

# WEEKLY Television Digest

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

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### Broadcast

"SPECIALIZED TV" services now in operation in N.Y. provide clues for similar operations elsewhere. Closed-circuit hotel system gets first 6 sponsors; scrambled police lineups on WUHF win police enthusiasm (p. 1).

FCC THUMBS DOWN ON CBS 'INCENTIVE' PLAN, 6-1 vote, may strengthen chances of reversal on option time. Dissenter Ford believes FCC should wait for court decision (p. 2).

FCC STAFF COMMENTS ON MANAGEMENT REPORT, likes idea of more funds & people, objects to strong executive director and new Office of Special Services (p. 2).

CURRENT CAPSULES: Kennedy urges 1964 equal-time suspension. CBS's Stanton lashes proposed magazine postal rate increase. Hartford pay-TV project debuts June 29 (p. 3).

### Consumer Electronics

TRENDS IN '63 LINES: Upgrading of furniture values, more bonded tubes, heavier FM & FM-stereo emphasis, new portable phono configuration; prices firm to slightly lower. Sets unveiled by Admiral, GE, Motorola (p. 6).

NO UHF BREAKTHROUGH in sight—in fields of cost, performance or life. But tuner makers see gradual improvement, costs coming down about 10% with mass production. Set makers seen "jumping gun" on FCC, beating deadline for all-channel sets (p. 7).

GOVT. SAYS NO TRANSISTOR IMPORT CURB NECESSARY, ending 2½-yr. probe into possible adverse effects of rising Japanese imports on U.S. security. EIA calls decision "disappointing" but accepts promise of continued OEP surveillance (p. 8).

2 NEW PICTURE TUBES still face uncertain fate. Progress reported on Motorola 23-in. color tube; Kimcode black-&-white awaits report on UL tests (p. 9).

TOPICS & TRENDS: Marketing Science Institute formed by 20 firms. Philco & Firestone sign merchandising pact. New thinner, longer-playing audio tape on way. Mobilsound announces TV audio monitor for autos. Arvin's \$13.95 6-transistor radio looks like winner in low-price race (pp. 9-10).

EMERSON SLIPS IN 2ND QUARTER, but Pres. Benjamin Abrams forecasts increases in both sales & earnings for total fiscal year ending Oct. 31. He reports TV sales 10-15% ahead of year ago (p. 11).

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'SPECIALIZED TV'—COPS & LODGERS: Two very specialized uses of TV are now in regular operation in N.Y.—one using closed-circuit to reach large number of people, the other using open-circuit to reach small number. Both systems could point way to new opportunities in TV field.

TeleGuide closed-circuit hotel hook-up (Vol. 2:6 p2), now in limited operation in N.Y. hotels, has System now reaches an estimated 10,000 hotel rooms and within next week or 2 is expected to reach 28 hotels. TeleGuide's owners, Sterling Movies U.S.A., are shooting for 30,000 rooms in New York City within a few months. System eventually will have 3 channels—one in English, another in foreign language, and a 3rd for special events, conventions, etc.

First commercial use of TeleGuide will be made this week & next when DuPont sponsors 20 fashion reports on ladies' undergarment styling, designed to reach 22,000 apparel buyers who will be in N.Y. this month for intimate apparel market. Specially taped shows will be on hotel TV at 7:30 a.m. & 6:30 p.m.—hours when visiting buyers are likely to be in their rooms.

Five advertisers buying regular participations in TeleGuide programming run gamut of type of sponsors wishing to appeal to visitors to N.Y. Interestingly, one is liquor importer Schiefflin Inc. (Teacher's Scotch, Coates Plymouth Gin, Hennessy Cognac, Don Q Rum). Others are British Motor Car Co., Freedomland amusement park, French Lines, E. J. Korvette discount dept. store. TeleGuide will broadcast 18 hours daily.

N.Y.'s other specialized new use of TV is its televised police lineup—now being transmitted to police precincts in all 5 boroughs daily (Vol. 2:20 p5). System uses FCC's experimental WUHF (Ch. 31), but police transmissions are scrambled to protect civil rights of suspects. Scrambling & decoding systems were developed by Teleglobe Pay-TV System Inc.

We observed operation of experimental system last week—and police officials expressed enthusiasm for it. WUHF currently is using telephone lines to carry audio (on-air signal carries message telling regular viewers that broadcast is scrambled and there's nothing wrong their sets). However, N.Y. Municipal Bcstg. Dir. Seymour Segal told us that within 90 days he hopes to transmit sound for the police telecasts via SCA multiplexing on city's WNYC-FM. Same multiplex equipment will permit WNYC-FM to broadcast regular programs in stereo.

Although police lineup telecasts are experimental and FCC hasn't approved regular use of concept of scrambled TV, technique has already aroused interest of police departments in other municipalities. N.Y. system raises interesting question: Do off-hour scrambled broadcasts to police, doctors, students, etc., offer possible hope of helping defray initial losses of uhf stations—as SCA multiplex operations did for FM?

**FCC THUMBS DOWN ON CBS 'INCENTIVE' PLAN:** CBS-TV "incentive compensation plan" was ruled illegal by FCC, as expected ever since Commission gave CBS its opinion to that effect last Oct. (Vol. 1:7 p3). FCC asked CBS and the 40 affiliates with such contracts to keep it informed of steps taken to negotiate new contracts. Court appeals are still available to CBS & affiliates, but no firm decisions to appeal were indicated last week.

Comr. Ford was sole dissenter. He argued that since Justice Dept. has anti-trust suit pending against CBS for the practice, Commission may be violating spirit and/or letter of U.S. Supreme Court decision (California v. Federal Power Commission). Court blasted FPC for deciding merger case while Justice Dept. had suit pending against it. Ford would have Commission wait until courts act. Ford was key man in FCC's 4-3 vote outlawing option time—and there's long been speculation he may swing back to option time if incentive plan or similar arrangements are outlawed.

Here's how FCC wrapped up its views: "We believe that the effect of the CBS plan is clearly to hinder a station from clearing for other network and non-network programs, and that it penalizes a station for so doing. In effect, the network is withholding a part of the compensation which the station could expect to receive under prior existing contracts until the substantial number of clearances desired by CBS have occurred. Although the plan does not contain an express requirement concerning a minimum number of clearances, its practical operation has the same effect. No public interest reasons in support of the plan have been offered. Accordingly, we hold that the CBS clearance incentive plan and affiliation contracts negotiated pursuant to the plan constitute a violation of Sec. 3.658(a) of our Rules prohibiting exclusive affiliation of stations."

**FCC STAFF COMMENTS ON MANAGEMENT REPORT:** FCC staff has analyzed the analysis of Commission's workings by management consultants Booz, Allen & Hamilton (Vol. 2:18 p3), are giving commissioners their views. In turn, commissioners will prepare final comments for submission to Budget Bureau.

It's understood staff likes very much the BAH recommendation that FCC be given more men, money, space. And it agrees with many BAH suggested changes which depend on more funds.

But staff doesn't go for concept of powerful executive director between it and commissioners. They say: "Placing an executive director between the bureau heads and staff officers and the chairman or Commission would interpose an additional full layer in the handling of all matters going up to the Commission and all matters coming down from the Commission. Inevitably this would serve as a tightly restricted funnel through which all Commission subject matter would have to flow. This means time and additional delay, already our worst problems."

Staff offers alternative: "Significantly increased delegations to bureau heads and staff officers."

A new "Office of Special Services" met with thumbs down from staff. BAH recommended that it include the Technical Asst. Div., Office of Reports & Information, Div. of Defense Coordination. Said staff: "Functions of these 3 divisions are completely unrelated to each other and we can find no positive reason why they should be combined."

**CURRENT CAPSULES**

Finalization of multiple-ownership rules changes, proposed in Dec. 1960 (Vol. 16:50 p9), is due for FCC consideration shortly. Change would not count individual holdings of 5% or less in licensees with 50 or fewer stockholders—if holder is neither officer nor director nor exercises actual working control.

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Automatic logging of TV-AM-FM transmitter & associated equipment performance may shortly be proposed by FCC, prompted by Jan. 1961 petition from NAB. Commission may also propose to divide operating log—into separate operating and maintenance logs—and to require supervisory operator to make daily entries in maintenance log for those stations permitted to operate without technically qualified operators on duty.

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Unusual FCC examiner's decision—by Herbert Sharfman—would not only deny license renewal of radio WMOZ Mobile to Edwin H. Estes but would revoke his radio WPFA Pensacola. Sharfman held that Estes had falsified WMOZ logs. Though no wrongdoing was charged against WPFA, examiner considered Estes unfit as a licensee—period. Chances are against Commission going along with Sharfman. Even in ex parte TV cases, Commission hasn't moved to take away stations other than those which had been focus of ex parte dealings.

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Suspension of equal-time in 1964 Presidential & Vice-Presidential campaigns was proposed in resolution (S. J. Res. 193) introduced by Sen. Pastore (D-R.I.) at request of President Kennedy. NBC Chmn. Robert Sarnoff said legislation will enable broadcasters "to pick up where they left off in 1960," and will be "important step in the right direction."

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Proposed magazine & newspaper postal rate increases were attacked last week by CBS Pres. Frank Stanton, who told Overseas Press Club of N.Y. if single publication goes under because of increased postal rates, "we have lost far more than we can possibly gain." Post Office traditionally has been public service, he declared, not intended to be run at a profit or even to break even. Stanton warned it would be "serious mistake" for those in communications with no stake in issue to consider it "someone else's battle," pledged assistance of CBS in airing issues and taking editorial stand. Postmaster General J. Edward Day accepted CBS offer to carry his rebuttal to editorials.

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D-Day for U.S. pay-TV is set for June 29 when RKO's Phonevision goes on air on WHCT (Ch. 18) Hartford, Conn. RKO-General vp in charge of project John Pinto said company isn't "fooling around," intends to conduct "prestige project." Among programs being lined up, he said, are first-run films, Broadway shows, opera, ballet, concert, educational and children's programs, possibly Patterson-Liston title fight Sept. 17. Pinto estimated 300 homes will be equipped by June 29, 4,000-5,000 by end of year.

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Sex & violence in U.S. TV was criticized by Argentine TV officials and *London Times*. Buenos Aires Ch. 7 Program Dir. Carlos A. Barraza declared he would "hit as hard as I can at every piece of TV violence from the *Untouchables* to the Westerns." He said most objectionable programs are from U.S., and station might begin using European productions. *Times* urged U.S. to switch from Westerns to shows depicting typical "simple, hard-working, rather devout folk" in U.S. Commenting on CBS Pres. Frank Stanton's testimony before Congress—that U.S. producers shouldn't be afraid of showing people abroad that Americans like Westerns and crime shows—paper said in editorial that this is "sound doctrine," but that typical U.S. production might not give true picture of American life.

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European Bcstg. Union plans first meeting outside Europe, in N.Y. Oct. 22-27. EBU is organization of all non-Communist European TV-radio groups, has been invited to U.S. by 5 associate members—ABC, CBS, NBC, NET, USIA. Discussions will include communications satellites, program exchange, videotape & TV news exchange, international events coverage, children's programs. Delegation probably will be headed by EBU Pres. Olof Rydbeck, Swedish Bcstg. Corp. Director-General. NET Pres. John F. White heads U.S. organizing committee.

## Personals

Salvatore J. Iannucci promoted to CBS-TV business affairs vp. . . . Spencer Harrison, ex-CBS talent & contract properties vp & business mgr., named Ashley-Steiner Inc. legal & business affairs vp, N.Y.

John Hopkins, KCOP Los Angeles & KTVT Ft. Worth pres. & gen. mgr., elected to board of KCOP TV Inc., Nafi Telecasting Inc. and Oregon TV Inc. . . . William H. Grumbles, former WHBQ-TV Memphis vp & gen. mgr. and RKO vp, named gen. mgr. of new Ch. 9 Syracuse, due mid-September. . . . Ken H. James promoted to KETV Omaha sales mgr.; R. Douglas McLarty, ex-WKBW-TV Buffalo, named program mgr.

Jack Lee, radio WPRO Providence gen. mgr., and Herbert J. Mendelsohn, radio WKBW Buffalo gen. mgr., named vps of parent Capital Cities Bestg. . . . John H. Bone, WTVP Decatur, Ill. vp & gen. mgr., named WTVH Peoria operations supervisor. . . . Leon H. Lowenthal promoted to Taft FM div. sales development dir., a new post; John T. Lawrence Jr. advanced to gen. mgr.

Myron E. Grossman, ex-WBNS-TV Columbus, O. sales development dir., named H-R Reps & H-R TV sales promotion dir., N.Y. . . . Robert W. Rawson promoted to Advertising Radio & TV Services sales & sales development vp.

Larry Boggs, Vumore Co. pres., joins Daniels & Assoc., CATV brokerage-management firm. . . . Don Andersson, ex-Richards Assoc., named NCTA information dir.

John Perry, asst. to NAB Pres. Collins for last 7 years, a former newsman, establishes consulting service in broadcasting, education, publishing, govt., 1330 New Hampshire Ave. N.W., Washington, will continue part-time with Collins; NAB plans no replacement.

Al Mann promoted to ABC News Pacific coast correspondent, Los Angeles.

Nicholas C. Gilles promoted to NBC-TV business affairs vp, Herbert S. Schlosser to talent & program administration vp.

Charles Sinclair, former chief, N.Y. Bureau, *Television Digest*, rejoins as N.Y. contributing editor.



**Help Wanted:** Ohio ETV Network Commission seeks exec. secy. to work on projected 26-station network, \$11,-280 to start. Must have TV administrative & programming experience. Apply to Commission Chmn. Richard B. Hull, Room G-4, State Office Bldg., Columbus.

Select Station Representatives named WHTN-TV Huntington-Charleston, rep. Dick Williams, ex-Rorabaugh sales dir., appointed Select sales acct. executive; Kathleen Nugent named administrative asst. & secy. to Exec. vp Al Shepard, N.Y.

Revamp of NBC-TV sales service dept. includes following appointments: Arthur J. Johnson, to co-op station sales & clearance mgr.; George A. Hooper, station sales & clearance mgr.; Theodore Reinhard, co-op sales mgr.; Harvey Gannon, special services mgr.; James P. O'Brien, station services mgr.

NAB has affiliated with Advertising Federation of America, will name a director to AFA board in June. Move was made to strengthen cooperation between groups on mutual projects, including legislation & education.

CP for ETV Ch. 47 Yakima, Wash. has been granted to Yakima School District No. 7.

AB-PT pays nearly \$5 million for 3,900-acre Silver Springs resort near Ocala, Fla., according to estimates by N.Y. sources last week. AB-PT wouldn't confirm figure but admitted price would be several times the \$500,000 which bought a 37% interest in Disneyland in 1954 (Vol. 10:14 p1). AB-PT also owns Weeki-Wachee Springs, resort near Tampa. Deal for Silver Springs represents AB-PT's first venture into large-scale non-TV outdoor attractions since Walt Disney Productions bought back AB-PT's Disneyland holdings in 1960 (Vol. 16:28 p8).

FTC complaint against American Home Products Corp.'s "Outgro" ingrown toenail remedy (Vol. 2:17 p4) brought categorical denial from company. It denied advertising that medicine would have "effect" on infection, said claims were that it "guards against" infection. Company also asserted it never claimed remedy would cure ingrown toenail, only that it relieved pain. Name "Outgro" is not misleading, firm further alleged. American Home also pointed out that FTC investigated company previously, closed case without action.

Govt. pressures on programming pose danger to freedom of broadcasting, NBC Washington News Dir. William Monroe told Washington Rotary Club. He warned that if pattern of regulation aimed at discouraging some kinds of programs and encouraging others becomes accepted, and "station managers fear for their licenses because a government commission doesn't like what they put on the air," it's questionable whether medium will feel as free as it should.

Biscayne TV Corp. (WCKT & radio WCKR Miami) must pay 3 former employes and the estate of a 4th for 2-year period between time they were laid off and time they refused reinstatement, NLRB ruled in supplemental decision. Three-member board partially upheld original finding by examiner, in hearing ordered by Court of Appeals.

Objection to vhf translator applications on Ch. 2, 6 & 7 in Claremont, N.H. has been filed with FCC by Bellows Falls Cable Corp., Claremont. CATV firm, serving 2,000 homes, claims operation of translators sought by Claremont TV Inc. would ruin reception & distribution of signals from Boston, Poland Spring & Durham.

Vhf-uhf all-channel-set legislation has drawn little attention from general press, but *Washington News*, which always shows interest in industry affairs, editorialized against bill May 29, concluding: "The processes of a free market may be too slow for the impatient here in Washington—but in our judgment a lot less dangerous."

Katona Electronics Co., Box 431 Levittown, Pa. (Windsor 5-4575), new CATV equipment firm has been established by Anthony Katona, ex-Jerrold and Craftsman Electronics engineer. Firm's first offering is line of cable, to be followed by other CATV equipment. Contracting & consulting services are offered.

Waiver of power ceiling was denied by FCC to ABC for WABC-TV N.Y. which sought increase from 110 to 316 kw to fill in shadows. Commission said that disadvantages would outweigh benefits, encouraging others to seek waivers, producing "erosion of the Rules and the creation of competitive imbalance of facilities."

Construction of 1049-ft. tower for WLBW-TV Miami has begun, completion due by end of August, cost estimated at \$350,000.

FCC seeks \$125,000 extra next year to operate new staff Review Board.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Share Common	Common Shares
Capital Cities Bcstg.	1962—4 mo. to Apr. 30	—	—	\$ 369,448	\$0.31	1,149,798
	1961—4 mo. to Apr. 30	—	—	274,532	.23	1,149,798
Consolidated Electronics	1962—qtr. to Mar. 31	\$38,160,107	—	1,033,041	.33	3,170,002
	1961—qtr. to Mar. 31	22,869,373	—	738,103	.26	2,828,620
Electro-Voice	1962—year to Feb. 28	12,150,667	—	392,908	.79	497,332
	1961—year to Feb. 28	10,034,460	—	111,854	.22	473,650
Emerson Radio Story on p. 11.	1962—26 wks. to May 5	—	\$2,142,485	1,140,910	.50	2,279,465
	1961—26 wks. to May 5	—	1,356,569	667,646	.29	2,209,619
General Instrument Story on p. 11.	1962—year to Feb. 28	86,541,415 <sup>1</sup>	1,812,147	1,043,965	.42	2,492,558
	1961—year to Feb. 28	78,032,482	6,412,350	3,119,820	1.26	2,483,114
Schlumberger Ltd. (Daystrom)	1962—qtr. to Mar. 31	61,090,000	—	4,956,000	.93	5,333,587 <sup>2</sup>
	1961—qtr. to Mar. 31	56,670,000	—	3,506,000	.66	5,333,587 <sup>2</sup>
Times-Mirror	1962—12 wks. to Mar. 25	30,512,449	—	162,705	.04	4,296,872
	1961—12 wks. to Mar. 25	25,717,507	—	739,427	.17 <sup>3</sup>	4,278,200 <sup>3</sup>

Notes: <sup>1</sup> Record. <sup>2</sup> Outstanding March 31, 1962. <sup>3</sup> Adjusted to reflect 2% stock dividend Jan. 1962.

### Officers-&Directors stock transactions as reported to SEC for April:

Admiral. William L. Dunn sold 2,000, held 1,600.  
 Allied Artists. Roger W. Hurlock bought 500, held 29,200.  
 American Bosch Arma. John E. Parker bought 1,000, held 1,000.  
 AB-PT. Herbert Hahn sold 600, held 441. Robert H. Hinckley bought 1,560, held 2,600. James G. Riddell sold 500, held 2,557.  
 Amphenol-Borg. Matthew Devine bought 1,000, held 2,000. Richard Purinton bought 100, held 100.  
 Avco. Martin W. Clement bought 100, held 1,350. Matthew A. McLaughlin bought 1,666, held 10,166.  
 Avnet Electronics. Leonard Carduner sold 5,000, held 5,033.  
 Collins Radio. J. G. Flynn sold 500, held 1,545.  
 Columbia Pictures. Irving Briskin sold 200, held 8,937.  
 Federal Pacific Electric. Thomas M. Cole sold 700, held 239,087.  
 GE. Ralph J. Cordiner bought 4,500, held 24,545.  
 General Instrument. Louis Benedek bought 3,027, held 52,841. Martin Benedek bought 1,014, plus 825 in trusts, held 94,600 plus 825 in trusts. Alexander P. Hirsch bought 3,645, held 92,815. J. Gerald Mayer held 35,000, bought 1,500 as trustee, held 1,500 as trustee. Moses Shapiro bought 10,000, held 51,100.  
 Lynch Corp. Bernard H. Lippin bought 9,697, held 71,170.  
 Magnavox. David Martin bought 926, held 3,704. Richard O'Connor sold 11,000, held 216,101. Jack W. Schrey bought 870, held 3,833. Gerard M. Ungaro sold 5,000, held 36,621.  
 P. R. Mallory. G. Barron Mallory held 22,333, sold 191 from trust, held 19,364 in trust.  
 Pacific Industries. George M. McGrew sold 700, held 228,120.  
 Paramount Pictures. Y. Frank Freeman bought 1,250, held 1,450.

RCA. Walter G. Bain bought 200, held 200. Ernest B. Gorin bought 1,830, held 3,624.

Raytheon. Dean S. Edmonds bought 445, held 39,863. W. E. Stevenson sold 1,000, held 956, plus 1,532 held jointly with wife.

Reeves Bcstg. & Development. Harry L. Petersen bought 100, held 1,130.

Rollins Bcstg. John W. Rollins sold 800, bought 950, held 10,746, bought 600 as guardian, held 3,300 as guardian. Henry Tippie bought 150, held 4,250.

Standard Kollsman. Perry Addleman bought 300, held 506. Walter F. Hermann bought 966, held 966. Raymond F. Ryan bought 100, held 100.

Texas Instruments. W. D. Coursey sold 700, held 3,960. James McDade bought 300, held 300.

Thompson Ramo Wooldridge. Ralph Johnson sold 200, held 11,870. Dean E. Wooldridge sold 1,000, held 39,163.

Trans-Lux. Jay Emanuel bought 250, held 16,000.

Trav-Ler Radio. Joe Friedman bought 4,600, held 297,411.

Tung-Sol. Mervin J. Kelly bought 200, held 500.

20th Century-Fox. Samuel Rosenman bought 100, held 100.

United Artists. Herbert L. Golden bought 10,000, held 19,238.

Westinghouse. Howard Kaltenborn bought 200, held 450.

Zenith. Karl E. Hassel sold 300, held 2,700. John Kuhajek sold 300, held 2,070. Hugh Robertson sold 700, held 25,799. Edwin Schroeder sold 280, held 440.

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Republic Corp. has leased to CBS-TV its 70-acre studio facilities in North Hollywood, Cal. for \$400,000 a year net after operating expenses. Agreement includes option for CBS to buy facilities within 5 years for \$11,685,000. CBS senior vp John Reynolds said studio will be used to consolidate production facilities in L.A. area, noted that some of studio's 29 sound stages will be sublet.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TRENDS IN 1963 TVs, RADIOS & PHONOS:** In next 3 weeks, virtually all 1963 TV-radio-phono lines will be officially unveiled to dealers. Here are some basic trends which seem to be showing up:

Cabinets—Continued trend to horizontal and lower configurations. Hardwood veneer cabinets starting at lower prices in some lines. More French provincial styling, with some exotic varieties of fruitwood showing up for first time.

TV—Far more bonded tubes in 23-in. lines. Longer lines of combinations & 27-in. sets. Many more models with tambour & sliding doors. More emphasis on uhf convertibility. FM stereo in virtually all TV-radio-phono combos. Emphasis on more features per dollar, rather than lower prices. Few, if any, major manufacturers rushing to meet \$169.95 price on 23-in. table model leader in regular lines, but many & frequent promotions.

Home radios—Prices firm to slightly lower on tube radios. Vastly increased FM-AM lines, including more FM-AM clock radios. Several more FM-stereo table radios, but not from all manufacturers (look for more of these before Christmas). More transistor table & clock radios.

Portable phonos—New "stand-up" configuration, in which changer drops down and speakers swing out; pioneered by GE last year, this has already been seen in new RCA & Muntz sets. "Sing-along" jack & mike in high-end models (seen so far in RCA & Admiral). FM stereo as optional feature at top of line. Prices firm, except for low-end kiddie phonos.

Console phonos—Large number of lines with FM stereo in all, or nearly all, radio combos. Redesigning changers with many additional features. Continuation of downward price drift in some lines. Emphasis on sound & furniture, with less gimmickry.



Three new lines—or parts of lines—were unveiled at week's end. In alphabetical order, here are highlights:

Admiral showed longer line of 23-in. models—22 sets, including 7 stereo theaters. Most sets carry open list, but where prices are given, they are unchanged from last year, with 23-in. table leader at \$189.95. Bonded tubes are used throughout 23-in. line. Among features stressed is readiness for uhf—through strip tuner or field-conversion continuous tuner (\$30 list). There's more heavy use of real wood in lower price range. Among features is unique electroluminescent channel window. All combos have FM stereo.

Admiral's phono line features redesigned changers. All stereo units carry open list. High-end portables have "sing-along" jack. Leader console "can be marketed as low as \$99.95." All combos have FM stereo.

Slightly lower prices are tagged on Admiral radio line, still starting with \$9.95 four-tube leader, but with many other sets down \$1-\$3. Expanded FM line has Admiral's first AM-FM clock sets.

GE is showing radio & portable phono lines to 4,000 dealers on promotional junkets to Las Vegas. In phonos, drop-down design is continued, and top end of portable phono line includes AM-FM-multiplex tuner at \$279.95 (phono only, \$199.95).

Going in more heavily for FM stereo, GE continues its walnut table model with swing-out speaker-doors (\$175 list), adding cherry version (same price) and smaller set of similar design at \$139.95. In rest of

radio line, there's heavy AM-FM emphasis. Although features have been added to some sets (example: "Snooz-Alarm" on \$19.95 leader clock radio), prices are relatively unchanged.

Motorola's TV line continues to start with \$139.88 portable & 23-in. table model at \$169.95. Emphasis in 24-set line (including 5 stereo theaters) is furniture styling, including wood veneers in more popular-priced units. Four more 27-in. sets have been added and Drexel line has been expanded. All stereo theaters have FM stereo.

Furniture values are emphasized in Motorola stereo line, too, with unique coffee table stereo at \$129.95. Many consoles in line accommodate drop-in FM-AM tuner, and all drop-in & built-in tuners have FM stereo. Novel furniture piece is "Decorator Home Entertainment Center"—room divider which can hold 19-in. TV, table radio, stereo phono & 15 LP albums. Completely equipped, unit begins at about \$300. Promotional stereo portable will be available with cart & 50 LPs at \$149.95.

Motorola has introduced its first FM-stereo table radio, walnut veneer unit with 2 detachable speakers, at \$129.95. Also new is AM-FM 9-transistor portable at \$79.95. AM radio prices are about same as last year. At top of AM clock radio line are 5-transistor compact AC sets at \$44.95 & \$49.95.

**NO UHF TUNER BREAKTHROUGH IN SIGHT:** Passage of all-channel-set bill and eventual change-over to vhf-uhf production won't spark any near-future breakthroughs in uhf tuner cost, performance or longevity. Improvements will come, but they'll be gradual & unspectacular.

That's unanimous opinion of the 4 major tuner manufacturers, all surveyed last week. Their views on most aspects of uhf situation are remarkably similar. Consensus is that cost of uhf tuners may drop about 10% with mass production, and that sensitivity, noise level and life of tuner & its components will increase gradually. The 4 manufacturers are General Instrument, Oak Mfg. Co., Standard Kollsman & Sarkes Tarzian.

Several redesigned uhf tuners are in works, to be brought out when demand develops. For most part, they're more compact and perform somewhat better than present ones. Perfection of RCA nuvistor uhf tube is cited by manufacturers as leading to longer life and somewhat better performance. As to use of transistors, tunnel diodes or parametric amplifiers in tuners—that's still long way off.

Tuner makers see uhf adding \$20-\$30 to retail price of set for foreseeable future, and there's definite feeling that this will cut down size of market for TV sets at first. Nevertheless, there's also some feeling that manufacturers will "jump the gun" on FCC, coming out with many all-channel sets—or readily convertible ones at the very least—as early as one year from now.

Here's progression of integration of uhf tuners into sets, as they see it: Continuous tuners, comparable to those of today, will be used exclusively at first—quite possibly going into substantial proportion of high- & medium-priced sets long before FCC's cut-off date (which may be about 3 years in future), with many portable lines still omitting uhf tuners for price appeal.

