to pres. Robt. F. Kintner, and Ned Hullinger, regional mgr., ABC station relations dept., return Aug. 15 from tour of affiliates in mountain states in connection with fall operations . . . Jack R. Poppele, assistant director of USIS (Voice of America) for TV-radio, left this week for 6-week tour of European offices . . . Wm. M. Davidson, asst. gen. mgr. of NBC's WNBK & WTAM, Cleveland, named asst. gen. mgr. of WRCA-TV & WRCA, N. Y. . . . W. C. Swartley, Westinghouse Bctg. v.p. & gen. mgr. of its WBZ-TV, Boston, elected pres. of Rotary Club of Boston . . . James J. Kane, CBS trade publicity mgr., N. Y., shifts to Hollywood as director of press information, succeeding Ted Wick, now handling special press projects . . . Gilbert W. Kingsbury, Crosley public relations v.p., assumes added management policy duties for news & special broadcast services programming; James E. Allen named director of special projects, succeeded as publicity & promotion director by James Bruce, program mgr. of WLWT, Cincinnati . . . Gene Cuny promoted to commercial mgr., KRLD-TV, Dallas, succeeding Wm. A. Roberts, now mgr. of AM affiliate KRLD . . . George Diefenderfer Jr., ex-Raymer, Chicago, and son of the NBC Chicago radio sales chief, named sales mgr. of WISH-TV & WISH, Indianapolis, succeeding Robt. F. Ohleyer . . . Wm. Geary promoted to station mgr. of WMGT, Adams-Pittsfield, Mass., succeeded as commercial mgr. by Allan L. Bonney, ex-WPMT, Portland, Me. . . . Roger Van Duzer, ex-KBET-TV, Sacramento, named station mgr. of KTVK, Phoenix, succeeding Ralph Watkins . . . Harry Stone, onetime mgr. of WSM, Nashville, recently with Texas & Arizona TV stations, named TV director of WSIX-TV . . . Wm. Grayson promoted to program mgr., WRC-TV & WRC, Washington, reporting to James E. Kovach, director of programs . . . James W. Frost, ex-sales development mgr., CBS Pacific network, named secy.-mgr. of Oregon State Bctrs. Assn., will also teach radio journalism at Oregon U . . . Richard A. Jackson promoted to public relations director, WOR-TV & WOR, N. Y. . . . Jack Gregory named Ziv western div. sales mgr., Allen Martini succeeding him as spot sales mgr. . . . Alfred Butterfield, ex-CBS-TV and *Life*, joins with Thomas W. Wolf, ex-Pathé and *Time*, to form Butterfield & Wolf Inc., packagers . . . Harold M. Tulchin, ex-Sterling TV Co., appointed commercial TV director & film dept. mgr., Hutchins Adv. . . . Gordon White, asst. business mgr., promoted to business mgr., TV-radio dept., Kenyon & Eckhardt . . . Sylvan Taplinger, TV-radio director of Peck Adv., recovering from emergency appendectomy.

Earl H. Gammons, who retires as CBS Washington v.p. Sept. 1, being succeeded by ex-NARTB govt. relations v.p. Ralph W. Hardy, is retaining offices at 1735 DeSales St. NW, and will continue to represent CBS in an advisory capacity, along with Storer Broadcasting Co. and ex-broadcaster John A. Kennedy, who recently acquired *Sioux Falls (S. D.) Argus*.

Aurele Seguine, 51, Canadian Broadcasting Corp., executive, a widower and father of 3 sons, became a Dominican monk Aug. 3—recalling that NBC's pre-war Central European correspondent, Max Jordan, quit that company about 5 years ago to become priest in Germany.

ONE INITIAL DECISION, proposing Ch. 9 grant to Piedmont Electronics & Fixture Corp., Charlotte, featured week at FCC which was relatively quiet because of commissioners' vacations. One CP was dropped—WTVM, Muskegon (Ch. 35).

Examiner H. Gifford Irion picked Piedmont over WSOC and Carolinas' TV Corp. WSOC was turned down primarily because of financial weakness, and Piedmont was found to have enlisted Charlotte stockholders who "have materially contributed to fashioning that applicant's proposals," as opposed to less such activity on part of Carolinas' Charlotte stockholders. Piedmont's Charlotte stockholders are headed by theatreman Hershell H. Everett; 40% is owned by Wolfson-Meyer theatre interests, owners of WTVJ, Miami. Carolinas' is also composed of 2 groups—Charlotte interests headed by dept. store owner George M. Ivey and Broadcasting Co. of the South, latter operating radio WIST, Charlotte and WIS-TV & WIS, Columbia (G. Richard Shafto).

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Celebrated Clarksburg, W.Va. case, in which Commission took such a lambasting from Appeals Court (Vol. 11:25), was rendered largely moot this week when stock of Ohio Valley Bctg. Corp. was purchased for some \$250,000 by owners of WSTV-TV & WSTV, Steubenville (Berkman-Laux interests). Purchase includes CP for WBLK-TV, Clarksburg (Ch. 12) & WBLK and radio WPAR, Parkersburg. It's presumed sale removes situation that invoked court's criticism—overlap with Wheeling's WTRF-TV, concentration of media ownership, etc. It also eliminates need for weighing role of Clarksburg community antenna system in Wheeling-Clarksburg overlap question. At direction of court, FCC had scheduled hearing on matter Sept. 15. Case was initiated by protest of WBLK-TV grant by *Clarksburg Exponent & Telegram*.

Meanwhile, Commission will have to live with protest section of Communications Act for at least 5 months more, Senate failing to act on House-approved modifications which had been requested by FCC.

There were 2 requests for allocations changes: (1) WNOW-TV, York, Pa. (Ch. 49) asked that its channel be swapped with Lancaster's Ch. 21. (2) WNAO-TV, Raleigh (Ch. 28) submitted an alternate method of de-intermixing—shifting Ch. 5 to Rocky Mount, adding a uhf channel to Raleigh for educational use, making Ch. 22 commercial.

New low-power rules, permitting stations as small as 100 watts, became effective Aug. 1 but no applications were filed this week. E. B. Craney, operator of KXLF-TV, Butte, Mont. (Ch. 6) announced he plans to file for satellites in Helena, Bozeman & Anaconda, but otherwise there are few such applications in the mill (Vol. 11:29).

Pentagon's tall-tower ban was overruled again this week in second initial decision by FCC examiner Hugh B. Hutchinson, who recommended that KGEO-TV, Enid, Okla. be permitted to move to 1356-ft. tower at new site despite opposition by 3 military members of Airspace Subcommittee (Vol. 11:11). Cunningham said evidence shows existing 816-ft. tower at present location presents greater air hazard than proposed higher one at new site. In a second issue, he found no evidence of an attempt to "straddle 2 communities" by moving tower closer to Oklahoma City. First case in which Hutchinson turned thumbs down on military opposition to high tower—that of KSWS-TV, Roswell, N. M. (Vol. 11:27, 31) is awaiting ratification by Commission, Pentagon having dropped its opposition.

VERY OFF-THE-RECORD meeting of FCC and top RETMA engineering officials, called by FCC Chairman McConnaughey July 21, day before he left for Europe, is only one of the many vhf-uhf allocations explorations going on—by FCC, by Senate Commerce Committee's ad hoc group of engineers, by private parties.

FCC-RETMA meeting is described as "extremely informal, exploratory," and it's understood that among ideas RETMA was asked to ponder was concept of eventually moving all TV to uhf. Sitting in for FCC with McConnaughey were Comrs. Webster, Bartley & Mack, chief engineer Edward Allen, technical research chief Wm. Boese. Representing RETMA were engineering director Dr. W. R. G. Baker, GE; Donald G. Fink, Philco research co-director (also secy. of Senate ad hoc committee); James Secretst, RETMA exec. v.p.

Another effort to produce vhf "drop-ins", via the reduced-mileage and low-power route, was made this week. Law firm of Welch, Mott & Morgan and consulting engineer John Mullaney submitted to FCC a "Supplemental VHF Allocation Report."

Essence of report is similar to proposals submitted previously by uhf grantees & applicants in Canton, O.; Bridgeport, Conn. & Asbury Park, N. J. and by UHF Industry Committee: (1) FCC rules provide for certain minimum co-channel spacings—170-mi. in Zone I, 190-mi. Zone II, 220-mi. Zone III. (2) Specific allocations are actually spaced much greater than those minima—about 250-mi. in Zone I, for example. (3) Therefore, why not put in new low-power stations with less than present spacings—provided they cause no more interference to existing stations than would full-power stations at 170, 190 or 220-mi.?

Mullaney notes that proposal follows ex-Comr. Robert Jones' thinking at time he dissented from final allocation plan in 1952—the "full triangular lattice" theory. Mullaney says Jones' predictions were "absolutely right."

Negotiating to buy WFBG-TV, Altoona (Ch. 10), and radio WFBG, Triangle Publications Inc. (WFIL-TV & WFIL, Philadelphia, *Philadelphia Inquirer* and *TV Guide*) is aiming at ownership of maximum number of TV stations. "It's far from a closed deal," says WFBG-TV v.p. W. Stanley Truby, indicating some negotiations have been held with other interests and that an impending tax ruling from Internal Revenue Bureau may be the deciding factor on whether station is sold. He didn't disclose proposed price. Already this year, Triangle has bought WNBF-TV, Binghamton (Ch. 12) with radio WNBF for \$3,000,000 (Vol. 11:11, 19), and off-air WLBR-TV, Lebanon, Pa. (Ch. 15) for \$115,000 plus \$125,000 in equipment obligations (Vol. 11:27). Triangle intends to put latter back on air after FCC approves purchase.

T. B. Lanford buys W. H. Allen's 52% of KALB-TV, Alexandria, La. (Ch. 5) & KALB, bringing his holdings to 97.2%. Allen gets \$150,000 clear, Lanford paying taxes incurred by sale; Allen is also retained as adviser at \$1000 monthly for 30 months. Lanford owns 1/3 of KPLC-TV & KPLC, Lake Charles, La.; 13.8% of WJTV, Jackson, Miss.; controls radio KRRV, Sherman, Tex. & KRMD, Shreveport, La.; has 23% of WSLI, Jackson, Miss. KALB-TV & KALB balance sheet for June 30 shows surplus of \$114,112 as of Jan. 1, \$29,246 profit up to June 30.

FCC members will have to wait until next session of Congress for that pay raise (Vol. 11:31). Various bills boosting salaries of top govt. officials were bypassed in rush to adjourn.

Important aspect of plan is assertion that it can be put into effect immediately, doesn't require rule-making. It's proposed that applicants simply apply wherever they choose—provided they tailor powers and heights to protect existing stations as much as they would be if full-power, full-height station were built 170, 190 or 220-mi. away. In brief, AM protected-contour principles would apply.

It's claimed that more than 200 additional vhfs could be dropped in this way, providing, among other things, a vhf channel for every uhf station that wants one. Uhf would be forgotten. Proponents say Comr. Lee is interested in plan; that Lee's engineering asst. Wm. Campbell has given them considerable help; that Congressional "sympathy" has been shown.

It's proposed that powers as low as 100 watts be permitted as close as 85.5-mi. from co-channel stations, though average Zone I Ch. 2-6 station would probably be about 125-mi. away. Typical adjacent-channel separation would be 31-33.5-mi. Also proposed is use of directional antennas, with suppressions up to 20 db. Mullaney says less than 30% of all new stations would need DA's.

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Senate Commerce Committee chairman Magnuson (D-Wash.), meanwhile, again needed FCC about action on deintermixture, stating: "The Commission has a real and moral responsibility to inform the public as quickly as possible as to what it expects to do on the question of selective deintermixture. Every day the Commission delays such a pronouncement, large sums of money continue to be invested by the public in converting or purchasing sets so that uhf signals may be received. Yet, if the experience of the past 2 years is any guide, many of these people may be making a futile expenditure." Clearly, the Senator likes deintermixture.

Magnuson also set specific date for start of hearings on his all-embracing study of TV—Jan. 17. With resignation of Sidney Davis (Vol. 11:31), Committee is looking for another counsel; ex-Sen. Clarence Dill, now a committee consultant, won't take the job.

FCC's equal-time rules on political broadcasts don't apply to foreign stations, Commission told Detroit lawyer Gregory M. Pillon who says he plans to be Congressional candidate next year. Pillon noted that UAW had shifted its *Meet the UAW-CIO* program from WJBK-TV to CKLW-TV, Windsor, Ont., and asked whether he'll be entitled to equal time if an opponent appears on the program. FCC said it has no jurisdiction and no international agreement covers the situation.

Radio station sale: WTRX, Bellaire, O. (1270-kc 1-kw, daytime) with WTRX-FM sold this week by Washington, D. C. businessman John Kluge, who also owns several other AMs, for \$85,500 to public relations counsel Robert K. Richards (former NARTB admin. v.p.) and Walter Patterson, both of Washington, owners of 2 W. Va. AMs. Sale was handled by Blackburn-Hamilton.

Kansas City Star was fined \$5000 and its advertising director, Emil A. Sees, was fined \$2500 this week for monopolizing and attempting to monopolize advertising & news in violation of Sherman anti-trust act. They were convicted of criminal charge Feb. 22 (Vol. 11:9), but companion civil anti-trust suit still pends. Pres. Roy A. Roberts stated appeal would be filed.

John Battison, the consulting engineer and onetime gen. mgr. of CHCT-TV, Calgary, has purchased KAVE, Carlsbad, N. M. (1240 kc, 250 watts, ABC), which holds CP for Ch. 6, and expects to move there from Washington this fall. Sellers are group headed by Val. Lawrence, gen. mgr. of KROD-TV, El Paso; purchase price was \$150,000.

Station Accounts: Spot TV pulling power will be subjected to 2 separate tests in coming weeks. Stations represented by CBS-TV Spot Sales are offering to advertisers a "Spot-Check Plan" in which a series of "before-&-after" interviews are conducted by independent research organization in large panel of test market homes to determine effectiveness of TV spots. First advertiser to use service is duPont, which on Aug. 29 starts 13-week campaigns on Jacksonville's WMBR-TV, Charlotte's WBTW, Galveston's KGUL-TV. Also, WRCA-TV will team up with Macy's and the Abraham & Straus dept. store "to test the selling muscles of TV" in 10-week spot campaign starting Aug. 15. Their schedules will cover 10 & 20-sec. station breaks & one-min. spots; station has assigned task force headed by Max E. Buck, director of adv., promotion & merchandising, to advise stores on getting maximum use out of TV, and stores will make public sales results of campaign as guide to other dept. stores contemplating use of TV. (For story of Revlon's big sales boost resulting from \$64,000 Question on CBS-TV, see adjoining column) . . . Top 25 spot advertisers in second 1955 quarter, with number of spot schedules and stations they used, as reported in July 25 *Rorabaugh Report on Spot TV Advertising*: Procter & Gamble, 32 schedules & 955 stations; Brown & Williamson, 5 & 422; General Foods, 24 & 334; Colgate-Palmolive, 18 & 277; Sterling Drug, 11 & 276; Block Drug, 17 & 234; Standard Brands, 7 & 216; U. S. Rubber, 19 & 201; National Biscuit, 14 & 187; Alka-Seltzer, 5 & 181; Bulova Watch, 1 & 180; Carter Products, 17 & 165; American Chicle, 9 & 163; Toni, 8 & 162; General Motors, 13 & 148; Purex Corp. Ltd., 7 & 142; Ford Motor, 6 & 141; Kellogg Co., 10 & 120; Chesebrough Mfg. Co., 2 & 116; M&M Candy, 1 & 116; S. C. Johnson & Son, 5 & 109; Nehi Corp., 6 & 105; Coca-Cola, 1 & 102; Welch Grape Juice, 8 & 102; General Mills, 16 & 101. New to the second-quarter list were U. S. Rubber, American Chicle, Purex, M&M, S. C. Johnson, Nehi, Coca-Cola, Welch . . . Falstaff Beer, in deal described as biggest local live purchase on West Coast, buys *San Francisco Tonight* variety show on KGO-TV for 52 weeks, Mon.-thru-Fri. 10:30-11 p.m., thru Dancer-Fitzgerald-Sample . . . Listerine to sponsor Instructo Corp.'s new Les Paul & Mary Ford show on 150 stations starting about Oct. 1, thru Lambert & Feasley, N. Y.; it will be filmed by DuMont's Electronicam . . . Ziv's upcoming 30-min. *Highway Patrol* has been bought in 75 markets, with 30-market purchase this week by Ballantine Beer, which also sponsors Ziv's *Eddie Cantor Comedy Theatre* in 28 markets; other regional sponsors of *Highway Patrol* are Kroger Stores, Pfeiffer Brewing, Carnation Milk . . . Among advertisers currently reported using or preparing to use TV station time: Colonial Stores Inc., Norfolk (Our Pride bread), thru Liller, Neal & Battle Adv., Atlanta; Jacobsen Mfg. Co., Racine, Wis. (power mowers), thru Klau-Von Pietersom-Dunlop, Milwaukee; Gaines Dog Food, N. Y., thru Benton & Bowles; Purex Corp. Ltd., South Gate, Cal. (clothing bleach), thru McCann-Erickson, Los Angeles; Church & Dwight Inc., N. Y. (Sal baking soda), thru Brooke, Smith, French & Dorrance, N. Y.; Power Products Inc., Grafton, Wis. (Super Jet paint sprayer), thru Seitz Assoc., Milwaukee; Charles Pfizer Co. Inc., Brooklyn (drugs), thru Wm. Douglas McAdams, N. Y.; Fisher Flour Mills, Seattle, thru Pacific National Adv., Seattle; Rosita Products Inc., Phoenix (Rosarita Mexican food), thru Curry Adv., Phoenix; Lay's Potato Chips, Atlanta, thru Liller, Neal & Battle, Atlanta; Coast Fisheries div., Quaker Oats Co. (Puss 'n Boots Cat Food), thru Lynn Baker Inc., N. Y.; Olin Mathieson Chemical Corp. (Winchester men's toiletries), thru Cunningham & Walsh, N. Y.; American Hardware Mutual Insurance Co., Minneapolis, thru Campbell-Mithun Inc., Minneapolis.

Network Accounts: Revlon's sales of cosmetics have increased as much as 500% on some items since it started sponsorship of highly-popular \$64,000 *Question* on CBS-TV 8 weeks ago, according to Norman B. Norman, exec. v.p. of Norman, Craig & Kummel, Revlon agency. He said Revlon's Pink Shade Lipstick "sold out in 10 days after start of the show," and company recently received largest number of orders in its history for a single day. Show has been particularly beneficial in smaller markets, he said. Show skyrocketed to No. 1 position in ARB ratings for July; Nielsen placed it No. 3 in TV homes reached, No. 4 in percent of homes reached for 2 weeks ended July 9 . . . Alcoa drops option on Tue. 10:30-11 p.m. time period on CBS-TV (where it sponsored Ed Murrow's *See It Now*); it will sponsor unusual "vertical saturation plan" on NBC-TV for one day only, Dec. 6, in which it will buy into 8 shows on behalf of "Christmas Creations of Aluminum"—2 partic. each on *Today*, *Home & Tonight*; *Matinee*, *Ding Dong School*, *Tennessee Ernie Ford Show*, *Feather Your Nest & World of Mr. Sweeney*, thru Fuller & Smith & Ross . . . GE Lamp Div. to be alt. sponsor (with Dow Chemical) of *Medic* on NBC-TV starting Sept. 5, Mon. 9-9:30 p.m., thru BBDO, Cleveland . . . Pond's to be alt. sponsor (with Campbell Soups) of new dramatic anthology series, *Star Stage*, on NBC-TV starting Sept. 30, Fri. 9:30-10 p.m., thru J. Walter Thompson . . . Chunky Chocolate Crop. to be alt. sponsor (with Kellogg's) of *Super Circus* on ABC-TV starting Sept. 25, Sun. 5-6 p.m., thru Hilton & Riggio . . . Toni & Viceroy to be alt. sponsors of Louella Parsons film show on NBC-TV starting Oct. 2, Sun. 10:30-11 p.m. . . . Carter Products & Geritol to be alt. sponsors of *Joe and Mabel* on CBS-TV starting Sept. 20, Tue. 9-9:30 p.m., thru Sullivan, Stauffer, Colwell & Bayles and Edward Kletter Assoc. . . . Kraft Foods buys 7 partic. in *Color Spread* on NBC-TV this fall, Sun. 7:30-9 p.m., thru J. Walter Thompson; Corning Glass takes option on 6 partic. . . . Whitehall Pharmacal buys alt. sponsorship of *Wanted* this fall on CBS-TV, Thu. 8-8:30 p.m. . . . Vick Chemical Co. (Sofskin cream) buys 13 partic. on NBC-TV's *Home* starting Sept. 19, Mon.-thru-Fri. 11-noon, thru BBDO . . . CBS-TV to shift reruns of *I Love Lucy* (under Lehn & Fink sponsorship) to Sun. 6 or 6:30 p.m. this fall . . . Charles Antell (liquid makeup) to sponsor *Hollywood Backstage* on ABC-TV starting Aug. 7, Sun. 7:30-8 p.m., thru Product Services Inc., N. Y.

Signs of the TV times: Rev. S. H. Patterson, owner-founder of San Francisco's uhf KSAN-TV (Ch. 32, base rate \$225) tells *Variety* interviewer his station was \$5000 in the black in July, earned profit also in May & June; it specializes in sports, programs 5 hours daily for Negro audience . . . KEY-T, Santa Barbara, Cal. (Ch. 3) reports first-half sales up 35%, pres. Colin Selph stating local sales (within 100-mi. radius) will be up 50% this fall.

New network affiliations: WKNB-TV, New Britain-Hartford (sale pending to NBC; Vol. 11:2, 26) switches from CBS to NBC Oct. 1, replacing WNHC-TV, New Haven-Hartford, which retains ABC. Other area outlet, WGTH-TV, is being sold to CBS (Vol. 11:28).

New rep: WNBF-TV, Binghamton, N. Y. to Blair (from Bolling); WKBT, La Crosse, Wis. to H-R Television (from Raymer); KARD-TV, Wichita (CP), to Petry.

Assn. of National Advertisers next annual meeting has been scheduled for Oct. 31 & Nov. 1-2 in New York's Hotel Plaza; Bristol-Myers adv. v.p. Donald S. Frost is program chairman.

William A. Hart, retired duPont adv. director, named pres. of Advertising Research Foundation, succeeding Edgar Kobak Nov. 1.

Telecasting Notes: Intense network competition this fall will be accompanied by intense promotion. For example, CBS-TV is setting up first station co-op deal—paying for 50% of newspaper space and supplying art; it will be 10-day campaign late Oct. or early Nov., plugging entire program line-up. NBC-TV is planning sponsor co-op series in its 5 owned-&-managed cities, may extend it to 10-15 other Trendex areas; plan is already complete for 5 sponsors of *Perry Como Show*. ABC-TV will have own newspaper program in key markets . . . Abel Green-Joe Laurie Jr. best seller, *Show Biz*, published in 1951, tracing history of show business from vaudeville to video, will be adapted for Sun. Oct. 9 NBC color spectacular, 7:30-9 p.m., in spot originally scheduled for Alexander Korda first-U. S.-run film, *The Constant Husband*, which has been moved up to Nov. 6 . . . "New stars, shows zoom to top in 3rd TV film poll" headlines Aug. 6 *Billboard*, which also includes fact-packed "Spotlight on Fall TV Program & Time Buying" section. Over-all winners of *Billboard's* 3rd annual TV film program and talent awards: *Disneyland* (ABC), selected as best TV film series, best new TV film series, and TV film series contributing most toward raising cultural standards; Jack Webb of *Dragnet* (NBC), best actor; Loretta Young (NBC), best actress; Bob Cummings of *Bob Cummings Show* (NEC), best performer in new series; *Medic* (NBC), series performing greatest public service. Runners-up in "best series" category: *Medic*, *I Love Lucy* (CBS), *I Led 3 Lives* (Ziv) . . . Free plugs for movies in upcoming TV shows (Vol. 11:26) get the full treatment in Aug. 8 *Sponsor*, which figured out that non-TV movies will get total of 70,000,000 "commercial home impressions" each week this fall—40,000,000 of these on regular shows such as *Disneyland* & *Warner Bros. Presents*, 30,000,000 through tieups with existing programs such as special "salutes" and hour-long "previews." Presenting both sides of question, *Sponsor* says some ad executives feel

public enjoys the trailers and Hollywood news, others are wondering whether trailers will be kept in the realm of entertainment and out of category of straight commercials . . . Mathematicians at ABC-TV, according to Aug. 10 *Variety*, figure profit of \$1,500,000 in first year of Sun. evening network showings of 20 new-to-TV J. Arthur Rank features (Vol. 11:31)—if all sponsorships are sold . . . MCA-TV's Frank Mincola, through his new merchandising-licensing dept., exploiting toy *Dragnet* guns & badges, Jack Webb kiddie clothes; *This Is Your Life* and *Truth or Consequences* parlor games; toy tugboat replica of the one in *Waterfront* . . . Barbers talk a lot—so live-wire Tom Bostic, gen. mgr. of KIMA-TV, Yakima, Wash., got idea of inviting 30 of them who had Mon. off to come by chartered bus for tour of station; they even got 15 min. on air to talk about their profession and demonstrate haircutting (on continuity chief Joe Ryan) with plenty of publicity and goodwill resulting . . . WMCT cameras were ordered out of Memphis city hall hearing on corruption in municipal parks this week, leading gen. mgr. Hank Slavick to charge mayor and attorneys with imposing restrictions on freedom of the press; radio was permitted to stay . . . Betty Hutton signed by NBC-TV for color spectacular on Oct. 4; Ethel Merman & NBC still negotiating . . . Mrs. Dione Lucas, the cookery expert, signed for 6 half-hour films to be shown on new British commercial TV . . . Another TV play for stage: *My Kewpie Doll*, by Greer Johnson, seen on ABC-TV July 21, which Eva Marie Saint and director-husband Jeffrey Hayden plan to produce . . . Hit show, *Children's Corner*, from KQED, Pittsburgh educational, gets NBC-TV airing for 4 Sats., 10:30-11 a.m., Aug. 20-Sept. 10.

NBC Spot Sales becomes U. S. rep for Associated Broadcasting Co. Ltd., British ITA commercial program contractor, under arrangements this week by Harry A. Towers & Richard L. Meyer with v.p. Tom McFadden.

ONLY NEW STARTER this week was Canada's 28th—CJON-TV, St. John's, Newfoundland (Ch. 6) which put on first test patterns Aug. 3, goes commercial Sept. 4. It has 2-kw RCA transmitter with 12-slot Wavestack antenna. Geoffrey Stirling is pres.-gen. mgr.; Don Jamieson, v.p.-program mgr.; Art Hartnett, production director; Oscar Hierlihy, chief engineer. It starts with \$160 base hourly rate, going to \$200 Oct. 1. Reps are Weed & All-Canada.

Due to start momentarily, probably during week of Aug. 7, are WXEX-TV, Petersburg-Richmond, Va. (Ch. 8), due to become NBC basic, and KTRE-TV, Lufkin, Tex. (Ch. 9), to operate as satellite of KPRC-TV, Houston.

No equipment shipments were reported this week, and in our continuing survey of upcoming stations the only report received was from KARD-TV, Wichita, Kan. (Ch. 3). Its v.p.-gen. mgr. Wm. J. Moyer states it now plans commercial debut Sept. 1 as an independent outlet, with test patterns probably by Aug. 25. Transmitter house is half completed and work is under way on 1000-ft. Stainless tower. RCA 25-kw transmitter is due Aug. 10, with 6-bay antenna due to be installed Aug. 15. It will be area's 4th outlet, others being a uhf and 2 vhf. Base hour will be \$350, rep Petry (shifting from uhf KEDD).

Hazards of the business: Toots Shor, the restaurant man, sues Stork Club's Sherman Billingsley for \$1,100,000, alleging latter libeled him on his ABC-TV *Stork Club* program by saying he was "financially insolvent" and "reckless or dishonest in his business dealings"—and AB-PT as well as producer Mayfair Productions Inc. are named co-defendants.

Reorganization of RKO Radio Pictures under General Teleradio (Vol. 11:30-31) was well under way this week, with the appointment of CBS Inc. senior v.p. Daniel T. O'Shea as pres. of RKO, succeeding James R. Grainger. Highly regarded in film industry, O'Shea was pres. of David O. Selznick's Vanguard Films Inc. & exec. v.p. of Selznick International Pictures Inc. before joining CBS in 1950. Another former CBS v.p., Charles Glett, heads RKO production organization. Also announced this week was elevation of C. R. (Bob) Manby to General Teleradio v.p., headquartered in New York and serving as liaison between RKO and parent company. Manby has been responsible for development and expansion for Phillips H. Lord properties acquired by Teleradio—notably the *Gangbusters* syndicated TV film and the theatrical motion picture by same name. Latter has been released to theatres in a few cities under novel arrangement whereby, in exchange for on-the-air promotion, one TV station in area gets cut of the theatre's gross.

TV breaks bank at Monte Carlo: One of biggest financial scandals in history of small principality of Monaco has been precipitated by failure of commercial TV station at Monte Carlo. It resulted in a run on Monaco's biggest bank, which closed its doors Aug. 1 with deficit estimated at \$8,625,000, and resignation of 4 of Prince Rainier III's cabinet members. Both the bank and the govt. officials were involved in the TV operation.

Houston area's 3 commercial stations—KGUL-TV, KPRC-TV, KTRK-TV—have agreed to contribute \$10,000 each toward support of U of Houston's educational KUHT (Ch. 8) during upcoming academic year.

NEW "SCATTER" method of point-to-point communication (see p. 1) uses new techniques and equipment to harness a phenomenon which has long been familiar to propagation experts—but which was considered an impediment to efficient radio communications. As long ago as 1913, A. E. Kennelly of Harvard ("Kennelly-Heaviside Layer"), writing in *Proceedings of the IRE*, noted the loss of radio signals in the upper and lower levels of atmosphere through "scatter."

Recent development of high-powered transmitters, high-gain antennas, sensitive receivers—and application of new knowledge, including information theory—has made it possible to utilize this "loss" to develop a radically new system of long-distance point-to-point communication, in which the signal is always unfailingly present so long as the equipment is working.

A visual analogy to scatter transmission principle is the glow which can be observed at night in the clouds from the lights of a distant city over the horizon. While vhf and uhf have been considered "line of sight" services, their "glow" can be picked up far beyond the horizon.

Because the "glow" is so faint, brute force techniques must be used. A thin, tremendously powerful beam is transmitted, but most of it shoots through the atmosphere and is wasted. Using newly developed techniques, high-gain antennas are focused upon the small percentage of the signal which is "scattered." This faint signal is fed into ultra-sensitive receivers and amplified.

Two types of "scatter" have been harnessed. The vhf system employs signals scattered in the E layer of the ionosphere (40-70 mi. up), and is currently used as a super-long-range system, with medium channel-carrying capacity, bandwidths up to 20 kc now being used.

Uhf system picks up signals which scatter in the troposphere or lower atmosphere (up to about 5 mi.); its principal advantage is that wide bands of frequencies can be transmitted—up to and greater than TV channel width—though systems now in use are limited to $\frac{1}{2}$ mc.

Vhf systems are currently attaining distance of 600-1300 mi. in one hop, using frequencies of 30-50 mc (TV broadcast band starts at 54 mc). Uhf systems are useful for 50-400 mi., currently are in 300-1000 mc range, though it's believed frequencies up to 3000 mc could be used.

Powers used by the systems are tremendous. Vhf systems have used transmitters rated at 50-kw, antennas with 23 db gain, ERP up to 10 megawatts—most powerful ever attained in radio communications. Uhf systems use transmitters with power as high as 20-kw fed through antennas with 45 db gain, for ERP of 6 megawatts.

Ultra-reliability of the signal in scatter transmission has created demand for equipment with reliability never before attained. Obviously an ever-present signal is of little advantage without ever-operative equipment.

* * * *

Basic research for vhf-scatter principle was conducted almost solely by the National Bureau of Standards. Uhf scatter is based on research by NBS, Bell Labs and MIT's Lincoln Labs. Air Force has been prime mover in harnessing both types of scatter transmission, with much of the pioneering military work handled by Page Communications Engineers, headed by Washington consulting engineer E. C. Page. Most of the equipment to date has been built by Collins Radio, National Co., Radio Engineering Labs (Long Island City), Rixon Electronics (Silver Spring, Md.), D. S. Kennedy & Co. (Cohasset, Mass.).

Applications of scattered principle will be the subject of heavy splurges in electronics technical journals this fall. IRE considers this development so important that it plans to devote entire issue of its *Proceedings* to it.

DIFFERENCES in terrain, population distribution and station powers show up sharply in farm TV set counts for 2 more western states, tabulated this week by U. S. Census Bureau as part of its 1954 Census of Agriculture. Based on 20% sample measured in Oct.-Nov. 1954, South Dakota is shown to have farm TV set penetration of 17% (10,600 sets on 62,520 farms), despite fact that at the time of the census only one area could receive TV. Montana, with stations in 4 different cities, had penetration of only 9% (2970 sets on 33,059 farms).

South Dakota's TV sets are clustered in southeastern part of state, around powerful stations in Sioux Falls, S. D. and Sioux City, Ia., with no appreciable farm TV ownership elsewhere in state (KOTA-TV in Rapid City had not yet come on air when set count was made). Rugged Montana with its wide open spaces and low-power stations in Billings, Butte, Great Falls & Missoula, reflected TV inroads only in counties immediately adjacent to stations, with very little long-distance viewing.

In our continuing coverage of the first farm TV census ever conducted, here are the official county-by-county figures:

MONTANA		
County	Total Farms	Farms with TV
Beaverhead	339	32
Big Horn	815	84
Blaine	734	16
Broadwater	215	6
Carbon	896	188
Carter	432	1
Cascade	1,133	290
Chouteau	1,064	337
Custer	453	—
Daniels	609	6
Dawson	687	6
Deer Lodge	117	13
Fallon	384	7
Fergus	1,070	63
Flathead	1,434	88
Gallatin	1,041	13
Garfield	366	6
Glacier	385	4
Golden Valley	197	25
Granite	181	9
Hill	899	61
Jefferson	274	2
Judith Basin	489	71
Lake	1,490	98
Lewis & Clark	382	50
Liberty	337	107
Lincoln	387	25
McCone	610	5
Madison	508	30
State Total		33,059
		2,970

SOUTH DAKOTA		
County	Total Farms	Farms with TV
Armstrong	10	—
Aurora	817	34
Beadle	1,518	78
Bennett	386	7
Bon Homme	1,368	457
Brookings	1,841	512
Brown	1,846	193
Brule	711	19
Buffalo	154	2
Butte	651	7
Campbell	636	23
Charles Mix	1,567	163
Clark	1,298	64
Clay	1,153	703
Codington	1,078	82
Corson	777	51
Custer	380	1
Davison	892	85
Day	1,600	46
Deuel	1,208	132
Dewey	484	40
Douglas	883	40
Edmunds	978	22
Fall River	415	7
Faulk	711	41
Grant	1,264	67
Gregory	1,086	44
Haakon	431	2
Hamlin	1,023	87
Hand	1,093	44
Hanson	830	149
Harding	408	2
Hughes	327	6
Hutchinson	1,683	357
Hyde	395	8
State Total		62,520
		10,600

Note: Previously published tabulations—Nev., N.H., Vt. (Vol. 11:28); Wyo. (Vol. 11:29); N. D. (Vol. 11:30); Ida., Utah (Vol. 11:31).

WYATT BUILDING

WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

Trade Report

August 6, 1955

REPEAT SALES—HOW AUTO INDUSTRY DOES IT: A TV industry seeking ways to stimulate second-set & replacement sales this year might profitably look to the automobile industry for lessons in how to keep the customers coming back every 2 or 3 years, in opinion of several manufacturers familiar with both industries. Though they stress that TV industry obviously can't go as far as auto people in merchandising controls, here are some of the auto features which they say might well be copied:

(1) More liberal trade-ins. The auto industry uses high trade-ins as entering wedges both for new car sales and for making used cars available at just about any price customer wants to pay. TV trade-ins, by contrast, are too often hit-or-miss. In many instances, potential second-set and replacement customers have turned away from stores after dealers may have offered as low as \$10 for a working TV set for which he once paid \$300 or so. Great need in TV, it's said, is for more liberal trade-in and/or rational explanations to customers why more cannot be offered. Thus they would be encouraged to turn in sets or buy an additional receiver.

(2) Increase value of franchises. With lessons gained from 40 years of experience, auto industry has made a dealer franchise highly coveted. While nobody suggests a TV manufacturer could exercise such rigid control over his non-exclusive dealers, there's room for a manufacturer, in NARDA's words, "to give meaning to a franchise." Best ways to do it, it's suggested, are to be more discriminating in selection of dealers, choosing only those who are adequately financed, who can sell aggressively and who can render necessary servicing to satisfy customers.

(3) Greater use of accessories. Auto industry is quick to promote product obsolescence by adding something new to each year's models; for example, new body designs, new color motifs, turn signals, various gadgets, etc. etc. TV is making first moves in this direction with its remote control units, tuning gimmicks, color cabinets, clock timers, etc. -- but there's room for many other accessories.

* * * *

Admiral raised prices by \$10-\$20 on 17 of its 41-model line this week, attributing increase to recent hikes in steel and copper, together with other "substantial material and labor boosts." The 21-in. console leader was increased from \$200 to \$220 and another 21-in. console was hiked from \$230 to \$250. Remaining 15 models, all 21 & 24-in., were each raised \$10. It was Admiral's second price hike in 3 weeks, having previously raised 7 models by \$10 in vhf, \$15 in uhf (Vol.11:30).

Admiral's action is concrete evidence of general disposition to raise prices in near future (Vol.11:30-31). Shortage of selenium rectifiers, result of strike of copper miners in west, is starting to pinch many TV manufacturers -- and any settlement which causes copper prices to go up even further is likely to add impetus to the price-raising movement. Production of selenium rectifiers has reportedly dwindled sharply at Federal & Sarkes Tarzian, 2 of biggest producers. Economically, it's impractical to use silicon as substitute for selenium in rectifiers, an official of Sarkes Tarzian says. He said it costs \$16 for a silicon rectifier, compared to 60¢ for a comparable selenium rectifier. Moreover, he says, there isn't enough silicon available to make it commercially expedient to use it.

Other components are also due for price boosts, according to trade reports. A 6% increase in steel tubing is anticipated shortly, along with new increases in brass, aluminum strip & lead-ins.

Set makers themselves continue to talk of price hikes, though only Admiral has raised them so far. Arthur L. Chapman, Sylvania v.p., told distributors convention he foresaw an average retail price increase of "a \$20 bill." A purchasing agent for a major TV maker told us he foresaw "no alternative" to price hike.

Brief highlights of other major trade developments this week:

Consumer Buying Plans: A new survey of consumer finances, conducted in June by U of Michigan Survey Research Center as part of continuing series for Federal Reserve Board reveals: (1) Consumers are generally more optimistic this summer than year ago about their personal financial situations and general business outlook. (2) Greater number than a year ago plan to buy houses; about same number to buy autos & major household appliances, though TV buying plans "appear to be lower" than last June. About 34% of the 2000-family sample said they are better off financially than year ago, compared to 30% in both June & Oct. 1954. Number reporting "worse off" fell to 20%, from 25% in June 1954 & 27% in Oct. Good business conditions are expected by 72% of all families -- and by 82% of those with over-\$5000 income. The report, available from FRB, thus summarizes findings: "Practically all indicators of consumer attitudes have a more favorable position now than a year ago. Consumers as a whole are aware of the great improvement in American business conditions which took place during these 12 months and have revised their expectations upward."

Consumer Credit: Federal Reserve Board reports consumer installment debt hit record \$24.914 billion at end of June, following rise of \$765,000,000 in June alone. The June total was 75% over June 1954 & 300% over June 1953. Autos reportedly accounted for \$12.5 billion as of June 30, or nearly 50% of all outstanding credit. To counteract increase in installment credit, FRB this week approved boost in discount rate for member banks, permitting rate up to 2½%. FRB officials have predicted that less favorable credit risks among manufacturers and retailers would have harder time of it in dealing with their banks for advances.

Production: TV output totaled 113,864 week ended July 29, compared to 90,072 preceding week & 78,968 week ended July 15. It was year's 30th week (7 full months by RETMA calculations) and brought production for the period to about 4,250,000 vs. 3,200,000 in same 1954 period. RETMA this week officially set 6-month TV production at 3,828,793 vs. 2,845,147 in first half of 1954. Radio output totaled 203,343 in week ended July 29, bringing 7-month output to 7,800,000 vs. 5,800,000 in same 1954 period. Here's RETMA's 6-month TV-radio production table:

PRODUCTION		RADIO PRODUCTION BY TYPES			
	Total TV	Total Radio	Home Sets	Portables	Clock
January.....	654,582	1,068,146	280,121	47,303	166,885
February.....	702,514	1,089,724	232,831	109,120	150,031
March (5 wks)	831,156	1,482,274	300,840	233,465	173,944
April.....	583,174	1,099,775	193,431	265,866	72,602
May.....	467,394	1,114,035	161,357	258,701	130,608
June (5 wks).	589,973	1,204,935	181,930	255,833	182,605
TOTAL.....	3,828,793	7,058,889	1,350,510	1,170,288	876,675

DISTRIBUTOR NOTES: Shifting pattern of appliance distribution to be touched off by RCA-Whirlpool-Seeger consolidation, though certain to be gradual, was evidenced this week in Atlanta, where RCA distributor Yancey Co. Inc. took over Whirlpool line from Charles S. Martin Distributing Co., which in turn assumed Easy washing machines from Yancey. Pres. Charles Martin was quoted as saying he voluntarily relinquished Whirlpool line because of its tie-up with RCA . . . Interstate Electric Co., New Orleans (RCA) elects George C. Howell Jr. as pres.; he's onetime Whirlpool adv. mgr. . . . Admiral appoints newly-formed Onthank-Harrison Co., 800 S. 72nd St., Omaha (George W. Onthank, pres.), replacing Bi-State Distributing Corp.; it also appoints Lewis Bear Co. Inc., 404 S. Palafox St., Pensacola (Lewis Bear, pres.) . . . Motorola appoints Boyd Corp., 84 W. Cove St., Portland, Me. (James W. Boyd, pres.) . . . Philco appoints Heath Furniture Co., Amarillo, as associate distributor . . . Stromberg-Carlson appoints Electronics Laboratories & Supply Co., 1414 Oriskany St. West, Utica, and Rome Electronics, 102 Erie Blvd. East, Rome, N. Y. . . . Bendix Radio appoints Cerullo Electric Supply Co. Inc., Hazelton . . . Major Appliance Distributors Inc., Charlotte, relin-

quishes Admiral line . . . Allison-Erwin Co., Charlotte (Zenith) promotes exec. v.p. John C. Erwin to pres., succeeding Henry J. Allison, who moves up to chairman; Jack Johnston named v.p.-gen. sales mgr. . . . Krich-New Jersey Inc., Newark (RCA) appoints Lawrence M. Braun, ex-Zenith N. Y., as mgr. of electronic parts dept. . . . RCA Victor Distributing Corp., Detroit, appoints Victor Parker as adv. & sales promotion mgr. . . . Graybar, N. Y. appoints Irwin Schutzer as manager of all electronics sales . . . CBS-Columbia of Philadelphia appoints Samuel Cohen, ex-Emerson Radio of Pennsylvania, as district sales rep. . . . Industrial Sales Co., New Orleans (Motorola) names James Coleman as district mgr. for Jackson, Miss. . . . GE Supply Co., N. Y., appoints George B. Colesworth Jr. consumer goods sales. mgr. . . . American Elite Inc., N. Y. (Telefunken radios) organizes American Elite (Canada) Ltd., 1214 Bishop St., Montreal (Frank J. McNichol, sales mgr.) . . . Sylvania appoints Cladco Distributors Inc., Buffalo (R. W. Cook, gen. mgr.) . . . Capehart-Farnsworth appoints Edgar A. Brown Inc., 4109 Carnegie Ave., Cleveland, and Radio Trade Supply, 1224 Grand Ave., Des Moines . . . Olympic Radio opens factory branch, Buffalo Orteco Inc., 84 Pearl St., Buffalo (Paul B. Hunter).

Topics & Trends of TV Trade: The 6,100,000 radios sold at retail in first half of 1955, compared to 4,500,000 in first half of 1954, have many in trade predicting nearly 13,000,000 year for radios—a fine comeback story overshadowed in publicity by TV's strong year. Nearly 13,000,000 radios were sold in 1953, but last year sales slumped to 10,000,000.

Transistorized radios are expected to hypo sales considerably this fall, brightening chances of reaching the 13,000,000 goal. Selling at \$45-\$55, they haven't exerted too much influence on the market so far, but the price is expected to come down by fall. Average retail price of radio currently is about \$21.

The 3,661,000 auto sets paced the first-half sales rise, comparing to 2,081,000 in first half of 1954. Of the 2,429,000 home radios sold in first 6 months this year, 1,071,000 were table models, 637,000 clock, 721,000 portables. In first 6 months year ago, 2,411,000 home radios were sold —1,182,000 table, 559,000 clock, 668,000 portables.

* * * *

Factory production of uhf-equipped sets totaled 558,802 during first 6 months of 1955, or 14.6% of total TV set production of 3,828,793, according to RETMA. This compares with 22.5% in first 6 months of 1954. However, the figures are not considered entirely compatible, since several companies—notably Philco—are now following practice of installing all uhf tuners in field, none in factory, to simplify dealer-distributor inventory problems.

Emerson pushes air conditioners year-round by cutting unit price to dealer for purchases between Aug.-Dec. New price schedule will be issued monthly, with national advertising on air conditioners starting in Sept. Pres. Benjamin Abrams said he expects other manufacturers to come up with similar plans to put production on year-round basis.

Dr. Allen B. DuMont added another powerboat racing laurel last week when his 54-ft. Hurricane III won 31-mi. Westchester power squadron's predicted-log cruiser race on Long Island Sound.

