

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

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

NOVEMBER 4, 1963

NEW SERIES VOL. 3, No. 44

NAB LIBRARY SUMMARY-INDEX OF WEEK'S NEWS
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Broadcast

FCC'S BIG-TICKET AGENDA defers action on drop-ins & CATV rules. Progress report on network program ownership, station program form, deferred renewals, station-sale processing, CATV-station joint ownership (p. 1).

FTC CHECKS NIELSEN; NAB & RAB AGREE: Consent order requires Nielsen to refrain from alleged monopolistic practice, to open up patents to anyone royalty-free for 4 years, to refrain from acquiring any rating company for 10 years. NAB & RAB come to terms on radio methodology study (p. 2).

BILL QUARTON'S 'DEAR ROY' RE COMMERCIALS calls for Exec. Committee meeting on Code, says Code Board Members 'won't give up their policy making authority to anyone' (p. 3).

ROGERS TO WEIGH FCC POWERS: Commission testimony prepared for Nov. 6 hearing claims 'broad authority' to deal with over-commercialization. Rogers thinks differently, says view is indicative of FCC staff attitude (p. 3).

CRICHTON DISSECTS WASHINGTON: AAAA pres. tells IRTS that FCC should let industry handle over-commercialization, says radio overpopulation has helped create problem, hopes FCC won't repeat with uhf, urges reconsideration of option time ruling (p. 4).

Consumer Electronics

NEB. PULLS RUG ON TIME SALES: State Supreme Court rules that interest charges on time sales are loans, voids all contracts since 1959 in which rates exceed state's 9% simple usury maximum. Retailers & financing agencies face loss of interest, principal & products estimated at some \$1 billion (p. 7).

FM MARKET BIGGER than most people realize—survey indicated production & imports of FM receivers will exceed 5 million this year, 6.4 million next year, compared with about 3.3 million in 1962; imports surprisingly high, could pass domestic output in '64 (p. 8).

HOME TV RECORDER to be shown to TV manufacturers by Fairchild Camera, which may build it for OEM sales only; no details revealed, but Fairchild also plans professional unit at \$3-\$5,000 (p. 9).

8-MONTH SALES FIGURES reflect healthy TV business, though all-channel sets are only 14% of output; FM & car radio are high spots in drab radio picture; phono sales come close to record Aug. '62 figure (p. 10).

BOOM TV BUSINESS continues into Oct., while portables increase share of market; Magnavox discontinues low-end color consoles & combo due to tube squeeze; Ed Taylor predicts TV sales; Pilot to start color sales this fall (p. 11).

FCC'S BIG-TICKET AGENDA: FCC had some heavy items on agenda last week, didn't get to all of them. Here's what happened, we've learned:

- (1) Vhf drop-ins & CATV rules weren't considered, probably won't get action this week either. Apparently, Commission doesn't consider speed mandatory.
- (2) Network program ownership practices were discussed Oct. 28, with upshot that Commission decided to ask networks for more data on their revenues & profits from program sales & syndication.
- (3) Adoption of new program form for radio was given high priority, and it's expected quite soon. Also, stations will be required to file renewal applications more than present 90 days before expiration, to give FCC staff time to process; 5-6 months are expected.
- (4) Deferred renewals for Md., D.C., Va. & W.Va. were discussed, and Commission agreed with staff that more data on virtually all is needed. Most had non-program problems—technical, incomplete applications, etc. Of 77 deferred AMs, 9 have program problems, 7 have program & other problems. All 14 FMs have non-program angles. All 10 TVs are being questioned on "local-live" issue.

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(5) Purchase of WBOY-TV Clarksburg, W. Va. by CATV operator there, Fortnightly Corp., was set for oral argument Jan. 9 on policy question of such joint ownership.

(6) Anxious to speed station sales action, Commission asked staff for ideas. In Sept., 5 attorneys were added to processing group; it's expected several more will be detailed to task.

Commission had the big agenda because Chmn. Henry was back from Europe but expected to return there Oct. 31. He didn't, so pressure eased. Now, he may not go back at all, because space allocations discussions in Geneva seem to be going well.

FTC CHECKS NIELSEN; NAB & RAB AGREE: Ratings hearings of last spring provided dramatic backdrop for major developments last week:

(1) Nielsen agreed with FTC last week to open up its patents on metered devices to any applicant, to abandon alleged monopolistic practices which FTC charged had been going on since 1946.

(2) NAB & RAB reached deal to partner radio methodology study aimed at finding technique that will adequately measure modern listening habits. Each will put up \$75,000 of needed \$200,000 for research to be conducted by Audits & Surveys Co.; RAB is to raise remainder.

(3) Spectacular newspaper-wire service interest in new-season ratings, even for this time of year, has given Nielsen fretted brow. It's concerned over leaks to press in violation of contracts as well as repercussions in Washington. Sweepstakes atmosphere created by stories prompted this comment from Subcommittee source: "It doesn't look as though our hearings did any damn good."

(4) WAME Miami, first station to sue as result of ratings hearings, withdrew its suit against Nielsen for \$250,000 compensatory damages & \$1 million in punitive damages. Station is also withdrawing suit against Pulse.

Practical effect of Nielsen consent order with FTC is considered negligible, according to observers we've checked, except to lend weight to legal battles Sindlinger & ARB had with Nielsen over patent infringement. Suits were settled out of court, never decided on merits.

"The order is 12 years too late," said Albert E. Sindlinger, referring to 1950-52 legal suit over electrical Radox. ARB spokesman said order was at least 3 years too late, alluding to electronic Arbitron battle that lasted 3 years, cost estimated \$250,000, was settled as soon as CEIR acquired ARB. Under agreement, ARB has been paying annual royalty of \$10,000 on Arbitron, which ARB developed and now uses only in N. Y. One effect of FTC order will be to stop royalty payment.

It was also considered questionable whether Sindlinger, ARB or any other company would now make mad dash to get into mechanical device audience measurement, to battle with Nielsen's Audimeter. Sindlinger said one reason he finally settled out of court was his growing belief that a device with fixed panel of homes wouldn't measure listening adequately. He received \$75,000 plus return of stock held by a Chicago group. He also commented that at time of suit, Justice Dept. was asked to intervene as friend of court but declined because it had no interest in ratings.

ARB has been pressing for refinement of its diary technique, has all but abandoned plans for expanded use of Arbitron. One reason is its expense. Another is probably the one pointed to by most observers: As TV viewing gets more personal, meter device will lose many of its exclusive advantages. This happened in radio. Nielsen already had been using mostly diaries to measure local radio, until it abandoned that service recently.

Nielsen's consent order is for "settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in complaint," FTC stated. Commission charged that Nielsen had achieved monopoly of national TV & radio ratings, said that in 1961 rater's share was more than 90% of \$4,532,000 spent. FTC alleged that Nielsen had entered into contracts & combinations in restraint of trade, citing its 1950 deal with Hooper in which latter agreed to stay out of national TV & radio ratings.

Company suppressed & restrained any device designed to compete with Audimeter & other Nielsen gadgets, FTC alleged, adding rater established monopoly of patents and discouraged—through harassment & coercion—development of other devices.

For next 10 years Nielsen is forbidden to acquire or merge with any other rating firm and to hinder development of electronic or mechanical devices. Company is also required to make available all its patents on non-exclusive, royalty-free basis for 4 years and for reasonable royalty payment thereafter. Company agreed to waive royalties under existing licenses for 4 years and to refrain from entering into any agreement that would lessen competition in ratings. Noting that FTC once considered divesting Nielsen of 50% of its clients, one observer stated that Nielsen came off pretty well in swapping current order for that.

NAB & RAB finally reached accord after hectic negotiations. Both groups are looking forward to getting project in field, hopefully before end of year. NAB is polling board members. RAB already has board approval.

RAB's plans to raise additional \$50,000 are not yet known, but several months ago it mentioned 2 possible sources: Token ad agency support and revenue from stations in test markets which presumably would be first to benefit. Study is to take place in 2-3 cities, but a number of pre-tests will be conducted first. One such pre-test involving diaries has been going on in N. Y.

Unity theme was sounded by RAB Pres. Edmund Bunker, in speech to Ore. Assn. of Bcstrs. Nov. 1. He praised NAB's leaders highly, promised to fight for industry unity, adding though that RAB would never put unity before progress.

BILL QUARTON'S 'DEAR ROY' RE COMMERCIALS: Some pretty testy words—about commercials & Codes—have been directed at NAB Pres. LeRoy Collins by William Quarton, chmn. of NAB board and its exec. committee. "Dear Roy" letter he wrote to Collins leaked out in "Broadcasting" magazine last week; it calls for Nov. 7-8 exec. committee meeting in Washington to discuss subject. Tone of Quarton's words was cold indeed. Let them speak for themselves:

"It is one thing for Chairman Henry, or anyone else, to make general statements about the desirability of cutting down the commercial content of programs broadcast, and quite another to work out the specifics... I must candidly confess that I do not know how to put practical limitations on the length of commercials that would satisfy the governmental authorities in Washington or the public, nor do I know anyone who has the answer..."

"The time the public takes to listen to commercials is, in effect, what they pay for entertainment and information... The public never will like commercials much better than they do paying taxes... As you have said, it's important that we consolidate our thinking before a Code Director is appointed. I hope you will not appoint anyone until the Executive Committee has an opportunity to visit with you on Nov. 7... I certainly agree that the Code Director should have the power to make decisions, subject to the review of the Code Board. No board can make the day-to-day decisions necessary to run a business like ours. On the other hand, Governor, it isn't necessary to have a board meeting to make it clear that our Code Board members, backed by the NAB directors, are not going to give up their policy-making authority to anyone."

ROGERS TO WEIGH FCC POWERS: FCC's view that it has "broad authority" to deal with over-commercialization will be carefully scrutinized at Nov. 6-8 House hearings, conducted by Rep. Rogers (D-Tex.), chmn. of Communications Subcommittee.

As Rogers sees it, issues are clearly defined. Commission says in its statement prepared for Nov. 6 appearance that "well-established and sound policy in this area indicates continuation of the Commission's present broad authority... Rule-making proceeding [utilizes] the 'comprehensive,' 'expansive powers' and very broad flexibility which Congress bestowed upon it in order that it might deal effectively with this dynamic industry." It said the guide—"the expert's familiarity with industry conditions"—should be applied.

FCC asks that Rogers bill (HR-8316), and others', prohibiting Commission from setting rules on length & frequency of commercials, be rejected. It asks, too, that Rogers wait to see if any rule is adopted before he proceeds with legislation. Commission has set Dec. 9 for oral argument; prospective participants must notify FCC by Nov. 12.

Rogers said FCC's statement proves case, told us: "It clearly indicates that FCC believes it has the broad power to write substantive law. This has been the general attitude of the staff over there.

We'll have to find out whether Congress is still running this country. It's our view that FCC doesn't have the power, that Congress must provide specific authority, if any action were ever to be taken in this area" (Vol. 3:42 p2).

FCC's prepared statement is mere 3 pages. It's understood Rogers plans to question each commissioner on his views.

Here's schedule of witnesses: Nov. 6—FCC Chmn. Henry; Congressmen, including those who've introduced similar bills, Broyhill (R-N. C.), Purcell (D-Tex.), Langen (R-Minn.), Roberts (D-Ala.). Nov. 7—Peter Kenney, NBC Washington; Jack Harris, KPRC-TV Houston; John Hopkins, KCOP-TV Hollywood; Payson Hall, Meredith.

Nov. 8—NAB Pres. Collins; Wayne Kearl, KENS-TV San Antonio; Ken Duke, KDDD Dumas, Tex.; John Coyle, KVIL Dallas; Leo Hackney, KGVL Greenville, Tex.; Jim Terrell, KTVT Ft. Worth; Marshall Pengra, KLTU Tyler, Tex.; Harry Thayer, WGHQ Kingston, N. Y.; John Doerfer, Md.-D. C. Del. Bcstrs. Assn. In addition, it's understood Randolph Holder, WGAU Athens, & Ray Carow, WALB-TV Albany, Ga., plan to testify.

CRICHTON DISSECTS WASHINGTON: Ad agency stake in Washington TV-radio developments was well summarized last week by articulate John Crichton, pres. of American Assn. of Advertising Agencies, in speech to N. Y. IRTS:

(1) Option time. Agencies find its abolition disquieting: "In most local markets licensees have had from 13 to 5 years to develop local talent and local shows. In general they have developed little... Suspicion [is that] option time now freed will become either reruns of old and dreary movies or a new happy hunting ground for syndicated shows... Most of what is admirable [in TV & radio] is directly traceable to networks. They have been the fount of programming experimentation and public service pioneering." It's hoped FCC will reverse itself "if no positive good results."

(2) Over-commercialization. Agencies agree with FCC Chmn. Henry that there's serious problem: "As rates go higher, and clutter becomes more prevalent, and the coagulation of junk around the station break increases, the advertiser is being asked to pay more for less and less." But agencies believe in self-regulation, don't think govt. should do job. NAB should be credited for conscientious struggle. "No one... would call their efforts wholly successful. Yet it is very doubtful if the government will be more successful. Government regulatory agencies—run by competent, serious and wholly honest people—have a very dubious record of combining social progress and economic health. Consider... the railroads under ICC; the airlines under CAB..."

One thing Chmn. Henry overlooked, Crichton said, is that FCC placed economic burden on many radio stations by its "free-wheeling granting" of licenses: "What did happen was that market after market was subjected to economic chaos, and the cheap spot and the overloaded commercial schedule became a fixture... It would take quite an optimist to assert that diversity of programming was in any significant way served by all those license grants... One result of FCC's economic myopia was to diminish drastically radio as a national advertising medium. When the Commission contemplates the addition of a good many uhf stations, has it considered the radio experience?"

(3) Rating research. Had not Rep. Harris held "those illuminating hearings," research would have been re-examined, anyway: "As the price of broadcast advertising investment has risen, the question is repeatedly raised as to advertising values." Agencies are as interested in learning more about characteristics of audience, with changing population shifts, as they are in knowing that rating services are sticking to survey specifications. "The question of whether the broadcast audience is as large as we think from present measurement, or made up of the people we think it is made up of, is of far more consequence than the fact that a metered set was allowed to operate 24 hours a day for 10 days." Advertising Research Foundation should be the focal point for bringing about "improved research facilities and performance." Additional views: Networks should not be licensed. Govt. shouldn't police rating services—"industry should do the job."

Crichton concluded: "A substantial minority of agencies tends to believe that governmental intervention in these areas may be the only solution... The confidence of the advertising agency in the ability of the broadcaster to exercise meaningful self-regulation has diminished."

NEW & UPCOMING STATIONS: WGHP-TV (Ch. 8) Greensboro-High Point & Winston-Salem, N. C. started Oct. 14 as ABC-TV outlet. The following day, WMEB-TV (Ch. 13 ETV) Orono, Me. began programming. They are year's 11th & 12th new starters, raise operating TV total to 646, of which 83 are ETV. WATR-TV Waterbury, Conn. got program test authorization Oct. 16 for move to Ch. 20 from Ch. 53.

WGHP-TV has 25-kw RCA transmitter, 1255-ft. Kline tower near Sophia, N. C., studios in Sheraton Hotel, High Point. Principal owner (55%) is Winston-Salem Bcstg. Co. (James W. Coan, pres.) which operates radios WTOB Winston-Salem; WSGN Birmingham, Ala.; KTHT Houston. Coan is pres. & gen. mgr. of WGHP-TV; Nat Tucker, ex-WBTV Charlotte, is program & production dir.; Leo Derrick, ex-WFMY-TV Greensboro, promotion & public relations dir.; Charles Harville, ex-WFMY-TV, sports dir.; Fred Barber, ex-WSOC-TV Charlotte, news dir. Rep is Storer TV sales. Base hour is \$800.

WMEB-TV has 25-kw RCA transmitter, 260-ft. guyed tower. Owner is U. of Maine, which also holds CP for WMEM (Ch. 10) Presque Isle. John W. Dunlop is gen. mgr.; Robert X. MacLauchlin, program dir.; Donald Robert, production mgr.; Roger W. Hodgkins, chief engineer.

* * * * *

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

KBLU-TV (Ch. 13) Yuma, Ariz. has ordered Dynair transmitter, hasn't specified delivery date but plans to begin programming Dec. 1 as a CBS affiliate. Tests start Nov. 15, reports Robert W. Crites, gen. mgr. Construction of studio-transmitter building at 1320 Fourth Ave. began early in Sept. It will use 200-ft. Blaw-Knox tower with Jampro antenna. Rep is Grant Webb & Co., base hour \$175.

KNMT (Ch. 12) Walker, Minn. has changed programming target to Dec., writes Glenn W. Flint, gen. mgr. of owner KCMT (Ch. 7) Alexandria, Minn. RCA 2-kw transmitter is being installed in studio-transmitter building near Hackensack, Minn. It will pick up NBC-TV via microwave relay from KCMT. Base hour will be \$150. Avery-Knodel will be rep.

WMEM (Ch. 10 ETV) Presque Isle, Me. has 25-kw RCA transmitter due by Nov. 15, plans Jan. 1 programming start, reports John W. Dunlop, gen. mgr. of WMEM and WMEB-TV Orono, Me. Construction of studios & transmitter house has been nearly completed; 400-ft. Stainless tower is scheduled for erection by Nov. 1.

KCOY-TV (Ch. 12) Santa Maria, Cal. plans Feb. start, according to James H. Ranger, gen. mgr., one of 5 owners of grantee Central Coast Television. It has just started construction. GE 10-kw transmitter and 147-ft. tower have been ordered, for delivery by Nov. 15. Rep will be Venard, Torbet & McConnell.

WXXW (Ch. 20 ETV) Chicago, Ill. planned as second outlet by Chicago Educational TV Assn., plans to start "during summer of 1964," writes Duane M. Weise, dir. of engineering for WTTW (Ch. 11 ETV) there, which has been on the air since Sept. 1955. Equipment hasn't been ordered, but transmitter will be at 135 S. LaSalle St., also site of WTTW. It will use a circular 100-ft. tower to be manufactured to order.

"Distortion of the facts" in Ky. campaign for governor between Democrat Edward Breathitt and GOP Louie B. Nunn brought FCC "fairness doctrine" into play. Supporters of Nunn had sent stations radio spots including quote from a President Kennedy news conference, and Ky. Bcstrs. Assn. asked Commission for ruling on their obligations. Spot was as follows: "The news conference of Pres. John F. Kennedy, originating from the main auditorium of the State Dept. in Washington. Ladies & Gentlemen, the President of the United States. [Voice, presumably that of President Kennedy]: 'Good afternoon ladies & gentlemen. I would say that over the long run we are going to have a mix. This will be true racially, socially, ethnically, geographically, and that's really, finally, the best way.' Breathitt supports this Kennedy policy. Vote against it. Vote Nunn-Lawrence." Commission then quoted from the press conference, showing that foregoing was clear distortion. Kennedy's use of "mix" referred to lineup of voters, had no implication of miscegenation—that although majority of Negroes vote Democratic, Republicans "could get the support of the Negroes, but I think they have to recognize the very difficult problems the Negro faces." FCC also said there's no "equal-time" obligation of station to carry the announcement—because no personal use of the station by a candidate is involved.

"Remarkably little imagination or ingenuity" has been shown by broadcasters in their comments on FCC's proposal to limit commercials, according to Comr. Lee Loevinger. In Nov. 1 speech before Ore. Assn. of Bcstrs. in Portland, he said he could think of several ways to approach subject, though he wasn't proposing or recommending them: (1) Require that amount of station's program content be no less than NAB Codes at any particular time—thus permitting flexibility as Codes change. (2) Establish time standards—NAB's or some other—"which were considered as prima facie or presumptive specifications of the public interest but which were not conclusive or compelling." (3) Let each station describe its own code to FCC—specifying its maximum time for commercials, minimum time for news and "public service content"—and Commission would hold station to such code. Loevinger also repeated his view that FCC does remarkably good job, despite "stupendous" workload. He'd delegate much more authority to staff.

Gov. Collins in Columbus, O. Nov. 1, in speech to Ohio Assn. of Bcstrs., said of FCC Chmn. Henry's "Omaha Report" on local live programming: "The major conclusion reached by Mr. Henry is that the people have to be told by the FCC what TV ought to be doing... Frankly I share his concern, as I think do most TV broadcasters, for the continued improvement of local live programming... But I would say to Mr. Henry that his remedy is worse than the illness he diagnoses."

Forfeitures of \$500 each, from the 4 Minneapolis TVs, were affirmed by FCC last week. It held stations guilty of failing to identify sponsor of one-min. spots in a Sunday store-closing controversy (Vol. 2:37 p2). In decision, Commission defined "willfully" & "repeated," as used in connection with violations. "Willfully," FCC said, "does not require a showing that the licensee knew he was acting wrongfully; it requires only that the Commission establish that the licensee knew that he was doing the acts in question—in short, that the acts were not accidental (such as brushing against a power knob or switch)." "Repeatedly," FCC said, "means simply more than once."