Later, simplified tuning devices will begin to show up in high-end models. Systems mentioned center around pre-set push-button tuning and signal-seeking systems—both principles to be borrowed from auto radios—in conjunction with continuous tuners. This would make possible remote-control & automatic-tuning in uhf band. Standard Kollsman Pres. J. O. Burke predicts uhf strips will continue to appeal to public, even in conjunction with continuous tuning. New Standard tuner will accommodate up to 6 uhf strips, and Burke thinks this is best approach to remote control & automatic tuning for uhf.

Cost of uhf tuner will be most important factor at start—fancy elaborations to come later after public gets used to idea it will have to pay more for TVs. There was general apprehension about public confusion and reluctance to ante up additional money needed for all-channel sets. Incidentally, tuner makers expressed distaste for principle of govt. intervention in TV set market, even though they eventually may gain as result of it.

Will all-channel law result in boom for uhf converters & strips? Only if it accomplishes its purpose of stimulating more uhf stations to go on air—and then boom might be relatively short-lived. Blonder-Tongue currently is only manufacturer in production of continuous converters. Pres. Isaac S. Blonder told us he feels recent activity in uhf field (Vol. 2:22 p1) is sign converter business will be good, and he's optimistic for future. Tuner makers all say they may go into converter field, depending on developments on the broadcasting scene.

Recent increase in uhf set production was anticipatory rather than based on real demand, in opinion of tuner makers. But they all report extremely heavy interest by set makers in their plans for uhf tuner output. Here are highlights of some individual comments:

General Instrument Chmn. Monte Cohen: "The effective date for all-channel receivers will be dictated by the industry itself. Industry will set the pace by anticipating the FCC for competitive & marketing advantage." GI currently makes continuous uhf tuner, will have nuvistor model and is working on development of solid-state units. Cohen thinks set makers' June 1963 lines will be tooled with uhf in mind—either with built-in uhf tuners or ready for easy field adaptation. Although oscillator tube is weak link in uhf tuner chain, "the life of a uhf tuner today is greater than many people realize."

Oak Mfg. Co. tuner product mgr. Paul A. Wheaton: Although Oak is not now producing uhf tuners, it can be in production in 90 days on improved version of its former model, if demand warrants. Brand new Oak uhf tuner will be disclosed in about 3 months. As soon as mass production starts, prices will come down somewhat—perhaps 10% in vhf-uhf tuner package as opposed to purchase of the 2 tuners from separate sources.

Standard Kollsman Pres. J. O. Burke: If some manufacturers change over to all-channel before FCC deadline, there's good chance that most others will follow suit. Burke doesn't think signal-seeking or pushbutton systems will succeed, because of cost & complexity—and indicates Standard will stick to strip approach even while selling continuous uhf tuners. Continuous tuners cost manufacturers about \$8 now, and might come down 10% in long run with "radical increase in volume." Uhf tube life is improving—now virtually double former estimated life of about 6 months. Several new tubes promise continued improvement. "We have an improved uhf tuner but we're holding off until we can determine what the market will be." Standard is currently surveying potential market for uhf converter which it has designed.

Sarkes Tarzian Inc. Pres. Sarkes Tarzian: "I don't think uhf tuners will come down any lower than their level when we used to mass-produce them—and that's about \$7. Our costs have gone up, not down." Improvements will come gradually, because the tube & set people haven't been working on uhf due to lack of demand. Eventually uhf tuners will be comparable to vhf in price & performance. Single tuner for v & u is 3-4 years away, pushbutton & signal-seeking devices are farther off. Although his company now makes single-channel converters, veteran telecaster Tarzian (1 vhf station, 2 uhfs) sees no boom coming in uhf converters except in few communities where public isn't adequately served with network programs on vhf stations.

**GOVT. SAYS NO TRANSISTOR IMPORT CURB NEEDED:** Imports of transistors and related products pose no threat to U.S. security, Office of Emergency Planning ruled last week. Decision came in response to the petition filed in September, 1959 by EIA with OEP's predecessor, Office of Civil & Defense Mobilization. (Vol. 15:38 p19).

EIA had filed on behalf of industry, seeking relief from rising volume of Japanese transistors, under national security clause of 1958 Trade Agreements Extension Act. Clause provides for clampdowns on imports of strategic items if necessary to protect capacity of domestic producers for defense needs.

But, as generally expected, govt. found no cause for alarm. OEP Dir. Edward A. McDermott said studies of data from State, Defense & Commerce Depts., NASA, domestic & foreign manufacturers and others, indicate that: (1) Domestic semiconductor industry has ample capacity to meet defense requirements. (2) Despite rise in Japanese imports, there has been "extremely high" growth rate in domestic industry, little likelihood of disruption of U.S. mobilization base. (3) Great bulk of Japanese imports go into consumer market, only "insignificant" portion for military & industrial uses. (4) Domestic semiconductor makers "now, and in the foreseeable future, can supply virtually all essential requirements for transistors and related products."

OEP pointed out, however, that "the domestic industry should continue to retain the bulk of the military market in fulfilling future contractual requirements without any direct competitive impairment from outside sources of supply, such as Japanese imports . . ." EIA Exec. vp James D. Secrest, called decision "disappointing" but said association was gratified govt. would keep trend of imports "under surveillance" should situation change. He also pointed out petition was filed nearly 3 years ago, that rise in imports predicted by EIA occurred while OEP was conducting probe.

**2 NEW TUBES—A PROGRESS REPORT:** It's still touch-&-go situation for 2 new type picture tubes— one color, the other black-&-white.

Motorola's 23-in. rectangular 90-degree color tube, now under development at National Video Corp., Chicago, is progressing—but there are still plenty of obstacles. Big unanswered question is whether tube can be made profitably & competitively using standard black-&-white-type glass bulb. Ordering special molds for type of glass used in present color tubes would make costs prohibitive, according to National Video officials.

"We're now making 4 or 5 of these tubes a day," we were told by National Video vp Harold Cole. "The quality is good. Now we're seriously looking at the possibility of small production runs—on the order of 100 a day—for the purpose of seeing whether it can be done, particularly with regard to cost. We know we can screen it and we can frit-seal it [faceplate to funnel]. It all depends on the preparation of the glass now."

There's room for greater shrinkage (rejection) in rectangular color tube than in round one, National Video believes, because of differential in price between color & b&w glass. Round color glass envelope costs \$15, whereas rectangular b&w-type bulb being used for experimental color tubes by National Video costs about \$9.65. Sums up Cole: "We don't know yet, but we're hopeful."

New implosion-proof b&w tube which requires no safety glass—using Kimble Glass Co.'s Kimcode technique (Vol. 2:12 p7, 16 p8)—is still tied up in Underwriters Lab safety tests. Reportedly it has passed all tests so far, but UL is proceeding slowly & warily on this one. It is currently reported undergoing life test, to be followed by evaluation by laymen's committee which has power to accept or reject any new item. Final word probably won't be out for month or so.

Nobody's sitting around waiting for Kimcode, but some manufacturers have designed new sets so that they can easily be changed over in mid-run to accommodate shieldless tube if it should prove acceptable from safety standpoint and advantageous from cost standpoint.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 25 (21st week of 1962):

	May 19-25	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	109,361	117,930	121,294	2,681,073	2,186,018
Total radio .....	332,149	360,823	312,832	7,511,245	5,911,027
auto radio .....	125,798	129,091	100,508	2,642,843	1,863,781

**TOPICS & TRENDS**

Marketing Science Institute has been formed in Philadelphia (3625 Walnut St., Phila. 4; EV 6-0290) by 20 major firms as a non-profit study organization for research into marketing problems. Its president is Dr. Wendell R. Smith, onetime RCA staff vp for marketing development. Among MSI's charter members: Ford Motor Co., GE, IBM, Sears Roebuck, J. Walter Thompson, Time Inc. Institute's annual budget will be "in excess of \$500,000," participating companies will contribute equally. Smith said MSI's results will be made public. Three research projects already are scheduled: (1) How to improve effectiveness of money spent on marketing. (2) Why new marketing trends arise. (3) How industry can meet marketing challenges of freer world trade.

Philco & Firestone have signed new merchandising pact under which Firestone stores & franchised dealers will sell full line of Philco consumer products. New pact provides that Firestone outlets will be supplied directly from independent Philco distributors or company branch stock, instead of via Firestone warehouses as in past. Firestone dealers will receive same sales training, promotion and other sales-supporting services accorded all Philco dealers.

Add stereo starters to list reported in Vol. 2:20 p8: WCNO Canton, O.; WLOA-FM Braddock, Pa.; KFMP Port Arthur, Tex.; WMVA-FM Martinsville, Va.; KGGK Garden Grove, Cal.; WFLM Ft. Lauderdale, Fla.; WRKT Cocoa Beach, Fla.; WTAR-FM Norfolk; KHGM Beaumont, Tex.; KOCW Tulsa; KRBE Houston; KHRF Monterey, Cal.; WCMF Rochester, N.Y.; WKLS Atlanta; WFMR Milwaukee; WISH-FM Indianapolis.

New tape-recorder development making possible thinner & longer-playing tape will be used by Westinghouse under terms of 5-year licensing agreement with TelePrompter Corp. TelePrompter's Weathers Industries div. will use new tape-handling method in its own hi-fi component tape recorder later this year.

Westinghouse TV-radio div. gen. mgr. O. H. Yoxsimer said new tape transport uses simplified mechanism permitting reduction in tape tension by about 10 to 1, permitting use of thinner & less expensive tape. Basic recorder using the method is compatible for open-reel or cartridge operation, or can be adapted for combination phono turntable & tape recorder, according to TelePrompter Pres. Irving Kahn.

—■—  
"Listen to TV in your car." That's pitch being made by Mobilisound Corp., Box 951, Santa Maria, Cal., in advertising "TV audio monitor" which picks up TV sound channels and plays them through standard AM car radio. Unit sells by mail for \$124.50 and is being advertised in *Variety* as "ideal for station personnel, ad agency execs, timebuyers and professional entertainers."

—■—  
Arvin seems to have won race for lowest-priced U.S. brand 6-transistor radio with its new tag of \$13.95, a \$6 reduction from former list. Arvin also has 5-transistor pocket set at \$12.95 and 7-transistor unit at \$24.95.

## Trade Personals

Chester D. Tripp, TV-Electronics Fund pres., elected chmn., TV Shares Management Corp.

Richard S. Wahlberg, ex-McCann-Erickson & GE, joins Magnavox as product ad mgr. . . . Fred W. Belz named electronic products group vp, El-Tronics Inc., Warren, Pa.

John R. Willey named Sylvania Home Electronics commercial products distribution mgr.

Kenneth M. Smith, ex-General Dynamics vp, named mktg. vp, Consolidated Electrodynamics.

Robert M. Brunson named vp of GPE's Librascope Div. . . . Pat D'Orio, pres. of Raypar Electronics before acquisition by Industrial Electronic Hardware, elected a dir. of parent firm.

Raymond R. Chapman appointed metal base plant mgr., Sylvania Parts Div.; John B. Clarkson named plastics plant mgr.; Charles D. Seekings named mgr., production engineering & engineering services, succeeding Clarkson.

Morris Reaboy appointed Symphonic national credit mgr. . . . B. A. Olerich named an Ampex vp.

Howard G. Neuman appointed Sylvania Parts Div. general mfg. mgr.; Raymond N. Anderson, named mgr. of York, Pa. metal stampings plant.

Merle M. Farber, ex-Admiral, appointed sales mgr. of Olympic's newly formed Radio Sales Div.

Arthur J. Minasy appointed Belock Instrument operations vp; Andrew Georgia, ex-GPE, joins Belock as planning vp, succeeding Charles C. Patterson who becomes general services vp; Jack Silverstein appointed acting financial operations vp.

M. E. Morrow, founder & chief executive officer of subsidiary Midwestern Instruments, elected Telex chmn.; William F. Wells named exec. vp.

Lawrence J. Straw elected American Electronics mktg. vp, a new post . . . Ira L. Landis, formerly Herman H. Smith Inc. pres., appointed pres. & chief exec. officer of Kulka Smith Electronics Corp., formed by merger of Smith and Kulka Electronics.

## Obituary

Robert M. Ryan, 66, retired RCA Sales Corp. regional finance vp, died May 28 at Cooper Hospital, Camden, N.J. He had been with RCA and one time RCA Victor Div. in Camden for 40 years prior to his retirement a year ago.

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**Distributor Notes:** ITT Components Div. appoints John G. Twist Co., Chicago (John G. Twist, pres.) exclusive sales rep for semiconductor dept. throughout Ill., Wisc. & Michigan's peninsula area. . . . Admiral has terminated Sid Goldberg, Inc., Miami, as exclusive national sales agency for commercial electronic products (TVs, appliances) sold to motels & hotels. Olympic names Tel-Electric Distributor (N. 734 Division St.), Spokane and Brooks Supply Co. (609 Montgomery St.), West Monroe, La.

Today's college graduates will be citizens of a communicating planetary system "and conceivably even of a cosmic society" by the year 2000. This was prediction of RCA Chmn. Brig. Gen. David Sarnoff in commencement address to graduating class at Oklahoma City U., where he received honorary Doctor of Laws degree. He forecast that space may become "the dominant factor" in national economy, providing careers which as yet have "neither name nor description." Space age, said Sarnoff, may at last provide man with answers to profound secrets, including origin of the world, nature of gravity, "the riddle of life."

Another Canadian producer moves south: Fleetwood Corp., Montreal, plans to export TVs & stereo to U. S. Company, which manufactures Emerson, Du Mont & Fleetwood sets in Canada, has obtained title to use of Fleetwood name in U. S. after Conrac dropped out of consumer TV market. Conrac, a division of Giannini Controls, made TV sets for custom installations. Other Canadian firms now exporting stereo and/or TV to U. S. are Electrohome, Clairtone & Marconi.

FM-stereo table radio is now being produced by Sarkes Tarzian, Inc., which merchandises its radios largely through FM stations. Two-unit set lists at \$49.95.

**Emerson Slips In 2nd Quarter:** Earnings of Emerson Radio & Phonograph in fiscal-1962's 2nd quarter, ended April 30, slipped to about 20¢ a share from 23¢ in year-ago period. Decline followed rousing first quarter in which earnings soared to \$679,507 (30¢ a share) from \$126,524 (6¢) in fiscal-1961's initial quarter (Vol. 2:10 p12). Pres. Benjamin Abrams gave no indication of first-half earnings, but said sales in 6 months to April 30 rose about 25% to \$40 million. For total fiscal year ending Oct. 31, he forecast increases in both sales & earnings. In fiscal 1961, Emerson earned \$1.9 million (84¢) on \$70.9-million sales.

Abrams reported TV set sales 10-15% ahead of a year ago, explaining: "We may be getting a bigger share of the market because there seems to be a swing to buying portable sets. More than 60% of our production is in portables." He noted a "real price war in transistor radios," said dollar volume is trailing 1961's pace although unit sales are about the same. He said price cuts have been effective against Japanese radios, noted profit margins slim for U. S. manufacturers, said "it's possible we eventually will make a better profit at this price level as the cost of transistors continues to go down."

Abrams also said that Emerson has no plans to exercise its options to buy stock in Granco Products Inc. and Telectro Industries. Emerson holds options to buy controlling interests in both firms, markets Granco FM radios & Telectro tape recorders.

General Instrument sales rose 11% to record \$86.5 million in 1962 fiscal ended Feb. 28, but profits plunged to \$1 million (42¢ a share) from \$3.1 million (\$1.26) in fiscal 1961 (see financial table). For fiscal 1963, Chmn. Martin H. Benedek & Pres. Moses Shapiro forecast "another substantial increase in our volume and a marked improvement in our profitability." They attributed fiscal-1962's profit decline to several factors "non-recurrent to an important extent."

Cine-Dyne Inc. filed registration statement (SEC File 2-20409) for 100,000 shares of common at \$4 per share, through R. A. Holman & Co. Inc., N.Y. Firm produces filmed & taped TV programs & commercials, feature films, motion pictures, educational & industrial films. It has 33,800 common shares outstanding, of which Pres. Jac Hein owns 30.77%, Exec. vp Dennis Kane 29.59%, Irving Geist 20.71%. Proceeds will be used to produce feature-length film and pay debts.

Philips Lamp initiated offering of 6,153,140 common shares, valued at \$203,053,620, to its stockholders June 1 (Vol. 2:22 p12). American investors own an estimated 37% of Philips common. Per-share price was set at \$33 or 118.75 Netherland guilders, and American holders of record May 29 can subscribe in terms of dollars or guilders at their option. Offering will continue through June 22.

Telectro Industries anticipates a 2nd-quarter profit, vs. year-ago loss of \$276,169, on a sales rise to "between \$900,000 & \$1 million" from \$88,818 in 1961's 2nd quarter. Pres. S. Robert Gordon predicted tape recorder manufacturer would top 1961's \$4.6-million sales & reverse year's loss of \$643,656 with a profit.

Rust Craft Bcstg. reported first quarter 1962 sales 16% over same period last year, with increases in all categories. Rust Craft operates "Friendly Group" stations, WSTV-TV Steubenville, WRPV-TV Chattanooga, WRDW-TV Augusta, KODE-TV Joplin, WBOY-TV Clarksburg.

Mergers & acquisitions: Sylvania's Argus Camera Div. has been purchased officially by Mansfield Industries. Latter's stockholders also have approved change of Mansfield's name to Argus Inc. Sylvania will receive \$1 million cash, \$3.2 million of convertible debentures and \$2 million in promissory notes. Argus Div. had \$2,805,316 loss in 1961, also operated in red in 1960 & 1959. Bulova Watch's new Keystone Controls Corp. has purchased for undisclosed cash Keystone Electronics, Newark, N.J. maker of high-frequency quartz crystals. Sprague Electric has purchased for undisclosed stock privately-held Sky-Borne Electronic. Sky-Borne, electronic components manufacturer in Santa Fe Springs, Cal., will be operated as wholly-owned Sprague subsidiary. Avnet Electronics has acquired for undisclosed cash Shaw Processes Ltd. of England, developers of a process for ceramic-mold casting. Pres. Lester Avnet described acquisition "the most important thing we've done," said British firm will be renamed Avnet-Shaw Processes and operated as Avnet subsidiary. Avnet had held Western Hemisphere rights to molding process, licensed more than 50 firms in North & South America. Avnet also announced completion of acquisition of "substantially all the assets" of Liberty Records for 368,366 Avnet common shares, valued at more than \$7 million. Electro-Voice has purchased the American Microphone Div. of G-C Electronics, Rockford, Mich. in deal which also transferred Electro-Voice's Radio Mfg. Engineering subsidiary to G-C. Electro-Voice's George Riley has been appointed vp-gen. mgr. of American Microphone. P. R. Mallory has purchased silicon rectifier business of Tyco Semiconductor Corp. for an undisclosed sum. Tyco, located in Waltham, Mass., will continue with its other products. Siegler stockholders have approved merger with Lear Inc. (Vol. 2:18 p12). Combined company will be named Lear-Siegler Inc. Merger is valued at some \$61 million.

TelePrompter stockholders will vote at June 5 annual meeting on proposed sale of company's traditional TV & film prompting service to Q-TV Inc. Pres. Irving B. Kahn said this activity represents only 7% of TelePrompter's business and no longer is "consistent" with growth pattern. If sale is approved, TelePrompter will continue to make & sell prompting device, but will no longer furnish script typing service, operating personnel and equipment for individual TV & film assignments. Meeting was postponed from May 22 because stockholders failed to return sufficient proxy votes on the sale and a proposed change in TelePrompter's incorporation certificate which would enable it to move into new kinds of businesses.

TV accounted for 89% of MGM's net income before taxes during 28 weeks ended March 15, but less than 20% of film firm's gross revenues of \$5,685,000 pre-tax profits for period. TV brought in \$4,789,000, down from \$5,911,000 in same 1961 period when total pre-tax income was \$15,031,000. Gross revenues from TV totaled \$13,368,000 in this year's period, up from \$10,124,000 last year. In 1962 period, \$5,083,000 came from feature films on TV, \$8,285,000 from series & commercials.

Two new TV projectors announced last week: By Blonder-Tongue, unit designed to project 4½x6-ft. image, at \$3,995. By TelePrompter, new lightweight (70 lb.) Amphicon 190, economy unit providing 8 foot-lambert brightness on 8-ft. wide screen, at \$1,665.

CTS Corp. will be admitted to trading on New York Stock Exchange today, June 4. Symbol: CTS.

Metromedia approved for listing on NYSE.

Reports & comments available: Howard W. Sams, analysis, Loewi & Co., 225 E. Mason St., Milwaukee 2. CBS, analysis, Bache & Co., 36 Wall St., N.Y. 5. Electronics International Capital, study, Bear, Stearns & Co., One Wall St., N.Y. 5. Electronic Associates, review, Reynolds & Co., 120 Broadway, N. Y. 5. RCA, discussion, Courts & Co., 25 Broad St., N.Y. 4. GT&E and RCA, discussions, Reynolds & Co., 120 Broadway, N.Y. 5. Stewart-Warner, analysis, Glore, Forgan & Co., 40 Wall St., N.Y. 5. RCA, discussion, Hirsch & Co., 25 Broad St., N.Y. 4. AB-PT, analysis, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5. ITT, pamphlet study, Orvis Brothers & Co., 15 Broad St., N.Y. 5. Stewart-Warner, review, A.M. Kidder & Co., One Wall St., N.Y. 5. Motorola and Beckman Instruments, briefs, E. F. Hutton & Co., 61 Broadway, N.Y. 6. Raytheon, analysis, J. W. Sparks & Co., 120 Broadway, N.Y. 5. GPE, comments, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. Fairchild Camera & Instrument, discussion, H. Hentz & Co., 72 Wall St., N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Arvin Industries	Q	\$0.25	June 29	June 4
GE	Q	.50	July 25	June 15
Ind. Electronic Hardware	Stk.	3%	July 5	June 15
RCA	Q	.25	July 23	June 15
Times-Mirror	Q	.12½	June 25	June 8
Wells-Gardner Electronic	Q	.30	June 15	June 8

Ampex earned approximately \$2 million in its 1962 fiscal year, ended April 30, as sales soared nearly 20% to \$84 million (Vol. 2:21 p12). Pres. W. E. Roberts said that "for fiscal 1963 we expect at least a 10% increase in sales and a substantially greater increase in net earnings." Ampex's order backlog totaled \$31.9 million on April 30, up from \$31.2 million a year earlier.

Ampex has formed a new advanced research facility for "investigations of advanced & experimental techniques in magnetic recording." Facility has been named The Alexander M. Poniatoff Lab, in honor of Ampex's founder & chairman.

TV-Electronics Fund reported net assets of \$401,094,540 at close of its fiscal midyear on April 30—down from \$431,077,230 a year earlier. Net assets per share also declined, to \$7.83 from \$8.82, as capital shares increased to 51,193,461 from 48,850,240. Fund's electronics investments at midyear totaled 92.6% of its assets, up from 86.3% a year earlier.

Litigation arising from merger of Macfadden Publications & Bartell Bcstg. has been settled, subject to N.Y. Supreme Court approval. Under proposed settlement of suit brought by minority stockholders, some principal stockholders would contribute 175,000 shares of outstanding stock to the new corporation.

New Kenya TV station in Nairobi is expected to begin Oct. 1 using Marconi equipment. Transmitter will be located at Limuru, 11 miles northwest of Nairobi.

Video Color Corp. filed registration statement (SEC File 2-20214) for one million shares of common stock at \$1.15 per share through Naftalin & Co., Minneapolis. Company was organized in February to develop, manufacture & distribute thin b&w and color picture tubes for display devices in industrial & govt. fields, and home TV sets. Firm said it plans to license outside manufacturers to produce home color tubes, subcontract production of home b&w tubes. Of stock-sale proceeds, \$230,000 will be for equipment, \$310,000 for salaries, balance for miscellaneous expenses. Video has 280,000 common shares outstanding, 205,000 owned by 12 incorporators, 75,000 shares owned jointly by Pres. Harold W. Berger, and vp C. William Geer.

Adler Electronics stockholders have approved private placement of \$2 million of convertible, 10-year, 6% notes with group of institutional investors, including American Research & Development Corp. Pres. Ben Adler also announced sharp rise in earnings for 36 weeks to March 31—to \$288,500 (43¢ a share) from \$82,000 (10¢) a year earlier. Adler also said that total 1962 fiscal year, ending June 30, would produce record earnings of 65 to 70 cents a share on record sales of more than \$17 million. Adler's fiscal-1961 performance: \$233,820 (35¢) earned on \$8,963,000 sales.

Avnet Electronics filed registration statement (SEC File 2-20350) for 93,000 shares of common stock to be exchanged for outstanding Class A & common of Pitt Products Ltd., Ontario, at rate of one share of Avnet for each 2 of Pitt A, and 43/100 share of Avnet for each share of Pitt common. Pitt is distributor of automotive & electronic parts. Avnet has 2,208,105 shares of common outstanding, of which Pres. Lester Avnet owns 12%, Chmn. Robert H. Avnet, 13.1%, management officials as group 34.8%.

Globe-Union's 2nd-quarter sales are "exceeding projected goals" and total 1962 sales are now expected to top 1961's volume by 12-15%. Pres. C. O. Wanvig Jr. also noted that earnings are "likely to register a parallel increase." Milwaukee battery maker in 1961 earned \$2.6 million (\$3 a share) on \$62.5-million sales.

Retail phono record sales last year totaled \$513.1 million at list price; up nearly 7% from \$480 million in 1960, Record Industry Association of America has announced. Of 1961 total, LPs represented \$415.6 million (vs. \$405 million in 1960). Nearly 40% of LP sales were stereo discs, compared with 26% in 1960.

Allied Radio sales rose 26% to \$39.7 million in 9 months to April 30, preliminary figures indicate. Pres. A. D. Davis said 3rd-quarter sales jumped 34% to \$13.7 million from \$10.3 million in year-ago quarter.

Proud of sales record, English Marconi reports more than \$42 million equipment sales in 10 years, including 181 transmitters, 62 low-power transmitters & translators, 738 image orthicon cameras—in 31 countries.

Ban on use of FM radios on civilian aircraft has been extended for another year by FAA.

**NEW AM-FM RADIO DIRECTORY**

Due off presses shortly, *Television Digest's* authoritative annual directory—listing all U.S. & other North American stations & applications by state & city, frequency, call letters—goes to full TV-AM-FM subscribers. Extra copies, to all subscribers: \$7.50.

# WEEKLY Television Digest

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

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**SATELLITE SLOT—AND CRAVEN-CROSS-COX PARLAY.** Possibility of Craven appointment to new satellite corporation seen satisfying all major forces (p. 1).

**BROADCASTERS POST FIRST-QUARTER GAINS:** 12 companies produce aggregate earnings of \$16.5 million vs. \$14.8 million year ago; combined sales of 8 broadcasters climb to \$215.4 million from \$199.2 million (p. 1).

**THEATERS SEEK SUPREME COURT PAY-TV REVIEW,** asserting FCC hasn't legal power to grant toll-TV test and failed to consider rate regulation (p. 2).

**PRODUCT PROTECTION POT** boils over as Benton & Bowles joins Ted Bates in demanding a 15-min. separation of competitive products. Networks say they can't guarantee (p. 3).

**AM OVERCROWDING—PROTECTION & FREEDOM** weighed in industry-FCC conference, broadcasters fearing govt. meddling in programming & financial details. Emphasis now placed on engineering (p. 4).

**NEW TALL-TOWER KING CROWNED:** Columbus, Ga.'s 1,749-ft. structure carrying programs of WTVM & WRBL-TV now on air. Next contender: 2,000-footer for KTIV & KVTV Sioux City (p. 4).

### **Consumer Electronics**

**COLOR IN TRANSITION**—most lines short, some of them late, as set makers ponder effect of 90-degree tube and consider manufacture independent of RCA. Motorola decides against color line this year; Zenith shows 15 sets (p. 7).

**NEW LINES:** Many prices down, styling up. Olympic shows its most complete TV line, including Japanese-made set. Short Packard Bell line stresses tambour doors, teacart furniture. Big styling changes in Philco TVs, radios & phonos. Sylvania surprises with sharply lower TV prices. optional HaloLight on all consoles. Zenith headlines 2-gram tone arm developed with CBS (p. 7).

**FTC RAPS GE ON CO-OP ADS,** charges illegal restraint of retail price competition among competing appliance dealers because of "unfair, oppressive" conditions (p. 9).

**TV DISCOUNTERS INCREASING MARKET SHARE,** offering heftier price cuts on increasing volume of sets at lower-than-ever margins. Many small dealers against wall in scramble to keep competitive (p. 9).