Trade Personals: J. H. Craft Jr., Stromberg-Carlson, named chairman of RETMA service committee, succeeding H. J. Schulman, CBS-Columbia; W. L. Parkinson, GE, named chairman of vocational training subcommittee; J. A. Hatchwell, DuMont, appointed chairman of advisory committee to N. Y. Trade School, which conducts RETMA's training courses . . . Ralston H. Coffin, RCA director of adv. & sales promotion, elected a v.p. . . . Thomas P. Ryan, Sylvania TV-radio midwest sales mgr., promoted to TV-radio sales mgr. of TV-radio div., replacing Arthur A. Currie, now v.p.-mgr. of Adams Distributors Co., Sylvania Boston distributor; Ryan reports to gen. sales mgr. Bernard O. Holsinger . . . Herman S. Sacks, ex-Bendix Radio, joins Allied Radio Corp., Chicago, as marketing mgr. of sound & technical products; Wm. Senescu promoted to marketing mgr. of components . . . Dan D. Halpin, Westinghouse TV-radio gen. sales mgr., and Charles Goleñpaul, Aerovox v.p., to address Texas Radio & TV Service Clinic & Electronics Fair at San Antonio's Gunter Hotel, Aug. 26-28 . . . Franklin Greene Jr. promoted to manufacturing mgr. of GE's TV-radio dept., Syracuse, succeeded as mgr. of Utica radio plant by Wm. N. Maddox, mgr. of Auburn, N. Y. plant . . . Wm. H. Eutzy promoted to new post of mgr. of sales administration, Westinghouse TV-radio div. . . . John W. Fenton appointed mgr. of new RCA Victor TV-radio components plant now under construction at Renfrew, Ont.; F. R. Deakins, pres. of Canadian RCA subsidiary was guest of honor at parade and celebration July 21 when ground was broken for new 52,704-sq. ft. plant, due to employ 450 at outset . . . Luther M. Sandwick,

Crosley's new line, introduced at distributors convention this week in Chicago, comprises 15 TVs & 22 radios—including a transistorized, printed-circuit portable radio designed like a book. Prices are being withheld until Aug. 10. TV line is divided into Custom V, Advanced V & Super V series. The Custom V series comprises 9 models, all with "Zoom-A-Tenna," a multi-directional antenna which slides into chassis when not in use, and illuminated channel indicator with $\frac{1}{2}$ -in. numerals. The Advanced V series consists of 17 & 21-in. table models in mahogany or blonde & featuring "leathergleam" enamel finish. Super V series is continued from old line in 17 & 21-in. walnut models. Eight tables & 2 clocks round out the radio line.

TV set sales by Canadian factories in first 6 months totaled 245,917, production 337,369, reports RETMA of Canada. This compares with 181,233 & 211,480 in first half of 1954. Projected production estimate for July-Sept. period is 226,283 more sets. June sales totaled 27,567 at average price of \$304, production 36,060. Inventory at end of June was 139,336 compared to 130,843 at start of month. Montreal led in 6-month sales, with 44,428; Toronto, 40,116; British Columbia, 24,911; Manitoba, 20,882; other Ontario, 20,817; Nova Scotia, 16,458; Alberta, 15,660; Ottawa & eastern Ontario, 12,931; Quebec City, 11,886; Hamilton-Niagara, 11,445; New Brunswick & Prince Edward Island, 9522; Saskatchewan, 6926; Windsor, 6639; Newfoundland, 1891; other Quebec areas, 1405.

Capehart-Farnsworth makes regional bid for big Los Angeles market with specially-designed "California-styled" series of TV & high-fidelity models, to be marketed only on west coast. Designed by Lowell Wood, of Rogers & Wood Co., Capehart's Los Angeles distributors, new series has 5 different designs in 21 & 24-in. High-fidelity offerings are a \$395 console & \$695 tape recorder.

Excise tax repeal on non-entertainment TV-radio and components used in "further manufacture of TV-radio" was finally passed by House, which last week end accepted Senate version of bill (Vol. 11:27-28,31). It awaits President's signature.

ex-Wilcox-Gay & Scott Radio, named sales mgr., Pilot Radio . . . Wm. R. Thurston named to head TV equipment sales at General Radio Co., Cambridge, Mass., C. Wm. Harrison being transferred to N. Y. office . . . Herbert A. Bell, founder-pres. of Packard-Bell, presented plaque by Variety Club of So. Calif. for his service to entertainment field at luncheon marking firm's 30th anniversary . . . Kenneth B. Bryden, mgr. of research & financial controls, RCA tube div., named mgr. of govt. coordination & services, Harrison plant . . . Donald M. Strathearn, engineering director of Crosley laundry equipment, named engineering director of all products; Albert Emanuel II, laundry product mgr., named gen. product mgr. . . . Harry M. Rich, ex-GE tube dept., appointed asst. to Leonard Ashbach, pres. of Majestic International, in charge of setting up parts & service facilities for German Grundig-Majestic radios & phonos . . . George M. Hakim, ex-Hoffman Electronics & Raytheon, named west coast regional mgr., DuMont TV receiver sales div., where he was adv. mgr. from 1950-52 . . . Andrew M. Wiswell, ex-Muzak v.p., named head of Capitol Records Inc. repertoire div. . . . Richard C. Rowley promoted to Motorola Texas regional mgr., Dallas . . . Oliver S. Hulley promoted to consultant of GE's manufacturing training & education service, Schenectady . . . Wm. M. Sevy, ex-Arvin & Capehart-Farnsworth, named Olympic Radio regional mgr. for Ind., Ky., western Mich.

James H. Simon, 50, pres. of Simon Distributing Co., Washington area Zenith distributor, died Aug. 3 of heart attack. He is survived by his wife and 3 sons.

MERGERS of electronics companies are daily news now—particularly small firms being taken over by larger non-electronic entities—and you'll be hearing of more such "get-togethers" in ensuing months. The mergers of larger companies—whether they involve consumer lines (TVs, radios, appliances), as in the case of RCA-Whirlpool-Seeger (Vol. 11:29-31), or industrial and defense electronics, as in the cases of Sperry-Rand and General Dynamics-Stromberg—are symptomatic of the desire of big industrial entities to stake a claim in the burgeoning electronics fields.

One financial journal had Raytheon "ready" for merger recently, but there were no details and there is no verification. The amusement trade press continues to hammer away at rumors of Avco's disposal (possibly to Storer) of its 4 Crosley TV and one radio station, again stoutly denied by chairman James Shouse of Crosley Broadcasting Corp. There's still talk of "something happening" at DuMont, now apparently more likely to be a spinoff of its 2 telecasting stations into new corporation rather than their outright sale.

Checking the Crosley story, we did run into the information that ex-Crosley sales div. v.p. W. A. Blees last year tried to engineer a deal whereby what is now the Crosley & Bendix home appliance div. (TVs, radios, white goods) would be bought out by Ford Motor Co. in order to give it a better diversified competitive position with General Motors, which of course owns Frigidaire and Delco Radio. That came to naught, but it's a good guess that Avco's Victor Emanuel would not be averse to selling out or merging his Crosley-Bendix operations.

General Dynamics, it's learned, likes the Stromberg-Carlson properties it acquired recently, most particularly for defense electronics facilities, but it wouldn't be surprising to see it either (a) sell out WHAM-TV & WHAM, Rochester, or (b) acquire more telecasting properties

Electronics Report: Transistors are rapidly replacing tubes in aviation electronic equipment, according to *Aviation Week* survey reported in July 25 & Aug. 1 issues by avionics editor Philip Klass. Nineteen leading manufacturers reported that 22% of all sockets in equipment now under development are intended to hold transistors, and 11% magnetic amplifiers, also a vacuum tube substitute. By 1957 these percentages are expected to jump to 50% & 15%. Use of these two replacements varies widely in branches of the avionic equipment field, from a low of 11% in radar equipment, to a high of 61% in digital computers.

Communications equipment now under development uses 14% transistors & 4% magnetic amplifiers, is expected to use 28% & 7% in 1956, 37% & 9% in 1957. Totals in all categories will rise, according to the survey: radar, from 11% to 27% to 43% in 1955, 1956 & 1957; navigational aids, 28%, 50%, 58%; automatic controls, 49%, 74%, 88%; instrumentation, 43%, 55%, 72%; digital computers, 61%, 78%, 94%.

Main advantage of transistors is saving in weight, size & power requirements. Disadvantages are reliability & cost, but reliability is increasing & cost decreasing as production rises. For aviation use, current increased cost is made up by reduction of weight needed to dissipate heat. Douglas Aircraft estimates that transistorizing a jet fighter as fully as possible will save \$48-54,000 per plane vs. an extra \$2-3000 for transistors.

Cost of transistors is dropping rapidly. GE estimates prices will be competitive with tubes by 1957, cheaper by

and operate in a bigger way in that field a la Westinghouse, Storer, et al.

While the mergers of industrial giants make the big news, the merger mill is kept going by the nearly one-a-day rate of absorption of smaller electronics companies by larger companies and by weddings-of-convenience of 2 or more small companies into more diversified combines.

The what's-my-line of American industry is becoming a difficult guessing game. For example, Reynolds Spring Co., recently sold out its spring business, changed name to Consolidated Electronics Industries Corp., purchased a number of electronic properties including Alliance Mfg. Co. (antenna rotors, small motors, etc.). At the same time its control passed into the hands of North American Philips, affiliated with the fabulous Philips of Holland electronics and lamp combine.

Metamorphosis of a company in throes of diversification is demonstrated by recent changes in Daystrom Inc., Elizabeth, N. J., which started out as a manufacturer of printing equipment (American Type Founders), then branched out into kitchen furniture, then into electronics (Crestwood tape recorders). This year it purchased Weston Electrical Instrument Co. and Heath Co., maker of do-it-yourself electronic kits. Daystrom will soon announce that it has sold off its printing equipment subsidiary—its original business—for price in the neighborhood of \$8,000,000. Even before sale of ATF, pres. Thomas Roy Jones had predicted that 70% of Daystrom's business in 1955 would be in electronics, electrical and related fields.

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Latest mergers involving electronics firms: Link-Belt Co., Chicago materials-handling equipment maker, this week announced plan to acquire electronics maker Syntron Co., Homer City, Pa., through exchange of stock. Curtiss-Wright Corp., Woodridge, N. J., purchased Elly Electronics Corp., Fair Lawn, N. J., Elly pres. J. George Sauer becoming mgr. of thermal devices sales for Curtiss. Lavoie Laboratories, Morganville, N. J., acquired Matawan Electronics & Bayshore Electronics, Keansburg, N. J.

1960-63. Current ratio of production is 200 vacuum tubes for each transistor, but Bell Labs expert Dr. Wm. Shockley, one of developers of transistor, states that growth curves show that transistors will pass tubes before too long.

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Maj. Irving Koss, recently Signal Corps, named administrative asst. to Daniel E. Noble, v.p. in charge of Motorola communications & electronics div., succeeding Robert Barton, now asst. mgr. for contract technical administration at Phoenix military research & development facility; Paul Jones named asst. mgr. for contract business administration at Phoenix.

Wm. G. Laffer, pres. of Cleveland Graphite Bronze Co. elevated to pres. of parent Clevite Corp., Cleveland, succeeding James L. Myers who continues as Clevite chairman. Among Clevite divisions are Brush Electronics and Transistor Products Inc.

Dr. Benjamin H. Alexander, former Sylvania semiconductor engineering mgr., named mgr., CBS-Hytron semiconductor operations; Leo E. Dwork appointed chief engineer of CBS-Hytron's Lowell, Mass. semiconductor plant.

Herbert A. Haworth, ex-Sprague Electric, named chief engineer, Condenser Products Co. div., New Haven Clock & Watch Co.

Frederick D. Herbert, 81, who retired this year as pres. of Kearfott Co., died Aug. 4 at his home in Upper Montclair, N. J.

Financial & Trade Notes: Philco sales in first 6 months of 1955 totaled \$178,041,000 as against \$174,676,000 in same 1954 period. Net income was \$3,387,500 (90¢ a share) after preferred dividends vs. \$1,547,500 (41¢). Second quarter sales totaled \$81,216,000, net income \$1,128,000 (28¢) vs. \$60,899,000 & \$703,000 loss year ago due to 45-day strike. Federal and state income taxes for first half of 1955 went up to \$4,160,000 from \$3,115,000. Additional 1954 income taxes payable by reason of retroactive repeal of Sec. 462 of Revenue Act, amounted to \$2,217,068; beginning in 1955, company changed accounting policy to charge prepaid taxes directly to applicable reserves, and as result has transferred \$1,090,549 directly to surplus. If this net adjustment had been included in the income statement, the additional income would amount to 29¢ per share on the 3,771,850 shares outstanding as of June 30.

Motorola expects to achieve \$225,000,000 sales year, said pres. Paul V. Galvin in Aug. 3 report to stockholders, disclosing first half sales of \$93,293,119 compared with \$92,465,210 in same 1954 period, and second quarter sales of \$41,414,940 vs. \$44,458,410. First half earnings were \$2,945,001 (\$1.52) vs. \$2,858,301 (\$1.48); second quarter earnings were \$791,963 (41¢) vs. \$1,214,217 (63¢). In connection with second quarter decreases, Mr. Galvin stated that "about 40% of second quarter TV sales last year was new merchandise, whereas this year there was only a nominal amount of the new TV lines recorded as sales in the second quarter. This will correct itself in the third quarter." Also, Motorola's military sales for first 6 months were disproportionately low compared with the total anticipated for the year. Sales of 2-way radio communications and auto radios for second quarter were substantially up, while home, portable & clock radio sales were up 54%. In 1954, Motorola's gross was \$217,000,000.

Zenith earnings for first half of 1955 were \$3,126,061 (\$6.35 a share) on sales of \$71,455,702 vs. \$1,288,246 (\$2.62) & \$56,681,409 for the same 1954 period. For the second quarter, profits were \$1,051,101 (\$2.14) in 1955 & \$460,725 (94¢) in 1954 on sales of \$31,083,890 & \$27,346,-219, respectively. First half TV set sales jumped 71% from 1954 to 1955, compared to an overall industry increase of about 20%, but "because of competitive conditions and increased proportion of table model receivers," pres. E. F. McDonald Jr. told stockholders, "average unit sales prices were substantially lower and the dollar volume increase in television sales was not commensurate with the record number of TV receivers sold."

Tung-Sol reports record first-half 1955 earnings of \$1,528,792 (\$2.20 a share on 643,412 shares) on sales of \$23,754,485 vs. \$1,001,537 (\$1.73 on 555,402 shares) & \$19,102,826 for same 1954 period. Chairman Harvey Harper says new aluminized CR tube will be pushed vigorously for renewal market.

International Resistance Co. reports Jan. 1-June 26 (25 weeks) profits of \$323,290 (24¢ a share on 1,342,598 shares) on sales of \$7,291,888 vs. \$123,080 (9¢ on 1,331,-163 shares) & \$5,701,000 for first 25 weeks of 1954.

Whirlpool Corp. sales were \$91,965,427, net income \$5,910,567 (\$1.92 a share) in first 6 months of 1955 vs. \$85,204,210 & \$4,035,176 (\$1.31) year earlier.

Gross Telecasting Inc. earned net profit of \$374,673 (94¢ per share) during first half of 1955 vs. \$332,576 (83¢) in same 1954 period.

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Dividends: Magnavox, 37½¢ payable Sept. 15 to stockholders of record Aug. 25; Globe-Union, 30¢ Aug. 10 to holders Aug. 1; Tung-Sol, 25¢ Sept. 2 to holders Aug. 18; Whirlpool, 35¢ Sept. 10 to holders Aug. 31; Paramount Pictures, 50¢ Sept. 15 to holders Aug. 26.

Color Trends & Briefs: Still highly skeptical about color's prospects, GE's Dr. W. R. G. Baker, who also is RETMA director of engineering, feels set prices are still too high to get the medium rolling. "I don't think the situation this fall will be much different from last year," he said. "Oh, maybe a little better, but not much."

"The price ought to be around \$495 to open color up—maybe lower," he said. "The whole merchandising job is entirely different from that of black-&-white when it started. There was nothing like TV before. The old man saw it in a barroom and wanted it in his own home."

"But how do you merchandise color? Is it a specialty job? Do you put one in the customer's home and leave it there for him to try out? I don't know."

GE is continuing work on tri-color tubes, meanwhile, Dr. Baker said, aiming for unit cheap enough to permit production of receiver priced within average customer's means. He said he hopes to have something to report before long.

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Another big set maker, who preferred to remain anonymous, told us: "We believe the RCA-NBC program expansion is the first real step needed to take color off the ground. We feel this will stimulate fall sales of color receivers and will hasten the development of the rectangular color tube so badly needed."

Attitude of RCA-NBC, prime movers in the color crusade, is one of determination, backed by millions being poured into color programming and promotion. "We mean business," said a spokesman, "and if some of the others won't come along, we will go it alone or with those that believe in color, as we do." It was intimated, but not disclosed, that others besides Hallicrafters & Magnavox have also arranged to have RCA make their initial color receivers (Vol. 11:31).

Hypo to color sales is seen in sizable discounts on the \$795 & \$895 being allowed. Reported discount to distributor is 40%, distributor discounts to dealer run 30-32%.

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Milton Berle color series next season is getting a lot of promotional push from NBC. This week's *Variety* carries full-page ad in form of letter to Berle from NBC pres. Pat Weaver, with caption "Colorfornia Here He Comes!!" Letter recalls how Berle became known as "Mr. Television"—"with the sales of black-&-white TV sets racing to keep up with your ratings" and goes on: "Within the next months we are bound to see you carve out a new and colorful career for yourself, giving a tremendous push to color set sales."

Network color schedules for next 2 weeks: NBC-TV—Aug. 8, 10, 12, 17 & 19, *Matt Dennis*, 7:30-7:45 p.m.; Aug. 9, 11, 16 & 18, *Vaughn Monroe*, 7:30-7:45 p.m.; Aug. 8-12 & 15-19, segments of *Home*, 11:45-noon; Aug. 22, *Producers' Showcase*, "The King & Mrs. Candle," starring Cyril Ritchard, Joan Greenwood, Richard Haydn & Irene Manning, 8-9:30 p.m.

Set makers who have announced color receivers for the fall market thus far, according to NBC, prices ranging from \$695 (Motorola) to \$950 (Magnavox): Andrea, Capehart-Farnsworth, DuMont, Hallicrafters, Magnavox, Motorola, Philco, RCA, Sentinel, Sylvania, Stromberg-Carlson.

One index to color tube production is output of masks, and Aug. *Electronics Magazine* estimates 80,000 have been produced to date—about 50,000 of them 19 & 21-in., 2000 of them 22-in., remainder 15-in.

"Flat" color tube: Engineers at Willys West Coast Electronic Lab, Palo Alto, are working on color version of Dr. Wm. Ross Aiken's still-secret "flat" TV picture tube (Vol. 11:3).

Network TV-Radio Billings

June 1955 and January-June 1955

(For May report see *Television Digest*, Vol. 11:27)

HALFWAY through the year, network TV billings came very close to \$200,000,000 mark as against \$150,013,054 at same point last year—and, on basis of record fall-winter bookings, there's every likelihood they will be nearer \$500,000,000 than \$400,000,000 when year ends. Fact that NBC-TV now claims to be 50% sold out daytime, in which classification CBS has been sold out consistently, enabling it to take top position in over-all TV billings, also leads to expectation that 1955 will far surpass 1954's \$320,154,274 (for 1949-54 monthly PIB figures, see p. 32, *TV Factbook No. 21*).

Network radio's \$9,321,858 in June compares with \$10,764,481 in same 1954 month, brought Jan.-June total to \$61,591,309 vs. \$74,529,314 for same 1954 period. Only radio network to show gain in June was NBC, second runner to CBS, but it was a minuscule gain. Here's latest Publishers Information Bureau report:

NETWORK TELEVISION

	June 1955	June 1954	Jan.-June 1955	Jan.-June 1954
CBS	\$15,787,009	\$11,448,180	\$ 93,841,931	\$ 65,916,429
NBC	12,222,554	9,990,729	78,794,603	62,294,026
ABC	3,542,304	2,317,879	21,768,605	15,207,664
DuMont	218,845	778,920	2,904,680	6,594,935
Total	\$31,770,712	\$24,535,708	\$197,309,819	\$150,013,054

NETWORK RADIO

	CBS	ABC	AMC	MBS	Total
CBS	\$3,603,602	\$ 4,181,677	\$ 23,888,528	\$ 29,714,809	
NBC	2,652,765	2,618,614	16,212,306	18,570,178	
ABC*	1,816,367	2,405,994	13,313,799	15,170,597	
MBS	1,249,124	1,558,196	8,176,676	11,073,730	
Total	\$9,321,858	\$10,764,481	\$61,591,309	\$74,529,314	

NETWORK TELEVISION—January-June 1955

	ABC	CBS	DuMont	NBC	Total
Jan.	\$ 3,718,195	\$15,831,141	\$ 723,960	\$13,172,695	\$ 33,445,991
Feb.	3,567,696	14,694,726	597,275	12,419,641	31,279,338
Mar.	3,806,425	16,036,896	628,625	14,102,093	34,574,039
Apr.	3,527,558	15,463,359	462,335	13,285,933	32,739,185
May	3,606,427	16,028,800	273,640	13,591,687	33,500,554
June	3,542,304	15,787,009	218,845	12,222,554	31,770,712
Tot.	\$21,768,605	\$93,841,931	\$2,904,680	\$78,794,603	\$197,309,819

NETWORK RADIO—January-June 1955

	ABC	CBS	MBS	NBC	Total
Jan.	\$ 2,487,140	\$ 4,181,787	\$ 1,372,532	\$ 2,744,204	\$ 10,785,663
Feb.	2,387,900	3,950,767	1,291,938	2,584,620	10,215,225
Mar.	2,445,765	4,393,441	1,446,535	2,953,486	11,239,227
Apr.	2,096,355	3,837,124	1,365,658	2,624,671	9,923,808
May	2,080,272	3,921,807†	1,450,889	2,652,560	10,105,528†
June	1,816,367	3,603,602	1,249,124	2,652,765	9,321,858
Tot.	\$13,313,799	\$23,888,528	\$8,176,676	\$16,212,306	\$61,591,309

* In order to maintain continuity and comparability with previously published data, an adjustment factor of 1.817 has been used by PIB in calculating gross network radio time charges for those nighttime network radio programs where ABC Rate Card No. 6 was in effect.

† Revised as of Aug. 3, 1955.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers' Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 40%. However, they're generally accepted in the trade as an index.

Major hotel TV lease operators (see p. 2), as far as can be learned, are the following (brand of receiver in parentheses): American Communications Corp., 280 Broadway, N. Y. (GE); The Ira Hirschmann Co., 654 Madison Ave. (CBS-Columbia); Hotel Radio Corp., 1040 W. Fort Ave., Detroit (private label); Master Video Systems, 37 W. 52nd St., N. Y. (CBS-Columbia); Telerent Corp., 870 Seventh Ave., N. Y. (Admiral); Tel-Hotel Corp., 50 Central Park So., N. Y. (Westinghouse); Tele-Sound Inc., 1505 Race St., Philadelphia (Capehart); Wells Television Inc., 52 Vanderbilt Ave., N. Y. (RCA).

East Germany has opened 2nd regular TV station, at Brocken Mt., close to West German border.

STRIKE of TV film actors, which began Aug. 4, isn't expected to have much effect on fall programming unless it drags on for a month or more. Most new film series due for debut this season are reported to have many episodes already in the can, and old series can throw re-runs into the breach, if necessary. As for network filmed shows, there's always the possibility they can convert to live in a pinch.

At press time, prospects for quick settlement seemed slim, with no negotiations expected until "some time next week," according to a management group spokesman. Strike involves some 200 producers and 2-3000 Screen Actors Guild members as well as some 3000 craft workers in other unions. Principal issue is Guild's demand for re-run payments for 2nd runs; current re-run payments begin with 3rd run.

Management bargaining groups directly affected are Alliance of TV Film Producers and Assn. of Motion Picture Producers, but most non-affiliated TV film makers have followed the position adopted by the 2 groups. Seven independent TV film producers reportedly have settled with Guild—including Lewislor Enterprises Inc. and Lewman Ltd., owned respectively by Loretta Young and Jane Wyman, both members of SAG. Contracts also have been signed by Charles E. Skinner Productions (*Sgt. Preston of the Yukon*) and Quintet Productions (*Judge Roy Bean*) as well as Spectrum Film Productions (5 & 15-min. films) and 2 firms in Cleveland.

At least 43 major film series, produced at 23 Hollywood studios, and 4 or more made in New York area, have been interrupted by strike. Surveys by entertainment trade press found backlogs of unreleased TV film episodes varied from 3 to 18, with median being about 6. Since most of the series won't begin using the new material until Sept. or Oct., strike would have to last at least a month before it would cause any widespread shortage of TV film.

The 8% excise tax on installation of community antenna connections came close to elimination this week, when House passed HR-3414 with amendment submitted by Rep. Cole (R-N. Y.); Senate failed to act on it, however. Community operators would much prefer to get 8% excise lifted from monthly charge rather than from original installation, will try again next session.

Looking for personnel? Radio & Television Executives Society, 420 Lexington Ave., N. Y. publishes monthly applicant listing of persons seeking posts in networks, stations & agencies—including management, sales, production, direction, writing, promotion, public relations.

Rocket enthusiast Andrew G. Haley, Washington communications attorney, now attending Sixth International Astronautical Congress in Copenhagen, Denmark, has asked International Telecommunications Union to allocate frequencies for use with satellites.

TV cuts drinking, so pubs in Norfolk, England have petitioned for later closing hours. They say customers used to show up at 7 p.m., but since TV reached area don't venture out until 9. Authorities sympathized, now permit beer to flow half hour longer to 10:30.

How TV newscasting is handled on 11 stations is subject of U of Missouri bulletin (Journalism Series No. 135) by Samuel Brownstein, titled *Television News Practices in Missouri*, available on request.

TV network service now reaches 364 stations in 241 U. S. cities, AT&T Long Lines announced this week. KRNT-TV, Des Moines, hooked up last week end, was latest to join Bell System facilities.

Fire virtually demolished plant of WCOV-TV, Montgomery, Ala. (Ch. 20) on Aug. 5, forcing it off air indefinitely. Radio WCOV was also badly damaged.

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE
FOR MANAGEMENT
OF THE
VISUAL BROADCASTING
AND ALLIED ELECTRONICS
ARTS AND INDUSTRY

NARTB LIBRARY

Television Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: NO. 33

SUMMARY - INDEX OF THE WEEK'S NEWS — August 13, 1955

EXPANSION INTO ELECTRONICS eyed by many big companies in nearly every industry. Survey shows mergers and diversification in last 12 months (pp. 1 & 14).

DuMONT SPINS OFF stations, plans separate corporation, seeks new president (possibly via merger) for manufacturing operations, Dr. DuMont to be chairman (p. 1).

COLOR SET SALES in 1956 will run 600,000-1,000,000 if properly handled, RETMA pres. H. L. Hoffman believes; sees price dropping only with mass sales (p. 3).

NEWEST STOCK OFFERING involving TV-radio stations due from Dolph-Pettet Broadcasting Co., which proposes initially to buy into Honolulu, Denver stations (p. 6).

NEW STATIONS in Ft. Worth (Ch. 11), Richmond area (Ch. 8), Scottsbluff, Neb. (Ch. 10, satellite). Texas outlet starting with \$1,000,000 local business (p. 8).

HIGH JULY-AUGUST TV SALES indicate fall buying by consumers has begun in earnest; price hikes by Emerson & Trav-Ler; labor signs with GE (pp. 9-10).

WESTINGHOUSE SELLS 1000 TVs to new Hilton-Statler Hotel in Dallas; shipment comprises specially-designed 17 & 21-in. receivers (p. 11).

CBS INC. GROSSES \$202,173,713 for first half, profit up 22% to \$6,327,672. Financial reports on Raytheon, et al; officer-director stock transactions (p. 12).

DuMONT'S VITASCAN live color equipment to get first public showing as Gimbel's N. Y. invites customers to "see yourself on color TV" (p. 13).

MOVIEMAKERS' ENTRY INTO TV assailed by Ziv as "by-product activity" using second-class talent and "loaded with free ads at expense of sponsors & stations" (p. 5).

'ELECTRONICS' IS STILL THE MAGIC WORD: If further proof were needed that the future of virtually all industry is tied up with the ever-expanding applications of electronics, it's contained in the growing list of old-line companies expanding into the fields of electronics -- through mergers or establishment of electronics divisions.

While considered an industry in itself, electronics actually is also a part of every other industry -- either through electronic production techniques or the integration of electronics into the end product. The most exciting scientific and industrial frontiers now before us are the harnessing of the atom and the conquest of outer space -- both of which will be made possible through extensive application of new advanced electronic techniques and systems.

It's only natural, then, that companies in nearly every field have plans for expansion into electronics, either to supplement their principal product, or in search of a new "principal product" to replace one which is becoming "outdated."

Principal electronics mergers and expansions of last 12 months are detailed in story on p. 14, which brings up-to-date the analysis of industrial diversification into electronics which appeared in our May 15, 1954 issue (Vol. 10:20).

THE DuMONT SPINOFF—PLANS AND PURPOSES: Changes in the DuMont capital and operating structures, both manufacturing and telecasting, will be wrought before year's end pretty much along lines predicted (Vol. 11:19-20,32) -- with these plans and purposes agreed upon at board meeting this week, subject to approval of stockholders in Oct.:

(1) Dr. Allen B. DuMont will relinquish presidency of Allen B. DuMont Laboratories Inc. in favor of a new operating head, yet to be chosen, possibly coming into the firm by way of a merger with or acquisition of another electronics company. Dr. DuMont will become chairman of board under long-term contract, with stock options.

(2) DuMont Broadcasting Corp. will be set up to own and operate TV stations WABD, New York and WTG, Washington (both Ch. 5), along with big 67th St. Tele-Centre in N.Y. In spinoff of telecasting operations, stock in new corporation will be distributed to DuMont stockholders on basis of one share for each 2½ now held, and some new stock will be sold in order to raise working capital.

(3) There will be no network operation, and Electronicam system of filming TV shows will be retained by the manufacturing concern and be made available to all

comers on lease basis. New DuMont Broadcasting Corp. may acquire more stations, possibly including KTLA (also Ch. 5), owned by major stockholder Paramount Pictures.

(4) One class of stock will replace present DuMont A & B, and stockholders will be asked to authorize 5,000,000 shares of \$1 par. Of these, 1,801,054 will be issued to replace the A, 560,000 to replace the B. Besides 124,343 shares of \$20 par 5% cumulative preferred stock, there are presently authorized 2,440,000 shares of A, with some 12,000 stockholders holding the 1,801,054 outstanding, and 560,000 of B all held by Paramount Pictures Corp. There are 494,169 shares of A unissued and unreserved; 136,777 A reserved for conversion of the preferred; 8000 A optioned (at \$10.22) to Wm. H. Kelley, v.p. & gen. mgr., when he joined company in 1953.

(5) New broadcasting corporation will have 2,500,000 shares of common, of which approximately 1,000,000 will be distributed to present stockholders and additional shares offered by underwriters to provide additional capital. Officerships & directorships remain to be worked out, with presumably some overlap planned.

(6) Directors of the manufacturing concern will be increased to 10, with all officers elected by board. One of the 2 new directors will be the new president of Allen B. DuMont Laboratories Inc., the other possibly a banker. Dr. DuMont, as the chairman, would secure options to buy 35,000 shares of common stock; 90,000 more will be reserved for purchase options by other company executives.

* * * *

That's the basic plan, as worked out largely by Armand G. Erpf, partner of Carl M. Loeb, Rhoades & Co., who displaced Dr. DuMont's brother Bruce T. last May as member of DuMont board. Other banker member of present board is Percy M. Stewart, partner of Kuhn-Loeb & Co. Plan presumably also had collaboration of "Gov. Dewey" law firm of Dewey, Ballantine, Busby, Palmer & Wood, who have represented Erpf.

Reorganization was entirely amicable, it's understood, despite long-prevailing friction between DuMont majority directors (Dr. DuMont, T.T. Goldsmith Jr., Stanley F. Patten, Mr. Stewart) and Paramount minority (Barney Balaban, Paul Raibourn, Edwin L. Weisl). Respective classes of stocks were different only in voting power.

Paramount got into DuMont through advances amounting to some \$164,000 in mid-30s, has since bought more A shares in the open market to bring its cumulative A & B total to 628,000 shares. Loeb, Rhoades owns or controls some 400,000, so that the 2 could vote well over 1,000,000 shares -- reason for the Erpf influence.

* * * *

Dr. DuMont was shown in last proxy statement (March 24, 1955) to own 39,800 shares of common, 200 preferred, and to hold 8000 common and 2000 preferred in trust for his son. He has sold off some of his holdings since, was shown in a recent SEC report to hold 37,600 common. His 1954 salary was \$68,339. Directors Goldsmith, Patten & Stewart hold 1900, 400 & 1000 shares, respectively.

Firm's 1954 annual report showed assets of \$32,954,000, common stock's book value \$12.28. Gross sales last year were \$99,570,000, net earnings \$7,597,000, but profit figure included \$6,727,000 realized after capital gains from sale of Pittsburgh station to Westinghouse (now KDKA-TV) for record \$9,750,000 (Vol. 10:49). In 1953, sales were \$91,829,000, profit \$1,544,000; 1952, \$76,367,000 & \$1,425,000; 1951, \$50,742,000 & \$583,000 loss; 1950, \$76,096,000 & \$6,901,000.

Last year's report blamed telecasting network operations for low net earning power, and it was estimated DuMont Network operation losses from inception amounted to \$16,000,000. Last year it ran \$5,000,000, forcing curtailment of network to mere skeleton hookups (Vol. 11:1,13). Today it's a network in name only.

TV set, tube and electronics manufacture have been reasonably profitable, the telecasting business dragging down earnings consistently. Dr. DuMont noted that in 1954 manufacturing earned 3% on sales after taxes whereas average of 7 major competitors was 3.3%; in 1953, manufacturing earned 3%; in 1952, 3.2%.

So far this year, two 12-week reports have been issued. First, to March 25, showed \$27,000 loss on sales of \$15,989,000; Second, for 24 weeks to June 19, showed \$1,249,000 loss on \$29,741,000 sales. The 24-week report compared with profit of \$479,000 on sales of \$41,590,000 in corresponding 1954 period.

The TV stations are said to be building up gradually, apace with the upsurge of telecasting; Washington outlet is "about breaking even." At all events, they're definitely not for sale, now that the spinoff has been decided upon. Paramount's KTLA, which may be brought into the fold, is reputedly a money maker. There's no disposition whatsoever to get back into networking, we're told; in fact, main reason for spinoff is "to take us out of showmanship into electronics."

UP TO 1,000,000 COLOR SALES IN 1956—HOFFMAN: Big color programming push begins just about a month from now (Vol. 11:31), sooner than most people realize, and virtually everyone is willing to take a crack at predicting what will happen to demand.

One of the most thoughtful analyses we've seen comes from RETMA president H. Leslie Hoffman, the energetic west coast manufacturer. He states flatly, in response to our inquiry: "I believe that if we can handle the industry publicity properly there should be a minimum of 600,000 and a maximum of 1,000,000 sets sold next year." He arrives at that conclusion via the following reasoning:

"Technically, NBC and CBS are now properly equipped facility-wise, manpower-wise & know-how-wise to do a good job of color broadcasting and do it on a national network basis. Based on our own experience, receivers are still complicated to build but once they are properly checked out they are simple to operate by the consumer and require no abnormal service.

"Sponsors have indicated their willingness to support color programming. As a matter of fact, so far they are ahead of the manufacturers, dealers and public.

"What then is making the distributor and dealer hesitant to push color, and the consumer hesitant to buy and ask for it? From the distributor and dealer viewpoint, he is worried about the potential drop in the price of the sets and has been exposed to the propaganda that the present price structure is too high. He is also afraid that if he pushes color it will hurt his healthy black-&-white sales. He also is out of the habit of home demonstrations, TV parties etc., that prevailed in the early days of black-&-white, and these must be reactivated for color.

"The consumer feels that color is still some time off and that he will wait until the prices come down. The only answer to this is to expose him to the color broadcasts and romance sufficiently what he is missing. My own opinion is that the price is not too high if it is properly sold.

"There is a certain segment of the industry that feels that we can go no place with color until the price comes down. The only way to get the price down is to get the thing going so that we can effect mass production and thereby reduce the price.

"I think the key words in getting color launched are exposure and excitement -- and if the two are properly handled I believe the price will fall in line.

"Speaking for ourselves, we have kept our engineering know-how up-to-date and have gone beyond that. As a matter of fact, we were the first in the country to introduce the 21-in. simplified chassis in Jan. 1955. We have since produced approximately 300 units. We have them in the field, they are operating satisfactorily, and the people who own them are satisfied customers.

"We have a limited production schedule for this fall, and we are going to produce them ourselves because we want the experience and are willing to pay for it. We think that color is going to get started this fall and will continue to pick up momentum until color TV becomes the topic of conversation in the average home.

"I think there is one factor which needs to be taken into consideration in both the programming and the selling of color TV, and that is the fact that the women in the home have the greatest color sense and appreciation, and that they will be the key person on the color decision in the average American home."

NARTB's schedule of 8 regional conferences this fall, which replace the 17 district meetings held in past years: Region 1 (replacing Districts 1 & 2), Sept. 21-23, Saranac Inn, Saranac, N.Y.; Region 2 (Districts 3 & 4), Oct. 12-14, Roanoke Hotel, Roanoke, Va.; Region 3 (Districts 5 & 6), Sept. 28-30, Jung Hotel, New Orleans; Region 4 (Districts 7-9), Sept. 19-21, Edgewater Beach Hotel, Chicago; Region 5 (Districts 10 & 11), Nov. 7-9, Ft. Des Moines Hotel, Des Moines; Region 6 (Districts 12 & 13), Nov. 15-17, Baker

Hotel, Dallas; Region 7 (District 14), Nov. 1-3, Broadmoor Hotel, Colorado Springs; Region 8 (Districts 15-17), Oct. 24-26, St. Francis Hotel, San Francisco. Opening day of each conference will be devoted to radio, second to assn. business, final day to TV. The TV sessions will include talks by TV v.p. Thad Brown, code review affairs director Edward H. Bronson and Television Bureau of Advertising pres. Oliver Treyz. An FCC commissioner will address the banquet of each conference.

Station Accounts: Commercial success of General Tele-radio's *Million Dollar Movie*, which is repeated up to 16 times a week (Vol. 10:37), is assured on WOR-TV for coming season starting Sept. 19, reports v.p.-gen. mgr. Gordon Gray. He said show is virtually sold out for new season, with 7 sponsors already in line (4 renewals). Newcomers are Philip Morris, thru Biow-Beirn-Toigo; Mueller Macaroni, thru Scheideler, Beck & Warner; Lee Ltd. (Sof-Set shampoo), thru Foote, Cone & Belding. Renewals came from Sterling Drug, Piel's Beer, N. Y. Telephone Co., Rival Dog Food. Of the 39 films scheduled for coming season, 10 are 1955 releases, 21 were released between 1950-54 . . . Carnation Milk buys alt. week sponsorship of *Annie Oakley* in 90 additional markets, bringing total to 130, thru Erwin, Wasey & Co., Los Angeles; Continental Baking Co. is alt. sponsor in 75 markets starting Jan. 1 . . . Sears, Roebuck, an infrequent TV sponsor, buys filmed drama series, *Dr. Hudson's Secret Journal*, on KTTV, Los Angeles, thru Roche, Williams & Cleary, Chicago . . . Wine Advisory Board to spend more than \$500,000 in campaign during National Wine Week Oct. 15-22, thru Roy S. Durstine Inc., San Francisco . . . Mennen Co., entering women's cosmetic field with Mennen Skin Magic, plans all-media campaign this fall, thru Grey Adv. . . . Toy Guidance Council, on behalf of leading toy manufacturers, to sponsor series of 15-min. film programs featuring ventriloquist Paul Winchell in 75 markets starting Nov. 1, thru Friend-Reiss Adv. . . . Buitoni Foods Corp. plans all-media campaign with theme "Close Your Eyes and You're Eating in Italy," thru J. Walter Thompson . . . duPont to conduct annual fall spot campaign on behalf of Zerone and Zerex anti-freeze, thru BBDO, N. Y. . . . Among advertisers currently reported using or preparing to use TV station time: Boyle-Midway Inc., Chicago (Aero-wax), thru Geyer Adv.; W. T. Young Foods Inc., Lexington, Ky. (Big Top peanut butter), thru Rutledge & Lilienfeld, St. Louis; Bostwick Lab Inc., Bridgeport, Conn. (Hep Aerosol insect killer), thru Ovesey, Berlow & Strauss, N. Y.; Continental Baking Co. (Daffodil Farm bread), thru Ted Bates; Endicott-Johnson Corp., Endicott, N. Y. (Johnsonian men's shoes), thru Charles L. Rumrill & Co., Rochester; Mangels, Herold Co., Baltimore (King syrup), thru Buddemeier Co., Baltimore; Dusorb Co., Shenandoah, Ia. (Dusorb cleaner), thru Ayres & Assoc., Lincoln, Neb.; Griffin Grocery Co., Muskogee (Griffin's coffee & tea), thru R. J. Potts-Calkins & Holden, Kansas City; Sunnyvale Packing Co., Sunnyvale, Cal. (Aunt Penny's White Sauce), thru Young & Rubicam, San Francisco; L. Sonneborn Sons, N. Y. (Amalie oil), thru Humbert & Jones, N. Y.; Brown Shoe Co., Robin Hood div., St. Louis, thru Leo Burnett Co., Chicago; Maryland Pharmaceutical Co., Baltimore (Rem cough medicine), thru Joseph Katz Co., Baltimore; Peter Hand Brewing Co., Chicago, thru BBDO; Wyler & Co., Chicago (packaged soups), thru Schwimmer & Scott, Chicago; Fradelis Frozen Food Corp., Los Angeles, thru Mogge Privett Inc., Los Angeles.

CBS-TV's "Six Plan," announced this week, gives advertisers a 25% volume discount for each 6 announcements a week in time classifications other than AA or A on any of its 4 owned stations (WCBS-TV, WBBM-TV, WXIX, KNXT). First advertisers to use plan are Florida Citrus Commission, thru Benton & Bowles, and Toni Co., thru Weiss & Geller, Chicago.

Chicago's radio WMAQ (NBC-owned) to use special closed-circuit telecast at noon Aug. 17 for sales presentation to key agencies & prospective clients in Chicago & N. Y. on its round-the-clock program schedule. Kine will be made and will be available for subsequent use by agency & client representatives in other cities.

Network Accounts: NBC-TV will cancel one regularly-scheduled commercial program per month in prime evening time starting this fall in order to present series of hour-long filmed public affairs programs depicting outstanding events of recent history. Network says new series, to be presented monthly at irregular times, is open to commercial sponsorship, but will go on sustaining if necessary. Cost of each show is estimated at about \$125,000. First will be *Nightmare in Red*, depicting rise of Communism, tentatively scheduled Thu. Nov. 3, 8-9 p.m. Other films include *Rise and Fall of a Dictator*, story of Adolf Hitler; *The Jazz Age*, covering period from end of World War I to Wall St. crash in 1929; *Rebirth of Freedom*, story about Austria pegged to reopening of Vienna State Opera in Nov.; repeat of prize-winning *Three, Two, One—Zero*, documentary on atomic energy. Henry Salomon, who produced *Victory at Sea*, heads project . . . General Motors buys Tue. 10:30-11 p.m. time period on CBS-TV relinquished by Alcoa, for undisclosed program, thru Kudner . . . Procter & Gamble to sponsor *It's Always Jan* on CBS-TV starting Sept. 10, Sat. 9:30-10 p.m., thru Compton Adv. . . . General Foods (Post cereals) to sponsor *Fury*, new TPA film series derived from classic "Black Beauty," on NBC-TV starting Oct. 15, Sat. 11-11:30 a.m., thru Benton & Bowles . . . Chesterfields to sponsor TV version of its CBS Radio series, *Gunsmoke*, on CBS-TV starting Sept. 10, Sat. 10-10:30 p.m., thru Cunningham & Walsh . . . Revlon to sponsor its highly-popular \$64,000 Question on CBS Radio as well, simulcasts to start in fall . . . General Mills to sponsor *Tales of the Texas Rangers* on CBS-TV starting Sept. 3, Sat. 11:30-noon, thru Tatham-Laird, Chicago . . . Old Golds to sponsor *Truth or Consequences* on NBC-TV starting Aug. 16, Tue. 10-10:30 p.m., moving to Fri. 8-8:30 p.m. starting Sept. 30, thru Lennen & Newell . . . Swift & Co. to sponsor *White Mane* as replacement for *Horace Heidt Show* on NBC-TV starting in fall, Sat. 7:30-8 p.m., thru J. Walter Thompson . . . S.O.S. Cleanser & Mattel Inc. (toys) to share Wed. 5:30-5:45 p.m. segment weekly on *Mickey Mouse Club* on ABC-TV starting in fall, Mon.-thru-Fri. 5-6 p.m., thru McCann-Erickson . . . Chrysler buys half of Canadian football schedule on CBC-TV this fall, thru BBDO . . . Arlene Francis to conduct new interview program, *The World at Home*, on NBC-TV starting Aug. 22, Mon.-thru-Fri. 10:45-11 a.m., immediately preceding her *Home* show.

NBC-TV released results of survey, conducted for it by Psychological Corp., showing that housewives ranked Arlene Francis' *Home* (Mon.-thru-Fri. 11 a.m.-noon) second only to the magazine *Better Homes & Gardens* as a source of homemaking information. Nationwide study of 5000 women, titled "Home on the Brain," showed they ranked information sources in this order: *Better Homes & Gardens*, *Home*, *Good Housekeeping*, *Ladies' Home Journal*, *McCall's*, *Woman's Home Companion*, *American Home*, *Arthur Godfrey Time* (CBS-TV), *The Big Payoff* (NBC-TV), *Woman's Day*. NBC research & planning director Hugh M. Beville Jr. said results were especially gratifying as *Home* had been on air less than year when survey was conducted in Feb.