Personals

William R. McAndrew, NBC News exec. vp, receives Nov. 10 annual CARTA award for "outstanding efforts in raising the standards of TV"... **Sam Zelman**, ex-KTLA Los Angeles news dir., rejoins CBS News as West Coast bureau mgr., succeeding **Robert Schakne**, who returns to duty as correspondent.

Paul R. Ross, ex-administrative mgr., NBC-TV network sales, appointed BBDO TV-radio business mgr... **Martin Beck** promoted to radio sales mgr., Katz Agency, succeeded as asst. sales mgr. by **James Greenwald** of sales staff.

D. Thomas Miller, ex-ABC-TV Spot Sales central div. vp, named gen. mgr., WBKB Chicago... **Jay B. Sondheim** promoted to gen. mgr., WLYH-TV Lebanon-Lancaster, succeeded as sales mgr., KFRE-TV Fresno, by **Keith G. Dare**, WNBC-TV Binghamton sales mgr.

Keith Adamson, USIA foreign service officer, named deputy dir. of broadcasting service, succeeding **Arthur W. Hummel Jr.**, named Asst. Secy. of State for educational & cultural affairs.

George W. Bartlett, NAB engineering mgr., named chmn., 1964 Engineering Achievement Award Subcommittee; **James D. Parker**, CBS TV R-F engineering dir., named Luncheon Speakers Subcommittee chmn., Broadcast Engineering Conference.

Thomas S. Carr, vp & gen. mgr., WBAL-AM-TV Baltimore, elected pres., Maryland-D. C.-Delaware Bcstrs. Assn... **Jim Major** appointed WITI-TV Milwaukee production mgr., **Conrad Kaminski** named asst. promotion mgr.

Alan Henry, asst. to **John W. Kluge**, Metromedia chmn.-pres., appointed vp & gen. mgr., KLAC-AM-FM Los Angeles, succeeding **Robert Forward**, named gen. corporate exec.

Steve deSatnick, engineer in charge of technical facilities, WNDT N. Y., promoted to technical & production operations mgr.; **Paul Picard** promoted to production mgr.

Edwin R. Bayley, dir. of information staff of State Dept.'s Agency for International Development (AID), appointed to new post of public affairs programming dir., National Educational TV.

Al Munn promoted to regional sales mgr., **Marvin Pridgen** to local sales mgr., WSOC-TV Charlotte.

Adler Associates is new Washington management & engineering consulting firm, in CATV, ETV & pay-TV fields, established by M. William Adler. He's operator of 6 CATV systems in W. Va. & Va., with hq in Weston, W. Va., has offices at 519 Transportation Bldg., Washington, 20006 (Executive 3-3400). A CATV operator for 10 years, NCTA board member Adler and his associates provide services in appraisals, research, management, engineering, construction.

Change in visual-aural power ratio for vhf, to make it same as uhf, has been proposed by FCC. This would allow aural power to range from 10% to 70% of visual. Uniform standards were requested by set makers, to ease receiver design.

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"KTLA sweepstakes," purchase of the Paramount-owned Ch. 5 Los Angeles independent, was won by Gene Autry & his associates of Golden West Bcstrs., Pres. Robert O. Reynolds & Exec. Vp-Gen. Mgr. Loyd Sigmon. Price was \$12 million—highest yet for a TV-only purchase (no real estate), except the \$10.6 million purchase of 50% of WTAE Pittsburgh by Hearst. Enhancing attractiveness of deal to Autry group is their ownership in Angels & Rams pro teams—which would be particularly valuable connections if Dodgers go to cable pay TV via Subscription TV Inc. It's understood station grosses \$8-9 million annually. Paramount thus leaves station ownership field, though it retains cable pay-TV Telemeter operation in Toronto. One observer speculated that Paramount sold because "you've got to expand in this business or get out," because it wants to concentrate on movies and can use the money. Sole TV-station owner left among the movie moguls is 20th-Century, with KMSP-TV Minneapolis. Broker Howard E. Stark represented Golden West.

FCC's clear-channel decision stands, having been affirmed last week by Appeals Court Judges Fahy, Burger & Wright. Decision had been challenged by WGN Chicago & WJR Detroit, which argued that Commission had modified their licenses by deciding to put another station on their channels and had unreasonably failed to grant clear-channel power increases. Court said FCC reached "a rational and reasonable result." Also, it said, "while the case for higher power is strong, it is as yet unproved to the extent that requires the court to compel the Commission to authorize it."

Ch. 6 Miami (Perrine) should still go to South Fla. Amusement Co., according to recommendation by FCC examiner Forest McClenning. When final CP is granted, Competitor Coral TV Corp. will wind up with the grant under agreement whereby South Fla. gets \$60,000 for expenses and its Pres. Sherwin Grossman gets option to acquire 7% of licensee. McClenning concluded that Grossman wasn't culpable in connection with charges by FCC Broadcast Bureau that WBUF-TV Buffalo sent faked letters to Commission when Grossman headed station.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

NEB. PULLS RUG ON INSTALLMENT SALES: Financing crisis has hit Nebraska and likely will spread to other states in wake of State Supreme Court's ruling 2 weeks ago that time installment sales made since 1959 are void if their total interest charges exceed state's usury limit of 9% simple. Voided sales carry stiff penalty: Loss of interest, principal & merchandise.

Nub of controversy is court's ruling, in effect, that time-sale contracts aren't time-sale transactions at all. They're interest-bearing loans. Accordingly, it has ruled unconstitutional state's 1959 Time-Sale Act and substitute 1963 Installment Sales Act which permitted higher than 9% interest rates on certain products—as high as 15% on auto purchases, 12% on other merchandise. Court emphasized that Nebraska Legislature is forbidden by a constitutional provision from enacting any special laws relating to interest. It is empowered only to set maximum interest for all.

Legislature met in emergency session last week to consider 4 remedial bills to take retailers & financial institutions off sharply pointed hook. However, Robert A. Nelson, special assistant to the state attorney general, told us: "In my opinion, I don't think they can do anything about contracts already made and declared invalid. The only action they can take is on contracts made from here on." Concurrence came from Robert J. Newton, corporate counsel for GE Credit Corp. He told us: "In my professional opinion it's beyond the power of the legislature to breathe life into contracts that have been declared invalid."

If they are right, then purchasers since 1959 of an estimated \$1 billion of TV sets, autos, appliances, other products are home free with the merchandise, can cease payments on their installment contracts, and can file to recoup payments already made. "They can get back everything involved in the loan, and that's everything but the downpayment," Nelson told us. This leaves retailers & financial houses holding the bag. Which one gets rocked with the devastating loss depends upon terms of contract written between retailer & his financing agency. "In most cases, it probably will be the financing agency," Newton said.

On other side of fence, retailers & financial groups expect legislature to pass remedial bill this week and are hopeful that it will be constitutional. Marvin R. Werve, consumer credit vp for Omaha National Bank told us "there are several cases on the other side of the question that support our viewpoint" that legislative action can breathe life into voided contracts.

Unusual and interesting aspect of Nebraska case is retroactive application and severity of penalty imposed by court, we were told by several sources. Penalties in such cases, they said, usually are on a "from now on" basis. Ruling that time sales actually were loans made to the purchasers, court applied stiff interest-principal-product penalty incorporated in state's 1943 Installment Loan Act. The 1959 Time-Sale Act which was declared unconstitutional carried a penalty of loss of interest plus sum equal to it.

Pending legislative action, time sales in Nebraska now are legal only if difference between cash price and total time-sale price doesn't exceed 9% simple interest. "We've been charging 9% since the court made an initial decision in the matter last June," GECC's Newton told us, "but we can't continue at 9% much longer. We lose money if we do." GECC had been charging approximately 12% on TV sales.

Expected to pass legislature this week, Werve told us, is new interest rate structure carrying these provisions: 9% limit on all non-installment type loans & transactions; 12% for installment lending; higher permissive rates on installment loans of more than \$1,500 made by licensed institutions only.

"We're in a state of crisis here in Nebraska," Newton told us, "and this is an emergency in every

sense of the word. However, it's not entirely a one-way street. Some financial interests have helped to create this situation by charging excessive rates." He believes situation has national ramifications, will result in action in other states, particularly those with constitutional provisions similar to Nebraska's. Some 36 other states have some form of time-sale legislation or doctrine and at least 3—Missouri, Washington, Wisconsin—have constitutional provisions forbidding establishment of special interest rates for special products or groups.

"I believe that other states will look into their situations to see if they actually have loans instead of time-sale provisions," Nelson, of the Nebraska attorney general's office also told us. Allen Rogers of National Credit Office told us "I've been talking with some of the big financial companies about this, and while there is some concern about it spreading, it's just too early to tell if it will be a national thing." However, he pointed out, "when you get right down to it you can interpret any credit transaction as a loan. Your wife's revolving credit at the department store could be interpreted as a loan, too."

GECC's Newton also believes Nebraska case "could have national repercussions. It all depends on what the other state courts do. What's especially interesting here is that the Nebraska court in its last case didn't treat with the constitutionality of the state law. Rather, it ruled that if you add a finance price to the cash price, it has to be within the state's usury law. This runs counter to doctrine of the other states."

If no charge is made in Nebraska's present law, he said, "the only way a dealer will be able to operate will be to get banks and finance companies to finance under the small loans law. However, he'll get none of the rate participation and he'll lose that portion of the finance charge that he used to get. His gross margin will then be affected, and he'll have to increase prices. The net result will be that time buyers will pay interest on a higher purchase price."

Interestingly, Nebraska court action was foreseeable 4 years ago. "When Time-Sale Act was passed in 1959," Nelson told us, "the attorney general gave as his opinion that it represented a loan action and was unconstitutional." Newton agreed: "There were ample warnings that the court might declare the Act unconstitutional."

FM RADIO—5 MILLION SETS THIS YEAR: FM market this year is bigger than most people even dream it is. Careful survey of every available source of reliable information indicates that production & imports of FM receiving devices in 1963 will exceed 5 million units.

This is conservative estimate. It represents increase of nearly 2 million over 1962. Good FM business this year, as uncovered in our inquiry, has prompted us to increase substantially the forecast which we made last Jan. that 3.9 million FM receiving devices could be sold this year (Vol. 3:1 p8).

By "FM receiving devices" we mean anything that will pick up FM broadcast stations—table radios, phono or TV combinations, component tuners, etc. We have labeled our current estimates "production," but in view of their conservatism, actual retail sales may well approach or reach 5-million mark.

Biggest percentage increases from 1962 to 1963 are in auto FM and imports. Both figures are rock-bottom estimates. Auto figures largely reflect estimates of original-equipment new-car market, with very small allowance made for after-market.

Import figures come as big surprise. They are based on actual Japanese FM radio production for first 8 months of 1963, which are projected to indicate total Japanese production of at least 1.5 million FM sets for year. Since Japan currently has no regular FM programming and virtually no domestic sales, it has been estimated that perhaps 90% of Japanese FM sets are being exported to U.S. To be on safe side, we used 70% figure and eliminated projected Dec. 1963 production figures from our import estimate entirely. Also ignored were FM imports from other countries (except in component tuner category), which may well be substantial.

For 1964, our FM estimate is 6.4 million sets, again extremely conservative. Imports are biggest unknown quantity in this equation. If Japan has regular FM broadcasting next year (and therefore a domestic market for FM), Japanese FM radio exports to U.S. could well exceed domestic production in over-all table-clock-portable category.

Of this year's 5 million FM receiving devices, we estimate that at least one third (1.5 million) will be FM stereo. This includes slightly more than half of the phono-radio and TV-radio combos and nearly three-quarters of component tuners, plus considerably smaller percentages of domestic and imported table radios. Next year, FM stereo's percentage will increase somewhat, but probably not to more than around 35-37% of total.

Only category in which we show no 1963-to-1964 increase is TV combinations. Implicit in this estimate is belief that TV combos' percentage of market will decline next year, due to increased popularity of color, while FM's percentage of remaining combo market will rise. TV combo figures include both b&w and color.

Based on best industry sources available, here are our estimates of minimum production & imports of FM receiving devices in 1963 & 1964, together with revised estimate of 1962 output:

Type	1962	1963	1964
Table, clock, portable.....	1,225,000	1,700,000	2,000,000
Phono combinations with FM	1,200,000	1,500,000	1,650,000
TV combinations with FM	280,000	400,000	400,000
Component tuners & tuner-amplifiers* .	300,000	350,000	410,000
Automobile FM	75,000	200,000	350,000
Imports (all categories).....	200,000	1,000,000	1,600,000
TOTAL	3,280,000	5,150,000	6,410,000

*Includes imports

ANOTHER HOME TV RECORDER—FROM FAIRCHILD: TV set manufacturers will be invited this month to see working model of what may become home video tape recorder, according to spokesman of Fairchild Camera & Instrument Co.

Fairchild engineers have seen British-developed Telcan recorder, scheduled to be demonstrated in U. S. within next month or 2 by U. S. licensee Cinerama (Vol. '3:36 p7), and claim their own approach is better one—although they won't say what it is.

Fairchild, whose only major consumer products are sound movie cameras & projectors, has no plans to market home video tape recorder. "We'd prefer an alliance with one or more major TV manufacturers," spokesman told us, "who would market it as an accessory or part of a TV set. We would like to supply the unit, if anyone is interested, but not to market it."

Recorder is outgrowth of military developments by Fairchild subsidiary Winston Research Corp., W. Los Angeles. Fairchild does intend to build & market professional closed-circuit portable TV tape recorder for commercial, industrial & educational use, and is aiming at \$3-5,000 price. Home recorder would be next step, and company is revealing no details or cost information—except to say that it has completed working model for its industry demonstration.

In coming months, you can expect to hear more announcements from other companies about home TV tape recorders.

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 25 (43rd week of 1963) excluding 11-in. and smaller:

	Oct. 19-25	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	155,442	154,472	136,499	5,820,489	5,434,086
Total radio	480,090	502,809	415,348	14,892,963	15,684,733
Auto radio.....	202,856	233,799	149,802	6,421,670	5,665,954

Trade Personals

Harold B. Avery, ex-GESCO-Philadelphia gen. mgr., joins Philco as national radio products sales mgr., succeeding **Bruce Lambert**, recently appointed mgr. of Philco Distributors-Philadelphia.

Gene K. Beare, Sylvania pres., elected to NEMA board of governors.

Bernard L. Grossman, ex-consumer products service field sales mgr., appointed RCA Service Co. technical products service market research and development mgr.

Forbes Mann named Ling-Temco-Vought govt. & foreign relations vp. . . **Gerald G. Griffin** resigns as TelePrompTer mktg. vp.

Brock P. Hayes, ex-Texas Instruments, joins General Instrument as national distributor sales mgr. for semiconductor products.

George Fouser promoted from Audio Devices production control mgr. to product mgr. for sound recording tape & accessories; **Robert Fraser**, ex-Sound Corp. of America, named product mgr. for lubricated tapes & cartridges.

September's boom TV business (Vol. 3:42 p8) is continuing into Oct. Preliminary figures show first 2 weeks of Oct. saw 12% increase in b&w TV sales to dealers, compared with same 1962 weeks (11-in. sets not included). TV mix in b&w continues to show trend to portables & away from consoles. For 1963 to date, portables & table models represented 68.1% of distributor-to-dealer TV sales (vs. 63.5% in comparable 1962 period), consoles 27.2% (vs. 32.3%), combos 4.6% (vs. 4.1%). In terms of screen sizes, 8% of 1963 sales were 16- & 17-in. (vs. 4.4%), 51.5% were 17- & 19-in. (vs. 48.9%), 40.4% were 21-in. & larger (vs. 46.7%).

Radio sales to dealers during Oct.'s first 2 weeks ran 3% below same period last year. Both TV & radio inventories at factory-plus-distributor levels were down as of Oct. 11—TV down 12.5%, radio 9%—from year-earlier levels. (See p. 10 for 8-month TV-radio-phono figures.)

New sets: Muntz's 2nd color TV combination, at about \$600, is now being shipped. . . **Olympic** introduces 37-in.-wide color lowboy in contemporary styling, at open list. . . **Star-Lite** announces Japanese-made 6-in. transistorized TV at \$149.95, battery \$13.95 extra. . . **ITT** will market hi-fi components built by Pioneer Electronic Corp., Tokyo, following successful showing of the equipment at N. Y. High Fidelity Music Show.

Westinghouse and IUE have agreed on basic 3-year contract providing for wage increases averaging 13-1/2¢ an hour for 36,000 employes in 34 plants. Longer vacations for 10- & 20 year employes and improved insurance, hospitalization & pension benefits are covered in a 5-year pact. New contract provides 2 pay increases—6-1/2¢ hourly boost immediately, 5-10¢ rise (averaging 7¢) effective April 19, 1965.

Bendix has formed Micrometrical Div. at Ann Arbor, Mich. as part of new scientific-instrument & process-control activity for expansion into field of scientific & industrial instrumentation. Frank W. Kabat named divisional gen. mgr.

Aug. factory sales of TV picture & receiving tubes were downbeat all the way. Unit sales of TV tubes slipped to 767,529 from 795,121 in Aug. 1962. Dollar value dipped to \$14,473,647 from \$15,035,830. Year-to-date figures also were depressed: 5.8 million tubes at \$108.9 million vs. 5.9 million at \$113.4 million in 1962's first 8 months. Receiving tube unit sales in Aug. slumped to 31,569,000 from Aug.-1962's 34,646,000. Dollar value was down to \$25,785,000 from \$29,222,000. Eight-month comparisons showed unit sales down to 220.4 million from 242.3 million in Jan.-Aug. 1962, dollar value \$181.6 million vs. \$203.2 million a year earlier. Here are EIA official figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$ 22,524,000
February	639,392	11,990,595	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
May	703,393	12,888,058	26,662,000	21,600,000
June	707,541	13,462,906	29,332,000	23,764,000
July	603,622	10,818,297	22,688,000	18,148,000
August	767,529	14,473,647	31,569,000	25,785,000
Jan.-Aug. 1963.	5,840,320	\$108,900,438	220,444,000	\$181,641,000
Jan.-Aug. 1962.	5,916,286	\$113,432,881	242,271,000	\$203,174,000

Add predictions: Motorola Consumer Products Inc. Pres. Edward R. Taylor, addressing Ill. State Chamber of Commerce last week, estimated 1963 b&w sales at 6.9 million, color at 600,000. For next year, he foresaw 6.2 million b&w, 800,000 color. By 1968, he said, b&w should come back up to 6.7 million, with color sales passing 2-million mark. Taylor said consumer electronics industry needs Quality Stabilization bill—"the bedrock of our retail structure is being forced out of business by ruthless price-cutting." Economic outlook for 1964, he added, is "so pretty, it's ominous." He suggested that this is "a time to be wary, to get inventories in line, to tighten up over-all operations."

Biggest theater party in Broadway history is scheduled by Philco May 25 as part of May 22-26 dealer-distributor convention in N. Y. Sales Promotion Mgr. Owen H. Klepper was in N. Y. last week trying to round up 5,000 tickets to various hit plays. He said tickets would consume about \$45,000 of meeting's \$1.5 million budget.

Pilot Radio will enter color TV market in late fall with color TV-phono-radio combinations, we were told by Vp-Gen. Mgr. Roland J. Kalb. However, Pilot has changed its mind about making own chassis, now plans to buy color chassis from others, at least at outset.

Magnavox is discontinuing 4 low-end color models as result of color tube shortage (Vol. 3:41 p8). In addition to 3 consoles in \$498-\$525 range, company is dropping \$795 color combo. Its color line now starts with \$595 console.

"**Greatest local concentration** of ad dollars ever allocated by Zenith for a 6-week period" is special added national newspaper & local-level campaign announced last week. Covering Nov. 1-Dec. 15 period, it involves more than \$1 million, will promote TV, radio & stereo.

Mergers & acquisitions: **TelePrompTer** stockholders vote Nov. 8 on proposal to sell Weathers, Conley Electronics and Audio Visual Divs. to **B. S. F. Co.**, holding company controlled by Defiance Industries (Vol. 3:35 p12). Latter's Pres. Victor Muscat estimated that Defiance in fiscal 1964, ending June 30, would earn "minimum of 12¢" a Class B share on purchase of TelePrompTer operations . . . **Industrial Electronic Hardware** has purchased for undisclosed sum 16-2/3% interest in **Data Communications**, Moorestown, N.J. specialty supplier of data communication equipment. . . **Outlet Co.** (WJAR-TV Providence, WDBO-TV & WDBO Orlando) has bought subject to approval of boards of both firms, department store assets and business of Shartenberg's Inc., Pawtucket, R.I. . . **Adler Electronics** stockholders have approved sales of company assets to **Litton Industries** in \$9.7 million transaction (Vol. 3:41 p11). . . **United Scientific Labs** (DeWald brand hi-fi equipment and Citizen Band transceivers) has been acquired by **Vernitron Corp.**, Farmingdale, N.Y. maker of electromagnetic servo devices, for some \$900,000 in stock and cash. One Vernitron common share was exchanged for each 5 of United's publicly-held 416,500 shares. United's management, which held remaining 577,875 of total 974,375 shares outstanding, received "about" \$400,000 for their holdings. Seymour Wald continues as pres. of United, which will operate as a Vernitron division. . . **Ampex** plans to acquire **Mandrel Industries**, Menlo Park, Cal. maker of sorting and geophysical equipment, in stock exchange valued at more than \$29 million. If stockholders approve, Ampex would exchange 9 common shares for each 10 of Mandrel's 1,550,044. Terms require acceptance by holders of 80% of Mandrel shares. Mandrel earned \$1.3 million on \$21.3 million sales last year, would operate as Ampex subsidiary directed by Mandrel Pres. Doyle Mize. Directors of both firms have approved proposed merger, and Ampex Pres. William E. Roberts said it "fits Ampex's plans for diversification." . . . **Warwick Electronics** and **Pacific Mercury Electronics** merger has been completed (Vol. 3:38 p12), Warwick Pres. Lawrence G. Haggerty reported. Pacific Mercury will function as a Warwick division. Former's Thomas Organ operation becomes wholly-owned Warwick subsidiary headed by Pres. Joe Benaron, formerly Pacific Mercury pres.