**SYLVANIA TO SELL DIRECT** to dealers on franchise basis in areas where it has no independent distributors (p. 12).

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**SATELLITE SLOT—AND CRAVEN-CROSS-COX PARLAY:** Latest speculation about FCC commissions: Comr. Craven, leading govt. satellite communications expert, may be appointed by President Kennedy as a director of new satellite corporation when Congress enacts law, as expected soon. Craven is due for mandatory retirement from FCC in Jan.—unless President grants waiver for his age (70). Satellite appointment of Craven presumably would keep most key people happy. Comr. Cross, whose term expires end of this month, could get reappointment, satisfying powerful supporter Rep. Harris (D-Ark.), chmn. of House Commerce Committee. FCC Broadcast Bureau Chief Kenneth Cox could be named to Craven's seat, gratifying his influential sponsor Sen. Magnuson (D-Wash.), chmn. of Senate Commerce Committee.

**BROADCASTERS POST FIRST-QUARTER GAINS:** Opening months of 1962 produced upbeat sales & profits for broadcasters, it's clearly indicated by first-quarter returns already in. Collective gains weren't overwhelming, and profit pictures of some broadcasters reflected ghosts of better quarters—but over-all picture was one of moderate, healthy gain.

Combined first-quarter earnings of 12 companies in broadcast field increased to \$16.5 million from \$14.8 million in Jan.-March 1961. Each closed the quarter in the black. Aggregate sales of 8 broadcasters jumped to \$215.4 million from \$199.2 million.

CBS had record earnings of \$7.8 million on peak sales of \$128.6 million. NBC also had record sales & profits (Vol. 2:17 p12), although figures are not available.

Many of companies surveyed have diversified interests, and in some cases broadcasting is not a primary activity. However, they are representatives of broadcast industry and their sales & profit progress reflect industry's trend. Companies surveyed: AB-PT, Capital Cities Bcstg., CBS, Crowell-Collier, Goodwill Stations, Metromedia, NAFI Corp., Storer Bcstg., Taft Bcstg., Times-Mirror, RKO General, and Wometco Enterprises.

Overwhelming number of broadcasters—8 of 12—posted profit gains over year-ago quarter. Among more impressive gains: CBS—to record \$7.8 million from \$6 million. Metromedia—\$138,732 from \$12,334. Goodwill Stations—\$140,106 from \$44,676. Storer—\$2.2 million from \$1 million. Taft—\$520,188 from \$375,703. Jan.-March period was final quarter of Taft's 1962 fiscal year and help pushed earnings to \$1.9 million from \$1.6 million despite slightly lower sales—\$10,950,000 vs. \$11,086,717.

Four broadcasters declined in earnings during 1962's first quarter: Times-Mirror—to \$162,705 from \$739,427. AB-PT—\$3 million from \$3.4 million. RKO General—\$1.2 million from \$1.9 million. NAFI Corp.—\$469,240 from \$544,971.

Each of 8 companies that released sales figures was up over 1961 quarter—some impressively. Examples: Times-Mirror—to \$30.5 million from \$25.7 million. CBS—to record \$128.6 million from \$126 million. Goodwill Stations—\$1.8 million from less than \$1 million. Wometco—\$4.4 million from \$3.4 million. Crowell-Collier—\$17 million from \$12 million.

"Broadcasting is still a money-maker," proclaimed June 6 *Financial World*, adding: "The initial zoom in TV may well be over but there is expansion in individual enterprises and profit potential in steady growth. . . . It may well be that broadcasting isn't licked yet—as a growth industry, that is." Magazine listed 3 growth factors: (1) "FCC is granting new station applications opening up new markets." (2) "Congress is expected to approve legislation making all-channel reception in TV sets mandatory and this will open up the uhf channels to commercial exploitation." (3) "Communications satellites are really just around the corner with the promise they bring of international TV."

Here's the 1962-vs.-1961 first-quarter performances of representative broadcasters:

	Sales		Earnings	
	1962	1961	1962	1961
AB-PT .....	—	—	\$ 3,042,000	\$ 3,425,000
Capital Cities Bcstg. ....	—	—	241,962	206,107
CBS .....	\$128,550,576	\$126,008,092	7,764,855	6,025,978
Crowell-Collier .....	16,989,671	12,070,868	226,869	163,875
Goodwill Stations .....	1,819,097	927,389	140,106	44,676
Metromedia .....	12,270,314	11,059,589	138,732	12,334
NAFI Corp. ....	17,860,000	17,380,269	469,240	544,971
Storer Bcstg. ....	—	—	2,151,596	1,055,417
Taft Bcstg. ....	2,976,642	2,643,908	520,188	375,703
Times-Mirror .....	30,512,449	25,717,507	162,705	739,427
RKO General .....	—	—	1,226,074	1,881,002
Wometco .....	4,436,441	3,434,453	449,088	301,293
<b>TOTALS</b> .....	<b>\$215,415,190</b>	<b>\$199,242,075</b>	<b>\$16,533,415</b>	<b>\$14,775,783</b>

**THEATERS SEEK SUPREME COURT PAY-TV REVIEW:** Anti-pay-TV theater operators sought ear of U.S. Supreme Court last week, having lost at FCC and Court of Appeals in efforts to block toll system. Meanwhile, RKO & Zenith plan June 29 start of 3-year test in Hartford (Vol. 2:23 p3). Connecticut theater groups argued to Court that: (1) FCC doesn't have legal power to authorize pay TV, and Court of Appeals never even weighed legal factor as it should have. (2) Even if FCC has power to permit subscription TV, it erred in failing to consider rate regulation.

Theater owners insist that pay TV "raises the spectre of permanent loss of programs and program talent to the free viewing audience," that it "raises the problem of control of broadcast material by the owners of the patents," that Commission's power to authorize "experiments" relates to technical matters and not to a 3-year test which may cost viewers \$15.5 million.

As for FCC's failure to mention rate regulation, petition stated: "It is the essence of arbitrary Commission action to authorize a radical departure from the established system without even giving thought to the question whether the Commission has or should exercise regulatory power over the single aspect of the new system which services to differentiate it in such a marked way from the system which has been in effect for almost 40 years."

Opposition to the other pending pay-TV proposal—application by KTVR Denver (Vol. 2:14 p5)—is expected June 11, with theater groups urging Commission to conduct hearing as it did on Hartford application.

**PRODUCT-PROTECTION POT BOILS OVER:** Will networks be forced to police product-protection policies of affiliates' nighttime station breaks and middle-of-show local commercials? In N. Y. last week, networks were valiantly trying to avoid issue and to get out from under battle developing between major agencies and major TV stations.

Latest skirmish was triggered by blunt warning from Benton & Bowles' Lee Rich, senior vp for media & TV programming, who stated B&B would expect "minimum of 15 minutes of separation" for competitive products in network commercials & spot TV this fall, or agency would expect "full credit" on behalf of clients for infraction.

B&B statement carries much weight, since agency places about 75% of its \$114 million billings in TV-radio and is a major P&G agency. Statement backstopped similar blast from Ted Bates agency in wake of no-guarantee announcement from Westinghouse Bcstg. Co. and other large multi-station owners.

Frequently obscured is fact that product protection policies apply to 2 different levels: (1) Network commercials and spot schedules of o&o stations, over which networks have considerable control. (2) Spot schedules on network affiliates, over which networks have no control other than persuasion. It's in latter area that current tempest is astir.

Networks don't want to be traffic cops for busy spot intersections between or within network shows. This, they feel, is hassle between agencies/advertisers and broadcasters, and a matter for industry organizations like NAB. Typical network comments we heard last week:

ABC-TV vp & Gen. Mgr. Julius Barnathan: "We've no right to dictate local commercial policy of affiliates, and we don't like being forced to try. Stations can do anything they want in local breaks, although broadcasters know it's good sense to give as much product protection as humanly possible."

CBS-TV Dir. of Clearance (Sales) Robert F. Jamieson: "Networks are being asked by Benton & Bowles to take responsibility for something networks cannot really control in the first place. We don't want to take sides on questions of custom & practice in spot TV among affiliates."

NBC-TV Dir. Station Clearance & Traffic Stephen Flynn: "You can't expect a network commercial schedule to conform to the spot schedules of 180 stations. The network schedule has to be a 'control' against which affiliates try to match their schedules. Remember, we have no contractual control over these local situations."

Are affiliate policies being revised? There's been no rush to curb freedom of affiliates to set their own product protection policies. On June 4, CBS-TV launched new service wherein recap of nightly commercial lineup on network is TWX-ed to stations to aid local traffic personnel in preventing local-level collisions between network and spot-sold products. NBC and ABC said they had no similar plans. However, all 3 networks regularly send out advance commercial schedules on weekly or monthly basis, and these serve as guide in local spot scheduling.

Even where product protection is possible under network control, there's been gradual-but-steady decline. In radio's heyday, when most big advertisers made only a few products, networks guaranteed broad-scale "corporate protection." Today, such concept is as rare as professional butlers.

What killed product protection has been trend to corporate diversification in consumer field (Sample: P&G today makes everything from dentifrices to cake mixes) and TV trend to multi-sponsored hour-long (or longer) shows. Networks, now loaded with dozens of new products in nighttime TV, and advertisers, traditionally jealous of "uniqueness" of products, frequently don't see eye-to-eye on what is—or isn't—a product conflict.

Peaceful solution to problem is going to be difficult if not impossible. Networks want to keep out of local-level product problems. Major station groups—like Westinghouse, Triangle, Corinthian—no longer guarantee oldtime product protection. Agencies want to hold line as long as possible on behalf of clients investing millions in TV. Industry groups like TvB, 4-A's, ANA, NAB, SRA, etc. have generally avoided open forums, discussions and statements on topic. And there's always threat of govt. intervention if networks start laying down law to affiliates.

**AM OVERCROWDING—PROTECTION & FREEDOM:** "They scared the hell out of us." That's reaction of one industry participant in NAB-FCC confab last week on ways & means of reducing AM "overpopulation." He was referring to Commission staff; commissioners, he said, were more reassuring.

What troubled NAB committee, headed by George C. Hatch of Intermountain Network, Salt Lake City, was FCC staff's talk about programming & money. To industry's assertion that authorization of too many new stations produces "substandard" operations, Commission staff said that means FCC should inquire into: What is "standard" or better operation? How much does that cost? How do you determine revenue possibilities of market? If station is losing money, is owner taking too-large salary? Etc., etc.

That drift of discussion made everyone put emphasis on "maintaining good engineering standards"—cutting down on new grants for "technical reasons" but with unspoken understanding of economics.

Project is one of NAB Pres. Collins' favorites, and FCC has accommodated him to extent of partial freeze on new AMs (Vol. 2:20 p2) while engineering is studied.

It's far, far too early to judge where project is going. Can economic protection be acquired without paying price of increased govt. intervention? Some, but probably not a lot, from presently-composed Commission. Meanwhile, NAB group will form 2 subcommittees—one for engineering, other "to develop information necessary to the development of broad policy determination," according to NAB.

**NEW TALL-TOWER KING CROWNED:** World's tallest man-made structure, 1,749-ft. tower for WTVM & WRBL-TV Columbus, Ga., went into operation last week. Looming in prairielands, however, is shadow of 2,000-footer planned by KTIV & KVTV Sioux City, Iowa; stations have obtained FAA clearance, will apply for FCC CP shortly.

Columbus structure was designed and fabricated by Stainless Inc., North Wales, Pa., erected by Furr & Edwards, Rome, Ga. Tower was not built from ground up; rather, 488 feet was added to existing 1,260-ft. structure in unusual operation. Stainless Pres. Henry J. Guzewicz explained that tower, built in 1960, was designed to allow later addition. Cost of additional section, including transmission lines, was about \$110,000. Antennas are RCA 6-section superturnstile for Ch. 3, RCA Mark II supergain for Ch. 9. Weight is about 215 tons.

There's now total of 117 U.S. TV towers over 1,000 ft., 8 over 1,600 ft. FCC has granted CPs for 7 more over 1,000 ft., has pending applications for another 26, including 1,794-footer for KATV Little Rock. Russia has been promising a 1,625-ft. Moscow structure for years; embassy says it's under construction.

## **CURRENT CAPSULES**

Pitch to Madison Ave. admen was made by CFTO Toronto & ABC International in N.Y. last week as latest step in handling U.S. sales representation of foreign TV outlets in which ABC owns equity or has business interest. CFTO, origination anchor of Canada's CTV network, unveiled unique come-on for agency time-buyers: station's fall schedule is loaded with current or upcoming U.S. film shows (*Flintstones*, *Dr. Kildare*, *Sam Benedict*, etc.), many of which boom into Toronto from Buffalo, N.Y. stations. CFTO, however, has acquired its film shows largely on "pre-release" basis, so that episode seen on CFTO is 2 or 3 weeks ahead of episode

on U.S. networks. Thus, station gets edge in area with home population of 1,727,000—plus bonus U.S. audience of viewers who like to stay ahead of their neighbors. CFTO Gen. Mgr. William Crampton claimed top rating honors for his station in market served by 5 TV networks, an independent outlet, and Telemeter. Possessor of one of biggest & best live TV plants anywhere, CFTO has survived huge personnel turnover, huge initial losses (nearly \$3 million in pre-operative & 1961 losses) to score sales & audience gains. Film is backbone of much of CFTO's nighttime schedule, despite Canadian quota restrictions. Live studios get regular workout, however, in producing video-taped low-budget shows for other CTV stations and in filling heavy schedule of taped commercials. ABC International, which will handle CFTO's TV sales in all areas outside Canada, is also New York sales rep for Central American TV Network, and outlets in Venezuela, Ecuador, Argentina, Philippines, Japan and Lebanon. NBC and CBS, although active in foreign TV station investment, do not handle foreign TV time sales.

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All-channel-receiver bill will be taken up on Senate floor June 13 or 14, Majority Leader Mansfield (D-Mont.) announced last week. Approval is considered virtually certain, as is House concurrence in amendment giving FCC power over uhf tuner quality. Senate consideration of satellite communications bill is scheduled next.

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Add FCC clampdowns: (1) Proposed license revocation or \$10,000 fine for radio WDOV Dover, Del. for broadcasting commercially last Sept. 19 during Hurricane Esther, filing false program logs, double billing. (2) Proposed \$1,000 fine for WOL-FM Washington for putting new antenna into use without getting Commission permission.

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Changes in logging of transmitter operation, etc., have been proposed by FCC as forecast (Vol. 2:23 p3)—including use of automatic logging, separating records into operating & maintenance logs.

## Personals

William Ruder resigns as Asst. Secy. of Commerce for Public Information, returning to Ruder & Finn PR firm, N.Y. . . . Bernard Krause promoted to CBS-TV business affairs-administration dir., Robert A. Jelinek to contracts, talent & rights dir. . . . John F. White, NET pres., resigns from board of educational WNDR (Ch. 13) N.Y. because of possible conflict of interest.

John Rich promoted to NBC News Far East bureau chief, Tokyo, replacing Cecil Brown who returns to U. S. Bernard Frizell promoted to Paris Bureau chief, replacing Rich.

Lewis J. Rachmil, Ziv-UA production operations vp, resigns. . . . John Maxon promoted to Sponsors Film Service sales mgr.

James Benjamin named educational WNDR N.Y. special projects coordinator, Sylvia Spence program information mgr., Frank Leicht production mgr., Lee Polk children's programs mgr., Robert D. B. Carlisle adult telecourse programs producer.

Wayne F. McNulty, ex-WEAU-TV Eau Claire, Wis., named KXLY-TV & KXLY Spokane gen. mgr. . . . Harold C. Crump promoted to WLAC-TV Nashville gen. sales mgr. . . . Allen Sternberg promoted to WCKT Miami production mgr., succeeding Gene Walz, who becomes WRC-TV Washington program mgr.

Alan Newcomb promoted to Jefferson Standard Bestg. public affairs dir., a new post. . . . Jay Lewis, ex-Variety, named NAB publications editor. . . . Charles Ford, ex-radio WNBC N.Y. program operations mgr., named WJZ-TV Baltimore operations dir.

Richard C. Baur, ex-WLWI Indianapolis, named TV Bestg. Service videotape dir., N.Y. . . . Haan J. Tyler, former KHJ-TV-AM-FM Los Angeles gen. mgr., named Western Advertising southern sales mgr. . . . E. Jonny Graff, former WNTA Bestg. pres., elected exec. vp for new business, Moss Assoc., renamed Moss, Graff Assoc. Inc.

Theodore N. McDowell promoted to mgr. of expanded WMAL-TV & WMAL Washington news & public affairs dept. . . . Leo Cherniavsky promoted to BMI foreign performing rights administration coordinator.

Harold J. Klein, ABC Films world-wide sales mgr., elected to board; Raymond C. Fox promoted to administrative vp. . . . Clifford J. Barborka Jr., ex-Better Broadcast Bureau pres., named Adam Young radio vp. . . . Robert W. Bullock, ex-NBC, named asst. to TV sales & engineering vp, Kliegl Bros.

Shaun F. Murphy, KTVI St. Louis vp & gen. sales mgr., resigns July 1; Ralph Hansen, asst. gen. mgr., will direct sales pending appointment of Murphy's successor. . . . Robert G. Fincannon, radio WMRI Marion, Ind., gen. mgr. elected vp & gen. mgr., WTAF (Ch. 31) there, due on air late summer.

Randolph S. Brent, ex-CBS sports operations mgr., named WVEC-TV Norfolk-Hampton station mgr. . . . Lionel Hampton, band leader, appointed music dir., upcoming WOOK-TV Washington.

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Radio WKFM Chicago was called "world's first FM-Stereo" broadcaster, because of June 18, 1961 start, in proclamation by Ill. Gov. Otto Kerner who designated next June 18 as "FM-Stereo Day" in state.

In one of his rare editorials (Vol. 2:23 p3), CBS Pres. Frank Stanton plumped for his hard-pressed magazine brethren, asserting that postage increase could kill many publications and that it has never been national policy to expect profit from delivering publications. Though proposed increase doesn't affect broadcasting, he said, "freedom of the press, like all fundamental freedoms, is indivisible. If the freedom of one medium is endangered so is the freedom of all others." Postmaster General J. Edward Day, granted free time next day, argued that most of increase is for magazine-subscription solicitation—not for magazine delivery—and that he doesn't believe public wants to subsidize "the unsolicited advertising mail you receive." He commended CBS for giving time to the controversy.

Personalities of FRC & FCC members and their influence on broadcasting through the years is subject of article by Ohio State U.'s Lawrence W. Lichty in Spring 1962 *Journal of Broadcasting* published by Assn. of Professional Bcstg. Education, U. of Southern Cal., University Park, Los Angeles. Lichty concludes that during each of 7 separate periods, 1927-61, backgrounds of commissioners "were remarkably homogeneous."

Add NCTA sessions at June 17-21 convention in Washington's Shoreham Hotel: (1) Panel on "Progress & Prospects in Broadcaster Relations" June 19 a.m.; Jerome (Tad) Reeves, KDKA-TV Pittsburgh gen. mgr., June 20 luncheon speaker. (2) Panel on "Educational TV—An Overview" June 19 p.m., with Dr. Keith Engar, FCC; William Harley, NAEB pres.; David C. Stewart, NET Washington dir.; Dr. John Guy Fowlkes, U. of Wis. Senate Finance Committee Chmn. Byrd (D-Va.) will address June 19 session.

ASCAP-industry negotiators meet June 11, at their request, with N.Y. Federal District Court Judge Ryan in what TV industry committee chmn. Hamilton Shea described as "a key conference." He said meeting in judge's chambers was sought to "explore new avenues of approach" toward agreement on music-license fees (Vol. 2:13 p4).

AM engineering standards are tightening, according to FCC pulse-feelers. They point to Commission's denial last week of daytime-to-fulltime switch sought by WLOU Louisville, saying application might well have been granted under previous policy.

New FCC staff Review Board (Vol. 2:22 p6) is effective Aug. 1, Commission announced last week as it adopted changes in its rules, outlining duties and procedures of Board.

### Obituary

Edgar Kobak, 67, distinguished broadcast pioneer, died of cerebral hemorrhage in Atlantic City June 3. He began career as engineer with Georgia Railway & Electric Co., switched soon to McGraw-Hill where he served in various executive positions for 18 years. In 1934, he was named NBC sales vp, left in 1936 to become vp of Lord & Thomas ad agency. In 1940, he rejoined NBC as vp in charge of Blue Network, advanced to exec. vp in 1942. He was elected pres. of MBS in 1944, served until 1949 when he established own agency. At time of death, he was pres. of Advertising Research Foundation. He had served with great number of industry groups and charitable organizations. Surviving are his widow & 2 sons.

Educational-commercial committee formed by NAB & JCEB started these new projects at first meeting last week: (1) Determine standards for amounts underwriters can contribute to ETV without slipping into commercial sponsorship. (2) Survey present commercial station assistance to ETV. NET network affairs vp James Robertson & WTVJ Miami exec. vp Lee Ruwitch will handle project. (3) NAEB Pres. William Harley and radio KMOX St. Louis vp & gen. mgr. Robert Hyland will head group studying methods of gathering more professional personnel for broadcasting. Full committee is headed by co-chmn. Robertson and Westinghouse Bcstg. exec. vp Rolland V. Tooke.

Grant of Ch. 6 Miami to Coral TV Corp. has been approved by FCC Chief Examiner Cunningham, following agreement wherein Coral will reimburse competitor South Fla. Amusement Co. \$65,000 for expenses and give its Pres. Sherwin Grossman option to buy minority interest. Last year, FCC had been ready to give CP to South Fla. but reopened record when Coral charged that Grossman had faked letters sent to Commission (Vol. 1:15 p1). In last week's action, Cunningham said Grossman's acquisition of interest in Coral will depend on resolution of faked-letters charges.

"Equal time" for telecasters with CATV problems has been granted by FCC. Commission will confer with station group June 21. It met with NCTA representatives recently (Vol. 2:22 p5). One unusual conflict expected to come up: KLTV Tyler, Tex. and TV Cable Service Inc. (G. H. Flinn) agreed that latter wouldn't duplicate KLTV's programs by carrying out-of-town signals. In case of color, it was agreed CATV wouldn't duplicate if KLTV's technical quality were adequate—but the two can't agree on quality of signal.

ETV for all N.J. could be provided by 4 high-powered uhfs, according to N. J. ETV Corp. Group plans stations at Glen Ridge, Rutgers U., Glassboro, Atlantic City, plus 4 translators to fill in northwest. Glen Ridge station is due on air this year at estimated cost of \$750,000; other 3 are expected to cost \$500,000 each, translators total of \$24,000. Stations will be linked via microwave.

Award-winning TV research plans in TvB competition are outlined in publication: *Tomorrow's Communications Research*. Booklet gives description of the 18 winning plans, background on competition. Available without cost from TvB, 1 Rockefeller Plaza, N.Y. 20.

Unusual TV production firm, Charter Producers Corp., has been formed by ex-Revlon advertising vp Ted Bergmann. Firm will consist of producers working individually on own TV projects, with joint "brain sessions" to develop programs.

New promotional FM newsletter, *FM Report*, will be published for National Assn. of FM Broadcasters by *FM Listener's Guide*, 145 E. 52nd St., N. Y.

WTVD Durham-Raleigh affiliates with NBC-TV, will also continue with CBS-TV. WRAL-TV has ABC-TV.

### NEW AM-FM RADIO DIRECTORY

Due off presses shortly, *Television Digest's* authoritative annual directory—listing all U.S. & other North American stations & applications by state & city, frequency, call letters—goes to full TV-AM-FM subscribers. Extra copies, to all subscribers: \$7.50.

# Consumer Electronics . . . .

MANUFACTURING. DISTRIBUTION. FINANCE

**COLOR IN TRANSITION—LINES SHORT & LATE:** With exception of RCA & Zenith, set makers' color lines for fall continue to be short—and, like last year, some are due for late introduction.

There's still air of wait-&-see caution, as 2 riddles are pondered at various industry levels: (1) Since RCA's 90-degree picture tube is due early next year, what will happen—and what should be done—in meantime? (2) Is it time to think of becoming less dependent on RCA and going into independent manufacture of color?

Most extreme reaction came from Motorola, which regards RCA's announcement of 90-degree short picture tube as sort of personal victory. At distributor meeting, exec. vp Edward R. Taylor made surprise announcement that Motorola had reversed itself and decided not to go into color this year because "the 70-degree tube will be of short duration."

Motorola even showed 70-degree consolette which it had planned to build—and then shelved. Said Taylor: "The outlook for color is good and sales should rise from last year's 175-180,000 sets to about 300,000 this year. . . . But we will not get into color until we have something different and worth talking about." As to the 23-in. rectangular 90-degree color tube being developed jointly with National Video, Taylor said: "We think we have it licked and that we will have it in a year."

Zenith went in opposite direction, broadening color line from 9 to 15 basic models, now including consolette at low end and stereo theater at high end, listing from \$549.95 to \$1,750 vs. 1962 line's \$695-\$1,050. Zenith continues to add its own special features to color line—this year including new amplifier tube & new peaking circuits.

In other introductions last week, Sylvania brought out 3 color sets—at \$695, \$725 & \$775—compared with previous single set at \$825. Olympic retained its \$695 console, added 3 more at \$749.95, for total of 4 models—vs. 3 in former line, dropping \$675 console & \$995 stereo combo.

Among companies which won't show color lines till later are Admiral, Packard Bell & Philco.

Here's status of manufacturers currently putting together own color sets: RCA, Zenith, GE, Warwick (Sears Silvertone), Packard Bell. Admiral distributors were told at last week's meeting that it would begin its own color set production this fall. In addition to Admiral, these manufacturers have announced they will make their own sets either this fall or next year: Olympic, Sylvania—and, of course, Motorola.

Meanwhile, Paramount Pictures is going to take another try at color-tube market with new 3-gun version of its Chromatron (Lawrence) tube. Pres. Barney Balaban told stockholders meeting last week that new tube currently has brightness of 200 foot-lamberts and has potential of 400 foot-lamberts, several times brighter than black-&-white tube. He said it has advantage of greater ease of manufacture than previous versions and that Paramount hoped to be ready to discuss manufacturing arrangements in September either with a U.S. tube maker or with Sony of Japan, with which Paramount has licensing & engineering agreement on tube.

**NEW LINES—PRICES DOWN, STYLING UP:** Five more new lines—or portions thereof—were premiered last week. In varying degrees, prices start lower than last year in TV & stereo. Styling gets another boost, with more hardwood & veneers, more tambour doors, more unusual configurations. In 19-in. TV, 2 more manufacturers—Olympic & Sylvania—brought leader models down to \$139.95. But there was no rush to cut 23-in. table models to \$169 range—and, except for Motorola, \$179.95 seems to be bottom so far.

In stereo field, 2 more redesigned tone arms showed up—from Zenith & Philco—both with feature claimed to make it impossible to scratch records. Most stereo consoles have built-in FM stereo. Here are highlights of last week's new lines, in alphabetical order.

**Olympic:** Marking its serious entry as competitive factor in 19-in. business, Olympic showed longest line in its history, with 5 basic portables, 5 table models, 7 consoles, 26 TV-radio-phono combos. Leader 19-in. portable at \$139.95 is U.S.-made. First set shown drawing on Olympic's pact with Nippon Columbia (Vol. 2:18 p9) is 19-in. Japanese-made table model at \$149.95. Consoles run about \$10-\$20 below last year, with new 27-in. at \$329.95, a full \$120 below last year's only 27-in. set. Hardwood models begin \$299 vs. \$359 last year. TV combinations run \$299.95-\$800 vs. last year's \$329.95-\$640, with stereo FM in all from \$399.95 up.

**Packard Bell:** Surprisingly short TV line again features conversion to wireless remote control in all but portable models. Prices begin with 19-in. portable at \$148.88 (down \$11 from last year's leader). All other sets appear to be \$10-\$30 below year-ago prices for comparable sets. Line has 4 sets with single tambour doors (vs. 2 last year). Two teacart 23-in. TVs are featured, with antenna built into cart, as well as teacart-antenna accessory for 19-in. portables. No TV combinations were shown.

**Philco:** Biggest styling changes of year—to date, that is—came from the new Philco. And it's only beginning, according to vp-gen. mgr. Larry Hyde, who said "a great deal more retooling will be apparent in the lines we will be showing later this year & in 1963."

Philco TV lines feature extensive use of doors of "curtainwood paneling," new flexible type of wood veneer. Cheapest door model is \$299.95 console. Combination line has 2 "hutch" models—one with stereo on top of TV, another in which table model TV is set on top of stereo.

First portable with list price is \$159.95, but there's leader which is unpriced—and presumably can be sold as low as \$139.95 in some areas. Highly successful Town & Country portable now has stripped-down version at \$189.95, although \$200 model is kept in line. Unique 19-in. Townhouse table model, at \$199.95-\$219.95 adopts new, modern configuration, with some Predicta influence but far more conservative. Consoles begin at \$199.95 (vs. \$239.95 last year).

Stereo line premieres new "Scratch-Guard" tone arm, in which needle retracts to prevent accidental record scratch. High end of portable phono line is \$169.95 unit, with drop-down changer, which can be mounted on wall. All stereo consoles (which begin at \$149.95) have genuine veneer & solid cabinets. Stereo consoles at \$219.95 & up have FM-stereo radio.