WDSM-TV, Duluth-Superior (Ch. 6), controlled by Ridder publishing interests, who also control WCCO-TV, Minneapolis (Ch. 4), will switch basic affiliation from CBS to NBC "in the near future," according to Harry Bannister, NBC station relations v.p. Present NBC affiliate, KDAL-TV (Ch. 3), will join CBS. WDSM-TV contract with CBS-TV runs to Jan. 31, 1956. Minneapolis station presumably remains with CBS, which once owned 47% interest that was purchased last year for \$3,950,000 by Cowles' Minneapolis Star & Tribune Co. (Vol. 10:45).

Telecasting Notes: Movie majors' entry into TV drew bitter blast this week from chairman Frederick W. Ziv of leading TV film producer-syndicator Ziv Television Programs Inc.—in marked contrast to the "sweetness & light" with which other TV film outfits have "welcomed" the movie moguls into TV. "The production of TV film," said Ziv, "can only be a by-product activity of these great theatrical motion picture producers—by-product loaded with free advertising for their movies at the expense of sponsors and TV stations" . . . "Who are these men," asked Ziv, "who now talk of embracing this exciting new medium which has already learned to make most effective use of their basic product—film—without their help? They are the men who a few short years ago were consumed with fear and confusion as they sought to meet the competitive challenge when TV's home audience impact began to be felt at their theatre boxoffices. What new ideas emerged from their crisis? Meet the decreasing boxoffice grosses with lower and lower budgets. Depreciate quality to get costs down. Reduce staff" . . . Movie industry's recovery, Ziv said, came only with the realization that top quality product was the answer, using "budgets running into the millions; with boxoffice star names, writers and directors. Yet these are not the stars, writers and directors they plan to use in their TV programs. These people must be reserved for feature picture production" . . . Ziv will spend \$650,000 this year for advertising, promotion, research & merchandising, 37% increase over last year . . . Network interest in feature films (Vol. 11:32) intensified by availability of General Teleradio's RKO backlog; all 3 networks reported bidding for some of the oldies. Teleradio says its first RKO features will be released to TV "within the next few months" . . . Out to acquire still more films, General Teleradio is negotiating for huge library of J. Arthur Rank's British short subjects, including 30-40 color cartoons . . . "Million Peso Movie": Teleradio's 26-film Bank of America package now in foreign syndication—Goar Mestre's CMQ, Havana, acquiring rights for Cuba

Television Bureau of Advertising hit back this week at claims of Hearst Advertising Service that 174 advertisers have dropped out of network TV since 1953. Gordon A. Hellman, TvB station relations director, commented to us that as long as the grand total of network advertisers showed increase each year, TV industry would stand on its record. Quoting PIB figures, he said network TV had 52 advertisers in first quarter of 1949, 102 in first quarter of 1950, 169 in 1951, 177 in 1952, 168 in 1953, 214 in 1954 & 236 in first quarter of 1955. The Hearst compilation, as published with gleeful editorial comment in Aug. 6 *Editor & Publisher*, was accompanied by some biting comments from Hearst research director Frank LaRose, who said: "These advertisers tried TV to the tune of \$42,676,117 in time costs alone. A conservative estimate of 80% of time costs for talent and production would boost this investment to a whopping \$76,817,000—an investment which apparently was a faulty one, one without satisfactory return . . . We have shown in previous *TV Facts* bulletins [published by Hearst] that TV is not the perfect infallible medium; that it does not deliver a captive audience; and that many advertisers have tried TV and found it wanting . . . TV guarantees nothing per se. TV is possibly the most speculative medium in the advertising world." Note: Hearst interests own WBAL-TV, Baltimore & WISN-TV, Milwaukee.

Prodigious volume: *Radio-Television Daily's* 188-p. "Shows" edition Aug. 10, listing some 1800 TV-radio program ideas with guide to producers-distributors. There's also symposium on TV programming by agency topkicks, a survey of telecasters ideas, with summaries of shows reported by various stations.

and Puerto Rico . . . First sale of ABC Film Syndication's 15 J. Arthur Rank films (Vol. 11:31) was to New York's WCBS-TV, which reportedly outbid WOR-TV & WPIX with offer of \$100,000 for unlimited runs over 3 years, beginning in Nov. . . . Ambitious TV film project: Independent movie producer Joseph Kaufman has acquired world TV rights to 104 top French plays of all time from Societe des Auteurs et Compositeurs Dramatiques, says he'll produce at least 26 color film shows per year, 60 & 90-min. in length, shooting in Paris, New York & Hollywood, first group to be ready for distribution by winter. He plans to produce all 104 in 4 years . . . Eddie Cantor seeking release from his contract with Ziv which provides for 39 more half-hour films besides 39 already completed; though he owns 50% of his Ziv TV & radio shows, he says the activity is "just too much for me" . . . "The announcer, once thought of as the lowest of the low in broadcasting," writes Leon Morse in Aug. 13 *Billboard*, "has risen to a position of eminence and financial security in TV second only to the top stars. In most cases, top video announcers make more money than most of the men who employ them"; "the class group" among announcers grosses \$150,000-\$200,000 a year, and "the day is not far away when they will be earning \$250,000 each year." In top category are Rex Marshall, Nelson Case, Bob Dixon, Ed Herlihy, Dick Stark. Betty Furness' income from her Westinghouse shows is estimated at \$100,000 yearly . . . First spectacular to spawn a hit song may be NBC-TV's upcoming *The King & Mrs. Candle* Aug. 22; RCA released recordings considerably in advance of the show, and one song, *Young Ideas*, is getting heavy play by disc jockeys . . . Irving Mansfield, producer of *This Is Show Business* and *Jane Froman Show*, among others, has returned to CBS-TV as a producer . . . NBC Hollywood staff orchestra increased from 25 to 45, will be used on transcontinental shows for first time; new salary scale hikes musicians from \$145.48 to \$200.76 per 4-hour, 5-day work week, from \$145.48 to \$242 for 5-hour, 5-day week.

Network radio in transition: NBC topkicks are considering plan to adapt format of commercially successful weekend radio series *Monitor* to weekdays 10 a.m.-5 p.m. Decision won't be reached until fall, when it will be submitted to affiliates, but there's lots of sentiment for giving weekday radio the same commercial shot in arm that the segmentized *Monitor*, with its partic. sponsors, gives weekend radio. Possibility is that a modification, with perhaps 2 hours a day of *Monitor*-type programs as a start, might be worked out by fall. Meanwhile, ABC Radio comes up with its own weekend radio service. Called *It's Time*, program will comprise 18 five-min. dramatic news programs each weekend, to be produced by *Time Magazine* & ABC Radio starting Aug. 20. ABC said "the new program will deal only rarely with top headline news but will often provide background anecdotes on major news stories and personalities."

"Formula" for ending week-long strike by Screen Actors Guild against TV film producers (Vol. 11:32) was announced jointly Aug. 12 by SAG and employer groups, Assn. of Motion Picture Producers and Alliance of TV Film Producers. Terms of settlement weren't disclosed, pending approval by producers' boards and SAG membership, but it was generally agreed that producers had yielded to a certain extent to actors' demands for extra payments for each re-run of film, plus increase in salary minimums. About 200 producers were closed down by strike.

NBC pres. Sylvester L. (Pat) Weaver Jr. appears on *Home* Aug. 19 (11 a.m.-noon) to discuss fall program schedule, especially new dramatic series, *NBC Matinee Theatre*, Mon.-thru-Fri. 3-4 p.m. (formerly *Matinee*).

Personal Notes: Charles L. Glett, who quit as CBS v.p. to take charge of RKO studio operation after sale to General Teleradio, elected exec. v.p. of the producing company as well as board member under pres. Daniel T. O'Shea, who also resigned as CBS v.p. recently . . . Emanuel Sacks, RCA corporate v.p., and Albert S. Waters, v.p. & operations mgr., RCA International, left Sept. 11 on business tour of Europe . . . Glenn Marshall Jr., pres. and gen. mgr. of WMBR-TV & WMBR, Jacksonville, elected a director of Washington Post Co., parent company . . . Fred N. Dodge, ex-NBC merchandising director, opens own market consultant office, 115 Central Park West, N. Y. (Trafalgar 4-1907) . . . Albert G. Hartigan promoted to program mgr. of WPIX, N. Y. . . . Arthur C. Schofield, Storer director of adv. & promotion, transferred from N. Y. office to Miami Beach headquarters; Mrs. Vonne Monsell, editor of *Storer Story*, house organ, also transferred to Miami Beach . . . George Diefenderfer Jr. has been named director of national sales service, WISH-TV & WISH, Indianapolis, and not sales mgr., as erroneously reported last week; Robert F. Ohleyer is stations' sales mgr. . . . Morris Novik, consultant specializing in labor radio problems, elected pres. of radio WOV, N. Y., whose controlling interest he recently purchased from Richard O'Dea; Ralph N. Weil re-elected exec. v.p., Arnold Hartley program v.p. . . . Larry Stevens resigns as local sales mgr., KGMB-TV, Honolulu, to open own ad agency at 835 Keeamoku St. . . . Newell T. Schwin named sales development mgr., CBS Radio spot sales . . . Tom Myers promoted to program mgr., KPTV, Portland, Ore. . . . Frank A. Tessin, ex-Headley-Reed, joins San Francisco office of rep Free & Peters . . . Clifford M. Kirtland Jr. named business mgr., WGR-TV & WGR, Buffalo . . . Roger D. Rice named Seattle mgr., Wm. Rambo Tacoma mgr. of KTVW, Tacoma . . . Tom P. Hawley, ex-CBS & WATV, Newark, named sales mgr. of Princeton Film Center Inc., headquartered in N. Y. . . . Walter L. Dennis, ex-gen. mgr. of WJNO-TV, Palm Beach, named sales director of management consultants Telerad Inc., Pueblo, Colo. . . . H. Quenton Cox, KQFM, Portland, Ore., named chairman of NARTB's FM committee, succeeding Ben Strouse, WWDC-FM, Washington . . . Jon E. Arden named merchandising director, WTVJ, Miami . . . Myron P. Kirk, TV-radio v.p., elected a senior v.p. of Kudner Agency . . . Dr. Gerhart D. Wiebe, CBS Radio research psychologist since 1946, named asst. to Frank Stanton, pres. of CBS Inc. . . . Robt. Grebe, ex-MBS, named ABC trade news editor, succeeding Al Seton, now asst. mgr. of publicity . . . Stuart Novins relinquishes duties as CBS associate director of public affairs to become moderator of *Face the Nation on TV* and *The Leading Question* on radio.

Week's junket to England to see how *The Adventures of Robin Hood* series is produced has invitation list of 66 editors from as many newspapers in as many cities where the CBS-TV & CBC-TV show will be carried starting Sept. 19 under co-sponsorship of Wildroot (BBDO) and Johnson & Johnson (Young & Rubicam). They leave on chartered plane Aug. 30, headquartered at London's new American-owned Westbury Hotel. Saphire Films Ltd. is shooting the series at Nettlefold Studios, Walton-on-Thomas, with Official Films as U. S. distributor. Saphire is controlled by Prince Litler, a principal in Incorporated TV Programs Co. Ltd., London.

George Frey, NBC-TV sales v.p. and one of the industry's top golfers, scored a 32 on back 9 of Greenbrier course during recent drug convention there, beating score of Sam Snead, who was in foursome just ahead and carded 33—on his own course. Frey's score for the 18 holes was 67.

George Angus Burns, 58, editor of CBC house organ *Radio* and an ex-CBC news editor, died in Ottawa Aug. 7.

SUCCESS of the Storer, Consolidated (Bitner) and Gross stock issues has led to organization of Dolph-Pettey Broadcasting Co. as "a vehicle for acquisition of radio and TV stations and application of management in such a manner as to increase their value after which they may be sold or traded for other stations with greater potentials."

Public offering of stock & debentures is due shortly after Labor Day, through Cruttenden & Co. and Saunders, Stiver & Co. They will underwrite sale of \$300,000 in twelve-year 6% debentures together with 30,000 shares of 10¢ par common stock to be sold as units, each unit consisting of a \$1000 bond and 100 shares of common, to be sold at \$1000 per unit. After expenses and underwriting discounts, net proceeds to the company would be about \$266,000.

In addition, \$127,500 of 5½% preferred stock (\$100 par), 12,750 shares of common stock and \$19,125 cash will be exchanged for 42½% of the common stock of Pacific Frontier Bctg. Co., Honolulu, owner of KULA-TV (Ch. 4) and radio KULA. Also, 95,500 shares of Class B common will be sold for cash at 10¢ per share, of which 70,000 will go to directors William Dolph and Herbert Pettey, 8500 shares each to the 2 underwriters, 8500 also to Reynolds & Co., which will also be represented on the board.

Besides acquiring the interest in the Honolulu stations, whose holding company is 40% owned by KJBS, San Francisco, in which Dolph & Pettey have one-third interest, and 42% by American Broadcasting Stations Inc. (WMT-TV & WMT, Cedar Rapids, Ia.), of which Dolph is pres. and 29% stockholder), company also will acquire radio KMYR, Denver (250 watts, 1420 kc, holding CP for 5 kw, 710 kc) for which \$155,000 purchase contract has been signed.

Honolulu company's net worth was \$97,733 at end of 1954, earned profit of \$35,328 after taxes and depreciation in 1953; in April 1954 its TV station began operating, showing loss in first 6 months of \$41,111. In Jan. 1955 the TV lost \$16,000, but by May showed profit of \$1000 after depreciation at rate of \$5000 a month; Dolph & Pettey, according to preliminary prospectus, believe the station can be expected to show a net profit of about \$100,000 a year after taxes "within a reasonable period of time." They also expect to sell KULA eventually.

KMYR would be operated as a "sweet music station" along lines of KJBS, San Francisco (average earnings: \$180,000 a year for last 10 years) with Alfred V. Crapsey, ex-KOA, Denver, recently with NBC, San Francisco, as mgr. KMYR lost \$11,374 in 1954, earned \$4409 in 1953, earned \$14,641 in 1952. With expenses of present ownership removed—amounting to \$32,000 in 1954, \$48,000 in 1953, \$41,000 in 1952—prospectus says these earnings can be built up to approximately \$100,000 per year before taxes or \$50,000 after taxes.

Dolph started in radio as mgr. of WOL, Washington, which was later swapped for WMT, Cedar Rapids; he developed the radio program *Double or Nothing*, has agented other programs, is still agent for Fulton Lewis Jr. Pettey, his brother-in-law, was original secy. in 1934 of the Federal Communications Commission, later was radio director for MGM, managing its WHN, New York (now WMGM). In 1944, Dolph & Pettey formed syndicate to buy KJBS; in 1941 they bought into WEMP, Milwaukee.

Executives Radio-TV Service, Larchmont, N. Y. (James M. Boerst) has published new edition of its semi-annual *Time Buyers Register*, listing more than 2000 of them and 6000 accounts.

FARM TV SET counts for Colorado and Minnesota were tabulated this week by Census Bureau as part of its Oct.-Nov. 1954 Census of Agriculture. Based on 20% sample, Minnesota was shown to have TVs on 55,045 of its 165,225 farms, or one-third. In Colorado, 11,101 of 40,749 farms—or slightly over 27%—are TV-equipped. Minnesota has stations in Minneapolis-St. Paul, Austin, Rochester & Duluth-Superior, also views out-of-state TV stations from Fargo, N. D., and Sioux, S. D. Colorado's stations are in Denver, Colorado Springs, Pueblo & Grand Junction, with Cheyenne, Wyo. also receivable across border.

COLORADO

County	Total Farms	Farms with TV	County	Total Farms	Farms with TV
Adams	1,286	843	La Plata	833	24
Alamosa	398	19	Larimer	1,521	913
Arapahoe	674	390	Las Animas	818	49
Archuleta	225	1	Lincoln	656	160
Baca	934	41	Logan	1,327	206
Bent	575	66	Mesa	2,443	414
Boulder	990	625	Mineral	20	—
Chaffee	199	34	Moffat	329	1
Cheyenne	434	16	Montezuma	941	20
Clear Creek	14	6	Montrose	1,316	90
Conejos	732	53	Morgan	1,370	745
Costilla	380	12	Otero	955	293
Crowley	442	155	Ouray	118	1
Custer	171	33	Park	159	12
DeIta	1,416	94	Phillips	560	35
Denver	107	66	Pitkin	82	—
Doiores	203	—	Prowers	904	21
Douglas	350	152	Pueblo	1,037	564
Eagle	179	3	Rio Blanco	228	—
Elbert	733	300	Rio Grande	534	—
El Paso	897	328	Routt	531	13
Fremont	883	243	Saguache	302	9
Garfield	677	7	San Juan	0	—
Gilpin	17	7	San Miguel	112	10
Grand	191	20	Sedgwick	417	16
Gunnison	221	—	Summit	36	1
Hinsdale	40	—	Teller	95	11
Huerfano	353	34	Washington	1,162	262
Jackson	112	18	Weld	4,087	2,773
Jefferson	1,171	752	Yuma	1,307	63
Kiowa	443	57			
Kit Carson	1,085	16			
Lake	17	2			
			State Total	40,749	11,101

MINNESOTA

MINNESOTA		
Aitkin	1,805	332
Anoka	1,194	783
Becker	2,613	453
Beltrami	1,676	80
Benton	1,395	461
Big Stone	983	91
Blue Earth	2,784	1,552
Brown	1,976	844
Cariton	1,630	610
Carver	1,875	1,156
Cass	1,487	176
Chippewa	1,629	326
Chisago	1,618	965
Clay	1,988	979
Clearwater	1,305	46
Cook	34	—
Cottonwood	1,959	536
Crow Wing	1,283	245
Dakota	1,839	1,427
Dodge	1,691	996
Douglas	2,283	300
Faribault	2,388	863
Finnimore	2,779	854
Freeborn	2,910	1,300
Goodhue	2,698	1,491
Grant	1,286	146
Hennepin	2,534	1,793
Houston	1,619	220
Hubbard	1,095	60
Isanti	1,470	721
Itasca	1,714	165
Jackson	2,254	516
Kanabec	1,381	661
Kandiyohi	2,540	866
Kitton	1,290	42
Koochiching	903	30
Lac qui Parie	1,970	281
Lake	152	46
Lake of the Woods	632	5
Le Sueur	1,863	1,095
Lincoln	1,514	197
Lyon	1,911	373
McLeod	2,299	1,317
Mahnomen	850	175
Marshall	2,382	230
Martin	2,504	856
Meeker	2,263	1,131
Mille Lacs	1,725	678
Morrison	2,845	558
Mower	2,585	1,249
Murray	2,003	451
Nicollet	1,483	786
Nobles	2,206	667
Norman	1,711	585
Olmsted	2,264	958
Otter Tail	5,894	931
Pennington	1,152	56
Pine	2,452	792
Pipestone	1,307	414
Poik	3,660	554
Pope	1,731	282
Ramsey	454	390
Red Lake	851	65
Redwood	2,597	840
Renville	3,040	1,285
Rice	2,197	1,365
Rock	1,404	617
Roseau	2,132	53
St. Louis	3,568	900
Scott	1,471	991
Sherburne	1,009	548
Sibley	2,142	1,250
Stearns	4,308	1,442
Steele	1,837	987
Stevens	1,233	110
Swift	1,723	366
Todd	3,293	505
Traverse	1,012	149
Wabasha	1,545	651
Wadena	1,333	140
Waseca	1,625	784
Washington	1,514	1,070
Watsonwan	1,421	503
Wilkin	1,183	477
Winona	1,787	520
Wright	3,177	1,910
Yellow Medicine	2,103	374
State Total	165,225	55,045

Note: Previously published tabulations—Nev., N. H., Vt. (Vol. 11:28); Wyo. (Vol. 11:29); N. D. (Vol. 11:30); Ida., Utah (Vol. 11:31); Mont., S. D. (Vol. 11:32).

ORLANDO'S Ch. 9 should go to WORZ, over WLOF, examiner Basil P. Cooper recommended in week's sole initial decision. He found that WORZ had better local ownership-management integration, superior broadcast history, more adequate technical facilities. In addition, he held that principals of WLOF sought to deceive FCC in connection with a letter calling Commission's attention to disbarment proceedings against onetime WORZ principal Wm. O. Murrell Sr.

Favored applicant is controlled by Naomi Murrell, her son, daughter & son-in-law. WLOF is controlled by Joseph L. Brechner and John W. Kluge, principals of WGAY, Silver Spring, Md. Kluge is also majority owner of AMs KXLW, Clayton, Mo.; WILY, Pittsburgh; WKDA, Nashville. He's selling WTRX, Bellaire, O.

Seeking to forestall shutting down WVET-TV & WHEC-TV, Rochester, N. Y., FCC asked Court of Appeals for "stay of mandate" pending consideration of appeal to Supreme Court. Court of Appeals decision on protest of WSAY, Rochester (Vol. 11:31) forces FCC to take stations off air unless court grants stay.

In allocations, WLBE, Leesburg, Fla. asks shift of Ch. 7 from Jacksonville, while Video Independent Theatres, Oklahoma City, seeks to get Ch. 8 moved from Woodward to Elk City, Okla., substituting Ch. 35 for it.

Also related to allocations, Richmond's WTVR asked FCC to issue cease-&desist order to stop WXEX-TV, Petersburg, from identifying itself primarily with Richmond.

Power hikes for 18 stations in Zone I, permitted by new rules effective Aug. 31 (Vol. 11:30), will take varying degrees of time to accomplish. Some involve only a few kw, will require little more than twist of knobs after FCC approval. Others may require new transmitters and/or antennas. Consulting engineer Dr. Frank Kear, coordinating New York's 7 stations for Empire State Bldg. management, estimates it will take up to 2 years for some to achieve increases. CBS & NBC have additional problems because their purchases of WGTH-TV, Hartford (Ch. 18) and WKNB-TV, New Britain (Ch. 30), respectively, are already being challenged because of alleged overlap with N. Y. stations. Some stations aren't in any hurry to increase power, feeling that additional coverage is insufficient to warrant equipment expenditures.

Arguing community antennas vs. boosters, Jerrold pres. Milton Shapp wrote Senate Commerce Committee Chairman Magnuson (D-Wash.) and FCC Chairman McConaughay, comparing the 2 methods. Magnuson has been pressuring FCC to legalize clandestine boosters still operating in Washington and neighboring states (Vol. 11:24). CATV systems, Shapp said, offer superior pictures, choice of programs, present no interference problems. Some \$4,000,000 is invested in CATV in Northwest, he stated. He added that booster operators are seeking to mislead Commission as to cost of boosters; they run \$5-\$25,000 per channel, he said, as against \$1000 claimed by booster proponents.

Very low-powered vhf co-channel boosters are sufficient to serve small towns, KXLF-TV, Butte, Mont. (Ch. 6) told FCC this week. Reporting results of experiments in Anaconda, owner E. B. Craney stated that booster is "adequate to re-direct and boost a fully usable TV signal from a favorable location to an entire town the size of Anaconda, i.e., 12,000 population, located in an unfavorable location." Equipment used: two T372 transformers, one Jerrold 401A-6 pre-amplifier with 404P remote power supply, one Ampli-Vision AGC 300-6 amplifier with regulated power supply, 250 ft. of RG57U cable.

Licensed TV sets in Britain increased 52,505 in June to total of 4,676,422.

FT. WORTH & RICHMOND areas got their second vhf stations this week, and vhf satellite began testing in Scottsbluff, Neb.—bringing to 441 the on-air total, 106 of them uhf. New Petersburg-Richmond outlet becomes basic NBC; one in Ft. Worth will be independent.

WXEX-TV (Ch. 8), authorized for Petersburg, Va., but with offices in nearby Richmond, started test patterns at midnight Aug. 11, goes on full schedule with NBC interconnection Aug. 15. It has 50-kw RCA transmitter, 978-ft. Stainless tower at site about 12 mi. south of Richmond. President is Tom Tinsley Jr., who operates radios WLEE, Richmond & WITH, Baltimore, holding CP for WITH-TV (Ch. 72). Irving Abeloff, from WLEE, is v.p., managing director & national sales mgr.; George Oliviere, ex-WTAR-TV, Norfolk, local sales mgr.; Charles E. Seward, ex-WBTB-TV, Charlotte, operations mgr.; James L. Dodd Jr., ex-WLWA, Atlanta, program director; John Costello, ex-DuMont, NBC & WPIX, chief engineer. Base rate is \$750. Rep is Forjoe.

New Ft. Worth station is KFJZ-TV (Ch. 11), which started testing Aug. 9, goes on commercial schedule Sept. 11. According to v.p.-gen. mgr. Charles B. Jordan, \$750,000 in local business is already on the books and \$1,000,000 expected by commercial target date. Veteran broadcaster Jordan, ex-aide to grantee Texas State Network's pres. Gene L. Cagle, has been succeeded at TSN by Stan H. Wilson, will devote full time to TV.

KFJZ-TV uses 20-kw GE transmitter with 12-bay antenna on 1074-ft. tower, is radiating 210-kw ERP. Executive staff comprises Dale Drake, from radio KFJZ, national sales mgr.; John Hopkins, also ex-KFJZ, commercial mgr.; Buck Long, ex-KFDA-TV, Amarillo, onetime WFAA-TV, Dallas, program & operations mgr.; Joseph B. Haigh, chief engineer. Base rate is \$600. Rep is H-R Television Inc. Same interests (noted oilman Sid W. Richardson is 62% owner of TSN) also operate KFDA-TV, Amarillo (Ch. 10) and have various radio station interests.

Third newcomer is long-delayed KSTF, Scottsbluff, Neb. (Ch. 10) which ends current test patterns with programming starting Aug. 21 as satellite of KFBC-TV, Cheyenne, Wyo. (Ch. 5). It has 2-kw RCA transmitter, 6-bay antenna on 120-ft. tower on Abrupt Peak, 10 mi. north of Scottsbluff, 79 mi. northeast of Cheyenne. It's second such satellite to get under way, first having been KEPR-TV, Pasco, Wash. (Ch. 19), operated in conjunction with KIMA-TV, Yakima (Ch. 29). KSTF & KFBC-TV will be sold in combination at \$150 rate. Rep for both is Hollingbery.

Equipment shipments: From RCA—25-kw transmitter Aug. 10 to KARD-TV, Wichita (Ch. 3), due on air Aug. 25; 10-kw Aug. 11 to KONA, Honolulu, due to shift to Ch. 2 from Ch. 11; 1-kw Aug. 6 to WCOV-TV, Montgomery, Ala. (Ch. 20) to replace equipment damaged by fire last week (Vol. 11:32). From GE—5-bay antenna to WCTV, Thomasville, Ga. (Ch. 6), with Sept. 1 target. From DuMont—50-kw amplifier to KDUB-TV, Lubbock, Tex. (Ch. 13). DuMont reports order from WITI-TV, Milwaukee (Ch. 6), due on air next winter, for 25-kw transmitter, 6-bay antenna, studio terminal and complete color equipment, for delivery by Sept. 1; also, order from WTVD, Durham, N. C. (Ch. 11) for 50-kw amplifier, delivery by Aug. 15.

WNAO-TV, Raleigh, N. C. (Ch. 28) now completing new large modern TV-radio center at 2128 Western Blvd., which includes studio seating nearly 1000. It plans to install live color equipment late this fall.

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

WAGE-TV, Marquette, Mich. (Ch. 6) is aiming for Dec. 1 start, reports new owner Frank J. Russell, publisher of *Marquette Mining Journal* (WDMJ), which recently acquired CP for \$20,000 from Jerome Sill & Herbert R. Herzberg (Vol. 11:31). RCA equipment has been ordered for delivery in 90 days. Microwave connection with WBAY-TV, Green Bay, Wis. CBS affiliate, is proposed—stations to be sold in combination, but WAGE-TV won't be a satellite, according to Russell. Bids are now out for buildings, including microwave houses. Rep will be Weed.

WITI-TV, Glendale, Wis. (Ch. 6), planned as Milwaukee area outlet, hopes to be on air by next Feb. 1, reports pres. Jack Kahn. DuMont transmitter and 963-ft. Kimco tower have been ordered. Architects are now working on building plans and bids will be asked in about two weeks. Soren Munkhof, ex-WISN-TV, Milwaukee, WREX-TV, Rockford, Ill. & WOW-TV, Omaha, has been named gen. mgr., with Milwaukee engineering consultant Daniel Gellerup as chief engineer. H-R Television will be rep.

WITN, Washington, N. C. (Ch. 7) had 350-ft. of 821-ft. Stainless tower built when hurricane Connie stopped work, reports pres.-gen. mgr. W. R. Roberson Jr. However, construction is far enough along so that station plans Sept. 1 test patterns, expects to meet Sept. 26 target for NBC affiliation. Nearest other TV is WNCT, Greenville (Ch. 9), 18-mi. away, other outlets are 90 or more mi. Transmitter house near Grifton is ready for 20-kw GE unit due next week and Alford 100-ft. antenna also is en route. This week, Roberson family filed application to take over control (see below). WITN ownership interlocks with local radio WRRF and WELS, Kinston, N. C. T. H. Patterson, WRRF gen. mgr., is being promoted to commercial mgr. of WITN; radio's chief engineer, L. E. Hiland will be WITN chief engineer; Hal Wilson, production mgr. Base hour will be \$325. Rep will be Headley-Reed.

KRBB, El Dorado, Ark. (Ch. 10) plans fall start, having signed NBC affiliation, reports 1/3 owner-gen. mgr. Wm. M. Bigley. It has transmitter house ready for installation of 5-kw RCA unit purchased from Terre Haute's WTHI-TV (Ch. 10), already has installed 6-bay RCA antenna on 600-ft. Skyline tower, 5 mi. south of town. KRBB owners control radio KVMA, Magnolia, Ark., have appointed Carroll Blewster chief engineer for TV. El Dorado is near southern border, over 100 mi. from Little Rock, nearest TV stations being KNOE-TV, Monroe, La. (Ch. 8), 59-mi., and KSLA, Shreveport (Ch. 12), 81 mi. Base hour will be \$200. Rep will be Pearson.

Control of upcoming WITN, Washington, N. C. (Ch. 7), due in Sept., is being acquired by W. R. Roberson family through purchase of 12,184 shares held by W. H. Anderson and R. M. Fountain (25.38% each). Each is being paid \$60,920 plus \$5,000 for expenses. Anderson controls WVOT, Wilson, N. C., has 20% of WGTC, Greenville. Fountain owns 37% of WCPS, Tarboro, N. C. After sale is approved, W. R. Roberson Sr. will hold 11.72%; W. R. Roberson Jr., 17.45%; J. P. Roberson, 15.84%; Hannah R. Bagwell (daughter), 15.84%—to bring family holdings to 67.82%, when minority interests by other family members are included. Also increasing holdings (from 17% to 25.31%) is Wm. S. Page (not related), who also controls radio WELS, Kinston, N. C.

Slowly catching up, Govt. Printing Office now offers Vol. 13 of FCC Reports covering Commission decisions and reports July 1, 1948-June 30, 1949. It's 1329-p., costs \$4.25. Vol. 12 came out Feb. 1951.

JULY'S OOMPH ACCELERATES INTO AUGUST: Though it's been characterized as a "deal" market, in which liquidations and close-out sales abound, current TV unit sales pace is astonishingly high. Official Aug. sales data is not yet available, but almost all manufacturers report a sales upbeat continuing into this month which indicates that fall buying by consumers has already begun in earnest.

July was an extremely good month in unit sales, perhaps best July in TV's history. Preliminary reports indicate the amazing total of about 400,000 TVs sold at retail in a month which normally sees retail sales at their lowest point. That means retail sales were at a going rate of 7,500,000 a year, adjusted for seasonal differences. Last year's 7,300,000 retail sales set a record.

Sharp production cutbacks accompanied high retail sales, largely as result of plant shutdowns. TV output was estimated at mere 335,000, lowest of year, and happy result was that excessive inventories were worked off smoothly. As of Aug. 1, inventories were down to 2,400,000 at all levels, characterized by one trade expert as "higher than a year ago but not too high in proportion to going rate of sales."

* * * *

Emerson and Trav-Ler raised TV prices by \$10 this week, joining Admiral in announcing increases -- and there seems little doubt now there will be industry-wide price hikes by fall. Increased costs appear to make it imperative for manufacturers to raise prices, though competitive factors might make it difficult in some cases.

"Metal components, especially those made of copper and steel, have increased as much as 10% to 20% in recent days," explained Emerson's Benj. Abrams. And this week American Metal Co. Ltd. raised price of selenium to domestic consumers from \$7 to \$10 per pound as result of higher prices being paid overseas, as well as because of stronger demand here and in Europe. The shortage of selenium rectifiers is already starting to pinch many TV manufacturers (Vol. 11:31-32).

Prospect of early end to copper strike, which has contributed greatly to the rise in cost of components, brightened with agreement Aug. 12 between Kennecott Copper Corp., one of the biggest producers, and 8 unions. The Kennecott strike alone was estimated to have cut off about 130,000,000 lbs., or one-third of the domestic copper supply, since strike began July 1.

Brief highlights of other major trade developments this week:

* * * *

Regional TV Lines? Idea of designing some TV sets for exclusive marketing in certain geographic areas is beginning to catch on. Motorola, Capehart-Farnsworth & Westinghouse have announced they're now designing and marketing special "California-style" TV sets exclusively on west coast. RCA and Admiral spokesmen say they do not plan to do so in foreseeable future; former says "we have a TV line with universal appeal," latter says Admiral had a few "California-style" models on market 2 years ago but didn't make much impression. Philco has a light-furniture line which can be adapted to any geographic area, said spokesman. The California models have cabinets designed on west coast in motif peculiar to local tastes. Westinghouse's Dan Halpin says company probably will have some "Texas-style" sets to meet demand in southwest area for local designs at some future date.

Labor: It now appears that there's no threat of guaranteed annual wage in TV industry for at least 3 years -- result of GE's settlement with IUE this week on a 5-year contract. Pact calls for average 3% wage increase, omits mention of guaranteed wage for 80-100,000 workers at GE's far flung plants. Contract cannot be reopened for guaranteed wage talks until 1958. Since union has regarded GE as entering wedge for guaranteed wage in electronics industry, it's highly improbable it will launch another concerted drive for the clause until 1958. Meanwhile, an ad

placed by union this week in Retailing Daily, prior to signing of agreement, stirred considerable comment. It showed picture of an appliance deliveryman taking TV set away from disconsolate family with headline: "No More Howdy Doody for Johnny," -- explaining "This TV set got laid off because his dad doesn't have guaranteed employment." According to IUE pres. James B. Carey, ad was one of series intended to show that guaranteed wage would be "good for the workers, good for the company and good for the community, including thousands of appliance dealers."

Profit Picture: Wall Street Journal reports, as typical of American industry, that 4 selected TV-radio companies showed 19% increase in profits in second quarter over same period year ago, with 10 electrical equipment manufacturing concerns up an average 8.1%. First National City Bank of N.Y. reports profits of 24 electrical equipment makers, including TV-radio, dropped average 1% in first half from same 1954 period, despite a 5% increase in second quarter. National Credit Office Inc. reports first-quarter profit of TV-radio-electronics manufacturers up average 21% over first 3 months year ago, with sales up average 4%.

Whirlpool Merger: Though it's contrary to Justice Dept. policy to comment on such matters, anti-trust chief Judge Stanley N. Barnes explained this week, in reply to query by wire services, why he approved projected merger of Whirlpool and Seeger into a single corporation to be owned about 20% each by RCA and Sears (Vol. 11:29-30). He said an extensive study proved that the transaction would have no major impact on competitors in the markets involved. He said Dept. considered, but rejected, prospect that new corporation "might develop into something like the duPont and General Motors combine in the white goods line." RCA gave assurances, he said, that it would not use its position to supply Sears with TV-radio-phonos. He concluded: "We found the RCA stove line is in poor health and that both companies [RCA & Sears] are comparatively small in this field. The move will have little impact on the 11 other major producers who certainly are strong and healthy enough to buck the competition." He said there are 1648 distributors handling white goods lines and 2250 handling either white goods or TV products.

Installment Credit: Too much or too little? There's a poser that divides govt. experts down the middle. Federal Reserve Board conferred with representatives of sales finance companies and banks on rise of consumer credit, amid recurring reports that govt. planned new restrictions. One report, authoritative but lacking confirmation, had President Eisenhower indicating he may ask Congress for new credit controls next Jan. or earlier if a special session is called. Meanwhile, General Motors Acceptance Corp., world's largest auto finance company, urged GM dealers to tighten up on "easy credit" for car buyers. On the other side of coin, another big credit firm, C.I.T. Credit Corp., said level of installment credit isn't too high, added: "American consumers have illustrated by their outstanding record of payment on installment obligations that they are excellent credit managers and make a major contribution to our vigorous economy."

Production: TV output totaled 134,959 week ended Aug. 5, compared to 113,864 preceding week & 90,072 week ended July 22. It was year's 31st week and brought TV output for year to date to about 4,385,000 vs. 3,350,000 in same 1954 period. Radio production totaled 209,689 (86,356 auto) week ended Aug. 5, compared to 203,343 in preceding week and 224,866 week before. For 31 weeks, radio production was placed at 8,000,000 vs. 6,000,000 in corresponding period year ago.

Retail Sales: RETMA report stated, as expected, that retail TV sales in first 6 months set all-time record for period at 3,202,995, compared to 2,410,893 sold in first half of 1954. Retail sales of radios, excluding auto sets, were 2,429,018, compared to 2,410,893 sold in first half of 1954.

Philco launched campaign to smash what it calls "the multi-million dollar racket in TV and radio tubes," by which "worn-out and discarded receiving tubes are being resold by unscrupulous concerns to the public, servicemen and dealers at tremendous profits." Racket is estimated to cost TV-radio users \$100,000,000 annually.

Company is offering, through its distributors, a 5¢ credit to all technicians & servicemen for each old tube turned in, and said "the old tube will be smashed in the presence of the serviceman." It said industry-wide adoption of its program would keep up to 30,000,000 old tubes a year out of the hands of racketeers.

Trade Personals: Louis Martin, ex-Standard Coil & RCA, named gen. sales mgr., Westinghouse tube div., Elmira, N. Y. . . . Raymond McClintock, from Waltham headquarters, named sales mgr. of Sylvania's microwave tube lab, Mountain View, Cal. . . . Edward C. Madden named Admiral director of traffic, succeeding Wm. C. Curtis, resigned; he's replaced as traffic mgr. by Thomas A. Gaudette . . . Wm. F. Hafstrom, ex-GE light military electronic equipment dept., appointed asst. to Sid Curtis, Stromberg Carlson v.p. for govt. contracts . . . Howard L. Foote named staff asst. to A. H. Bergeson, Stromberg-Carlson engineering v.p. . . . Charles Robbins, ex-pres. of Emerson Chicago factory branch, named v.p. of Sonora Radio & TV Corp., Chicago, currently setting up distributor sales program . . . Ernest Kohler, ex-chief commercial engineer for GE's Ken-Rad div., ex-sales mgr. of Raytheon tube div., recently Washington rep. for Hallicrafters, now operating own sales & engineering service in Cleveland, has opened additional office at 40 Greenhouse Dr., Dayton, O., where he will headquartered . . . Donald W. Tait, ex-Raytheon, joins Bendix Aviation as supervisor of adv. & public relations for Pacific div. . . . Burley T. Cram promoted to Sylvania west coast distribution service mgr., Los Angeles . . . P. Newton Cook promoted to gen. sales mgr., Chicago Standard Transformer Corp., subsidiary of Essex Wire Corp. . . . Maxwell H. Sroge promoted to director of district mgr. sales, Bell & Howell (phonos), succeeding A. H. Bolt, now asst. to v.p. for western operations; Robert D. Lipson named sales promotion mgr. . . . Eugene B. Lucas, ex-Jewel Radio, named eastern regional sales mgr., Wilcox-Gay Corp. & its Majestic International subsidiary . . . Noel K. Mackay, from N. Y. office, named gen. mgr. of new Webcor (Great Britain) Ltd. . . . Walter J. Fitzpatrick, ex-GE, named mgr. of CBS-Hytron's So. Cal. sales district, Los Angeles; Albert J. Harcher named tube plant mgr. at Kalamazoo, replacing Leonard A. Freeman, resigned.

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DISTRIBUTOR NOTES: Admiral appoints Southern Bearings & Parts Co. Inc., 500 N. College Ave., Charlotte (Fred N. Hall Jr., mgr.), replacing Major Appliance Distributors Inc. . . . Raytheon appoints Birch Distributing Co., Columbus, O. . . . Olympic Radio establishes factory branch, Olympic Television of Northern California Inc., 715 Bryant St., San Francisco (Dore Schwab Jr., gen. mgr.) . . . Philco Distributors Inc., N. Y., promotes Wallace Meyer to TV-radio sales mgr., assisted by Leonard Kanter; Irving Small promoted to major appliances sales mgr.—both reporting to gen. sales mgr. Robert Kelly . . . Admiral Denver factory branch appoints Harris Hesketh, from Los Angeles branch, as gen. mgr., succeeding Carl Lantz, now asst. to Clarence Tay, gen. mgr. of all branches; Admiral Distributors, Boston, names John R. Hodgens, from Albany branch, as gen. sales mgr.—his brother, Thomas J. Hodgens, takes extended leave of absence as gen. mgr. . . . American Elite Inc., N. Y., agent for German Telefunken radios in U. S., appoints Thurow Distributors, Tampa; Mutual Distributors Inc., Boston; Gem Electronics Distributors Inc., Hicksville, L. I. . . . Dorn's Inc., big 13-store Los Angeles TV-appliance chain, promotes merchandise mgr. Jack Pokard to v.p.

Recommended Reading: *Retailing Daily's* 4-article series this week on multifarious problems of distributors, based on 11-city survey.

David Kaye, 40, ex-Kaye-Halbert v.p., died Aug. 7 of heart attack. He is survived by his widow, son & 3 brothers: Harry, pres. of Kaye-Halbert; Ted, v.p. of Kaye-Halbert; Herman, ex-pres. of Caltech Electronics.

Julien M. Tuteur, 29, sales mgr. of Canadian Westinghouse TV-radio div., was killed Aug. 7 when his auto was struck by train at a crossing near Guelph, Ont.

Topics & Trends of TV Trade: Westinghouse sold more than 1000 TVs this week to new Hilton-Statler Hotel, opening in Dallas in Oct., in big single hotel-installation deal, amounting to more than \$200,000. Negotiated by gen. sales mgr. Dan D. Halpin, transaction is further evidence of the mushrooming market for TVs among nation's hotels and motels on which we reported fully last week (Vol. 11:32).

Of the sets sold, 802 are 21-in. table models in "Statler walnut," equipped with swivel base and called "Marseilles" model; 167 are 17-in. table models in custom-colored black, with gold trim, also on swivel base, called "Beverly"; 27 are 21-in. open-face consoles, in "Statler walnut," called "Turin"; 14 de luxe 21-in. 3-way combinations in white birch and other "antique" finishes.

All sets have Westinghouse's "Tip Top Front Tuning" and "Silver Safeguard Deep-Etched Printed Circuit" and are equipped with special silver nameplate in center bearing legend "Hilton-Statler." The Westinghouse label is printed, as usual, on lower part of mask. Seven trailers will transport the sets from Metuchen, N. J. plant to Dallas.

For Halpin, deal brings to about 6000 the number of sets he's sold to hotels, starting with 18 RCA receivers in 1946 to New York's Hotel Pennsylvania (now Statler). Subsequently he sold 3800 DuMont sets to Statler chain.

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Picture tube sales in first 6 months totaled 4,914,024, valued at \$94,893,559, compared to 3,957,238 worth \$82,985,981 in first half of 1954, reports RETMA. June sales were 706,890 worth \$13,244,499, compared to 779,329 at \$14,572,518 in May and 681,937 at \$13,933,845 in June 1954. Receiving tube sales in first 6 months totaled 226,502,544, valued at \$168,675,903, compared to 165,709,060 worth \$120,720,391 in first half of 1954. June sales were 40,819,961 at \$31,254,324 vs. 32,920,310 at \$25,914,821 in May and 31,031,815 at \$21,694,500 in June 1954.

Trade Promotions: Motorola to launch multi-million dollar campaign this fall in all media, starting with 4-p. spread in *Life Magazine*, thru Leo Burnett; Admiral starts ad drive in late Aug. to back reduction on 24-in. table model from \$240 to \$200 and "king-size" trade-in allowance on 24-in. console; DuMont ties up with Gimbel's, N. Y. dept. store, in 2-week display of new line starting Aug. 15, coinciding with N. Y. Summer Festival, in which complete color studio will be set up (see p. 18).

Federal Trade Commission this week ordered Recoton Corp., Long Island City, to stop representing itself in ads as the world's largest manufacturer of phonograph needles or that its needles have sapphire, ruby or other jewel tips without stating they are synthetic. Company agreed to order, without admitting or denying guilt.

Prices of Crosley's new line, introduced last week (Vol. 11:32): Super V, 17-in. tables, \$130 & \$160; Advance V, 17-in. tables \$150 & \$210, 21-in. tables \$170 & \$180; Custom V, 21-in. tables \$200, \$210, \$215 & \$225, 21-in. consoles \$250, \$260 & \$290, 21-in. combinations \$360 & \$370. Optional uhf tuners are \$20 extra.

CBS-Columbia to introduce new line at series of regional distributor meetings starting Aug. 18 at Essex House, N. Y. Other meetings are scheduled Aug. 22 at Chicago's Drake Hotel, Aug. 24 at New Orleans' Hotel Roosevelt, Aug. 29 at Los Angeles' Ambassador Hotel.

Senate Judiciary subcommittee, headed by Sen. Kilgore (D-W. Va.), will start hearings Aug. 23 on distribution practices in various industries, including probe of discount house operations. It's uncertain whether, or to what extent, TV will be directly involved.