"With color TV coming of age, the outlook for set makers is promising although realization of their potential may take longer than some companies estimate," cautioned Oct. 30 "Financial World," adding: "After several false starts color TV finally is coming into focus. But whether this new medium will grow as rapidly as some set makers hopefully predict remains to be seen." Among "possible bottlenecks," magazine noted, are "production problems and high cost." Noting RCA's "rosy expectations" of \$750 million industry color sales next year, "World" questioned: "Even assuming the industry solves its production problems, will the public buy color sets at the pace RCA predicts? The answer appears to lie in the area of cost, and there is some doubt that the price of color TV is right yet for a mass market. . . Barring a major breakthrough in the lab, the growth of color TV more likely will be an evolutionary rather than a revolutionary process."

GE Credit Corp. has formed subsidiary **GECC Leasing Corp.** to lease industrial electronic & electrical products in all 50 states. C. G. Klock is pres. of leasing concern.

Dividend news: **Texas Instruments** declared 25% stock dividend in addition to customary 20¢ quarterly cash dividend on common stock. Stock dividend certificates will be mailed Dec. 16 to holders of record Nov. 27. Cash payout is payable Dec. 13 to stock of record Nov. 13. TI also plans to increase annual cash dividend rate next year to \$1 per share from 80¢ this year. . . **Wometco Enterprises** declared a 20% stock dividend on its 779,276 Class A shares and 672,863 Class B shares, payable Dec. 23 to stock of record Dec. 2. Quarterly cash dividends of 15¢ & 5-1/2¢ also were declared on outstanding A & B shares, respectively, payable Dec. 16 to holders of record Dec. 2. After issuance of stock dividend, Wometco plans to pay cash dividends on outstanding stock at annual rate of 56¢ on Class A shares, 20¢ on Class B. . . **Magnavox** has increased quarterly cash dividend to 22-1/2¢ a common share from 17-1/2¢, payable Dec. 14 to holders of record Nov. 25. . . **Supervised Investors Services**, formerly TV Shares Management Corp., declared semi-annual 20¢ dividend on common stock, payable Nov. 15 to holders of record Oct. 31. . . **Stewart-Warner** declared 5% common stock dividend in addition to regular quarterly payout of 37-1/2¢, both payable Dec. 11 to stock of record Nov. 15. . . **International Resistance** declared year-end extra dividend of 5¢ per common share and special 2% stock distribution, in addition to regular 10¢ quarterly cash dividend. Quarterly and extra cash dividends are payable Nov. 29 to holders of record Nov. 15. Stock dividend will be distributed Dec. 20 to holders of record Nov. 15.

"Corporate profits seem certain to reach a record high for all of 1963," concluded Oct. 31 "Wall St. Journal" after analysis of 514 corporations showed their combined 3rd-quarter earnings up 15.2% to \$2,952,474,000 from \$2,562,090,000 in 1962's July-Sept. period. Among large industries anticipating continued gains into 4th quarter is electronics-electric group. Twenty-four firms analyzed in this group boosted 3rd-quarter earnings 14.2% to \$138,104,000 from \$120,961,000. Twelve were broad-line companies, and their earnings rose 14.9% to \$126,123,000 from \$109,781,000. Other 12 were specialty firms. Their profits were up 7.2% to \$11,981,000 from \$11,180,000.

Muntz TV, which closed its 1963 fiscal year Aug. 31 with record \$11.8 million sales (Vol. 3:43 p12), produced \$10,838,869 of the volume from TV sales, \$923,803 from stereo phonos and service parts, \$8,401 from miscellaneous income & interest. Comparative year-earlier figures: \$10,660,860, \$730,405, \$10,023. Company's balance sheet showed total current assets of \$3,748,135 (including \$649,344 cash, \$165,121 govt. securities, \$922,599 trade accounts receivable) vs. \$3,151,329 (\$501,506 cash, \$215,247 securities, \$891,591 receivables) Aug. 31, 1962. Total current liabilities were \$1,771,375 vs. \$1,107,230 a year earlier.

Radio Shack stockholders will vote Nov. 12 on proposed financial reorganization of the retail & mail-order electronic parts distributing chain, now controlled by Tandy Corp. Among reorganization proposals: Offer of new common stock to present shareholders, followed by a public offer; issuance of new preferred stock; \$4.5 million 5-year loan. Radio Shack lost \$4.2 million on \$14 million sales in its 1963 fiscal year ended last June 30.

GE won "Financial World's" annual gold "Oscar" for best annual report presentation for 2nd successive year. Among silver award recipients: Metromedia. CBS won silver trophy for design & typography.

OFFICERS & DIRECTORS stock transactions as reported to SEC for Aug. :

Allied Artists. Roger Hurlock bought 500, held 39,600.

Ampex. Herbert Brown sold 1,500 in July, held 3,423.

Arvin Industries. Eugene Anderson bought 220, held 1,036. Harold Seigle sold 200 in July, 300 in Aug., held 160.

Avco. James Kerr bought 10,000, held 21,234. John Mihalic Jr. bought 1,668, held 8,100. K. R. Wilson Jr. sold 2,900, held 14,400.

Avnet Electronics. Michael Kletz bought 200, held 812. M. C. Kletz & Co. bought 100, held 1,222.

Capital Cities Bcstg. Harmon Duncan sold 100, held 21,444.

Cinerama. Gerhard Lessman sold 1,000, held 500.

Clevite. M. J. Fleming Jr. sold 400 in July, held 1,230.

CBS. William Fitts Jr. bought 1,800, held 1,800. Kenneth Hoehn bought 688, held 1,688. Clarence Hopper bought 3,000, held 4,483. Lawrence Lowman bought 3,150, held 8,688. Richard Salant bought 5,402, held 5,521.

Decca Records. MCA bought 4,800, held 1,374,667.

Electronics Assistance. Robert Edwards sold 11,000 and bought 11,000 in July, held 297,806.

Electronic Associates. John Fitzpatrick sold 5,000, held 20,000.

Electronic Specialty. C. Ray Harmon bought 10,000, held 26,500.

Emerson Radio & Phonograph. Benjamin Abrams held 287,484; bought 100 in trusts for children, held 29,506; held 1,407 as custodian; bought 200 as trustee, held 4,334; held 72,055 for foundations. Max Abrams held 117,371 plus 5,500 in trust for daughter; bought 700 as trustee, held 16,865; held 72,055 for foundations. Harvey Tullo bought 8,745, held 13,162 plus 2,051 as custodian. Abraham Vogel sold 600, held 3,327.

Globe-Union. William Wanwig bought 100, held 4,780.

Hoffman Electronics. C. E. Underwood bought 200, held 7,300.

Lear-Siegler. Dan W. Burns bought 1,167 in July, held 3,409. K. Robert Hahn bought 184, held 1,466 plus 336 in trusts. Pierpont Hamilton sold 2,400, held 27,121. Jan Oostermeyer bought 200, held 800.

Litton Industries. T. P. Cheatham Jr. sold 150, held 2,597. Glen McDaniel sold 600, held 55,805. Fred Sullivan sold 1,700, held 27,000.

Lynch Corp. (Symphonic). Sol Zweifach sold 1,000, held 14,950 plus 12,800 warrants for common. Mrs. Sol Zweifach sold 1,150, held none, sold 1,200 warrants for common, held none.

Magnavox. Warren Frebel bought 1,227, held 4,241. George F. Smith bought 1,563, held 2,474.

MovieLab. Saul Jeffee bought 227,854 Class A com-

mon in July, held 228,490, sold 227,854 Class B shares in July, held none.

Muntz TV. Floyd Dana bought 1,000 in July, 500 in Aug., held 7,053. Daniel Domin bought 600, held 31,508.

Outlet Co. (WJAR-TV Providence). George Griffith bought 100, held 900. Bruce Sundlun bought 400, held 2,025.

Pacific Industries. Frederick Anderson sold 500 in July, held 84,200.

RCA. Elmer Engstrom bought 200, held 15,090. Douglas Ewing bought 2,206, held 3,247.

Raytheon. Stanley Lovell bought 500, held 706.

Reeves Bcstg. Harry Petersen sold 1,200, held 30.

Rollins Bcstg. John W. Rollins sold 9,196, held none, sold 15,964 Class B shares, held 184,036 plus 3,500 as guardian. O. Wayne Rollins sold 59,840 Class B shares, held 549,560.

Screen Gems. Lloyd Burns sold 400, held 443.

Stewart-Warner. Frank Ryder bought 200, held 3,366.

TelePromPTer. Paul Garrett bought 2,100, held 11,757.

Thompson Ramo Wooldridge. Robert Bacher bought 100, held 210.

Trans-Lux. Harry Brandt bought 11,900, held 126,350.

Tung-Sol. Purolator Products bought 21,900, held 129,265.

United Artists. Eugene Picker bought 100, held 100.

Walt Disney. Roy O. Disney sold 6,800, held 2,061 plus 171,837 in voting trust. Walter E. Disney sold 5,100, held none, plus 147,089 in voting trust.

Warner Bros. Pictures. Serge Semenenko sold 6,000, held 1,200.

Zenith. Nathan Aram sold 400, held 1,275.

Subscription TV Inc. common stock offering of 1,310,000 shares at \$12 each has been placed on the market by underwriting group headed by William R. Staats & Co. Additionally, Subscription TV is selling another 390,000 shares direct to certain company shareholders at the public offering price without underwriting discount.

Macfadden-Bartell anticipates 1963 sales of \$26 million, up \$1 million from previous forecasts. Pres. Lee Bartell also said that anticipated earnings have been revised upward to some \$1.5 million, or more than 95¢ a share, from \$1 million (63¢). Company earned 10¢ a share in 1962.

Ravenswood Corp. is bankrupt (Vol. 3:41 p11), Federal Judge Roszel C. Thomsen ruled in Baltimore. Annapolis, Md. maker of stereo hi-fi equipment was adjudicated bankrupt after failure to answer involuntary bankruptcy petition filed by 3 creditors.

General Artists Corp. has issued its first public stock offering, 150,000 common shares at \$7 each, via underwriting group headed by Burnham & Co.

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
AB-PT	1963—9 mo. to Sept. 30	—	—	\$ 6,906,000	\$ 1.55	—
	1962—9 mo. to Sept. 30	—	—	7,906,000	1.77	—
	1963—qtr. to Sept. 30	—	—	2,333,000	.52	—
	1962—qtr. to Sept. 30	—	—	2,510,000	.56	—
Arvin Industries	1963—9 mo. to Sept. 30	\$ 70,874,000	\$ 4,484,000	2,096,000	1.60	1,307,342
	1962—9 mo. to Sept. 30	65,542,000	3,683,000	1,748,000	1.34	1,307,342
	1963—qtr. to Sept. 30	24,241,000	1,858,000	884,000	.67	1,307,342
	1962—qtr. to Sept. 30	23,433,000	1,575,000	741,000	.57	1,307,342
Clevite	1963—9 mo. to Sept. 30	76,925,645	9,672,266	4,746,266	2.45 ¹	1,903,673
	1962—9 mo. to Sept. 30	75,839,150	9,751,006	4,721,006	2.44 ¹	1,893,033
	1963—qtr. to Sept. 30	23,841,844	2,843,174	1,382,174	.71 ¹	1,903,673
	1962—qtr. to Sept. 30	22,283,656	1,789,898	841,898	.43 ¹	1,893,033
Dynamics Corp. of America	1963—9 mo. to Sept. 30	54,560,753	5,099,043	3,012,456	.78 ¹	3,379,836
	1962—9 mo. to Sept. 30 ²	61,038,617	6,834,773	3,156,791	.83 ¹	3,335,487
Eitel-McCullough	1963—9 mo. to Sept. 30	19,635,100	—	496,100 ³	.26 ³	1,842,913
	1962—9 mo. to Sept. 30	22,776,900	—	429,800	.23	1,842,913
Globe-Union	1963—9 mo. to Sept. 29	50,530,373	1,900,547	956,547 ⁴	.72	1,320,325
	1962—9 mo. to Sept. 29	48,768,783	3,241,980	1,736,980 ⁵	1.32 ⁶	1,306,893 ⁶
Indiana General	1963—9 mo. to Sept. 30	17,516,521	1,863,521	982,131	.85	1,150,002
	1962—9 mo. to Sept. 30	19,469,889	3,257,579	1,605,529	1.40	1,150,002
Litton Industries	1963—year to July 31	553,146,239 ⁷	43,796,403	23,296,107 ⁷	2.29 ¹	10,145,217
	1962—year to July 31	393,807,709	30,849,499	16,315,952	1.64 ¹	9,909,407
Muter	1963—9 mo. to Sept. 30	12,158,039	337,127	169,031	.13	1,257,695
	1962—9 mo. to Sept. 30	11,934,232	397,734	197,161	.16 ⁸	1,199,084 ⁸
Sparton Corp.	1963—qtr. to Sept. 30	8,613,607	382,381	177,381	.19 ¹	919,024
	1962—qtr. to Sept. 30	7,029,103	388,955	178,253	.19 ¹	919,024
Stewart-Warner	1963—9 mo. to Sept. 30	97,590,769 ⁷	—	6,519,626 ⁷	1.87	3,482,449
	1962—9 mo. to Sept. 30	89,438,613	—	5,756,361	1.65	3,321,421
	1963—qtr. to Sept. 30	31,171,289	—	2,297,138 ⁷	.66	3,482,449
	1962—qtr. to Sept. 30	28,840,015	—	1,943,385	.56	3,321,421
Storer Bcstg.	1963—9 mo. to Sept. 30	—	—	3,998,826 ⁹	1.82 ⁹	2,192,712
	1962—9 mo. to Sept. 30	—	—	4,499,918 ¹⁰	1.85 ¹⁰	2,438,503
	1963—qtr. to Sept. 30	—	—	1,067,172	.54	2,192,712
	1962—qtr. to Sept. 30	—	—	881,553	.36	2,438,503
Thompson Ramo Wooldridge	1963—9 mo. to Sept. 30	357,073,000 ⁷	20,710,000	10,249,000	2.66	3,762,954
	1962—9 mo. to Sept. 30	342,197,000	18,803,000	9,109,000	2.38 ⁶	3,731,310 ¹¹
	1963—qtr. to Sept. 30	116,992,000 ⁷	6,623,000	3,182,000	.82	3,766,978
	1962—qtr. to Sept. 30	110,607,000	5,472,000	2,694,000	.70 ⁶	3,750,801 ¹¹
Tung-Sol	1963—39 wks. to Sept. 28	41,208,024	457,551	219,551 ¹²	.07 ¹	928,826
	1962—39 wks. to Sept. 28	49,640,309	1,480,514	713,514	.60 ¹	928,826
	1963—13 wks. to Sept. 28	12,286,309	171,942	81,942	.04 ¹	928,826
	1962—13 wks. to Sept. 28	14,072,795	(54,121)	(121) ¹³	—	928,826

Notes: ¹After preferred dividends. ²Restated to include acquisition of International Electronic Research (1963) & Waterloo Register (1962). ³Before nonrecurring net income approximating 11¢ a share from sale of old plant properties. ⁴After reduction equal to 7¢ a share of nonrecurring items. ⁵After gain of 18¢ a share from special nonrecurring items. ⁶Adjusted for Oct.-1962 3-for-2 stock split. ⁷Record. ⁸Adjusted for Jan.-1963 5% stock dividend. ⁹After non-recurring \$256,247 (12¢) loss from disposal of "Miami Beach Daily Sun" June 1963. ¹⁰Includes \$911,492 (37¢) net capital gain from sale of radio WWVA Wheeling, W. Va. ¹¹Adjusted to reflect Jan.-1963 10% stock dividend. ¹²Before \$1.3 million net losses sustained or estimated to be incurred in connection with discontinuation of certain operations and disposal of inventories and equipment. ¹³After \$54,000 tax credit.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

NOVEMBER 11, 1963

NEW SERIES VOL. 3, No. 45

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BELL NAMED CODE DIR. IN PEACE-PIPE MEETING between Exec. Committee & Pres. Collins. Latter assures group he didn't intend that Code Dir. usurp Board powers (p. 3).

CBS'S FOOT IN CATV DOOR—loan & option to buy in Vancouver, B. C. System has 17,000 subscribers, aims for 70,000-plus in 2 years. Network has no plans for U. S. acquisitions, is exploring more foreign possibilities (p. 3).

NAEB PUSHES COMPUTER-BUILT UHF PLAN, claims more & better assignments than FCC proposal, more flexibility, provision for growth. Commission engineers say added channels placed where no demand exists (p. 4).

NIELSEN TRIES TO STOP RATING LEAKS. NAB & RAB to confer this week on next step in radio study. ARB encounters few 'hold-outs' in price increase. Pulse to use diary technique (p. 5).

Consumer Electronics

MOLECULAR CONSUMER PRODUCT due in 1964—integrated-circuit hearing aid to be first of revolutionary consumer items which use no conventional components; uhf tuner may be next, with molecular radios possible in 1965 (p. 7).

'WINDFALL' TO IMPORTERS could result from 'error' by Tariff Commission which EIA claims has cut picture tube duty from 30% to 12%, with possibility of further reduction in new tariffs; legislation would provide remedy (p. 8).

ZENITH REPORTS best 3rd quarter, best 9 months in sales & profits, all-time records in TV & stereo, color sales nearly double 1962 (p. 11).

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FCC COMMERCIALS PLAN STUMBLES ON HILL: FCC ran into no pleasant surprises at House hearings last week on its plan to set limits on commercials. Except for one member (Moss), Subcommittee chaired by Rep. Rogers (D-Tex.) was hostile to idea, challenged Commission's authority. Perhaps most significantly, members wondered where it would all end if FCC ever traveled this road—"program control," "profit control," etc.

Height of Subcommittee annoyance was reached when Rep. Cunningham (R-Neb.) called Chmn. Henry a "mischievous young man." Squeezing maximum out of phrase, Cunningham said Henry was "mischievous" in Omaha, he's "mischievous" now and it's time "somebody's wings were clipped." He said that perhaps Communications Act should be rewritten because it's a "shame" that people have to go to trouble & expense of coming here to "defend their right to make a living."

Exclusive defender of FCC stand was Rep. Moss (D-Cal.), who called Henry's statement "carefully reasoned & responsible." He said to enact legislation—by Rogers & others prohibiting FCC from

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setting limits on length & frequency of commercials—would be "most unwise." He said "some stations have gone well beyond the limits of what the public has to put up with." Ironically, Moss is chmn. of House "Freedom of Information" Committee, yet would like to see FCC restrict "freedom of commercials."

Led by Henry, Commission witnesses—all were there except Comr. Hyde—vigorously defended its authority. Even Comr. Ford, one of 3 members who voted against proposal, clearly saw Commission's jurisdiction. And Comr. Loevinger, who arrived at FCC too late to vote on issue, defended FCC powers. He added that although he wasn't commenting on merits of proposal, he thought chances were "slight" that Commission will go ahead with plan as proposed.

FCC said its authority comes from "public interest" provision of Act as well as its powers to classify services of stations (303a) and prescribe nature of service (303b). It also pointed to Supreme Court decisions, claiming if a matter can be dealt with on case-by-case basis, it can be dealt with by rule. Loevinger said if FCC didn't have right in area, it couldn't tell educational stations not to carry commercials. Commission is submitting legal memorandum supporting its view. When Pres. Collins filed NAB's legal brief, Rep. Harris (D-Ark.) said both should be studied carefully.

But Harris had word of caution for FCC. He said he's concerned about "important principle of self-regulation [and] what kind of system we're going to have... Sometimes we get persuaded by complaints... If we proceed with this we may have transition to [British system] and I wouldn't like it... I have faith in free enterprise... I don't know if it's wise to penalize everybody for sake of a few."

Harris also said it's "dangerous trend" when administrative agencies move into area to handle problems not originally conceived of and not written into law. He said FCC might be able to build court case for its authority, but he advised Commission to seek other ways to handle problem "before we extend our arms out beyond what the Act intended."

Commerce Committee chmn. also cautioned broadcasters: Committee has "leaned over backwards" in past to give industry opportunity to police itself. "But in all candor I'm not altogether satisfied. Patience could run out. I cannot too strongly suggest that the industry has got to meet its responsibilities."