Philco also showed table & clock radio lines—and, at same time, reduced its 6-transistor pocket set to competitive \$14.95. Radio prices were somewhat lower than year-ago levels. Top of line is German-made 9-transistor AM-FM-SW 4-band set at \$149.95.

**Sylvania:** There are some surprises in this line. TV prices are sharply lower, starting with 19-in. table model at \$139.95. Sylvania's 19-in. portables range from \$149.95 to \$169.95. Company obviously intends to make hay out of HaloLight, is offering it as optional (\$20 extra) on all consoles. Consoles now start at \$229.95 (vs. \$269.95 last year), and only combo in line is \$549.95 (last year's combos were \$599.95 & \$699.95).

Stereo phono consoles start at \$139.95, and all sets from \$199.95 up have FM stereo. Portable phonos are \$49.95-\$129.95. Radio line has new AM-FM table model at \$49.95 and two 8-transistor cordless table sets at \$29.95.

**Zenith:** Black-&-white TV line has 42 basic models—exactly same number as last year—with 18 remote-control sets. Portables start at \$149.95. Trend in this line, as in others, seems to be toward more deluxe styling and lower starting prices for table models, consoles & combinations.

In stereo, Zenith announced new tone arm with only 2 grams pressure, with "free-floating" ceramic cartridge which prevents accidental record scratching. Tone arm & cartridge were developed jointly with CBS Labs, and are standard equipment in 23 of the 30 sets in Zenith's stereo line. Stereo prices range from portable at \$79.95 to top console at \$850.

For summary of color-TV lines, see story on p.7.

"Home music distribution system" to pipe radio or phono to any room via regular house wiring will be announced soon by GE. Available as optional extra on 3 top stereo consoles (starting at \$259.95), system uses FM transmitter in phono console, receiver-amplifier system in speaker unit. Any number of remote speakers can be fed from single transmitter. Transmitter and 8-in. speaker will retail at about \$90, additional speakers at \$69. Each speaker is in cabinet with amplifier and on-off, volume and tone controls. Unit provides monophonic sound from either stereo or mono source.

Although at least 2 manufacturers will introduce 16-in. TV sets this year, Motorola probably won't go along. Exec. vp Edward R. Taylor told distributors last week: "We passed up the 16-in. picture tube because there is no cost advantage over the 19-in. The only advantage is one of size and we do not feel the consumer will pay for it. But if the 16-in. receivers go, then it won't take us long to get into it."

**FTC RAPS GE ON CO-OP ADS:** "A difference of legal opinion," is the way GE explains accusations by FTC last week that GE co-op ad plan illegally restrains retail price competition among competing appliance dealers. W. H. Pickett, counsel for GE Housewares Div., said details of ad plan, introduced in 1959, "were promptly and fully explained to counsel for the Commission over 3 years ago. It has remained substantially the same since that date and currently applies only to some consumer product lines of the Housewares and Commercial Equipment Division." TV sets are not involved because GE has had no co-op ad plan for TVs for some years.

Ad plan attacked by FTC as "unfair, oppressive and to the prejudice and injury of the ultimate consumer" drew ire on 3 counts: (1) Retailers receive ad payments on condition that they don't cut minimum resale prices established by GE. (2) They lose allowances if they compare sale price with higher prior price. (3) All co-op ads must be submitted in advance to GE distributor for approval. FTC charged that these conditions have "a dangerous tendency to unduly hinder competition," because ad allowances under plan were denied dealers who wouldn't abide by conditions. It seeks cease-&-desist order to prohibit GE from favoring one appliance dealer over another.

GE has 30 days to prepare formal answer, denied plan violates Section 2(D) of Robinson-Patman Act. Pickett emphasized that co-op plan "in no way restricts the manner in which a retailer may advertise products made by the company whenever he uses his own money to do so. . . . Neither does it in any way attempt to establish prices at which the retailer sells such products. It merely provides that the company will not contribute its cooperative advertising funds to assist any retailer in advertising which uses comparative prices—a type of advertising which FTC recognizes can often be deceptive—or prices which are below a minimum believed by the company to be reasonable." GE noted FTC's 3-year delay in taking action against plan, said this "would seem to indicate that the Commission itself has serious doubts on the matter."

GE contends plan "applies uniformly and without discrimination to all retailers of company products covered by the plan," said it disagrees with FTC's apparent position "that a manufacturer cannot in this or similar ways prescribe advertising standards which the manufacturer is willing to support with its own cooperative ad funds."

**TV DISCOUNTERS INCREASING MARKET SHARE:** Although discounting is as old as brown goods, heftier cuts applied by so-called mass merchandisers are moving an ever-increasing volume of TVs at lower-than-ever margins—and pushing many a small dealer closer to the wall in scramble to remain competitive. Our discussions last week with TV manufacturers, distributors and discounters developed these points:

(1) Estimates of discounters' share of TV market range up to 40%. Sidney A. Cooper, pres. of Silo Discount Centers, Philadelphia-based chain that extends into Delaware & N.J., told us discounters' share of TV sales in metropolitan areas is "far in excess of 40%."

(2) Fatalities among independent TV dealers were up alarmingly last year. However, so far this year fatality rate is showing signs of slowing down, we were told by Jules Steinberg, exec. vp of National Appliance & Radio-TV Dealers Assn.

(3) At least one major TV maker is exploring private label possibilities with several national discount chains. Silo's Cooper, incidentally, sees "no future in private labeling in discount industry." The future of "this discount business," he said, "is the forceful selling of name-brand merchandise—otherwise you lose

your identity." Silo sells RCA, Philco, Admiral, Zenith, among others, has just concluded deal to become exclusive U.S. distributor of radio & hi-fi line of West Germany's Wega Radio Co.

(4) Discounters have shown almost no interest in Japanese TV, despite price advantage, because of absence of quality brand names.

(5) TV makers whose products move in quantity via discounters foresee discounters increasing share of TV market.

Who is a discounter? In an industry where price cutting is traditional, separation of mass merchandiser from price cutter is matter of definition. No one knows how many of nation's 65,000 TV-selling outlets retail at list, but consensus is very few. Motorola Consumer Products Inc. Pres. Edward R. Taylor told us: "98% of TV dealers are discounters. However, only 20% operate under the handle of 'discounter.'" We asked a discounter, who's a discounter? Silo's Cooper separates mass merchandiser from price cutter this way: mass merchandiser works on 15-20% margin. NARDA concurs. "We classify as a mass merchandiser one who works between 18-20%," Steinberg told us, adding: "It's our opinion that you can't operate profitably at this margin, but the better heeled you are the longer it takes to get the message. We are countering the impact of mass merchandisers by educating our dealers to provide the services that will enable them to operate at 25-30%. Mass merchandisers can't provide trade-in, extended warranties, maintenance and other services at 18-20% margin."

Several TV makers we spoke with disclaimed interest or participation in discount activity because they sell via distributors. RCA, Philco & GE told us, for example, that they neither encourage nor discourage distributors in selling discounters, that latter set own franchising policies. RCA Sales Corp. merchandising vp Raymond Saxon, incidentally, is one TV executive who believes discounters' market share is smaller than generally believed. In his opinion it may extend to "up to 15%." Philco noted difficulty of defining a discounter, pointed out that "many department stores advertise the fact that they won't be undersold."

Motorola & Admiral do sell to discounters via distributors, and candidly recognize mass merchandisers as growing segment of business. Motorola's Taylor told us "we encourage our distributors to sell to discounters. Mass merchandisers account now for about 20% of the TV business, and we foresee this percentage increasing." Admiral told us: "Let's face it. Today you can't do without the discount business. We've always done business with discounters. We estimate that 30-40% of the market is now sold by discounters, and the percentage will increase. Today, practically everybody is a discounter, and consumers have come to expect brown goods to be discount products. Our prices are not fair traded, so we have no control on retail prices."

Case for anti-discounters is championed by Magnavox. "Our products never appear in discount stores. If they did, we would immediately take steps to see how & why. Perhaps 35% of all TV sales today are made via discounters, and this percentage undoubtedly will increase. However, despite this, we don't foresee Magnavox in discount stores because of the service we give. Our 12-month labor & parts warranty, for example, is something that discounters can't match, and we think that more and more people are turning from strictly price to service & quality. We're not being affected by discounters, and we can continue to ignore this growing discount market. In these past few years, when discounters, have been making impressive inroads, our sales volume has leap-frogged—from \$90 million in 1959 to \$125 million in 1960 to \$140 million in 1961."

Similar sentiments were echoed by Olympic consumer products sales vp Morton M. Schwartz, who told us: "Our TV sets are not the kind of merchandise you can put in a shopping cart and wheel out of the store. Our TV sets have to be sold, and we don't encourage our distributors to seek out the discount business. We don't think it is an important market for us, except where the discounter also happens to be a good selling organization, as in the case of Silo Discount Centers in Philadelphia. You won't find Olympic a factor in the discount business."

Emerson Pres. Benjamin Abrams pointed out that his Emerson line is sold via distributors who make their own decisions about dealers. Du Mont line, however, is sold direct, and "we don't sell to discounters." Abrams estimated that "90% of our products are sold outside of discount stores." He also believes that the great majority of all dealers sell at list. "Price cutting is mainly in the major markets," he told us. "I estimate that at least 80% of TV dealers across the country sell at list. I estimate that discounters account for 20% of the market—and I don't see this percentage increasing. In fact, I see it slipping back. More & more people are turning to their neighborhood retailers and department stores for the services you can't get in discount houses."

Muntz TV vp Jack Simberg told us his firm is talking private label business. "This discounting business is becoming quite a factor," he said, "and we are now talking to some discount chains on a national level about making sets under private label. We would not be interested in their handling our sets under the Muntz brand. That would destroy our price structure and hurt our exclusive dealers." He pointed out that it's not easy to interest discounters in their own-label sets. "They want national brands and the merchandising benefit of cutting prices on these brands." He's not overly impressed with discounters' TV volume. "We have the feeling that discount stores are not increasing their TV volume to a point where we at Muntz have to rush out and make a deal with them. In fact, some chains we've talked with don't seem to have the TV tonnage you would expect in view of their over-all volume."

For view from firing line, we spoke also with Zenith's Philadelphia-area distributor, Pierce-Phelps. Sales mgr. R. C. Woltemate told us "we sell direct to discount stores in the Philadelphia area, including Korvette & Silo." The reason is basic: "We have to have our merchandise in outlets where merchandise is sold in volume." Woltemate told us Pierce-Phelps sells its TVs on a "fair-traded minimum resale price, and we shop regularly to see that this is not violated." This practice has been in effect for about a year, and came about "because things got so bad that dealers were working as low as 10% on a TV console." He added: "We have had many repercussions from dealers because we sell to discounters, but this has died down since we instituted the minimum resale price policy. This policy doesn't permit the margin of profit we believe a dealer should have, but it does at least enable him to make a living." He said that if 20% is margin that separates mass merchandising discounters from traditional price cutters, then "practically every dealer in Philadelphia is a discounter."

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended June 1 (22nd week of 1962):

	May 26-June 1	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	107,335	109,361	86,746	2,788,408	2,274,758
Total radio .....	289,390	332,149	281,120	7,800,635	6,193,294
auto radio .....	94,391	125,798	108,842	2,737,234	1,967,993

#### **Trade Personals**

Ted A. Flynn appointed Packard Bell Sales Corp. sales vp. . . Charles A. Black named assistant to Ampex's pres.

Don G. Mitchell, ex-GT&E vice chmn. (Vol. 2:18 p11), elected a Cerro Corp. dir.

Carl A. Pollock, Dominion Electrohome pres., elected president of Canadian Mfrs. Assn.

Frank Freimann, Magnavox pres., awarded honorary Doctor of Engineering degree by U. of Notre Dame for "contributions made to everyday life through new designs & applications of electronic engineering."

John G. Brooks elected chmn. & chief executive officer of newly merged Lear-Siegler Inc.; Albert G. Handschmacher elected pres.

Ed Whittaker, Canadian Admiral Corp. vp, appointed EIA of Canada receiver div. sales & merchandising committee chmn.

Earl L. Hadley, ex-Westinghouse and Bendix Radio-TV Div., joins Marketing-Sales Plans Co., N.Y.

Gordon G. Wilbur elected pres. of Dresser Industries' Ideco subsidiary, succeeding George W. Walton, retired.

Murray G. Wachsman appointed vp-gen. mgr. of Allied Radio's manufacturing subsidiary, Knight Electronics.

Dwight L. Umstead named western regional sales mgr., Allen B. Du Mont Labs' Electronic Tube Div.

Harvey Miller appointed mktg. mgr., General Instrument Rectifier Div.; Edgar Pollacek named selenium rectifiers sales mgr., John Tucker silicon rectifiers sales mgr.

#### **Obituary**

Harry A. Ehle, 53, retired exec. vp of International Resistance Co. and prominent parts industry leader, died recently at his home in the Virgin Islands. He served on EIA's board from 1952 to 1958, was president of Parts Show in 1953-54 and was consultant to govt. Electronic Production Board. He retired from IRC in 1958 after 27 years with company. Surviving are his wife & 4 children.

Albert W. Franklin Sr., 70, inventor with 40 patents on radio devices, died June 1 in New York's Harkness Pavilion after brief illness. Franklin was a pioneer in development of stamped circuits for radio sets and push-button controls. He also was founder of A. W. Franklin Corp., Long Island City manufacturer of radio parts.

RCA's 1962 ad support for TV-radio-phonos will be 40% above 1961—including 30% rise in factory-controlled advertising—RCA Sales Corp. ad & sales promotion vp Jack M. Williams announced last week. He said RCA Victor distributors will expand use of local newspapers, while factory will increase magazine schedule. Half-sponsorship of Walt Disney show on NBC-TV will be continued. Theme of pitch for color TV will be "8 Years Proved Performance"; b&w TV will be geared to "New Vista" campaign; stereo consoles to FM stereo & beautiful furniture, radio to "precision styling & sound."

Sylvania will raise prices 8% on all military & industrial cathode-ray tubes July 1—picture tubes excluded.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Share Common	Common Shares
Allied Artists	1962—39 wks. to Mar. 31	\$ 9,585,000	—	\$(1,196,000)	—	911,278
	1961—39 wks. to Mar. 31	10,498,489	—	414,105	\$0.42	899,723
Collins Radio	1962—9 mo. to Apr. 30	144,607,275	—	1,428,981	.64	2,230,062
	1961—9 mo. to Apr. 30	164,145,046	—	2,700,117	1.22	2,210,176
	1962—qtr. to Apr. 30	50,802,121	—	778,679	.35	2,230,062
	1961—qtr. to Apr. 30	51,716,972	—	97,895	.04	2,210,176
Emertron	1962—26 wks. to May 5	—	\$ 673,719	323,719	.14	2,316,044
	1961—26 wks. to Apr. 29	—	—	(124,260)	—	2,316,044
Hewlett-Packard	1962—6 mo. to Apr. 30	51,969,000	—	3,004,000	.28 <sup>1</sup>	10,708,911
	1961—6 mo. to Apr. 30	41,818,000	—	2,709,000	.26 <sup>1</sup>	10,627,978
Industrial Electronic Hardware	1962—year to Mar. 31	4,802,361	336,081	147,456	.22	670,799
	1961—year to Mar. 31	4,541,895	304,725	138,031	.22	641,807
Miratel Electronics	1962—year to Feb. 28	958,693	—	42,092	.10	399,620
	1961—year to Feb. 28	515,826	—	25,052	.06	399,620
National Co.	1962—4 mo. to Apr. 30	3,104,000	—	62,400	.07	802,779
	1961 <sup>2</sup>	—	—	—	—	—
TV Shares Management	1962—6 mo. to Apr. 30	1,366,648	748,097	367,258	.36	1,018,500
	1961—6 mo. to Apr. 30	1,475,072	769,646	383,658	.38	1,018,500

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> Comparison not available.

**SYLVANIA TO SELL DIRECT:** While keeping its independent distribution system, Sylvania Home Electronics will gradually close its factory branches and substitute direct-to-dealer selling in those areas. These are N.Y., Chicago, Philadelphia, San Francisco, Syracuse & Tampa-Jacksonville.

Direct sales will be handled on franchised-dealer basis through special distribution centers in various areas throughout country. The company emphasizes that present independent distributors will not be affected. New distribution plan is one of first changes in marketing setup under new Sylvania Home Electronics Corp. Pres. Robert J. Theis.

**Components Up 6% In 1961:** Shipments of components, including tubes & semiconductors, totaled about \$3.6 billion in 1961, nearly 6% higher than 1960, Commerce Dept.'s Business & Defense Services Administration reports. Semiconductor shipments increased 4% to \$565 million; capacitors were up 18% to more than \$300 million. Picture tube shipments amounted to \$249 million; total tube output \$860 million, about same as year earlier. Unfilled orders for components at year's end were about 11 weeks' production, 8% higher than at end of 1960.

Armed Forces Communications & Electronics Assn. convention in Washington's Sheraton-Park Hotel June 12-14 includes: June 12—Panel "Modern Trends in Data Communications"; keynote speech, Dr. Harold Brown, Defense Dept. Dir. of Defense Research & Engineering. June 13—Panel "Command & Control for Survival"; panel "Telestar Satellite"; banquet speech, Dr. Irvin Stewart, Dir., Telecommunications Management, OEP. June 14—Panel "Getting More for the Defense Dollar"; luncheon speech, Rep. George P. Miller (D-Cal.), Chmn., Science & Astronautics Committee.

**Magnavox Sees 40% Profit Gain:** Magnavox's 1962 earnings are expected to be "at least" 40% ahead of the 1961 rate and increase per-share earnings to "more" than \$1.80 from \$1.26, Pres. Frank Freimann reported. He said current projections place 1962 sales "substantially above" \$200 million, compared with 1961's \$140.8-million volume.

May sales rose 75% from a year earlier to about \$15 million, Freimann said, pushing total sales for 1962's first 5 months to \$70 million—up sharply from \$48 million in Jan.-May 1961. He said sales for first half would be up "more" than 50% from 1961's first half, with profits "showing at least a proportionate gain." In 1961's first half, Magnavox earned \$2.5 million (36¢ a share) on \$61.8-million sales. Military & industrial electronic products have been principal factors in 1962's sales improvement, but sales of consumer products also are up "substantially."

Freimann also noted that Magnavox's directors are expected to give "serious consideration" at mid-July meeting to increasing present dividend rate from 12½¢ quarterly. "Obviously, I can't speak for the board," he said, "but since profit has increased substantially, it's pretty difficult to justify the rather small annual dividend."

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Axe Science & Elec.	—	\$0.12	June 22	June 1
Bendix	Q	.60	June 30	June 9
Corning Glass	Q	.37½	June 29	June 18
Decca Records	Q	.30	June 29	June 18
MPO Videotronics-A	Q	.10	July 16	June 29
MPO Videotronics-B	Q	.001	July 16	June 29
Newark				
Electronics-A	Q	.06¼	June 29	June 15
Universal Pictures	Q	.25	June 28	June 16

# WEEKLY **Television Digest**

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

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**LEE STILL SOLD ON LOCAL HEARINGS**, commends Chicago stations for ascertaining needs but finds controversy over coverage of religious groups, racial & social problems, local talent (p. 1).

**COLLINS BLASTS 'CENSORSHIP SCAPEGOAT'**, asserts irresponsible broadcasters are selling industry "myth" of govt. intervention to hide shortcomings (p. 2).

**NCTA CONVENTION—MORE STRENGTH, MORE SUBSTANCE** in evidence on eve of Washington convention. Rep. Harris, Sen. Byrd, head speaker list. Shafto joins operators' ranks (p. 2).

**ALL-CHANNEL BILL—ALMOST HOME**, passed by Senate, goes to House for amendment giving FCC performance control. Commission plans uhf-vhf noise & sensitivity ratio—not absolute figures (p. 3).

**CRAVEN SEES NO DIRECT TV SPACECASTING ON HORIZON**, citing costs, lack of frequencies, doubtful foreign interest (p. 3).

**PRODUCT PROTECTION (CONT.)**: Two large station groups comment on industry hassle triggered by Ted Bates agency. Gist: "We don't plan changes because we already give what agencies want." Problem continues to simmer (p. 4).

### **Consumer Electronics**

**MANUFACTURERS LIST PRICES ON WAY OUT?** National Better Business Bureau readies appeal to makers & retailers to follow lead of N.Y. BBB which has notified dealers in its areas to cease use of "list price" & suggested list price in ads (p. 7).

**HOME ELECTRONICS SHOWCASE** found in Music Show as industry endorses NAMM event almost unanimously. Entire N. Y. Trade Show Bldg. to be devoted to electronics at next week's event (p. 8).

**TV SALES LAGGED** behind '61 in May, preliminary reports indicate, reversing 4-month trend. TV & radio sales ahead of 1961 for April, but phonos showed 9% drop (p. 8).

**MORE NEW LINES**—Emerson prices steady, but some reductions are apparent in Du Mont line. Both lines feature added 27-in. sets. Telectro debuts furniture-styled recorders (p. 10).

**COLOR TV SALES** of 400,000 sets this year, 750,000 next year predicted by Siragusa. Sylvania displays \$5,000 home entertainment center with built-in slide projector. (Topics & Trends, (p. 11).

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**LEE STILL SOLD ON LOCAL HEARINGS:** Chicago-type hearings are good thing, FCC Comr. Robert E. Lee concludes in his 134-page report summarizing the controversial sessions over which he presided and heard more than 100 witnesses (Vol. 2:13 p3, et seq.). Herewith are key excerpts from his summary:

(1) "Chicago TV stations, in varying degree, do make a genuine, and, in general, reasonable & adequate effort to determine the needs & interests of the local residents in the area of local live programming."

(2) "In general, the civic & charitable organizations are happy with the treatment they receive, as are the educators, and local, state, and Federal Govt. organizations. The areas of controversy center, in the main, about the treatment accorded local religious groups, racial & social problems, and local talent."

(3) Regarding presentation of religious programs: "It is our view that any misunderstandings that heretofore existed were the result of inadequate communication between the parties." But Lee said he wouldn't comment on merits of complaints. Negroes' complaint of inadequate treatment of racial problems, he said, are also acknowledged without passing on merits. His job, he stressed, was not to "adjudicate."

(4) Re local talent: "The fact of life is that such talent, today, is generally resident in either New York or Hollywood. . . . Nonetheless, this is not a complete excuse for a failure to provide some reasonable local live program medium to develop local talent."

Lee summarized his view of such hearings in general: "On careful reflection, we are persuaded that this kind of hearing is constructive, necessary & desirable, and that the Commission should, on a limited basis, from time to time, engage in further such inquiries in typical test markets of different kinds, e.g., 2-station markets, intermixed uhf & vhf markets, non-network affiliate areas, etc."

Procedure can be improved, Lee said, by providing more time between announcement of hearing and its start; by asking public witnesses to submit statements in advance so that "provocative or controversial" representatives can be selected, others simply supplying exhibits; by having broadcasters take stand immediately after public witnesses.

Problem of local-live programming, Lee said, is clear in network-owned stations, probably is same for other multiple owners or "even a single station owned by a corporation with non-resident top management." This is matter of "local autonomy" of resident manager.

"Even in circumstances where he theoretically has authority to pass up network programs in favor of local programming, it seems clear that he seeks advice & guidance, if not clearance, from the N.Y. headquarters. Whether he seeks an OK from N.Y. either because he has to, or because he wants reassurance on a voluntary proposal, it is equally clear that N.Y. management, as often as not, turns down local programming in favor of its network programs. The joinder, in one organization, of network program production & sales, and owned & operated stations, with their conflicting interest & desires resolved by a top level management echelon, it seems, raises a basic conflict in interest problem." Carrying networks programs by o-&o's, Lee said, means more profit to stations & networks, helps keep sponsors sold, gives good example to affiliates. He suggested "further thought and resolution" of problem by FCC.

**COLLINS BLASTS 'CENSORSHIP SCAPEGOAT':** Irresponsible broadcasters who hide behind cries of "censorship," blame govt. for all industry ills, again were targets of NAB Pres. Collins.

Speaking before N.C. Assn. of Bcstrs. in Charlotte last week, he unleashed some of his strongest language to date. "A few broadcasters have sold a lot of broadcasters a myth," he said, which "profits those who peddle it by diverting attention away from their own shortcomings or selfish motives."

Collins asserted that there's always possibility of "unwarranted govt. intervention;" that he & NAB resist such efforts by "every honorable means"; that "NAB has never been more respected."

"By swallowing the myth," he said, "that all their troubles stem from a meddling govt, and everything wrong would go away if the govt. would, the responsible broadcaster plays right into the hands of his irresponsible competitor.

"And when the apologists for the irresponsible broadcaster becomes the loudest of the scapegoaters, and keep up a drumfire of opposition to any and all govt. expressions of concern, or send down thunderbolts of pious incantations in the name of freedom of broadcasting, the vicious circle is only accelerated and freedom further endangered."

Foregoing is good sample. Collins was back on a favorite theme.

**NCTA CONVENTION—MORE STRENGTH, MORE SUBSTANCE:** It's been intriguing to observe & report development of community antenna industry since its inception in about 1948—but it's particularly interesting to observe what has happened in last year or so, as National Community TV Assn. starts 11th annual convention in Washington's Shoreham Hotel today.

To much of TV industry, CATV was long considered a vague backwoods sort of deal—serving a few remote hamlets here & there during TV's long 1948-52 freeze when few new stations were built.

As systems gained strength, bringing more & more signals to larger & larger communities, and TV stations began moving into smaller & smaller communities—some conflicts developed. Stations sought protection from govt. CATV fought federal regulation—in fact beat it by one vote in Senate. Then, CATV sought to resolve conflicts at local level, to keep govt. out of it. To large extent, they've succeeded—but specter of govt. regulation remains. FCC continues to seek certain controls, asserting that CATV can sap economic strength of stations, jeopardizing outlets of local expression.

But look at industry now. NCTA's dynamic Pres. William Dalton puts it thus:

"The industry has put its house in order. There's no need for 'protection' through legislation. There will be a significant number of prominent telecasters at the convention, not only welcoming our systems which broaden their service but actually entering ownership & operation of systems.

"I think the speakers we have indicate the growing stature of the industry—Rep. Harris, Sen. Byrd, Tad Reeves of KDKA-TV, a panel of distinguished educators.

"I think there is real meaning in the theme of the convention—'Challenge of Change—The Decade Ahead.' I believe there will be tremendous changes, more noticeable than in any other industry."

Latest substantial telecaster to enter CATV is G. Richard Shafto, exec. vp of WIS-TV Columbia, S.C. & WSFA-TV Montgomery, Ala. One of telecasting's most respected pioneers, he heads Trehan Co., holder of CATV franchise in Myrtle Beach, Conway & Georgetown, S.C.

**ALL-CHANNEL BILL—ALMOST HOME:** All-channel-set bill is almost law, now that Senate has passed it. It awaits only House agreement with amendment giving FCC power to control quality of uhf tuner performance; no trouble is anticipated there. (Incidentally, newspapers have been calling amendment "minor," which it isn't, of course. It's almost guts of the law.)

As we indicated earlier (Vol. 2:20 p1), we have learned of FCC's intentions regarding uhf quality-control. Commission has no plan to try to dictate absolute tuner performance figures—on noise & sensitivity. Rather, it plans to establish ratio between vhf & uhf performance in same set. Thus, manufacturer couldn't put good vhf tuner & poor uhf tuner in same receiver—but he could produce set with poor performance on both bands. Commission considers this fair approach, also effective—because set makers must be competitive in vhf receptivity.

Commission will have to go through rule-making procedures, as outlined earlier (Vol. 2:21 p2), and it's expected that manufacturers won't be required to shift over to all-channel production for couple years.

Senate floor discussion didn't add much. Sen. Pastore (D-R.I.) repeated hopes for the bill; Sen. Cotton (R-N.H.) again said he feared precedent of federal control of products unconnected with safety, health or morals, was joined by Sen. Hruska (R-Neb.). Pastore argued that bill will help education, protect a natural resource. Sen. Dirksen (R-Ill.) submitted amendment to prohibit deintermixture, but withdrew it, accepting Pastore's assurance he could rely on FCC's word that it wouldn't demix without informing Congress of plans.

Anticipating new law (and showing nice timing), Texas Instruments announced development of transistorized uhf tuner design with 7-9 db noise figure over whole 470-890-mc band—with conversion gain of 3 db at 470 mc, ranging to 8-9 db at 890 mc. TI doesn't plan to make tuners, offers design data to all comers.

FCC's N.Y. uhf project chief Arnold Skrivseth told us he hadn't heard of TI tuner, said: "Sounds like a worthwhile development. But we have to know about costs and manufacturing difficulties. That's the trouble with the German tuners, for example. They're good, but manufacturers don't think they can make them by machine."