International Resistance Co. to open branch plant, its 5th, at Burlington, Ia. about Dec. 1 for resistor output.

Financial & Trade Notes: CBS Inc. revenues in first 6 months of 1955 soared to record \$202,173,713, its consolidated net profits to \$6,327,672, or 87¢ per share based on average shares outstanding during the period, adjusted to reflect 3-for-1 stock splitup of April 1955. Profit went up 22% from the \$5,177,449 (74¢) on revenues of \$176,016,777 for first half of 1954. There were 7,339,123 shares outstanding as of last July 2 and 2,340,904 a year earlier. Most of first half's profit was recorded in first quarter, when it amounted to \$3,892,677 (53¢) vs. \$2,866,365 (41¢) in first quarter 1954. For whole of 1954, CBS Inc.'s gross was \$373,290,731, net \$11,414,645 (\$4.85 per share, before splitup) vs. \$313,908,771 & \$8,894,642 (\$3.80) in 1953.

Raytheon reports new record for year ending May 31 with sales of \$182,305,000 & earnings of \$4,532,000 (\$1.72 a share on 2,628,781 shares) vs. \$177,100,000 & \$3,523,000 (\$1.53 on 2,176,942 shares) in fiscal 1954. Total current assets are \$68,717,754, about \$12,000,000 below last year; total current liabilities \$36,185,243, \$14,000,000 under 1954; net working capital \$32,533,000, up \$2,000,000. V-Loan obligations are down to \$10,000,000 from \$20,000,000; backlog of unfilled govt. orders down to \$96,000,000 from \$150,000,000. All preferred stock has been retired and company declared 5% stock dividend last July 7 in lieu of cash (Vol. 11:29). Proxy statement calling for stockholders meeting Sept. 15 shows that Adams holds 12,800 shares, received \$75,650 remuneration for year; v.p. David Schultz (8354 shares) drew \$55,650; v.p. Percy Spencer drew \$45,000. All directors were renominated.

Admiral sales were \$94,018,923 and earnings \$1,946,192 (82¢ a share) for the first half of 1955 vs. \$105,201,498 & \$2,558,850 (\$1.08) for same 1954 period. Second quarter earnings were \$708,016 (30¢) on sales of \$43,984,527 vs. \$1,054,806 (45¢) & \$49,223,936. John B. Huarisa, exec. v.p., stated that a 66% drop in govt. billing in the first 6 months more than offset higher civilian business. "The movement of TV receivers to dealers was 21% higher in first 6 months than last year," he said. Outlook for the 2nd half is brighter, but any additional govt. restriction on credit might change the picture, he added.

Sears, Roebuck & Co., like RCA a 20% owner of projected new Whirlpool-Seeger Corp. (Vol. 11:29-30), owned 536,756 shares of Whirlpool Corp. as of July 1—158,956 directly, 108,800 thru Sears' Allstate Insurance Co., 269,000 thru Sears-Roebuck Foundation, according to SEC's July summary of security transactions & holdings. In June, Allstate sold 1200 Whirlpool, Sears-Roebuck Foundation sold 1000.

Stewart-Warner Co. electronics div. sales in first half of 1955 were 29% ahead of same 1954 period despite discontinuance of TV-radio business, and company may double its net income this year (to \$4-\$4.50 per share) over 1954, according to study by Glore, Forgan & Co.

Texas Instruments reports profits for first half 1955 of \$696,010 (22¢ a share) on sales of \$12,991,191 vs. \$591,596 (20¢) & \$11,616,810 for same 1954 period. Second quarter profits were \$305,934 (9¢) & sales \$6,680,331 vs. \$220,766 (7¢) & \$4,891,806.

Sparks-Withington Co. has increased its no par value common stock from 2,000,000 shares (900,666 shares outstanding) to 3,000,000 at \$2.50 par—with intention "to make some acquisitions."

Indiana Steel Products Co. reports sales for first half of 1955 were highest in its history, with net income before taxes of \$736,525 and earnings per share of \$1.24 vs. \$653,343 & \$1.10 in same 1954 period.

Aerovox earned \$320,090 (35¢ a share) on sales of \$12,336,835 in first 6 months of 1955, compared to \$346,747 (41¢) on \$11,830,760 in corresponding period year ago.

AMONG OFFICERS' and directors' stock transactions reported by SEC for June, in addition to those previously reported (Vol. 11:30-31): W. J. Conaty bought 100 ACF Industries, holds 100; Chester H. Gifford bought 1000 Avco, holds 1000; John A. McDougald bought 1000 Avco, holds 1000; Joseph H. McConnell, ex-NBC pres., sold 6500 Colgate-Palmolive, holds 3525; J. L. Van Volkenburg exercised option to buy 4650 CBS "A", holds 4956 personally and 3000 jointly with wife; John L. Hanigan sold 200 Corning Glass, holds none; O. Pomeroy Robinson Jr. sold 700 General Dynamics, holds 4448; Carleton Shugg bought 4750 General Dynamics, holds 7150; Gilbert W. Humphrey bought 100 GE, holds 100; Roy W. Johnson bought 3225 GE, holds 6726; Ray H. Luebbe bought 2070 GE, holds 2250; Donald L. Millham bought 1600 GE, holds 2609; W. V. O'Brien bought 1000 GE, sold 500, holds 801; Gerald L. Phillippe bought 600 GE, holds 1622; Willard H. Sahloff sold 1545 GE, holds 465; Harold F. Smiddy bought 1875 GE, holds 3750; Arthur F. Vinson bought 1185 GE, holds 3019; Carl DiMartino bought 100 Hazeltine, holds 300; Frank M. Freimann bought 200 Magnavox, sold 4000 thru trusts, holds 49,385 personally and 25,484 thru trusts; Paul V. Galvin sold 300 Motorola, holds 101,503 personally and 186,696 thru trusts; Edward R. Taylor bought 300 Motorola, holds 2160; Edwin C. Wolf bought 100 Oak Mfg. Co., holds 600; James T. Buckley sold 2500 Philco, holds 13,252; Phileo employes profit-sharing plan bought 3000 Phileo, sold 198, holds 525,659; David Sarnoff sold 15,000 RCA, holds 15,000; Lawrence Hoguet sold 150 Skiatron, holds none; John J. Smith bought 300 Sparks-Withington, holds 7441; Bernard E. Finucane, thru T. W. Finucane Corp. & trust, bought 420 Stromberg-Carlson, sold 210, holds 1000 personally and 1215 thru T. W. Finucane Corp.; George C. Gordon III bought 142 Stromberg-Carlson, holds 342; Anthony G. Schifino bought 100 Stromberg-Carlson, holds 923; John M. McKibbin bought 500 Westinghouse, owns 3536.

ABC has "definitely emerged from the fledgling stage" and its TV operations offer "exciting possibilities," says July 20 report on American Broadcast-Paramount stock by J. R. Williston & Co., N. Y., which concludes: "With the amount spent on TV advertising expected to increase from \$1 to \$2 billion a year in the next 5 years, with the movie exhibition field apparently having turned the corner, and with the possibility that ancillary enterprises [notably the Disneyland Park project] may provide an additional boost to earnings, American Broadcasting-Paramount promises to be a rewarding investment over the longer term." Similarly upbeat is July 21 follow-up report on AB-PT by Eastman, Dillon & Co., which calls Disneyland Park "perhaps the most exciting development affecting this company" and expresses belief AB-PT "offers considerable promise of future growth because it appears to be in a better position to expand its broadcasting activities at this time and at a faster rate than [CBS and NBC]."

Cornell-Dubilier earned \$1,381,448 (\$2.61 per share) after taxes of \$1,497,000 on sales of \$27,120,078 in 9 months ended June 30, compared to \$1,012,280 (\$1.88) after taxes of \$1,237,000 on sales of \$29,824,401 in corresponding 1954 period.

Electronics Corp. of America reports profit of \$161,427 (21¢ a share on 707,428 shares) on sales of \$2,851,250 for first 6 months of 1955 vs. \$99,992 (14¢ on 700,001 shares) & \$2,647,114 for same 1954 period.

Dividends: CBS "A" & "B," 20¢ payable Sept. 9 to stockholders of record Aug. 26; Cornell-Dubilier, 30¢ regular and 20¢ extra Sept. 22 to holders Sept. 12.

Add ABC-Paramount stock options (Vol. 11:31): Robert H. O'Brien, v.p., bought 12,500 common, increasing direct holdings to 12,600.

Color Trends & Briefs: Clever merchandising tieup between Gimbel's N. Y. and DuMont is Aug. 15-27 closed-circuit colorcasts in Gimbel's using DuMont's new Vitascan live color setup (Vol. 11:21).

Program has 2 phases—"see yourself on color TV" and display of goods. Color monitors will be spotted in windows and around store, and customers will parade before dolly-mounted scanner 50 min. each hour; other 10 min. will be devoted to showing merchandise. In addition, new DuMont black-&-white TV receiver line will be featured in store, while WABD will originate some black-&-white programs there. There will be no color broadcasts. New lighting equipment, giving normal illumination, will be employed.

Promotion is being kicked off with full-page ads in Sun. Aug. 14 *Times* and *News*. After Aug. 27, equipment will be moved to WABD.

DuMont announced, meanwhile, that its first complete color equipment package, including Vitascan, will be shipped Sept. 1 to new WITI-TV, Milwaukee-Glendale (Ch. 6), due on air Dec. 1.

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"Color is the magic word for 1955," says NARDA chairman Mort Farr in his Aug. *Electrical Merchandising* column. Predicting minimum of 30,000 set sales this fall, he calls this more profitable than sale of 180,000 black-&-white 17-in. table models, describes current product as technically sound, claiming that today's color chassis will be recognized as finest ever built, comparing it to record established by famed 630-TS black-&-white chassis. He suggests that "keeping up with the Jones" spirit might be fostered by adopting distinctive antenna "so that public would recognize a color set owner by glancing at his antenna." Some manufacturers are now offering colored antennas; last year, CBS-Columbia included yellow one with each color set.

Burden of pushing color is up to retailers, now that networks have announced plenty of color for their fall-winter schedules (Vol. 11:31)—opines columnist Harry Martin in Aug. 3 *Retailing Daily*. "If this isn't the moment for us to stop apologizing about the price," he says, "if this isn't the moment for us to stop talking about exaggerated comparative price, if this isn't the time for us to get into creative selling, we'll never have the moment. Let's show the networks that the biggest show is going to be in retail selling."

Hugh H. Eby Co., Philadelphia components maker, has filed SEC registration to sell 360,000 shares of 10¢ par stock to raise approximately \$1,750,000 in order to acquire \$124,000 in preferred stock, purchase real estate, pay up certain obligations. Offering will be through Hallowell, Sulzberger & Co., Philadelphia; Weill, Blauner & Co. and Baruch Bros., N. Y.

Paramount Pictures 6-mo. earnings were \$5,165,000 (\$2.36 a share on 2,188,916 shares) vs. \$3,962,000 (\$1.79 on 2,217,036 shares) in same 1954 period. Second quarter earnings were \$2,307,000 (\$1.05) in 1955 vs. \$1,726,000 (78¢) in 1954. Figure for 1954 includes \$832,000 (38¢) from non-recurring profit on sale of investments.

National Theatres reports income of \$1,768,490, or 64¢ a share on 2,769,486 shares, in 39-week period ending June 25 vs. \$1,884,636 (68¢) in same 1954 period. Third fiscal quarter 1955 showed profit of \$487,941 (18¢) vs. \$577,586 (21¢) for same 1954 quarter.

Warner Bros. reports net profit of \$3,312,800, or \$1.33 a share on 2,474,275 shares, for 9 months ending May 28 vs. \$2,536,707 (\$1.02) for same 1954 period.

Decca Records reports first half 1955 earnings of \$1,610,691, or \$1 a share vs. \$1,204,288 (75¢) in 1954 period.

Network color schedules for next 2 weeks: NBC-TV—Aug. 17, 19, 24, 26, *Matt Dennis*, 7:30-7:45 p.m.; Aug. 16, 18, 23, 25, *Vaughn Monroe*, 7:30-7:45 p.m.; Aug. 15-19 & 22-26, segments of *Home*, 11:45-noon; Aug. 22, *Producers' Showcase*, "The King & Mrs. Candle," starring Cyril Ritchard, Joan Greenwood, Richard Haydn & Irene Manning, 8-9:30 p.m.; Aug. 26 & 27, segments of Davis Cup tennis matches, 2-5 p.m. Fri. & 2:30-5 p.m. Sat. NBC has renamed its upcoming daily 3-4 p.m. color drama *Matinee*, calling it *The NBC Matinee Theatre*. CBS's radio KNX, Los Angeles, has show called *Matinee*.

"Conversion" of station-break sponsors to color at NBC's WRCA-TV, N. Y. (Vol. 11:26) has gone very well, according to v.p.-mgr. Hamilton Shea. He reports that all except one sponsor of breaks adjacent to or within regular color shows have agreed to use color. Total cost, based on color facilities charge, comes to slightly over 10% more than black-&-white charges. Rate card provides that if sponsor doesn't elect to use color, spot will be offered to others.

"British NTSC" color system to be tested in London this fall, tailored to U. S. system, is described in technical detail in Aug. *Wireless World*. Tests are preliminary to adoption of final color system, will run 2-3 unspecified days on BBC this month. A compatible system has been recommended to Postmaster-General by his Television Advisory Committee.

Color can change the apparent size of surfaces as much as 13.5%, plus or minus, according to a study completed recently by Johns Hopkins U for Pittsburgh Plate Glass Co. Hue alone can cause 9.5% change, brightness 8.5%, saturation 6%. Summary is available from Pittsburgh Plate's public relations dept., 632 Ft. Duquesne Blvd., Pittsburgh.

Color will cost 25% more to sponsors, in opinion of TV industry cross-section polled by *Billboard Magazine*; consensus was that extra cost would be worth it, and that color would attract more advertisers to TV.

Arthur S. Matthews, 52, pres. of Color TV Inc., San Carlos, Cal., died last week. CTI was one of 3 color system proponents, with CBS and RCA, during FCC color hearings, unsuccessfully championing line-sequential system. In recent years, CTI concentrated on govt. business, though its engineers still did some color work, outlining principles of a one-tube color camera (Vol. 10:7, 36).

Gabriel Co. reports first-half 1955 sales of \$6,759,792 and profit of \$1654 vs. \$10,032,940 & \$150,785 (26¢ per share) in same 1954 period. Second quarter sales were \$3,713,023, profits \$129,045 (23¢ a share on 507,753 shares) vs. \$5,012,853 & \$87,437 (15¢ on 505,960 shares) in same 1954 period.

Beckman Instruments Inc. sales for year to June 30 were \$21,000,000, net income \$1,300,000, or \$1.05 per share on 1,249,735 common shares outstanding, compared with \$18,652,870 & \$920,280 (85¢ on 1,079,730 shares) in preceding year.

Lear Inc. reports sales of \$29,023,044 and income of \$876,866 (39¢ a share) for 6 months ending June 30 vs. \$27,248,706 & \$1,397,558 (66¢) same 1954 period.

Globe-Union Inc. reports 1955 first half net of \$489,000 (68¢ a share) on sales of \$19,664,000 vs. \$208,000 (29¢) & \$17,097,170 for same 1954 period.

Arvin Industries reports profits of \$913,233 (\$1.02 a share) for quarter ending July 3 vs. \$461,873 (52¢) for similar 1954 period.

Frederick H. Schroeder, v.p. of Lee Higginson Corp., N. Y. bankers which underwrote recent \$1,250,000 debenture issue, elected a director of Trav-Ler Radio Corp.

Electronics Reports: Importance of guided missiles and electronics in nation's military aviation plans was strikingly underscored this week by President Eisenhower's appointment of an electronics engineer—Donald A. Quarles—as Secretary of the Air Force, succeeding Harold E. Talbott.

Appointment was generally applauded by electronics industry, which has closely followed Quarles' work as Asst. Defense Secy. for research & development, in which capacity he has been a prime mover in guided missile development program. At 61, Quarles is former pres. of Western Electric's Sandia Corp. (guided missiles), former v.p. of Western Electric, a fellow and former pres. of AIEE, onetime mayor of Englewood, N. J. He started working for Bell Labs in 1919.

Anticipating close scrutiny from Democratic Congressmen, Quarles announced he is now reviewing his "rather modest list of security holdings" and will divest himself of any that "imply a conflict of interest." Meanwhile, Sen. Morse (D-Ore.) said he would ask Senate Armed Services Committee to explore any possible conflicts. "This is particularly important in view of reports of Administration plans to turn over the air-raid warning system to AT&T," he said.

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Industrial electronics conference, sponsored by IRE & AIEE, at Detroit's Rackham Memorial Auditorium Sept. 28-29, will feature paper on "How Can Industry Use Television?" by H. F. Schneider, RCA. Automation session speakers will be Dr. Cledo Brunetti, General Mills; J. J. Graham, RCA; E. C. Johnson, Bendix Aviation; A. J. Carr Jr., Raytheon. Further information from Guido Ferrara, 8106 W. Nine Mile Rd., Oak Park 37, Mich.

Worth reading: "Automatic Manufacture of Electronic Equipment," in Aug. *Scientific American*, traces history and status of art, with emphasis on Project Tinkertoy (modular design of components); "The Two-Plus-Two of Sperry Rand," in Aug. *Fortune*, good summary of "conglomerate" merger, a union of 2 non-competitive electronic companies with nothing in common except a desire to face the future together.

Underwater TV, using RCA closed-circuit system, is being employed by U. S. Fish & Wildlife Service to test performance of experimental fishery methods and equipment under actual oceanic conditions.

DIVERSIFICATION into electronics has become a keyword in nearly every "non-electronic" industry (see p. 1)—and even electronics companies themselves continue to diversify and expand into related electronics fields. Aircraft industry is the classic and oft-cited example of the new emphasis on electronics—every airframe manufacturer now being in electronics research & development, many of them in electronics production of one form or another.

Our roundup of diversification into electronics 15 months ago (Vol. 10:20), which was widely quoted, cited some outstanding examples of companies which originally weren't even remotely connected with electronics and which now are heavily in the new field. Since that time, trend has continued, even intensified. Some examples:

General Dynamics, a leader in atomic and aircraft field, needed electronics know-how, so it bought Stromberg-Carlson (Vol. 11:18), and incidentally got itself involved in TV-radio broadcasting field.

The American watch industry, which has been in a

perpetual depression for many years due to Swiss competition, recently discovered its talents were especially suited for manufacture of some electronic gear, notably miniature precision parts and relays. Every American watch company is now in electronics. One firm, Elgin National Watch Co., this year purchased Advance Electric & Relay Co., American Microphone Co. and Neomatic Inc. (relays)—and Waltham was recently bought by Bellanca Aircraft, which will keep its electronics business, liquidate watch inventories.

Panel on future of automation will be highspot of RETMA symposium at U of Pennsylvania, Sept. 26-27. With GE's Dr. W. R. G. Baker, in chair, panel includes Maj. Gen. J. D. O'Connell, Army Chief Signal Officer; James Bright, Harvard Business School; Seymour Sherman, U of Pa.; John Diebold, editor of *Automatic Controls*. Other sessions will cover high volume assembly methods (Dr. J. Harrington Jr., U. S. Shoe Machinery Corp., chairman), data sensing & utilization (D. Griffin, McGraw-Hill), low volume production methods (D. Cottle, GE), redesign for automation (W. H. Hannahs, Automatic Production Research Co.).

Bellanca Aircraft Corp. is being sued for \$420,000 in Washington district court by National Electronics Labs., Washington, for alleged breach of a merger contract. Stock payment had been arranged for June 30, but NEL pres. Frank Mallinson claimed that Bellanca withdrew when its stock went up from \$17.50 when pact was signed to about \$30 on effective date of exchange. Bellanca just recently acquired the controlling interest in Waltham Watch Co., Waltham, Mass., which will dispose of watch inventory but retain other divisions, including instrument div., which produces electronic, electromechanical and servomechanical instrumentation.

North Carolina's fastest growing industry, according to Aug. 6 *Journal of Commerce*, is electronics, which will distribute \$75,000,000 annual payroll to 25,000 employees when current construction is completed. At present, 44 electronics and electrical products plants are in operation or construction in the state.

Tax inducement for electronics plant expansion will continue, despite fact that rapid writeoff program has been suspended in 38 other fields. Office of Defense Mobilization says tax-aided expansion of electronics facilities will continue as in past "for military requirements when the Defense Dept. recommends and supports the project."

"Revolutionary guided missile" contract has been awarded to Magnavox by Defense Dept., pres. Frank M. Freimann announced this week. No details were disclosed. He said company also has contracts for 3 different airborne radar systems.

An "instrumentation reference service" has been set up by Bureau of Standards as aid to scientists of govt. agencies and their contractors. It employs new type of "multidimensional" indexing system said to be unusually effective. It's described in report No. 1925.

While some TV manufacturers are diversifying into white goods, the white goods makers are diversifying into electronics—the RCA-Seeger-Whirlpool combine being good example of how some companies are pooling their products and distributive structures for mutual benefit. Easy Washing Machine Corp. recently invested \$2,000,000 in National Co. (communications, military radio, hi-fi), and Thor Corp. (washing machines) has sold its Cicero, Ill. automatic washer plant to raise money for expansion into electronics.

Textron American Inc., once a textile firm, is now deeply in electronics, having bought Ryan Industries, Detroit (airborne electronics), after purchasing Dalmo Victor Co., San Francisco (radar), now is going into com-

munications field through proposed purchase of Western Union's international cable system. Western Union goes deeper into electronics manufacture through its recently acquired 1/3 interest in Microwave Associates Inc., Boston, which is also 1/3 owned by American Broadcasting-Paramount Theatres.

Fairchild Camera has acquired Freed Electronics & Control Corp., offshoot of old Freed-Eisemann, TV-radio manufacturer. International Silver Corp. bought Times Wire & Cable Co. (electronic coaxial). Link-Belt Co., maker of industrial conveyors, is buying Syntron Co., electronics manufacturer. Pump maker Bell & Gossett Co. has set up electronics div., has military orders. Carrier Corp. (air conditioners) is now in electronics production through subsidiary Cambridge Corp.

Automotive industry is going heavily into electronics. The extent to which GM is in the field is little known (except for its Delco Radio subsidiary), but it has a number of prime military contracts involving electronic items. Willys Motors once produced TV cameras at Toledo and had planned to turn out TV station equipment including transmitters, but bowed out of the field and later opened electronics lab at Palo Alto, Cal., where Dr. Wm. Ross Aiken developed his flat TV picture tube. Studebaker-Packard bought Aerophysics Development Corp., Los Angeles (guided missiles). Mack Trucks bought White Industries and Radio Sonic Corp., both in aviation & military electronics. Reynolds Spring Corp., taken over by North American Philips, sold its automotive business, changed its name to Consolidated Electronics Industries and purchased other electronics properties. Detroit auto parts maker F. L. Jacobs Co. bought Eicor Inc., maker of electronic items.

Telautograph Corp., old-line manufacturer of non-electronic handwritten message transmission system, has "electronified" its equipment, and purchased Walsco Electronics Corp., maker of printed-circuit TV chassis, TV antennas, etc. Hupp Corp., onetime auto manufacturer, turned into holding company, bought the electronics business of Brown-Allen Chemicals Inc. (crystals, phototubes, transistors, TV components).

Last few months have also seen these combinations and diversifications of companies already in electronics: Hoffman Electronics (TVs) bought Analyzer Corp. (computers) and National Fabricated Products Inc. (TV-electronic parts, semi-conductors). Norden Laboratories, after merging with Ketay Instrument, has acquired several other electronic properties, notably Vari-Ohm Corp. and Scientific Specialties Corp. Electronics Corp. of America bought W. S. MacDonald Co., makers of electronic business machines. Olympic Radio and Victoreen Instrument merged into new diversified firm, Nuclear Electronics Corp.

Westinghouse Air Brake's electronics subsidiary, Melpar Inc., has steadily been acquiring smaller electronics companies, latest one being Corvey Engineering Co., Alexandria, Va. Resistor manufacturer International Resistance Corp. purchased EMEC Inc., maker of magnetic clutches for electronic applications. IT&T bought Kuthe Laboratories (tubes). Raytheon & Minneapolis-Honeywell jointly set up new Datamatic Corp. (computers). Hycon Mfg. Corp. helped to finance Hycon-Eastern Inc., research firm jointly owned with 2 leading MIT scientists.

V. Charles Schorlemmer, ex-Consolidated Vultee, named administrative v.p., and Leslie E. Neville, ex-director of Armed Services Technical Information Agency, named director of public relations & adv., American Bosch Arma Corp.

Datamatic Corp., computer firm owned jointly by Minneapolis-Honeywell and Raytheon, has bought new 40,000-sq. ft. factory building in Newton Highlands, Mass., near Boston, plans all operations there by Oct. 1.

RCA was ordered to produce, in London by Aug. 16, papers that Zenith Radio wants to examine in connection with its counterclaim patent suit against RCA, GE & Western Electric. Chicago Federal Judge Igoe signed order directing RCA to deliver to the U. S. consulate in London papers it removed from its London office when it shifted European headquarters to Zurich in April. Zenith wants the documents to take depositions, a practice forbidden by Swiss law when trial is to be held outside Switzerland. Judge Igoe signed order after RCA attorney Albert E. Jenner Jr. told court "there is not a scintilla of truth" in any assumption that transfer of RCA's office from London to Zurich had any connection with Zenith litigation, and accused Zenith of misrepresentation in its claims.

Western meeting of National Community TV Assn. Oct. 25-26 has been shifted from Denver to Antlers Hotel, Colorado Springs, Colo. Conference will include equipment exhibits, and all sessions will be of "open forum" type. Latest western community systems reported are Price Trading Co., Sunnyside, Utah, due to start within 30 days, according to mgr. Oscar Carlson Jr., and Rawlins Community TV Co., which has asked Wyoming Public Service Commission for authority to build \$105,000 system in Rawlins.

Intriguing reminiscences about early days of radio, comprising interviews developed with aid of Radio Pioneers Club, are featured in Aug. *American Heritage Magazine*. Particularly interesting are Herbert Hoover's account of early govt. regulation when he was Secy. of Commerce and Arthur Judson's report on start of CBS. Others interviewed: H. V. Kaltenborn, Wm. S. Hedges, Lyman L. Bryson, E. L. Bragdon, Dorothy Gordon, Lawrence A. Hawkins, Donald G. Little, Chester H. Lang, Thomas H. Cowan, Walter C. Evans, Orestes H. Caldwell.

Comments on space satellites by Andrew G. Haley, Washington TV-radio attorney and former pres. of American Rocket Society, received considerable attention in the press this week when he returned from International Astronautical Congress in Copenhagen. He said that after talking to Russian representatives he's "absolutely convinced" that U. S. has lead over Soviets in satellite program.

Competition, it's wonderful: To CBS's claim that its Wm. Worthy was first to send an uncensored broadcast to U. S. over facilities of Radio Moscow (Aug. 4), NBC publicity dept. retorts this week that its Irving R. Levine, now touring Russia with the American agricultural delegation, was first to broadcast, uncensored, from Moscow to its *Monitor* program for 5 minutes on July 16.

TV served as FBI "wanted" circular on CBS-TV's *What's My Line* Aug. 7. While panel was guessing correctly that contestant was an elephant trainer, viewers in Royal Oak, Mich. guessed that he was also the man alleged to have stolen roommate's car a year ago, whereupon he was arrested and held on \$1500 bail.

Sir Gordon Radley is new director general, British Postoffice Dept.; he recently had title of director of radio and accommodation. Sir Ben Barnett remains in charge of broadcasting.

Britain's Independent TV Authority has moved to permanent headquarters at 14 Princes Gate, London SW-7; telephone, Knightsbridge 5341.

Four \$2500 scholarships have been awarded to high school students by antenna maker Technical Appliance Corp. (Taco), Sherburne, N. Y.

U of Missouri holds 3-day national agricultural TV Clinic, Sept. 2-4.

Power increase: KTBC-TV, Austin (Ch. 7) Aug. 7 to 316-kw ERP.

Critical report on children's programming on NBC-TV was issued this week by its recently-organized Children's Program Review Committee, along with recommendations for improvement. Committee members are Dr. Frances Horwich, who is "Miss Frances" of NBC-TV's *Ding Dong School*; Mrs. Douglas Horton, wartime WAVES commander and an NBC director; Dr. Robert Goldenson, psychologist and expert on family relations. Committee listed 13 points of weakness but commended NBC for "trying to maintain a common standard of excellence" in children's programming. Among points criticized were sequences showing destruction of public property, shooting seltzer water or throwing things, bad grammar and poor pronunciation, frequent use of slapstick of questionable taste, over-excitement of solid hour of disjointed action, over-emphasis on money, misuse of commercials. Its recommendations called for better balance in children's programs, elimination of some westerns on o-&o stations, using 5-6 p.m. segment for 6-12 year group and 9-11 a.m. for nursery age, more how-to-do-it shows, more music & story-telling programs, improved standards for commercials. Richard A. R. Pinkham, NBC v.p. in charge of network programs, sent copy of report to all producers, along with letter urging prompt attention to its critical aspects. On a related front, NBC's WRCA-TV & WRCA has joined N. Y. Youth Board in attack on juvenile delinquency in city, using its facilities & personalities to acquaint public with conditions in a test neighborhood designated as "Area 4." Stations' participation include regularly scheduled progress broadcasts, counseling of delinquent youths by station personalities, and information to citizens on how they can help.

Two radio station sales this week, with TV overtones: R. H. Drury, Oklahoma auto finance man who controls KSWO-TV, Lawton, KMID-TV, Midland, Tex. & radio KRHD, Norman, heads group buying radio KGWA, Enid (1-kw daytime, 960 kc, MBS) for \$62,500. He holds 74.5% of purchasing firm, Ted Warkenton owning 15.5%, Allan Page 10%. KBAK, Bakersfield, Cal. (1-kw on 550 kc, MBS) has been sold for \$85,000 by *San Francisco Chronicle* interests, who retain KBAK-TV (Ch. 29). Purchasers are partnership comprising John Hearne, one-time FCC attorney now practicing in Los Angeles, and Benjamin Pasacal & Howard Tullis, L. A. admen. Radio call letters will be changed. Deal was handled by Jack Stoll, L. A. broker. Note: Rumor was abroad this week that Cantrell & Cochrane, Englewood, N. J. (Super-Coola canned soft drinks), whose mainspring is ex-Pepsi-Cola pres. Walter S. Mack, was seeking to buy up a string of western radio stations — but there was no confirmation.

On eve of "subversion" hearings on New York entertainment industry, AFRTA members overwhelmingly approved resolution calling for severe disciplinary measures, up to expulsion from the union, for members who refuse to tell Congressional committees whether they are or have been Communists (Vol. 11:30). Some 27 entertainers have been subpoenaed for the hearings by Rep. Walter (D-Pa.) and his House Un-American Activities Committee. Most witnesses are from legitimate stage, with no big TV names announced. Scripps-Howard newspapers, in 4-part series this week by Frederick Woltman, timed as curtain-raiser to the hearings, explored subject of TV "blacklisting," came to conclusion there's no formal blacklist.

Suspension of operators charged with disabling KPIX, San Francisco and radio KEAR, San Mateo, Cal. during labor-management trouble (Vol. 11:8) was recommended by FCC staff in proposed findings. Staff said evidence shows operators deliberately disabled stations, recommended 90-day suspension for 3 operators involved at KPIX, 30-day for 2 involved at KEAR.

Week's toll-TV developments: (1) Dealers will be helped rather than harmed by pay-TV, Zenith v.p. Leonard Truesdell argues in Aug. *Electrical Merchandising*, challenging NARDA chairman Mort Farr's opposing views. Truesdell claims that subscription TV will mean better programs, hence more sales. (2) Pro-toll results of recent *Saturday Review* poll tell more about magazine's readers than about general public opinion on the subject, researcher Elmo Roper says in Aug. 13 issue of the magazine. He notes that magazine's poll showed 74% favoring subscription TV while his survey of Columbus, O. indicated people are 67% against (Vol. 11:25). His conclusions: "SR's readers are an unusual segment of society." One piece of evidence, he said, is that SR readers rank nation's No. 1 program, *I Love Lucy*, as 26th. (3) George Sidney, Screen Directors Guild pres., opines that public is willing to pay for good movies on TV; that "good TV shows are becoming too expensive to give away." (4) Skiatron pres. Arthur Levey states: "The networks are attempting to cloud the real issues with irresponsible statements that are in a very real sense a betrayal of the public interest."

Walter Annenberg's Triangle Publications Inc., publisher of *Philadelphia Inquirer*, operator of pioneer WFIL-TV & WFIL and owner of other publishing & TV-radio properties, is seeking a satellite for WNBF-TV, Binghamton, N. Y. (Ch. 12), which was recently acquired with WNBF for \$2,700,000 (Vol. 11:11, 19), in application filed this week for uhf Ch. 18 in Elmira, N. Y., 48 mi. away. Previously, it made deal to purchase now-silent WLBR-TV, Lebanon, Pa. (Ch. 15) for \$235,000 with intention of reviving it but transfer has been stymied by objections from Harrisburg uhf operators. Elmira previously had 2 uhf stations, on Ch. 18 & 24, but both went off air last year (Vol. 10:22, 45), unable to make a go of it. Triangle's pending purchase of WFBG-TV, Altoona, Pa. (Ch. 10) with WFBG (Vol. 11:32) was finalized this week, subject to certain adjustments; it will pay \$2,900,000 cash to the Gable dept. store interests and give them an additional \$750,000 advertising credit. Howard Stark was broker.

Recently purchased WPFH, Wilmington, Del. (Ch. 12) and radio WIBG & WIBG-FM are being brought under one parent corporation, WPFH Bestg. Co., according to application filed with FCC this week by owner Paul F. Harron. Corporation would take over some \$2,000,000 in obligations for TV from Harron who retains control of Class B stock which will have power to elect 10 of 15 directors. Being brought in is Wanamaker dept. store, to hold 5.3%. Others who will hold 3.1% or more: auto dealer John P. Crisconi, 4.7%; Dr. Patrick J. Kennedy, 3.1%; Robert M. Brown, Esslinger Brewery v.p., 3.1%; Charles E. Compton, mgr. of Brown & Bigelow (calendars, etc.), St. Paul, 3.1%; Boardman Smith Corp., 3.1%. Some 60 others will hold smaller percentages, among them John Morgan Davis, judge of Philadelphia common pleas court.

WCOV-TV, Montgomery, Ala. (Ch. 20), whose technical equipment was destroyed by fire Aug. 5 in the transmitter room (Vol. 11:32), apparently caused by a short circuit in the master clock, unloaded new RCA equipment Aug. 9 and expects to have test pattern on air within 10 days and to resume regular program service Aug. 25. Gen. mgr. Hugh M. Smith reports entire control room as well as transmitter destroyed, large studio severely damaged, 2 cameras in bad shape.

High-tower grant to KSWS-TV, Roswell, N. M., was finalized this week by FCC after Pentagon dropped its opposition—though first voting against the new 1610-ft. structure as member of Washington Airspace Subcommittee (Vol. 11:27, 31).

Television Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: NO. 34

SUMMARY - INDEX OF THE WEEK'S NEWS — August 20, 1955

COLOR PREDICTIONS of top set makers still have wide bullish-to-bearish range on eve of color program splurge; price remains biggest question (pp. 1 & 10).

TV IN 67% OF U.S. HOMES, or total of 32,000,000 reports Census Bureau on basis of June survey requested by Advertising Research Foundation (p. 1).

NEW DuMONT PLANS exclude networking; legal aspects of spinoff of stations now occupying bankers & lawyers. Paramount's position in new setup (p. 2).

PROFITABLE STATION operation assured if station has CBS or NBC affiliation, with \$30,000 monthly revenues apparent break-even point, FCC finds (p. 3).

TV DOESN'T HURT BASEBALL attendance nearly as much as poor stadium facilities and slow games, according to survey of fans and writers (p. 3).

ADVERTISERS SPENT \$803,600,000 on TV in 1954, ranking it second to newspapers; advertising bill, all media, totaled \$8,164,100,000, up 5.3% in year (p. 4).

DISCOUNT HOUSE DECLINE seen by dealers as stabilizing TV trade, causing little anxiety over price increases and high inventories (p. 9).

PHILADELPHIA UHF sought by Herbert Mayer as 2 uhf grantees cancel; commissioners ponder allocations solutions; court refuses Pittsburgh CP stay (p. 6).

SATELLITE KTRE-TV, Lufkin, Tex. (Ch. 9), linked to Houston's KPRC-TV, starts as 441st station. Notes on upcoming stations (p. 8).

NARDA MANAGEMENT conference in Washington, 47 dealers attending, big success and expansion urged (p. 12). Joyce upholds the distributor (Special Report).

TELEVISION-ELECTRONICS FUND assets rise to \$104,639,-370 (9,132,272 shares) as of July 31; reports on portfolio changes in quarter (p. 14).

AVCO-HYCON AGREEMENT is diversification move for both, for exchange of scientific know-how & facilities and acquisition of defense contracts (p. 15).

TOP SET MAKERS SIZE UP COLOR PROSPECTS: Standing by to evaluate impact of color programming when it breaks in a few weeks, industry leaders differ as vigorously as ever in their predictions of public reaction and set sales. Conducting our own survey of top set producers on eve of major network programming start, we find them generally feeling that there will be sufficient sales this fall-winter to be labeled an authentic "start" on color -- but relatively few see the industry really rolling in the proverbial "house afire" fashion in less than 1-2 years.

It's agreed there were 3 principal barriers to movement of color last year -- picture size, programs & price. With the emergence of 21-in. tube, none doubts that size is adequate. With 12-15 hours of color shows weekly, most feel that programming will probably be sufficient to stimulate public. Big controversy remains over price -- \$695 up -- and only performance on dealers' floors will settle it.

Attitude of top color proponent RCA needs no reiteration; it's all-out. Of replies from others received to date, there's wide range from optimism to bearishness. H.L. Hoffman, quoted last week (Vol. 11:33), is one of most bullish. The responses are highly quotable -- and they're excerpted on pp. 10-11.

67% OF ALL U.S. HOUSEHOLDS HAVE TV SETS: Two out of every 3 American households, or total of 32,000,000, owned a TV set as of last June, according to preliminary report by U.S. Census Bureau released this week. It states these represent 67% of all U.S. households. That means very nearly one-third of all homes remain to be sold, if you accept recent estimate by CBS that 97% of all the 47,500,000 families in the nation are within reception range of existing stations (Vol. 11:26).

Census Bureau survey should not be confused with sets-in-use count because it does not purport to include sets in public places and second sets in homes -- though it did ask how many sets were owned, on which a report will be made later. Figures appear to substantiate Sylvania sales research director Frank Mansfield's estimate of 34,549,000 sets-in-use as of last July 1, as tabulated in our TV Factbook No. 21 (p. 19). Present figure is probably well over 35,000,000, considering that more than

6 weeks have elapsed. NBC Research estimated 36,447,000 sets-in-use on July 1.

This question was asked of a 25,000-family sample as part of Census Bureau's continuing Current Population Survey: "Do you own a TV set?" From that sampling the 32,000,000 figure was projected -- Census Bureau noting that it represents more than 6-fold increase over April 1950 estimate of 5,000,000 TV households. That was only previous time it conducted TV count. Additional information, covering distribution of sets by 4 geographic areas and by size of TV households, will be released soon.

Advertising Research Foundation contracted for survey, with cost defrayed by networks, NARTB and Television Bureau of Advertising. Each has its own use for the data, NARTB planning to use it in connection with its long-awaited sets-in-use count (Vol. 11:21) on which field work on "methodology" is still being conducted. There's no assurance, however, that such a continuing market-by-market census will ever get under way, despite urgent need for regular industry-approved counts. Main effort in that direction, currently, is Television Magazine's monthly market-by-market set estimates (changed from county-by-county) which gives total of 36,288,500 for July 1.

Note: Market Research Corp. of America, day after Census release, came up with own estimate of 68% of households equipped with TVs as of July. Based on the continuing reports of its 5800-family panel, survey showed most increases in small towns and rural communities during last year. (For percentage breakdowns of MRCA findings on TV ownership by regions, city size, family income, education of family head, size of families, age of housewife, number of children, see p. 16.)

NO NETWORK IN THE NEW PLANS FOR DuMONT: DuMont Network will not be revived as such -- that much can be stated positively on authority of those now arranging the legal details of spinning off the DuMont stations from manufacturing, incorporating new DuMont Broadcasting Co., securing transfers of station licenses, and performing the multitudinous other tasks implicit in last week's board action (Vol. 11:33).

Nor is it likely Paramount Pictures will gain control of the new company, even though its 26% ownership of present DuMont stock will make it the largest single stockholder, initially at least, after distribution of 1-for-2½ shares is completed. Moreover, neither the president nor other officers of the new DBC has been decided upon as yet; at outset, they will be same as present parent company, then new names will appear -- most likely including a new president as operating head.

Vice president Ted Cott, who joined DuMont recently after quitting his NBC v.p. job, is definitely slated "to continue running the stations."

Foregoing are the facts, despite all rumors you may hear and dope stories you may read. The network having lost some \$16,000,000 in its nearly 10 years of existence, there's no disposition on the part of the bankers to pour more into attempt to perpetuate it. Instead, we're told, "We'll first get the stations [WABD & WTTG] and Telecentre running well at a profit. They must stand on their own feet."

Of the 2,500,000 shares of common stock in the new DBC, 1,000,000 will go to present stockholders. At least \$1,000,000 in working capital will be raised by selling some of the other shares. No price has been fixed yet; it depends on "unraveling" the bookkeeping of stations from network, determining their worth, assessing their earning potential. There's apparently little doubt in the bankers' minds that the stations can be made to earn reasonable profits as independents.

Paramount may relinquish its KTLA, Los Angeles, to the new company, taking payment in stock -- but that's indefinite. In that event, and if it goes into the open market to buy up new stock, Paramount might gain control of DBC. Its motivation might be to have own outlets for subscription TV, which Paramount pres. Barney Balaban is convinced is inevitable -- despite the thorny paths of Washington.

Network is a mere skeleton of its former self now, loses the Heinz-sponsored "Studio 57" film series and Swift's "All About Baby" in next few weeks. That leaves only Mon. night boxing from St. Nicholas Arena, which continues on special hookup. Also booked are N.Y. Giants pro grid games to 32 stations next autumn, half on co-op basis, other half under sponsorship of Atlantic Refining Co.

Note: It can be disclosed now that General Teleradio's Tom O'Neil made firm offer of \$4,000,000 for WABD, with idea of retaining its Ch. 5 for his WOR-TV in N.Y. and asking FCC to move WOR-TV's Ch. 9 into one-station Binghamton, N.Y.

CBS OR NBC AFFILIATION VITAL TO PROFIT: A strong NBC or CBS affiliation and revenues of at least \$30,000 monthly were virtual guarantees of profitable operation for post-freeze TV stations last year. Stations could make a go of it without the networks -- but their chances were much slimmer.

That's essence of FCC's third study of post-freeze TV stations released this week. Study doesn't reflect upsurge of ABC-TV, which has accelerated tremendously since survey was conducted; it's plain, though, that if the Commission authorizes similar survey for coming year, ABC will play much more significant role.

Results of study aren't surprising, but they do document industry's general understanding and make it possible for each operator to determine how he's doing, compared with others in similar situation.

Study of 144 vhf and 122 uhf stations operating Jan.-Oct. 1954 shows 52 (36%) of the vhfs with overall profitable operation during the period, another 50 (35%) with profit at least during Oct. (and presumably out of the woods), remaining 42 with continuing losses throughout period.

Only 18 (15%) of the 122 uhf had overall profit during the period, while 15 (12%) had at least a profitable Oct. Remaining 89 had continuing losses.

A "strong" CBS or NBC affiliation, according to Commission's calculations, seems to be one that supplies 7½ or more hours weekly. Of the 101 post-freeze vhfs carrying NBC or CBS, 83 (82%) were profitable, compared with 19 (45%) of those with fewer than 7½ hours of either network. Of the 42 uhfs with CBS or NBC, 26 (62%) were profitable, vs. 7 (14%) of those without as much as 7½ hours from NBC or CBS.

The \$30,000 figure seems to be the break-even point. Half the vhf stations took in \$30,000 or more monthly -- and 90% of these were profitable by Oct. About one-fourth of the uhfs received \$30,000 or more -- and 75% of these were profitable.

Vhf competition hit uhfs harder than it did vhfs -- to no one's surprise. Of uhfs with no competition, 12 out of 18 were profitable; with one vhf competitor, 11 of 39 were profitable; with 2 or more vhf competitors, 10 of 34 were in black.

Of the vhfs, 33 of 44 were profitable where they had no competition; 39 of 55 were in black when facing one vhf competitor; when bucking 2 or more vhf competitors, 30 out of 44 were profitable. "Competitor" is defined as station whose signal is received by 50% or more of homes in area -- according to ARB survey.

FCC study comprises 15 tables, breaking down statistics many ways -- by vhf and uhf, monthly revenues, CBS or NBC affiliation, competition, population. Survey is FCC Notice 23055 -- copies available from Commission or from us.

BASEBALL ON TV—MOSTLY HITS, FEW ERRORS: TV isn't hurting baseball nearly as much as baseball is hurting itself. That's central conclusion of recent survey by research-public relations firm Stephen Fitzgerald & Co., N.Y., initiated at request of Baseball Commissioner Ford Frick to determine causes of lagging attendance at games. In general, its findings support thesis of earlier studies by N.W. Ayer's Jerry Jordan -- that sports must look to its own shortcomings, not TV, for boxoffice declines (Vol. 10:9). Survey, conducted among management, sports writers & fans, finds:

(1) Difficulty in getting to ball parks, parking troubles, high prices and poor service on tickets & slow games were chief complaints of fans, far outweighing any apprehensions about TV.

(2) Fans generally like TV commercials of baseball games, about 50% of those surveyed declaring them "just about right," about 25% contending they're too long or too frequent. Three times as many find them interesting as find them offensive.