Commission isn't "extending jurisdiction," merely implementing present policy, Henry stated. Broadcasters know FCC has policy against over-commercialization, but they don't know how much is too much, Henry said. While strongly advocating definite standards, he also stressed that Commission "has reached no conclusions" on rule-making. He explained choices: Continue case-by-case approach; policy statement with definite guidelines to be employed at renewal time; comprehensive rule dealing with various categories of stations; rule directed only to certain categories with remaining stations treated on case-by-case basis. He backed off from what most people interpreted as FCC's original aim—adoption of NAB Codes.

Rep. Younger (R-Cal.) wanted to know how FCC was going to administer all this when it can't handle present workload. Henry agreed it would be difficult. Younger thought Henry had defeated his own cause, said also he's concerned about stretching "public interest" statute. Younger also asserted he can't see how FCC can set limits on commercials without getting into rate setting, which is forbidden by Act because stations aren't common carriers.

Rogers asserted that the only powers FCC has are those that are affirmatively granted to it by Congress. Rogers asked Henry if it was his position that FCC has carte blanche unless prevented by law? "No," said Henry. "What can't you do?" asked Rogers. "We can't fix rates," answered Henry. Henry said that up to now complaints had been handled by staff, many times through discussion with station personnel. Then why use rule-making when FCC has successfully handled complaints? asked Rogers. "It's been unsuccessful and there have been more commercials," said Henry.

Commenting on Rogers bill, Loevinger said that by specifically prohibiting FCC from setting commercial limits, it is implied that FCC can do anything else not specifically prohibited. Rogers said that view is reversal of statutory construction: "It's that kind of thinking that's going to get this group into trouble."

Rep. Bennett (R-Mich.) thought FCC was getting into judgments as to how much profit a station can make. He also wondered what difference was between regulating commercials and programming, e.g. limiting number of Westerns station can carry. Henry said that's not his intention, but that there's substantial amount of opinion that FCC could control programming. Let's not cross that bridge

now, said Henry. "You want to cross this one before you get to that one," countered Bennett. If there's serious problem of over-commercialization, it's Congress's function to handle it, said Bennett. "If you have that authority, it's dangerous," he said.

NAB's Collins disputed Henry's claim that Code enforcement has deteriorated. He said radio station subscription has increased 14% in past year, that monitoring has improved, that Codes are strongest self-regulatory effort in all private industry. Collins added that he's not satisfied with past efforts, that industry is constantly trying to do better job. Of Henry's criticism of stations for not replying to rule-making with concrete suggestions, Collins said: "If [broadcasters] refuse to accept the principle [of govt. moving into this area] surely it is unfair to charge them with failure to supply alternative courses to an end regarded as both unwise & illegal."

NBC's Peter Kenney outlined legislative history. He said that whenever subject had been raised in Senate or in House, FCC was never given authority. ABC & CBS filed statements. Multitude of broadcasters testified that FCC's plan would create grave economic harm, create chaos because of many varying situations Commission would have to consider. Henry said it could grant "waivers" for individual situations. Collins said this would force FCC into examining station's books.

Stage now switches to Dec. 9 oral argument. One compromise proposal FCC staff is considering would set maximum of commercial time. FCC would spell out its right to inquire about "excesses" without implying any penalty until inquiry was finished. Actually, this is similar to what FCC has done through the years—except that "maximum" was never clearly indicated and it varied without notice, according to mood of Commission at the time—and procedures weren't spelled out.

BELL NAMED CODE DIR. IN PEACE-PIPE MEETING: Strange what a difference a week makes. It had looked as if NAB Exec. Committee and Pres. Collins would have real go-around in Nov. 7 meeting on Code & Code Dir., after Committee Chmn. William Quarton took Collins to task in brusque letter.

But meeting was friendliness itself. Collins pulled genuine surprise by telling group he wished to appoint NAB Vp Howard Bell as Code Dir., succeeding Robert Swezey—and Committee was tickled with selection, having great confidence in Bell. In addition, Collins said he was guilty of poor choice of words when he had said that Code Dir. should have "vast powers." "Vast" has "a bad meaning in this industry," Collins said, and he told Committee he had never meant to imply that Code Dir. should usurp Code Board powers.

So everyone appeared pretty happy about whole thing. Bell is much respected in industry, has been with NAB since 1951, is now vp for planning & development. He holds degrees in journalism & law, takes over Dec. 1. Collins hasn't decided who'll assume his chores. "He is a man of high idealism & intelligence," Collins said. "He has the courage of his convictions and works tremendously hard to do well everything he undertakes."

"I'm very optimistic," Collins told us. "I think we'll have a program that will prove very meaningful, one that broadcasters will support."

CBS'S FOOT IN CATV DOOR: First network to get into community antenna business, albeit modestly, is CBS—which took a dip into field by lending "substantial amount" to Vancouver, B.C. system and obtaining option to buy up to 100%.

It's Vancouver Cablevision Ltd., which consolidated several city systems last year into 17,000-connection organization. CBS's loan is for expansion purposes. Firm also owns relatively new system, 1,400 subscribers, in Victoria—but this isn't involved in CBS deal.

Merle S. Jones, CBS TV Stations Div. pres., handled deal, said, in response to our questions: "The loan is substantial and will become more substantial if we exercise the option, which expires Jan. 1. We could acquire up to 100%. Vancouver Cablevision is looking into other areas. If they go into them, they will expose us to them—and we'll react. Reports that we have loaned \$1 million are not correct. That's too high.

"We have no plans for U.S. CATV investment. We're definitely interested in other countries if opportunities are presented. I suppose that's because my principal responsibilities for investment are in foreign countries.

"Will this serve as a guinea pig for network-station-CATV relationships? I suppose it will, but that wasn't our purpose. I suppose CATV prices will jump more now."

Pres. of Vancouver outfit is Sydney Welsh who gave us these responses to our inquiry: "We now have 17,000 homes. Within 2 years, we expect to expand to be in front of 120,000 homes, and, conservatively, get a 60-70% saturation. We charge \$15 for connection, plus \$5 a month. We provide 7 channels, plus 5 FMs and background music. We'll offer a weather video channel, too. We carried the Patterson-Liston fight at no charge, and we'll offer other fights, etc., at no charge."

Two systems in Montreal, about 30,000 each, are the only systems larger in Canada. In Victoria, company expects to obtain about 17,000 subscribers out of 28,000 homes within cable reach; 21 FMs are offered there, in addition to TV. Welsh and associates are also interested in systems in Port Coquitlam & Squamish, are exploring communities in Frazier Valley.

Asked how he expects to corral 70-80,000 subscribers in Vancouver in 2 years, after reaching only 17,000 in 4-11 years (started in different parts of city at different times, bought out older system) Welsh said surveys have satisfied him that demand is there and that "people have been educated in the last few years to know what we offer."

There's no govt. or legal impediment to acquisition of Canadian CATVs by foreign investors, according to Welsh: "We see no problems there."

NAEB PUSHES COMPUTER-BUILT UHF PLAN: Allocation by computer may be here—or near. National Assn. of Educational Bcstrs. has released complete national uhf plan, claims it superior to FCC's recent proposal (Vol. 3:43 p3), asks Commission to expose it to industry comments in rule-making proceeding.

Plan has 2,567 uhf assignments (909 ETV) vs. FCC's proposed 1,979 (604 ETV). It leaves all uhf & vhf stations & CPs undisturbed, takes into account all FCC mileage standards, "taboos," Canadian & Mexican agreements.

NAEB says plan puts channels 'precisely where they are needed, and the most usable frequencies of the spectrum have been distributed with greater efficiency than has heretofore been possible... there is still flexibility remaining in the assignment plan."

NAEB offers FCC its taped data 'for whatever modification or further exploration may be desired.' Material would have to be reworked to feed it to FCC's Univac, which is in final stages of installation. Burroughs 220 computer was used.

Report is presented well, includes city-by-city vhf & uhf assignments. Copies are available from NAEB, 1346 Connecticut Ave., Washington.

Some FCC engineers say they're disappointed with results. Principal criticisms: "They produced more assignments by putting them where no one wants them. Anyone can do that. Why, they've got them in towns of 100 & 200 population. They don't do anything for cities where the demand is greatest. There's too little flexibility, leaving too little leeway for accommodation to FAA tower location restrictions. They say they aren't favoring ETV with low uhf channels, but they give ETV 56 of the 69 Ch. 14 assignments. They didn't try things we suggested, so that they could test some of our ideas and compare them with theirs." But Commission engineers are enthusiastic about idea of using computer, agreeing that concepts can be tested in hours instead of months.

Work was done by Jansky & Bailey div. of Atlantic Research Corp., by engineers Oscar Reed, Kenneth Heisler, William Weakley. NAEB Project Dir. is Vernon Bronson, Assoc. Dir. James Fellows. It was financed by \$40,000 grant from HEW, and NAEB hopes HEW will grant more for future similar work.

* * * * *

Talking about allocations, uhf enthusiast William Putnam, WWLP Springfield, Mass., submitted satirical petition to FCC, asking for short-spaced Ch. 7 drop-ins for Sacramento-Stockton, Cal.; Danville-Champaign, Ill.; Scranton-Wilkes-Barre, Pa. Each is short-spaced, by strange coincidence, only with ABC's o&o's in San Francisco, Chicago, N. Y.

NIELSEN TRIES TO STOP RATING LEAKS: Nielsen has taken action to block release of network TV ratings—such as those triggering "sweepstakes" stories in print 2 weeks ago (Vol. 3:44 p2). It has huddled with network officials, will include prominent warnings in 30-market & national TV reports. Only top 10 ratings are released to public. Other ratings developments:

(1) RAB officials, following Nov. 12 board meeting in Washington, will confer with NAB on next step to implement their agreement for partnering radio methodology study, now that NAB board has approved (Vol. 3:44 p2). Date will be set for first meeting of 10-man steering committee including: One member each from RAB & NAB staffs; 2 each from station management representing both associations; 2 each, representing professional researchers. Committee will select 11th man to serve as chmn.

(2) Rating Council subcommittees, by Nov. 15, are to recommend man to head Council and supply names of audit companies competing to handle validation of rating service performance. It's pretty definite now that AAAA & ANA won't become members of Rating Council board, will retain present "observer" status.

(3) Response to ARB's cost increase in local TV reports has been better than expected. It went into effect Sept. 1, following average 59% increase in all samples. Spokesman said many stations are encouraging rater to improve service, stated only about dozen subscribers aren't renewing.

(4) Pulse announced it's new Qualitative Personal Diary technique is now ready for syndication. Though tested in TV, it will be used in radio. This is departure for Pulse, which up to now has used personal interview method. Diaries will be placed personally, collected by mail.

FCC was castigated by columnist David Lawrence last week for ruling in Ky. Breathitt-Nunn race for governor (Vol. 3:44 p5). Campaigners for GOP candidate Nunn had quoted from President's news conference in spots sent to stations. FCC concluded quote was a distortion, advised stations that "fairness doctrine" applied. Lawrence asserted that FCC has no business judging whether "distortion" was present, that it was up to President to clarify, that FCC's job was merely to tell stations they weren't required to carry the spots because "there is no personal use of station facilities by a candidate involved." (Breathitt won by narrow margin; Nunn is questioning count.)

"Look" article "What TV Violence Can Do to Your Child" was disputed by TIO which says that researchers, commenting on study featured in article, question conclusions in at least 2 of 4 experiments. "All that is demonstrated is that the children remembered what they had seen and imitated some aspects of it in the laboratory immediately following exposure," TIO states. "Experiments reported hardly provide support for the assertion that techniques of aggression are stored for future use."

Vhf drop-ins & CATV regulation, among major matters pending, weren't discussed by FCC last week. New sessions were scheduled in couple weeks.

NBC donates \$250,000 to Community TV of Southern Cal. for ETV uhf in Los Angeles.

Pay-TV committee, similar to other specialized committees, has been formed by FCC: Loevinger, chmn.; Lee & Cox. Purpose, according to Chmn. Henry: "To stay abreast of developments. We need to watch the on-air developments, the pay-TV aspects of CATV, the California developments in Los Angeles & San Francisco, etc. We're nearing the time when we'll have to consider 'regularization' of the Hartford experiment, for example."

Fifth Local Public Service Programming Conference, sponsored by Group W, runs Nov. 10-13 in Cleveland. Secy. of State Dean Rusk is to brief delegates on world affairs, FCC Chmn. Henry to be a principal speaker, HEW Comr. Francis Keppel also will attend. Theme is "Communications and Communities." Panels: "Perspective on News;" expanded TV news formats; how broadcasters communicate with community; "Needs and Taste: Meeting the Challenge"; art of TV & radio documentary; problems & potentials of live programming.

FCC is intimidating radio stations with fairness doctrine, according to Sen. Thurmond (D-S.C.). He said conservative "Manion Forum" program has felt adverse effects. Many stations hesitate to carry program because they would have to provide time to the opposition, he charged. "It would be well to begin applying the doctrine with the broadcasts of the networks because of [their monopoly] on national broadcasting," Thurmond said. He called these broadcasts "left wing."

New king of tall towers is 2,063-ft. structure of KEND-TV (Ch. 11) Fargo, which completed fixing GE antenna to Kline steelwork in 25 min. on Nov. 8—accompanied by click of "Life" magazine cameras. Station aims for Dec. 31 start. Tower will also support Ch. 2 antenna of ETV station to be built by U. of N. D. & N. D. State U. Installation will put principal-city signal into Fargo, Grand Forks & Valley City. Smithsonian Institution plans to place model of facilities in exhibit on broadcasting.

"Big brother move on the part of the federal administration" is reaction of Sen. Curtis (R-Neb.) to FCC Chmn. Henry's report on Omaha local-live hearing (Vol. 3:43 p1). "I long have subscribed," he said, "to the basic principle upon which the nation's communications policy was established: That the govt. should confine its power & jurisdiction to controlling the traffic and regulating the technical aspects."

Request that FCC suspend license fees, due to start Jan. 1, "until further action by Congress" was made last week by Rep. Rogers (D-Tex.). He noted that his hearings questioning FCC's authority aren't scheduled until early part of 1964. Commission plans reply shortly.

New CATV system for Ocean City, N.J. is being built for H & B American by Jerrold. Costing more than \$250,000, system will distribute 4 channels from Philadelphia, 4 from N. Y. Partial service will be available by March, full service by May.

Bill allowing appeals from FCC decisions to be tried in U. S. court of appeals where appellant resides, rather than in Washington, introduced by Rep. Ashmore (D-S. C.) (HR-9031).

"Heart Beat," TvB's new half-hour film examining successful TV commercial production techniques, will be shown Nov. 20, as part of 9th annual membership meeting in Chicago Nov. 19-21.

Personals

Jesse Zousmer, ex-CBS News editor & co-producer of "Person to Person," named ABC News TV news dir.

AB-PT Pres. **Leonard Goldenson** to receive IRTS 1964 Gold Medal March 4... **Charles H. Crutchfield**, Jefferson Standard Bcstg. pres., celebrates 30 years with company.

Thomas J. McDermott, N.W. Ayer radio-TV vp, elected pres., International Radio & TV Foundation, succeeding **William K. McDaniell**, NBC Radio exec. vp.

Cyril Wagner promoted from mgr. to dir., NBC Central Sales, Chicago... **Jack Delaney** promoted to news dir., WTEV Providence-New Bedford.

Everett N. Case, Alfred P. Sloan Foundation pres., elected 1964 NET chmn... **H. Meade Alcorn Jr.**, ex-Republican national chmn., rejoins CBS News Election Unit as political consultant.

Warren A. Kraetzer, NET development vp & secy., appointed exec. vp & gen. mgr., ETVs WHYI-TV Wilmington, WUHY-TV-FM Philadelphia, succeeding **Richard S. Burdick**, who becomes gen. mgr., Boston Bcstrs., commercial Ch. 5 applicant.

Dr. Ron R. Browne appointed asst. broadcasting professor, Boston U.; **Walter P. Sheppard** named asst. broadcasting professor & WBUR-FM faculty program dir.

Gerald Flesher, ex-WCBS-TV N.Y., appointed sales promotion mgr., ABC-TV Spot Sales... **Donald C. Bowen**, ex-ABC-TV Spot Sales, N.Y., named sales dir., WBKB Chicago.

Robert J. Kizer, Avery-Knodel TV sales vp, elected senior vp; **John S. Stewart**, radio sales dir., elected vp; **F. Robert Kalthoff**, midwest TV sales mgr., named vp.

C. C. (Bud) Bowlin, ex-national sales rep, WCSH-TV Portland, appointed Boston mgr., Katz Agency... **John T. King** appointed Boston mgr., Metro Radio Sales.

Obituary

George T. (Ted) Baker, 62, former chmn. of National Airlines, died of heart attack in Vienna, Austria, Nov. 4. Tough airline pioneer, he was one of few remaining principals of famed Miami Ch. 10 "influence" case. National won Ch. 10 in hearing, later lost it on grounds former FCC Comr. Richard Mack had been "reached" with off-the-record persuasion. Since the original Ch. 10 hearing, following other principals of applicants died: L. B. Wilson (whose firm now holds Ch. 10); A. Frank Katzentine, WKAT; Walter Compton, North Dade Video; attorney Thurman Whiteside. Baker's survivors are widow & daughter.

Govt. "must be wary of any measure that would impair the interaction of the broadcaster's freedom of expression and the public's freedom of choice, or would undermine the medium's economic viability," NBC Chmn. Sarnoff said in accepting honorary doctor of literature degree and 1963 Joseph E. Connor Memorial Award for excellence in communications, from Boston's Emerson College.

NBC Radio presented Library of Congress with 13 tapes of series "Toscanini—the Man Behind the Legend." Presentation was made by **Walter Toscanini**, son of the late maestro.

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BPA convention agenda, at San Francisco's Jack Tar Hotel: Nov. 18—Management Looks at Promotion, Agency Presentations, Merchandising That Clicked, Promoting Specials & Sports Programs, Graphic Arts in Promotion. Nov. 19—Humor in Broadcasting, Humor in Radio, Humor in TV, Publicity Problems of Radio Stations, Promoting Movies for TV, cocktail party sponsored by trade press, banquet. Nov. 20—Role of the Spot Representative, Which Way Up?

Ten uhf ETV stations are sought by Ky. State Board of Education, which filed applications for 8 last week: Bowling Green Ch. 17, Covington 54, Hazard 33, Lexington 46, Madisonville 26, Morehead 36, Murray 33, Somerset 29. It will file soon for Ashland 78, Pikeville 14.

ETV plans for Idaho, Montana, Oregon, Washington, Alaska discussed at Nov. 8 Conference conducted by Washington State ETV Commission, addressed by John J. Hurley deputy asst. to HEW Under Secretary for ETV.

ABC International TV is named sales rep & program purchasing agent for Syrian Arabic TV, with Damascus flagship station plus 3 repeaters. Syria has about 30,000 sets.

Sale of WDEF-TV (Ch. 12) Chattanooga, to Roy H. Park Bcstg. of Tenn Inc. for \$2,780,080 has been negotiated. Stockholders have 60 days from Oct. 29 to approve. Park owns WNCT (TV) Greenville, N. C.

Metromedia increases outdoor holdings with \$13.5 million cash purchase of General Outdoor's N. Y. & Chicago plants. It owns big Foster & Kleiser on West Coast.

First live colorcast on ABC-TV will be New Year's Day pickup from WFIL-TV of Philadelphia's annual Mummers Parade.

To alert public to its offerings, ETV WNDR N. Y. will let critics preview film & tape programs on request.

Advertising Time Sales moves Feb. 1 to 777 Third Ave., N. Y.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

MOLECULAR CONSUMER PRODUCT DUE IN '64: First consumer product of the molecular revolution is almost certain to make its debut next year. It will be integrated-circuit hearing aid, made without conventional components. Hearing-aid companies obviously are in terrific competition to be first with this development, which could put all of instrument's electronics inside tiny earplug.

Following hearing aid by about year will come first major entertainment electronics uses of integrated circuits—possibly beginning with highly efficient low-noise uhf tuners—and 1965-6 should see start of complete revolution in radio. Many in industry, in fact, see in molecular electronics golden opportunity for American manufacturers to recapture U.S. radio market.

In short interval since our last report in Feb. (Vol. 3:5 p7), molecular electronics has grown from a science & technology to a full-fledged booming industry. Military has latched firmly onto this new field, not only because of miniaturization & ultra-reliability it supplies, but because micro-circuitry already offers cost savings over conventional techniques.

Molecular electronics, or micro-electronics, or integrated circuitry, is outgrowth of transistor technology, and involves fabrication of entire semiconductor circuits—transistors, diodes, resistors, capacitors, etc.—in one single integral unit, virtually eliminating connections & conventional components.

Perhaps most consumer-oriented of the hundreds of companies now in the business is Westinghouse, whose Molecular Electronics Div. has already shipped several thousand sample molecular circuits to consumer product manufacturers for study. Mgr. Harry Knowles told us that sudden "almost panicky breakout" into molecular electronics by military & NASA may well delay original plans to phase into consumer end-product market next year, that now major consumer applications will probably be shelved until at least late 1964, possibly well into 1965.