**CRAVEN SEES NO DIRECT TV SPACECASTING ON HORIZON:** Telecasts direct from satellites to homes will be long time in coming, if ever, FCC Comr. Craven predicted in speech to U. of Washington School of Communications last week. In fact, it's not really necessary, he opined, because there are much cheaper methods of worldwide telecasting. Thus, he agrees with most engineering judgments (Vol. 2:19 p3).

Craven stressed that he wasn't referring to space telecasts relayed by ground stations, only to direct satellite-home transmissions. Among drawbacks to latter: (1) Lack of frequencies (most space below 10,000-mc already allocated). (2) Prohibitive costs—satellite transmitters would require estimated 15 to 1,000-kw power; cost of system could run over \$1 billion. (3) Inadequate vehicles—U.S. doesn't have booster capable of putting even 15-kw transmitter in required orbit. (4) Doubtful foreign interest—Olympic games occur every 4 years, British coronations average "0.098 per year," Presidential elections come every 4 years. Aside from these, Craven pointed out, foreign viewers probably would prefer to watch delayed telecasts rather than live ones at inconvenient hours.

**PRODUCT PROTECTION PROBLEM (CONT.):** "Let's leave things as they are"—this seemed to be rallying cry of larger station groups last week who had so far avoided locking horns with Ted Bates and Benton & Bowles on simmering question of nighttime spot product protection (Vol. 2:24 p3).

Fence-straddling policy statement was made by Storer Bcstg. Co. TV vp Bill Michaels which seemed designed to make friends with everybody. Storer, said Michaels, planned "no immediate changes" but "will consider any reasonable qualification in area of product protection." Further, Storer "respects agency's right" to seek competitive spacings, but feels it's "the right of stations to accept or reject such conditions."

Problem had no "simple, chronological" answer, he concluded—although Storer tried to maintain a 15-min. separation (which was what Bates had asked for in first place). Storer statement was in form of letter to Ted Bates Sr. vp for Media Edward A. Grey.

Agreeing with Storer position that major station groups do adequate job of policing product separation was RKO General Dir. of Natl. Sales Don Quinn, who told us: "RKO General stations plan no change in present policy, largely because we feel we exceed the usual request for 15-min. separation. We've contacted all our TV managers, and they tell us the 15-min. policy is being observed. We acknowledge such protection in agency spot contracts, when asked. The whole thing is muscle-flexing on part of a few large agencies."

Another no-policy-change statement came late last week from ABC-TV National Station Sales, which reminded Ted Bates that ABC-owned stations long had policy of "15-min. separation from products competitive in the stations' judgment." Exceptions would continue to be made, ABC-TV said, with "announcements separated by programs of less than 15 minutes" and with announcements in dramatic shows or feature films which may appear within 15 minutes "due to plot construction or story development."

It wasn't really clear whether several other large TV station groups (notably Corinthian, Triangle, and CBS National Sales) had: (1) Decided finally to line up with Westinghouse Bcstg. Co. in refusing to guarantee nighttime product protection. (2) Decided to go along with the Bates-B&B demands for firm protection. (3) Decided to play it down the middle.

Major threat to stations in form of retribution from agencies was still economic. Bates originally let WBC know it planned to yank some \$2 million in spot TV from Westinghouse unless WBC was willing to meet Bates' demands. WBC said no, and Bates began cancelling several contracts. However, even threat of Bates is a bit diluted. WBC's TvAR last week delightedly pointed out that one Bates cancellation (American Home Products) was promptly bought by a less-fussy Bates client (Carter Products).

Standing on sidelines, apparently feeling argument may blow itself out, are leading TV industry trade organizations. TvB, for example, originally planned to comment publicly on situation, changed mind, now plans only to confer with groups like 4-A. Other trade groups in N.Y. last week declined direct statement.

## **CURRENT CAPSULES**

Customary raking over FCC & FTC by House Appropriations Subcommittee is disclosed in transcript of hearings released last week. In Feb. 22 session, FCC was busy defending deintermixture proposals, pleading for all-channel bill. On Jan. 26, FTC had hands full of irritated congressmen who complained about FTC's time spent on shaving, sandpaper and "puffery"—instead of deceptions affecting health. Subcommittee hasn't yet indicated how their budgets fared. If you've never read these give-&-takes, you—or students in the family—might get kick out of them. Ask your Congressman for transcript of hearings on "Independent Offices Appropriations for 1963." It includes many agencies, runs mere 3 volumes, several thousand pages—free.



Charges that TV exports tarnish U.S. image abroad were pooh-poohed by NBC Chmn. Robert W. Sarnoff last week. Speaking at luncheon of Philadelphia USO, which presented annual Liberty Bell Award to NBC's WRCV-TV & WRCV there, he cited USIA overseas survey showing U.S. programs more helpful than harmful in creating favorable attitude toward U.S. "Harsh, highly publicized" estimate of TV by Americans, rather than actual programs sent abroad, is actual cause of medium's injured reputation, Sarnoff declared.

Some big-league agreements to end legal conflicts are getting slow & careful study by Commission. Grant of Ch. 6 Miami to Coral TV Corp., instead of South Fla. Amusement Co. which had been scheduled for CP (Vol. 2:24 p6), was postponed by Commission pending further examination. Tortuous Indianapolis Ch. 13 case has a new twist. Crosley has been operating WLWI since 1957, but after much litigation FCC decided channel should go to original competitor WIBC. Last week, stations came to Commission with agreement whereby Crosley keeps WLWI but sells its WLWA Atlanta to WIBC principals for \$2,941,000, plus \$379,000 for land & buildings, plus \$100,000 for WIBC's litigation expenses. In Norfolk, where WAVY-TV (Ch. 10) has long been under attack by losing applicant Beachview Bcstg., combatants told Commission they've agreed to settle through WAVY-TV's payment of \$100,000 for Beachview's expenses.

Simultaneous pay-TV tests are favored by FCC, so speculation is that it will strive to avoid hearing on Denver experiment, despite theater groups' demand for one last week. It's expected Commission will dispose of conflict—rejecting or scheduling hearing—before August recess. One thing certain: FCC will avoid hearing if it possibly can. Denver Committee Opposed to Pay TV, comprising local exhibitors, filed 27-page petition insisting Teleglobe-Bartell plans for KTVR test are so fuzzy that Commission must deny outright or get more information in a hearing. Among exhibitors' claims: system is "radically different" from Zenith's; program plans are extremely vague; no technical field testing has been conducted; licensee will have scarcely any control of programming; basis for phone company rates isn't disclosed; costs & revenue figures are deficient, so financial qualifications of franchise-holder can't be weighed.

New TV code monitoring system will include analysis of station master logs in addition to taped off-air monitoring, NAB announced after Seattle Code Board meeting. Code Authority Dir. Robert D. Swezey said monitoring hasn't been wholly satisfactory because all stations aren't included, and hiring of outside firms to check on broadcasts regularly is too expensive. Code Board conceded that voluntary submission of logs will be burden for some stations, but declared: "Principle of self-regulation . . . must transcend considerations of personal inconvenience."

Transcontinent TV Corp., inadvertently omitted from report of first-quarter performance of broadcast entities (Vol. 2:24 p1), had sales of \$3,740,000, net income after taxes of \$395,684, during quarter ended March 31. This compares with \$3,809,000 & \$271,553 for the first 1961 quarter. The 1961 sales figures included revenues from WROC-TV-FM Rochester, sold later in year. Pres. David C. Moore said he also expects "favorable results" in 2nd quarter.

Possible solution to approaching shortage of ETV channels was demonstrated at Plainedge, N.Y. last week as Adler Electronics previewed 2,000-mc closed-circuit network of 8 schools (Vol. 2:21 p4). System uses 10-watt transmitter with bi-directional antenna, with converters to translate signal to vhf for schoolroom sets. FCC is readying rule-making to open up 2,000-mc band for ETV. For detailed description, write Adler, 1 Lefevre Lane, New Rochelle, N.Y.

Catch 'em while sneezing is national marketing mission of unique TV saturation campaign by Pharmacrast Labs to launch Allerest, new anti-allergy tablets. In 4-day period starting Aug. 11, Pharmacrast will sponsor no less than 3 hour-long specials on ABC-TV at total of more than \$500,000. Program purchase, which many advertisers would be content to spread over 52 weeks rather than 4 days, is timed to coincide with blooming of ragweed in U.S. and peak of hay fever season. Said Mauri Edwards, Pharmacrast mktg. vp: "By Wednesday, Aug. 15, we think our point will have been made." Specials include new one-man-show starring Shelley Berman, re-runs of "Invitation to Paris" and "The Bing Crosby Show." Sponsor also schedules participations in 12 regular ABC-TV shows.

FCC's consideration of multiple-ownership rules, due shortly (Vol. 2:23 p3), will weigh this idea among others: require owner with full complement of stations to sell one before he asks FCC to approve purchase of another. Currently, he can get FCC approval of a purchase contingent on sale of an outlet. If adopted, new practice would be similar to one regarding filing of applications for new stations. Commission won't accept application from licensee holding full bag of facilities; he must get rid of one station first.

Sales approved by FCC: KCKT (Ch. 2) Great Bend, Kan., KGLD (Ch. 11) Garden City, Kan. & KOMC (Ch. 8) McCook, Neb., from Central Kansas TV Corp. to KARD-TV Wichita, for \$1,037,500.

## Personals

Mortimer Weinbach, ABC vp & gen. counsel, named to NAB TV Board, replacing ABC Washington vp Alfred R. Beckman; Robert R. Pauley, ABC Radio pres., succeeds Weinbach on NAB Radio Board.

A. Frank Reel, Ziv-UA business affairs vp, N.Y., nominated Democratic candidate for U.S. Representative from N.Y.'s 25th district. . . . Jean Richter, Radio Liberty equipment control dept. mgr., elected AWRT N.Y. chapter pres.; Aileen Paul, outgoing pres., named to board.

Seymour Eaton named WJBK-TV Detroit gen. sales mgr. . . . William T. Wagner, ex-WJZ-TV Baltimore program mgr., named WKBW-TV Buffalo program dir. . . . Mark O. Gautier, Jr. promoted to KMTV Omaha news dir.

Zachary W. Land, gen. sales mgr., WHYN-TV-AM-FM Springfield, Mass., also named asst. gen. mgr.; James A. Kontoleon, WEEK-TV Peoria program dir., named to similar post at WHYN stations.

Jack Begon promoted to ABC News European Producer, Paris . . . Leonard Traube, WCBS-TV N.Y. information services & advertising dir., resigns . . . Roger O'Connor, ex-Katz Agency, named Bolling TV sales vp; Richard G. Koenig, ex-Mutual, radio sales vp.

Ralph Jackson promoted to WAVE-TV Louisville station mgr.; Woodford H. Dulaney Jr., to similar post at radio WAVE; Houston D. Jones to WAVE-TV commercial mgr., succeeding Jackson; George W. Norton IV, WAVE Inc. secy.-treas., also named research & development dir.

Robert T. Mason, radio WMRN Marion, O., appointed NAB representative, American Council on Education for Journalism . . . Eugene McCurdy, ex-WBAL-TV Baltimore sales mgr., named radio WFIL Philadelphia commercial mgr. . . . Richard F. Ahles promoted to WTIC-TV-AM-FM Hartford information dir.

Robert E. Leach, ex-WSPA Spartanburg engineering dir., named WTSP-TV Tampa-St. Petersburg technical dir.; Pat McLaughlin, ex-WSFA-TV Montgomery, Ala., named engineering supervisor . . . John L. O'Brien promoted to MGM-TV Latin American sales mgr. Mexico City, a new post.

John O. Downey promoted to radio WCAU Philadelphia vp & gen. mgr., succeeding Thomas J. Swafford, resigned to buy Albuquerque radio station . . . Joseph V. Richardson, KTVF Fairbanks advertising mgr., appointed to Small Business Administration's Small Business Advisory Council.



Second Washington "Hotelevision" system, in Shoreham Hotel, went into operation June 15. System is headed by Martin Malarkey, is similar to his operation in Sheraton-Park (Vol. 2:8 p2). Service operates on Ch. 2, 8 a.m.-8 p.m. daily, telecasting filmed "Capital Preview," will also provide live coverage for conventions. Malarkey reports considering microwave linking of hotel systems for special events.

Proposed FCC allocations changes: (1) Shifting Ch. 7 from Jamestown to Bismarck for ETV use. (2) Changing WLYH-TV's Ch. 15 from Lebanon to Lancaster-Lebanon, Pa.

Fine of \$1,000 has been levied by FCC against KOLS Pryor, Okla. for repeated illegal pre-sunrise operation.

**Battle over portable video tape:** Ampex last week filed \$2-million damage suit against Mach-Tronics Inc., Mountain View, Cal., after latter firm announced it would market \$10,000 portable TV tape recorder. Ampex charges that Mach-Tronics and some of its personnel "obtained & unlawfully disclosed" Ampex trade secrets, and seeks to restrain Mach-Tronics from using those secrets. Portable recorder, as announced by Mach-Tronics, occupies 2.3 cu. ft., weighs less than 100 lb., includes 8-in. video monitor, using 1-in. tape to record hour of programming on 10½-in. reel. Designed for closed circuit, picture reportedly isn't of broadcast quality.

**Six Month Floor Wax really ain't,** FTC examiner ruled in initial decision against Continental Wax Co., Mt. Vernon, N.Y. Examiner John B. Poindexter decided "Six Month Floor Wax," alias "Continental Grip-Kote," won't give "effective coating of wax on the average household floor for a period of six months," as company claimed in TV and radio commercials. Company contended claim is valid because directions on can note that floor may need rebuffering with diluted wax solution in less than 6 months. Poindexter rejected this because company didn't say so in commercials. In addition, he found, even re-buffering doesn't always remove dirt and scuff marks.

**Communications tax of 10%** would be clearly eliminated from several TV services under amendments to HR-11879 approved by Senate Finance Committee last week. Amendments would exempt from tax, after July 1, private line telephone, private line teletypewriter, closed-circuit TV, ETV, CATV, Telpak. CATV operators have long had doubts about applicability of tax, and most haven't been paying it. Those who have paid, did so under protest, didn't collect it from subscribers.

**NAB editorializing committee members** appointed by Pres. Collins: Daniel W. Kops, radios WAVZ New Haven, Conn. & WTRY Albany-Troy-Schenectady, chmn.; Frank J. Abbott Jr., radio WWGP Sanford, N.C.; Frederick S. Houwink, WMAL-TV Washington; John F. Dille Jr., WSJV-TV Elkhart, Ind.; Rex G. Howell, KREX-TV Grand Junction, Colo.; A. Louis Read, WDSU-TV New Orleans; George Whitney, KFMB-TV San Diego.

**Sale of 2 CATV systems** announced by Daniels & Assoc.: Community Aerial Systems, Mineral Wells, Tex., serving 1,300, was purchased from John Campbell & Kenneth Durant by Bob Magness, Bozeman, Mont., and Maurice Nixon, Cisco, Tex. Colville Video Inc., Colville, Wash., with 900 subscribers, was sold to Frank Reardon, Butte, Mont., by Bill Baker.

**Tough decisions,** which may disappoint some people, will have to be made in spectrum management. That's essence of speech by Dr. Irvin Stewart, Dir. of Telecommunications Management, Office of Emergency Planning, before Armed Forces Communications & Electronics Assn. convention in Washington last week.

**TV led all media in ad revenue gains** during first quarter 1962 over same 1961 period, according to *Printers' Ink*. Spot TV was up 17%, network up 14%. Business papers showed 9% increase, network radio 5%, newspapers and general monthly magazines 3%.

**Senate tribute to Ed Sullivan** on his 14th anniversary in TV was offered by Sens. Javits (R-N.Y.) and Kefauver (D-Tenn.). "In this period of television's 'vast wastelands,'" Javits said, "Ed Sullivan has consistently presented a program that certainly cannot be included in this generalization."

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**MANUFACTURERS' LIST PRICES ON WAY OUT?** Always-touchy issue of manufacturers' list prices and was-is & similar comparative-price advertising by retailers developed new sensitivity last week with (1) announcement by Westinghouse that it is dropping use of list prices on houseware products and (2) notification by N.Y. Better Business Bureau to retailers in its area to cease by today, June 18, use of "list price," "suggested list price," and "catalog price" in ads & point-of-sale displays. Action on national level to rid brown goods & appliance industry of unfair ad practices is slated to come this week from National Better Business Bureau.

NBBB is readying appeal to manufacturers & its member groups to follow lead of N.Y. BBB. NBBB Pres. Kenneth B. Willson told us last week that appeal is in preparation and likely would be ready for release this week. Intensified action by NBBB & local BBBs, coupled with increasing punitive steps by Federal Trade Commission, may well influence drastic changes in traditional price & ad policies of TV & appliance manufacturers in not too distant future.

Although Westinghouse's abandonment of suggested list prices applies at present only to housewares, consumer products vp Chris Witting Jr. told us "we are also evolving procedures that will affect other product lines, including TV and radio."

Action by NBBB represents no change in policy, Willson told us. It's an intensification of "our consistent policy of recommending to appliance dealers that they abandon fictitious pricing & advertising." N.Y. BBB Pres. Hugh R. Jackson also made clear that BBB has no objection to a retailer advertising price reductions from his own bona fide selling price. Neither is there objection, he said "to the advertising of a comparative price with an appropriate description other than 'list price,' etc., where the advertiser can clearly substantiate that the comparative price is based upon usual & customary prices of merchandise generally available in the trade area."

Big question, if manufacturers agree to drop list prices, is what substitutes they'll offer. There are clues already that TV-appliances makers would adopt "less than \$....." ad technique pioneered by Eastman Kodak. Westinghouse's Witting, for example, told us "we will suggest such terminology as 'should sell for less than' in ads for portables & other housewares." At least one other major TV & appliance manufacturer has told us it is studying similar approach.

Will manufacturers generally abandon list prices? NBBB's Willson said that "in the past we have found manufacturers reluctant to do so." BBB's Jackson noted, however: "It is clear that there has been a considerable decrease of public representation by manufacturers and I think that we will see a substantial decrease if not complete elimination in a period of time on the part of manufacturers."

What happens if industry does drop list prices? One leader told us "it will wreck the machinery of retailing." Another savvy consumer products executive said "it could be the great spur to national fair trading." For look at actual case history, we spoke with BBB in Pittsburgh, where there's been general elimination of list prices for nearly 3 years.

"There were squeals at first, particularly from the big discount houses, when we began implementing the FTC's guide rules on comparative advertising some 3 years ago," Pittsburgh BBB assistant gen. mgr. J. K. Orr told us. "These dealers argued that comparative prices were necessary to guide consumers in identifying merchandise. Today, these same dealers tell us they are enjoying just as much, if not more, business. We have many dealers who don't use any comparative prices at all." Orr pointed out that "it took us a while to get

some of the discount stores to go along, but we're at a point now where some of the largest now use no comparatives at all." He noted "real good cooperation" by Pittsburgh dealers, said "situation here has really improved" to everyone's benefit. There are still some dealers who don't understand they are violating FTC rules by comparative advertising, he added, but "they have to be educated."

BBB can educate & also show its teeth. Orr told us that his group is prepared to take punitive action where necessary. "If abuses should continue," he said, "and we have exhausted every other means, we can—and will—prosecute by presenting the facts to the FTC or the local district attorney. In such cases, the BBB acts as a friend of the court."

Bolder action by BBB groups stems in part from FTC's own increasing punitive action against violators and by court actions. NBBB's Willson said "it has now become abundantly clear that fictitious pricing is unlawful. This was emphasized as recently as last April when the U.S. Supreme Court refused to review a ruling of the U.S. Court of Appeals which affirmed the FTC's guide rules on comparative advertising."

To cries that demise of suggested lists will deprive consumer of invaluable guide, Willson points out that "the consumer will have the most reliable guide of all—the dealer's price." He added: "Elimination of list prices doesn't eliminate competition. There can, and does, exist a variation of prices among competitors of the same products. The value to the consumer is that these variations are not from a list price foreign to the given trading area but from the actual going selling prices in that area."

Perhaps most cogent comment came from one industry executive who said: "Maybe this industry had better face the fact that FTC means what it says about comparative-price advertising."

**HOME ELECTRONICS FINDS A SHOWCASE:** At long last, there's an all-industry show for new TV-radio-phono lines. This year's Music Show—officially known as Music Industry Trade Show—will see displays by nearly all major factors in industry, and many minor ones.

Music Show has been increasing in importance to consumer electronics industry in recent years as lure of Home Furnishings Markets at Merchandise Mart (now in progress) began to pale for TV-radio-phono makers. This year, on occasion of Show's triennial visit to N.Y. next week (June 24-28), big effort has been made by sponsor National Assn. of Music Merchants to make conditions attractive to electronics exhibitors.

TV-radio-phono-recorder-record exhibits no longer are wedged in between sousaphones & slide trombones. Electronics products will occupy entire N.Y. Trade Show Bldg., while musical instruments & related merchandise will be displayed at Hotel New Yorker across street.

Important added consumer-electronics attraction will be EIA's all-day symposium June 26, on general topic, "What's Ahead for Consumer Electronics?," specifically treating ETV, color, radio & phonos (Vol. 2:22 p9), with all-star industry cast.

Among U.S. TV-radio-phono manufacturers exhibiting at Trade Show Bldg. to an expected 11,000 attendees: Admiral, Arvin, Bell Sound, Capehart, Fisher, GE, Glaser-Steers, Hoffman, Magnavox, Motorola, Olympic, Packard Bell, Philco, Pilot, RCA, Ravenswood, Steelman, Sylvania, Symphonic, Tele-tone, VM, Waters Conley, Webcor, Westinghouse, Zenith.

Foreign manufacturers & importers to be represented include BSR, Clairtone, Continental Merchandising, Delmonico, Electrohome, Kane-Mark, Majestic, Matsushita, Petely, Realtone, Saba, Samson, Sony, Star-Lite, Sumitomo, Superscope, Uropa, Videola Erie.

**TV SALES LAGGED BEHIND '61 IN MAY:** For first 4 months of this year, TV-radio have had unblemished record—every month, distributor-to-dealer sales have been ahead of corresponding 1961 month. Preliminary reports indicate that trend didn't extend into May for TV, and that radio's advance over '61 was slight.

This isn't alarming. It wasn't hard to beat 1961's first-quarter showing in TV. But you'll remember that TV's upturn last year began in April, with near-record retail sales for month, and this good sales pace continued, to salvage what promised at first to be pretty dismal year.

On other hand, 1962 started out like house afire, with distributor sales running 15% ahead of 1961 in January, 22% ahead in February and 16% ahead in March. Official EIA figures, released last week, indicate

TV sales were 4% ahead of corresponding 1961 month in April. Unofficial indicators show May distributor sales down approximately 11%—or about 310,000 sets vs. 350,000 in May 1961. For January through April, EIA figures show distributor TV sales running about 15% ahead of last year.

Radio sales have also soared this year—even over record 1961, running 19% ahead in January, 9% ahead in February, 7.5% ahead in March—and then a surprising 17% ahead in April, possibly due to price reductions on domestic transistor radios. Unofficial industry reports for May show 2% advance over May 1961—or distributor sales of about 800,000 units compared with 735,000 one year earlier. For 4 months, radio sales were 13% ahead of 1961.

Phono sales have lagged 1961 for 3 out of 4 months, although not badly, after slow January start (23% behind Jan. 1961). February distributor sales of phonos were 9% behind 1961, March 3% ahead, and April 9% behind, for 4-month total about 10% below last year.

Crucial period is now ahead for TV-radio-phono industry. Much, of course, depends on general business conditions. What effect will stock market slump have on consumer buying? Is slump indicative of coming slowdown in economic activity? On more specific industry front—how will public take to new TV & phono models, with their more attractive packaging & pricing?

EIA's 4-month production figures indicate uhf output is 105% higher than 1961—much of this believed due to anticipation of more public demand for uhf sets. FM set output is 40% over last year, and car radio production is up 47%, apace with increase in auto sales.

Here are EIA's 4-month distributor sales & production figures for TVs, radios & phonos, arranged with handy 1961 comparison statistics:

TV-RADIO DISTRIBUTOR SALES

Month	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
March	580,876	500,597	917,236	853,197
April	364,742	347,800	809,499	672,756
<b>TOTAL</b>	<b>1,932,729</b>	<b>1,680,672</b>	<b>2,987,497</b>	<b>2,637,850</b>

TELEVISION PRODUCTION

Month	Total		UHF	
	1962	1961	1962	1961
January	488,869	367,935	39,609	25,270
February	541,494	444,418	46,715	24,514
March	659,251	497,458	48,323	21,450
April	510,587	405,808	51,107	19,095
<b>TOTAL</b>	<b>2,200,201</b>	<b>1,715,619</b>	<b>185,754</b>	<b>90,409</b>

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1962	1961	1962	1961	1962	1961
January	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February	1,464,797	1,115,029	480,232	307,973	84,216	41,357
March	1,810,417	1,384,050	607,510	384,227	81,010	75,044
April	1,472,654	1,124,924	519,296	375,570	63,193	51,260
<b>TOTAL</b>	<b>6,098,498</b>	<b>4,714,078</b>	<b>2,137,627</b>	<b>1,454,906</b>	<b>304,929</b>	<b>218,082</b>

PHONO DISTRIBUTOR SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	74,881	211,268	286,149
February	50,563	188,857	239,420	54,097	210,365	264,462
March	60,206	236,051	299,257	59,290	231,021	290,311
April	54,615	146,577	201,192	48,532	173,585	222,117
<b>TOTAL</b>	<b>216,807</b>	<b>742,790</b>	<b>959,597</b>	<b>236,800</b>	<b>826,239</b>	<b>1,063,039</b>

PHONO FACTORY SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,366	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
March	60,991	237,492	298,483	62,396	227,469	289,865
April	45,152	137,950	183,102	53,074	152,974	206,048
<b>TOTAL</b>	<b>227,254</b>	<b>769,302</b>	<b>996,556</b>	<b>246,546</b>	<b>796,464</b>	<b>1,043,010</b>

Philco has established National Philco Distributor Council (Vol. 2:18 p9) and plans "immediate establishment" of regional dealer councils in each of its 6 sales regions. Distributor Council will hold initial meeting early next month, will meet at least 3 times yearly. Dealer councils will hold first sessions this fall, meet at least twice a year. Named to National Distributor Council: Don Farquhar, Piedmont Distributors, Baltimore; Steve Demchuk, Luckenback & Johnson, Allentown; Frank Lyons, Roskin Distributors, Albany, N.Y.; Frank Cowan, W. Bergman Co., Rochester, N.Y.; Cy Shobe, Shobe Inc., Memphis; Buddy Dixon, Brown-Rogers-Dixon Co., Winston-Salem; Garland Medaris, Medaris Co., Dallas; Randolph Reed, Reed Co., Beaumont; Bud Sunderlin, Radio Equipment Co., South Bend; Larry Wheeler, Hardware Products Co., Sterling, Ill.; Ed Bonnet, Graybar Electric, Los Angeles; Harry Ahlstrom, Strevell-Paterson Hardware Co., Salt Lake City. Dealer Council members will be announced later.

Charges of conspiracy to fix prices of TV repairs were leveled at Brooklyn (N.Y.) Radio & TV Servicemen's Assn. by N.Y. attorney general Louis J. Lefkowitz. He asked Kings County Supreme Court for permanent injunction against Association's activities, which, he said, have boosted cost of home servicing of TV sets by at least 25%.

New plants & expansions: Motorola will begin construction immediately of a \$3-million, 172,000-sq.-ft. addition to Phoenix, Ariz. semiconductor manufacturing plant. Major portion of added space will be used for production of diodes, rectifiers, high yield transistors, integrated circuits.

Electro-Voice has been approved for listing on American Stock Exchange.

**MORE NEW LINES—EMERSON, DU MONT:** New-line parade continued last week with showing of all Emerson products—Emerson, Du Mont, Telectro & Granco—to distributors & licensees in Miami Beach.

Emerson TV prices are similar to 1962 line, beginning with hold-over 17-in. portables at \$129.95 & \$139.95, continuing in 19-in. sets with \$10 step-ups to \$169.95. Consoles run from \$199.95 to \$299.95 as last year, with 23-in. table model now deleted from line. Added to line is 27-in. lowboy without list price. Combinations (all 23-in.) begin at \$379.95 vs. \$398 in last year's line, with last year's 19-in. combo deleted. Two of the 3 combos—both with open list—have built-in FM stereo. Single color console is continued at \$750. Most TVs are available in all-channel models at \$20-\$30 additional.

Emerson portable phonos begin at \$19.95, with stereo portable at \$59.95 and 4 stereo consoles beginning at \$149.95. Radio line is held over virtually intact.