(3) TV has increased interest in baseball, in opinion of 77% of the 763 sports writers and editors surveyed, but 60% felt TV had hurt attendance somewhat. Still, they rated TV far behind such deficiencies as long games, poor seating, bad parking facilities as biggest factors affecting attendance. Some 83% of the sports-casters felt TV had increased interest in baseball, though only 36% contended it hurt attendance. Some 95% thought radio built up interest in game.

Note: Recent Associated Press poll of fans came to much the same findings. About 45% said TV had increased their interest. Some 63% opined that if telecasts seriously hurt baseball attendance, they would favor blacking out the games.

Personal Notes: Joseph M. Bryan, 1st v.p. of Jefferson Standard Life Insurance Co. & pres. of its WBTW, Charlotte and WBTW, Florence, S. C., nominated for pres. of American Insurance Convention meeting in Oct. . . . Wm. C. Gittinger retires Sept. 5 as CBS v.p. . . . Wm. Balaban has resigned as head of ABC-TV closed circuit operations to join Lou Edelman, producer of *Danny Thomas* and new *Wyatt Earp* shows . . . Robert Purcell, ex-operations director, KTTV, Los Angeles, recently a consultant working for NATS on KTVQ, Oklahoma City (Ch. 25), joins KEYD-TV & KEYD, Minneapolis, as managing director under v.p. Lee Whiting . . . Wm. Brennan, ex-program director of KNXT, Los Angeles, resigns to package own shows . . . Walter Jacobs promoted to production mgr., WLWT, Cincinnati, replacing Robert Roberts, now with Biow, N. Y. . . . Eugene Tanner, commercial mgr. of WSIX-TV, Nashville, elected a v.p. . . . Andrew G. Hubbell, TV sales mgr., promoted to gen. sales mgr., WNBF-TV & WNBF, Binghamton, succeeding Stanley N. Heslop, retired . . . Col. Lester W. Lindow reports Aug. 22 to Pentagon for reserve duty with Army public information div., in which he served during war; he's gen. mgr. of Bitner's WFDF, Flint, Mich. . . . Paul C. Brines, ex-WGN-TV & WGN, Chicago, recently with WIRL, Peoria, named director of Elkhart (Ind.) Truth's WSJV (Ch. 52) & radio WTRC . . . Beryl L. Reubens promoted to CBS-TV trade press editor, succeeding James Kane, now director of press information, CBS Hollywood . . . Edward J. McKernan, asst. to Ben Ludy, gen. mgr. of WIBW-TV, Topeka, has returned home from hospital, and is recovering from heart attack . . . John Courcier, ex-KOOL-TV, Phoenix, named operations director of KTVW, Tacoma; Don Wood promoted to program director; Wm. Rambo, ex-KOVR, Stockton, Cal., is Tacoma mgr. . . . Verne W. Behnke, ex-MPTV eastern sales mgr., joins Petry; John W. Carter, ex-Adam Young Inc., now in Petry promotion dept. . . . M. D. Morris, ex-WATV & WAAT, Newark, now mgr. of radio WORC, Worcester, Mass. . . . W. Hugh Clark promoted to sales supervisor for CBC-TV's Ontario province; Donald J. Macdonald promoted to news mgr.; Charles Fouriezos named legal asst. to Ontario director Ira Dilworth . . . Glenn Boundy Jr., son of Storer chief engineer, appointed operations mgr., WGBS-TV, Miami . . . Jack Wormser, ex-ABC Hollywood, joins TV-radio dept., Erwin, Wasey & Co., Los Angeles . . . Allen McGinnis, from BBDO's TV dept., N. Y., transferred to Los Angeles as copy chief, succeeding Harry Bell, who returns to N. Y. as copy group head . . . Charles B. Bellante, ex-Soundmasters Inc., named technical director of TV films, Sullivan, Stauffer, Colwell & Bayles.

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Donn B. Tatum, ex-NBC & ABC, and Donald A. Norman, ex-KRCA, Los Angeles, have formed Tatum-Norman & Co., consultants, with offices in Los Angeles & Oakland, Norman continuing his work with Television East Bay, 717 N. Highland Ave., Los Angeles, the Ch. 2 applicant for San Francisco backed by oilman Edwin M. Pauley.

Robert D. Swezey, WDSU-TV, New Orleans, appointed chairman of NARTB freedom of information committee, succeeding Edgar Kobak, radio WTWA, Thomson, Ga.; Grover Cobb, KVGB, Great Bend, Kan., named chairman of AM committee, succeeding James L. Howe, WIRA, Ft. Pierce, Fla.

Frank Stanton, CBS pres., disclosed by Defense Dept. as one of group of distinguished citizens acting as consultants with Defense Advisory Committee on Prisoners of War in framing the Code of Conduct released this week.

Frederick S. Siebert, director of U of Illinois School of Journalism, named acting director of the Graduate School's Institute for Communications Research for one year while Prof. Wilbur Schramm is at Leland Stanford.

PRINTERS' INK finalizes its preliminary estimates of 1954 advertising volume (*TV Factbook No. 21*, p. 22), as compiled for it by McCann-Erickson research dept. (Robert J. Coen), by reporting total was \$8,164,100,000—of which TV, now third among all media, accounted for \$803,600,000, or 9.8%. Figures represent what advertiser actually spends, which means, in case of TV, aggregate cost of time, talent & production. Talent & production factors for TV are stated as 1.75 times net time cost in case of network, 1.17 spot, 1.5 local.

The grand total for all media represents a 5.3% increase over 1953, comparing with \$7,755,300,000 for that year. That it's still going up, is evidenced in *Printers' Ink* advertising index for June, showing all advertising as whole running 10% ahead of year ago and 3% ahead of month previous, with network TV up 26% from June 1954 and 4% from May 1954.

Network TV accounted for \$417,900,000 of the 1954 national total, or 5.1% as against \$319,900,000 (4.1%) in 1953. Spot TV ran \$205,200,000 (2.5%) vs. \$145,500,000 (1.9%). Local TV ran \$180,500,000 (2.2%) vs. \$140,700,000 (1.8%).

Radio totaled \$564,900,000, or 7% of the 1954 national total, down from \$611,200,000 (7.9%). It broke down thus: network radio, \$114,500,000 (1.4%) vs. \$141,200,000 (1.8%) in 1953; spot radio, \$135,400,000 (1.7%) vs. \$145,600,000 (1.9%); local radio, \$315,000,000 (3.9%) vs. \$324,400,000 (4.2%).

Newspapers led the list, of course, accounting for \$2,695,300,000 of total or 33%, up 1.9% from preceding year. Direct mail was second, totaling \$1,202,400,000, or 14.7%, up 9.4%. Magazines represented \$667,900,000, or 8.2%, up .1%; business papers, \$407,500,000, or 5%, up 3.2%; outdoor, \$186,900,000, or 2.3%, up 6%.

Complete table is published in Aug. 19 *Printers' Ink* and should be used in lieu of the preliminary table as published in *TV Factbook No. 21*.

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“Foundation of a big new TV network” is foreseen by *Forbes Magazine* in Aug. 15 article titled “Crack in the Curtain,” covering fiscal aspects of General Teleradio's purchase of Howard Hughes' RKO Radio Pictures Inc. (Vol. 11:30). “By renting the films to independent TV stations,” says *Forbes*, “General could compete with star-packed movies against the top attractions of the CBS and NBC networks without spending the heavy cash required for live shows and expensive coaxial cable fees. “It cites how General bought 30 oldies from Bank of America, and in barely a year has crossed \$2,100,000 on them, or almost double their cost, via its *Million Dollar Movie* syndication. It quotes Tom O’Neil: “I hope to make money with RKO very quickly. I’m a very nervous man.”

McKee & Albright, Philadelphia agency handling Breyers Ice Cream, Keebler Biscuit & Reading Coal accounts, planning to dissolve at end of year, partners Roy McKee and David Albright retiring.

Television Bureau of Advertising (Tvb) reports 156 members as of Aug. 17, most recent being Washington Post Co.’s WTOP-TV, Washington & WMBR-TV, Jacksonville, and Cowles’ KRNT-TV, Des Moines & KVTW, Sioux City.

Vice President Nixon to address Radio & TV Executives Society at first fall luncheon at Roosevelt Hotel, N. Y. Sept. 14; subsequent meetings will have FCC members as speakers.

Fortune Magazine raises onetime black-&-white page rate in Jan. to \$3670, up about 5%.

Station Accounts: Low budgets can mean high sales if used to maximum advantage—and 3 case histories of successful use of spot TV-radio, as reported in Aug. 15 *Sales Management Magazine* article by Victor Seydel, TV-radio v.p. of Anderson & Cairns, show how it can be done. The 3 companies are Brooklyn Paint & Varnish Co., which introduced a new product, Dreem flat enamel, in 8-week spot campaign in N. Y. market at cost of \$16,000, resulting in busiest reorder season in its history from more than 160 dealers; Du Maurier Co., which promoted its filter-tip cigarettes in 13-week campaign in major markets at cost of \$40,000, and sharply reduced gap separating it from its competition; Associated Bulb Growers of Holland, whose spot campaign in 8 major markets to convince consumers to buy bulbs year-round cost \$80,000, resulted in big sales increase . . . Bowling bonanza for stations and sponsors is cropping up in several sections of nation as result of smash success of bowling shows on Chicago stations, reports Aug. 17 *Variety*; in addition to live shows on Chicago stations, it's estimated that series of bowling films, produced by Chicago auto dealer Pete DeMet (original sponsor of first live bowling show on WNBQ in 1953) and distributed by Walter Schwimmer Co., will be in 100-150 markets this winter. Griesedieck & Genesee Brewing Co. are among biggest multi-market sponsors . . . Bulova Watch Co. starts biggest spot campaign in its history Oct. 19 with barrage of 20-sec. announcements on 275 TV-radio stations on behalf of its "La Petite" series of ladies' diamond watches, thru McCann-Erickson . . . Kraft Foods using TV spot campaign to test-market new orange juice product packaged in paper cartons, thru J. Walter Thompson, Chicago . . . Monsanto Chemical to divert ad budget for "All" detergent from newspapers to daytime TV spot campaign in about one-third of all markets, thru Needham, Louis & Brorby, Chicago . . . Food sponsors are gravitating to

NBC-TV's *Great Gildersleeve*, which Kraft sponsored for 13 years on NBC Radio; 26 regional and local food advertisers have signed thus far as spot sponsors, led by Colonial Stores with 11 markets . . . Among advertisers currently reported using or preparing to use TV station time: Alkaid Corp., N. Y. (Alkaid's antacid tablets), thru Emil Mogul Co., N. Y.; B. & M. Corp., Houma, La. (Aluminum lawn umbrellas), thru Sewell, Carie & Radlauer, New Orleans; C-Johns Mfg. Co., Detroit (Cera-Lux car wax, Cinch shampoo for car interiors), thru Dick Frederick Agency, Detroit; Min-Sun Trading Co., Chicago (Chinese Maid food products and Canton Combo-Pack), thru Sherwin Robert Rogers & Assoc., Chicago; Oz Greeting Card Co., Los Angeles, thru Francis D. Gonda Co., L. A.; Leslie Salt Co., San Francisco, thru Honig-Cooper Co., San Francisco; Pacific Telephone Co., San Francisco, thru BBDO, San Francisco; Pen-Jel Corp., Kansas City (Pen-Jel fruit pectin), thru R. J. Potts-Calkins & Holden, Kansas City; Commercial Solvents Corp., N. Y. (Peak anti-freeze), thru Fuller & Smith & Ross, N. Y.; Clark-Cleveland Inc., Binghamton, N. Y. (Fasteeth, Motol, Thyoquent for the skin), thru Ralph D. Allum Co., N. Y.; J. Strickland & Co., Memphis (Hoyts cologne), thru Greenshaw & Rush, Memphis; Fisher-Price Toys Inc., E. Aurora, N. Y., thru Lloyd Mansfield Co., Buffalo; Silex Co., Chicago Electric div., thru Robertson Potter Co., Chicago; Vitality Mills Inc., Chicago (feeds), thru Standart & O'Hern Adv., Kansas City; Nenette Inc., Chicago (dust absorbing polisher), thru Marthens, Galloway & Simms, Chicago; W. E. Stephens Mfg. Co., Nashville (Stephens & Year's Work brand work shirts & pants), thru McDonald & Haggard, Nashville; Wasatch Chemical Co., Salt Lake City (Morgro garden products, All-in-One insecticide), thru Robert B. Ward Co., Salt Lake City; Deering, Milliken & Co., N. Y. ("Agilon" nylon yarn), thru Amos Parrish Co., N. Y.

Network Accounts: Philco drops alt. sponsorship of *Television Playhouse* on NBC-TV, which it has sponsored since 1948; Alcoa promptly picked up period (alternating with Goodyear) to start Oct. 2, Sun. 9-10 p.m., thru Fuller & Smith & Ross. Philco meanwhile is negotiating with NBC-TV on coverage of 1956 national political conventions, though spokesman says "asking price is very high." It has first option by virtue of sponsorship on NBC-TV in 1952. Westinghouse will sponsor on CBS, as in 1952 . . . Frigidaire to place *My Favorite Husband* in Tue. 10:30-11 p.m. time period it purchased last week on CBS-TV, starting in fall, thru Foote, Cone & Belding . . . Campbell Soups to sponsor *Lassie* on CBS-TV starting Sept. 11, Sun. 7-7:30 p.m., thru BBDO . . . Revlon drops alt. sponsorship of *Johnny Carson Show* on CBS-TV Thu. 9-9:30 p.m.; General Foods reportedly will fill in . . . Ralston Purina buys Wed. 10:30-11 p.m. on NBC-TV starting Oct. 12 for undetermined show, thru Guild, Bascom & Bonfigli . . . Beech-Nut to be alt. sponsor of *Dr. Spock Show* on NBC-TV starting Oct. 9, Sun. 3-3:30 p.m., thru Kenyon & Eckhardt . . . Procter & Gamble (Ivory) to sponsor *Fireside Theatre* on NBC-TV starting Aug. 30, Tue. 9-9:30 p.m., thru Compton Adv. . . . Mogen David Wines to sponsor Jan Murray's *Dollar a Second* on ABC-TV starting Sept. 2, Fri. 9-9:30 p.m., thru Weiss & Geller . . . CBS-TV discloses change in format of General Foods' *Our Miss Brooks* starting Oct. 14, Fri. 8:30-9 p.m.; it will feature "Mrs. Nestor's Private School for Girls" as story line . . . NBC-TV offers to affiliates for local sales the one-fourth sponsorship remaining open on NCAA football schedule and regional games, which have 3 network sponsors (General Cigar, Schick, Avco); Gulf Oil bought southwest regional games on 59 stations, thru Young & Rubicam . . . Morgan Beatty starts new series, *People*, on NBC-TV Aug. 21, Sun. 5-5:30 p.m..

Rate increases: WSB-TV, Atlanta, adds new Class AA hour (7:30-10 p.m., daily) at \$1000, min. \$200; WAGA-TV, Atlanta, adds Class AA hour (7:30-10 p. m. daily) at \$1000, min. \$200, Class A hour going from \$850 to \$900; KFSD-TV, San Diego, adds Class BB hour (7-7:30 p.m., 10-10:30 p.m., daily) at \$370, min. \$75; KHSL-TV, Chico, Sept. 1 adds Class AA hour (7:30-9:30 p. m., daily) at \$250, min. \$42.50, Class A hour remaining \$225; KEYT, Santa Barbara, Oct. 1 adds Class AA hour (7:29-9:59 p. m., daily) at \$450, min. \$90, Class A hour remaining \$400; KPIX, San Francisco, raises base hour from \$1250 to \$1500, min. \$260 to \$300; WDAF-TV, Kansas City, hour from \$860 to \$960, min. \$172 to \$192; WBZ-TV, Boston, from \$2000 to \$2250 & \$400 to \$450; KSTP-TV, St. Paul, from \$1200 to \$1450 & \$280 to \$320; KFYR-TV, Bismarck, N. D., from \$150 to \$200 & \$30 to \$40; KIEM-TV, Eureka, Cal., from \$150 to \$200 & \$30 to \$40; KBES-TV, Medford, Ore., from \$150 to \$200 & \$30 to \$40; KFBB-TV, Great Falls, Mont., raises Class B hour from \$112 to \$120.

Two new community antenna systems reported by NCTA: Lincoln TV System Inc., Wecoma Beach, Ore.; Abar TV Cable Co., Eugene, Ore. I. W. Brayer, owner of Whitey's TV & Cable Co., Douglas, Ariz., reports he's starting system in Williams, Ariz.

Reps: Storer reappoints Katz under long-term contract to represent 6 TV stations, 6 radio, continuing 16-year association; WPFA-TV, Pensacola, Fla., to McGillvra; KOMO-TV, Seattle, to NBC Spot Sales (from Hollingbery).

Jack Benny ends 23-year radio career this fall, will devote full time to *Jack Benny Show* on CBS-TV alt. Sun. 7:30-8 p.m. (*Lucky Strikes*), plus 6 productions in *Shower of Stars* series on CBS-TV every 4th Thu. 8:30-9:30 p.m.

NBC-TV leased famed Ziegfeld Theatre at 6th Ave. & 54th St., N.Y. for use as studio, mainly for color shows, takes over in Oct. for 7 years with 5-year renewal option.

Telecasting Notes: Boycott of sponsor products is clearly indicated in sharp resolution adopted by this week's San Diego convention of California State Theatrical Federation, comprising AFL unions and guilds with 67,000 membership, condemning Sterling Products Inc. for "evasion of American labor standards" in filming commercials in England "at rates of compensation for the English craftsmen and actions employed thereon that are below the standards established by American unions and guilds"—thus giving Sterling "an unfair competitive advantage" over those producing their filmed ads in U. S. . . . Pat Somerset, CSTF pres. and delegate from Screen Actors Guild, introduced resolution, which mentions particularly the British-produced commercials for Bayer Aspirin, Phillips Milk of Magnesia, Phillips Tablets, Dr. Lyons' Tooth Powder, Haley's M-O, Energen. Resolution is similar to one passed by N. Y. State Federation of Labor recently—may be forerunner of concerted effort by labor to fight shooting of film shows abroad . . . Britain & Mexico are chief locations for U. S. filming, though Germany gets its share of TV and theatrical films. This week, Valley Forge Beer's agency, Alvin Epstein Adv., Washington, was reported having ceramic and wooden dolls for its stop-action TV commercials made in Germany, the filming being done in Munich . . . Shortage of TV production personnel—cameramen, film editors, sound editors, sound technicians, etc.—is beginning to be felt in Hollywood, reports *Billboard*, and may become chronic. Employment has ranged from about 40% in late spring to 98%-100% in Aug. & Sept. . . . IATSE, which trains own people, claims there's no real shortage, responds to charges of being closed corporation, almost impossible to get into, by noting it's merely protecting its own—though unions' unpreparedness for

WITH UHF CPs being cancelled left and right, including 2 more this week—WTBO-TV Cumberland, Md. (Ch. 17) and KCTL, Seattle (Ch. 20)—comes now Herbert Mayer and applies for Philadelphia's Ch. 23, prompting speculation he'll also apply for uhf elsewhere.

Mayer's TV experience in both uhf & vhf is one of the sagas of the industry, but he gives no indication in his application just how he expects to put uhf over in all-vhf Philadelphia. But after his fabulous success in TV, starting when most broadcasters considered TV a will-o'-the-wisp, then selling his WXEL, Cleveland (Ch. 8), KPTV, Portland, Ore. (Ch. 27) and Empire Coil Co. to Storer for \$10,000,000 (Vol. 10:44), everyone feels he must have something unusual up his sleeve.

He proposes to build 266-kw station for \$414,100, operate it first year for \$500,000, taking in \$200,000—operating with staff of 34. He lists funds available as "in excess of \$3,500,000." Currently, he's on a round-the-world trip with his family, had his onetime partner Martin W. Kramer, of New York, file the application.

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FCC commissioners are still wracking their brains about allocations problems. Comr. Hyde is planning to give his analysis of situation at Washington Lions Club luncheon at Mayflower Hotel, Aug. 31. Comr. Lee, ex-FBI chief clerk who likes to do his own on-the-spot checking, is out examining station operations. Recently, he breezed through New York ad agencies and came back with opinion there's nothing "mysterious" about reluctance to use uhf; that sponsors are interested solely in circulation.

Allocations shifts continue to be sought, meanwhile: (1) Jacksonville, Fla. educators asked FCC to reserve Ch. 36 for them instead of Ch. 7. They noted that WJHP-TV,

TV boom is manifest from fact that cameramen's local had 850 members in 1946, now has 1050, mostly cartoon filmmakers . . . Y. Frank Freeman, Paramount Pictures production v.p., tells *Film Daily* his company has no plans to follow example of other majors in going into TV film production, will rent new \$2,000,000 TV plant (5 stages, with entirely separate producing facilities) to other producers, including own KTLA . . . National Society of TV Producers, Hollywood (Max Gilford, gen. counsel) plans Sept. meeting to consider code for TV similar to theatrical movie code . . . Walt Disney expected to produce one of *Screen Directors Playhouse* series starting on NBC-TV Oct. 5 (Wed. 8-8:30 p.m.), which means show would be directly competing with his *Disneyland* on ABC-TV, Wed. 7:30-8:30 . . . Another live repeat: *Goodyear TV Playhouse* to do over again Robert Alan Aurthur's "Spring Reunion" Aug. 28, first seen in April 1954 . . . Another TV star wins Hollywood stardom: James Daly, who did *Foreign Intrigue* series in Europe, plays attorney role in "The Court Martial of Billy Mitchell," with Gary Cooper . . . Edinburgh Film Festival has selected ABC-TV cameraman Leroy Stone's documentary on the Fulton Fish Market for showing.

Surprising finding in Trendex survey of live vs. film TV preferences of the audience: 51.8% preferred live shows, 6% preferred film—and 42.2% expressed indifference! Telephone survey first asked what program was being viewed at time of call and whether it was live or film; 70.8% correctly identified production as live or film, 9.7% were wrong, 19.5% didn't know. Those favoring live shows said it was because pictures are clearer, more realistic; those favoring film said it was because scenery is better, production more finished, more action.

now using Ch. 36, has offered them its facilities, said they could never afford to build Ch. 7 station themselves; they asked that Ch. 7 be given to WJHP-TV. (2) Video Independent Theatres, which last week asked shift of Ch. 8 from Woodward, Okla. to Elk City, this week requested that Ch. 9 be moved from Monahans, Tex. to Hobbs, N. M., to be replaced by Ch. 35.

One of cutest documents filed with FCC in many a moon was request for oral argument and list of exceptions submitted by WWL, New Orleans, contesting examiner's initial decision favoring WTPS for Ch. 4. WWL's puckish counsel Paul Segal had document printed on half-dozen colors of paper, in inks of several colors, drawing attention to examiner Elizabeth Smith's preference of WTPS on basis of what she considered were superior color plans.

In Court of Appeals, WENS, Pittsburgh (Ch. 16) was turned down in its request that CP of merged WWSW-WJAS be stayed. It was 2-1 vote, Judge Fahy dissenting from Judges Miller & Bastian. Another decision was appealed, meanwhile—KXOA, Sacramento (Lincoln Dellar) contesting grant of Ch. 3 to KCRA (Ewing C. Kelly).

Low-power TV rules should be relaxed more, RETMA told FCC this week, stating: "The initial installation cost of a TV station is incurred only once by a station operator; it is the daily operating cost of small stations which will undoubtedly prevent the early widespread use of low-power TV broadcasting. Therefore, further attention should be given by the Commission to those rules governing daily operation which will permit savings in daily operations. The use of remote control and directional antennas, for example, will permit the low-power station to function at reduced cost. It may also be appropriate to consider that the 100-watt minimum power rule could be waived in certain cases upon proper showing."

FARM TV SET counts for Kansas and Wisconsin were released this week by Census Bureau as part of its Oct.-Nov. 1954 Census of Agriculture. Based on 20% sample, Wisconsin was shown to have TVs on 60,333 of its 153,558 farms, or about 40%. In Kansas, 34,004 of 120,167 farms—or nearly 30%—are TV-equipped. Wisconsin has stations in Milwaukee, Madison, Eau Claire, Green Bay, La Crosse, Marinette & Wausau, also receives stations in Minnesota and Illinois. Kansas stations are in Great Bend, Hutchinson, Pittsburg, Topeka & Wichita, with out-of-state viewing possible from stations in Missouri, Nebraska & Oklahoma.

WISCONSIN

Total Farms			Total Farms		
County	Farms	with TV	County	Farms	with TV
Adams	989	144	Marathon	5,691	1,153
Ashland	846	120	Marinette	2,014	949
Barron	3,540	1,405	Marquette	1,048	254
Bayfield	1,257	343	Milwaukee	1,065	796
Brown	2,672	1,792	Monroe	2,784	395
Buffalo	1,682	457	Oconto	2,529	1,276
Burnett	1,179	407	Oneida	416	46
Calumet	1,772	895	Outagamie	3,188	1,902
Chippewa	3,157	1,011	Ozaukee	1,234	902
Clark	4,274	876	Pepin	735	276
Columbia	2,615	963	Pierce	2,393	1,548
Crawford	1,674	256	Polk	3,258	1,791
Dane	5,094	2,347	Portage	2,415	590
Dodge	3,954	2,178	Price	1,619	200
Door	2,024	980	Racine	1,704	1,362
Douglas	1,152	505	Richland	2,150	235
Dunn	2,870	1,388	Rock	3,138	1,345
Eau Claire	1,857	578	Rusk	1,865	470
Florence	316	90	St. Croix	2,665	1,878
Fond du Lac	3,479	1,906	Sauk	2,913	473
Forest	467	111	Sawyer	739	126
Grant	3,533	1,068	Shawano	3,197	1,285
Green	2,189	782	Sheboygan	2,900	1,806
Green Lake	1,247	494	Taylor	2,566	456
Iowa	2,268	517	Trempealeau	2,698	345
Iron	276	70	Vernon	3,485	465
Jackson	1,787	286	Vilas	168	30
Jefferson	2,782	1,628	Walworth	2,113	1,373
Juneau	1,740	202	Washington	999	350
Kenosha	1,385	1,032	Waukesha	2,245	1,505
Kewaunee	1,829	1,035	Waupaca	2,669	1,988
La Crosse	1,454	310	Waushara	2,931	1,127
Lafayette	2,025	691	Winnebago	1,762	495
Langlade	1,356	552	Wood	2,152	1,091
Lincoln	1,512	248			
Manitowoc	3,321	1,901			
State Total			153,558	60,333	

Reaction at FCC to illegal boosters in Northwest, which continue operating despite pending Commission action against them, has two phases: (1) Operations are against the law, must stop. (2) Demand for service, indicated by the boosters, should be met by Commission action. One plan getting some consideration at FCC is to establish a new class of service—tiny uhf “translators,” operating in band set aside for them, perhaps to 10 uhf channels. They’d use as little as one watt, operate unattended, free from compliance with many technical standards which make regular stations so expensive, financed by municipalities, clubs, etc.

Screen Actors Guild members went back to work this week, ending 12-day strike against TV film producers (Vol. 11:33) followed ratification of 5-year contract providing for increases in minimum rates, residual payments from second to sixth runs of films and other fringe benefits. New contracts call for payments of not less than 35% of minima for second runs, 30% for third re-runs, 25% for fourth. Minimum daily wages for actors was increased from \$70 to \$80. Strike idled estimated 10,000 actors and tied up about 400 producers.

Rocky Marciano-Archie Moore fight via theatre TV Sept. 20 will have at least 100 theatres hooked up, as against peak of 83 for Marciano-Cockell bout in May, reports TNT pres. Nate Halpern. It’s blacked-out in 50-mi. radius of Yankee Stadium, nearest to carry it being a drive-in on Long Island.

KANSAS					
County	Total Farms	Farms with TV	County	Total Farms	Farms with TV
Allen	1,499	243	Linn	1,377	616
Anderson	1,273	376	Logan	345	5
Atchison	1,408	767	Lyon	1,835	290
Barber	732	260	McPherson	2,123	684
Barton	1,510	525	Marion	1,928	457
Bourbon	1,622	382	Marshall	2,083	348
Brown	1,703	754	Meade	638	45
Butler	1,935	630	Miami	1,845	872
Chase	548	161	Mitchell	1,057	157
Chautauqua	796	149	Montgomery	2,045	714
Cherokee	1,551	593	Morris	1,067	216
Cheyenne	787	19	Morton	347	6
Clark	502	37	Nemaha	1,800	436
Clay	1,335	266	Neosho	1,759	498
CLOUD	1,338	224	Norton	993	200
Coffey	1,438	299	Ness	885	141
Comanche	418	97	Osage	1,691	661
Cowley	1,993	675	Osborne	1,011	107
Crawford	1,873	484	Ottawa	1,042	348
Decatur	870	124	Pawnee	814	287
Dickinson	1,866	432	Phillips	1,196	200
Doniphan	1,289	563	Pottawatomie	1,520	413
Douglas	1,435	831	Pratt	860	425
Edwards	583	174	Rawlins	813	21
Elk	848	140	Reno	2,712	1,072
Ellis	1,065	131	Republic	1,705	192
Ellsworth	858	248	Rice	1,155	594
Finney	726	33	Riley	1,044	189
Ford	1,299	167	Rooks	965	197
Franklin	1,696	789	Rush	972	216
Geary	552	82	Russell	941	194
Gove	644	34	Saline	1,212	437
Graham	741	51	Scott	479	24
Grant	248	5	Sedgwick	2,158	1,036
Gray	672	50	Seward	380	12
Greeley	267	8	Shawnee	1,720	900
Greenwood	1,148	133	Sheridan	770	54
Hamilton	406	7	Sherman	573	6
Harper	1,217	491	Smith	1,372	151
Harvey	1,368	450	Stafford	1,050	444
Haskell	306	16	Stanton	282	14
Hodgeman	587	98	Stevens	436	25
Jackson	1,727	737	Sumner	2,190	977
Jefferson	1,585	817	Thomas	731	47
Jewell	1,553	170	Trego	796	117
Johnson	1,342	949	Wabaunsee	1,114	325
Kearny	318	20	Wallace	327	4
Kingman	1,320	497	Washington	2,026	304
Kiowa	506	71	Wichita	366	11
LaBette	2,048	734	Wilson	1,317	278
Lane	362	53	Woodson	815	121
Leavenworth	1,748	992	Wyandotte	1,009	715
Lincoln	1,015	163			
State Total			120,167	34,004	

Note: Previously published tabulations—Nev., N. H., Vt. (Vol. 11:28); Wyo. (Vol. 11:29); N. D. (Vol. 11:30); Ida., Utah (Vol. 11:31); Mont., S. D. (Vol. 11:32); Colo., Minn. (Vol. 11:33).

TV consulting service to builders, architects & contractors, designed to help them plan construction of hotels and other gathering places with TV origination in mind, is being offered by Miami's WTVJ, whose gen. mgr. Lee Ruwitch sent letter to prospects this week. Service will be handled by Jack Shay, operations v.p., who has supervised technical installations of TV equipment for some 90 network origination by WTVJ. Station itself is expanding equipment, has ordered new 35-ft. trailer capable of handling color which it says will be “the largest remote unit in the world.”

What Britain's commercial TV is offering the public will be subject of half-hour film on CBS-TV, Sept. 25, or immediately after new ITA services begin Sept. 22. Planning to go to London for commercial debut, among other U. S. notables, is NBC pres. Pat Weaver. It's estimated, by London research firm known as Political & Economic Planning, that TV will account for \$56,000,000 worth of ad billings in first year, about 10% of England's ad budget, going to \$84,000,000 in 1957, \$100,000,000 in 1958.

NBC-TV awarded first 2 scholarships this week in program to help raise standards of drama shows. The Presidents' award went to Robert E. Dierbeck, 27, TV coordinator of Milwaukee Public Museum, who gets \$6000 cash prize to work for one year at NBC-TV on documentary dramas. The employees award went to Frank M. Skinner Jr., 24, NBC page who gets \$2700 cash prize and year's scholarship to Yale for study of scenic design.

KTRE-TV, LUFKIN, TEX. (Ch. 9), opens up new TV area in heart of rich timber country which v.p.-gen.-mgr. Richman Lewin says has "the thirstiest-for-TV population in Texas," being 83 mi. from nearest other station—in Tyler, Tex. It aired first test patterns Aug. 17 but had to go off for adjustments and expected to be on test schedule by week's end. It's 441st on-air station, plans big inaugural Aug. 31 with Mrs. Oveta Culp Hobby, recently in President Eisenhower's cabinet, as guest of honor, and goes on regular commercial schedule Sept. 1 as satellite to Mrs. Hobby's KPRC-TV, Houston (Ch. 2).

Though it will get full NBC schedule via own 124-mi., 2-hop microwave link with Houston, reported "working perfectly," KTRE-TV will also program locally and has \$110,000 worth of business already signed, reports Lewin. It has 5-kw GE transmitter with 6-bay antenna on 540-ft. Andrews tower. It's owned mainly by local business group headed by R. W. Worthman Jr., but has *Shreveport Times*' Henry B. Clay, who heads upcoming KTVH, Little Rock (Ch. 11), as 11% stockholder. Danny Kirk, ex-WCHS-TV, Charleston, W. Va., is program mgr.; Harold Riley, ex-KTRK-TV, Houston, production mgr.; Murphy Martin, sales mgr.; Fred C. Hill, chief engineer—latter 2 from radio KTRE.

KTRE-TV will have one local & national rate \$150 an hour, which will be discounted 25% if time is purchased for simultaneous telecasts with KPRC-TV. Rep is Venard, Rintoul & McConnell.

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Chicago's educational WTTW (Ch. 11) got its antenna up Aug. 14 but didn't meet test target this week because of recent storms, reports exec. director John W. Taylor. It may start testing week of Aug. 22, plans to put on city-wide faculty meeting with city's board of education Sept. 6, first day of new school term, and to start regular programming Sept. 19.

Only new equipment shipment reported this week was 10-kw RCA to WTOK-TV, Meridian, Miss. (Ch. 11). KPTV, Portland, Ore. (Ch. 27), reported its high-power uhf antenna as on hand and it expects to increase shortly to a megawatt, making it third 1,000,000-watt uhf station. Hike was originally scheduled for July 1, but antenna was dropped during fabrication at RCA plant (Vol. 11:22). Other megawatt stations are Wilkes-Barre's WILK-TV (Ch. 34) and WBRE-TV (Ch. 28).

* * * *

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

KFJI-TV, Klamath Falls, Ore. (Ch. 2), has delayed anticipated summer or fall start, despite delivery of 5-kw GE transmitter, pending FCC action on application of KBES-TV, Medford, Ore. (Ch. 5), for new site on Soda Mt., 25½ mi. to east, which KFJI gen. mgr. Alan K. Abner says "would mean [if granted] the elimination of any national business for the station [KFJI-TV] that could deliver only one market [and which] would mean that the Klamath Falls and surrounding market would no longer be a reasonable risk to the TV investor." Studio-transmitter house, he reports, is half built. Plan is to use 120-ft. tower on 6000-ft. peak. Base rate would be \$150.

WAIQ, Andalusia, Ala. (Ch. 2), third educational outlet granted Alabama Educational Television Commission, now has Jan. 1, 1956 test target and will program by Jan. 15, reports pres. R. D. Hulbert. It has ordered 35-kw GE transmitter with 4-bay antenna, plans 500-ft. tower,

begins construction about Nov. 15. It's to be hooked up with WTIQ, Munford (Ch. 7) and WBIQ, Birmingham (Ch. 10), now operating, to form state network. Thad Holt is consultant for the state commission; James Evans, chief engineer.

WORA-TV, Mayaguez, Puerto Rico (Ch. 5), owned by sugar grower Alfredo R. deArellano Jr., reports its GE transmitter is on hand, studio-transmitter building ready, 100-ft. tower planned—and tests should begin Sept. 25. It will be affiliated with George Mayoral's WJMR-TV, New Orleans. Base rate will be \$120. Rep is Adam Young.

WCTV, Thomasville, Ga. (Ch. 6), is still aiming for Sept. 1 tests, Sept. 15 program schedule, with CBS & NBC affiliations, reports gen. mgr. Herschel Graves, promoted from radio WTAL, Tallahassee, 37½ mi. distant. WTAL owner John H. Phipps, of the noted Fla. financial family, acquired CP recently from ex-Gov. E. D. Rivers Sr., along with radio WKTG, Thomasville (Vol. 11:20). Phipps also owns WTYS, Marianna, Fla. GE 35-kw transmitter has been installed, 669-ft. tower by Tower Structure Inc. is being readied for 5-bay antenna due to go up Aug. 22. Base hourly rate will be \$200. Rep is Meeker.

WDBJ-TV, Roanoke, Va. (Ch. 7), is now installing 5-kw DuMont transmitter, has taken delivery of RCA 6-bay antenna, but awaits steel for new top for tower to be delivered in latter Aug. Accordingly, reports gen. mgr. Ray P. Jordon, it has pushed test target forward to Sept. 22, expects to begin CBS programming about Oct. 1. Network rate will be \$500. Rep is Free & Peters.

WDAM-TV, Hattiesburg, Miss. (Ch. 9), headed by Dave A. Matison Jr., operator of 3 Miss. radio stations, now plans "early 1956" starting date. Equipment has not yet been reported, nor rep chosen.

KTHV, Little Rock, Ark. (Ch. 11) has Oct. 15 test target date, will start programming early in Nov., joins CBS as of April 1, 1956, meanwhile will carry CBS & ABC programs not cleared by present affiliate KATV, Pine Bluff-Little Rock (Ch. 7), reports Henry B. Clay, exec. v.p. *Shreveport Times* interests (KWKH) owns 42%, *Arkansas Democrat* 32% of grantee company. It has ordered 50-kw RCA transmitter for Sept. 6 delivery, 12-bay antenna for Oct. 1, will transmit from 1175-ft. Ideco tower, which will also support antenna of KARK-TV, Little Rock (Ch. 4) and on which construction has begun. Transmitter building is about 40% complete, and work on studio building started this week. Also being constructed is 150-ft. tower with 6-bay RCA antenna for auxiliary purposes, rising about 800 ft. above average terrain, also to be ready by early Oct. Gen. mgr. will be B. G. Robertson, gen. mgr. of 50-kw radio KTHS. Rep will be Branham.

WHTN-TV, Huntington, W. Va. (Ch. 13) should make Sept. 15 test target, Sept. 25 ABC network interconnection, if RCA equipment is delivered on time, reports Fred Weber, v.p.-gen. mgr., ex-WFPG and now-silent WFPG-TV, Atlantic City (Ch. 46). It has 5-kw RCA driver & 20-kw GE amplifier on order, along with custom-built RCA antenna. Control is held by A. B. Hyman, pres., head of local theatre group. Base rate will be \$450. Rep is Petry.

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CKVR-TV, Barrie, Ont. (Ch. 3) is due to get delivery of 5-kw GE transmitter Aug. 16, will have studio-transmitter house completed shortly, begins erection of 393-ft. stainless steel tower Aug. 25. Test target is now Sept. 10, reports Pres. Ralph T. Snelgrove, with programming Sept. 15. Newly added to executive staff are Charles Tierney, ex-CJFX, Antigonish, N. S., as sales mgr. and Claude Baikie, ex-CHCH-TV, Hamilton, Ont. as production mgr. Base rate will be \$240. Rep is Paul Mulvihill.

Trade Report

August 20, 1955

DEALERS BUOYED BY RISING TV STABILITY: Price increases and high inventories are factors that normally might worry TV dealers as they prepare for fall season. But they aren't worrying in the least now; in fact, they generally feel that both price hikes and inventories can be used to their advantage.

Some 47 top TV-appliance dealers attended NARDA-sponsored First Institute of Management at Washington's American U this week (see p. 12). In talking to many of them, we got the distinct impression that they're far more encouraged by stabilizing factors in TV trade than they're concerned with ominous portents.

One of most stabilizing influences, they generally feel, is slow but steady decline of discount house competition. Many feel they have the most flagrant discounters on the run -- driving them out of business or forcing them to compete on equal terms -- and were heartened when one of the biggest manufacturers, Philco exec. v.p. John M. Otter, agreed. He told them at luncheon session:

"The discounter has learned his lesson -- he has to earn a profit to stay in business, and as a result he's getting a higher price for his merchandise today than ever before. Those who are still left in business are assuming the normal overhead of hiring salesmen and giving service."

Price increases already announced, and the certain prospect of more to come, seem to hold no fears for the dealers now. Two major reasons are given for their apparent lack of concern: (1) Many are rather heavily stocked in old merchandise at lower prices, feel it will take them until perhaps early Nov. to work off excess inventories of old models. (2) Their markets generally are proving more robust than they expected -- as witness record retail sales of 3,202,995 in first half 1955 -- and view is that they can pass increases to consumers with little effect on sales.

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More details on Whirlpool-Seeger-RCA merger and how the new white goods giant will operate came out this week in press conference with Elisha Gray II, pres. of Whirlpool, and in his letter to stockholders of both Whirlpool and Seeger. It's set for ratification by stockholders Sept. 12, and Mr. Gray said he anticipated that new company, Whirlpool-Seeger Corp., would be a reality Sept. 16. Officers of new corporation are: chairman, Walter G. Seeger, chairman of Seeger; pres., Mr. Gray; v.p., John S. Holl, pres. of Seeger; v.p.-treas., Mason Smith, Whirlpool financial v.p.; secy., Edward C. Cudmore, Whirlpool comptroller. In addition, directors who will serve until first annual meeting of shareholders are Sears Roebuck's R. E. Brooker & Edward Gudeman, RCA's Frank M. Folsom & Charles M. Odorizzi, investment banker Maynard H. Murch & ex-Whirlpool v.p.-treas. Frederick S. Upton.

First appliances under RCA-Whirlpool brand, laundry equipment, will hit the market in Jan. 1956, said Mr. Gray. Eventually there will probably be a full line, including kitchen cabinets, dishwashers, food disposers, sinks, water heaters and vacuum cleaners. He reiterated that there are no immediate plans for distribution changes -- but said distributors will "want to rearrange their lines" so they can handle both RCA's TV line and new RCA-Whirlpool appliances. Company does not plan to utilize RCA Service Co., he declared.

Proxy notice places combined sales of Whirlpool, Seeger & RCA stove and air conditioner depts. last year at \$307,600,000, earnings nearly \$14,000,000. RCA stove-air conditioner operations showed net loss of \$2,400,000 prior to adjustments for income taxes. Pro forma balance sheet, assuming merger in effect, indicates total assets of \$123,700,000 for new company. Whirlpool's present long-term indebtedness of \$10,200,000 will be paid off, according to proxy statement. Whirlpool-Seeger will pay RCA \$86,667 per month in exchange for 5-year agreement covering advice & assistance on manufacture, on research & development, economic planning, etc.

Brief highlights of other major trade developments this week:

Copper Price Up: Prospect of further TV price increases heightened as three domestic producers -- Anaconda, Phelps Dodge and American Smelting & Refining -- boosted copper prices from 36¢ to 40¢ per lb. They attributed increase to higher labor costs resulting from recent strike, higher prices in European markets, plus pressure from Chile to make its prices competitive with domestic producers. The 40¢ price was said to be highest since 1872.

Used Tubes: Philco's plan to smash what it calls "the multi-million dollar racket" in resale of used TV-radio tubes, by giving 5¢ credit to servicemen for each old tube turned in (Vol. 11:33), got rather chilly reception from other set makers. No manufacturer announced immediate plan to join Philco in offering credit, though service groups generally endorsed idea. National Alliance of TV & Electronic Service Assns. was to discuss subject at its convention in Chicago, Aug. 20-21.

Economic Outlook: Is the current record prosperity based on real money or merely easy credit? President's Council of Economic Advisers wrestled with problem at meeting this week -- and was said to be divided on whether to ask for economic controls more stringent than such financial manipulations as recent Federal Reserve Board increase in banks' interest rate. The top-level advisers were apprehensive about possible new inflationary spiral resulting from recent wage-price increases. Administration, however, was said to be firmly committed to avoid use of any but indirect controls except in national emergency. Meanwhile, consumer installment credit outstanding rose to all-time high of more than \$33 billion in July.

Production: TV output totaled 154,798 week ended Aug. 12, compared to 134,959 preceding week and 113,864 week ended July 29. It was year's 32nd week and brought TV production for year to date to about 4,540,000 vs. 3,500,000 in same 1954 period. Radio production totaled 240,148 (109,334 auto) week ended Aug. 12, up from 209,689 preceding week and 203,343 week before. For 32 weeks, radio output was estimated at 8,250,000 vs. 6,220,000 in corresponding period of 1954.

COMMENTS ON COLOR set sales prospects, obtained from manufacturers in our current survey (p. 1), shows that they all look hopefully to color as a great new phase of the business--though they differ markedly on when they think color will reach that stage.

Interesting aspect of survey is that the manufacturers can have strong opinions on color, yet disagree so substantially in their analyses and predictions--content to let events prove them right or wrong. Most are quite willing to be identified though a few chose not to be at this time. Following are excerpts from replies received to date:

James H. Carmine, Philco pres.: "We are consistent in our opinion that production of color TV receivers will progress slowly. The industry is only just entering the real training period on all phases of color TV--service and field training, manufacturing experience, production of color tubes, to mention only a few. Further, industry has taken only the first steps toward gaining necessary experience in programming, camera techniques and broadcasting . . . All of the factors involved are of major importance. From a short range point of view, I want to point out that it has taken several years to build even the first color receivers which we all hope will give stable, satisfactory service in the field. We are now almost in Sept. and only a very few color TV receivers have been manufactured. As a consequence, it is inevitable that the quantity of color receivers available this fall must be very limited. All these considerations have entered into our opinion that it will be summer and fall of 1956 before manufacturers can achieve even minimum volume production of color receivers that can be safely sold to consumers . . . There have already been too many false starts in color TV. The industry cannot

afford any more. That is why Philco will move forward carefully and very cautiously during the fall season this year."