"All of a sudden it's a real business," said Knowles. "It's different from the transistor business, which started at high-priced levels. There's absolutely no fat in the pricing. Cost-cutting is going on in production activities, and prices are coming down fast. Major complex blocks [circuits] are now being produced for Defense Dept. for less than \$10. Within a few years it will completely inundate the consumer market. After the hearing aid, the next molecular product will probably be hi-fi components, then radio—and radio as we know it today will soon be gone."

Texas Instruments integrated circuit Marketing Mgr. Charles Phipps agreed that first consumer uses will be those where costs aren't major consideration—first hearing aids within year, then hi-fi audio amplifiers, possibly in 2 years. Some technical problems still remain in radio field. "We're presently coming into the stage where integrated circuits are becoming economically competitive with conventional circuits in industrial equipment," he said. Military order pickup, he added, will help consumer applications because of increased R&D, production experience.

Fairchild Semiconductor consumer product Mgr. Christopher Coburn also saw major consumer applications beginning in '65. "There are many technical problems which must be solved by then," he added. However, he predicted that low-cost, low-noise uhf tuner was real possibility as first consumer item after hearing aid. He forecast that consumer & industrial applications of molecular electronics would grow up together. "The prime idea of the integrated circuit," he said, "is that its cost is already cheaper in military items; this is bound to be reflected in consumer goods."

Texas Instruments' Phipps suggested that new technology should make possible all kinds of new consumer applications which don't exist now—tiny controls, timers, etc. for appliances and other uses. He also foresaw possibility of tiny fixed-channel radios, each adjusted to different station, and designed to be thrown away when they stop working.

In terms of conventional radios, there's strong feeling that integrated circuitry could solve im-

port problem—if U. S. industry grabs it and grabs it fast—for these reasons: (1) This country is well ahead of Japan in integrated circuits. (2) Automatically produced molecular circuits should have such low labor content that foreign wage scales give importers no advantages. Integrated circuits themselves require no soldering, no hook-up, virtually no hand labor—except in hooking them together.

Among products which would be made possible by integrated circuits would be such items as complete FM stereo receiver contained in pair of eyeglasses, powerful AM radio (except for speaker) built into ring, eventually (probably late this decade) pocket TV sets.

Mighty Mo is here—and first profound changes in consumer equipment probably will begin to show up within 12 months.

'WINDFALL' TO PICTURE TUBE IMPORTERS? Quiet fight to rectify "mistake" which could cut import duties on foreign picture tubes from traditional 30% down to 6% has shifted from Tariff Commission to Congress.

Change in tariff schedules this summer has already slashed duties on picture tubes from 30% to 12%—as result of what EIA calls "staff error" within Tariff Commission. Further cut may be in store as result of Administration tariff reduction hearings scheduled to begin next month, since picture tubes are on list of items which are being considered for cuts of up to 50%.

In this case, action isn't aimed at stemming low-priced competition from Japan—at least, immediately. Only major picture tube imports have been from Holland, whose mighty Philips combine has been shipping 23-in. b&w tubes to this country all through 1963, most or all of them being purchased by Motorola (Vol. 3:15 p8, 32 p11). It appears that Philips (and its U. S. importer Amperex) has been beneficiary of 60% "windfall" tariff cut which took effect Aug. 31. Philips & Amperex officials were not available for comment last week.

Here's history of situation: Under tariff simplification act of 1962, tariff schedules used since 1930 were updated & reclassified, although no changes in rates were supposed to have been made. In old schedules, there was no specific classification for picture tubes. New schedules, which went into effect last Aug. 31, contain "cathode ray tube" category, on which ad valorem tariff is listed as 12%.

EIA maintains that picture tubes were taxed under old schedule as articles whose chief value is represented by glass, with tariff of 30%—and in compiling new schedules Tariff Commission staff members erroneously considered picture tubes as items whose chief value is in electronic metal, which subjects them to only 12% duty. In response to formal inquiry by National Video, Rauland, Sylvania & Westinghouse, Customs Bureau July 18 advised that its practice then was to levy 30% duty on picture tubes, according to EIA's attorney Eugene L. Stewart.

EIA group then petitioned Tariff Commission to correct rate of duty under new schedule, but was advised that timetable didn't permit Commission to go through the customary public notice, hearings, etc. in time to complete its work by mandatory Aug. 31 deadline.

Only avenue left open was legislative. Eight bills have been introduced in House to change 12% figure in schedule to 30%—all by members (5 democrats, 3 republicans) of House Ways & Means Committee, which is in charge of tariff legislation. To back up its case, EIA has made studies showing that in principal picture-tube sizes, glass represents chief value.

Although correcting legislation is considered to have excellent chance of passage, fact remains that picture tube import duty has been cut by 60% as of Aug. 31. Prospect of another cut is implicit in tariff hearings beginning next month. Industry hopes that in tariff cut hearings it will be working to defend base of 30%—not 12%.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 1 (44th week of 1963) excluding 11-in. and smaller:

	Oct. 26-Nov. 1	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	151,385	155,442	139,376	5,971,874	5,578,637
Total radio	457,514	480,090	455,235	15,350,477	16,140,367
Auto radio.....	208,768	202,856	183,190	6,630,438	5,849,172

If **FTC still wants to define** "high fidelity," apparently it's going to have to go ahead without advice of industry organizations. Latest developments in Commission's quest for proposals: (1) Audio Engineering Society formally told FTC "we believe that at the present time no sound basis exists for attempting to define the term 'high fidelity' and that no attempt should be made to formulate an official definition." (2) Institute of High Fidelity members disagreed so sharply that matter was turned over to committee, which has made no report. EIA, in submitting proposed definition early this year to cover packaged hi fi, was careful to tell Commission that it did not endorse definition, but merely passed it on.

TV sets will be in 94% of U. S. homes by 1969, up from 91% today, Allen W. Dawson, Corning Glass vp and TV Products Div. gen. mgr. forecast. He termed TV industry's 1964 outlook "excellent," noted that Corning has increased employment to 1,000 from 700 this year at its Albion, Mich. TV bulb plant because of increased business.

All-channel rules are waived, FCC informed Motorola, for 357 sets going to 3 hospitals—because Motorola gives assurance receivers will be adjusted to get all channels—present & future—via cable distribution system.

National Video is now turning out "controlled small production runs" of 23-in. rectangular 90° color tubes—said to be in the "hundreds a week." Company claims to have licked major problems, now is well satisfied with end-product. Although Motorola has first call on tube, company now believes it will be able to supply other companies with color tubes next year. National Video's b&w tube business is up; last month was biggest in company's history in terms of picture tube output.

RCA will build \$2.5 million, 200,000-sq.-ft. facility on 100-acre site in Camden, N. J. area "to house the world's largest electronic parts depot," Group Exec. Vp Arthur L. Malcarney announced. Building, slated for completion by late 1964, also will serve as hq of RCA Parts & Accessories operation which provides replacement parts for RCA consumer, industrial & data processing equipment. Facility will include RCA 301 computer to speed parts service.

Westinghouse and IBEW have agreed on 3-year wage and 5-year fringe benefit contracts similar to pacts recently concluded with IUE (Vol. 3:44 p11). Subject to ratification by locals by Nov. 25 deadline, proposed agreement would cover 12,000 employes at 44 locations, provide 2 wage increases in 3 years averaging total 13-1/2¢ an hour, 3 weeks vacation after 10 years' service, increased insurance, retirement and layoff benefits.

Free world's electronics output will climb to \$47 billion a year by 1970 from 1961's level of \$22 billion, Ampex Pres. William E. Roberts told National Electronics Conference in Chicago. He listed 6 most rapidly developing areas of electronics as materials science, microwave electronics, cryogenics, bionics, quantum-mechanics technology & associated electro-optical devices, new energy sources.

Dominion Electrohome will build \$6.5 million 860,000-sq.-ft. manufacturing plant on 60-acre site at Kitchener, Ont. to keep pace with increasing sales which have jumped 50% in past 2 years and are expected to top \$25 million this year. Dominion's 1962 sales approximated \$21.2 million. Building will be completed in 3 stages over next 3 years.

Add QS opposition: White House Council of Economic Advisers last week lashed out at Quality Stabilization legislation pending in Congress, declared that elimination of price competition at retail level would produce new headaches for dealers & manufacturers. Among them: higher retailing costs as dealers turn to more service, advertising & fancier fixtures to lure customers; increase in dealers and resultant increased competition; difficulty of small manufacturers to retain dealers in face of "strong incentives" of higher markups & more ad support offered by larger manufacturers. Among over-all results, CEA noted, "This competition would eventually reduce the average retailer's net profit margin back to its pre-price-maintenance level. But prices to consumers would not be lowered."

Big contract for 75,000 radios and RF distribution systems for more than 2,000 Greyhound buses has been received by Motorola. Bus company will equip 200 of its east coast Super Scenicruisers by year's end, 1,945 buses next year. System provides each rider with individual AM station selector and sanitary disposable earphones. Each bus will have external antenna and RF distribution amplifier. Dual-level Scenicruisers will have 42 radios, single-level buses 36.

TV service policies returning? Macy's N. Y. is experimenting with pre-paid plan for TV sets, regardless of make or where purchased. It advertises 3 policies: (1) Covers all parts & tubes except picture tube; home service calls \$3.95; shop labor & pickup, \$13.94; annual charge \$14.94. (2) Same as Plan 1, except that b&w picture tube (non-bonded, up to 21-in.) is covered instead of all other parts; \$14.94. (3) Combination of Plans 1 & 2; charge \$25.

RCA has kicked off institutional ad campaign which "will tell the public some of the many ways in which RCA has become a part of their lives by dramatizing the company's great breadth in electronics in relation to the reader's own self-interest & everyday experience," Ralston H. Coffin, ad & sales promotion staff vp, reported. Themed "RCA Is a Part of Your Life," campaign utilizes network TV and national magazine inserts. Agency: J. Walter Thompson.

Taxi TV: Chicago's Flash Cab Co. has installed 5-in. tinyvision TVs in 40 of its 285 cabs, is so pleased with results that 60 additional cabs will be equipped. Pres. Arthur Deckholtz said: "The response has been tremendous. The drivers say they get bigger tips." TV is mounted on rear of driver's seat. Special speaker is installed behind rear seat to minimize distraction for driver.

Automobile tape player, designed to accommodate continuous-loop cartridges, will be marketed through dealers at \$119.95 by J. Herbert Orr Enterprises, Opelika, Ala. Pre-recorded cartridges for Orrtronic AutoMate Tapette will retail at \$7.95 (full hour) & \$5.95 (half-hour).

Capehart is assembling Panasonic hi-fi consoles for Matsushita of America, Capehart Pres. Roy J. Benecchi told stockholders meeting in N. Y. Capehart also plans to produce phono line under own name later this year, Benecchi said, predicting company would make "a real dent in the consumer field."

New organization for service dealers is being formed under aegis of NARDA. To be designed NARDA Service Div., it will be open to any independent TV or appliance service dealer, including non-members of NARDA.

Trade Personals

Chris J. Witting Jr., Westinghouse vp, formerly in charge of consumer products, has been placed on special assignment, reporting to **Ronald N. Campbell**, exec. vp in charge of industrial, construction & construction groups, who now assumes direct-line responsibility for consumer group.

Arthur Richenthal elected chmn. & chief executive officer of Standard Kollsman Industries, succeeding **James O. Burke**, who died Oct. 14 (Vol. 3:42 p11); **James W. Burke**, son of late chairman & pres., former asst. to pres., named vp & tuner div. gen. mgr.

John L. Hanigan, onetime Corning Glass Electrical Products Div. vp-gen. mgr., resigns as Dow Corning exec. vp-gen. mgr. to become pres. of Brunswick Corp., Chicago.

Carroll R. Miner, ex-Sarkes Tarzian, onetime Hoffman Electronics Consumer Products Div. chief engineer and GE TV set design engineering mgr., joins General Instrument's F.W. Sickles Div. as engineering dir., Chicopee, Mass. plant.

Frank M. Folsom, RCA exec. committee chmn., awarded Catholic Actors Guild of America's George W. Buck Memorial Award for contributions to acting profession.

Chris H. Bartlett appointed Westinghouse Southeast region mktg. vp, succeeding **P. T. Lagrone**, who retires Feb. 1.

James L. Myers named GE Radio Receiver Dept. finance mgr., succeeding **Herbert J. Connelly**, appointed finance mgr. for GE's Mississippi test support operation.

Gerry M. Mills named Centralab mktg. mgr. . . **Ralph R. Papitto** elected Glass-Tite Industries chmn.

Richard F. O'Brion appointed Ampex Consumer Products Div. eastern region sales mgr.; **John C. Dews**, mid-western region sales mgr.; **Paul M. Chalfant**, western region sales mgr.

Charles R. Gray & **Carl I. Swanson**, both formerly Philco, join International Resistance as microcircuit application development mgr. and microcircuit customer services mgr., respectively, both new posts.

Obituaries

Charles M. Mooney, 50, vp of RCA's Federal Govt. Systems Support Div., Washington, died Nov. 3 of heart attack while vacationing at Farmington Club, Charlottesville, Va. He joined RCA early this year after serving as vp with IT&T. He is survived by wife, 2 sons, daughter, sister.

Watson P. Dutton, 62, RCA special projects administrator, Defense Electronics Products Div., died Nov. 4 of heart attack at Arlington, Va. home. He'd been with firm 32 years. He is survived by widow, daughter, 2 sons.

Theophilus F. Barton, 77, retired GE engineer and sales executive, died Oct. 31 in Mary Imogene Bassett Hospital, Cooperstown, N. Y. He had been with GE 44 years, was a commercial vp & N. Y. district mgr. when he retired in 1950. He is survived by widow & daughter.

Mrs. Goldie J. B. Cohen, wife of Monte Cohen, General Instrument vice chairman, died Nov. 7 at Mass. General Hospital, Boston.

DISTRIBUTOR NOTES: **Andrea Radio** appoints **Newton A. Chanin**, Empire Bldg., Long Island City, N. Y., sales rep for Maryland, Washington, D. C., Virginia & Delaware (excepting New Castle County). . . **Philco Distributors-N. Y.** appoints **Harvey J. Weinstein** key accounts mgr. . . **Joseph P. Maloney** elected pres. of RCA distributor The Eastern Co., Cambridge, Mass., succeeding **Alan Steinert** who continues as treas. and moves up to new post of chmn. . . **International Resistance** appoints **Avnet Electronics** distributor for resistor and control products in N. Y. metropolitan area. . . **J. Fil Ogden** appointed to Westinghouse Appliance Sales hq staff, Columbus, O., succeeded by **John P. Adams** as Salt Lake City district mgr.

All records were shattered by Motorola distributor-to-dealer TV sales last week, according to Motorola Consumer Products marketing vp **S. R. (Ted) Herkes**. He said b&w sales for first week of Nov. were more than 20% above previous peak established in Oct. 1954. Phono sales for same week were also "impressive," he added.

Add good news: Packard Bell Electronics TV sales jumped more than 25% in 1963's first 8 months compared with same 1962 period. Stereo console unit sales set all-time record in Aug., captured 40% of S. Cal. market.

TelePrompter shareholders' "protective committee" is being formed by group headed by **Defiance Industries** pres. and **TelePrompter** dir. **Victor Muscat** "to inform stockholders how badly" company is "being managed" and to "stop the excessive administration and legal costs that are plaguing the company." **Defiance**-controlled **B. S. F. Corp.** is purchasing **TelePrompter's** **Weathers**, **Conley Electronics** and **Audio Visual** divisions (Vol. 3:35 p12). **Muscat** emphasized that he "definitely was not planning a proxy fight to unseat management," but said he & associates are studying plan to "make a tender offer to **TelePrompter** stockholders in order to acquire control of the company." Decision on tender offer will come within 90 days, he said, and if affirmative, **Muscat** group will seek minimum 40% of **TelePrompter's** 746,090 outstanding shares.

AB-PT's 9-month & 3rd-quarter figures (Vol. 3:44 p14) included capital gains, as follows: 1963's 9-month operating profit of \$6,383,000 was enhanced by \$523,000 (12¢ a share) net capital gains that increased net profit to \$6,906,000. In same 1962 period, operating profit of \$8,003,000 was decreased by \$97,000 (2¢) capital loss to total \$7,906,000. In 1963's Sept. quarter, operating profit of \$2,164,000 was increased by \$169,000 (4¢) net capital gains to total \$2,333,000. In same 1962 quarter, operating profit of \$2,450,000 was increased by \$60,000 (1¢) capital gains to \$2,510,000.

Philco is still in the red, according to **Ford Foundation** prospectus for secondary stock offering. "Philco sustained a loss in the first 9 months of 1963 and in 1962," prospectus stated: "Philco competes with certain of the largest corporations in the U. S. and its business is subject to changes in govt. policy, technology and other factors." **Philco** wouldn't elaborate.

P. R. Mallory & Xerox will form jointly owned firm to manufacture new type of microcircuit board which can be easily altered in size to fit specific applications. Company's name & management were not disclosed. **Mallory & Xerox** will share equally costs of launching new endeavor, expect new product to be commercially available in 6 months.

(Continued from page 12)

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Scripps-Howard Bcstg.	1963—40 wks. to Oct. 5	\$ 10,499,326	—	\$ 2,192,479	.85	—
	1962—40 wks. to Oct. 5	10,226,603	—	2,246,685	.87	—
Standard Kollsman Industries	1963—9 mo. to Sept. 30	55,087,907	\$ 738,389	350,350	.16	2,254,296
	1962—9 mo. to Sept. 30	67,656,430	3,796,979	2,138,899	.95	2,179,686
TelePrompTer Story on p. 10	1963—9 mo. to Sept. 30	3,919,070	—	77,065	.10	746,090
	1962—9 mo. to Sept. 30	3,616,442	—	(59,453)	—	738,410
	1963—qtr. to Sept. 30	1,204,030	—	7,841	.01	746,090
	1962—qtr. to Sept. 30	1,347,902	—	47,696	.06	738,410
Transitron Electronic	1963—qtr. to Sept. 28	5,022,395	321,516	151,516	.02	7,503,249
	1962—qtr. to Sept. 28	5,450,623	(1,421,674)	(691,674) ⁷	—	7,503,249
Warwick Electronics	1963—26 wks. to Sept. 28 ⁸	53,748,000	—	900,000	.22	—
Zenith Story on p. 11	1963—9 mo. to Sept. 30	257,907,000 ⁵	27,210,000	12,570,000 ⁵	1.37	9,181,759
	1962—9 mo. to Sept. 30	227,005,532 ⁵	25,041,937	11,590,672 ⁵	1.28	9,087,909
	1963—qtr. to Sept. 30	91,618,000 ⁵	10,396,000	4,916,000 ⁵	.54	9,181,759
	1962—qtr. to Sept. 30	81,008,762	10,007,363	4,608,063	.51	9,087,909

Notes: ¹After \$88,791 tax credit. ²After preferred dividends. ³Preliminary. ⁴Adjusted for June-1963 3% stock dividend. ⁵Record. ⁶No income tax liability because of loss carry-forward from 1961. ⁷After \$730,000 tax credit. ⁸Includes results of Pacific Mercury Electronics, merged Oct. 28; 1962 figures not available, but sales are up 13.6%, net earnings 17.5%.

ZENITH'S ROSY REPORT: In announcing record sales & earnings for both 3rd quarter & 9-month periods (see financial table), Zenith undertook to add another statistic to "battle of the millionaires" (million sets, that is).

It already is on record that Zenith distributor-to-dealer sales of TV sets (presumably both color & b&w) passed million in first 9 months of 1963. This was followed by report that RCA had passed million mark in factory TV sales (also including color) last Sept., 3 months ahead of last year's pace (Vol. 3:43 p9). Latest pronouncement—this one in quarterly financial statement by Zenith Chairman Hugh Robertson & Pres. Joseph S. Wright—that "over one million b&w TV receivers were produced during the first 9 months of this year," establishing new b&w record more than month earlier than last year.

In addition, Zenith report stated, distributor-to-dealer sales of color sets were "nearly double the first 9 months of 1962." Sept. sales were 60% ahead of previous record month of March 1963. Sales volume of all products in Sept. was highest of any month in Zenith history. B&w and stereo production & sales set records for 9-month period, while Zenith claimed increased share-of-industry in radios.

Report stated that Zenith's Rauland Corp. "is producing color TV tubes, although yields have not yet reached expected levels."

Addressing anniversary dinner of Appollo Distributing Co. in Newark, meanwhile, Zenith Sales Corp. Pres. Leonard C. Truesdell said: (1) Zenith will not enter tiny-division market. (2) TV industry sales will remain at 7 million or more sets annually, with color increasing its percentage. (3) Industry color sales this year will total about 650,000, rising to more than million in 1964. (4) Zenith is "completely sold out for the rest of the year."

(5) Truesdell has reconsidered his decision to retire next June, will remain in present post.

* * * *

Color TV is no longer luxury for wealthy, Elmo Roper survey for RCA indicates. Addressing Phoenix Ad Club, RCA Sales Corp. ad & sales promotion vp Jack M. Williams said survey showed that, of consumers indicating their next TV set would be color, 66.3% were in "average" or "below average" economic levels. Previous findings had established that 60% of color owners were in higher-income groups.