Du Mont line starts with 17-in. portable at \$149.95. Console prices begin lower than last year, with 23-in. sets starting at \$249.95 (ex-\$299). Where models have been carried over, some prices are \$40 lower than year ago. Hold-over 27-in. console has been reduced from \$475 to \$399.95. Featured in line are six 23-in. TV combos, now starting at \$595 (combos last year started at \$750), and 2 new 27-in. combos at \$895. Line continues to carry 3 color sets at \$795. Du Mont has 6 console phonos, all including FM stereo, ranging from \$279.95 to \$550.

Telectro tape recorder line features "new styling concept" of furniture design, to bring recorders out of closet and into living room as part of home-entertainment furniture. The 8-recorder line is priced from \$79.95 to \$399.95. Granco line of stereo radios & FM radios adaptable to stereo is being held over intact.

**TV-RADIO PRODUCTION:** EIA statistics for week ended June 8 (23rd week of 1962):

	June 2-8	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	116,694	107,335	124,307	2,905,102	2,399,085
Total radio	358,716	289,390	322,858	8,159,351	6,517,767
auto radio	150,091	94,391	101,224	2,887,325	2,068,771

## TOPICS & TRENDS

Numbers Game Dept.: This week's exercise in ratio & percentage comes from the 2 top leaders in TV sales, in inverse alphabetical order:

Zenith Sales Corp. Pres. Leonard C. Truesdell reported orders placed at Chicago sales convention for TV-radio-stereo were 25% higher than record orders at 1961 convention. Second-quarter shipments are at record levels, he said, and this month promises to be biggest June in Zenith history. Stereo phono & combo orders are more than double last year's figure, and b&w TV orders have set new record.

RCA Sales Corp. marketing vp Raymond W. Saxon reported May home instrument dollar volume set all-time record for month and total for first 5 months of year was 2nd only to 1951. Color TV sales for first 5 months, he said, were about 140% ahead of last year, with distributor orders for color nearly triple those of year ago. B&w TV unit sales set May record, radio unit sales set 6-year record, and phono dollar volume set all-time May record.

Motorola has sold its Motorola Finance Corp. for \$36 million cash to Associates Financial Services Corp., subsidiary of South Bend, Ind.-based Associates Investment Co. Motorola vp Edwin P. Vanderwicken said sale was made "to improve the financing service available to Motorola customers with no change in rates or terms, and at the same time to enable the parent corporation to devote itself exclusively to financing future expansion & diversification of its electronic product lines." Motorola Finance Corp. was founded in 1956. Its assets "exceeded \$41 million at the end of 1961," Vanderwicken said. Associates has assets of \$1.250 billion, operates 540 offices across nation.

Packard Bell established finance subsidiary Packard Bell Acceptance Corp. to finance dealer floor-planning in 13 Western states. Packard Bell consumer products vp Kenneth R. Johnson will also be president of the acceptance company.

Super-deluxe home entertainment center at \$5,000 went on display at week's end in Sylvania's Merchandise Mart showrooms for opening of Chicago's International Home Furnishings Show. Unique set, in 85-in. wide hutch cabinet by Fancher Furniture, will be produced on custom-made basis. Cabinet contains: (1) 23-in. HaloLight TV set. (2) AM-FM tuner with FM stereo. (3) Stereo phono with Garrard changer, 6 speakers in sealed component-type cabinets. (4) Stereo tape recorder. (5) Automatic slide projector for 35-mm color slides with rear-projection system and 23-in. TV-like screen. (6) Master control panel to control all features of system with color-coded pushbuttons. (7) Space provision for closed-circuit TV camera—"optional at extra cost."

Industry color TV sales will total nearly 400,000 sets this year, rising sharply to 750,000 in 1963. This is prediction made by Admiral Chairman Ross D. Siragusa at New Orleans dealer meeting last week. He pointed out that next year's 750,000 color sets would be equal in dollar volume to nearly 2 million black-&-white receivers. He foresaw bright future for consumer products if "creative selling" is employed. Terming stock-market decline "a downward adjustment that has been long overdue," he said security prices may go even lower by fall, but "this does not indicate any basic weakness in our economy."

Market for recording tape will increase from present \$65 million to more than \$100 million annually in "next few years," principally as result of rapid expansion of home market, according to prediction of Reeves Soundcraft exec. vp Frank B. Rogers. Meanwhile, Record Industry Assn. of America announced it will compile quarterly statistics on factory sales of pre-recorded tapes (7½-in. per sec., reel-to-reel type).

Trend among importers of Japanese-made transistor radios has been to reduce prices to meet U.S. competition—a novel switch. Starting price for many imported sets with well-known names now is \$14.95—but including carrying case, battery & earphone. Latest to join trend are ITT, Realtone, Petely (Hi-Delity).

## Trade Personals

Allen W. Dawson, ex-TV bulb sales mgr., named TV dept. mgr. in reorganization of Corning Glass electrical products div. under vp-gen. mgr. John L. Hanigan, Division now has 3 product departments—TV dept.; electronics dept., headed by Malcolm H. Hunt, ex-electronic components dept. mgr.; lamp dept., under Forrest E. Behm, ex-division mfg. mgr. Other key posts in new TV dept.: Joseph S. DeMaio, departmental ad & sales promotion mgr.; Oakes Ames, mfg. mgr. who is succeeded as Albion, Mich. TV bulb plant mgr. by F. Philip Hunt.

Benjamin Abrams, Emerson pres., honored by Society for the Advancement of Management's C.W. Post College chapter for outstanding contributions to govt., business & community. Citation was read into *Congressional Record*.

T. W. Rainsberger, formerly responsible for merchandising of radios, phonos & housewares in Goodyear Tire's care & home merchandise dept., appointed to new post of special account executive, Symphonic Radio & Electronic, responsible for sales to premium buyers, stamp plans & special accounts.

Wallace R. Johnston, Clairtone Sound sales vp, establishes office at U.S. hq, N.Y.

Christian J. Goodman Jr. named Motorola Semiconductor Products sales vp.

Edison J. McGowan, ex-Motorola Finance Corp. vp-gen. mgr., named pres. of Associates Financial Services Corp. which has purchased Motorola subsidiary (see p. 10).

A. L. Champigny, one time GE tube dept. ad mgr., elected a vp of Maxon, Inc., N.Y. ad agency . . . John W. Scheck, ex-Beckman Instruments, named Du Mont Labs. electronic instruments mktg. mgr.

W. James Peterson named Sylvania tube div. field sales mgr. for equipment entertainment sales.

Factory sales of TV picture tubes in April increased slightly over year-ago volume to 758,539 units vs. 722,110. Dollar value, however, slipped to \$14,253,425 from \$14,293,375. The same pattern of units up, dollars down prevailed for year to date, EIA official report shows. For 1962's first 4 months, sales totaled 3,112,100 units valued at \$59,403,191—compared with April-1961's 3,095,030 units at \$61,844,969. Conversely, factory sales of receiving tubes gained in units & dollars for April and year to date. April receiving tube sales totaled 31,016,000 units at \$25,838,000—up from 28,687,000 units at \$24,392,000 a year ago. Jan.-April sales show 123,469,000 units at \$104,211,000, compared with 117,468,000 at \$99,203,000 in 1961's initial 4 months. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	802,061	15,625,304	29,592,000	24,789,000
February .....	733,670	13,944,313	27,977,000	23,841,000
March .....	817,830	15,580,149	34,884,000	29,743,000
April .....	758,539	14,253,425	31,016,000	25,838,000
Jan.-April 1962 ..	3,112,100	\$59,403,191	123,469,000	\$104,211,000
Jan.-April 1961 ..	3,095,030	61,844,969	117,468,000	99,203,000

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Columbia Pictures	1962—9 mo. to Mar. 31	—	\$ 2,127,000	\$ 2,102,000 <sup>1</sup>	\$1.27	1,535,027
	1961—9 mo. to Mar. 31	—	56,000	1,673,000 <sup>2</sup>	.98	1,449,030
Famous Players Canadian	1962—qtr. to Mar. 31	—	—	611,711	.35	1,737,072
	1961—qtr. to Mar. 31	—	—	545,742	.31	1,737,072
Houston Fearless	1962—qtr. to Mar. 31	\$ 5,454,000	—	232,000	—	—
	1961—qtr. to Mar. 31	18,907,000	—	(4,301,000)	—	—
Lafayette Radio Electronics	1962—9 mo. to Mar. 31	18,975,813	—	478,143	.45	1,061,575
	1961—9 mo. to Mar. 31	17,572,778	—	594,750	.56	1,025,000
Republic Corp.	1962—6 mo. to Apr. 29	21,899,523	—	974,328	.32 <sup>4</sup>	2,443,448
	1961—6 mo. to Apr. 29	14,216,265	—	1,275,010	.54 <sup>1</sup>	2,004,190
Taft Bcstg.	1962—2 mo. to May 31	2,136,804	—	441,613	.28	1,578,893
	1961—2 mo. to May 31	1,774,327	—	321,018	.20	1,578,893
TV Industries	1961—year to Dec. 31	1,365,237	—	(4,125,799) <sup>3</sup>	—	1,015,758
	1960—year to Dec. 31	5,871,288	—	(2,424)	—	815,879
United Artists Story below.	1962—qtr. to Mar. 31	32,065,000 <sup>5</sup>	—	916,000 <sup>2</sup>	.53	1,729,473
	1961—qtr. to Mar. 31	26,965,000	—	879,000	.51	1,729,473
Universal Pictures	1962—26 wks. to Apr. 28	—	—	3,371,647	3.73 <sup>1</sup>	887,790
	1961—26 wks. to Apr. 28	—	—	1,835,322	1.98 <sup>4</sup>	888,390

Notes: <sup>1</sup> Includes profit of \$413,000 (28¢ a share) on sale of land.  
<sup>2</sup> Includes profit of \$1.6 million (98¢) on sale of land. <sup>3</sup> After non-

recurring charges of \$4.3 million—including \$2.6-million provision for loss on film & film rights. <sup>4</sup> After preferred dividends. <sup>5</sup> Record.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Clevite	Q	\$0.35	June 28	June 18
CTS Corp.	Q	.12½	July 20	June 29
Collins Radio	Q	(Omitted June 6)		
Columbia Pictures Stk.		2½%	July 30	June 29
Heli-Coil	SA	.30	June 25	June 18
Heli-Coil	Ex.	.10	June 25	June 18
ITT	Q	.25	July 15	June 22
Republic Corp.	Q	.15	Aug. 15	July 5
Sangamo Electric	Q	.18¾	July 10	June 18
Schlumberger Ltd.	Q	.15	Sept. 1	Aug. 15
Western Electric	Q	.90	July 2	June 20
Western Union	Q	.35	July 16	June 22

Metromedia expects 1962 profits to rise to more than \$1.8 million on a sales rise of at least 10%. Company earned \$1.2 million on \$48.7-million sales in 1961. Pres.-Chmn. John W. Kluge said Metromedia's major growth this year will be in TV, forecast first-half earnings would more than double 23¢ earned in Jan.-June 1961, said first-half sales would top year-ago's \$23.4 million by at least \$2 million. He expects all Metromedia units to show profit this year—except for short-wave station "which is losing less money now than it was last year." Station broadcasts overseas, and "we don't expect it to be profitable for several years."

Packard Bell appoints new distributors: N. C. Teakle Co. (Norris Teakle, pres.), 715 Folsom St., San Francisco, succeeding Paul G. Daly Co., headquartered in Oakland, which becomes one of 2 East Bay distributors; Standard Supply Co. (Vern C. Brown, pres.), 225 E. 6th St., Salt Lake City.

Mergers & acquisitions: Trav-Ler Radio has acquired for undisclosed cash sum Hoosier Cabinet Div. of Dane Enterprises • MCA stockholders have approved proposed acquisition of Decca Records (Vol. 12:22 p12) • Siegler & Lear merger will be a tax-free consolidation, Internal Revenue Service has ruled. Lear-Siegler Inc. will be formed (Vol. 2:23 p11) as soon as necessary papers can be filed with regulatory agencies in Delaware & Illinois • Tele-Prompter stockholders have approved sale of company's TV & film prompting service to Q-TV Inc. (Vol. 2:23 p11). TelePrompter will continue to manufacture the prompting equipment.

United Artists posted record earnings of \$916,000 on peak sales of \$32 million in 1962's opening quarter (see financial table). Chmn. Robert S. Benjamin told stockholders that revenues in 2nd quarter are expected to run \$500,000 ahead of \$30.9 million volume a year ago. Pres. Arthur B. Krim noted that TV operations produced healthy profit in wake of last year's setback, said UA has large number of network shows scheduled for 1963 & 1964. All UA operations—motion pictures, phonograph records, TV production—are "continuing to show a profit," he added.

Electronics Investment Corp. reported net assets of \$34,807,166 on April 30—down from \$43,593,353 a year ago. Net assets per share declined to \$6.46 from \$8.63. Capital shares increased to 5,386,207 from 5,051,657.

Distributor awards: Jones Distributing Co. (Paul D. Jones, gen. mgr.), Sioux City, Ia., wins Motorola's Paul V. Galvin Distributor of the Year trophy . . . Neil Distributors Inc. (Herbert S. Neilinger, pres.), Miami, and Koelemay Sales Co. (Lawrence Koelemay, Jr., pres.), named 1962 Distributors of the Year by Sylvania Home Electronics Corp.

JUN 25 1962

# WEEKLY **Television Digest**

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**TELEVISION FACTBOOK—NEW ONE IN THE WORKS**, due in Nov., updating & freshening all major features of predecessors, including full page devoted to every U.S. station—with coverage map, ARB county-by-county set penetration and net weekly circulation data, FCC official Grade A & B contours—the works, again running approximately 1,000 pages (p. 1).

**CATV—POLITICS, ECONOMICS, TECHNIQUES:** NCTA Washington convention points up growing power of industry (p. 2).

**CBS CHANGES INCENTIVE PLAN, MAY FIGHT** it in courts, however. Tells FCC contracts are changed for time being to give affiliates about same scale as with "standard" contract (p. 3).

**SATELLITE TELECAST IN JULY** between Europe & U.S. will feature simultaneous translations for European audiences piped by cables while original picture & sound are bounced from Telstar (p. 3). Legislation roadblocked (p. 4).

**WESTINGHOUSE TRIGGERS FEUD** with film distributors by terming feature packages "economically unfeasible" while dwindling in supply. Complete nonsense, snaps Seven Arts in reply (p. 4).

**FILM FIRMS SAG IN FIRST QUARTER:** combined earnings of 7 firms tumble to \$9.1 million from \$14.2 million year earlier (p. 4).

**RKO WARNS ON PAY TEST**, that appeal will be made to Justice Dept. & FCC if feature film supply is denied Phonevision in Hartford. Deals made with Warner Bros. & Paramount so far (p. 6).

### Consumer Electronics

**"YOU'RE ON YOUR OWN IN COLOR,"** RCA telling manufacturers, as it plans to stop taking orders for complete color sets; will still sell color components (p. 9).

**MAJOR NEW DEVELOPMENTS** in picture-tube shielding: GE's Lamilite tube, coated with thin plastic, used in 16-in. set; Kimcode bare-faced tube wins UL listing, now is ready for use; Pittsburgh develops lighter-weight, lower-cost bonded Teleglas (p. 9).

**NEW PRODUCTS** in new lines: GE's 16-in. set weighs 22 lb., will sell at around \$170; GE has on-the-wall TV-radio-phono; Magnavox unveils transistorized stereo console; Westinghouse to offer 5-set color line, expanding Instant-On use in b&w; new Capehart, Symphonic sets (p. 11).

**PHONO LEADERSHIP** position sought by Zenith with new CBS-developed cartridge & tone arm (p. 12).

**REBUILT TUBE MARKET** isn't nearly so big as industry believed, in opinion of trade experts. 1961 total seen at about 1.6 million units, down from 1.8 million in 1961 (p. 12).

**PLANT SHUTDOWNS FOR VACATION** begin this week at some TV-radio-electronics companies. Vacation dates listed (p. 13).

**NBBB URGES END OF 'LIST,'** warns that failure of manufacturers to end abuse of fictitious pricing will lead to governmental restraint (p. 14).

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**TELEVISION FACTBOOK—NEW ONE IN THE WORKS:** We are very pleased to report that our new 1962-63 TELEVISION FACTBOOK No. 33 is now in preparation.

Publication will be in November. Despite insistent demand, we have scrupulously avoided promising the famed volume until we were certain we could maintain or exceed the reputation of the distinguished 17-year-old reference. We now have that certainty—in staff & facilities.

We will update the remarkable innovation created by our predecessor, Triangle Publications—a coverage map for every station in U.S., complete with fresh American Research Bureau county-by-county sets-in-use, net weekly circulation, Grade A & B contours—the works.

We are delighted to report that usage of the coverage data has precisely filled its designated role, i.e., a quick, graphic guide to coverage of every station in the nation, particularly for agencies & advertisers. For detailed analyses of coverage, full service of ARB are basic, of course.

We are retaining & updating all important features of last volume. New issue will run approximately same number of pages—1,078. However, in response to sole criticism—weight & bulk—we have paper mills experimenting with goal of producing lighter, thinner stock without sacrifice of toughness or opacity.

Questionnaires are now in mails to all firms represented in the dozens of categories featured in volume. If your organization is new—not in last edition—notify us immediately.

Copies of issue will go to all full TV-AM-FM and full TV subscribers, as part of their service. Copies separately purchased are \$12.50 if ordered before publication, \$15 thereafter. Pre-print orders of 5 or more are \$10 each. Write to publication offices—911 13th St., N.W., Washington 5, D. C.

**CATV—POLITICS, ECONOMICS, TECHNIQUES:** Striking thing at NCTA convention in Washington last week was almost unprecedented down-the-line support of virtually every CATV position by keynote speaker Rep. Harris (D-Ark.), chmn. of Commerce Committee.

"This was common knowledge around the FCC," according to a Commission source who added: "That's why we've been doubtful about chances of seeing our CATV bill enacted." Fact is, CATV scarcely could have asked for more.

With 5 FCC commissioners at head table while he spoke, Harris virtually told them to keep cotton-pickin' hands off industry. Ironically, while NCTA was conventioning, handful of small-town telecasters was conferring with FCC Comrs. Minow & Lee and staff, repeating requests they be given protection against possible CATV inroads. Ironically, too, at same time, more & more influential telecasters were showing up at NCTA's convention, plunging into the business. Ironically, further, NAB staff member was carrying out members' mandate in speech at Ga. Assn. of Bcstrs. in Atlanta, valiantly asserting that NAB doesn't oppose CATV but seeks to resolve "inequities."

Again, it's evidence of growing power of industry, probably genuine breakthrough—politically, economically, technically. Such stalwarts as Vice President Johnson, Sen. Fulbright (D-Ark.), Monroney (D-Okla.) made appearances. Among broadcasters, those in view included politically-ept Cox Stations' J. Leonard Reinsch and astute retired NBC Washington vp Frank M. (Scoop) Russell, now a CATV owner—plus substantial corps of TV-radio attorneys, brokers, consultants, et al.

Quotes from Harris: "Entirely new industry in the best American tradition . . . FCC cannot regulate CATV as a common carrier . . . No action has been taken [on CATV bill] and none is contemplated . . . Great improvement in CATV-broadcasters relations since these bills were introduced . . . The problem can no longer be regarded as acute . . . Some cities or counties seem to be attempting to regulate [CATV] through insistence upon non-duplication agreements [but] I would expect that CATV operators will not permit a host of divergent and conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary . . ."

Harris plunged into famed "Carter Mountain" case, in which FCC denied microwave facilities to serve a CATV unless latter agrees to carry local-station signal and avoid duplication of its programs. He said decision has "frightful implications" for broadcasters and others, as well as to CATV. He said he wouldn't comment on it because it's appealed to courts, but, he said: "In the meantime, I would think the Commission is likely to adhere to its previously announced policies, until clear determination of its authority in this field is obtained from the courts." FCC people were shocked—"Harris asserting Commission shouldn't enforce its decisions because courts may overrule them," according to one source. [Copies of speech available from NCTA, 535 Transportation Bldg., Washington. Sen. Dirksen (R-Ill.) had text printed in June 20 *Congressional Record*.]

• • • •

Other major aspect of convention was technical-economic outlook, notably as forecast by Daniels & Assoc. Pres. Bill Daniels and Teleprompter Pres. Irving Kahn, both large system operators. New all-band systems have bandwidth-handling capacity of 250 mc, giving dozen TV channels (72 mc)—plus.

New services stressed by Daniels: Closed-circuit "weather channel," giving constant TV picture of wind, rain, pressure, etc.; news, "AP & UPI service before TV or radio stations broadcast it"; FM signals—as many as desired; audience-response measurements; pay TV—"which is inevitable."

Systems broker Daniels also reported that "plenty of investment money is available now"; that interest in CATV has been expressed by firms in Germany, Norway, Sweden, Britain, Peru, Argentina, Italy, Australia, France; that "you will see CATV in 3-station markets."

Kahn repeated hopes for pay-TV future. He said next championship fight, if he gets rights, will be fed to 250,000-500,000 CATV homes. Among future uses he envisioned: "We have in our labs a device to measure gas & electricity consumption via CATV"; "we'll soon prove out our point-of-purchase system in one town or 2." He added: "The telephone company is the greatest threat to auxiliary services; if we lose, it's by default."

Next convention: June 7-14, 1963, Seattle. NCTA reelected Glenn H. Flinn, Tyler, Tex., chmn. Other officers: Fred G. Goddard, Aberdeen, Wash., vice chmn.; Ben J. Conroy, Uvalde, Tex., secy.; M. William Adler, Weston, W. Va., treas.

**CBS CHANGES INCENTIVE PLAN, MAY FIGHT:** CBS told FCC it was complying with Commission's ruling ordering changes in payments to affiliates (Vol. 2:23 p2)—but said it may contest decision in courts.

In letter to Commission, CBS said contracts were being changed so that if an affiliate chooses offering of another network instead of CBS fare, it will get approximately same rate of payment for total hours carried weekly as it did with old "standard" compensation plan.

CBS said "we respectfully disagree with the conclusion" that incentive compensation plan violates Sec. 3.658(a) of FCC rules but plan is dropped "until there is a final order, not subject to reconsideration or appeal, that the plan without the amendment is not invalid by virtue of Sec. 3.658(a)." CBS concluded: "This is without prejudice to any action we may take with respect to the matter, either by way of further petition to the Commission, an appeal to the courts, or by other changes in the plan. In this connection . . . we have under study . . . other possible modifications, including some which would change the scale of payments to the stations from those presently provided in the contracts."

**OVER-&-UNDER ATLANTIC:** First live Europe-U.S. telecast, scheduled for July when Atlas-borne Telstar satellite will be orbited, will involve electronic communications link under Atlantic as well as high above it. So stated CBS-TV producer Fred Friendly at news conference in N.Y. late last week called by 3-network coordinating committee which will work with European Bcstg. Union to produce pair of "non-political" transatlantic programs.

Satellite can only handle single audio & TV channels during 12-min. period when it will be in line-of-sight with ground stations at Andover, Me. and Goonhilly Down, England. But, since U.S.-produced show will be fed to Eurovision via Brussels, major language barrier looms. Problem will be tackled by feeding picture & "indigenous" (English-language) track via satellite to Europe, and piping simultaneous translations (French, German, Italian, etc.) on 8 or 9 transatlantic phone circuits. Anticipated audience in Europe: 20 million.

Telecast will present plenty of electronic headaches since conversions must be made from U.S. 525-line system to British 405, French 819 and West European 625-line systems. Then, when system goes into reverse to bring European 12-min. show to U.S., converters must also be reversed during orbit of Telstar. "We'd like to do a 'hot switch' during telecast, but it involves too much," said Aubrey Singer, BBC-TV spokesman at N.Y. meeting. Singer also said Soviet Union might participate.

Composition of U.S.-produced show is still vague, CBS's Friendly said, since exact date of Telstar launching isn't firm. It will contain these elements: (1) 3-network capsule coverage of hard & feature news in U.S. on day of shot. (2) Pre-show telecast for U.S. audience to explain system. (3) Audio and/or wirephoto confirmation that show arrived in Europe. (4) No particular attempt to further American "image" or "to use President Kennedy as 'U.S. spokesman.'" Both U.S. & European shows may be taped and played back-to-back as 24-min. prime-time show on date of satellite telecast.

Costs are also blue-sky at moment but won't be cheap. BBC's Singer said European end of telecast will be "very expensive . . . on the order of 5 figures in English pounds" (translation: possibly \$150,000). U.S. costs would be similar or higher, although Friendly admitted "we hope to have practical budgets although it's a bargain at any price." Will there be "regular" programming between Europe & U.S. via satellites? Consensus: "Too early to say."

**SATELLITE BILL FAILS TO ORBIT:** Communications satellite bill, which zipped through House by overwhelming vote (Vol. 2:19 p4), ran into big trouble in Senate last week, finally had to be set aside to let lawmakers get at more pressing bills.

As written now, bill may be in trouble. Determined bloc of Senators, led by Kefauver (D-Tenn.) is firmly opposed to private ownership provisions, wants govt.-owned system which wouldn't be susceptible to "domination" by AT&T or other large firms. There's little possibility, however, of any change in ownership setup as it stands. Senate had short session June 22 because of death of Sen. Case (R-S.D.), planned to resume debate on measure at special Saturday session.

**WESTINGHOUSE TRIGGERS FILM FEUD:** Westinghouse Bcstg. Co. has developed real talent for stirring up industry brouhahas. Having triggered hassle on product protection with refusal to guarantee traditional 15-min. spread (Vol. 2:24 p3 et seq.), it lobbed verbal mortar shell in new direction last week—distributors of TV feature-film packages.

Features were roundly panned as major program investment for stations by WBC Pres. Donald H. McGannon last week during interview with *Variety* reporter Dave Kaufmann. There's been a steady decline in audience appeal of features on TV, McGannon said, and they're becoming "economically unfeasible" for stations while dwindling in supply. Audience surveys and station demand for "good product from diversified sources" have prompted WBC to go heavily into production of its own syndicated TV series ("Steve Allen Show," "Reading Out Loud," a new monthly series of TV children's specials, etc.), rather than rely on feature films in WBC markets, said McGannon.

Feud began to roll when we asked Eliot Hyman, pres. of Seven Arts, veteran feature distributor, for opinion of McGannon's blast. Hyman is usually leery of making industry statements, but WBC needle was bit too sharp.

WBC position was strictly grand-standing, snapped Hyman, and McGannon was "making unfair use of his right to express himself." In fact, said the Seven Arts pres., McGannon was talking through his statistical hat in trying "to impose certain facts and influence other people."

Hyman's basic rebuttal: (1) Feature packages have produced "maximum profits per program hour" for stations, as well as "largest ratings industry has ever known." (2) There is "definitely not a lack of new film product," and Seven Arts has just completed new deals with Warner Bros. and 20th Century-Fox for post-1950 pictures which "can supply stations for the next 10 years." (3) TV's economics "prevent the creation of 'made specifically for TV' programming in any significant quantity" to compete with strong features. (4) Rating record of features proves they can compete against TV's best home-grown programming.

In major Westinghouse market, San Francisco, feature films have taken audience play away from WBC-owned KPIX, Hyman asserted. He cited case of KTVU (independent) vis-a-vis KPIX in 16-month (Jan. 1961-May 1962) ARB study of audience trends, following KTVU's launching of 2 packages of Seven Arts' post-1950's.

KTVU has been showing the Warner features in a Sun. 7-9 p.m. slot, and again on Mondays at 7:30 p.m. Audience trend: When KTVU launched features in Jan. 1961, its audience share average on Sunday evenings was 2% vs. 42% for KPIX, which carries CBS-TV lineup. Ratings quickly climbed for KTVU, partly at expense of KPIX. Final 16-month share average for KTVU was 20% (10 times original level) vs. 32% average share for KPIX. Snapped Seven Arts of WBC's stand on features: "sour grapes."

At week's end, other feature-film distributors were readying counter-blasts, aimed at station management & film buyers, and drawing their own bead on WBC. Officials of the station group, busy with their own syndicated program plans, held to position as outlined by their boss. Whole thing began to take on familiar air of an industry brawl.

**FILM FIRMS SAG IN FIRST QUARTER:** TV & theatrical film companies earned poor notices for profit performance in 1962's opening quarter. Despite socko efforts by several—and record earnings by MCA, Screen Gems & United Artists—composite picture shows profits down markedly from 1961's first quarter, despite moderate sales gain. This aggregate downbeat trend is indicated by first-quarter returns of MGM, Movielaab, MCA, Paramount, Screen Gems, Technicolor, 20th Century-Fox, United Artists.