Robert W. Galvin, Motorola exec. v.p.: "NBC and CBS are to be commended for their ambitious color programming schedules this fall. NBC's program is particularly noteworthy. The quantity, quality and diversity of these shows have already re-enthused our distributors for the color market and will awaken increased interest on the part of the dealers. The combination of these programs and increased enthusiasm at the marketplace will improve the market prospects substantially over last year. We anticipate a steady, though moderate, sale of color receivers this fall."

A. L. Chapman, Sylvania v.p.-operations: "It is my opinion that the increased amount of programming and telecasting in color which is planned for this fall and for next year will stimulate consumer interest in color TV sets. It appears now that there will be some 25,000 sets sold in 1955, and it is very possible that the industry will sell from 200,000 to 250,000 sets in 1956. This fall could very likely be the starting point for color, with color then having a slow but steady growth in the coming years."

E. W. Gaughan, Capehart-Farnsworth v.p.-gen. sales mgr.: "Color TV could be sold in a fairly large volume beginning the middle of Sept. this year and the balance of the season if the dealers will take an interest in displaying, promoting and demonstrating color TV sets. However, I am fearful that the average merchant or dealer will place a color set on their floor and expect the public to break down their doors in an effort to make a purchase . . . As far as Capehart is concerned, we fully intend to do our part in promoting, advertising and conducting both sales & service clinics in Ft. Wayne and out in the field to create more interest . . . It may be well to mention that Capehart is one of the very few in

the electronics field who have to date invested more than \$1,000,000 in research, development, tooling and design in the color TV field . . . We are not dependent upon any other manufacturer for a chassis, circuitry or design when it comes to color TV. If the retailers will show an interest, it is my personal opinion that close to 100,000 color sets could be sold by the industry the balance of this calendar year. Next year I believe this figure could far exceed 300,000."

Robert S. Bell, Packard-Bell exec. v.p.: "While I would certainly be delighted to be an optimist about the earlier part of this period—i.e., the coming fall—I fail to see where there will be much headway made in selling the product to the people. However, the idea of color TV as a well-known art and as commercially feasible should be a reasonably short additional job, and I hope and look forward with confidence that within the next year and a half we will get to the point where they can be produced at a price which will reach at least a fair portion of the market. It is my firm belief that we do not have a chicken and egg fight at all in color TV as we did in black-&-white, and I just feel certain that as soon as adequate programming, amounting to an hour or more every night, is available, people will begin to believe that color is really here. Up to now, they have been deluged with about 99% misinformation for the last 7 years. I think it will take a little while to break through the crust of their indifference to any ballyhoo."

Raymond W. Durst, Hallicrafters pres.: "It will take some time for the public to get a greater awareness of the magic and excellence of color. My guess, and it is just that, is that there will be from 25,000 to 50,000 color receivers sold at retail between now and Dec. 31. I hate to make what might appear like a very unrefined guess of the retail sales in the calendar year 1956 but I think it has a potential of from 500,000 to 1,000,000 receivers. The so-called 'carriage trade' alone can account for a goodly number."

Morris Sabin, Olympic pres.: "We believe that the continuing efforts of RCA and others in their broadcasting activities as well as the recent stepped up consumer advertising campaigns will effectively overcome the inertia which now prevails on the part of the public. At the present rate of interest we feel that by this Christmas a small, modest quantity of color receivers will have been sold at the retail level. Olympic has been keeping abreast of color receiving developments and our factory is equipped for color production in moderate quantities. Several pilot model units have been produced and small-scale production is scheduled for Nov. Olympic will proceed slowly with color production and as market tests indicate increasing demand, production will be increased accordingly."

C. J. Hunt, Stromberg-Carlson TV-radio v.p.: "With the price tags that are on the 21-in. color sets, sales are bound to be limited. On the other hand, I feel that with the type of programming that is coming considerable consumer interest will be created and if the industry can produce 21-in. instruments at a greatly lowered retail price in 1956 it will sell all it can make."

Ernest Alschuler, Sentinel pres.: "We have felt convinced that color TV was coming along in a most encouraging manner and of course, now with the release of the news that RCA-NBC color plans are going to be on such favorable basis, we are quite pleased to have our views confirmed. Our confidence in color TV is evidenced by our devoting a considerable amount of effort in the complete engineering of our color TV receiver, and we have just recently decided to increase our planned production."

H. C. Bonfig, CBS-Columbia pres.: "The increased programming projected by the networks this fall, plus the programming planned by a number of local stations, will help stimulate color TV set sales and increase interest in the color medium. Sales in the fall of 1955 will be better than those we had in 1954, due to this increase in programming. In 1956, we will see a substantial increase over the 1955 color sales figure. Right now, one of the principal deterrents to sales is the price factor. As long as the consumer weighs the black-&-white prices today against the possibility of color set prices tomorrow this will be a stumbling block. When color sets get to the \$400-\$500 level, they will be able to be sold to the mass market. It's difficult to say when that level will be achieved, as it may take some time. Perhaps it will arrive by the end of 1956."

* * * *

Here are the views of those few manufacturers who prefer not to be identified now:

One fairly large producer estimated that this year's production would be 60,000 sets, sales 50,000; for 1956, he predicted production of 250,000, with 200-220,000 sales.

A medium-sized producer stated: "I believe that there may be a market for between 5000 and 10,000 sets this year. As regards next year, I would rather see what happens between now and the first of the year before making any estimate."

A smaller set maker writes: "With the type of color-casting plans that RCA has announced, color TV should at last get started. Receivers have been sufficiently improved so that they produce an entirely commercial picture. Although units of sales this fall should not be significant, total dollars will be important. In 1956, color TV will represent an important part of the TV industry's billing."

Another small producer says: "In view of the strong emphasis which NBC and CBS are placing on color broadcasting for this coming fall, I believe this will serve to create a definite continuing interest in color by consumers. The extent of this interest will depend on the quality of the programs, and more especially, the quality of the color reception and the price of color TV receivers. For the first time, it appears that color TV will have a continuing place in the market."

Still another small manufacturer puts it this way: "I am still of the very firm opinion that the color set market will not get off the ground until such time as sets can be retailed for under \$500 with a reasonable profit to the dealer. Even at this retail figure I am of the opinion that it would not represent more than 10 to 12 percent of the total set sold. However, these percentages can accelerate rapidly as costs drop."

GE small appliance div. has cancelled all advertising in *Life Magazine*, shortly after June 20 editorial stating that fair trade is "dying" and expressing "good riddance." GE is one of most active fair traders, particularly in small appliances. GE's action, explained company spokesman, was prompted by decision to divert more advertising to network and spot TV and "has no other significance whatever." Division had been spending more than \$500,000 a year in *Life*.

British TV production in first 6 months totaled 776,000, up 51% from the 508,760 sets produced in first half of 1954, reports British Radio Equipment Manufacturers Assn. Output of radios, including auto sets, totaled 1,109,431 in first half vs. 885,677 in first 6 months year ago. During June, said BREMA, about 57% of TV sales were on installment credit, which is being further restricted in second half of year under new regulations.

Topics & Trends of TV Trade: NARDA rates kudos of the whole industry for sponsoring First Institute of Management Conference for TV-appliance dealers this week at American U, Washington—and some who participated in and observed the sessions are enthusiastically suggesting it should be an annual affair, perhaps expanded on a district basis in order to take in more “students.”

Workshop sessions and luncheon speakers comprised the 6-day “course”, attended by 47, and these were topped by “bull sessions” about the business that lasted far into the night in the campus dormitories where they were billeted.

One of most important, timely and lucid speeches, to our thinking, was Aug. 15 talk by Thomas F. Joyce, pres. of Raymond Rosen & Co., Philadelphia RCA distributor; we’re printing it in full text as Special Report herewith, and we’ll run off reprints for other distributors (who may want them for their dealers) at nominal rates on request.

Joyce defended role of the distributor, but only if he performs his proper responsibilities for his “dealer partners.” He listed these as carrying adequate inventories of end products and replacement parts, providing adequate credit facilities, giving sales & merchandising assistance, training dealer servicemen, giving dealer “maximum territory and market protection.” In reply to questions after speech, he told the dealers they had no reason to fear discount houses unless the discounters were buying at lower prices.

Here are highlights of some of the topics covered by other speakers:

Servicing—Magnavox gen. sales mgr. Ray Yeranko said 50% of dealer’s TV business depends on how well he services products he sells. He urged them to equip service depts. with accurate test equipment, check every set for performance and appearance before delivery, have service technician install every set and instruct customers on operations for best results, advertise service depts., develop new prospects through leads furnished by service depts.

Sales Training—Philco exec. v.p. John M. Otter urged dealers to tap college graduates and teachers as sources of salesmen. “Point out that they can make more money with you than with a wholesaler,” he said, referring to fact that many young college graduates want to join distributor organizations for training. He also stressed necessity of proper training of salesmen, urged dealers to hold daily sales meetings.

Consumer Attitudes—Magnavox v.p.-gen. mgr. Leonard F. Cramer said public is demonstrating willingness to buy up into higher-priced merchandise, and it’s up to dealer to develop that tendency. He urged dealers to emulate auto agencies in reselling public on pride of ownership, saying that an auto gives its owner only a fraction of the pleasure derived from TV set.

Dealers and distributors attending Aug. 15-20 sessions: Vergal Bourland, Ft. Worth; David S. Brilhart, Scottsdale, Pa.; Robert H. Cloud, Lexington, Ky.; Paul Dettling, Jackson, Mich.; Mort Farr, Upper Darby, Pa.; Steve Feinstein, Boston; Mike Flynn, Washington, D. C.; Carl E. Forsberg, Brockton, Mass.; Don Gabbert, Minneapolis; Stuart Greenley, Flint, Mich.; Robert Grinnell, Flint; Stewart Grove, Flint; J. H. Hampton, Pontiac, Mich.; B. F. Hannah, Tucson; Scott Hanson, Louisville; J. D. Hodsdon, Portsmouth, Va.; S. M. Hollis, Memphis; Earl T. Holst, Des Moines; J. R. Hopkins, Hollywood, Fla.; Charles H. Jett, Lexington, Ky.; Robert Justis, Newport, Del.; J. W. Leon, Toledo; Frank Low Jr., Rocky Mount, N. C.; Paul Meyer, Mankato, Minn.; Francis L. Monette, Lowell, Mass.; James I. Morningstar, Dawson, Pa.; George Pazik, Milwaukee; Henry F. Pieratt, Lexington, Ky.; Nick Powell, Richmond, Ky.; Harry B. Price Jr., Norfolk; Lawrence F. Rahn, Brookfield, Ill.; Max Rhodes, Prospect Heights, Ill.; Jerry Ritter, Port Huron, Mich.; Edward Rosen, Philadelphia; Fred O. Schwender, Utica, N. Y.; J. H. Shenk, Harrisburg; D. M. Shoffner Jr., Port Huron, Mich.; A. H. Smith, Gainesville, Fla.; Ken J. Stucky, Ft. Wayne; Robert B. Sudd, Oildale, Cal.; W. L. Tait, Portland, Ore.; F. Engle Taylor, Columbus, O.; Don C. Tobin, San Francisco; J. R. Waters, Fairmont, W. Va.; Gross Williams Jr., Shreveport; J. B. Wood, Norfolk.

SHIPMENTS OF TVs to dealers in first half of 1955 totaled 3,084,717, compared to production of 3,828,793, according to RETMA state-by-state report released this week. They compared with 2,667,603 shipped in first half of 1954, when production was 2,845,147. New York led, with 299,913; California was next, 257,209; Pennsylvania third, 190,012. June shipments were 407,087, compared to 348,181 in May and 297,505 in June 1954. Here’s state-by-state report for first 6 months (county-by-county tables available to members from RETMA on request):

State	Total	State	Total
Alabama	55,072	New Hampshire	11,016
Arizona	17,299	New Jersey	98,043
Arkansas	36,884	New Mexico	10,961
California	257,209	New York	299,913
Colorado	22,411	North Carolina	82,950
Connecticut	41,115	North Dakota	9,873
Delaware	6,430	Ohio	153,946
District of Columbia	31,400	Oklahoma	46,059
Florida	105,008	Oregon	40,546
Georgia	68,413	Pennsylvania	190,912
Idaho	13,121	Rhode Island	14,216
Illinois	166,254	South Carolina	47,494
Indiana	77,357	South Dakota	10,030
Iowa	43,354	Tennessee	65,307
Kansas	40,710	Texas	186,941
Kentucky	53,127	Utah	11,895
Louisiana	69,806	Vermont	9,798
Maine	23,143	Virginia	55,702
Maryland	42,355	Washington	53,547
Massachusetts	84,172	West Virginia	32,812
Michigan	122,063	Wisconsin	62,270
Minnesota	49,242	Wyoming	2,877
Mississippi	29,549		
Missouri	81,938	U. S. TOTAL	3,071,906
Montana	9,227	Alaska	4,590
Nebraska	24,807	Hawaii	8,221
Nevada	4,232		
		GRAND TOTAL	3,084,717

Raytheon introduced twin-speaker “Super T” transistorized portable radio, which company claims can play for 2 years on single battery with normal use, as one feature of its TV-radio line shown to press at New York’s Hotel Astor Aug. 18. Henry F. Argento, TV-radio v.p., said: “This radio completely removes any necessity for the plug-in variety of radio . . . as we have known it for 28 years.” It retails for \$89.95. The TV line has a 17-in. ebony table leader at \$140; 21-in. tables at \$160, \$170, \$180 & \$210; 21-in. consoles at \$200, \$250, \$300 & \$320. All models have top tuning controls, 90-degree aluminized picture tubes and an overload relay which customer can reset by pushing button.

CBS-Columbia’s new line, introduced to distributors Aug. 20-21 at New York’s Essex House, comprises 9 basic 21-in. models and one 24-in. console, ranging from \$170 to \$300. Engineering and styling include illuminated dials, front tuning controls, improved “photo-electron gun” designed for uniform focus, aluminized picture tubes, improved audio circuits. The four 21-in. table models are priced at \$170, \$180 & \$240, with price of one model to be set by local distributors; five 21-in. consoles are \$200, \$230, \$250, \$270 & \$300; the 24-in. console is \$290. Optional uhf tuners are \$20-\$30 extra.

Stromberg-Carlson increased prices on 4 basic 21-in. models \$5 to \$15 this week, joining Admiral, Emerson & Trav-Ler Radio in announcing increases thus far (Vol.11: 31-33). TV-radio v.p., C. J. Hunt, wired distributors: “We have delayed making this announcement as long as possible, even in the face of constantly rising material costs and increased labor costs,” and said company hoped to confine increase to the 4 models and to “hold the line” in its fall pricing. The “Cremona” was raised from \$260 to \$270, “Milano” from \$320 to \$330, “Regency” \$460 to \$475, “Empire” \$490 to \$495.

Hallicrafters reports 20% increase in TV-radio unit sales at dealer meetings this year over 1954, which marketing director Michael D. Kelly attributes largely to company’s 17-in. table model at \$99.95 and new \$19.95 remote control unit.

Sparton will introduce new TV line, titled “Royal Scot,” at meeting of district merchandisers Aug. 25-26 at Jackson, Mich. plant.

Trade Personals: James H. Carmine, Philco pres., sailed Aug. 17 on *Queen Elizabeth* for European business trip, expects to return after Labor Day; Robert F. Herr, v.p., already touring NATO countries to check on Philco equipment and personnel, due to return in mid-Sept. . . . Frederick D. Ogilby, Philco TV-radio div. v.p., recovering nicely from his heart attack of last spring, expects to be back on job sometime in Sept. . . . Fritz A. Gross, chief engineer of Raytheon equipment engineering div., promoted to div. mgr., assuming duties of J. Ernest Smith, who continues as v.p. & engineering director of Datamatic Corp., owned jointly by Raytheon & Minneapolis-Honeywell . . . John F. Frazier promoted to mgr. of Corning Glass Works TV dept., succeeding Dr. John L. Sheldon, appointed staff research mgr. of electrical products div. . . . James Kieth, owner of Los Angeles electronic parts maker S. A. Asquith Co., elected pres. of Kaye-Halbert, currently operating under Chapter XI proceedings and starting recapitalization drive with court permission; he replaces founder Harry Kaye, resigned . . . Gordon L. Jolly promoted to mgr. of product information, Westinghouse TV-radio div. . . . Donald G. Wilson, Stromberg-Carlson asst. research director, appointed vice-chairman of electronics committee, American Institute of Electrical Engineers . . . Donald Kirk Jr. and Caywood C. Cooley elected v.p.'s of Jerrold Electronics Corp., Simon Pomerantz treas., James J. Ful secy. . . . Charles Berman named asst. to Trav-Ler sales mgr. Tully Friedman . . . D. B. Jones named Bendix Radio mid-Atlantic regional mgr. . . . Richard Linke, ex-Capitol Records, named sales mgr. of Columbia's "single" records.

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DISTRIBUTOR NOTES: Philco appoints TCR Distributors Inc., 1205 E. River Drive, Davenport, Ia., replacing Schmiers Distributing Co., Rock Island . . . Admiral appoints Capital Appliance Distributors, 2200 N. New York St., Evansville (Kenneth Somers, gen. sales mgr.) . . . Sylvania appoints V. J. Stanley Inc., Rochester, N. Y. . . . Capehart-Farnsworth appoints Keps Appliance Co., 5000 Baum Blvd., Pittsburgh (Joseph Elias, pres.); Edgar A. Brown Inc., Carnegie & E. 40th St., Cleveland (Edgar A. Brown, pres.); Neil Distributors Inc., 1035 NW 71st St., Miami (Herbert S. Neilinger, pres.); Radio Trade Supply, Des Moines . . . GE appoints L. Luria & Son Inc., Miami, as supplementary distributor . . . Trav-Ler Radio opens factory branch at 193 N. Broadway, Milwaukee (Howard V. Schwartz, ex-Raytheon Distributors, gen. mgr.) . . . Marshall-Wells Co., Duluth, one of world's largest wholesale hardware firms and Arvin Radio distributor there, announces resignation of pres. John H. Moore.

Crosley-Bendix plans \$3,500,000 ad campaign this fall, biggest in its history, concentrating on network TV and magazines, thru Compton Adv. and Earle Ludgin & Co. It will sponsor *Midwestern Hayride* on NBC-TV Fri. 8-8:30 p.m. and co-sponsor NCAA football game-of-the-week on NBC-TV. It will place 64 pages in national magazines.

Emerson's sales in 6 months ended July 31 were highest in company's 40-year history, said pres. Benjamin Abrams in letter to distributors, which also stated defense business continues at high level; recent projects are new contracts for hemispheric defense, fire control computers, guided missiles.

Allied Electric Products Inc., Irvington, N.J., parent company of tube maker Sheldon Electric Co., was adjudicated bankrupt this week in Newark Federal Court. Date will be fixed later for public sale of assets. Company was headed by the late Nathan Chirelstein.

House Ways & Means subcommittee headed by Rep. Forand (D-R.I.) will start hearings Oct. 4 on all excise tax problems, including TV-radio.

Color Trends & Briefs: Dealer caution about color was evident at NARDA Institute of Management at Washington's American U this week. Leonard Cramer, Magnavox v.p.-gen. mgr., and Thomas Joyce, pres. of Philadelphia RCA distributor Raymond Rosen & Co., gave bullish talks on color, were followed by Philco exec. v.p. John M. Otter who told dealers not to buy more sets than they knew they could sell.

In question period, Rosen's Edward Rosen asked Otter why he differed with others. Otter replied: "Color TV isn't ready, either in the tube or in the circuitry, and Phileo will not push anything that isn't ready." Then Harry B. Price Jr., NARDA pres. and owner of big Norfolk chain, took floor to say he'd been stuck with color sets last year, wasn't going to buy until he was sure of orders. He was roundly applauded by fellow dealers, indicating general agreement with him. NARDA chairman Mort Farr, Upper Darby, Pa. dealer also attending sessions, tells us he's going all-out, on other hand, having recently hired high-priced salesman to concentrate solely on color.

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Network color schedules for next 2 weeks: NBC-TV—Aug. 22, *Producers' Showcase*, "The King & Mrs. Candle," 8-9:30 p.m.; Aug. 22-26 & Aug. 29-Sept. 5, segments of *Home*, 11:45-noon; Aug. 23, 25 & 30 and Sept. 1 & 6, *Vaughn Monroe Show*, 7:30-7:45 p.m.; Aug. 24, 26 & 29, *Matt Dennis Show*, 7:30-7:45 p.m.; Aug. 26, 27 & 28, Davis Cup tennis matches, 2-5 p.m. Note: First CBS-TV color spectacular will be *Ford Star Jubilee* Sept. 24, Sat. 9:30-11 p.m., starring Judy Garland, with David Wayne guest star.

Vertical chassis 21-in. color set, first of its kind, was introduced by Raytheon this week, priced at \$795 for table model, \$895 console. Receiver has 24 tubes, 3 rectifiers, and console is 29-in. wide, 23-in. deep, 37-in. high. Henry F. Argento, TV-radio v.p., stated that company had another design fully developed 8 months ago but scrapped it to concentrate on new chassis. CBS-Columbia announced this week that it was reducing from \$1100 to \$795 the price of its 19-in. set (205C).

Color in movies and TV will be theme of SMPTE convention at Lake Placid Club, Essex County, N. Y., Oct. 3-7. TV sessions Oct. 6 include: discussion of "grainless phosphor screens for TV tubes and the light amplifier," 5-man roundtable on network telecasting; DuMont Vitascan; colormetric problems in film; report on international conference in Stockholm last June.

Technical articles on tri-color tubes in Aug. *Proceedings of the IRE*: "Color TV Luminance Detail Rendition," by W. G. Gibson & A. C. Schroeder, RCA Labs; "A New High-Efficiency Parallax Mask Color Tube," by M. E. Amdursky, R. G. Pohl & C. S. Szegho, Rauland (Zenith); "Design of Lens-Mask Three-Gun Color TV Tubes," by R. C. Hergenrother, Raytheon.

Further strengthening color schedule, NBC-TV will offer 26 filmed half-hour children's programs, *Golden Time*, produced in collaboration with publisher Simon & Schuster, to be colorcast Sat. or Sun. mornings. NBC also announced that *Matinee*, its 3-4 p.m. daily color show, would start Oct. 31 instead of Oct. 3; that Jose Ferrer has been signed for "Cyrano de Bergerac" on *Producers' Showcase* Oct. 17.

Live daily colorcasts will originate from Texas State Fair at Dallas, Oct. 7-23. RCA "caravan" will handle them, and programs will be carried on WFAA-TV & KRLD-TV.

"Color TV: On the Way at Last?" is question posed in title of article in Aug. 13 *Business Week*—and tenor of article leans toward affirmative answer.

Henri, Hurst & McDonald has installed 21-in. RCA color set in reception room, believes it's first Chicago ad agency to do so.

Financial & Trade Notes: Television-Electronics Fund Inc. net assets increased to \$104,639,370 (9,132,272 shares) as of July 31, up from \$96,182,331 (8,489,045 shares) as of April 30, including these stocks added during the quarter: 5300 shares of Cincinnati Milling Machine with market value of \$344,500; 2000 duPont, \$453,000; 2600 Ex-Cell-O Corp., \$123,825; 6500 Friden Calculating Machine, \$169,000; 1400 General Mills, \$108,150; 5500 Precision Radiation Instruments, \$45,375; 6000 DuMont 5% convertible preferred, \$126,000; 1000 Texas Instruments 4.48% cumulative convertible preferred "A", \$26,875; \$80,000 worth of American Electronics 5% convertible debentures. Also included are \$6,000,000 in Treasury notes.

Fund added to holdings in following stocks during quarter ended July 31: ACF Industries, Addressograph-Multigraph, AT&T, Babcock & Wilcox, Beckman Instruments, Bell & Gossett, Bell & Howell, Bullard Co., Bulova Watch, Carborundum, Chance Vought, CBS "A", Continental Telephone, Cornell-Dubilier, Corning Glass, Curtiss-Wright, Douglas Aircraft, Eastman Kodak, Electric Controller & Mfg., Electronic Assoc., Elgin National Watch, Garrett, General Dynamics, General Tire, Goodyear, Hazelton, I-T-E Circuit Breaker, Lockheed, Minneapolis-Honeywell, National Acme, Northrop Aircraft, Paramount Pictures, Pullman, Raytheon, Royal McBee, Ryan Aeronautical, Servomechanisms, Sperry Rand, Square "D", Stewart-Warner, Taylor Instrument, Thompson Products, United Aircraft, Western Union.

Part of holdings were sold in Admiral, Aerovox, Aircraft Radio, Allis-Chalmers, AB-PT, American Chain & Cable, American Phenolic, Arvin, Bendix Aviation, Borg-Warner, Burroughs, Clark Controller, Columbia Pictures, Cutler-Hammer, Eaton Mfg., Electro-Data, Electronics Corp. of America, Emerson Radio, Gary (Theo.), General Controls, GE, General Railway Signal, Hammond Organ, Indiana Steel Products, International Resistance, IT&T, Magnavox, Minnesota Mining & Mfg., Motorola, National Cash Register, North American Aviation, Philco, RCA, Robertshaw-Fulton, Sylvania, TelAutograph, Tung-Sol, United-Carr Fastener, United Shoe Machinery, Walt Disney, Westinghouse, Zenith.

Eliminated were Fund's 800 shares of Consolidated TV & Radio Broadcasters (Bitner stations) and Raytheon \$2.40 cumulative convertible preferred, latter converted to common. The Sperry Rand holdings replace Sperry Corp. and Remington Rand which merged. And General Dynamics holdings reflect acquisition of Stromberg-Carlson.

(For similar report on Feb. 1-April 30 quarter, see Vol. 11:21, p. 15.)

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General Dynamics Corp. earned \$9,384,757, or \$1.87 a share, on sales of \$342,989,927 in first half of 1955, compared to \$9,840,825 (\$1.93) on \$323,305,659 in same 1954 period. Figures includes operations of recently acquired Stromberg-Carlson (Vol. 11:18) which chairman John Jay Hopkins said is functioning at "high production levels" on both commercial products and govt. contracts. "Productive capacity is being increased for an expected expansion of the division's telephone equipment business," he said, adding that the new TV line "was received enthusiastically by distributors and dealers." He said corporation's backlog of unfilled orders was \$1.124 billion as of June 30, besides \$800,000,000 worth of contracts then under negotiation.

Erie Resistor Corp., in 24 weeks to June 12, had net sales of \$8,837,707, net profit of \$383,903, or \$1.25 per share (\$1.11 assuming full conversion of preferred at 1.1 ratio). This compares with sales of \$6,572,643, profit of \$60,673 (8¢) for corresponding 1954 period. Consolidated report includes British and Canadian subsidiaries.

COLUMBIA RECORDS formed "record-of-the-month" subscription club this week, in cooperation with its distributors and 6200 dealers, in effort to get its share of estimated \$20,000,000 worth of records purchased annually by subscription. As first step, it appointed its gen. attorney Norman A. Adler, as v.p.-gen. mgr. of Columbia LP Record Club, with special club headquarters at 165 W. 46th St., N.Y. It will spend \$1,000,000 in next 8 months advertising, through Maxwell-Sackheim, N.Y.

Columbia made a point, in big promotional ads, of emphasizing that distributors and dealers will participate —unlike other record clubs, where dealer is by-passed. Dealer will be given a 20% commission on all sales made to each subscriber he signs up, as long as he continues as an active member. Distributors will be given a 4% commission on all sales to members recruited by dealers in their area. Subscribers will be offered a free 12-in. LP when they join; they will have to buy a minimum of 4 records a year at list price and will be entitled to a free bonus record for every 2 records they buy. Columbia will draw on its full catalog for club selections, including both classical and popular music.

RCA Victor, associated with Columbia as 2 top producers in record industry, announced through v.p. Emanuel Sacks that it had no intention of forming its own record club. He commented: "The best way to realize the growth potential we see for the record industry is through aggressive dealers stocked with competitively priced quality merchandise. That is why we lowered the price of our long-playing records as much as 40% earlier this year. As a result, record sales have soared to a new high and dealers, both large and small, have benefited."

RCA Victor disclosed it will stop producing 78rpm records early next year. Sacks said popularity of 45s has made 78s unprofitable. Shipments will begin about Aug. 20 on a new 12-in. LP to retail for 98¢, featuring selections from both popular and classical albums. Slow demise of 78rpm records was not unexpected, with trade press speculating it will be industry-wide trend by fall of 1956.

More officers' & directors' stock transactions reported by SEC, in addition to those published last week (Vol. 11:33): Frank Stanton sold 30,000 CBS "A", holds 104,058 CBS "A"; Ralph J. Cordiner bought 4500 GE, holds 10,395; Clarence H. Linder bought 2070 GE, holds 4710; Howard C. Briggs sold 1000 Hoffman Electronics, holds 1000; Oliver J. Greenway bought 800 International Resistance, holds 8650; Charles H. Griffith bought 1200 International Resistance, holds 5300; Edward A. Stevens bought 1800 International Resistance, holds 8840; Percy L. Spencer sold 2200 Raytheon, holds 3.

Sperry Rand Corp., in first report since recent Sperry and Remington Rand merger, reports combined net income of predecessor companies of \$9,027,895 (35¢ a share on 25,205,632 shares outstanding) on shipments of \$157,796,-605 for quarter ended June 30.

P. R. Mallory & Co. declares 3-for-2 stock split, with distribution Sept. 15 of added share for each 2 held as of Aug. 30; common will go on 35¢ quarterly dividend in lieu of present 50¢.

Oak Mfg. Co. earned \$839,076, or \$1.60 a share, on sales of \$11,370,124 in first 6 months of 1955 vs. \$500,243 (95¢) on \$8,096,471 in first half of 1954.

Dividends: Philco, 40¢ payable Sept. 12 to stockholders of record Aug. 31; Standard Radio Ltd. "A", 15¢ Oct. 11 to holders Sept. 20; Clevite, 25¢ Sept. 9 to holders Aug. 26.

Servomechanisms Inc. sales were \$6,073,000, profit \$216,000 (28¢ a share) in first half of year vs. \$5,967,477 & \$303,743 (40¢) in same 1954 period.

Electronics Reports: Further example of old-line companies expanding and diversifying in fields of electronics (Vol. 11:33): Avco this week concluded agreement to acquire 60,980 shares of Hycon Mfg. Corp. (out of 2,329,990 shares outstanding) in exchange for 73,139 shares of newly issued Avco common (8,922,585 outstanding, 15,000,000 authorized) and will also purchase \$500,000 of new Hycon 10-year 5% convertible debentures. Main purpose is for Avco, notably its Crosley div., to exchange scientific know-how and facilities with Hycon and for Avco to participate in Hycon's defense contracts. Each will have one director on other's board.

Hycon makes special purpose electronics equipment as well as aerial cameras, photogrammetric equipment, ordnance products; its prime defense contracts, mainly involving basic components of the "Mighty Mouse" 2.75-in. rocket, ran some 80% of its billings in 1954 and will run about 60% this year. First fiscal half-year ending July 31 showed earnings, due to heavy developmental expenses, of about \$100,000 vs. \$280,154 (16¢ a share) on sales of \$5,874,086 in same period last year, reports pres. Alden E. Acker. Second half sales are expected to reach \$7,000,000 for a fiscal year's volume above 1954's \$11,972,107.

Hycon has 10 plants in Pasadena, Cal., which it proposes to centralize into one new \$1,000,000 structure at LaVerne, Cal. It recently formed Hycon-Eastern Inc., Cambridge, Mass., research concern in which it holds 60% interest. California firm expects to be listed on American Stock Exchange in Nov.

Note: Hycon discloses it will have instrument for testing color TV sets ready for mass production in Sept., to sell for \$415.

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Stromberg-Carlson div. taking over production of charactron tube from General Dynamics' Convair div. Stromberg also has acquired former Electronic Control Systems Inc., Los Angeles, specializing in automation and electronic computers; it previously had part interest. Also disclosed this week, with declassification of TACAN (tactical air navigation), was that it is manufacturing system under contract with Navy. Leonard Mautner, Stromberg asst. v.p., has been assigned to head expanded west coast operations; Alexander F. Brewer, also an asst. v.p., will be resident mgr. of electronic control labs, Los Angeles.

Herold Radio & Electronics Corp., Mt. Vernon, N. Y., which produces radios & phonos for Sears, Firestone, CBS-Columbia, etc., plans to apply for listing on American Stock Exchange, according to chairman Roland Kalb. It sold 100,000 shares to public (at \$3 per share) in recent offering. Sales in 4 months ended June 30 rose to \$1,100,000 from \$570,000 in corresponding period year ago.

A. L. W. Williams named pres. of Clevite Research Center, formed by merging Brush Laboratories Co. & Clevite-Brush Development Co.; he succeeds Dr. C. Baldwin Sawyer.

Dr. Otto Heinz, ex-Bell Labs, and Dr. Clarence M. Ablow, senior research mathematician, join Stanford Research Institute's engineering div.

Harry L. Owens, ex-Signal Corps Labs, Ft. Monmouth, N. J., joins Texas Instruments Inc., Dallas, as chief engineer of semi-conductor products div.

Dr. Truman S. Gray, MIT associate professor of engineering electronics, has been named consultant on nuclear energy to Brown Instruments div., Minneapolis-Honeywell.

Dr. F. Ralph Kotter, ex-MIT, rejoins National Bureau of Standards electricity & electronics div.

Edgar S. Bloom, 79, retired ex-pres. of Western Electric, 1926-39, died Aug. 14 at his home in N. Y.

The Russians view transistors: "Radio receivers and TV sets already exist having no vacuum tubes (apart from picture tubes), which have been replaced by miniature solid electronic amplifiers that possess great advantages over tubes: longevity, minute power consumption, mechanical ruggedness and small size. They find the widest application in the complex systems of phone stations, in calculators, and in many automatic installations."—Prof. A. Berg, in May 1955 *Radio* (Russian). "It is now completely beyond doubt that in the next few years low-power vacuum-tube electronic devices will be supplanted by semiconductors . . . In the very near future small-size radio broadcast receivers will be widely installed having germanium triodes with an output signal up to 0.5v, supplied by dry batteries of 3-6v having a high sensitivity of 35mkv/m . . . It must be assumed that in the near future semiconductor rectifiers will find wide application [also] in powerful radio broadcast stations where they will with success replace high-vacuum kene-trons and vacuum tubes."—Prof. A. Kugushev, same publication.

New 226-p. microwave manual, *Point-to-Point Radio Relay Systems*—44 mc to 13,000 mc, originally prepared for Air Force, is being offered commercially for \$2 by RCA Govt. Service Dept., Camden. Manual covers propagation, interference, etc., includes charts, curves & monograms.

David M. Rice, pres. of Electronic Publishing Co., Chicago, publisher of electronic parts & hi-fi distributor catalogs, pricing digests, etc., has acquired all outstanding stock in the corporation, plans new quarterly *Dave Rice's Official Pricing Digest* as of Oct. 1.

The 11th annual National Electronics Conference, sponsored by AIEE, IRE, RETMA, SMPTE & 7 midwestern universities, will be conducted at Chicago's Hotel Sherman Oct. 3-5, featuring 24 sessions and 131 exhibitors.

Tiny silicon power rectifier is first product to come from new semi-conductor dept. of Automatic Mfg. Corp., subsidiary of General Instrument Co. It occupies only .03 cu. in., weighs .07 oz., operates at temperatures up to 200° C.

Smallest walkie-talkie FM set ever built is RCA's claim for new experimental unit built for Signal Corps. Said to have ¼-mi. range, transceiver is 5½x3x1-in., weighs 15 oz., uses 12 transistors and one tube.

Russian TV set production in 1955 will total about 500,000—twice last year's output but below govt.'s 760,000 goal—reports *New York Times* in recent analysis of Soviet consumer goods output.

New textbook: *Elements of Electronics*, by USN chief radio electrician Henry V. Hickey & Lt. Wm. M. Villines (McGraw-Hill, 487 pp., \$6.50).

New John F. Rider publications: *Selling Your TV-Radio Service*, by GE Tube Dept. (64-p., \$1); *Picture Book of TV Troubles*, by Rider staff (96-p., \$1.80).

A 350-mi. microwave system for California civil defense is being installed by RCA; it has 9 hops, uses 2450-2700-mc band.

"Industry's All-American Team" is 28-p. brochure published by RCA as a "salute" to its small suppliers.

Electronic Parts Distributors Show, to be held next year in Chicago 3rd week in May, elects these officers for 1956: pres., W. D. Jenkins, Radio Supply Co., Richmond; v.p., Theodore Rossman, Pentron; secy., W. Walter Jablon, Presto; treas., Herbert W. Clough, Belden.

Annual western winter furniture market is scheduled Feb. 6-10 at Western Merchandise Mart, San Francisco (A. Cameron Ball, gen. mgr.).

TELEVISION OWNERSHIP, as adduced by Market Research Corp. of America on basis of continuing reports of its 5800-family panel (see p. 1), embraced 68% of all households as of July, compared to 67% in April, 64% in Jan. and 61% in Oct. 1954. The breakdowns show TV ownership predominates in northeast region, in cities of more than 500,000 population, and in families in upper fourth of income bracket where head of family has high school education. Here are complete MRCA breakdowns:

TELEVISION OWNERSHIP				
Percent of Families in Each Group With TV Sets				
	Oct. 1954	Jan. 1955	April 1955	July 1955
UNITED STATES TOTAL	61%	64%	67%	68%
Regions:				
Northeast	78%	81%	84%	85%
South	42	46	50	54
North Central	64	68	70	70
Mountain & Southwest	42	46	46	52
Pacific	61	64	65	66
City Size:				
Farm	31%	35%	38%	43%
Under 2,500	44	49	53	56
2,500 to 50,000	42	49	50	53
50,000 to 500,000	67	70	74	75
500,000 & Over	83	85	87	87
Total Family Income:				
Upper Fourth	71%	76%	77%	81%
Next Fourth	68	70	72	76
Next Fourth	62	66	69	69
Lowest Fourth	44	46	48	48
Education of Family Head:				
Grade School	53%	57%	60%	62%
High School	68	71	74	75
College	66	71	71	73
Size of Families:				
1 & 2 Members	51%	56%	57%	59%
3 Members	68	68	73	73
4 & 5 Members	71	75	77	78
6 Member & Over	57	58	62	66
Age of Housewife:				
Under 35 Years	68%	70%	73%	75%
35 thru 44 Years	69	73	74	74
45 Years & Over	52	56	59	61
Presence of Children:				
5 Years & Under	68%	70%	73%	75%
6-12 Years	68	72	75	76
13-20 Years	61	66	69	71
No Children	53	58	60	61

Barton Pitts' KFEQ-TV, St. Joseph, Mo. (Ch. 2, CBS), with radio KFEQ (5-kw, 680 kc, MBS) is expected to be sold shortly for \$550,000 plus assumption of about \$235,000 in liabilities to syndicate in which Bing Crosby, Kenyon Brown & George Coleman will each own 25%; John E. Fetzer & Paul O'Bryan, 12½% each. Deal was handled by Robert Grant, representing Kidder, Peabody & Co., Chicago. Pitts has long sought to sell the stations and retire, due to ill health. Bing Crosby would enter deal as an investor, having been partner with Kenyon Brown, part owner of KWFT-TV, Wichita Falls and other stations, and Mr. Coleman, Miami, Okla. banker, in the old time-sharing KMBY-TV, Monterey, Cal., which they sold last year (Vol. 10:45 & 11:6). Fetzer operates pioneer WKZO-TV, Kalamazoo (Ch. 3), KOLN-TV, Lincoln, Neb. (Ch. 3) and several radio stations. O'Bryan is partner in Washington law firm Dow, Lohnes & Albertson.

Madison Ave. and entire TV-radio advertising fraternity, reading generally favorable reviews this week of Al Morgan's new novel, *The Great Man* (Dutton, 317pp, \$3.50), are playing guessing games as to who is real-life prototype of Herb Fuller, the dubious "hero" of the narrative. Fuller is "the great man" to millions of TV-radio fans, but in actual life (the story is told by commentator Ed Harris as he puts together the Herb Fuller Memorial Show after he dies in a car crash) was a downright heel. Author of book that's causing more talk in trade than any since *The Hucksters* is senior editor of NBC Home show.

Horace P. Moulton elected v.p. & gen. counsel of AT&T Aug. 17, succeeding T. Brooke Price, who retires Sept. 1.

Celebrated Edward Lamb case, in which FCC accuses the broadcaster-publisher of lying to it about past communist leanings, moved another step toward finale this week when Commission and Lamb attorneys filed proposed findings and conclusions on the hearing which ran from Sept. 15, 1954 to May 24, 1955. At stake is license of Lamb's WICU, Erie, Pa. (Ch. 12). Commission counsel submitted 335-p. document, while Lamb attorneys filed 14-p. brief. FCC brief is signed by 5 lawyers headed by Joseph M. Kittner, quotes at length from testimony and from Lamb's writings, including his book *The Planned Economy of Soviet Russia*, and concludes that he once did advocate communist economy and govt. as superior to that of U. S.; that he was active in un-American groups; that he contributed to communist groups—and that he lied when he swore to the Commission that he didn't. Lamb counsel J. Howard McGrath, former U. S. attorney-general, Russell M. Brown & Philip Bergson, attacked character and credibility of FCC's witnesses and argued that whole procedure was illegal and/or unconstitutional. In addition, they stated that testimony shows Lamb has record of active opposition to communism. Next move is reply of respective counsel to each others' briefs. Then examiner Herbert Sharfman will issue his initial decision. Oral argument before FCC will follow, after which Commission will render final decision. These steps are expected to run case well into next year.

Probe of alleged communist infiltration in entertainment industry by House Un-American Activities Committee this week got plenty of headlines—but got little information connecting communism with TV. Tony Kraber, ex-CBS & DuMont producer, pleaded 5th Amendment when questioned about possible Red links following sarcastic exchanges with committee members. Richard S. Salant, CBS v.p., said Kraber had resigned Sept. 28, 1951 as network's director of special events "by mutual agreement."

Suit against S. I. Newhouse, Syracuse interests, including WSYR-TV & WSYR, demanding \$1,088,112 in anti-trust damages, was thrown out Aug. 19 by Federal Judge Brennan. Plaintiff WNDR, Syracuse MBS outlet, had charged unlawful restraint of interstate commerce through "package deals in advertising" and alleged Newhouse interests had spread false rumors about WNDR's financial stability. Action was started in Nov. 1952.

WUSN-TV, Charleston, S. C. (Ch. 2) is selling its radio WUSN (1450 kc, 250 watts daytime, MBS) for \$110,000 to Low Country Bestg. Co., owned 50% each by Sol Panitz, TV-radio director of Alvin Epstein Adv., Washington agency, and Barry Winton, TPA. WUSN-TV owners (J. Drayton Hastie family 43%, *Evening Post* 40%) state they want to devote full attention to TV.

Signs of the TV times: *New York Times* assigns reporter fulltime to cover TV film beat in Hollywood under its ace movie reporter Tom Pryor . . . BBC's weekly *Radio Times*, devoted largely to reprints of significant broadcasts, had ABC circulation average of 8,832,579 for first 6 months of 1955 . . . Houston Chronicle (KTRK-TV) latest to add special Sun. TV section, starting with 8 pages.

Edward Lamb's original radio station WTOD, Toledo (1-kw daytime, 1560 kc, independent) was sold for \$125,000 this week to John L. Booth, who operates string of Michigan stations, is applicant for Ch. 10 in Parma-Onondaga, once operated WKBZ-TV, Battle Creek (Ch. 64) but took it off air in April 1954.

Canada has 1,376,101 TV sets in use, CBC reported this week in seeking \$13,740,000 budget for its TV network. They're located: in Province of Ontario (729,970), Quebec (401,794), British Columbia (100,339), Prairie Provinces (100,536).

Special Report
August 20, 1955

A Wholesaler Speaks Up

Real Role of the TV-Appliance Distributor

Full Text of Remarks by Thomas F. Joyce, President, Raymond Rosen & Co.

Before First Institute of Management for Appliance & TV Dealers, Washington, D. C., Aug. 15, 1955

EDITOR'S NOTE: *If you're a TV or radio station executive whose commercial dept. must deal with local distributors & dealers—certainly if you're in any way connected with the manufacture and marketing of TV-radio receivers and household appliances—we commend a close reading of this transcript of Mr. Joyce's lucid and persuasive talk before the Institute conducted at American University in Washington this week under auspices of NARDA. Of the many talks, this one seemed to us to be unusually significant because it deals head-on with a topic that has had merchandisers buzzing for a long time, especially in light of the recent upsurge of discount houses. Mr. Joyce's position is quite clear: He's all-out for the wholesale function, in principle—but only for the distributor who really performs specific and needed services for his dealer "partners." That Mr. Joyce knows whereof he speaks, is evident not only from his background as an RCA executive but from his 10 years with Raymond Rosen & Co., Philadelphia, one of RCA's most important distributors.*

WHEN MORT FARR asked me to speak at the Institute of Management for Appliance and TV Dealers, I asked him: "What do you want me to talk about?"

Mort replied: "About the distributor and the functions he performs. A number of appliance and television dealers think that there is no place for the distributor and that he should be eliminated. These dealers would like to buy direct from the manufacturers and get the gross profit that now goes to the distributor."

By what Mort stated, I assume that there is some question as to whether or not a distributor is worth what he is paid, for the functions he does or does not perform.

Obviously, you expect my viewpoint on the subject to be that of a distributor executive who, in addition, has his entire capital invested in the distributing business.

Well, first, I would like to give you my viewpoint on the subject when I was an executive for one of the nation's leading manufacturers in this industry. In March 1944, at the symposium on post-war distribution conducted by the Sales Managers Club of New York, I made a talk on the subject: "The Future of Independent Wholesale-Retail Distribution." During the war years, some starry-eyed bureaucrats with the Office of Price Administration in Washington were predicting the demise of the wholesale distributor in the post-war period. The wholesale distributing function, in the appliance and radio fields, was virtually eliminated during the war years by reason of the fact that there were no goods to distribute. This, therefore, was the ideal time to change the basic structure of distribution, by seeing to it that the distributor did not come back to life, after the war.