GT&E and Chmn. Donald C. Power were front-cover profiled by Nov. 6 "Financial World" which noted that GT&E "expanded about 16% annually during the 1956-1962 period," is "one of the 5 most widely-held Big Board issues." Commenting on Sylvania's performance, "World" noted: "Indicating how the Sylvania Div. has 'turned around,' this unit's net this year will rise 30% on a 10% sales gain." Sylvania is back in color tube production, magazine pointed out, and "expects to produce approximately 20,000 tubes this year. It expects this figure will be increased substantially next year." Over-all, GT&E's "gross income should increase about 8% this year to more than \$1.4 billion. Net income—which will top \$100 million—should approximate \$1.30 to \$1.35 per share, about 16% better than last year's \$1.15."

Bankrupt Ravenswood Corp. (Vol. 3:44 p13) listed debts of more than \$2.3 million in preliminary figures filed with Baltimore Federal Court. Company was granted extension to Nov. 22 to file complete schedule of assets & liabilities.

Howard W. Sams sales for quarter ending Sept. 30 were \$3,829,013 vs. \$3,339,845 for same period last year (figures inadvertently omitted from Vol. 3:43 p12).

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Andrea Radio	1963—9 mo. to Sept. 30	\$ 3,550,241	—	\$ 57,126	\$.22	254,136
	1962—9 mo. to Sept. 30	3,851,920	—	216,010	.85	254,136
	1963—qtr. to Sept. 30	1,393,665	—	60,030	.23	254,136
	1962—qtr. to Sept. 30	1,118,862	—	66,299	.26	254,136
Clarostat	1963—9 mo. to Sept. 30	6,212,422	\$ (170,752)	(81,961) ¹	—	484,392
	1962—9 mo. to Sept. 30	7,627,186	475,873	239,419	.53	484,392
Crowell-Collier	1963—9 mo. to Sept. 30	79,614,000	7,432,000	3,564,000	1.09	3,259,736
	1962—9 mo. to Sept. 30	69,804,000	7,436,000	3,511,000	1.08	3,259,736
	1963—qtr. to Sept. 30	31,987,000	5,540,000	2,651,000	.81	3,259,736
	1962—qtr. to Sept. 30	29,828,000	5,496,000	2,612,000	.80	3,259,736
Federal Pacific Electric	1963—qtr. to Sept. 30	22,833,354	798,472	412,272	.09 ²	2,511,772
	1962—qtr. to Sept. 30	23,843,606	729,438	320,438	.05 ²	2,420,991
General Bronze	1963—9 mo. to Sept. 30	12,532,370	(140,049)	(140,049)	—	391,820
	1962—9 mo. to Sept. 30	13,788,303	28,554	28,554	.07	391,820
Hallicrafters	1963—year to Aug. 31 ³	60,492,000	3,334,000	1,644,000	.65	2,545,629
	1962—year to Aug. 31	66,741,111	4,123,061	1,993,061	.79 ⁴	2,510,625
Hoffman Electronics	1963—9 mo. to Sept. 30	21,262,083	—	(573,238)	—	1,538,888
	1962—9 mo. to Sept. 30	30,076,397	—	(243,003)	—	1,538,888
	1963—qtr. to Sept. 30	2,804,962	—	(397,197)	—	1,538,888
	1962—qtr. to Sept. 30	8,010,034	—	(175,446)	—	1,538,888
International Rectifier	1963—qtr. to Sept. 30	4,025,000	—	50,956	.02	2,414,542
	1962—qtr. to Sept. 30	4,278,000	—	297,423	.12	2,414,542
International Resistance	1963—42 wks. to Oct. 20	24,107,960 ⁵	2,907,309	1,391,309	.95	1,462,209
	1962—42 wks. to Oct. 21	23,853,273	4,519,832	2,100,387	1.44	1,462,209
Lear Siegler	1963—qtr. to Sept. 30	47,086,678	—	1,450,771	.36	3,894,293
	1962—qtr. to Sept. 30	46,977,939	—	1,379,623	.34	3,918,023
Ling-Temco-Vought	1963—9 mo. to Sept. 30	244,991,000	7,734,000 ⁶	4,832,000	1.74	2,783,885
	1962—9 mo. to Sept. 30	249,807,938	6,639,164 ⁶	6,639,164	2.39	2,763,473
	1963—qtr. to Sept. 30	82,167,000	1,885,000	1,169,000	.42	2,783,885
	1962—qtr. to Sept. 30	75,819,236	2,075,324 ⁶	2,075,324	.75	2,763,473
Macfadden-Bartell	1963—9 mo. to Sept. 30	19,156,715	—	1,237,163	.78	1,591,472
	1962—9 mo. to Sept. 30	17,092,336	—	(402,962)	—	1,943,598
	1963—qtr. to Sept. 30	7,073,465	—	610,156	.38	1,591,472
	1962—qtr. to Sept. 30	5,862,408	—	(9,333)	—	1,943,598
Minnesota Mining & Mfg.	1963—9 mo. to Sept. 30	564,115,122 ⁵	—	64,900,008 ⁵	1.24	52,257,057
	1962—9 mo. to Sept. 30	515,694,783 ⁵	—	59,163,578 ⁵	1.13	51,823,123
	1963—qtr. to Sept. 30	195,454,104 ⁵	—	22,959,800 ⁵	.44	52,257,057
	1962—qtr. to Sept. 30	175,699,572	—	20,454,549	.39	51,823,123
National Co.	1963—9 mo. to Sept. 30	5,243,244	—	(43,772)	—	804,246
	1962—9 mo. to Sept. 30	6,773,629	—	130,219	—	802,779
	1963—qtr. to Sept. 30	1,095,995	—	(75,059)	—	804,246
	1962—qtr. to Sept. 30	1,968,084	—	18,131	—	802,779
Oak Mfg.	1963—9 mo. to Sept. 30	28,997,881	1,376,910	597,910	.87	687,074
	1962—9 mo. to Sept. 30	22,373,367	1,285,171	641,606	.93	687,074
	1963—qtr. to Sept. 30	8,998,598	300,419	92,419	.13	687,074
	1962—qtr. to Sept. 30	6,603,411	22,153	21,038	.03	687,074
Reeves Bcstg.	1963—9 mo. to Sept. 30	4,013,000	293,000	146,000	.10	1,408,893
	1962—9 mo. to Sept. 30	3,573,900	72,300	34,900	.02	1,408,893

(Continued on page 11)

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

NOVEMBER 18, 1963

NEW SERIES VOL. 3, No. 46

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

VHF DROP-INS KILLED IN FINAL 4-3 VOTE, Loevinger deciding to maintain status quo. Chances of reversal in courts considered negligible. Proponents believe issue will rise again eventually (p. 1).

SENATORS FAVOR SELF-REGULATION OF ADS: Magnuson, reporting FCC & FTC 1964 budgets, advises FCC to 'cooperate' with industry, to avoid 'mandatory' rule. Pastore seeks positive industry effort, exchanges views with NAB's Collins, who plans N. Y. meeting in Dec. with agencies, advertisers, TV stations, maybe networks (p. 2).

GROUP W'S PUBLIC SERVICE 'DIALOGUE' in Cleveland revolves around govt. regulation. Seltzer of 'Cleveland Press' visualizes TV-radio as 'prime' news media. FCC Chmn. Henry stands by his local-live recommendations (p. 3).

CATV & TV-RADIO VETERANS PUT HEADS TOGETHER, put best foot forward in meetings with FCC staff, NAB liaison committee. Turning point in Washington relations foreseen (p. 4).

NBC'S 'TW' TICKLES MOST, IRKS FEW. Experimental program of satire delights many viewers, critics, govt. officials—while its British forbear sheathes claws because of upcoming elections (p. 4).

FCC ACTS TO CRACK SALES LOGJAM: FCC Chmn. Henry tells Congress there's more staff delegation, 5 attorneys added, 'non-problem' cases go first. Steps have doubled output for Oct. over Sept. (p. 5).

HARRIS SCORES FAIRNESS DOCTRINE, says sending

scripts to everyone would place intolerable burden on licensee, load FCC with enforcement problems. Urges judgment be left to licensee (p. 5).

Consumer Electronics

HOTEL-MOTEL TV enters 'refurbishing era' as new construction evaporates; prices at all-time low point, but 250,000-set-per-year demand seen continuing; wired remote control going into more motels; color pickup reported for suites & deluxe rooms (p. 7).

9-MONTH COMPONENTS SALES & PROFITS LAG: 19 representative companies show sales dip to \$787.7 million from \$791.4 million in 1962's first 3 quarters. Earnings slip to \$28 million from \$31 million as 13 of 19 firms suffer profit decline (p. 8).

QUALITY SEAL FOR DISCOUNTERS: National Assn. of Mass Merchandisers inaugurates 'Quality Approved' program to enable qualified private-label manufacturers to affix NAMM Seal on products sold to discounters (p. 10).

PHONO FACTORY SALES set all-time single-month record with shipment of 702,691 units in Sept; sales to dealers down slightly from Sept. 1962, but 9-month sales are 12% ahead; full-year outlook for 5.2-5.3 million phonos (p. 11).

CBS NETS RECORD PROFITS in Sept. quarter and first 9 months, also proposes 2-for-1 stock split, declares 3% stock dividend and increases cash dividend to 45¢ a share from 35¢. Jan.-Sept. earnings jump 48% on 7.5% sales rise; Sept. -quarter profits soar 97% on 6.7% sales gain (p. 11).

VHF DROP-INS KILLED IN FINAL 4-3 VOTE: End of the tortuous road for vhf drop-ins came last week—as FCC voted them down again 4-3, Comr. Loevinger joining majority. This kills concept for visible future, because chances of reversal in courts are just about nil. Issue undoubtedly will come up again in year or 2, particularly if composition of Commission changes.

FCC discussed issue about 1-1/2 hours Nov. 15 before voting. Participants said Loevinger had given it real study, evidently found decision very close, as did ex-Chmn. Minow, whose vote he replaced. So, for the present, 3rd vhf outlet is out for Charlotte, Dayton, Jacksonville, Birmingham, Knoxville, Baton Rouge, Johnstown. We understand that reasons for denial are essentially as before will be specified in text of decision—date of release not yet known, presumably within few weeks.

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SENATORS FAVOR SELF-REGULATION OF ADS: Senate's 2 most powerful communications men— Sens. Magnuson (D-Wash.) & Pastore (D-R.I.)—acted on FCC's proposal to set limits on commercials. Both spoke for self-regulation, Magnuson recommending FCC "cooperate," Pastore trying to make sure there is self-regulation by working with NAB Pres. Collins. Magnuson recommendation came in Senate appropriations report on FCC & FTC budgets.

On House side, Communications Subcommittee headed by Rep. Rogers (D-Tex.) meets Nov. 18 to review commercials hearings of 2 weeks ago (Vol. 3:45 p1), to consider Rogers' bill to prohibit FCC from setting limits. Rogers believes there's "excellent" chance bill will be reported favorably. FCC also turned down Rogers' suggestion that it postpone Jan. 1 start for license fees, until he can hold hearings on it early next year. Rogers isn't satisfied, isn't giving up.

There's growing speculation at Commission that its commercials proposal is near defeat. We're told that if vote were taken "today" only Chmn. Henry & possibly Comr. Lee would vote for it. There's possibility of general policy statement on over-commercialization which would recognize difference between TV & radio in commercial practices.

Appropriations Subcommittee on Independent Offices, of which Magnuson is chmn., recommended 1964 budget for FCC of \$15.4 million, \$400,000 less than House granted, \$1.1 million below FCC request. Full appropriations committee approved.

Appropriations report had this pointed comment: "The committee notes the self-regulatory efforts of the radio & television broadcasting industry concerning advertising and recommends that the Commission cooperate with the radio & TV industry in support of self-regulatory procedures rather than to contemplate mandatory regulation." Magnuson is also chmn. of Commerce Committee.

FTC budget of \$12,329,500 was approved by Senate committee—\$229,500 more than House voted, \$698,500 below request.

Pastore's action on commercial practices started with letter to NAB Pres. Collins: "I would like to know exactly what is being done to meet this mounting criticism [from govt. & other sources]. I have always felt that the broadcaster has reached the age of maturity and that there was sufficient competent leadership to understand the significance of the public interest as it related to this problem." He requested that Collins & Code Board advise him on actions taken to meet this "challenging problem."

Collins said he'd been "deeply concerned" with problem since joining NAB, called attention to "highly complex" & "rather difficult" issues because of "the diversity of interests." He said, too, that time measurements alone are "inadequate," that there's "serious need" for qualitative standards concerning program interruptions, types of commercials, etc.

Collins said there is research effort underway to help. This is being conducted by Columbia U.'s Bureau of Applied Research, is due in Jan. He also said meeting is planned in Dec., in N. Y., with agencies, advertisers, TV stations, to explore problem, adding he's received favorable response from ANA, others.

TV networks will be invited, Collins said. He expects they will attend if they don't believe there's anti-trust danger. Networks turned down similar invitation few months ago on that ground—and others.

Pastore appeared to settle anti-trust question anyway. After receiving Collins' letter, he requested that Collins and Code Authority dir. give him progress report on N. Y. meeting. He said he also would invite networks to his meeting.

GROUP W'S PUBLIC SERVICE 'DIALOGUE': Benefits of leadership in this industry come in many ways, some unexpected. Several years ago, after big electrical industry anti-trust convictions, FCC put clamps on licenses of Westinghouse Bcstg. Co. and GE—pending study of effects of convictions on broadcast arms.

Westinghouse got off soon, because of its broadcast record and because FCC was satisfied with organizational setup. GE is still held up. In part, Commission objected to its chain-of-command. But, though FCC certainly can't find fault with GE's pioneering broadcast history in Schenectady, there's

little doubt its licenses would have been renewed by now if it had the national "public-service image" possessed by WBC—now known as Group W.

Regardless of such happy corporate by-products, however, fact is that Group W does do one of most effective jobs in TV-radio, outside of networks. Though several other major groups do bang-up job, it's fair to say none achieves consistent national recognition the way Group W does.

Foregoing is by way of introduction to group's Fifth Local Public Service Programming Conference, conducted in Cleveland last week. It was one of best.

Mulling over mass of discussion, we decided we were most impressed by remarks of a Group W competitor—Louis Seltzer, editor of "Cleveland Press," owned by Scripps-Howard which operates Cleveland's WEWS, opponent of Group W's KYW-TV.

Long respected as a "newspaperman's newspaperman," Seltzer looked "down the corridor of time" and ventured that TV-radio may well become the prime sources of news. Therefore, he said, there's "some danger" that govt. regulation will "inhibit & circumscribe" freedom of speech. Because of govt. regulation, he said, electronic media can't do what print does. If the modern media had been conceived when Constitution was framed, he said, they would have been included in First Amendment.

Similar vein was explored by Group W Pres. Donald McGannon. Discussing FCC's commercial-ceiling proposal, he said: "The problem... doesn't require the heavy hand of govt. for a solution... I do not believe the broadcaster needs instruction in his public responsibility." But he didn't let broadcasters relax, accused them of lapses into insensitivity & lethargy. "Status-quo-ism," he said, will produce loss of creative freedom, impingement of govt. on programming & commercials, mediocrity, "perhaps even disaster." Among other high points of Conference:

(1) Reuven Frank, NBC News exec. producer, asserted that "managed news is about the falsest issue we've had in years." Problem is "who agrees to be managed," he said, claiming that broadcasters have less resistance than publishers.

(2) James Snyder, Group W national news dir., said stations should be more "militant" in stamping out managed news in home towns, and that TV-radio local reporting is "far too narrow," needs more staff, more digging.

(3) TV news workshop panel stressed hard news more than commentary. Said Sam Zelman, CBS News west coast bureau mgr.: "I don't think opinion is that important. Give people the information and they'll draw their own conclusions."

(4) FCC Chmn. Henry stuck by his guns, saying: This might be called the "Second Omaha Report" or "I Wonder Why Some People Don't Like Me," referring to film on race relations shown earlier. "The profit motive can't dominate at the expense of the public interest," he said. If broadcasters exclude public from decisions on local programming, he stated, "you're saying the judgment is solely yours... I'd rather say [in renewal forms] that my judgment was buttressed in public support." He again said that stations should announce they welcome public's ideas, that their financial data should be available for local inspection.

(5) Aline Saarinen, former "N. Y. Times" art critic, now TV freelance, attacked Henry's view: "If you canvass community leaders, they'll tell you what they want, not what the community wants... They're not equipped to know programming any more than a theatrical producer could edit a magazine."

(6) Paul Ylvisaker, of Ford Foundation, veered toward Henry, urging that broadcasters "search continuously and creatively" in their communities. He called public service programs "the sanctimonious hours," suggested broader programming range.

(7) Negro comedian Dick Gregory complained that TV has too little Negro participation. He was challenged by Michael Dann, CBS-TV network programs vp, who said: "A day doesn't pass that I don't get a letter from an advertiser to include Negroes in programs."

(8) Surprisingly, a broadcaster indicated that FCC's local-live hearing in Chicago had impact. Sterling Quinlan, WBKB vp, said station is trying new methods of learning city's needs. He said station conducts opinion polls, has set up speakers bureau, and—"I've even told my executives to scatter to different saloons and ask the bartenders."

CATV & TV-RADIO VETERANS PUT HEADS TOGETHER: A turning point in CATV history may have been reached last week. CATV pioneers and TV-radio pros put their know-how together—in Washington, where it's needed.

Two sessions were involved: Informal luncheon of CATV interests and top FCC staff members; meeting of NAB's & NCTA's liaison committees. Both were marked with cordiality—welcomed by all hands.

FCC-CATV luncheon was hosted by Ward Quaal, WGN-TV Chicago. FCC guests were Henry Geller, James Sheridan, John Bass. They expected only couple telecasters, were surprised to find, from TV-radio field: J. Leonard Reinsch, G. Richard Shafto, Marcus Bartlett, Harry Butcher. From CATV, mostly with broadcast experience too: Al Malin, Fred Stevenson, Jack Crosby, Archer Tayler.

Net effect of session was that CATV group elaborated on services rendered—multiple signals, distribution of ETV signals, extension of uhf coverage, weather, news, etc. FCC staff listened carefully, prompting Geller & Sheridan to chide them for not giving Commission more data in various official FCC proceedings. Said Sheridan: "The Commission can act only on facts, on the record. Too much of the time we're told, 'You have no power to do that.' The FCC welcomes positive presentations of what you do—not negative presentations of what we can't do."

Said NCTA Chmn. Stevenson: "Any time you sit down with a group of people with open minds it's worthwhile. I think we clarified a few points with the FCC staff." Said Reinsch: "It was very beneficial. CATV can serve itself more effectively by advising FCC and the Congress how we expand service. CATV is helping to achieve the purpose of the Communications Act, bringing more service to more people. Little isolated storms in the past have been blown up out of proportion." Some time ago, Reinsch hosted confab with commissioners—Henry, Ford & Cox present.

For NAB-NCTA session, NAB fielded Dwight Martin, William Grove, Shafto & staffers Wasilewski, Anello, Carlisle & Hulbert. NCTA had most of those at FCC session, plus Martin Malarkey, Bruce Merrill, Frank Thompson and staffers L'Heureux & Nowaczek. Said Stevenson: "Good meeting. Good will. Both sides went away after finding the other side didn't have horns & forked tails. Nothing definite was decided. We should show respect for each other's points of view."

NCTA board meets in Chicago Nov. 18. It's expected committee will be named to find replacement for former Pres. William Dalton, resigned. Only name we've heard so far is that of John Erickson, former admin. asst. to Sen. Fulbright (D-Ark.).

NBC 'TW' TICKLES MANY, IRKS FEW: NBC got lot of attention, mostly favorable, with its experiment in moderate-to-sharp satire—"That Was the Week That Was"—patterned after big British success of same name. Ironically, BBC announced coincidentally that it's kicking show off air at year's end, chickening out for fear it might influence general elections, expected next Spring.

NBC carefully labeled its Nov. 10 show experimental, saying it's considering making it a series next Fall. Most critics were delighted with show, hailing it for novelty, humor, bite. Network said it received 2,330 favorable comments, 440 unfavorable.

Produced by Leland Hayward, show starred Henry Fonda, Henry Morgan. It lampooned without partiality—Kennedy, Goldwater, Rockefeller, Dewey, Gen. Walker, DeGaulle, billionaire J. Paul Getty, debutante Fernanda Wetherill, Bobby Baker, authors of salacious books, clergy, politicians—and the embattled funeral directors who must feel that TV has a conspiracy against them. Now, if someone spoofs British "TW" for quitting, satire will have gone full circle.

NBC was interested, naturally, in reaction of pressure groups, govt., etc. It reports no official complaints from organized groups. Of communications powers in Washington who saw it and could be reached for comment: Rep. Rogers (D-Tex.)—"Excellent. Good for a series. The political things were fine. That's what it should be. Some of it was close to obscenity and being suggestive; I wish they'd cut that out." Rep. Moss (D-Cal.)—"I was honestly & thoroughly amused. I'd have to watch it 2 or 3 times before saying whether it would make a good series. There's always need for political satire." Sens. Magnuson (D-Wash.) & Pastore (D-R. I.) and Rep. Harris (D-Ark.) couldn't be reached or hadn't seen show. Few FCC members had watched; those who did said they enjoyed most of it.