Combined first-quarter earnings of these 8 firms in film industry tumbled to \$10 million from \$15.1 million in Jan.-March 1961. The 1962 figure is after deducting loss of \$513,587 recorded by 20th Century-Fox. It must be noted, however, that loss is after a special amortization charge of \$2,090,000 and reflects 20th Century's new policy of writing off prospective losses on all films released during a given quarter.

Profit drops were reported by 3 of 8 companies: MGM—to \$2.6 million from \$6.7 million. Paramount—\$1.1 million from \$2.5 million. 20th Century—loss of \$513,587 from \$1.7 million profit. For brighter picture, Screen Gems posted record \$1.1 million—up from \$845,160. MCA doubled year-ago's \$2 million profit to record \$4.2 million.

It's interesting to note—and perhaps significant—that best profit performances were turned in by 2 film companies which are exclusively in TV. Among film makers listed above, only MCA and Screen Gems do not produce theatrical films.

Aggregate sales of 5 companies improved to \$158.5 million from \$150.9 million. Only one of these film companies, 20th Century-Fox, was down from 1961's first-quarter—to \$33.2 million from \$34.9 million. Sizable gains were registered by Technicolor—to \$14.8 million from \$11.8 million; Movielab—\$1.7 million from \$1.4 million; United Artists—\$32 million from \$27 million.

Here's 1962-vs.-1961 first-quarter performances of representative firms in film industry:

	Sales		Earnings	
	1962	1961	1962	1961
MGM .....	\$ 76,766,000	\$ 75,778,000	\$2,553,000	\$ 6,684,000
Movielab .....	1,685,314	1,436,380	97,235	69,399
MCA .....	—	—	4,203,841	2,019,553
Paramount .....	—	—	1,129,000	2,450,000
Screen Gems .....	—	—	1,055,509	845,160
Technicolor .....	14,796,100	11,807,564	567,326	451,479
20th Century-Fox .....	33,215,994	34,894,728	(513,587)	1,669,244
United Artists .....	32,065,000	29,965,000	916,000	879,000
<b>TOTALS</b> .....	<b>\$158,528,408</b>	<b>\$150,947,415</b>	<b>\$10,008,324</b>	<b>\$15,067,835</b>

Opening quarter of 1962 was 2nd fiscal quarter for 3 other film producers. Although Jan.-March 1962 breakdown is not available, their composite picture for the half shows sales up moderately — profits up mightily:

	Sales		Earnings	
	1962	1961	1962	1961
Walt Disney (6 months) .....	\$ 32,643,281	\$ 23,065,743	\$2,425,065	\$ 669,982
Warner Bros. (6 months) .....	44,079,000	47,008,000	4,074,000	3,564,000
Universal (26 weeks) .....	—	—	3,371,647	1,835,322
<b>TOTALS</b> .....	<b>\$ 76,722,281</b>	<b>\$ 70,073,743</b>	<b>\$9,870,712</b>	<b>\$ 6,069,304</b>

Jan.-March 1962 period was 3rd fiscal quarter for Allied Artists, Columbia and Screen Gems. Latter, which had record profits for Jan.-March 1962, also posted peak earnings for 9-month period, despite slight sales sag. Here's aggregate 9-month picture of these 3 film producers:

	Sales		Earnings	
	1962	1961	1962	1961
Allied Artists (39 weeks) .....	\$ 9,585,000	\$ 10,498,489	\$(1,196,000)	\$ 414,105
Columbia (9 months) .....	—	—	1,689,000	56,000
Screen Gems (9 months) .....	37,930,560	40,510,183	2,428,236	1,817,752
<b>TOTALS</b> .....	<b>\$ 47,515,560</b>	<b>\$ 51,008,672</b>	<b>\$ 2,921,236</b>	<b>\$ 2,287,857</b>

**RKO WARNS ON PAY TEST:** "We'll appeal to Justice Dept. and possibly seek FCC aid if we find we can't go ahead with our pay-TV test in Hartford because we're being denied a supply of feature films by pressure brought to bear on film distributors." So stated WHCT Gen. Mgr. Charles Wood to us last week when we queried him about possible "legal means" threat voiced earlier in week by RKO General Pres. Thomas F. O'Neil, at luncheon gathering of civic & business leaders in city where RKO General and Zenith will launch 3-year test of Phonevision June 29.

Station is not meeting blank wall in obtaining features as part of its planned potpourri of movies, taped specials, sports events and Broadway shows for pay-as-you-watch audiences, we learned. Although WHCT has had "varying success" with home offices & N.Y. film exchanges handling features, it has "firm deals" with Warner Bros. & Paramount, 2 major producer-distributors, for brand-new films and is "close to working relationship" with MGM, Universal and 20th Century-Fox.

Movie policy will be similar to that of Telemeter's Toronto-area test during Phonevision trial, WHCT mgr. told us. Films will generally be close-circuited in "subsequent first run," i.e. day-&-date exposure with key neighborhood circuits 17 days after film has closed in its run in downtown theater. RKO General hopes eventually to obtain some choice films on "preview" basis, and is also negotiating for telecasts of Broadway shows while they're in traditional New Haven tryout.

First-night pay-TV program still isn't set, although there was strong hint that it might be Warner Bros. blockbuster "The Music Man," likely to be one of season's biggest film successes. Home target is 200 decoder-equipped households by June 29 with 2,000 by September and 5,000 by early 1963.

Hartford test may tap Telemeter supply of taped pay-TV specials (performances by Carol Channing and Bob Newhart, production of Gian-Carlo Menotti's "The Consul," etc.), we learned. WHCT admitted to "conversations" with Telemeter regarding these & other properties. Such a deal would represent first U.S. sale by Telemeter of shows produced for its Canadian test and now stock-piled against U.S. demand by pay-TV systems.

New Savannah CATV system, Georgia TV Cable Co., will begin operation in fall, carrying 9 channels & ETV programs. Company plans to build 500 to 700 ft. tower, will spend total of \$1.2 million for 7-yr. expansion program. Pres. is George Eng, Norfolk, Va.; James Y. Nishimura, pres. of Communications Systems Corp., Huntington, N.Y., is vp.

New CATV firm, Trans-Video Corp., Tucson, Ariz., announced purchase of El Cajon, Cal. system with potential of 3,700 subscribers, plans to acquire additional franchises as well as management of existing systems. Pres. is Lee Druckman, former Jerrold Western regional mgr.

French TV viewership surveys disclose that at peak program hours subways & buses run virtually empty. This led London monthly *TV International* to observe: "The 'evils' of TV have been subject of comment ever since its birth but the accusation that it is stopping people from using the Paris Metro is carrying criticism a bit far."

"The world marketplace will—and should—determine what TV shows we export to foreign lands," according to Martin Codel, international TV consultant and former publisher of *Television Digest*. International TV consultant for U.S. telecasters & manufacturers, Codel has made extensive surveys in Europe, Latin America & Africa. In letter-to-the-editor in June 20 *Washington Post*, he writes: "Our Messrs. Murrow and Minow may, quite properly, undertake to exert the moral suasion implicit in their offices to warn American TV enterprisers against damaging the American image abroad [but] my own rather extensive TV surveys . . . over the last few years indicate a trend to indigenous live shows, especially musicals in Central & South America, and an acceptance of TV trivia for what it is: mere entertainment. There's less blood & guts stuff on the TV abroad than one might think. . . . A goodly number of our better TV & movie productions, including documentaries & travelogues as well as feature shows, are getting a good play and seemed to me to be creating favorable images."

Defense of advertising industry came from NAB Code Authority Dir. Robert D. Swezey in speech to Better Business Bureau and San Diego Advertising & Sales Club. He said advertising has become public whipping boy for reflecting conditions it can't control. Advertising isn't "the arbiter of public taste," Swezey said, yet it is subjected to "ridicule and bitter accusations that it is establishing false values and exploiting the public." He expressed hope industry untangles itself from "mass of minutiae" to concentrate on "broader fields in which to exercise its talents."

Finger-shaking at FCC & industry by Court of Appeals—more & more common in "final paragraph" addenda in recent months—was characteristic of decision affirming FCC in ETV channel-reservation case last week. Judges Edgerton, Washington & Danaher in short "per curiam" decision upheld Commission's refusal to put short-spaced ETV Ch. 3 in State College, Pa. at request of Pa. State U. Court then added that "the Commission must consider, and attempt to meet, the needs of educational TV, and of the public, as well as those of commercial interests. Should the Commission, in the future, demonstrate that it is neglecting this need, a different result may be required. This is not such a case."

FCC seeks equal-time suspension in 1964 elections, supporting President Kennedy (Vol. 2:23 p3), it's understood. Sen. Pastore (D-R.I.) has introduced S-3434 on behalf of Sen. Hartke (D-Ind.), seeking complete repeal of Sec. 315. Pastore said repeal, rather than election-by-election suspension, would provide well-deserved vote of confidence in broadcasting industry. Sen. Javits (R-N.Y.) has introduced S.J. Res. 196 to suspend equal-time requirements in this year's Congressional elections.

Illusion of quick fortunes to be made from communications satellite system should be dispelled quickly, FCC Comr. Hyde told Mountain-Pacific States Conferences of Public Service Commissions in Seattle last week. "Unknown frontiers seem to invite this sort of financial day-dreaming," he stated, "but space promises to be almost as empty of riches as it is of matter."

Paris theater is doing excellent business with TV fare. Pagoda Cinema, Paris, is showing *Eddie Sachs In Indianapolis, Kenya 1961 & Primary*—work of Time-Life Bcstg. Div.'s Robert L. Drew in association with Richard Leacock & Gregory Show, all ex-*Life*.

## Personals

Alfred R. Schneider promoted to vp & asst. to exec. vp, AB-PT & ABC div., Joseph Fitzpatrick to AB-PT asst. treas. . . Peter A. York promoted to Bureau of Broadcast Measurement exec. vp, Toronto.

J. L. Brown promoted to ABC Paramount Records administrative operations vp . . . John Regazzi, ex-Price Waterhouse & Co., named AB-PT comptroller . . . Don B. Curran promoted to ABC-TV o&o stations advertising & publicity dir.

Joel Rosenbloom, legal asst. to FCC Chmn. Minow, took position FCC policies on programming promote civil liberties, in ACLU N.Y. June 22 Park-Sheraton debate with Maurice Rosenfield, WFME(FM) Chicago—in meeting closed to public & reporters . . . Hyman Goldin, chief of FCC Research & Education Div., spoke on "Current Commission Activities" to meeting of Cal. Assn. of Bcstrs. in Santa Rosa June 22.

P. A. Sugg, NBC spot sales and o&o stations exec. vp, resigns because of ill health, successor not yet designated.

Frank (Scoop) Russell, retired NBC Washington vp, to be target of testimonial luncheon at Mayflower Hotel June 27 . . . William P. Breen promoted to NBC Films sales vp.

Peter Kenney, NBC Washington vp, named to NAB Radio Board, succeeding P. A. Sugg, resigned . . . Thomas B. McFadden, ex-NBC-TV vp & national sales mgr., named TWA marketing vp, a new post.

Ronald Pollock promoted to NBC-TV sales proposals mgr., Paul Klempner to client presentations mgr., both new posts; George Walker succeeds Pollock as sales development mgr.

Robert E. Ryan, ex-CBS Radio Spot Sales midwest client relations dir., promoted to sales development mgr., N.Y. . . . Raymond Cranley, ex-Peters Griffin Woodward, named Central Media Bureau broadcast program project leader, covering systems analysis, computer programming & production . . . Henry Brenner, Home Testing Institute pres., elected Radio & TV Research Council pres.

E. C. Page promoted to Petry vp; Alfred M. Masini & Malcolm B. James named group sales mgrs. . . . Norman W. Glenn, ex-Young & Rubicam, named Ziv-UA vp for program development . . . Abe Mandell promoted to Independent TV Corp. exec. vp. . . . Robert L. Fierman named MGM Telestudios sales mgr.

Ward L. Quaal, WGN-TV Chicago exec. vp-gen. mgr., awarded honorary degree by Mundelein College, delivered commencement address, inserted in full in June 21 *Congressional Record* by Rep. Rostenkowski (D-Ill.).

Ann M. Corrick, Westinghouse Bestg. Washington Bureau Asst. Chief, and Elizabeth Carpenter, ex-*Variety*, now asst. to Vice President Johnson, receive 1962 Headliner award of Theta Sigma Phi, professional sorority for women in journalism.

Amos T. Baron, ex-KCOP Los Angeles vp & gen. mgr., named UAA Western div. mgr., Los Angeles . . . Eugene C. Walz, ex-WCKT Miami production mgr., named WRC-TV Washington program dir.

Fred W. Johnson, KPLR-TV St. Louis local sales mgr., named WFRV Green Bay, Wis., gen. sales mgr. . . . Don Mumford promoted to KBTB Denver production mgr., replacing Russ Kundert, resigned . . . Earl J. Glade promoted

to Radio Service Corp. of Utah community relations vp; Saul Haas, Queen City Bestg. pres., elected a Radio Service dir.

W. D. (Dub) Rogers, ex-KDUB-TV Lubbock & satellites (Vol. 17:27 p16), resigns from NAB Board, no longer active in station management.

Douglas G. Leonard, ex-WBZ-TV Boston production mgr., named program mgr., Conn. Educational TV Corp., WEDH (Ch. 24) Hartford, due on air this summer; Samuel C. Edsall, WRTC(FM) Hartford chief engineer, assumes similar post at WEDH.

Louis J. Kramp appointed AP member relations dir. . . . Ray Schneider promoted to TelePrompTer CATV Systems Div. gen. mgr. N.Y., a new post . . . Robin Hardy, producer-director, joins Audio Productions creative staff.

## Obituary

Walter J. Damm, 69, one of TV-radio's most distinguished prime movers, long-time gen. mgr. of WTMJ-TV & WTMJ Milwaukee before retirement in 1958, died there June 15 following surgery. During career, he headed or participated vigorously in virtually every major broadcast movement—was noted for abrasiveness & fairness of personality. He joined *Milwaukee Journal*, WTMJ-TV owner, as classified advertising salesman in 1916, headed radio activities starting in 1922. When WTMJ began in 1927, he was named manager—then radio gen. mgr., a *Journal* director, a vp—retiring to Naples, Fla., in 1958. Long a dominant national figure in broadcasting, he was NAB pres. 1930-31, member of NAB committees which wrote first radio code and commercial section of TV code, member of first Code Review Board, member of committee which negotiated first ASCAP contract. He served on govt. Board of War Communications during World War II, was TV Broadcaster's Assn. pres. until merger with NAB in 1951, organizer of NBC TV Affiliates and its chmn. until retirement. His widow survives.

Alfred Levy, 52, Talent Associates-Paramount pres., pioneer TV producer & packager, died June 19 of pneumonia in Littleton, N.H. He was co-producer with David Susskind of programs such as *Philco* and *Goodyear Playhouses*, *Armstrong Circle Theatre*, *DuPont Show of the Month*. His widow survives.

CBS Foundation 1962 grants of \$21,000 have been awarded to 4 universities in honor of alumni employed by CBS. Columbia U. was awarded \$9,000 on behalf of CBS Inc. Asst. Gen. Atty. Peter M. Abel, CBS-TV Asst. Business Mgr. Richard H. Low, Columbia Records Chief Development Engineer Erik Porterfield. NYU received \$6,000 for Columbia Record Club Operations Dir. Richard Brun and CBS TV Stations Research Advertising & Sales Promotion Dir. Robert F. Davis. Princeton U. was awarded \$3,000 for CBS News correspondent Dallas Townsend, and U. of Southern Cal. received \$3,000 for CBS TV Stations vp & KNXT Los Angeles Gen. Mgr. Robert D. Wood.

FCC cut \$8,000 forfeiture action against WCUY(FM) Cleveland Heights (Vol. 1:13 p6) to \$4,000. Station had appealed original levy, made for testing new transmitter without notification and broadcasting on new frequency without authorization.

The \$2 million sale of radio WGES Chicago to McLendon group has been granted by FCC.

**Russia's TV Boom:** "Even the most dilapidated building has a TV antenna," White House News Secy. Pierre Salinger reports after tour of Soviet Union. Recently returned from trip to discuss cultural exchange, he told *Washington Post* TV Editor Lawrence Laurent biggest problem Russians have is matching set production with demand, though prices are \$150-\$350—month's income for average worker. Russian officials claim 10 million sets-in-use, served by 116 centers, but only Moscow, Leningrad & Kiev are hooked up via network.

One force behind expansion of Russian TV is recent appointment of Mikhail Khalarinov as radio-TV minister, Salinger said. Khalarinov is anxious to expand medium, faces obstacles once familiar in U.S.: movie producers don't want films telecast, playwrights shy away from medium, etc. Consequently, Khalarinov is developing programs specifically for TV. Extensive ETV system is under consideration; some schools now use closed-circuit.

Salinger termed Leningrad TV center "most modern," using high quality, Soviet-built equipment. Much news coverage is propaganda, he stated.

Plan for Kennedy-Khrushchev TV speech exchange (Vol. 2:11 p5), postponed in March because of lack of "right atmosphere," may be revived, Salinger said.



Stenographic reports of FCC hearings during fiscal 1963 will be available from CSA Reporting Corp., 939 D St., N.W., Washington—12¢ per page for Washington hearings, 21.6¢ for those held elsewhere, daily & immediate charges higher.

WWUP-TV (Ch. 10) Sault Ste. Marie, Mich., began June 15 as WWTW-Cadillac-Traverse City satellite.

CBS-TV's controversial abortion episode of *The Defenders* (Vol. 2:17 p1, et seq.) scored highly in Pulse survey of 1,000 N.Y. area TV homes conducted for *Television Age*. Of viewers who saw show, 72% liked it very much, 21% liked it somewhat, 5% didn't like it; 86% thought it proper, 13.6% improper. Most of those who considered program improper cited effect on children as major objection. Other findings: (1) 92.9% thought problem of abortion was handled fairly, 7.1% said "unfairly." (2) 28.9% noticed different sponsor for episode, 7.1% thought sponsor was same as usual, 64% didn't notice. (3) Of those who noticed sponsor change, 61.8% correctly gave reason, 38.2% didn't know.

NAB Pres. Collins won his point with Sen. Dodd (D-Conn.) and HEW Dept., persuaded them to change projected study of children & TV from "how does TV crime & violence contribute to juvenile delinquency" to "what is interrelationship between children & TV, and how do other influences enter picture" (Vol. 2:16 p2). After Collins wrote Dodd of his concern about distortion of original program, Dodd came back with mollifying letter stating that his intent had been "misinterpreted."

FCC's new educational broadcasting branch is described in May-June *NAEB Journal*, in article by chief Keith M. Engar and Research & Education Div. Chief Hyman Goldin. Activities and plans of branch, which will work with HEW in implementation of federal ETV aid funds, is outlined in question & answer form. *Journal* is available from NAEB, 119 Gregory Hall, Urbana, Ill., \$4 yr., 75¢ copy.

Interest in WXIX Milwaukee has been relinquished by pres. Gene Posner, who sold 51% to Harold Sampson, Bernard J. Sampson & Herbert Wilk, 49% owners.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1962—9 mo. to Apr. 30	\$39,713,446	—	\$1,081,341	\$1.00	1,065,098
	1961—9 mo. to Apr. 30	30,875,335	—	824,173	.76	1,019,739
	1962—qtr. to Apr. 30	13,755,661	—	357,351	.33	1,065,098
	1961—qtr. to Apr. 30	10,280,690	—	254,028	.23	1,019,739
Avco	1962—6 mo. to May 31	185,698,585	\$17,473,125	8,373,125 <sup>1</sup>	.77	10,886,109
	1961—6 mo. to May 31	157,926,234	12,576,187	6,201,187	.60	10,379,438
	1962—qtr. to May 31	102,519,020	—	5,051,666 <sup>1</sup>	.46	10,886,109
	1961—qtr. to May 31	84,232,290	—	3,749,812	.36	10,379,438
Belock Instrument	1962—6 mo. to Apr. 30	4,412,800	—	(282,400)	—	928,533
	1961—6 mo. to Apr. 30	5,576,517	—	(357,983)	—	928,533
Lab for Electronics	1962—year to Apr. 27	61,482,000	—	102,000 <sup>2</sup>	.08	1,298,100
	1961—year to Apr. 27 <sup>3</sup>	63,494,000	—	2,095,000	1.61	1,298,100
Loral Electronics	1962—year to Mar. 31	41,456,887 <sup>1</sup>	3,789,765	1,774,153 <sup>1</sup>	.82	2,173,305
	1961—year to Mar. 31	35,776,964	2,804,023	1,301,618	.75	1,738,944
Nippon Columbia	1962—6 mo. to Mar. 31	22,500,000	1,600,000	—	—	—
	1961—6 mo. to Mar. 31	20,400,000	1,500,000	—	—	—
Transistor Electronics	1962—year to Apr. 30	1,622,912	—	130,563	.39	—
	1961—year to Apr. 30	862,169	—	116,724	.35	—

Notes: <sup>1</sup> Record. <sup>2</sup> After special charge of \$432,000 for loss on foreign investments. <sup>3</sup> Includes operations of Tracerlab Inc. & Eastern Indus-

tries Inc., acquired in 1961, on pooling-of-interests basis. <sup>4</sup> Includes record earnings by subsidiary Crosley Bcstg. Corp.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**RCA TO INDUSTRY: 'MAKE YOUR OWN COLOR':** RCA is getting ready to turn off tap which supplies complete color chassis to its competitors. In effect, it's quietly telling its manufacturing customers to get ready to stand on their own feet in color set business.

RCA feels it will need the capacity in its Bloomington, Ind. color TV plant to make more sets under its own brand name. But even more important, RCA's move means first plateau in color has been reached—it is now profitable mass-market business (185,000 sets last year, probably 400,000 this year). More real competition between manufacturers can't do anything but help.

RCA will continue to supply color TV parts & subassemblies—but it plans to stop turning out complete sets for others. And next year, RCA will even have competition in the 2 most vital color parts—picture tubes & yokes.

Cut-off date for end of RCA manufacture of sets for competitors is believed to be some time next year—possibly around time of introduction of new 90-degree short color tube (scheduled for early 1963). Of course, RCA will honor all contractual commitments to make color sets but presumably will accept no more orders after some date in future. Exact details & timing of RCA move are sketchy and at week's end it was impossible to get confirmation from company.

Number of manufacturers depending on RCA for color sets would have dwindled anyhow, as it becomes more profitable for set makers to roll their own. Admiral, Olympic & Sylvania recently announced that they plan to go into production on their own (first 2 are buying sets from RCA, latter from Packard Bell). In addition to RCA, these companies now put together own sets: Zenith, GE, Warwick, Packard Bell. Packard Bell, incidently, is planning large increase in color set production facilities next month—despite fact that it will be losing Sylvania account. Color is really beginning to move. Phase One is over. Phase Two—more compact sets, multi-network colorcasting, heavier intra-industry competition, more aggressive merchandising—can mean only more & better color business.

**3 TUBE-SHIELDING DEVELOPMENTS READY:** In rapid-fire sequence, last week saw culmination of 3 important developments in picture-tube shielding which will have marked effect on course of TV set design and manufacturing.

(1) "Lamilite" picture tube, unveiled by GE tube dept., using 35-mil (1/32-in.) layer of plastic bonded to faceplate, made debut in GE's new lightweight 16-in. portable (see p. 11) and will be offered to industry in 16-, 19- & 23-in. sizes.

(2) "Kimcode" tube process, developed by Kimble Glass Co., received Underwriters' Labs approval. With UL seal, this approach is now ready for use.

(3) Thinner & lighter Teleglas for bonding to picture tubes was announced by Pittsburgh Plate Glass, with concomitant cost reduction of approximately 15-20%.

All 3 developments are aimed at reducing weight of TV sets, and proponents of all 3 also claim cost reductions. Here are details of each:

**Lamilite:** GE's Lamilite tube process, in development for more than 5 years and listed by UL in 16-, 19- & 23-in. versions, is reminiscent of duPont's Mylar tube shield, which as yet has no takers in industry. It uses 2 layers of plastic—composition of which was not divulged, except for statement that inner plastic is of

buteral family and outer plastic is of buterate family. Layers are laminated together and bonded to tube through vacuum-forming process on specially modified commercial equipment.

First use of system is on lightweight 16-in. bulb, and GE CR tube dept. mgr. David C. Scott said process can be used on lightweight 19- or 23-in. bulbs designed for Corning or Pittsburgh bonded caps. Plastic can be removed under heat for rebuilding of tubes or re-processing rejects. In next 2 weeks, GE CR tube dept. will sample industry with 16- & 19-in. versions.

Although samples shown last week were of clear tinted plastic, GE says it has also developed treated reflection-resistant type. GE has applied for patents on Lamilite, hopes to offer it to other tube manufacturers on royalty basis.

Among advantages listed by GE (all figures are GE's): Weight reduction—19-in. twin-panel tube weighs 19¾ lb., while Lamilite tube weighs 14½, differential of 5¾ lb., or more than 10% of weight of 19-in. set; in 16-in. version, Lamilite tube weighs 7½ lb., lightest bonded samples 9½. Length—Lamilite tube is ⅜-in. shorter than tube plus external implosion glass, ½-in. shorter than bonded. Picture quality—Plastic used in Lamilite tube has same refractive index as glass, providing greater clarity. Costs haven't been worked out in detail, but GE says they're "comparable to other systems and better than some."

Will it scratch? Yes—any plastic will scratch, but GE says this is one of toughest plastics made, and scratches may be removed with special compound. When ready? Now—on GE's 16-in. set.

**Kimcode:** Long-awaited UL listing came June 19 for Kimcode bare-faced-tube process. As detailed exclusively last March in these pages, Kimcode (standing for Kimble Method for Controlled Evacuation) makes use of 2 metal bands around rim of faceplate for added strength, and treated fiberglass cloth cemented around funnel to prevent implosion shattering (Vol. 2:12 p7). Bulb used with Kimcode process has specially designed & tinted faceplate (making it heavier than conventional lightweight bulb).

Kimble lists these advantages for Kimcode (all figures are Kimble's): Weight—"Components" for 23-in. Kimcode-type tube weigh 2 lb. vs. 11¾ lb. for laminated bulb, saving 9¾ lb.; saving in 19-in. size "might be approximately 7 lb." Length—at least ⅜-in. shorter than other systems. Cost savings—Lowered shipping costs and "utter simplicity" of manufacture. Actual costs weren't specified, presumably through lack of experience in mass-production of such tubes.

Kimcode's UL listing is real breakthrough in that it's first safety approval for a picture tube without any barrier between viewer & tube. Both Kimcode & Lamilite have advantages & disadvantages—Lamilite is lighter in weight, but it uses plastic. Comparative costs may eventually tell large part of story.

There's no doubt some set makers will use Kimcode process—which could be ready almost immediately. But consensus is that it won't see any widespread use until next year.

There's another innovation in Kimcode which isn't being talked about. Kimble holds patents on process, and, for what is believed first time in history of picture-tube industry, bulb-maker is asking royalties from tube makers who use it. It's understood Kimble originally asked 25¢-a-tube royalty, but has reduced this to 2¢ to get process going.

**PPG Teleglas:** Last week was also the week Pittsburgh Plate Glass chose to come out with new lightweight Teleglas for bonding to picture tubes. (PPG supplies raw glass; independent glass manufacturers shape & sell it.) New stronger glass is ⅜-in. thick vs. former 3/16-in., will be offered initially for 16- & 19-in. sizes, probably later for 23-in., color tubes & other larger sizes.

In addition to 15-20% cost saving, new Teleglas for 16-in. tube weights only 1½ lb. compared with 2¼ lb. for older type glass; 19-in. implosion shield is cut from 3½ to 2¼ lb.

PPG has UL listing for use of new ⅜-in. glass bonded to both 16- & 19-in. tubes.

Importance to industry of these innovations in tube implosion shielding—plus more to come—will be made clear in weeks ahead. We'll keep you & your staffs posted.

**NEW PRODUCTS—16-IN. TV, TRANSISTOR STEREO:** As new-line activity reached climax on eve of Music Show, GE took wraps off 16-in. lightweight TV portable and Magnavox showed all-transistor stereo console with 100 watts Music Power Output.

GE's 16-incher is attractive set weighing 22 lb. and designed to retail at \$170-\$175. Designated the "Escort," light weight was attained through use of new Lamilite tube (see p. 9), 7 compactrons (plus 3 conventional tubes), extensive use of aluminum. Other TVs in GE's new line use 6 compactrons. Escort has mono-pole antenna, private listening jack, locates speaker & tuning knobs in front under screen. Leather carrying case with shoulder-strap will be available.

Only other 16-in. set definitely known to be scheduled for this year is Philco's, which will be launched in fall. Best guess is that Philco set, also lightweight, will use new Pittsburgh-type bonded tube instead of GE's Lamilite (see p. 10).