Middleman Mentioned in the Bible

A number of distributors in those years were concerned about the line of thinking in Washington. I thought that I might make some small contribution to allaying their fears, by referring to history. In that talk I said:

"The earliest records of wholesaling go back to the beginning of history. One authority, for example, traces it to Genesis, the first book of The Bible, and the story of

Joseph, whose father made him a coat of many colors. Joseph's brothers were jealous of him, and sold him in bondage to a travelling company of Ishmaelites (who) came from Gilead, with their camels bearing spicery and balm and myrrh, going to carry it down to Egypt.' These ancient caravans transported goods in quantity to be parceled out for sale by local merchants.

"The Phoenician Empire in the Mediterranean was built around wholesaling. The fleet of ships of the Phoenician Empire brought merchandise from port to port. At each port the merchandise was sold to a 'middleman' who in turn brought the goods back into the interiors for distribution to retail merchants.

"Now, the wholesaler has been an important instrumentality in the distribution of goods for thousands of years for only one reason. He performs useful services. And upon how successful he is in performing these services depends his present and future success.

"The popular conception of the middleman is that he is a useless appendage on the distribution system—eliminate the wholesaler and you eliminate his costs. That is not so. You may bring about some reduction in costs, but you do not eliminate them. Manufacturers' branches are wholesaling establishments. Chain-store warehouses perform some of the functions of the wholesaler."

Evidently I believed in what I said in March 1944, for in April 1945 I became associated with Raymond Rosen & Co. as a partner. Today—a little more than 10 years later—I have no cause to regret that decision.

The success of the specialty appliance wholesaler is measured, in the final analysis, by one yardstick—and one only: The ability of the distributor's organization to secure from the market he is responsible for covering the percentage of the industry volume to which the manufacturers he represents are entitled by virtue of the value of the product and merchandising programs they have to offer. A specialty appliance distributing organization must be first and foremost a sales organization. The distributor must deliver to the manufacturers the volume they have a right to expect—or sooner or later the distributor will

have his franchise cancelled. All of the activities of the distributor must be for the purpose of achieving sales results.

One of my distributor associates put it aptly when he said: "A distributor is an employee of the manufacturer with the temporary right of investing his capital in the manufacturer's business."

"Our Responsibility to Our Dealer Partners"

Now, we can't do this job by ourselves. We need to have "partners" in this distribution enterprise and those "partners" are our dealers. As we see our responsibility to our dealer partners, they are to:

(1) Carry an adequate inventory, so that goods may be made promptly available to dealers for their customers. Our company inventory averages \$2,500,000 at cost.

(2) Carry adequate stocks of replacement parts so that this merchandise may be promptly serviced. This operation of our inventory averages \$300,000 at cost.

(3) Provide the dealer with adequate credit facilities to assist the dealer in financing his business. This includes financial advice, guidance and assistance. Our accounts receivable exceeds \$2,000,000.

(4) Give the dealer sales, advertising, merchandising assistance and sales training so that maximum sales volume may result for the dealer. Our cooperative advertising expense—50% contributed by the manufacturers—runs \$750,000 a year.

(5) Provide the dealer with service training.

(6) As a reward to the dealer for discharging the responsibility, to provide the dealer with maximum territory and market protection.

It is fundamental that the success of a distributor depends upon the lines he represents and the individual and collective success of the dealers with whom he does business. Granted that a distributor has good lines, he must develop a strong, financially healthy dealer organization to move the volume of goods the manufacturers expect to be handled in a given marketing area. And everyone in the distributing organization must realize these simple truths. We constantly reiterate to our organization the fact that we are the servant of both the manufacturer and the dealer.

How the Dealer Judges a Distributor

As a seller, a distributor must not only create, but maintain dealer goodwill. Every employee in the distributor's organization must be constantly educated to the important part he plays in developing and holding dealer goodwill. They know that the little things we are sometimes prone to overlook—common courtesy, attention to small details, answering dealer telephone calls, follow-through on dealer requests, are not little things in the eyes of the dealer, but are things by which the distributor is judged. Distributors must constantly impress upon the members of their organizations the important part every individual plays in giving good service to the dealer—from receiving to shipping and the service after the sale is made.

Granted that the distributor has a good headquarters organization, then he must have sound policies for selecting and developing dealers.

The place to start good relations with a dealer is with the appointment of a dealer to merchandise the line or lines a distributor handles. He must be careful in appointing dealers to make certain that the proposed new dealer will take nothing away from those dealers who are in the proposed new dealer's marketing area, but, rather, will add strength to the overall dealer organization. No hasty decisions should be made. Each new dealer application

should be reviewed by a New Dealer Committee, consisting of principles in the distributing business. Every angle should be considered before a final judgment is made.

It is all too easy to add a dealer to a distributor's organization, but it is not too easy to take him off, if a mistake has been made. That this policy has proven sound in the operation of our business is evidenced by the fact that the turnover in our dealer organization averages less than 5% a year.

Fewer the Accounts, Larger the Volume

As a specialty appliance distributor, we believe in doing business with the fewest possible number of accounts. In carrying out that policy we follow the principle laid down long ago by Kelvinator: an adequate dealer for every market, an adequate market for every dealer. We do this for a selfish purpose. The fewer the number of accounts, the larger the volume per account, the more satisfactory the business relationship and the lower the distributing operating cost. Almost without exception, Raymond Rosen & Co. accounts for 25% or more of the major appliances—radio and television volume of the accounts with which we do business. In many cases, it is from 50% to 100%. In all of these cases we are a major "partner" with the dealer.

Having appointed a new dealer, the distributor's interest should then be to contribute all that he can to the success of that dealer—whether the dealer be absolutely new to the appliance business or a tried and proven veteran.

The quality of the contribution a distributor can make to the dealer rests with his sales organization, whose job is not to sell the dealer, but to help the dealer sell. The value of the assistance a distributor can give to a dealer depends upon the ability, experience, know-how and willingness of his product sales managers and the territory district managers who work under their direction.

How to Assist the Dealer

This assistance to the dealer is nothing spectacular. It is the simple a-b-c's of merchandising:

(1) Suggest store layout and display. Assist the dealer in properly setting up and displaying the merchandise he distributes.

(2) Give the dealer good, sound merchandising advice and ideas enabling him to attract people to his store and sell them.

(3) Gives sales information to and sales-train the dealer sales organization. Keep the dealer and his organization informed of changes in and availability of product.

(4) Assist the dealer in getting sales and other personnel.

(5) Assist the dealer with his advertising and promotional activities. Help plan and schedule store events, sales anniversaries, sales contests, store demonstrations, etc. Provide and maintain the proper inventory of materials for display and sales promotion to help the dealer sell goods.

(6) Carefully watch inventory to maintain balance and recommend sales action that should be taken if dealer inventory is out of balance.

(7) Assist the dealer by actually working in his store during special sales events.

(8) Make available information regarding industry trends on which, because of the broader scope of the distributor's activities, he should be better informed than the dealer.

(9) Prove to the dealer that he has as much interest in helping the dealer sell merchandise as he has in selling to the dealer.

When the territory manager or the distributor sales

manager has earned the respect and confidence of the dealer, he finds that he has become the dealer's respected counselor and confidant—and that the orders for merchandise thereafter are automatic.

The distributor, as a servicing dealer's teammate, must assist the dealer with his servicing problems. This starts with an adequate replacement parts stock to enable servicing dealers to give their customers prompt, efficient, low-cost service.

In addition, there must be made available field trouble shooters to help dealers with particularly difficult service problems, regular product service training meetings, bulletins to keep dealers up to date on service shortcuts, problems, etc.

In large metropolitan markets, where centralized service is maintained for dealers, the distributor must provide the kind of home demonstration and service the dealer would expect if he had his own service organization doing the job. The customer contacts made by distributor service personnel with the dealer's customers must be such as to insure a fine relationship between the customer and the dealer.

This is done through high quality, prompt and courteous service in and out of the warranty period, and when out of the warranty period, at reasonable prices.

Need Dealer Suggestions and Criticisms

As a teammate with dealers, progressive distributors constantly solicit dealer suggestions and criticisms of the distributor organization and its operation. They know that they are far from perfect. They believe they have the right objectives and have a sincere desire to improve.

As distributors welcome criticism and suggestion, they feel at liberty to make a few suggestions to their dealer teammates. For what they may be worth, here they are:

(1) Those dealers who handle multiple lines should reduce the number of lines to certainly not more than two or three. In many cases, one line will suffice. Do this in your interest, for you then will be able to offer your customers a complete range of models in a given manufacturer's line from which to select; you will have better and more effective salesmanship; you will reduce your inventory investment; increase your turnover; reduce your obsolescence losses and increase your profits.

(2) Consult regularly with your banker. Make him a

real teammate in the operation of your business. Don't try to hide unfavorable trends from him or from the credit managers of your distributors. They can help you most when unfavorable trends start to develop.

(3) Take advantage of all of the helpful materials provided by your teammates, the manufacturers.

(4) Be an important account in dollar billings to one or two distributors, so that you will be important to that distributor or those distributors. Don't divide up your business in such a way that you are not important to any distributor. Don't be a fair-weather friend to a distributor. Stick with the one or two distributors you decide are best for you, and you will find that in good times or in bad times these distributors will stand by you. You will find them to be real teammates.

Are Distributors Overpaid?

Now, I would like to come back to Mort's original question, which basically was: "Are distributors overpaid for what they do?" To answer that question, let's look at the record:

In the report of the National Assn. of Electrical Distributors on the value added by distributors' functional services for the year 1954, we find that the gross margin of specialty appliance members in large metropolitan cities was 13.60%, operating expenses were 11.08% and profit before Federal and State taxes was 2.52%. For specialty appliance members with headquarters in cities of less than 1,000,000 population, the gross margin was 15.80%, operating expenses were 13.34%, and profit before taxes 2.46%.

To be successful as a specialty appliance distributor requires the constant vigilance of the owners and managers. You can't rest on your accomplishments of yesterday. For if you attempt to do so, you find out that your sales performance has slipped, your profits have disappeared, your banker has reduced his credit line, you have lost dealer support—and if you don't take measures quickly to reverse the trend, you are an ex-employee of your manufacturers and if you own (usually in cooperation with the mortgagor) the buildings you use in your business, you end up by being in the warehousing business instead of the distributing business.

The price of success in our business, as in every business, can be summed up in two words: Eternal Vigilance.

AUTHORITATIVE NEWS SERVICE
FOR MANAGEMENT
OF THE
VISUAL BROADCASTING
AND ALLIED ELECTRONICS
ARTS AND INDUSTRY

Television-Digest

with ELECTRONICS REPORTS

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: NO. 35

SUMMARY - INDEX OF THE WEEK'S NEWS — August 27, 1955

MORE VHF STATIONS via drop-ins, using low power and directional antennas, strong possibility in light of changing FCC allocations philosophy (p. 1).

FEW 2-SET HOMES as yet, ARB survey shows, giving added force to last week's Census Bureau survey indicating good first-set market potential, too (p. 3).

JUVENILE DELINQUENCY can't be blamed directly on TV, says Senate committee, which sees industry taking "calculated risk" with crime programs (p. 3).

ZONE I 1250-FT. CEILING blasted by UHF Committee, WNHC-TV and aircraft interests; NBC & WFIL-TV urge FCC approve their purchases of uhf stations (p. 4).

MORE TV PRICE HIKES coming as material and labor costs continue to soar; Motorola next. Philco creates 2 factory service branches (p. 9).

ELECTRONICS FACES glowing future, according to Loeb, Rhoades report on RCA, which projects its revenues to \$1.7 billion by 1959-60 (pp. 7 & 12).

SATELLITE DEAL revives Stockton, Cal. uhf outlet, now getting programs off-air from Sacramento uhf. Reports on upcoming stations (p. 8).

ALL-OUT FOR COLOR, big Philadelphia distributor outlines campaign to sell 150 sets weekly; Tom Joyce sees parallel with TV in 1939 (p. 13).

ANNUAL TV-RADIO POWER BILL \$650,000,000: Among the most vigorous proponents of TV in its early days were the electric power companies (Chicago's was one of most active, as we recall) -- and today it's easy to see why. Public's annual power bill for running TV sets comes to a very handsome \$481,000,000. Add to that radio's \$169,-000,000 and you get total TV-radio bill of \$650,000,000. That's not counting the power bill of the nation's 3300-odd AM & FM radio stations and 442 TV stations.

Here are the factors used in arriving at those figures: TV set is turned on average of 35 hours weekly (per American Research Bureau); average current, 280 watts (Edison Electric Institute); average rate, 2.74¢ per kwh (Edison); total sets-in-use, 34,500,000 (Sylvania's Frank Mansfield). Average TV set uses \$13.96 worth of electricity a year. Fewer statistics are available for radio, but it's estimated there are about 75,000,000 radios in use (excluding auto & portable) turned on for average of 2½ hours daily. They use about 90 watts each -- \$2.25 worth a year.

TV ranks near top of home appliances as power consumer, according to power companies: Deep freeze consumes \$18.63 annually; refrigerator, \$9.59; washing machine, \$1.23; vacuum cleaner, 68½¢.

Power consumption is but another aspect of TV's direct contribution to the economy -- to be added to set sales volume of \$1.227 billion and servicing volume of \$1.5 billion annually (Vol. 11:25) -- aside from its incalculable contributions as an advertising medium.

COMMISSIONERS LEAN TOWARD VHF DROP-INS: Major TV allocations upheaval is a distinct possibility in coming months. Among FCC commissioners, there's accelerating thinking that time is ripe for abandoning present allocations principles -- fixed-mileage separations, full-power, non-directional -- and dropping in vhf channels on wholesale basis, using protected-contour principles employed in AM.

Chances that majority of commissioners can be mustered to vote for such a move are very strong. Comr. Hyde has shown distinct leanings in that direction (Vol. 11:28), will expound further in Aug. 31 speech before Washington Lions Club. Comr. Lee has little doubt that move is warranted, and he may elaborate his views in Sept. 20 speech at NARTB regional meeting in Chicago. And it's very probable that at least 2 more members will endorse the allocations action.

Turnover in membership of Commission and top staff members has substantial role in the changed thinking. Of members who formulated present allocations plan,

only Hyde and Webster remain -- with Hyde already willing to explore change. Of the staff, ex-Broadcast Bureau chief Curt Plummer, who is said to have had a leading role in planning existing allocations, has been shifted out of the TV picture, is now chief of Safety & Special Radio Services Bureau.

Though Hyde and Lee tend to same ideas on vhf drop-ins, they diverge when it comes to "what to do about uhf?" Lee would put new vhf assignments anywhere they fit physically and there's demand. He'd like to help uhf operators by giving them a preference for the new vhf assignments -- if that's legally possible. Hyde likes what may be termed "two-way deintermixture" -- keeping predominantly uhf areas clear of vhf while adding more vhf to predominantly vhf areas in need of more stations.

* * * *

There's nothing new about vhf drop-in proposals now being pushed. The idea of an "engineered" plan was broached by many, without avail, when FCC was considering how to end freeze in 1948-52.

Most consulting engineers have always felt that allocation-by-mileage was an arbitrary and unrealistic principle; they've claimed that stations should be made to serve specific markets rather than be given same power-height potential regardless how large or how small a market they serve.

Current proposals have this theme: Assign vhf channels wherever they're applied for -- provided they cause no more interference to existing stations than would stations located at minimum distances now specified in rules. The new stations would generally have lower powers and heights, use directional antennas. One engineer estimates average would radiate 5-kw ERP. First such petition was filed year ago, Aug. 31, 1954 by off-air uhf WFPG-TV, Atlantic City, prepared by its counsel Arthur Scheiner, former chief of FCC Rules & Standards Div. Five other similar petitions have been submitted since then.

Lee feels that drop-ins are good for short-range relief. Long-range, he'd like to get more vhf channels, principally from the military, and he believes that a determined effort might be fruitful.

* * * *

We've spot-checked a few leading consulting engineers and find they generally believe that careful use of drop-ins would be helpful on short-run basis -- but few think that the 12 vhf channels will satisfy demand for the long pull.

"My pat answer about drop-ins," says one engineer, "has always been this -- 'they're bound to come because they always have, in broadcasting.' As for getting more vhf channels from the military, I don't believe the FCC would have a chance. The military has some very expensive 'hardware' flying in the 225-400 mc band. But I believe quite a competitive system could be built with 3-4 more channels."

Another argues: "I've always claimed that the FCC should have authorized 'controlled power' for stations. Why should a station in Podunk have 316 kw and 2000 ft.? It will never use it. However, some of these drop-in stations wouldn't amount to much -- just a buzz around the transmitter."

"It's a good stop-gap idea," states another, "meaning more stations and better total use of the channel. But it's not a long-range solution; 12 channels are not enough. In the next 10-20 years, I foresee a rough parallel to the growth of radio -- and Lee's idea of getting more spectrum from the military is a good one."

Drop-ins could add some 25% more assignments, another calculated. "It could be helpful in quite a few areas," he says. Chances of getting more vhf channels in addition to present 12 are "pretty poor," he says, adding: "Then you still have a conversion problem. It would cost less to convert to new vhf than to uhf -- but it's still a problem."

Though most attorneys believe rule-making is needed to put drop-in procedure into effect, firm of Welch, Mott & Morgan, who with engineer John Mullaney are the latest to urge drop-ins (Vol. 11:34), claim that rule-making is unnecessary, that years of delay can be avoided. One commissioner, at least, says there's no doubt that rule-making is required, adds that it could be completed in 90 days. Thereafter, applications could be filed, then granted where there's no conflict, set for hearing where competition develops.

LESS THAN 5% OF HOMES HAVE 2 TV SETS: The big market potential for TV receivers reflected in last week's Census Bureau report, showing one-third of U.S. households without TV as of June (Vol. 11:34), is reemphasized in nationwide survey by American Research Bureau showing only 4.3% of all TV homes had 2 or more sets as of July.

Taken together, the reports point to a continuing high first-and-second-set sales potential for some time to come. Add color sets, which loom increasingly important, and you have a truly rainbow-hued horizon for TV -- assuming, of course, a continuing favorable national economic climate.

Survey by ARB (National Press Bldg., Washington; James Seiler, director) is one of a continuing series, based on data secured in course of audience studies in all TV areas, and is sold to set manufacturers. In addition to national figures, it gives data for 31 selected markets, and rates the set manufacturers according to their share of those markets and of the U.S. market as a whole. It also provides data on age and screen size of sets-in-use, rate of replacement purchases, and homes having second-hand sets.

Another source of second-set and replacement business, as disclosed by the survey: 38.8% of sets-in-use are 3 years or older, 10.9% have screen sizes under 17-in.; it should be noted, though, that there's probably some duplication in these categories. Survey also shows 44.5% of sets-in-use are 21-in., 36.8% are 17-in., 2.1% are 24-in. -- figures not much at variance with the Sylvania Research tabulations published in our new Television Factbook No. 21 (p. 19).

We were permitted by ARB to use only selected excerpts from the survey, which is replete with valuable data for telecasters and merchandisers alike. For example, multi-set homes are most common in Baltimore, where 8.6 families in every 100 have 2 or more of them. Seattle-Tacoma area has lowest multi-set saturation of pre-freeze markets, with only 2.6% of TV families having 2 or more sets.

Philadelphia led all cities in replacements -- 75.3% of sets bought there going to homes which already had a set. Chicago is next, with 73.9%, then Detroit, 71.8%. Dayton and Los Angeles have greatest percentages of homes with second-hand sets -- 11.8% and 11.1%, respectively.

These markets are covered in survey: Atlanta, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, O., Dayton, Davenport-Rock Island-Moline, Detroit, Evansville, Jacksonville, Los Angeles, Minneapolis-St. Paul, New York, Philadelphia, Providence, San Diego, San Francisco, Scranton-Wilkes-Barre, Seattle-Tacoma, southeast Florida (Dade, Broward & Palm Beach counties), Spokane, Toledo, Tulsa, Washington, Wichita, Wilmington, Winston-Salem, Youngstown.

Note: ARB has offered to make a one-shot county-by-county census of sets-in-use next spring, to be released in early summer. The proposal will be submitted to Advertising Research Foundation & networks to underwrite estimated \$1,500,000 cost.

SENATORS WARN OF TV CRIME 'POTENTIAL': Direct blame for juvenile delinquency cannot be placed on TV -- but the industry is taking a "calculated risk" of contributing to youthful crime by continuing "saturated exposure" of children to telecasts of crime and violence, according to juvenile delinquency subcommittee of the Senate Judiciary Committee, headed by Sen. Kefauver (D-Tenn.). Conclusion is reached in 106-page report released this week, which offers the industry's programmers food for thought.

Anxious to preserve rapport with the TV industry that proved valuable to him in his crime-busting start, Sen. Kefauver carefully points out: "The subcommittee did not concern itself with the excellent children's programs produced by the networks and individual stations, nor the many outstanding public service telecasts suitable for viewers of all ages of which the industry is rightfully proud." At the same time, he risked alienating the industry by recommending FCC program control.

Confuting the do-gooders who have often pounced upon TV, report says subcommittee "has been unable to gather proof of a direct causal relationship between the viewing of acts of crime & violence and the actual performance of criminal deeds."

On the other hand, it says it hasn't found "irrefutable evidence that young people may not be negatively influenced in their present-day behavior by the satu-

rated exposure they now receive to picture and drama based on an underlying theme of lawlessness and crime which depict human violence."

TV is potentially most dangerous of all media investigated, report says. It states: "Attending a movie requires money and the physical effort of leaving the home, so an average child's exposure to films in the theatre tends to be limited to a few hours a week. Comic books demand strong imaginary projections...must be sought out and purchased. But TV, available at a flick of a knob and combining visual and audible aspects into a 'live' story, has a greater impact on its child audience."

* * * *

Subcommittee is careful to note that there's controversy, even among the experts, as to whether TV contributes to juvenile delinquency -- but it takes the position that there's a dangerous potential which must be minimized. As a program to reduce such danger, the report offers 6 recommendations:

- (1) Formation of more local "listening councils" to induce stations to reduce number of objectionable programs and scenes.
- (2) More FCC control over programs, including the levying of fines and revocation of licenses, for "violating an established code."
- (3) Adherence to NARTB code by all stations.
- (4) Extension of NARTB code to TV film.
- (5) More private and public research on problem.
- (6) Establishment of a Presidential Committee, by legislation, to study the impact of media on juvenile behavior.

Most controversial recommendation, of course, is the one which urges more FCC "control" over programs. In testimony before subcommittee, virtually all witnesses -- including FCC members and even the most vigorous critics of TV programs -- were emphatic in their rejection of the implications of censorship inherent in such a recommendation (Vol. 10:43). Only ex-FCC Comr. Hennock asked for it.

Other members of committee, in addition to Kefauver: Hennings (D-Mo.), Daniel (D-Tex.), Langer (R-N.D.), Wiley (R-Wis.). TV hearings were conducted June 5 and Oct. 19-20, 1954 and April 6-7, 1955. Included in appendix to report are texts of NARTB television and radio codes, movie code, letters from 34 psychiatrists, reproduction of our Jan. 1955 TV Factbook map. Copies of the report are available from the subcommittee -- or we'll get one for you.

HIKE OF CEILING for vhf stations in Zone I from 1000 ft. to 1250 ft. (Vol. 11:30) was lambasted from several angles this week. UHF Industry Coordinating Committee, filing petition for reconsideration, was particularly bitter, stating:

"At this crucial moment in the history of TV when the fate of uhf stations all over the country hangs by a slender thread, it is almost incredible that the Commission, by a vote of only 3 of the 7 commissioners, would take an action which would virtually clip that thread and plunge those stations into complete destruction . . . It is inconceivable that the action was taken with full awareness of such possible consequences. The action, moreover, (1) renders sterile the solemn commitments made by the Commission to the U. S. Senate, to the public and the broadcast industry concerning measures the Commission had under consideration for remedying the plight of uhf stations; and (2) prejudices and renders moot other pending rule-making proceedings and petitions."

Vhf WNHC-TV, New Haven (Ch. 8) also asked for reconsideration, noting that CAA limits it to 720 ft. while New York's adjacent-channel WABC-TV (Ch. 7) and WOR-TV (Ch. 9) can increase powers 2-2½ times, creating more interference to WNHC-TV.

Also asking for another look were T. P. Pike, asst.

defense secy., and Air Transport Assn. They asked that things be held up pending conclusion of study of air hazards being conducted by Air Coordinating Committee.

* * * *

NBC and WFIL-TV, Philadelphia, answering McFarland Letters, urged FCC to approve their purchases of WBUF-TV, Buffalo (Ch. 17) and WLBR-TV, Lebanon, Pa. (Ch. 15), respectively (Vol. 11:9, 11, 15 & Vol. 11:27). NBC argued that "it is perfectly evident that uhf will not survive in Buffalo unless remedial action is taken soon"; that FCC's theory of helping uhf by permitting owners of 5 vhf to acquire 2 uhf is still sound; that pending Justice Dept. anti-trust proceedings against RCA have no bearing on case.

WFIL-TV, answering complaint of WHP-TV, Harrisburg (Ch. 55), said that WLBR-TV won't be a satellite; that uhf will be helped because public will be induced to buy uhf sets when off-air WLBR-TV is resuscitated; that competition will be increased because radio WLBR and *Lebanon News*, now co-owners of WLBR-TV, will compete between themselves and with WLBR-TV after sale.

One allocations change was requested this week: WLBT, Jackson, Miss. (Ch. 3) asked that Ch. 6 be moved from Clarksdale to Cleveland or Ruleville, said it would apply for channel if no one else does. One CP was dropped: KMPT, Oklahoma City (Ch. 19), which quit operating Feb. 4, 1955.

Personal Notes: George C. McConnaughey, FCC chairman, returning by ship from month's European trip, is due to reach N. Y. Sept. 2, expected back at desk Sept. 6. Acting Chairman Webster and Comr. Lee have been staying on job full time; rest of commissioners have spent most of month's vacation in Washington, dropping in on offices occasionally . . . Sylvester L. (Pat) Weaver, NBC pres., addresses Institute of Practitioners in Advertising at London's Hotel Dorchester Sept. 27, speaking on American TV; he's going over also to observe start of Britain's commercial TV Sept. 22 . . . Alvin Cooperman promoted to mgr. of NBC-TV program sales, reporting to program sales director Michael Dann . . . George W. Bartlett, ex-radio WDNC, Durham, N. C., named asst. to A. Prose Walker, mgr. of NARTB engineering dept. . . . Arthur J. Underwood Jr. promoted to mgr. of Katz Agency Inc.'s Detroit office, replacing W. Fiske Lochridge, who transfers to newspaper div. in N. Y. to succeed John L. Cross Jr., killed in Aug. 4 airplane accident . . . Al Perlmutter named mgr. of special projects, WRCA-TV & WRCA special events dept.; he's succeeded as promotion coordinator by Al Slep . . . Robert Reed, onetime exec. producer of *Major Bowes' Amateur Hour*, recently with radio WRC, Washington, named program mgr. of WOAI-TV & WOAI, San Antonio . . . Raymond F. Guy, NBC, reappointed chairman of NARTB's engineering advisory committee . . . Ray W. Colie promoted to national TV sales mgr., WWJ-TV, Detroit, as Wendell P. Parmelee becomes TV sales development mgr. and asst. TV sales mgr. Douglas L. Sinn is named local TV sales mgr. . . . Gene Ellerman, ex-radio WJLB, Detroit & WBBC, Flint, named sales mgr. of WWTV, Cadillac, Mich. . . . Ralph Davison Jr. promoted to gen. sales mgr., Mel Wright to national spot sales mgr., KGMB-TV & KGMB, Honolulu . . . Richard Depew handling ABC's closed circuit dept. since resignation of Wm. Balaban . . . Bill Adler, ex-WRCA-TV & WRCA, named director of press & special events, WABD, N. Y. . . . Harlan J. Dunning, ex-BBDO, named CBS Radio network program supervisor . . . Burt Hanft, Screen Gems Inc. business mgr., has new title of director of business affairs; Dan Glass, ex-Louis Nizer law firm, named business mgr.; James Dodd, ex-Columbia Pictures International, named coordinator of international sales . . . Russ Raycroft, ex-v.p., Robert Orr Assoc., heads new N. Y. offices of Roland Reed-Gross Krasne commercial div., 521 Fifth Ave.; Burton Neuberger, ex-Kling, heads Chicago office in Hearst Bldg. . . . Carl Flower, ex-WKNB-TV, Hartford, named TV-radio director, Post, Johnson & Livingston Adv., Hartford . . . Wm. R. Wyatt, Nielsen v.p., appointed central div. mgr., Chicago, with v.p. George E. Blechta heading eastern div. in N. Y. . . . Clarence Hatch, ex-exec. v.p. of D. P. Brother & Co., Detroit and long active in TV circles there, joins Kudner Agency in N. Y. as senior v.p. . . . Henrick Booraem Jr., McCann-Erickson v.p. in charge of new program development, appointed director of TV-radio planning; Frank Gilday promoted from business mgr. to mgr. of agency's N. Y. TV-radio dept.—both reporting to Terence Clyne . . . Dan Seymour resigns as of Oct. 1 as v.p. in charge of TV-radio programming & production, Young & Rubicam, joining J. Walter Thompson Co. as v.p. . . . Ted Oberfelder resigns as v.p.-gen. mgr. of WABC-TV & WABC, N. Y., his duties assumed temporarily by ABC v.p. Slocum Chapin . . . Russ Truesdell resigns as mgr. of KSCJ-TV, Pueblo, Colo. to become operations mgr. of KNTV, San Jose, Cal. . . . Dave Baylor resigns as v.p. of Telerad Inc., management company for KSCJ-TV, Pueblo, and KGA, Spokane . . . Scott McLean promoted to eastern sales mgr., Crosley Bestg. Corp. . . . Walter Koessler, ex-WITV, Ft. Lauderdale, named sales mgr. of Storer's WGBS-TV, Miami . . . Frank Papp promoted to exec. producer of NBC Radio's weekend *Monitor*, replacing James Fleming, resigned.

Fund for the Republic, headed by Robert M. Hutchins, which seeks to promote civil liberties and racial & religious tolerance, has allotted \$300,000 for TV series featuring Herbert L. Block, Pulitzer prize-winning cartoonist of *Washington Post* known as "Herblock." Titled *Herblock Week*, it will comprise 26 films, 15-min. each, with Herblock illustrations and commentaries. Reggie Schuebel Inc., N. Y. has been engaged to place series with stations and sponsors, with 25-30 already committed. Howard Chernoff is TV consultant to the Fund, which this week also announced that top prizes in its TV script-writing contest went to: Burton & James Benjamin, \$5000 for documentary *Pepito*, dealing with adjustment of a Puerto Rican youth to N. Y. life; Mrs. Lillian Schoen Andrews, W. Englewood, N. J., an ex-NBC radio writer, \$5000 for play *The Conspirators*, devoted to Elijah Lovejoy, abolitionist editor. Altogether, \$29,000 in prizes was awarded, and effort will be made to have all the scripts produced on TV. Note: Fund also has famed director Worthington Miner working on half-hour series titled *Challenge*, slated for NBC-TV.

Voice of Democracy contest, industry's annual public-spirited promotion, sponsored by RETMA, NARTB & Junior Chamber of Commerce, gets under way Oct. 1 when high schools start local competitions. High school students write and recite original 5-min. scripts on theme "I Speak for Democracy." Local winners are selected in personal competitions; state & national winners are chosen from recordings. The 4 national winners are entertained in Washington during week of Feb. 22, and are awarded \$500 checks toward college education. All state and national winners receive TV sets, among other prizes, donated by RETMA members. James D. Secrest, RETMA exec. v.p., is chairman of contest committee. Among other committee members are Robert K. Richards, NARTB consultant, Joseph M. Sitrick of NARTB staff, RETMA's Peter H. Cousins.

The O'Neils' General Tire empire—comprising rubber, TV-radio, rockets & synthetics—is subject of Aug. 27 *Business Week* cover story, tracing rise of 40-year-old firm from founding by chairman Wm. F. O'Neil to recent \$25,000,000 purchase of RKO by his son Tom as head of General Teleradio subsidiary (Vol. 11:30).

"A friend of mine recently exposed to a 50-minute Julius Caesar [on TV] is still in a state of shock and goes around muttering, 'This was the most unkindest cut of all!'"—Richard Maney, theatrical agent, substituting for columnist John Crosby.

Chamber of Commerce, Minneapolis, has taken unusual step of publishing handbook, available on request, explaining setups of city's TV & radio stations and how to utilize their facilities.

Tri-dimensional TV "that won't have nearly the impact of color" was foreseen by Dr. Lee DeForest as he celebrated 82nd birthday in Hollywood Aug. 26. He also said he may live to see man travel to the moon.

Its technical equipment destroyed by fire caused by short circuit in transmitter room Aug. 5 (Vol. 11:32-33), WCOV-TV, Montgomery, Ala. (Ch. 20) returned to full-time operation Aug. 20, reports gen. mgr. Hugh M. Smith.

"TV Listener" is device for individual listening produced by Telex Inc., Telex Park, St. Paul, Minn. It comprises headsets, 15-ft. cord and remote-control volume regulator.

Alfred Jackson, WRCA-TV & WRC technical supervisor, is in England on loan to Associated Broadcasting Corp., ITA contractor, preparing for commercial TV.

NARTB changes dates of its Region 1 conference meeting (New England) to Sept. 22-24 at Saranac Inn, Lake Saranac, N. Y.

Network Accounts: Auto industry is spending whopping \$83,400,000 on network TV this fall, reflecting fiercely competitive intra-industry struggle. This is increase of \$24,800,000 from the \$58,600,000 auto makers spent last year. Biggest spenders will be General Motors, laying out \$25,400,000 (vs. \$10,400,000 year ago); Chrysler, \$21,400,000 (vs. \$16,750,000); Ford, \$13,900,000 (\$9,200,000). At least one auto-sponsored show will be on network TV every night this fall . . . NBC-TV's answer to CBS-TV's top-rated \$64,000 *Question is Big Surprise*, to be sponsored Sat. 7:30-8 p.m. starting Oct. 8 by Speidel Watch Bands & Purex Corp.; packaged by Louis G. Cowan Inc. (whose pres. recently joined CBS as v.p.), show is novelty quiz in which contestant gets "lifetime ambition" fulfilled on program, with prizes up to \$100,000 . . . Kellogg Cereals replaces Frigidaire as co-sponsor of *Arthur Godfrey & His Friends* on CBS-TV this fall, Wed. 8-9 p.m., thru Leo Burnett; Toni replaces CBS-Columbia as co-sponsor of *Arthur Godfrey's Talent Scouts* starting Oct. 3, Mon. 8:30-9 p.m., thru Tatham-Laird . . . Coca-Cola buys two 15-min. segments per week of *Mickey Mouse Club* on ABC-TV starting in fall, Mon.-thru-Fri. 5-6 p.m., thru D'Arcy; TV Time Pop Corn buys one 15-min. segment, thru Ruthrauff & Ryan; Johnson's Wax & Alka Seltzer share one 15-min. segment, as do General Mills & Vick . . . Armour & Co. (canned meat div.) buys 20 min. alt. weeks of *Perry Como Show* on NBC-TV, Sat. 8-9 p.m., thru Foote, Cone & Belding . . . Standard Brands to be alt. week sponsor of *Topper* on ABC-TV starting Oct. 3, Mon. 7:30-8 p.m., thru Compton Adv. . . . Admiral to sponsor Bishop Sheen's *Life Is Worth Living* for 4th straight year, this time on ABC-TV starting Oct. 13, Thu. 8-8:30 p.m., thru Russel M. Seeds Co., Chicago; Admiral will also sponsor the prelate on ABC Radio at different time . . . American Home Products (Anacin, Heet, Freezone) & Procter & Gamble to be alt. sponsors (with Western Union) of *Down You Go* on ABC-TV, shifting to Thu. 9:30-10 p.m. starting Sept. 15, thru Biow-Beirn-Toigo . . . Wesson Oil & Snowdrift Sales Co. to sponsor Tue. segment of *Valiant Lady* on CBS-TV starting Sept. 6, Mon.-thru-Fri. noon-12:15 p.m., thru Fitzgerald Adv., New Orleans . . . Ford Dealers Assn. buys co-op sponsorship in 4 markets of NCAA football series on NBC-TV this fall . . . General Tire to sponsor Detroit Lions-Green Bay Packers football game Thanksgiving Day on ABC-TV starting at 2 p.m., thru D'Arcy Adv., Cleveland . . . Tums to sponsor horse race between Swaps and Nashua from Chicago on CBS-TV, Wed. Aug. 31, 6-6:30 p.m., thru Ruthrauff & Ryan, Chicago . . . ABC-TV starts weekly *Outside U.S.A.* as sustainer Sept. 1, Thu. 10-10:30 p.m., featuring historian-commentator Quincy Howe in documentaries about foreign lands; first is agriculture in Soviet.

Two important affiliates meetings next month may determine future direction of network radio. NBC meeting Sept. 9 in the Waldorf-Astoria, N. Y. will consider proposal to extend commercially successful weekend *Monitor* to 7 days a week, 10 a.m. to 5 p.m., adopting same partic. sales pattern. Affiliates are reportedly divided on local revenue benefits to be derived from such extension. CBS affiliates, meeting Sept. 12-14 in Detroit's Sheraton-Cadillac Hotel, will discuss new partic. formula involving single, uniform charge for 5-min. segments of any 15-min. program, day or night. Plan was evolved by CBS Radio pres. Arthur Hull Hayes when he was gen. mgr. of KCBS, San Francisco.

Another radio casualty: *Lux Radio Theatre* quits this fall after 21 years on NBC, sponsor Lever Bros. continuing *Lux Video Theatre* on NBC-TV, Thu. 10-11 p.m.

Station Accounts: Second of series of 5 presentations by TV Bureau of Advertising under general heading of *Pinpoint Concept of Television*, all designed to stimulate local sales, is 24-p. brochure based on Nielsen study and devoted to children's programs, noting that 36% of all homes listen to them regularly; first presentation covered news programs (Vol. 11:31), next will deal with movies, women's programs, weather shows . . . TvB pres. Oliver Treyz also made a pitch this week for more dept. store advertising on TV, telling convention of National Industrial Stores Assn. in Washington that experience of General Dept. Store, Huntington, W. Va. (whose merchandise mgr. Paul C. Jamieson is NISA pres.) demonstrates local sales pulling power of TV; he said firm credits local spot campaign with greatly contributing to 81% sales increase in home furnishings over 1954 . . . Earl Selby's *Mr. Fixit* on WCAU-TV, Philadelphia, Mon.-thru-Fri., 6:25-6:30 p.m., sponsored by Philadelphia Gas Works Co., subject of how-he-does-it writeup in Aug. 29 *Time* . . . Stokely-Van Camp allots \$500,000 of new TV-radio budget to TV spots in 53 markets, thru Calkins & Holden . . . Blatz to test-market a milder beer, "Tempo," with big spot campaign in several cities, thru W. H. Weintraub & Co. . . . Among advertisers currently reported using or preparing to use TV station time: Gerity-Michigan Corp., Adrian, Mich. (dishwashers), thru Elwood J. Robinson Co., L. A.; Amen Industries, Beverly Hills, Cal. (Fine Line arts), thru Walter McCreery, L. A.; Phillips Aviation Co., South Pasadena, Cal. (electric monorail toys), thru West-Marquis, L. A.; U. S. Rubber Co., N. Y. (Koylon foam mattresses), thru Fletcher D. Richards, N. Y.; Molson's Brewery Ltd., Montreal (Molson's ale), thru Fay Adv., Albany; Boyer International Laboratories, Chicago (H-A hair arranger), thru Schwimmer & Scott, Chicago; Nestle Co., White Plains, N. Y. (instant chocolate flavor), thru McCann-Erickson, N. Y.; In-Sink-Erator Mfg. Co., Chicago (garbage disposal device), thru Robert Christopher, Chicago; E. L. Bruce Co., Memphis (floor wax & cleaner), thru Christiansen Adv., N. Y.; Albers Milling Co., Los Angeles (Carnation corn flakes), thru Erwin, Wasey, L. A.; Marlowe Chemical Co., N. Y. (Fire Chief home-unit fire extinguisher), thru Kastor, Farrell, Chesley & Clifford, N. Y.; John H. Dulany & Son, Fruitland, Md. (frozen & canned foods), thru Erwin, Wasey, N. Y.; American Sugar Refining Co., N. Y. (Domino sugar), thru Ted Bates, N. Y.; Mid-Continent Petroleum Corp., Tulsa (D-X Sun-Ray oil), thru R. J. Potts, Calkins & Holden, Kansas City.

Rate increases: WBTW, Charlotte, raises base hour rate from \$900 to \$1000, min. \$180 to \$200; WMTV, Madison, hour from \$200 to \$280, min. \$40 to \$56; KTVK, Phoenix, \$300 to \$400 & \$60 to \$80; WBTW, Florence, \$250 to \$300 & \$50 to \$60. KNTV, San Jose, has new rate card at \$350 for Class AA hour (7:30-10 p.m., daily), min. \$70. Rate decrease: WTOM-TV, Lansing, cuts base hour from \$200 to \$150, min. \$35 to \$30.

All-network one-shot "spectacular" is planned by Civil Defense Administration this fall, featuring big-name entertainers. President Eisenhower may film message for show, directed by Nat S. Linden, CDA TV-radio chief.

San Francisco's KRÖN-TV, NBC affiliate (Harold P. See, gen. mgr.), has purchased 42 one-min. spots on city's NBC-owned radio KNBC, to promote upcoming shows, account placed thru Abbott Kimball, S. F.

DuMont stockholders' special meeting will be held at Clifton (N. J.) plant Oct. 10 to ratify proposed spinoff of TV stations, elect 2 new directors, approve other proposed policy & operational matters (Vol. 11:33-34).

Telecasting Notes: Washington correspondent of *London Times*, as prelude to commercial TV starting in Britain Sept. 22, writes in one of series of articles on TV here: "One of the more pointless inventions of American TV is the rating system, devised to reassure the sponsors that their programmes and the commercial pill within them are at least being watched. It can be the bane of the players, who can be at the top of the list one week and nearly at the bottom the next, and the limited telephone canvass on which the system is based often reflects juvenile rather than adult tastes, because the children are probably watching when the man calls" . . . American Research Bureau, for 2nd month, rates \$64,000 *Question* at top (48.4) for Aug. 17; *Toast of Town*, 2nd, 29.4; then *Robert Montgomery Presents*, 28.8; *What's My Line? & Two for the Money*, 28.1; *Best of Groucho*, 27.9; *Climax*, 27.8; *I've Got a Secret*, 27.2; *Four Star Playhouse*, 26.6; Wed. fights & *Lux Video Theatre*, 25.9 . . . New Screen Actors Guild contract (Vol. 11:34), covering extra pay for actors up to 7 re-runs, will add 6%-10% to TV film production costs, in opinion of TPA's Milton Gordon; next demands expected are from Writers Guild of America (West) for same type of agreement . . . Shortage of animators, due to demand for TV filming, is noted by Telefilm pres. Walter Lowendahl, pres. of Film Producers Assn. of N. Y., who urges specialty schools to train more of them; Motion Picture Screen Cartoonists local confirms that there's full employment among its members . . . 20th Century-Fox names Otto Lang, from theatrical staff, as executive in charge of TV productions under v.p. Sid Rogell, with Julian Johnson & David Brown heading story dept. and Alistair Cooke writing portions of *Cavaleade*, due in Sept.; studio has completed *Orbow Incident* for GE's CBS program, is making *My Friend Flicka* for CBS, soon starts *Laura* series based on 1944 film . . . Warner Bros. reports Hugh Benson succeeding Garry Stevens as gen. mgr. for TV film in charge of upcoming *Warner Brothers Presents* on ABC-TV; Jack L.

Warner is boss, with Wm. T. Orr as liaison executive . . . Still hot against what it calls "plug-uglies," Aug. 15 *Advertising Age* again calls down "timid" telecasters and sponsors for permitting "free-loading" on their shows—citing plugs to movies, airlines, etc.; editorial particularly condemns *Arthur Godfrey's Talent Scouts* for giving "3-min. commercials" to American Airlines for free rides it gives talent, noting that 2 transcontinental airline tickets would cost only \$450 to \$650—and "for this skimpy investment, American—according to our clocking—gets just about as much time as did Lipton's on this expensive show" . . . Another flagrant example cited is "unblushing 52-min. commercial" by Jack Webb on *Colgate Variety Hour*, plugging his movie *Pete Kelly's Blues*. Writer sees avalanche this fall "when the smart Hollywood boys, who have outfoxed client and network alike, will graciously let the sponsor have 6 min. of commercial (the shows will cost around \$150,000 an hour for time and talent) while they take 9 min. to talk about their pictures" . . . Titled *President of the United States*, series of 34 one-hour color films, each a dramatic episode in life of a President, is planned by newly formed World Films, Hollywood, headed by Wm. Rowland & Monte Brice; A. B. Guthrie Jr., the author, has been hired as story editor and co-producer, and it's proposed that sponsorships all be institutional and that 20 min. will be added for foreign theatrical releases . . . "Tarzan" slated for TV film series from Sol Lesser-Jack Denove TV Films Inc., Hollywood, with Gordon Scott playing role . . . "Brain trust" set up at NBC-TV, Hollywood, to develop new program ideas for its talent roster: Elliott Lewis, Milton Josephsburg, Merritt Barnum . . . KOVR, Stockton, Cal. (Ch. 13) opens studios & offices in Mark Hopkins Hotel, San Francisco.

KCMO-TV & KCMO, Kansas City (Meredith) sponsoring 3 tours of Europe by farm study groups leaving Nov. 1 under direction of C. W. Jackson, its farm director.