FCC ACTS TO CRACK SALES LOGJAM: Pressured by Congress, which is pressured by broadcaster constituents, FCC last week told Hill what it's doing to speed station sales and what causes delays.

(1) Increased staff delegation. (2) Temporary assignments of 5 additional attorneys to task. (3) Instead of handling cases as filed, "non-problem" applications are disposed of first. (4) Where deadline dates would kill sales, "timely" action is planned.

These measures made it possible, Chmn. Henry said, to dispose of 64 cases in Oct. 1963, nearly twice as many as previous month, nearly 1-1/2 times 1963 monthly average. He noted, however, that this barely kept up with inflow of applications for Oct., about 65.

There are 3 basic reasons for hold-ups, Henry said: (1) Sales involving exceptions to rule requiring licensees to keep station 3 years. (2) Increasing opposition to proposed station sales, as provided for in pre-grant protest procedure. (3) Closer review of financial qualifications.

HARRIS SCORES 'FAIRNESS DOCTRINE': FCC's concept of "fairness," according to Commerce Committee Chmn. Harris (D-Ark.), would place intolerable burden on stations, result finally in no editorials at all.

Addressing Assn. of Bcstg. Executives of Tex. in Dallas last week, Harris said foregoing would result because Commission indicates that stations must solicit variety of views every time it broadcasts controversial issues. He elaborated:

"My feeling is that the judgment as to what 'contrast-ing' viewpoints a broadcaster should permit to be aired over his facilities should be left with the licensee, where the Communications Act put it in the first place. To these burdens that a concentrated effort to enforce the fairness doctrine would impose on licensees, should be added the additional burdens on the Commission itself... Our primary objective, as I see it, is to remove whatever obstacles we can that stand in the way of the freedom of a responsible broadcasting industry."

Harris emphasized, however, that many people fail to realize that industry "has yet to cross the Rubicon." It's necessary that "some degree of regulation be imposed" because of limited frequencies, he stated. Sole responsibility for public obligations rests with licensee, Harris stressed, not advertising agencies or rating services—or FCC.

Turning to ratings, Harris said: "Unless you recover your own responsible decision-making functions, you will have no one but yourselves to blame, should the federal government on behalf of the public undertake to do something about it."

Network TV-radio coverage, not live, of FCC's Dec. 9 commercial-limits oral argument, has been given go-ahead. CBS asked for coverage opportunity, was granted green light, provided pool arrangement is made if others wish to cover.

Sale of WAFG-TV (Ch. 31) Huntsville, Ala. by P. T. Gunn, James R. Cleary & associates for \$509,775 to Smith Bcstg. Inc., owner of Huntsville radio WAAY, has been approved by FCC.

NEW & UPCOMING STATIONS: KJFL-TV (Ch. 6) Durango, Colo., a real surprise, began programming Nov. 4 as independent. It's year's 13th new starter, raises operating TV total to 647 (115 uhf). KJFL-TV has 100-watt Gates transmitter, 60-ft. tower with Dynair antenna on Montview Parkway. Owner is Floyd Jeter who also owns radio KFLI Walsenburg, Colo. He's gen. mgr., operator & film buyer. To date he has staff of one—R.N. Dale, sales. Base hour is \$60. Rep not chosen.

Note: KXO-TV (Ch. 7) & KECC-TV (Ch. 9) El Centro, Cal., held up by litigation, report they won't begin construction until Court of Appeals reaffirms CPs.

* * * *

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

KFME (Ch. 13 ETV) Fargo, N. D. now has Jan. 1 programming target, writes Dr. Clair R. Tettermer, gen. mgr. Work on studios has been completed, 10-kw RCA transmitter is in place, and RCA Super Turnstile antenna has been installed on 426-ft. Blaw-Knox self-supporting tower. Clinton Olmstead, ex-KUAT Tucson, will be chief engineer; Bonita Vastag, traffic mgr.

WITV (Ch. 7 ETV) Charleston, S. C. plans Jan. 1 tests, Jan. 15 programming, according to Chief Engineer Charles S. Morris. Used 5-kw DuMont transmitter arrives Dec. 1 from Visual Electronics. Transmitter house is ready and station will use 162-ft. former WCSC-TV tower. Staff at S. C. Educational TV Commission's other station WNTV (Ch. 29 ETV) Greenville, S. C. will also serve WITV.

WBGU-TV (Ch. 70 ETV) Bowling Green, O. has changed target to Jan. 13, according to Dr. Duane E. Tucker, gen. mgr. & dir. of broadcasting at Bowling Green State U. It has 1-kw RCA transmitter on hand. Roof of University's new administration building is being prepared for tower.

—■—

Worried about tobacco-health-advertising, Commerce Committee Chmn. Magnuson (D-Wash.) asked FCC what it's going to do if Surgeon General has strong anti-tobacco report—now expected about end of year. It's understood Commission told him, in effect little more than: "We're standing by, waiting, keeping liaison with HEW Dept., FTC, etc." Report will be review of literature, contains no recommendations; these are due in another report, expected next year. In medical field, it's assumed this year's report will show that there's statistical indication that smoking contributes to cancer, heart ailments, premature childbirth.

Public disclosure of network affiliation contracts, recommended in 1957 by Barrow Report, was up for FCC discussion last week. At the moment, indications are that Commission will propose it in rule-making. Proponents argue that disclosure will promote competition. Greatest opposition was voiced by Comr. Ford, who asserted that competition will be reduced—all contracts becoming same.

NAB & RAB will jointly survey radio stations on commercial recording techniques. Decision was made last week at N. Y. meeting attended by representatives of NAB, RAB, AAAA. Survey grew out of complaint by J. Walter Thompson agency, which said there's loss in quality when station transfers disc commercial to tape.

Personals

Robert F. Stolfi, CBS-TV Network Sales account exec., promoted to Pacific Coast mgr., succeeding **Robert Livingston**, resigned to form Indek Co., research & development firm.

Edward A. Montanus, ex-MGM-TV central sales mgr., appointed ABC-TV central div. sales mgr.; **Jack Reilly**, asst. sales mgr., adds job as senior account exec. . . **Donald F. Keck**, ex-ABC-TV Spot Sales, N. Y., named gen. sales mgr.. WXYZ-TV Detroit.

Philip Elman confirmed by Senate for reappointment as FTC Commissioner. . . **Robert M. MacLeod**, ex-"Seventeen" publisher, named STV Inc. marketing vp.

Victor Diehm, WAZL Hazleton, elected RAB chmn.; **John Box**, Balaban Stations, secy.; **George Comte**, WTMJ Milwaukee, treas.

Theodore F. Koop, CBS vp, Washington, elected national pres. of Sigma Delta Chi, professional journalism fraternity.

Roberto Daglio of El Salvador elected pres., Central American TV Network. . . **Paul Good**, ABC News Caribbean correspondent, and **Alan Boal**, ABC News reporter, named to head new Atlanta & Miami bureaus, respectively.

Charles Tower, Corinthian Bcstg., named chmn. . All-Industry TV Station Music License Committee, replaced as vice chmn. by **Hamilton Shea**, WSWA-TV Harrisonburg, who was chmn.

Chester A. Slegrist, ex-ITA Electronics sales engineer, named Visual Electronics area sales representative for Pa., W. Va., Md., Del., southern N. J.

Allen D. Christiansen, ex-KVTV Sioux City, appointed public service & promotion dir. . KETV Omaha. . . **Woody L. Durham**, ex-WBTW Florence announcer, appointed sports dir. , WFMY-TV Greensboro.

Paul Heinecke, Sesac pres. & founder, named to board of advisors of Veterans Hospital Radio & TV Guild ("Bedside Network").

AM allocation map service for engineers is proposed by Smith Electronics, Cleveland, as successor to service discontinued last summer by Cleveland Institute of Electronics. Carl E. Smith, head of both, is soliciting industry reaction to proposed replacement-page system, 11x17-in., instead of the previous big-map, wax-paper pattern service. If demand warrants, Smith will also offer TV & FM allocation maps. Address: 8200 Snowville Rd., Brecksville, O.

"National Compendium of Televised Education," 10th annual edition, is being published by Mich. State U., E. Lansing (Dr. Lawrence E. McKune, editor). It includes reports from 4,743 sources, provides breakdown of ETV programming. General Science was subject of 48,188 classes, social science next with 29,461, art 18,282, music 18,254, etc.

Purchase of WBOY-TV Clarksburg, W. Va. by CATV system there has been set for FCC oral argument Jan. 9, as expected (Vol. 3:44 p2). Vote was 5-2, Ford & Hyde dissenting. Commission aims to explore whether ownership of station by CATV might work against interests of non-CATV viewers.

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CBS is adding colorcasts, but sticks to policy that it will use color only when sponsors are willing to pay surcharge. Special CBS colorcasts now scheduled are Tournament of Roses Parade from Pasadena Jan. 1 (Procter & Gamble) and annual "Wizard of Oz" Jan. 26 (Quaker Oats), telecast last year in b&w. Rose parade, incidentally, will also be televised in color by NBC. CBS may present Royal Ballet telecast in color early next year, if sponsor is lined up, since show has already been filmed in color. ABC, incidentally, will present segment of its "Wide World of Sports" in color—tarpon-fishing contest Nov. 23 from Big Pine Key, Fla. NBC has added new daytime 30-min. color show, will add another nighttime half-hour in Jan. CBS's facilities charge for color is \$3,500 per hour, double the b&w charge for origination, distribution, time-zone delay, etc. Network has live color origination facilities in 2 of its Hollywood studios, will have \$1.5 million worth of color gear in its new N. Y. studios.

NAB'S 5 representatives on steering committee to direct NAB-RAB radio methodology study: Ben Strouse, WWDC Washington, NAB Radio Board chmn.; Ben Sanders, KICD Spencer, Ia., radio board member; Hugh Beville, NBC; Vincent Wasilewski, NAB; Melvin Goldberg, NAB. RAB will likely name its 5 this week. Rep. Rogers (D-Fla.), who served on Harris Subcommittee during ratings hearings, asserted that Nielsen ratings are bringing about "death" of programs. He said industry must get out of "numbers racket."

Ford Foundation has granted \$400,000 over 5 years to Centre for Educational TV Overseas, London, for expansion of ETV in developing countries. Centre will train staff, produce programs, provide fellowships, etc.

Sale of KVII (Ch. 7) Amarillo, to John B. Walton Jr. for \$1,125,000, by Southwest States has been approved by FCC.

Addition of 270 ft. to 630-ft. tower is planned for completion in July by the 3 Baltimore stations sharing structure.

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

HOTEL TV ENTERS 'REFURBISHING ERA': Faced with slowdown in hotel-motel construction this year, and possibility of almost complete halt in 1964, TV suppliers nonetheless look optimistically to next year for continuation of this year's banner business. Key word for '64 is "refurbish." As one TV man put it: "Many hotels and motels will have their choice next year—refurbish or close."

Very few will even hazard guess as to size of hotel-motel TV market. There's some indication it may run to about 250,000 sets annually. This business is split among entire TV receiver industry—but concentrated in those manufacturers which make special hotel-motel models—including RCA, GE, Westinghouse, Philco, Zenith, Magnavox, Motorola, Emerson & Admiral.

Pattern of set distribution varies widely. For example, at last week's National Hotel & Motel Exposition in N. Y., these exhibitors displayed TV sets: Wells TV, Electronics Leasing Corp. & American Communications Corp., which handle various TV brands in connection with their institutional sale & leasing programs; RCA Service Corp., Westinghouse Commercial-Institutional Products & Philco Telesound Dept., which sell & lease direct; Zenith, which deals through its local set distributors; GE, which deals through local distributors & specialty leasing outfits; Magnavox & Motorola, through various hotel suppliers.

Although most looked forward to good 1964, there was plenty of blues-crying, too. One of biggest complaints was declining prices. TV sets generally are installed in hotel or motel on 5-year lease or 5-year conditional sale basis—both plans being roughly similar. Suppliers say prices this year, including master antenna, installation & service contract, are down about 1¢ per set per day. One supplier said his average 19-in. installation now runs about 13¢ per set per day (1¢ higher west of Chicago), down from a little over 14¢ last year (Vol. 2:47 p7), while another estimated industry-wide average for 50-room inn now running 15-15.5¢.

Hotel TV suppliers are bitter & angry over FCC's all-channel set rules, which they call senseless & ridiculous as applied to them. They point out that all big hotel-motel TV installations are on master antenna systems, and no available system will amplify & distribute uhf signals. (Traditionally, uhf signals are converted & fed to vhf channels on master systems.) In addition, they point out that life of TV set in hotel-motel use is calculated at 5 years (for tax purposes), while all-channel legislation is based on 10-year obsolescence cycle of home TV sets. All-channel ruling will cause price increase, they say, although uhf tuner in hotel set will be completely useless.

Suppliers are predicting that TV manufacturers will stockpile enough vhf-only hotel-type sets to meet their 1964 requirements without price increases, in hope that 1965 will see solution to their particular all-channel problem.

But all is not gloom in hotel-motel. Intense competition for guests in nation's overbuilt inns will benefit TV industry, many believe, forcing innkeepers to install better & more elaborate sets. Most suppliers see wired remote control as hottest thing to come down pike in long time. Originally developed for hospital TV, it's now being built into headboards & night tables, sometimes combined with message center or radio system. There's unquestionably increased interest in remote TV, and greater purchases.

Color is continuing its slow increase in share of nation's inn business, and for first time there seems to be substantial business for guest rooms (as opposed to public rooms)—depending, of course, on which supplier is talking. RCA Service Co. says it has no big hotel jobs without some color. Adds multiple sales & leasing mgr. W.R. Seuren: "The older hotels are going to it now. First it was public rooms, then suites, and now it's getting to the high-priced room areas."

Lush Las Vegas is looking more colorful these days. Philco's Telesound has equipped new 60-unit Embassy Apartment Hotel there with color in every room, supplied 30 sets to Sahara hotel for its "executive suites," while all other Sahara rooms were equipped with remote-control b&w. Amer-

ican Communications Corp. is supplying 40 remote-control GE color sets for suites in new 450-room annex to Dunes Hotel, remote b&w sets for remainder. "Some hotels are now planning it for every room," says ACC's Eli M. Lurie. Zenith sees heavy demand for lobbies & suites, recently sold 4 to American Airlines' Heritage Inn in Rochester. Others, including Electronics Leasing Corp.'s Alfred Kram, are less optimistic about color. "There are little increases here & there," he told us, "but it's still a little way off. Still too complicated & sensitive for the average hotel guest."

Combination TV-radio sets are attracting much interest this year. Last year's innovation—the "modulator"—which puts piped-in music, radio, etc., on unused TV channels, seems to be losing some of its popularity to TV with complete radio, which is said to be somewhat less expensive. Westinghouse "Host TV" is available with built-in FM set, and RCA will offer similar model soon. Philco Telesound, however, has introduced combination TV-AM, national sales mgr. Robert B. Diamond making point that many areas still have too few FM stations to make TV-FM worthwhile.

Stereo is controversial in hotel-motel business. Most suppliers think it will never be important. RCA last year introduced compact stereo speaker unit (to be hooked into master hotel sound system), has found it great "conversation piece," but has sold few installations. American Communications Corp. is enthusiastic about stereo, has installed systems with stereo speakers in headboards of beds, fed from tapes, discs & FM stereo in central office.

Nearly all hotel-motel b&w TV business is now 19-in. There's some expectation that modernization of existing large rooms will bring demand for 23-in. There seems to be little demand for 16-in. sets because of small savings compared with 19-in.; several manufacturers have 16-in. hotel sets designed, however, in case anyone wants them. GE attracted considerable attention with its 11-in. tinyvision, had substantial number of inquiries from inns which have no master antenna systems. Such sets would, of course, have to be bolted to tables, and could be used only in primary-signal areas.

Hotel TV is still a big business—but one which is entering new phase. It's highly competitive, rough & tough. Several companies have dropped out during past 2 years. Those remaining look forward to a good, though problem-loaded, year.

9-MONTH COMPONENTS SALES & PROFITS LAG: Composite components & tube manufacturers rounded 1963's final turn and moved into 4th quarter with sales & earnings still trailing year ago, as they have each quarter this year (Vol. 3:34 p9).

Combined 9-month sales of 19 representative companies trailed 1962's Jan.-Sept. pace by some \$3.7 million, dipped to \$787.7 million from \$791.4 million. Their aggregate earnings sagged approximately \$3 million to \$28 million from \$31 million. The 1963 figure is after deducting \$220,000 losses by Clarostat (\$81,961) and General Bronze (\$140,049); 1962's after Electro-Voice's \$4,232 deficit.

Although aggregate sales and earnings aren't too markedly off 1962's 9-month pace, impressive is the fact that so many companies participated in decline. Of 19 companies analyzed, more than half—10 of 19—showed sales slippage. Even greater number—13 of 19—were down in profits. General Bronze & Clarostat were only firms in red, but imports & domestic competition cut sharply into profits of others. International Resistance set only record, with \$24.1 million peak sales.

Major profit drops were reported by Standard Kollsman, down to \$350,350 from \$2.1 million; Tung-Sol, to \$219,551 from \$713,514; Erie Technological Products, \$444,000 from \$816,000; Globe-Union, to less than \$1 million from more than \$1.7 million; Indiana General, \$982,131 from \$1.6 million. Clarostat tumbled to \$81,961 loss from \$239,419 profit.

Texas Instruments led profit-gain parade with substantial jump to \$8.2 million from \$5.8 million. Gains otherwise were moderate. Amphenol-Borg moved up to \$1.7 million from \$1.6 million. CTS Corp. improved to \$1.8 million from \$1.6 million. Electro-Voice reversed year-earlier \$4,232 loss with \$56,816 profit.

Texas Instruments also posted most impressive sales gain—to \$197 million from \$175.5 million. Other substantial improvements: Oak Mfg.—\$29 million from \$22.4 million. Globe-Union—\$50.5 million from \$48.8 million. Erie Technological—\$22.1 million from \$20.7 million. CTS Corp.—\$22.9 million from \$20.7 million. Clevite—\$77 million from \$75.8 million.

Here's 1963-vs.-1962 9-month performance of representative components and tube manufacturers:

	Sales		Earnings	
	1963	1962	1963	1962
Amphenol-Borg.	\$ 62,425,918	\$ 65,914,230	\$ 1,705,137	\$ 1,593,164
Clarostat.	6,212,422	7,627,186	(81,961)	239,419
Clevite	76,925,645	75,839,150	4,746,266	4,721,006
CTS Corp.	22,882,808	20,652,463	1,762,274	1,595,070
Dynamics Corp. of America . . .	54,560,753	61,038,617	3,012,456	3,156,791
Eitel-McCullough	19,635,100	22,776,900	496,100	429,800
Electro-Voice (6 mo. to Aug. 31) .	5,542,188	5,189,047	56,816	(4,232)
Erie Technological Products. . .	22,081,000	20,656,000	444,000	816,000
General Bronze.	12,532,370	13,788,303	(140,049)	28,554
Globe-Union.	50,530,373	48,768,783	956,547	1,736,980
Indiana General	17,516,521	19,469,889	982,131	1,605,529
International Resistance.	24,107,960	23,853,273	1,391,309	2,100,387
Littelfuse	4,656,679	4,759,335	214,061	237,879
P. R. Mallory.	73,680,668	73,957,409	2,948,475	3,192,401
Muter	12,158,039	11,934,232	169,031	197,161
Oak Mfg.	28,997,881	22,373,367	597,910	641,606
Standard Kollsman	55,087,907	67,656,430	350,350	2,138,899
Texas Instruments	196,993,000	175,461,000	8,179,000	5,832,000
Tung-Sol.	41,208,024	49,640,309	219,551	713,514
TOTALS	\$787,735,256	\$791,355,923	\$28,009,404	\$30,971,928

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 8 (45th week of 1963) excluding 11-in. and smaller:

	Nov. 2-8	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.	165,396	151,385	131,250	6,137,270	5,715,218
Total radio	416,598	457,514	486,678	15,767,075	16,627,969
Auto radio.	200,470	208,768	180,091	6,830,908	6,029,291

TOPICS & TRENDS

"Muntz Makes It" titles major article in Nov. 9 "Business Week," detailing how bankrupt company liquidated \$5-million debt since 1954 and grew to present sound position with \$632,799 profits on \$11.7-million sales for year ended Aug. 31 under Pres. Wallace Keil, vp Jack Simberg & secy.-treas. Daniel J. Domin. Highlights: Muntz now accounts for about 100,000 TV sets per year, with distribution through 43 key dealers, half with non-TV-appliance sales background. Most of them invested about \$20,000 in dealership, following exact Muntz blueprint for business. Key is advertising and long hours. Muntz spent less than \$20,000 for advertising last year, none of it co-op—while dealers spent \$1.5 million. Muntz has dropped private-label and low-end sets, and Simberg hopes to increase key dealers to 50 by year's end, eventually tap 100 more markets, double its share of TV business to 3%.