Among other GE TV innovations are 19-in. TV-radio phono combo (with drop-down record-changer) designed to be hung on wall, to retail at about \$550, and hutch-style combos at around \$699.95, with 3 other combos at \$699.95 to \$799.95. On-the-wall combo has removable speaker doors, similar to GE stereo phono design instituted last year. GE also is offering furniture-type 19-in. table models in period designs, at around \$229.95. Many GE TV sets use light-sensitive automatic brightness-contrast control.

GE continues 8-model color-TV line at \$595-\$795. Also shown last week was 23-in. classroom TV-audio center. GE's console phono line has 8 basic models at \$150 to \$550, continuing its on-the-wall units at \$260-\$350 and including its first hutch console (\$399.95 with radio). All radio-equipped units have FM stereo. GE is also offering built-in version of its on-the-wall console for builder market. Also unveiled was home music distribution system, which uses home power lines to pipe music from phono or radio to any room in house.

Magnavox became first in industry to completely transistorize its high-end stereo consoles—extending transistorization all the way to include AM-FM tuner. Parts are guaranteed 5 years, and transistorized chassis uses only 1/10 power of comparable tube set. Transistor sets sell for \$675. Record-player improvements were also announced, with synchronous motors used on high end. Enlarged line of electronic organs is completely transistorized, ranging from \$495 to about \$2,000. Stereo console line starts at \$149.50, transistorized portable phonos at \$99.90.

Magnavox TV line places heavy emphasis on 24- & 27-in. tubes and light-sensitive brightness-contrast adjuster, with new transistorized remote control. Warranties on 24- & 27-in. sets have been extended to 3 years on picture tube, continuing one-year warranty on labor & other parts. Magnavox has completely dropped diagonal picture-tube designations, using square inches instead.

Magnavox portables run \$159.90-\$225 (latter has remote control) vs. previous starting price of \$168. The 23-in. models start at \$179.90 (vs. \$188 in Jan. line), 24-in. at \$249.50 (unchanged), 27-in. at \$289.95 (vs. \$299.95 for same model). Combos run \$398.50-\$895 (vs. \$399.50-\$925). New lower-priced color set has been added at \$695, with \$745 & \$795 sets continued unchanged.

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Other new line news: Symphonic entered transistor radio field, with 7 models priced from \$14.95 to \$99.95. New Symphonic phono line has portables from \$19.95 to \$199.95 (latter with FM stereo), consoles from \$99.95 to \$379.95.

Zenith adopted popular drop-down phono concept in new "Cabinette" stereo at \$379.95-\$399.95. Attractive space-saving set (which includes FM stereo), may be used as conventional console, wall-hanging unit, or shelf or table set.

Westinghouse will debut new line, minus list prices, with TVs designed to sell for \$140-\$750, including its popular Instant-On feature in expanded number of models. First Westinghouse color TV line will have 5 sets at approximately \$595-\$850.

Redesigned Capehart lines will aim at lower-priced markets through direct franchised dealer approach. There will be 8 TVs from \$129.95 for portable to \$550 for top combo; 5-set stereo line will start at \$99.95.

**ZENITH BIDS FOR PHONO LEADERSHIP:** "Several years ago we set out to be the most important company in the hi-fi business. Our first goal was to improve our product. We have achieved that. Now we are making our first play for real position in this business. We have 20% of the TV business and we are aiming at the same place in the phonograph business."

So said Zenith Sales Corp. Pres. Leonard C. Truesdell last week at N.Y. press luncheon to whoop it up for new CBS Labs-designed 2-gram "free-floating" pickup cartridge & "Micro-Touch" tone arm—development which Zenith claims provides highest quality reproduction in history of packaged phonos (Vol. 2:24 p8). Truesdell's announcement obviously is to be taken seriously on basis of past performance, on basis of factory & distributor organization, on basis of dealer & consumer loyalty.

Whether Zenith will achieve hi-fi leadership goal or not, Truesdell's announcement signifies battle royal in phono field. This year, nearly all major stereo manufacturers are touting new record-changer improvements, and you can bet Zenith will push hard on the demonstrable features of its new tone arm-pickup combination, which is featured (in 2 versions) on all its consoles except leader model, and even on \$149.95 portable stereo.

Indicative of Zenith's promotion plans is one of its infrequent network TV appearances—sponsorship of "World Series of Golf" on NBC-TV live in color 4:30-6 p.m. Sept. 8 & 9, pitting 4 top golf tournament winners for \$75,000 prize money put up by Zenith. (Amana will co-sponsor.) Commercials will be divided between new phonos & color TV.

New tone arm & cartridge was under development by CBS Labs for some time when Zenith took hold of it, bought patents. Zenith plans to market component version, both in changer and in turntable, through its own distributors and nationwide component houses such as Lafayette & Allied. Price for changer will be around \$129.95, according to Truesdell—an almost unheard-of price for a record-changer. At same time, probably early next year, Zenith also will market component version of its FM stereo tuner.

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The articulate & effusive Truesdell ("I'm just a country boy") got off a few prime Truesdellisms in his talk to newsmen and in informal discussions after lunch. Some of his pronouncements:

On the stock market: "I can't get too alarmed about it. In all the markets where we've held dealer meetings so far—and that's 75% of the 80 largest markets in the country—we've broken all records. Retailers wouldn't be buying like this if they didn't feel business was going to be good. Every family has 2 or 3 radios, and yet everybody's buying more. If the world's coming to an end, what the devil are they buying radios for?"

On radio prices: "Radio is a mess. We've got some screwballs who are selling below cost. I don't know why. You can count us out of this."

On TV programming: "With TV programs stinking the way they do, I wonder why we're selling so many TVs. I think TV programs are largely responsible for the big shift to phonographs."

On TV inventories: "We have no problems at Zenith. But on an industry basis, there are still too many 19-in. sets in the pipelines for comfort."

**REBUILT TUBE MARKET—NOT SO BIG:** Just as the industry is revising its thinking about picture tube replacement market, it's taking another look at rebuilt tube market and finding this segment of picture tube business isn't nearly so big as previously believed.

In April we reported growing feeling that replacement tube market will be continually declining business, rather than expanding one, due to increasing life of original-equipment picture tubes (Vol. 2:17 p7).

Now there's strong suggestion that rebuilt tube sales aren't much more than half as large as most industry statistics used to indicate they were—and that they are declining, too.

Most of industry has always accepted reports that rebuilders have been selling picture tubes at rate of about 3 million a year. Now industry sources in position to know say this assumption was wrong—that 1959 & 1960 rebuilt-tube sales were in neighborhood of 1.8 million units.

Last year saw decline in rebuilt tube sales, and there's working estimate that they totaled only about

1.6 million—as opposed to 9.3 million new picture tubes (original equipment, replacements & exports). This 12% decline in rebuilts in period of single year is due in part to same problem plaguing new-tube replacement market—increasing life of original-equipment tubes. But another factor may be showing up for first time: Difficulty of rebuilding bonded tubes.

Most of confusion about replacement & rebuilt sales of picture tubes should be cleared up when EIA officially releases new statistical approach to market, based on special survey by Dun & Bradstreet.

**THE LONG, SAD HISTORY OF CLOCK TV:** Way back in 1955, we were hearing predictions that clock TV would become as popular as clock radio (Vol. 11:13 p9). In fact, first clock TV was marketed in 1952 (by Sentinel). Somehow, clock TV never was brisk-selling item—and the clock gave way to clockwork sleep-switch timer, which didn't do much better.

Most TV manufacturers have featured at least one TV model with clock-type timer, between 1955 & 1958. Two clock manufacturers—GE (Telechron) & Sessions—have been pushing idea of TV timers for years, haven't given up.

Five manufacturers have sleep-switch timers in their 1963 lines—Zenith, Westinghouse, Emerson, Packard Bell & Olympic. These shut-off timers are concentrated in portables as low-cost alternative to remote control. They're designed to turn off after selected interval up to 3 hours, and are generally confined to one model in portable lines.

GE clock & timer dept. also offers Telechron Videoclock (\$14.95 list) which converts any TV into clock TV. Company recently offered set makers new Telechron "Off-R-On" timer low-cost timing device which can be set to turn TV set on or off at any pre-selected time up to 10 hours in future.

Why hasn't sleep-switch feature been success? Lack of promotion, says GE clock & timer dept. According to spokesman: "No one is doing an outstanding job of promoting the feature, but it is anticipated that this innovation is needed for bedroom use of TV sets. This should be a salable innovation to help expand TV sets into the bedroom if set manufacturers promote the fact that the feature is available."

**TV-RADIO PRODUCTION:** EIA statistics for week ended June 15 (24th week of 1962):

	June 9-15	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	132,617	116,694	131,765	3,037,719	2,530,802
Total radio .....	335,453	358,716	339,468	8,494,804	6,859,354
auto radio .....	122,609	150,091	117,246	3,009,934	2,183,183

**Plant Shutdowns for Vacation:** Time of year approaches when most plants close for 2 weeks for employee vacations, to fulfill union contracts and/or to gauge inventories. From EIA & others, here's our calendar:

Set mfrs.: Arvin, July 30-Aug. 12. Bendix, June 25-July 8, GE, July 30-Aug.12. Magnavox, July 2-15, Motorola, July 29-Aug. 13. Packard Bell, July 2-15. Philco, July 16-29. Pilot, July 2-24. RCA, July 2-15 (Ind.), July 16-29 (Camden). Sylvania, July 16-23. Trav-Ler, July 2-15. Warwick, July 16-29. Waters Conley, July 16-29. Wells-Gardner, July 2-15. Westinghouse, Aug. 6-19.

Tubes & semiconductors: Bendix Semiconductor, July 2-9. Clevite Transistor, July 2-15. Allen B. Dumont Labs, July 16-29. Eitel-McCullough, July 23-Aug. 5. General Instrument (F. W. Sickles Div.), July 16-29. ITT Tube Lab, July 27-Aug. 12. National Semiconductor (except sales), July 16-29. Pacific Semiconductors, July 30-Aug. 12. Raytheon, July 2-16. Tung-Sol (except Cathode Ray & Semiconductor Divs.), July 16-29. **Not closing:** Fairchild Semiconductor, National Transistor, Raytheon's Rheem Semi-

conductor, Texas Instruments, Transitron Electronic, U.S. Semiconductor Products.

Components & others: Adler Electronics, July 23-Aug. 5. Advance Ross Electronics, June 25-July 8. Aerovox, July 2-8 (New Bedford Div.), July 2-15 (Hi-Q Div.). American Bosch Arma, July 16-29. Ampex (Magnetic Tape Div. only), July 2-9. Blonder-Tongue Labs, July 2-15. Chicago Condenser, July 2-15. Clarostat, July 2-15. Erie Resistor, July 2-15. International Resistance (except Philadelphia plant), July 16-29. Jerrold, July 16-29. Litton (Westrex), July 30-Aug. 12. P. R. Mallory (Radio Materials Div.), July 2-15. Muter (Rola Div.), July 16-29. Radio Condenser, July 16-29. Speer Carbon (Jeffers Div.), July 2-8. Stackpole Carbon, June 29-July 8. Sylvania Parts Div. (Naugatuck Plant), July 2-15. **Not closing:** Amphenol-Borg, Audio Devices, CTS Corp., General Dynamics/Electronics, Globe-Union, International Rectifier, International Resistance (Philadelphia plant), P. R. Mallory Capacitor Co., Muter Co. (Muter Div.), Speer Carbon (Speer Resistor Div.), Sprague Electric.

**NBBB URGES END OF 'LIST':** National Better Business Bureau joined intensifying attack (Vol. 2:25 p7) on fictitious pricing today (June 25) with appeal to "all in business" to discontinue "list" prices or any other form of pricing representations in advertising, however expressed, which are not the usual or customary prices of the articles so designated in the trade area in which the advertising appears."

FTC also gave notice of increasing pressure on fictitious advertising last week by ordering a manufacturer and a retailer to cease using suggested list prices that are, in fact, higher than prices usually charged. Involved are Regina Corp., maker of electric housewares, and Giant Food, Washington-area food chain that also sells appliances. Noting that 3 big Washington department stores sell identical products at considerably below manufacturer's list prices stated by Giant Food in comparative-price ads, FTC said: "Rightly or wrongly, many people believe that a manufacturer's 'suggested list price' expresses his considered and expert judgment as to the approximate retail value of his product. Accordingly, where the advertised manufacturer's 'suggested list price' is not in fact the usual or regular price generally prevailing in the area, the public may be misled."

In special bulletin to NBBB membership, Pres. Kenneth B. Willson emphasized "responsibility for the use of fictitious prices by retailers is shared by manufacturers, both legally & morally, if they put into the hands of retailers the instrument through which deception of the public is carried out."

We asked Willson about plan of Westinghouse & others to supplant list prices with such ad terminology as "less than \$ . . ." or "should sell for less than \$ . . .". He interpreted this way: "Fictitious pricing in any form is unlawful. If an article is advertised to sell for, say, less than \$14.95, no reasonable person is going to object if the selling price in a given area is a few cents less. This expression will be interpreted by the public to mean that the product so advertised usually & customarily sells for a few cents less than the advertised price. However, if someone kicks the daylight out of that price and sells the article for \$7.95, that would be fictitious advertising. It would give the consumer in that area the false picture that he is buying for \$7.95 a product that normally should sell for \$14.95."

Noting that with "few exceptions" actual retail selling prices generally are "less than manufacturers' 'list' prices, 'suggested list prices,' preticketed or other stated prices," NBBB in its bulletin emphasized: "Whatever validity 'list' prices have had historically in pricing between manufacturers, distributors and retailers, their use in retail advertising in conjunction with a lower selling price almost invariably has been to represent to the public, directly or by implication, that an article is being offered for less than its going price and therefore at a saving. . . . The 'worth' or 'value' of an article is the price it commands in the market place. Savings claims based upon pricing representations which are sheer fiction are wholly illusory."

NBBB sounded this warning: "The FTC has served notice on business that the dissemination of fictitious pricing representations in whatever form is deceptive & illegal and that those who do so risk adversary proceedings by the Commission. In the public interest, the NBBB urges the

cooperation of business leadership in meeting its responsibilities for correcting this problem through the exercise of self-restraint."

NBBB also called upon media "to cooperate in reviewing acceptance of copy by requiring advertisers to prove with competent evidence that any 'list,' 'suggested list' or other stated price used be the usual & customary prices of the articles so designated in all areas where circulated."

Loudspeaker rating system to identify quality of speakers to consumers was proposed last week to EIA loudspeaker conference in Chicago by Lincoln Walsh, Walsh Engineering Co., Millington, N.J. System would use 8 colors to identify various ranges of sound frequencies, and 7 symbols to express power-handling capacity of speaker; for example, a moderate-power speaker with good frequency response might have 6 blue diamonds. Walsh urged speaker industry to upgrade itself by lowering speaker cost "per unit of performance." Speakers today, he said, are largely in same performance-per-dollar class as those of 20 years ago. Conference also heard report that loudspeaker imports last year equalled about 40% of U.S. production of approximately 42.5 million speakers.

Philco ad & promotion programs for late summer & fall will boost 1962 spending 75% ahead of 1961. Consumer Products Div. gen. sales & mktg. mgr. Charles H. Hakimian said Philco will spend 400% more for national TV in 1962's 2nd half than it did in same 1961 period; some 250% more for local newspaper ads; 50% more for promotion programs. Total ad campaign, which embraces full pages in *Life*, *Look* & *SatEvePost*, will produce more than one billion reader & viewer impressions of Philco products, he said. TV specials include sponsorship of "Miss America" pageant Sept. 8 & premiere of Johnny Carson's *Tonight* show Oct. 8.

Japanese electronics exports to U.S. totaled \$119,878,000 in 1961, 28% higher than 1960's \$94,013,000, Commerce Dept.'s Business & Defense Services Administration reports. Radio receivers valued at \$74,638,000 accounted for 62% of exports to U.S., down substantially from 1960's 74%. TV shipments amounted to 23,000 valued at \$1,721,000, compared with 10,000 worth \$507,000 in 1960. Other sizeable increases from 1960 to 1961 were in sound recorders and reproducers, \$6,068,000 to \$15,554,000; electronic components, \$3,545,000 to \$5,871,000; radio-phonos, \$1,252,000 to \$2,698,000, and capacitors, \$972,000 to \$1,812,000.

Factory transistor sales in April continued familiar pattern: up in units, down in dollar volume compared with year-ago month. April sales totaled 19,621,048 units valued at \$25,097,960 vs. 15,072,064 units at \$27,388,278 in April 1961. Cumulative pattern was similarly up & down. Jan.-April sales showed 80,031,959 units at \$98,911,135, compared with 55,655,696 units at \$105,858,361 in 1961's first 4 months. Here are EIA's official figures.

	1962		1961	
	Units	Dollars	Units	Dollars
January ..	17,238,376	\$21,459,598	12,183,931	\$ 22,955,167
February ..	20,239,880	24,151,155	13,270,428	25,699,625
March .....	22,932,655	28,202,422	15,129,273	29,815,291
April .....	19,621,048	25,097,960	15,072,064	27,388,278
<b>Totals ..</b>	<b>80,031,959</b>	<b>\$98,911,135</b>	<b>55,655,696</b>	<b>\$105,858,361</b>

## Trade Personals

Wendell B. Sell, ex-Marquardt Corp. vp, appointed Packard Bell Electronics group vp, effective July 1 . . . S. Dean Wanlass, ex-Packard Bell group vp, named a Philco vp & gen. mgr. of Computer Div.

Theodore A. Flynn named Packard Bell Sales Corp. sales vp, a new post, and sales dir. of Home Products Div. . . . John H. Ihrig, onetime Webcor exec. vp, has resigned as a dir. . . . Dr. Richard C. Sirrine named Sylvania Semiconductor Div. integrated circuit dept. mgr.

Leon A. Wortman, ex-Fisher Radio (Vol. 2:22 p11) & RCA, appointed commercial electronic products sales mgr., Sylvania Home Electronics, headquartering in N.Y.

Hubert Larson named Trav-Ler Radio sales dept. vp; D. J. Cameron, production vp; Richard Strand, purchasing vp; Ralph Hanna, vp-gen. mgr., Hoosier Cabinet Corp. subsidiary.

William B. Wilfong named buyer for radio, hi-fi & housewares sold through Goodyear Tire & Rubber retail stores, succeeding T. W. Rainsberger, resigned.

J. Philip Reichmann Jr. appointed Motorola special accounts mgr., succeeded as conventions & special projects mgr. by Robert DeNapoli . . . Joseph M. Walsh named pres. of Lear-Siegler's Instrument Div.

Gordon W. Farmer named RCA Tube Div. mgr., Harrison, N.J. plant; Frederick J. Lautenschlaeger, Woodbridge, N.J. plant mgr.

Thomas E. McCarthy appointed GT&E public information mgr., succeeded as Sylvania Electronic Systems PR mgr. by James J. Lanigan who returns to Sylvania after 6 months duty with U.S. Army.

John W. Young, of RCA's Findlay, O. plant, received company's top 1961 employe suggestion award of \$4,900. Total 1961 awards, for 3,754 suggestions: \$142,810.

Fredrick M. Fowkes named Sprague Electric Research Dir.

Leonard C. Truesdell, president of Zenith Sales Corp. who is recognized as bridge expert, has been certified as instructor in Charles Goren bridge system—one of 50 in U.S. "I have no intention of teaching," said Truesdell last week; "it was just the challenge that interested me."

## Obituary

William P. Banning, 82, retired AT&T executive, died June 18 in Christian Sanatorium, Wyckoff, N.J. He was asst. vp from 1927 until retirement in 1944, served at one time as PR mgr. He was author of *WEAF: Commercial Broadcasting Pioneer*, which traced introduction of commercials in radio broadcasting.

U.K. electronics exports to U.S. totaled record \$22.3 million in 1961, up 14% from 1960's \$19.6 million, Commerce Dept. reports. U.S. shipments to U.K., exclusive of classified items, totaled \$23.6 million. Half of British exports were record playing mechanisms, valued at \$10.8 million, 34% higher than year earlier. Shipments to U.S. of phonos and record players, radios & radio-phonos, declined. Tape recorders & reproducers, tape decks, transistors, were up substantially. During 1961, U.K. electronics exports to all countries amounted to \$193.6 million, 19% higher than 1960.

**Officers-&Directors** stock transactions as reported to SEC for May:

Allied Artists. Roger W. Hurlock bought 900, held 30,100.

AB-PT. Jerome B. Golden sold 750, held 681 plus 105 jointly with wife.

Ampex. Phillip L. Gundy bought 750, held 12,927.

Arvin Industries. Robert G. Nau bought 100, held 1,225.

Avnet Electronics. Robert H. Avnet sold 368, held 289,934.

Capital Cities Bcstg. William J. Casey bought 3,200, held 25,198. William S. Lasdon bought 3,200, held 21,925. Frank M. Smith bought 3,434, held 127,222.

Columbia Pictures. Jerome Hyams bought 500, held 5,096. Sol A. Schwartz bought 200, held 200.

Corning Glass. John L. Hanigan sold 400, held 3,925.

Emerson Radio. Harvey Tullo held 4,417, sold 200 as custodian, held 4,384. Abraham Vogel sold 2,200, held 5,727.

Federal Pacific Electric. Thomas M. Cole sold 1,500, held 237,587.

Friendly Frost. Alfred McCoyd bought 1,500, held 13,500.

Magnavox. David W. Martin bought 926, sold 100, held 3,604. Richard A. O'Connor sold 10,700, held 205,401.

P. R. Mallory. J. Taylor Foster sold 380, held 1,001.

Muntz TV. Harold S. Lansing bought 1,000, held 1,000.

National Union Electric. Robert P. Dole bought 300, held 500.

Pacific Industries. George McGrew sold 800, held 227,320.

Pentron Electronics. R. L. Moxley sold 1,674, held 217,600.

RCA. Carroll V. Newsom bought 100, held 200. David Sarnoff bought 26,543, held 50,000.

Raytheon. George Ingram Jr. bought 904, held 2,999. Robert McCormack sold 389, held none.

Rollins Bcstg. John W. Rollins bought 5,000, sold 6,350, held 9,396 plus 3,300 as guardian, sold 5,000 Class B, held 201,000 Class B.

Screen Gems. Alfred Hart bought 850, held 950.

Stanley Warner. Charles F. McKhann sold 100, held 500.

Thompson Ramo Wooldridge. Benjamin W. Chidlaw sold 700, held none. Ralph P. Johnson sold 100, held 11,770.

Trav-Ler Radio. Joe Friedman bought 100, held 297,511.

Warner Bros. Jack L. Warner bought 4,100, held 1,125,060.

Zenith. Robert Adler bought 1,260, held 1,260.

**Distributor Notes:** TelePrompTer has appointed Pacific Audio Sales (1933 South Broadway St., Los Angeles) southern California sales rep for audio products . . . Dee Mahin appointed gen. mgr., Admiral Sales Corp. Detroit Div., succeeding Martin Scully, resigned . . . Harold G. Carlton named Sylvania Home Electronics sales mgr. for Denver district, embracing Col., Utah, Kan., Okla., succeeding Donald Morse, resigned.

**Mergers & acquisitions:** MCA has declared effective its offer to purchase minimum 80% of Decca Records stock (Vol. 2:22 p12), will announce within 30 days plans for disposing of its talent agency. MCA previously said it would divest agency after acquiring Decca.

**MOTOROLA'S INVENTORY WARNING:** "Inventory glut of TV & radio products before year's end" was forecast by Motorola Consumer Products Pres. Edward R. Taylor last week, "if production continues at present level." Warning "production is outstripping sales," Taylor said industry TV sales at distributor level for 1962's first 5 months were up 10.5%—but TV inventories at factory and distributor level jumped 35.5%. Distributor radio sales were ahead 23%, inventories up 30%.

"It behooves all electronics manufacturers to substitute binoculars for rose colored Pollyanna glasses, and to take a hard look at production rates now in terms of what they can expect to sell at a profit the balance of the year," he said. "A mature attitude of production and inventory discipline in the next 90 days can assure us a TV year of over 6 million sets with good quality merchandise for the consumer and with reasonable profit all along chain of distribution."

In radio category, he noted "conditions in portable radios are growing serious with sales up 13.5% while inventory is up 51%." Ratio in clock radios is better with sales up 26.5% and inventory up only 13.2%—but, he said, table radio sales are down 1.8% while inventories are up 15.2%.



**Major breakthrough in hydro-electronics:** Completely new electronic consumer product has been introduced in Japan by Miniman Radio Co.—the diaper-moisture detector. Device resembles cuddly kitten, has loudspeaker in one eye, and is connected by wire to small moisture-sensing device which presumably is inserted somewhere in diaper. Miniman's poetic advertising copy for appliance (described as "Model No. M-48") reads as follows: "Lovely Baby's Diaper Must be Kept Clean! Put it into the diaper, and it will cry 'mew! mew!' instantly when the diaper becomes wet. When 'mew mew' is heard, remove it from the wet diaper and always keep your baby refreshed." To best of our knowledge, the gadget is not being exported to U. S., thereby depriving millions of American babies of refreshment.

Channel Master will import TVs by end of this year, distributors have been told. The maker of antennas & picture tubes, and importer of Sanyo-built radios, demonstrated 3 sample sets (all unpriced) built by Sanyo. They are 8-in. battery-operated transistor portable, 17- & 21-in. AC sets. They'll be made by Sanyo.

Appealing indirectly for TV-battery business, Yardney Electric Corp., N. Y., features portable TV set in current trade ads for its "Silcad" batteries. Caption reads: "Just Putting a Handle on It Doesn't Make It Portable! Putting a Silcad Battery in it . . . Does!" Text of ad is geared to theme: "Create new products . . . improve existing ones!"

Silicon Transistor expects first-half earnings to rise "at least \$110,000, equal to about 22¢ a share," from \$69,000 (13¢) a year earlier, Pres. Robert Ashley reported. For total 1962, he said, "sales should increase about 50% over last year with profit greatly improved over 1961." Last year, Silicon Transistor earned \$36,008 (7¢) on \$1,682,382 sales.

Jerrold Electronics will ask stockholders at June 28 annual meeting to approve reorganization plan which creates new parent organization. The Jerrold Corporation, and 4 subsidiaries: Jerrold Electronics Corp., Harman-Kardon Inc., Technical Appliance Corp., Pilot Radio Corp. Pres. Sidney Harman in annual report said reorganization "will serve & reflect more fully the diversified operations of our company." Report also emphasizes Jerrold's record sales & earnings in 1962 fiscal year ended Feb. 28 (Vol. 2:17 p6). Earnings soared 140% to \$597,234 on a 51% sales rise to \$18 million, compared with fiscal-1961 performance. At close of 1962 fiscal, Jerrold had total current assets of \$11,188,770, including \$1,384,868 cash. Total current liabilities: \$3,980,547.

Aerovox expects 2nd-quarter sales to approximate \$6.3 million, push first-half total to about \$12.6 million—from \$10.9 million in 1961's first half. Pres. W. M. Owen said Jan.-June earnings should climb to at least 20¢ a share from 12¢. For total 1962, Aerovox, barring unforeseen developments he said, should reverse 1961's \$606,568 loss with a profit, produce good sales gain over 1961's \$22.3 million. Aerovox, whose TV-radio products include resistors & capacitors, will forego vacation shutdown at one plant, reduce closings to one week from 2 at 3 others. Owen said vacation shutdowns are curtailed to serve customers who will curtail or forego vacation closings this year. (For latest schedule on vacation shutdowns, see p. 13.)

Allied Radio expects sales & earnings in its 1962 fiscal year ending July 31 to extend sharp improvement of first 9 months (see financial table). Sales increased to \$39.7 million from \$30.8 million in year-earlier period, earnings rose to \$1.1 million from \$824,173. Pres. A. D. Davis forecast total-year sales of \$52 million (vs. \$40.5 million in fiscal 1961) and rise in per-share earnings to about \$1.35 from \$1.04. He said Industrial Div. opened 6 new branch offices in first 3 quarters, increasing total to 10, and has scheduled 6 additional offices for opening by early next year. A new retail store will be opened in South Milwaukee next month, increasing outlets to 8.

Joseph S. Sinclair, pres. of Outlet Co. (WJAR-TV Providence), has gained personal control of 156,000 shares of Outlet common, increasing his holdings to nearly 1/3 of 497,100 shares outstanding. He received the shares on his 40th birthday under provisions of trust established by his grandfather, Col. Joseph Samuels, one of company's founders. Trustees in 1958 sought to sell the stock, but Sinclair successfully fought move in Rhode Island courts.

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#### Common Stock Dividends

Corporation	Period	Amt.	Payable	
IBM	Q	\$0.75	Sept. 10	Aug. -
Motorola	Q	.25	July 13	June 29
Transcontinent TV	Q	.12½	Aug. 15	July 31

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