Financial & Trade Notes: Carl M. Loeb, Rhoades & Co., New York bankers with heavy interests in DuMont and other electronics firms, this week issued 42-p. printed report on RCA which delves deeply into the outlook for the electronics industry in general (see p. 12) and the financial and technical dominance and prospects of RCA in particular. Tracing RCA's post-war fiscal history, analyzing its capital structure and operations, report concludes:

"Looking ahead 5 years into RCA's future, we project revenues of \$1.7 billion by 1959-60, based upon a 12% annual growth factor compared with a better than 15% average in recent years. During this period the company's pretax profit margin should widen from the current rate of 9% to possibly 12% because:

"(a) The heavy costs of introducing color TV will have been absorbed and volume color receiver production should be achieved.

"(b) The company's NBC subsidiary, one of the nation's 3 major telecasting networks, should become more profitable as time rates and advertising volume increase.

"(c) Transistorized radios, both pocket-size and console models, should reverse the recent downtrend of radio manufacture while radio broadcasting activities should again produce normal profits when program formats have been adjusted and advertising revenues stabilize.

"(d) New commercial and industrial electronics products, serving large markets, should yield the high margins that usually attach to precision equipment; and

"(e) The lucrative replacement parts business will expand with the industry.

"Hence we postulate pretax earnings in the order of \$200,000,000 by 1960 and, if income taxes at that time are 50%, indicated net income of \$100,000,000 calculates to \$7

per common share of which one-half might be disbursed."

As largest single factor in electronics, only company in \$1 billion class whose activities are devoted primarily to electronics as distinguished from electrical equipment, RCA in 1954 accounted for approximately 10% of the industry's \$5 billion manufacturing volume and 40% & 30%, respectively, of network TV and radio broadcasting revenues, report points out. It reprints table below showing postwar growth of electronics industry and RCA compared with gross national product, with no adjustments for price increases and excluding figures for RCA Institutes and RCA Communications; source is RCA reply brief in govt. anti-trust complaint of last March 29, about which the report states:

"We believe that the Govt.'s anti-trust action against RCA will not have any material effect upon future growth because the company's strength is founded on its technological know-how and integrated manufacturing operation and because many of its most important patents and license rights are not affected by the suit."

	Gross National Product Billions	Electronics Industry* Millions	RCA Revenues	% RCA of Industry
			Millions	
1954	\$357.2	\$9,230	\$921	10.0%
1953	364.9	7,940	834	10.5
1952	346.1	6,567	676	10.3
1951	328.2	5,128	581	11.3
1950	285.1	4,445	571	12.8
1949	257.3	2,903	383	13.2
1948	257.3	2,762	343	12.4
1947	232.2	2,487	300	12.1
1946	209.2	1,653	221	13.4

*Includes broadcasting, services and consumer goods at retail but does not include certain industrial electronic products.

SATELLITE IDEA brought revival this week of off-air KTVU, Stockton, Cal. (Ch. 36) under agreement to transfer control to KCCC-TV, Sacramento (Ch. 40), capital's first TV operation which started 2 years ago and is reportedly one of the more successful uhf stations. Details of sale deal have not yet been disclosed, but CP of KTVU, which went off air last April 30 after some 18 months of operation, was slated to expire Oct. 7. Plan is to have it duplicate all KCCC-TV programs, picking them off air from Sacramento, 45 mi. distant. KCCC-TV is headed by Ashley L. Robison, nephew of late Comr. Harold Lafount, who owns it in partnership with Harry McCart.

On-air total now is 442, of which 107 are uhf. Poised to begin testing momentarily, possibly during present week end but not ready at press time, were 4 new starters: KCRA-TV, Sacramento (Ch. 3); KARD-TV, Wichita (Ch. 3); KTBS-TV, Shreveport (Ch. 3); WCTV, Thomasville, Ga. (Ch. 6)—all originally scheduled for this week.

Only shipment reported was 50-kw RCA transmitter to KTVH, Little Rock (Ch. 11), which left Camden Aug. 23 and is due on air Oct. 15.

* * * * *

In our continuing survey of upcoming stations, these are latest reports received:

KTVO, Kirksville, Mo. (Ch. 3), authorized in Dec. 1953 and with CP extension expiring next Feb. 1, now reports RCA transmitter and antenna on way, with Sept. 28 as target for test patterns. Stainless tower has also been ordered. Berg Allison, mgr. of KBIZ, Ottumwa, Ia., is slated to be gen. mgr. CBS affiliation is anticipated as of Oct. 1. Station is 3% owned by James J. Conroy, attorney who also controls KBIZ and radio stations in Eau Claire & La Crosse, Wis. Rep not yet chosen.

KHAS-TV, Hastings, Neb. (Ch. 5) will take delivery in Sept. of its 10-kw RCA transmitter, when it will also install 650-ft. Ideco tower. Target date for test patterns now is late Oct. or early Nov., reports gen. mgr. Duane L. Watts, ex-KHOL-TV, Kearney, Neb., who will operate station for Seaton Publishing Co. (*Hastings Tribune*) and other owners. It will be NBC affiliate, starting in mid-Nov. Duane B. Allison is chief engineer. Base rate will be \$200. Rep is Weed.

WITN, Washington, N. C. (Ch. 7), replacing Greenville's WNCT (Ch. 9) as NBC basic affiliate on Sept. 26, now has test target date of Sept. 20, reports pres.-gen. mgr. W. R. Roberson Jr., whose family recently acquired control (Vol. 11:33). Now under construction are 800-ft. Stainless tower, surmounted by 21-ft. Alford antenna, at Grifton, N. C., about 25 mi. southwest of Washington, with 20-kw GE transmitter due to radiate 316-kw ERP for coverage of 756,300 population in heart of state's rich tobacco-growing area. Executive staff will include T. H. Patterson, commercial mgr.; Hal Wilson, program director; L. E. Hiland, chief engineer. Network base rate is \$300, local \$325. Rep is Headley-Reed.

WTWV, Tupelo, Miss. (Ch. 9), originally planned for Sept. debut, now looks forward to beginning of operations sometime in Oct., reports gen. mgr. Frank K. Spain—but conversion of studio-transmitter building and installation of equipment still awaits FCC & CAA approval of new site. Mr. Spain is ex-engineering chief, WHEN-TV, Syracuse, owns 35% of new project; his chief engineer Joseph G. Petit, ex-NBC-TV, N.Y., owns 25%. He plans to use custom-built 5-kw transmitter, GE antenna, 300-ft. tower. Rep not yet chosen.

ARM TV SET count for Oklahoma was released this week by Census Bureau as part of its Oct.-Nov. 1954 Census of Agriculture. Based on 20% sample, Oklahoma was shown to have TV on 41,695 of its 118,979 farms—or nearly 33%—with stations in Oklahoma City, Tulsa, Ada, Enid, Lawton, Muskogee and with out-of-state viewing possible from stations in Kansas, Missouri, Arkansas & Texas.

OKLAHOMA			OKLAHOMA		
County	Total Farms	Farms with TV	County	Total Farms	Farms with TV
Adair	1,590	207	Lincoln	2,257	941
Alfalfa	1,406	575	Logan	1,666	762
Atoka	1,489	235	Love	882	254
Beaver	1,275	91	Major	1,593	430
Beckham	1,572	285	Marshall	563	102
Blaine	1,620	843	Mayes	1,863	637
Bryan	2,117	367	McClain	1,404	784
Caddo	2,888	1,607	McCurtain	2,799	350
Canadian	1,848	1,178	McIntosh	1,565	338
Carter	1,544	442	Murray	572	250
Cherokee	1,798	380	Muskogee	2,387	799
Choctaw	1,617	187	Noble	1,322	697
Cimarron	559	52	Nowata	1,080	342
Cleveland	1,214	582	Oklfuskee	1,297	419
Coal	793	165	Oklahoma	2,411	1,655
Comanche	1,477	686	Oklmulgee	1,720	765
Cotton	1,041	491	Osage	1,703	1,048
Craig	1,602	572	Ottawa	1,301	488
Creek	1,559	678	Pawnee	1,296	562
Custer	1,619	585	Payne	1,748	761
Delaware	1,974	360	Pittsburg	2,071	379
Dewey	1,193	402	Pontotoc	1,608	667
Ellis	970	99	Pottawatomie	2,163	1,057
Garfield	2,241	1,442	Pushmataha	1,223	53
Garvin	1,860	885	Roger Mills	1,158	107
Grady	2,493	1,443	Rogers	1,929	868
Grant	1,792	734	Seminole	1,614	715
Greer	1,026	120	Sequoyah	1,774	257
Harmon	878	112	Stephens	1,772	675
Harper	694	79	Texas	1,156	125
Haskell	1,271	125	Tillman	1,415	689
Hughes	1,555	514	Tulsa	1,807	1,098
Jackson	1,572	341	Wagoner	1,478	554
Jefferson	909	351	Washington	757	358
Johnston	871	137	Washita	2,447	934
Kay	2,045	831	Woods	1,323	381
Kingfisher	1,658	1,071	Woodward	1,104	169
Kiowa	1,642	728	Le Flore	2,541	State Total.. 118,979 41,695

Note: Previously published tabulations—Nev., N. H., Vt. (Vol. 11:28); Wyo. (Vol. 11:29); N. D. (Vol. 11:30); Ida., Utah (Vol. 11:31); Mont., S. D. (Vol. 11:32); Colo., Minn. (Vol. 11:33); Wis., Kan. (Vol. 11:34).

KBMB-TV, Bismarck, N. D. (Ch. 12), granted in May to John W. Boler interests (KCJB-TV, Minot & KXJB-TV, Valley City), has ordered 10-kw Federal transmitter and Federal 4-bay antenna, due for delivery Sept. 15 when antenna is slated to be installed atop State Capitol. Test target date is Oct. 1, with CBS programming slated to start Nov. 1. Weed is rep for Bismarck station which will operate as satellite of Valley City, with all 3 stations offered at combination rate of \$637.50.

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CJLH-TV, Lethbridge, Ont. (Ch. 7) now aims to test week of Oct. 17, go commercial by Oct. 15, reports Bob Ranson for co-equal owners Norman Botterill, mgr. of radio CJOC, and Hugh Buchanan, publisher of *Lethbridge Herald*. It has ordered Standard Electronics transmitter, first of kind in Canada, shipment by Canadian Westinghouse awaiting completion of new 112x93-ft. studio-transmitter building. Tower is 600-ft. Stainless with 35-ft. Alford antenna. Mr. Botterill will be mgr., with Robt. Reagh as technical director and Douglas Keough, from CBUT, Vancouver, as sales representative. Reps will be All-Canada and Weed.

CKGN-TV, North Bay, Ont. (Ch. 10) has fixed Dec. 10 as target date, having ordered GE transmitter and 373-ft. Stainless tower. Construction has begun at Callendar, Ont. site and staff selection is under way. Licensee company has changed name to Tel-Ad Co. Ltd., is headed by G. A. Alger. Rep not yet chosen.

MORE PRICE HIKES COMING IN BOOM MARKET: Another major manufacturer is about to hike TV prices -- Motorola, which reveals the raises are due around Labor Day but won't state extent of increases beyond fact that they won't be across-the-board.

RCA states it has no immediate plans to increase, reiterating that it's trying to hold price line "as long as possible." But a Philco spokesman referred to a recent telegram by pres. James H. Carmine warning of possible price hikes on major appliances (Vol. 11:29) and said situation applies equally to TV. Admiral, Emerson and a few others have already raised TVs average of \$10 (Vol. 11:30, 33, 34).

CBS-Columbia pres. H.C. Bonfig, revealing plans to raise prices shortly after Labor Day, told distributors convention in Chicago that today's TV market is best characterized as "profitless prosperity." He said no manufacturer "can make much profit on any set retailing for under \$200, if any [profit] at all."

Increased costs of labor and materials, plus robust condition of market, are the primary reasons for price hikes. If further justification were needed, it came this week from Anaconda Copper, which raised copper price to record high of 43¢ per lb. -- 4th price increase for this indispensable metal so far this year.

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Standard & Poor's raises only dissent to prevailing industry view that 2nd-half TV business will be as good as, if not better than, record first-half. Its Aug. 25 analysis of electrical products reports: "The normal seasonal improvement in TV production is not expected to develop in the second half of 1955 because of large factory inventories... Inventories at all levels of the distribution pipeline will probably increase by 200,000 units for the year, and should somewhat exceed 2,000,000 sets at year's end." Actually, a leading trade statistician points out that inventories declined in July, are expected to come down further in Aug. to about 2,300,000 on Sept. 1 -- not regarded as excessive for this time of year.

Production in last 6 months of 1955 will total about 3,400,000, or 22% under final half of 1954, Standard & Poor's predicts -- omitting mention of fact that set makers underproduced intentionally in first half of 1954 as means of working off excessive inventories. Consequently, they went full speed ahead in last half.

"Earnings of TV manufacturers will generally show moderate improvement over those of 1954," reports S&P, "while leading appliance makers are expected to register substantial year-to-year earnings increases. GE earnings should gain somewhat over those of 1954, but a decline is foreseen for Westinghouse. Dividends may be increased by some TV and appliance manufacturers. Payments by most others should be in line with the 1954 experience."

Brief highlights of other major trade developments this week:

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Philco Service: Is Philco going to emulate RCA in establishing its own national factory service subsidiary? Company will shortly open factory service branches in Philadelphia and Pittsburgh, supplementing the one which has been operating several months in Chicago -- but officials maintain silence on where they'll go from there. The branches are operated by Philco Service Co., chartered in Ill. & Pa. thus far.

Discount House Decline: Further indications that so-called franchised dealers have turned the tide in battle against discount houses, expressed quite freely at last week's NARDA-sponsored Institute of Management (Vol. 11:34), came this week from Wm. Burston, merchandise mgr. of National Retail Dry Goods Assn. In address at Salt Lake City, he said TV-radio-phono sales in dept. stores in May-July period were up 3% over same 1954 months, major appliances up 33%, as 2 examples of commodities in which competition from discount houses is most severe. He said retailers are winning battle by de-emphasizing merchandise sold in discount houses, by deciding to

give shoppers model and serial numbers, by "keeping up a ceaseless barrage of complaints" to manufacturers, by giving service and merchandising trade-ins.

Growing Markets: Census Bureau reports number of households has been increasing at rate of about 850,000 a year since 1950, reaching 47,788,000 in April 1955, compared to 43,554,000 in March 1950 and 39,107,000 in April 1947. Urban & rural non-farm households increased by about 1,000,000 a year since 1950, whereas rural-farm households declined about 150,000 a year. Of the 47,788,000 households in April 1955, about 43,243,000 were non-farm. The number of married couples increased from 36,100,000 in 1950 to 37,600,000 in April 1955. Those not maintaining their own households dropped to postwar low of 1,300,000 this year, compared to 2,000,000 in 1950 and 2,900,000 in 1947. In a related report, the Federal Reserve Board bulletin noted that U.S. labor force is growing so rapidly it will probably exceed 80,000,000 by 1956. Titled "The Labor Market in Mid-1955," report said labor force is expected to increase by about 1,200,000 a year during 1960-65, compared with annual increase averaging 750,000 during last 5 years. July employment was at record 64,995,000.

Economic Outlook: Still very, very upbeat, judging from time-tested economic barometers and the comments of businessmen. Consensus of 131 firms participating in recent survey by National Industrial Conference Board was that business generally in second half will be as good as, if not better than, first half of year. About 40% expected dollar billings to exceed first 6 months, 33% foresaw reductions, 25% anticipated about same level. More than 50% predicted production increase in second half of year, 25% foresaw decline, 25% about same. Commerce Dept. chipped in with preliminary report noting exceptionally good summer business lifted gross national product to annual rate of \$386 billion in midsummer vs. \$375 billion in March.

Fair Trade: GE continues to press its fight -- albeit almost single-handedly -- to strengthen fair trade law enforcement. It filed 18 separate suits this week in Milwaukee against local dealers charged by GE with selling its small appliances at below fair trade prices. And in Providence Federal Court, it won temporary injunction again sale of GE products at cut-rate prices in nearby Pawtucket. Judge said GE had made "an honest effort" to police its fair trade contracts in Rhode Island. Meanwhile, American Fair Trade Council stated that fair trade laws had been upheld by Supreme Courts in 15 of the 20 states where they had been tested. Only Nebraska has invalidated state fair trade laws, according to Council.

Production: TV output totaled 180,094 week ended Aug. 19, compared to 154,798 preceding week and 134,959 week ended Aug. 5. It was year's 33rd week and brought TV production for year to date to about 4,720,000 vs. 3,675,000 in same 1954 period. Radio production totaled 255,855 (101,594 auto) week ended Aug. 19, up from 240,148 preceding week and 209,689 week before. For 33 weeks, radio output was estimated at 8,500,000 vs. 6,500,000 in corresponding period of 1954.

DISTRIBUTOR NOTES: Hallicrafters appoints Harrisburg Radio Laboratory Supply Co., 1124 Market St., Harrisburg (Louis J. Zaydon, gen. mgr.); Kerr Tire & Rubber Co., Woodrow Wilson & Bailey Aves., Jackson, Miss. (Robert L. Nickey, sales mgr.); Bell Electronic Supplies Inc., 1835 W. 9th St., Chester, Pa. (James Housman, pres.) ; Television City, 208 E. North St., Rapid City, S. D. (B. H. Dail, owner) . . . CBS-Columbia appoints King Distributors, 1924 Central, Kearney, Neb. (E. W. King, pres.) . . . Emerson Radio of Pennsylvania takes over Harrisburg area distribution from Dauphin Electric Co. . . . Brown-Rogers-Dixon Co., Greenville, S. C. (Crosley-Bendix) appoints Harold Huffman district mgr. . . . Park Radio Service Inc., N. Y. (Trav-Ler) appoints Moe Zimbler Long Island district mgr. . . . Raymond Rosen & Co., Philadelphia (RCA) moves to 51st & Parkside Ave.; its govt. subsidiary Raymond Rosen Engineering Products remains at 32nd & Walnut Sts. . . . Olympic Radio appoints Maloney Distributing Co., 1117 Farnam St., Omaha (James J. Maloney, pres.); firm is ex-Arvin Radio distributor.

Magnavox pres. Frank Freimann, in Aug. 21 interview in *New York Times* business section, foresees "indiscriminate distribution" of TV receivers collapsing as retail price cutters are weeded out. He said some manufacturers sell TVs to as many as 10,000 dealers. His own company, he states, sells directly to 1500. "Very few" of the nation's 100,000 TV dealers are making an adequate profit, he said. Story, by business writer Alfred R. Zipser Jr., traces Magnavox's growth since Freimann took over as a top executive in 1938 (at age 32), tells of his personal interest in music, having served as pres. of Ft. Wayne Philharmonic Orchestra.

TV in 1965, as foreseen by Westinghouse's Dan D. Halpin in address Aug. 28 at Texas Electronics Fair: 85,000,000 sets-in-use in more than 50,000,000 U. S. & Canadian households, 50-60% of them color; many picture-on-the-wall sets; battery-powered portable TVs; average retail price of TV about \$200, slightly higher than at present; annual sales of 8,000,000 sets at over-the-counter value of \$2.25 billion.

Topics & Trends of TV Trade: National Radio and Television Week, the big industry-wide promotion Sept. 18-24, shapes up as coordinated merchandising effort—with plans well advanced in more than 100 major markets to push TV-radio sales that week. RETMA, NARDA, NARTB & National Electrical Dealers Assn. are sponsors.

Regional committees—headed by outstanding local dealers, distributors or broadcasters—are in charge of arrangements in each area. Many are planning banquets in municipal auditoriums or hotels, to be addressed by top-flight industry leaders, as means of kicking off promotion. In addition, more than 100 daily newspapers plan to publish special TV-radio supplements, with copy supplied by *Saturday Evening Post* as service to TV-radio industry. Also, *Life Magazine* is furnishing display banners and posters to distributors & dealers.

NARTB is supplying promotion kit to all networks and stations. It includes 67 station breaks, spots and general announcements for use throughout the week, keyed to theme "National Radio and Television Week . . . Dedicated to Better Home Entertainment." Announcements urge listeners to "see the outstanding TV programs on new large-screen TV receivers," also promote radio-in-every-room and radio-for-every-purpose themes.

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Indicative of dealer-manufacturer cooperation, NARDA is setting up own consulting service for TV-radio-appliance manufacturers who wish to determine dealer attitudes towards their products. For fee of \$1000 to each manufacturer, NARDA will conduct survey among panel of 300-500 member dealers on how dealers regard competitive strength and weaknesses of lines, pricing factors, styling, etc. Only national surveys will be conducted, though manufacturers will be able to determine regional responses for themselves from the individual replies which NARDA will turn over to them. Two white goods manufacturers have already signed for surveys, said NARDA managing director A. W. Bernsohn.

Crosley will market what it calls Cadillac-class series of 4 higher-priced TV sets in Oct.-Nov. "in order to rid the public of the idea that all we produce are low-priced Custom V sets." Prices haven't been set yet on series, called "El Dorado," which will reportedly include at least one 3-way combination. About 6000 of the sets are to be produced this year.

Wilcox-Gay Corp. and subsidiaries Garod & Majestic Radio, whose Chapter XI hearings are scheduled Sept. 10 in Grand Rapids bankruptcy court, reports balance on hand of \$31,696 as of July 15—covering operations since Jan. 20. Receipts totaled \$1,950,930, disbursements \$1,919,233. Company is offering unsecured creditors 50% of claims, payable over 5 years.

Ray C. Ellis, Raytheon, named chairman of RETMA international dept., replacing Wm. M. Adams, Sprague Electric, who resigned because of illness; Henry A. Correa, Bendix Aviation, appointed vice-chairman of exec. committee; Ernest A. Marx, DuMont, chairman of TV-radio committee; R. A. Parsons, Collins Radio, chairman of electronics committee.

GE is latest with transistorized portable—\$49.95 radio with 5 transistors. With battery, it weighs 15 oz., measures 5½x3 3/16x1½-in.

CBS-Columbia budgets \$1,750,000 for all media up to end of year to promote new TV line, thru Ted Bates.

Automation developments at MIT's Automatic Control Research Center will be subject of telecast on CBS-TV's *The Search*, Sept. 6, 10:30-11 p.m.

Kenyon & Eckhardt, Whirlpool agency, gets ad account of new Whirlpool-Seeger Corp.

Trade Personals: Seymour Mintz, recently pres. of CBS-Columbia Inc., onetime Admiral adv. v.p., joins Kudner Agency, N. Y. as merchandising consultant on Frigidaire and other accounts; he also is consultant to National Co., Cambridge, Mass., plans to open own offices soon . . . James H. Carnine, Philco pres., and Leslie J. Woods, engineering v.p., due back from European business trip Sept. 6 . . . Brig. Gen. David Sarnoff will receive annual Gold Medal of Hundred Year Assn. of N. Y. for outstanding service to community at Waldorf-Astoria dinner, Sept. 29 . . . Norman C. Owen, serving as Zenith mgr. of distributors since his resignation in July as pres. of Webster-Chicago Corp., promoted to v.p. in charge of distribution . . . James A. Frye, mgr. of Stromberg-Carlson's recently-discontinued Chicago factory branch, appointed national merchandise mgr. for TV-radio . . . Lloyd E. Swedlund promoted to mgr. of monochrome tube product engineering, GE cathode ray tube sub-dept., Syracuse . . . Wm. W. Stefany promoted to asst. to L. L. Hardin Jr., research director, National Union Electric Corp. . . . Morris Spector, asst. mgr. of material, DuMont receiver div., assumes added duties of mgr. of cabinet dept., replacing Sidney Schwartz, resigned . . . Arthur J. Richards, Arvin service mgr., appointed chief radio engineer, Arvin electronics div., succeeding Robt. McGreggar . . . Kenneth G. Gillespie, v.p.-gen. mgr. of Jenkins Music Co., Kansas City, and TV-radio chairman of National Assn. of Music Merchants, returns from European tour of Philips of Eindhoven plants . . . Joseph B. Rickard, ex-MacFadden Publications, named adv. mgr. of new Columbia LP Record Club, 165 W. 46th St., N. Y. . . . John P. Doran promoted to asst. to Bendix-Crosley sales mgr. J. L. Armstrong . . . Samuel M. Whisler promoted to Motorola mgr. of customer services, succeeding Richard C. Rowley, now Texas territorial sales mgr. . . . Edwin Freed resigns as sales mgr. of General Instrument Corp. . . . Mrs. Julia Kiene resigns as director of Westinghouse Home Economics Institute, where she had served 17 years, to form own appliance consulting service . . . Roger Mackay named mgr. of Raytheon Atlanta district for equipment marketing, in reorganization of sales & service regions; Edward Keesler named Baltimore and W. J. Monroe Kansas City mgr. . . . John W. Grant promoted to mgr. of product planning, GE cabinet dept. . . . Anthony Dillon, CBS-Columbia midwestern regional mgr., transferred to N. Y. headquarters to work on expansion of distribution . . . Loren Larscheid named Scott Radio sales mgr. for Dakotas . . . Herbert A. Frank, ex-DeWald Radio & Higgers-Galanek Co., named national sales mgr. of distribution divs., Steelman Phonograph & Radio Co., reporting to gen. sales mgr. Paul E. Featherstone . . . Pat J. Morrisey named industrial sales mgr., Gramer-Halldorson Transformer Corp. . . . Frank Freimann, pres. of Magnavox, left for Europe this week, returns at end of Sept.

Hazeltine's Arthur V. Loughren is nominee for 1956 IRE president in mail ballots circulated to membership this week. Herre Rinia, of Philips of Holland, is the v.p. nominee. For directors at large, 1956-58, two to be elected: Lloyd V. Berkner, pres., Associated Universities Inc.; Edward W. Herold, RCA Labs; Theodore A. Hunter, pres., Hunter Mfg. Co.; Prof. John R. Whinnery, U of Calif. Regional directors, 1956-57, one to be selected in each. Region 1—Prof. Charles R. Burrows, Cornell U; Harry F. Dart, Westinghouse tube dept.; Lawrence B. Grew, So. New England Telephone Co. Region 3—Prof. John G. Brainerd, U of Pennsylvania; Prof. Lawrence R. Quarles, U of Virginia. Region 5—Joseph J. Gershon, DeVry Technical Institute; Robert E. Moe, GE receiving tubes dept. Region 7—Lenwood E. French, Neely Enterprises; C. Frederick Walcott, Gilfillan Bros.

Electronics Reports: Here's more on the magnitude and potential of electronics as a whole, as discussed in report released this week by N. Y. investment bankers Carl M. Loeb, Rhoades & Co. It's one of the most noteworthy sizeups since speech by Sylvania's finance v.p. W. Benton Harrison, titled "The Electronics Industry: Present Rate and 10-Year Potential," forecasting \$20 billion-a-year by 1965—published by us in full text as a Special Report last March 12 (for digest, see Vol. 11:11). It's part of a financial study [on RCA] designed to set forth "the investment attraction" of electronics; summary-conclusion on RCA in particular will be found on p. 7, but this is the chapter on electronics generally:

"Here is an industry," report states, "based upon the vacuum tube and transistor, that thrives upon the accumulating discoveries of science, whose products reduce the manufacturing costs of industry, lighten the burden of labor, put a sharp edge on our military weapons, and provide entertainment and comfort for the populace.

"Consequently, the manufacturing volume of electronics has expanded 20-fold within 15 years and has almost doubled over the past 3 years to become a major \$5 billion industry in 1954. In addition, there is perhaps another \$5 billion of related volume, allowing for \$1.4 billion of radio-television broadcasting revenues, a \$100 million business in phonograph records, over \$2 billion of retail markups on consumer products, some \$1 billion of service, and the balance in electronic gear that is concealed in non-specified military purchases and in the total figures for office equipment and industrial machinery.

"Each component of today's \$5 billion manufacturing volume is on firm ground:

"(1) Military electronic procurement and sponsored research, estimated at \$2½ billion by trade sources and expected to reach \$5 billion by the 1960's, is consistent with this country's long-range defense program that increasingly must stress electronically controlled weapons and protective devices in an age of supersonic flight, guided missiles and undersea warfare. This program also contributes importantly to the development of new civilian products.

"(2) Television receivers, virtually nonexistent in 1945, produce \$1 billion of manufacturers' sales. The imminent breakthrough of color television should double the industry's volume.

"(3) A \$230 million business in radios is lower than formerly but should expand again in view of normal turnover of some 130 million radios in use and new technological developments.

"(4) Replacement parts and tubes, a \$550 million business, can only grow as the nation's inventory of electronic products builds up.

"(5) Phonographs, high fidelity equipment and home tape recorders yield \$175 million of manufacturers' sales and the trend is upward.

"(6) Industrial electronics, still only a \$600 million business, should expand threefold by 1960 due to large-scale construction of microwave transmission facilities, heavy building of TV stations, growing use of closed-circuit television, and the emergence of 'automation' as a huge market for computers and control devices.

"However, we must also weigh the dramatic potential for electronics in nuclear energy, a heavy overall obsolescence factor for all electronic products, and an ever-widening stream of fundamentally new developments arising from a vast network of research laboratories employing perhaps 25,000 scientists. Some of these major new concepts and products, which have materialized already but are still in their infancy, include the transistor, printed circuitry, and video tape recording. Still in the laboratory but certain of eventual commercial development are electronic household appliances including air conditioning, the

atomic battery that will power transistorized portable equipment, and a true amplifier of light that will make possible 'picture-on-the-wall' TV screens, electronic photography, and devices to see in the dark.

"Hence electronics gives the assurance of a broad industrial base and accelerating growth over future decades—obviously fertile ground to plant the investment dollar."

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"Future defense volume," says another portion of the 42-p. Loeb, Rhoades report, "should parallel the development of military electronic procurement which is expected to rise from last year's \$2.5 billion level to \$5 billion by the 1960's. Rather than being tied to the overall rate of defense expenditures, which primarily affects conventional armaments, the projected expansion of military electronics is the product of modern warfare and an inexorable trend to guided missiles, supersonic aircraft, automatic gun fire and bombing control, and reliable countermeasures, all of which are essentially electronic systems subject to rapid obsolescence."

This is why as much as half the cost of modern military aircraft is represented in electronic equipment, according to the report: Fighter plane uses approximately 600 tubes, 900 capacitors & resistors, patrol bomber uses 1200 & 20,000, radar observation 3000 & 60,000, heavy bomber 5000 & 115,000—these in their complex apparatus for communications, navigation, flight planning, gun-fire control, radar, power controls, photography, missiles.

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Work on Willys flat tube (Vol. 11:3, 30), to adapt it to color, is being carried on by Hoffman Electronics in conjunction with Willys, pres. H. L. Hoffman disclosed at Western Electronics Show and Convention in San Francisco this week. Inventor of flat tube, Willys' Wm. Ross Aiken, said it would be ready for home TV use "tomorrow, engineering-wise," foresaw no production difficulties.

Transistors: (1) Bell Labs announces experimental "junction tetrode" transistor which can operate over 1000 mc, highest frequency yet. It has sufficient bandwidth to carry TV or numerous telephone conversations. (2) GE cuts prices on 8 types, reductions running 15-50%. (3) Transistor radio has been produced by a Japanese firm, Tokyo Tsushin Kogyo KK.

Magnavox expects \$75,000,000 volume by end of current fiscal year in June, 1956, reports pres. Frank M. Freimann. For fiscal year ended last June 30, it was about \$55,000,000, with net profit after taxes reaching new high of \$2,400,000, or \$3 per share on 800,000 shares outstanding before recent 5% stock dividend. This compares with \$63,000,000 sales and \$2,000,000 profit (\$2.77) for preceding fiscal year. Firm plans to expand into digital computer field, already has govt. contracts for guided missiles, radar, sonar, navigational systems.

Dividends: Sylvania, 50¢ Oct. 1 to stockholders of record Sept. 9; Zenith Radio, 75¢ Sept. 30 to holders Sept. 9; Sprague Electric, 30¢ Sept. 14 to holders Aug. 31; Radio Condenser, 5¢ Sept. 30 to holders Sept. 1; General Precision Equipment, 60¢ Sept. 15 to holders Sept. 7; Sperry-Rand, 16¢ Sept. 30 to holders Sept. 8; Hoffman Electronics, 25¢ Sept. 30 to holders Sept. 15; Wells-Gardner, 15¢ Sept. 15 to holders Sept. 2; Admiral, 25¢ Sept. 30 to holders Sept. 11.

Hazeltine Corp.: net sales dropped to \$10,225,000 in first 6 months of 1955 from \$24,350,000 in same period last year. Net income was \$772,000 (\$1.10 a share) vs. \$1,927,000 (\$2.75).

Plans for merger of Nuclear Electronics Corp., Olympic Radio & Television Inc. and Victoreen Instrument Co. have been terminated "pending further study," according to Olympic statement this week.

Color Trends & Briefs: One of most aggressive distributors in color field is Raymond Rosen & Co., Philadelphia RCA distributor, whose pres. Thomas F. Joyce predicts: "If the industry really gets behind color, it could easily sell 25,000 sets in our market this fall & winter. We've set a goal for ourselves of 150 a week." Among actions being taken to achieve goal:

(1) Rosen is detailing Edward Burns, "one of its most alert, aggressive promotion specialists," according to Joyce, exclusively to color starting Sept. 1.

(2) Budget of \$45,000 has been set aside for newspapers, TV & radio advertising.

(3) Company executives are making speeches before civic groups. Joyce has already spoken to Norristown Lion's Club, says he knows of 5 or 6 in the audience who now plan to buy sets.

(4) Some 300 dealers are expected to hold open house for big shows, inviting selected customers. Last year, Joyce says, about 200 participated, demonstrating to thousands—"but lack of sufficient programming made it impossible to sustain interest."

(5) Starting Sept. 11, Rosen will co-sponsor, with Upper Darby dealer Mort Farr (who is also NARDA chairman), *Bulletin* columnist Frank Brookhouser's *Man About Town* on WCAU-TV Sun. 11:15-11:30 p.m. It has "a large following in the tavern, night club and restaurant fields." Half of show will be devoted to selling color, half to black-&-white.

(6) Extensive joint promotions with all major dept. stores will be conducted.

Joyce is convinced that situation is no different from that prevailing when industry obtained FCC "yellow light" on color in 1939. At that time he was gen. adv. mgr. of RCA. After 4 months of selling, only 81 sets had been moved in New York, reasons for inactivity being similar to those quoted today—high price, few shows, low discounts, no service, insufficient promotion, fear of price reductions, radio-phono competition, etc. RCA team then moved into Newburgh, N. Y. as test area, went into "a specialty selling campaign," sold 100 sets in 10 weeks. Joyce feels that history will be repeated in color.

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Reporting that dealers are accelerating interest in color, Joyce relays these comments from several large and small Pa. dealers:

Stanley Frazee, div. mdse. mgr., Gimbel's, Philadelphia: "Just as Gimbel's took the lead in promoting black-&-white TV in the Philadelphia market, Gimbel's is now taking the lead in promoting color. We have set up a sales budget for \$50,000 worth of color sales for this fall and expect to reach it."

J. C. Holtby, Lansdowne, who has sold 9 color sets to date: "We wholeheartedly agree now is the time to aggressively build the foundation for our coming color TV business. The color schedule you showed for this week in today's *Inquirer* was impressive and brought home the fact color is no longer just around the corner."

Charles E. Gerhard, Glenside (2 sets sold): "The American public is always ready for a change if that change is an improvement. Look how color conscious we are in our everyday life. Men with their loud clothing; women with colored kitchens and, to top it all, pink automobiles. Some good old home demonstrations and in-store parties will get color TV off the ground this fall."

Louis Pearlman, Doylestown (5 sets sold): "We feel now is the time to go on color TV. The new color sets are beautiful and easy to tune. Programming is improving, which will enable us to move in and close those color prospects we already have. By gradually building that excitement as we did black-&-white, we will soon have color

TV rolling. We expect to sell 25 color sets between now and Christmas."

Note: Another indication of dealer attitudes toward color: NARDA chairman Mort Farr's informal survey of 47 top dealers attending NARDA's Institute of Management last week at American U (Vol. 11:34) asked: "Do you handle color TV?" 32 replied yes, 4 no. Then, "How many have you sold?" 26 replied none, 10 had sold from one to 7 sets each. Then they were asked: "Should you promote color this fall?" 19 replied no, 14 yes, 3 didn't answer.

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More big color shows in the works: CBS-TV disclosed that *Ford Jubilee Theatre* will include: Noel Coward's *Blithe Spirit* and *Peace in Our Time*, Coward starring in both; Bing Crosby in *High Tor*; play *The Day Lincoln Was Shot*; *The Big Banjo* (story of American rhythm); *Wonderful World*, a musical; Maeterlinck's *Blue Bird*. *Shower of Stars* will include: Jack Benny in 5 shows; *Nutcracker Suite* with original libretto by Sam & Bella Spewack. CBS is also negotiating for operetta *Porgy & Bess*, now touring South America, to be colorcast in Nov. if agreement is reached. A "jungle spectacular" of *Zoo Parade* is expected of NBC-TV; Marlin Perkins and staff (plus TV columnist John Crosby) have been shooting color film in Africa.

New technique for colorcasting art work will be demonstrated Aug. 31 & Sept. 1 by WTMJ-TV, Milwaukee. Says asst. gen. mgr. Russ Winnie: "One of the problems confronting TV stations throughout the country interested in stimulating the success of color TV has been in the inability of finding the means of transmitting in color art work in its original form . . . As a result of research & development in our engineering dept., a system of transmission of art work in the form of cards or original art has been developed which we think is little short of sensational."

Network color schedules for next 2 weeks: NBC-TV—Aug. 29, last *Matt Dennis Show*, 7:30-7:45 p.m.; Aug. 30, Sept. 1, 6 & 8, *Vaughn Monroe Show*, 7:30-7:45 p.m.; Aug. 29-Sept. 2 & Sept. 5-9, *Home* segments, 11:45-noon; Sept. 11, *The Skin of Our Teeth*, starring Helen Hayes, Mary Martin, George Abbott & Florence Reed, 7:30-9:30 p.m.; Sept. 12-16, beginning of regular *Howdy Doody* colorcasts, 5:30-6 p.m.

Liberty Music Shops, big N. Y. chain, keeping Madison Ave. store open evening of Aug. 22, had audience of 200 on hand to watch NBC-TV color-cast of *The King & Mrs. Candle*, reported interest intense. Bruno-New York, RCA distributor for area, reports some 150 dealers now have color sets on display, says dealers are talking more about color than ever before, adds "we look forward to a pretty good business."

Foto-Video Laboratories Inc., Bloomfield, N.J., reports shipments of color & monochrome equipment to WABD, New York; WCCO-TV, Minneapolis; KTVX, Muskogee, Okla.; KING-TV, Seattle; WSPD-TV, Toledo.

RCA's 22nd technical training program on color & monochrome station equipment, for station engineers, etc., will be conducted in Camden, Sept. 26-30.

Gwilym A. Price elected chairman as well as pres. of Westinghouse at board meeting this week, which promoted v.p. Mark W. Cresap Jr. to exec. v.p., succeeding Latham E. Osborne, now vice chairman. John K. Hodnette promoted from v.p. in charge of apparatus products divisions to v.p.-gen. mgr. in charge of operations of all product groups. A. C. Monteith, engineering-research v.p., succeeds Hodnette, and Dr. John A. Hutcheson, v.p. in charge of research labs, heads all engineering & research.

NORTHEASTERN flood disaster caused millions of dollars damage to TV-radio-appliances of dealers and consumers, destroying or wrecking equipment which will take millions to replace or repair. Difficulty of communicating with badly-hit areas made it difficult to assess total damage as we went to press. All segments of industry joined to extend helping hand.

Philco set up service depots in stricken areas to rehabilitate refrigerators and freezers as first priority among householders and to render necessary services to dealers. RCA's New England office said dealers are being assisted by distributors, with most severe cases referred to factory. NARDA promised to borrow test equipment, service technicians and replacement parts from other Eastern dealers to aid its stricken members.

Floods blacked out WATR-TV, Waterbury, and WGTH-TV, Hartford, on Aug. 19. One radio station in Waterbury, with transmitter and studio at river's edge, was swept away, and several other AM stations were blacked out. Stations won high praise from public officials and press for keeping public informed and for their more direct aid to victims. For example, WKNB-TV, New Britain-Hartford, staged 16-hour all-night telethon, raising \$147,064 for destitute victims.

Avowedly out to acquire 5 TV stations (as are quite a few other and even bigger TV-radio interests) and allowable limit of 7 radio stations, new syndicate called Continental Telecasting Corp., headed by Arthur B. Hogan, pres. of Albert Zugsmith Corp., Los Angeles promoter, movie producer & station-newspaper broker, this week announced its first acquisition was radio KRKD, Los Angeles (5-kw D, 1-kw N, 1150 kc) at price reported around \$500,000: At week's end, however, application for transfer had not yet been filed with FCC. In another radio station deal this week, Bartell Broadcasters, who control WMTV, Madison (Ch. 33) and own radios WOKY, Milwaukee & WAPL, Appleton, bought WBGE, Atlanta (250 watts, 1340 kc) for \$100,000, paying \$15,000 down and remainder over 5-year period at 6%.

Two applications this week: Ch. 7, Redding, Cal., by Shasta Telecasters, headed by Redding mayor George C. Fleharty, publisher of *Anderson Valley News*; Ch. 8, Presque Isle, Me., by Elson TV Co., partnership of Thomas B. Friedman and wife. Friedman is consulting engineer and mgr. of broadcast systems engineering for Adler Communications Labs. Channel is now occupied by Air Force station at Loring Air Base, Limestone, Me., and FCC has told military it must give up channel when commercial station starts in area. Friedman plans to build 420-watt station for \$53,570, operate it for \$72,000 first year.

TV blackout of home night games next season is being considered by N. Y. Yankees and Giants as means of halting slumping attendance—despite survey by research-public relations firm Stephen Fitzgerald & Co. showing that fans are staying away from ball parks primarily because of difficulty in getting to stadium, parking troubles, high prices and poor service on tickets (Vol. 11:34). Both teams air full schedules on WPIX.

To test site for proposed 2003-ft. tower (Vol. 11:8), WHAS-TV, Louisville (Ch. 11) has asked FCC for permission to send aloft balloon with 2-watt battery-operated oscillator operating at top of Ch. 10. Because of air hazard, tests would be conducted by chief engineer Orrin Towner during day, so Ch. 11 can't be used while WHAS-TV is operating. Site is near Mt. Washington, Ky.

Add high towers: Sarkes Tarzian's WTTV, Bloomington, Ind. (Ch. 4) has filed application to build 1649-ft. structure near Trafalgar, Ind., some 20 mi. south of Indianapolis. Present site is at Cloverdale, Ind.

NBC profits are never disclosed separately in RCA financial reports, nor does CBS tell how much of its revenues and profits comes from broadcasting operations. But, intensity of competition between them being what it is, someone at RCA "leaked" these figures to *Variety* this week: NBC profits before taxes in first 6 months of this year exceeded \$14,300,000, will run better than \$6,400,000 after taxes. That's out of net profit of \$22,061,000 for all RCA operations (Vol. 11:81). Accordingly, *Variety* makes comparisons with CBS Inc.'s consolidated net \$14,248,000 before taxes, \$6,328,000 after taxes in same period (Vol. 11:33), observing that NBC alone is earning slightly more than CBS's total operations (including set & tube manufacture) despite fact that CBS TV-radio network billings have consistently led NBC's for last few years. NBC says it's losing some \$2,000,000 this year on radio networking, whereas CBS has claimed it's still making money on radio. Key to anomaly undoubtedly lies in TV profits, which neither is disclosing, and to CBS's difficulties in making its set & tube businesses pay.

Illegal booster operators in Northwest have another champion—Sen. Wayne Morse (Ind.-Ore.), who this week urged FCC to establish new rules to legalize boosters. Previously, Sens. Magnuson (D-Wash.) & Jackson (D-Wash.) made similar requests. Noting booster operations in Oakridge, Princeville & Sheridan, Ore., Sen. Morse stated: "Present rules of the FCC are a stumbling block to the type of inexpensive short-distance booster station needed in many small communities. A set of rules should be written promptly so that small communities can have the service that large communities already have. It is the responsibility of the Commission to make TV service available to everyone, and citizens of small communities should not be penalized."

NARTB's 8 regional conferences will each be addressed by an FCC commissioner, in this schedule: Comr. Lee, Region 4, Sept. 20 at Chicago's Edgewater Beach Hotel; Comr. Bartley, Regions 1 & 7, Sept. 23 at Saranac Inn, N. Y. and Nov. 2 at Broadmoor Hotel, Colorado Springs; Comr. Mack, Region 3, Sept. 29, St. Charles Hotel, New Orleans; Chairman McConaughay, Region 2, Oct. 13, Hotel Roanoke, Roanoke, Va.; Comr. Webster, Region 8, Oct. 25, St. Francis Hotel, San Francisco; Comr. Hyde, Region 5, Nov. 8, Ft. Des Moines Hotel, Des Moines; Comr. Doerfer, Region 6, Nov. 16, Baker Hotel, Dallas.

First microwave of proposed series to feed community systems in Wyoming (Vol. 11:22) was sought in application filed this week by Pioneer Transmission Corp., Worland, Wyo. (H. B. Van Buskirk & J. R. McKibbin). It seeks to install Raytheon KTR-100E equipment on Boysen Peak, at cost of \$13,165, to relay programs of KOOK-TV, Billings, Mont. to Riverton, Wyo. Aim is eventually to serve additional towns of Worland, Lander, Thermopolis, Rock Springs, Rawlins & Green River.

New York U will use closed circuit-TV to extend lecture-demonstrations in English composition & literature to multiple classrooms, GPL installation being made possible by \$52,359 grant from Fund for the Advancement of Education. Previously, Stephens College, Columbia, Mo., announced similar project.

NBC-TV joined Television Bureau of Advertising this week, bringing membership to 162, annual budget up to \$500,000; Charles R. Denny, v.p. for owned-&-managed stations, goes on board. CBS-TV joined previously, and efforts are being exerted to bring in ABC-TV.

Power increases: WAKR-TV, Akron (Ch. 49), from 18.2 to 213 kw, due latter Sept.; KCOP, Los Angeles (Ch. 13), from 31.4 to 170 kw, due Sept. 12; WSJS-TV, Winston-Salem (Ch. 12), from 40 to 316 kw, due early Sept.