EIA will ask FCC to postpone effectiveness of proposed radiation limits for uhf receivers for another year. Current limitation of 1,000 microvolts per meter is scheduled to be reduced to 500 next April 30. Meeting in Rochester last week, EIA Engineering Dept.'s TV tuner subcommittee, headed by Standard Kollsman's Fred W. Edwards, pointed out that use of transistors in uhf tuners will bring levels well within 500-microvolt limit, but there has been no time yet to test production-model TVs with transistor tuners. Tests show, Edwards said, that tube tuners can't meet proposed limitations.

Trade Personals

Dr. Robert L. Pritchard, Motorola Semiconductor Products Div. engineering dir., awarded EIA Radio Fall Meeting Plaque for significant technical contributions to electronic industries.

C. Gus Grant appointed Ampex operations vp, a new post, succeeded by **Robert Weismann** as gen. mgr. of Video & Instrumentation Div.

Sidney Harmon, ex-pres. of Jerrold and founder of Harman-Kardon, elected pres. of Jervis Corp., Grand Rapids manufacturer of aircraft, automotive & marine parts & equipment. . . **G. A. Jollie**, ex-Tung-Sol & DuMont Labs, promoted to distributor sales mgr., Alpha Wire Corp.

J. R. Pascuzzo promoted from vp of General Instrument's Radio Receptor Div. to corporate group vp for defense & engineering products.

G. A. Hildebrand named Silicon Transistor mktg. vp. . . **James E. Stewart** elected a Motorola Overseas Corp. vp.

Stephen H. Fletcher, AT&T general attorney, elected vp & general counsel of subsidiary Western Electric, effective Dec. 1.

Arnold E. Last appointed Westinghouse Appliance Sales field sales mgr., succeeding **J. P. Moffitt**, reassigned to staff of Major Appliance Div. mgr. **Charles E. Erb**.

Francis S. Johnson resigns as pres. of Grundig-Triumph-Adler Sales Corp., subsidiary of West Germany-based Grundig Werke.

John P. Duff, ex-Philco Lansdale Div. publicity & promotional writer, appointed Jerrold PR mgr.

Alexander H. Dunbar named mfg. vp of Amphenol-Borg Electronics' FXR Div., maker of microwave & RF products. . . **Charles C. Tandy**, Tandy Corp. chmn. & Radio Shack pres., elected to latter's board.

Charles E. Wolf, former operations dir., elected Symphonic mfg. vp.

Fred Barkau, TelePrompTer co-founder & 1951-62 board member, elected a dir.

Edward Brady Jr. appointed Sylvania Microwave Device Div. contract administration supervisor.

John L. Lowden, ex-Foote, Cone & Belding, named ITT ad & sales promotion mgr. . . **Herbert Sacks** appointed Sylvania special products ad mgr.

Obituaries

Clyde D. Wagoner, 74, retired founder & head of GE's News Bureau, died Nov. 8 at Schenectady, N. Y. home. He also arranged some of first round-the-world radio broadcasts in early 1930s. He headed News Bureau from 1920 to 1945, retired in 1954 after 9 years in special-events activities. He is survived by his widow, son, daughter.

George D. O'Neill, 63, mgr. & consultant on technical publications, GT&E Labs, and longtime Sylvania tube engineer, died Nov. 13 at St. Francis Hospital, Roslyn, N. Y.

QUALITY SEAL FOR DISCOUNTERS: To "offset the damage that a Quality Stabilization or a Fair Trade Law would do," National Assn. of Mass Merchandisers has inaugurated a "Quality Approved" program which would enable private label manufacturers to affix NAMM Seal on products sold to discounters.

So far, arrangements have been concluded with a pharmaceutical house and a hosiery manufacturer, but, NAMM Exec. Secy. Roger Courtland told us, "we plan to explore the possibilities of other product lines." Among them: TVs.

Similar in concept to "Good Housekeeping" Seal of Approval, NAMM program "has been created in cooperation with manufacturers whose products test out as equal to the best of the comparable name brand products," Courtland explained. "The packaging and merchandising factors are equated for advantageous point-of-sale showing, and the established price must meet that of competitive products." Quality product tests are conducted by testing labs, he said. "NAMM doesn't get involved in the tests in any way."

Courtland believes Quality Seal program will enable discounters to move larger quantities of private-label products sold under house or manufacturers' brands. "The public will buy anything with a seal on it. They have faith in them."

New standard TV patent license form has been adopted by Hazeltine Research, which announced last week that it has been signed by Admiral and that all past disputes between Hazeltine & Admiral have been settled. New pact with Admiral runs to Jan. 1, 1968. New form, being offered to all licensees, is designed to replace existing individually negotiated pacts, offers same freedom of choice to all licensees, with wide variety of elections, according to Hazeltine Research Pres. W. M. McFarland. In some cases, he told us, it may result in savings to manufacturers. McFarland says Hazeltine's color patents, being used by all domestic manufacturers, are essential to production of color TV sets, and that company still has b&w TV patents in almost universal use.

New Sets: Color lowboy from Muntz at about \$500; Andrea introduces color lowboy at \$625; May Dept. Stores debuts 4-1/2-in. battery TV under its Tonecrest label at \$148.88, supplied by Delmonico; Realtone to introduce 6-in. transistor TV next Jan.

NAMM Music Show next year at Chicago's Conrad Hilton will have 20% more space available for consumer electronics products than did this year's show at Palmer House, NAMM exec. secy. William R. Gard announced last week.

TV-appliance dept. is most profitable section of discount store, according to sampling of discounters polled by Dun & Bradstreet's "Discounters Digest." Furniture dept. is 2nd, women's wear 3rd.

Domestic radio sales for 4th quarter will be more than 10% higher than 1962 period, Motorola national home radio sales mgr. C. J. (Red) Gentry predicts, with total sales of more than 4 million sets in 3-month period.

GE is asking FCC if sets shipped to Puerto Rico are covered by all-channel law—requesting a declaratory ruling. Commission attorneys note that law specifically includes Puerto Rico (and U. S. possessions as well).

RECORD SEPT. PHONO SALES: Sept. factory phono sales were highest on record for any single month, just-released EIA data indicate. Total for month was 702,691, presumably in anticipation of bang-up winter selling season.

Phono sales to dealers were down very slightly from Sept. 1962—less than 1%—making this year's month only 2nd-best Sept. on record. For year's first 9 months, factory sales were up 11%, sales to dealers up 12%, from comparable 1962 period.

Both factory & distributor-level sales totals passed 3-million-mark in Sept., while portable & table model sales at both levels passed 2 million and console sales passed one million. At both factory & distributor levels, portables & table models represented slightly greater percentage of total mix in Sept. 1963 than in Sept. 1962.

On basis of 9-month sales, full-year outlook now is for total factory sales of about 5.3 million, distributor sales of approximately 5.2 million, compared with 4.95 & 4.84 million for 1962. Here are EIA's latest phono statistics:

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	204,073	112,452	316,525	115,998	103,730	219,728
February	192,858	137,114	329,792	130,104	109,316	239,420
March	211,745	134,407	346,152	173,056	126,201	299,257
April	169,478	77,252	246,730	129,175	72,017	201,192
May	129,535	75,513	205,208	136,405	59,159	195,564
June	215,036	100,007	315,043	203,670	70,856	274,526
July	211,645	87,336	298,981	214,007	78,293	292,300
August	283,061	124,287	407,348	281,762	135,026	416,788
September	413,003	178,691	591,694	413,727	182,286	596,013
TOTAL	2,030,434	1,027,059	3,057,493	1,797,904	936,884	2,734,884

PHONO FACTORY SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	205,955	135,741	341,696	137,090	122,469	259,559
February	190,352	149,923	340,275	130,495	124,917	255,412
March	200,571	129,142	329,713	166,408	132,075	298,483
April	165,016	76,190	241,206	120,793	62,309	183,102
May	123,486	62,723	186,209	132,749	54,543	187,292
June	305,946	149,253	455,199	247,932	135,605	383,537
July	230,282	106,766	337,048	220,196	90,197	310,393
August	300,661	125,779	426,440	293,225	148,230	441,455
September	490,319	212,372	702,691	486,459	201,895	688,354
TOTAL	2,212,588	1,147,889	3,360,477	1,935,347	1,072,240	3,007,587

Jerrold was \$1.1 million in the red (vs. year earlier \$190,312 profit) in fiscal-1964's first half ended Aug. 31 (see financial table), but "is now operating in the black" and has record \$6.1 million backlog (vs. \$1.7 million at start of fiscal year). Pres. Milton J. Shapp said Jerrold is "looking forward to continuing in the black not only for the rest of this fiscal year but into next year." He declined to predict whether Jerrold would finish current fiscal in the black, said "I am hopeful that we will make it but I don't want to go out on a limb at this time."

Magnavox & GPE have discontinued merger conversations which have been reported off & on for past several months (Vol. 3:35 p12). Magnavox Pres. Frank Friemann said companies were unable to agree on terms.

CBS NETS RECORD PROFITS: CBS broadcast 4 items of cheer to stockholders last week: Record 9-month & 3rd-quarter profits; proposed 2-for-1 stock split; rise in quarterly cash dividend to 45¢ per share from 35¢; declaration of 3% stock dividend.

Profit gains were sizable (see financial table). Jan.-Sept. earnings jumped 48% to \$28.4 million on 7.5% sales rise to \$395.1 million. Sept.-quarter earnings soared 97% to \$9 million on 6.7% sales gain to \$121.9 million.

Proposed stock split will be voted by shareholders at special Dec. 20 meeting. CBS's last stock split was a 3-for-1 division in 1955. The 3% stock dividend is payable Dec. 16 to holders of record Nov. 22. The 45¢ cash payout will be made Dec. 6 to holders of record Nov. 22. CBS said "it is expected that the additional shares resulting from the split will be distributed about Feb. 25 and that a first-quarterly dividend of 25¢ a share on the split shares will be paid in March." This is equal to 50¢ a share on present stock.

TelePrompTer stockholders have approved sale to Defiance Industries (Vol. 3:35 p12) of Weathers, Conley Electronics and Audio Visual divisions, which collectively suffered \$233,882 loss on \$1,414,881 sales in 1963's first 3 quarters. Sale price is in excess of \$1.5 million. These divisions, based at Cherry Hill, N. J., accounted for some 40% of company's gross revenues but represented less than 10% of total assets. Subtracting performance of these divisions, businesses retained by TelePrompTer earned \$310,947 on \$2,504,189 sales in first 9 months (Vol. 3:45 p12). Pres.-Chmn. Irving B. Kahn said CATV systems produced 80-90% of revenue. In other action, TelePrompTer dropped from its board 3 Defiance Industries executives. Among them: Pres. Victor Muscat who earlier had announced that he & associates were forming "protective committee" to safeguard interests of TelePrompTer stockholders (Vol. 3:45 p10).

Sylvania will close Brookville, Pa., plant and transfer production of receiving tubes to other facilities "on a gradual basis over the next year." In addition to 60,000 sq.-ft. Brookville, Sylvania operates 4 receiving tube facilities with total million sq. ft. Senior Vp Merle W. Kremer blamed demise of Brookville operation on "increasing impact of foreign imports on the domestic receiving tube market," which have risen to nearly 20% of total from 4% 4 years ago. "The only course open to American tube manufacturers," he said, "is to make the most efficient use of existing facilities to remain competitive." Emphasizing rise of imports of finished goods as well, Kremer said that through Aug., imports accounted for some 5% of U. S. TV set market, 22% of tube-type radio market, about 10% of radio-phono combination market. Sonotone Corp., meanwhile, reported that it had discontinued tube manufacture at its Elmsford, N. Y. plant at end of Aug., but will continue to market imported tubes.

C-E-I-R lost \$1,858,537 in its 1963 fiscal year ended Sept. 30 after special nonrecurring charges of \$1,225,476 and \$432,000 in extraordinary costs. First-half deficit of \$2.1 million was whittled by 2nd-half earnings of \$277,735, equal to 18¢ a share. Year-earlier comparisons are not available.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Admiral	1963—9 mo. to Sept. 30	\$ 153,824,071	\$ 3,838,515	\$ 1,893,938	\$0.78	2,427,111
	1962—9 mo. to Sept. 30	144,252,942	2,760,727	548,216	.23	2,422,461
	1963—qtr. to Sept. 30	53,406,025	831,594	430,643	.18	2,427,111
	1962—qtr. to Sept. 30	49,512,749	(169,943)	(309,842)	—	2,422,461
Allied Artists	1963—qtr. to Sept. 28	4,542,000	244,000 ¹	244,000	—	931,608
	1962—qtr. to Sept. 28	7,986,000	163,000 ¹	163,000	—	931,608
Avnet Electronics	1963—qtr. to Sept. 30 ²	10,888,062	1,278,008	664,908	.22	3,064,729
	1962—qtr. to Sept. 30 ²	8,341,515	1,258,449	633,623	.21	3,064,729
CBS Story on p. 11	1963—9 mo. to Sept. 30	395,145,909	—	28,377,689 ³	3.08	9,211,542
	1962—9 mo. to Sept. 30	367,319,955	—	19,157,177	2.09	9,160,286
	1963—qtr. to Sept. 30	121,868,940	59,491,689	9,007,672 ³	.97	9,211,542
	1962—qtr. to Sept. 30	114,184,806	42,267,177	4,569,457	.50	9,160,286
Decca Records	1963—9 mo. to Sept. 30	—	—	3,670,557	2.40	1,527,401
	1962—9 mo. to Sept. 30	—	—	4,359,091	2.85	1,527,401
GPE	1963—9 mo. to Sept. 30	163,033,000	—	2,300,000	1.21 ⁴	1,643,101
	1962—9 mo. to Sept. 30	163,020,000	—	3,000,000	1.63 ⁴	1,643,101
	1963—qtr. to Sept. 30	57,469,000	—	808,000	.43 ⁴	1,643,101
	1962—qtr. to Sept. 30	55,085,000	—	1,105,579	.61 ⁴	1,643,101
Hawley Products	1963—9 mo. to Sept. 30	6,024,395	—	248,160	.89	260,000
	1962—9 mo. to Sept. 30	5,477,930	—	282,551	1.01	238,450
ITT	1963—9 mo. to Sept. 30	914,862,420 ³	—	33,513,737 ³	1.84	16,725,508
	1962—9 mo. to Sept. 30	825,613,600	—	29,363,643	1.63	16,486,872
	1963—qtr. to Sept. 30	313,486,216 ³	—	11,201,666	.61	16,725,508
	1962—qtr. to Sept. 30	270,865,327	—	9,366,471	.52	16,486,872
Jerrold Story on p. 11	1963—6 mo. to Aug. 31	10,060,000	(1,629,000)	(1,147,000)	—	1,999,682
	1962—6 mo. to Aug. 31	10,413,000	—	190,000	.09	1,884,569
National Union Electric	1963—9 mo. to Sept. 30	28,933,202	—	858,921	.16	5,547,000
	1962—9 mo. to Sept. 30	28,317,939	—	857,621	.15	5,747,479
A. C. Nielsen	1963—year to Aug. 31	45,348,000	—	3,209,202	1.88	1,710,000
	1962—year to Aug. 31	40,119,000	—	2,971,423	1.74	1,710,000
Sonotone	1963—9 mo. to Sept. 30	16,493,000	—	28,954 ⁵	.01 ⁴	1,224,491
	1962—9 mo. to Sept. 30	15,981,000	—	253,406	.20 ⁴	1,220,430
Stanley Warner	1963—year to Aug. 31	146,693,100	—	3,283,300 ⁶	1.61	2,036,924
	1962—year to Aug. 31	136,150,500	—	2,853,500	1.40	2,033,924
	1963—qtr. to Aug. 31	42,424,700	—	1,485,100 ⁷	.73	2,036,924
	1962—qtr. to Aug. 31	34,727,700	—	585,900	.29	2,033,924
Terminal-Hudson Electronics	1963—9 mo. to Sept. 30	10,111,630	184,265	89,725	.09	1,026,804
	1962—9 mo. to Sept. 30	10,181,396	276,112	148,350	.14	1,026,804
Trans-Lux	1963—9 mo. to Sept. 30	—	—	491,050 ⁸	.68	718,037
	1962—9 mo. to Sept. 30	—	—	532,235 ⁹	.74	718,037
Wells-Gardner	1963—9 mo. to Sept. 30	19,396,000	960,000	466,000	1.09	422,200
	1962—9 mo. to Sept. 30	19,024,000	1,492,000	722,000	1.69	422,200
	1963—qtr. to Sept. 30	9,753,000	698,000	335,000	.78	422,200
	1962—qtr. to Sept. 30	9,717,000	990,000	476,000	1.11	422,200

Notes: ¹No tax provision because of prior years' losses. ²Excludes Liberty Records and its subsidiaries, interest in which was sold Oct. 1963. ³Record. ⁴After preferred dividends. ⁵After \$120,000 charge relating to elimination of electron tube business in Aug. ⁶Before \$237,400 profit from property disposition. ⁷Before \$222,800 profit from property disposition. ⁸Includes \$89,680 nonrecurring income. ⁹Includes \$11,100 nonrecurring income.

WEEKLY

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Television Digest

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Consumer Electronics . . .

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

NOVEMBER 25, 1963

NEW SERIES VOL. 3, No. 47

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

8 MONTHS DELAY SOUGHT FOR DENVER PAY TV, as experimenters tell FCC some movie producers want picture scrambled. Franchise-holder Macfadden-Bartell asks 2 months to install equipment, 6 more to start operations, says this is last request for extension (p. 1).

FLURRY OF BROADCAST ACTIONS ON HILL: Rogers Subcommittee approves bill aimed at stopping FCC from setting commercial limits. Stanton offers free prime time to political parties for 1964, suggests debate format confined to single issues. Younger introduces bill to exempt stations from giving free time to answer paid controversial programs (p. 2).

FCC DOCUMENTS BRIGHTER 1962 FOR RADIO—profits up 48% to \$43.5 million on 7.7% revenue rise to record \$636.1 million (p. 3).

WHERE THE NEW CATVs ARE—additions to CATV Directory of next Factbook, as derived from all sources, listed by state & community (p. 3).

PAY-TV PLANS discussed on coast by Pat Weaver for 3-channel wired system, and by National General for theater color network (p. 4).

EXAMINER OKAYS NBC-RKO DEAL, finds many factors 'complex' but concludes that NBC's 'runaway superiority in experience carries all before it' (p. 4).

Consumer Electronics

GOOD BUSINESS HOLDS through Oct., with TV sales nearly 8% above 1962 month; radio sales pick-up noted; Govt. reports big jump in personal income & increase in TV set buying plans (p. 7). Official Sept. sales figures confirm 10% jump in TV, 10% dip in radio sales (p. 11).

ENTERING TUNER BUSINESS, Industrial Electronic Hardware announces capacity for 750,000 uhf tuners annually, but is faced with legal action by General Instrument on 'piracy' allegation; Gavin Instruments also plans uhf tuner output (p. 7).

IMPROVING DISCOUNT IMAGE GAINS SHOPPERS, marketing consultant finds in comparative analysis of 1963 and 1961 nationwide surveys on consumer attitudes toward discount outlets. However, although low-margin movement has won marked acceptance in 2 years, many shoppers do not believe discount stores offer latest products (p. 8).

FM STEREO STATIONS total 256 in U. S. & Canada; only 14 outlets have started stereocasting since July (p. 9).

NEB. TIME-SALE MUDDLE—CONT'D... Legislature rushes through 4 remedial bills to protect retailers and financing agencies from loss of some \$1 billion in merchandise sold under instalment contracts voided by State Supreme Court. Attorney general warns that new Acts also are unconstitutional (p. 10).

THE DEATH OF THE PRESIDENT: Writing this shortly after the assassination of President Kennedy, we find it most difficult to report or comment appropriately in this specialized publication. We think it permissible, however, to take quiet pride in the performance of the industry we serve. Maturity. Extremely full, extremely careful, extremely fast reporting. Absolute minimum of meaningless speculation & pseudo-analysis. Absence of conflicting network 'first' claims. Sober cancellation of all network entertainment programs & commercials until after funeral. The industry did all one could expect.

8 MONTHS DELAY SOUGHT FOR DENVER PAY TV: Problems of Denver pay-TV project have produced request of FCC for additional 8 months to get going on experiment. Macfadden-Bartell reported to Commission that some movie producers refused to offer films for Teleglobe system, want picture scrambled. System telecasts video unscrambled, feeds audio via phone lines.

Denver proponents told Commission they'll install picture-scrambling equipment of type similar to that used for police lineup telecasts over uhf WNYC-TV N. Y., for which Teleglobe has patents pending. Phoned-audio would still be used, but picture decoder would have to be added to receivers.

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Teleglobe Pres. Sol Sagall says decoder is "uncomplicated, would cost a fraction of those used in Hartford."

Two months to install scrambling equipment is sought—plus 6 months thereafter to get going. Because of many delays, FCC has been granting extensions of one month at a time. Grantee told Commission this is its final request for more time.

ON HILL: COMMERCIALS, POLITICAL TIME, ETC. —Handful of key broadcast issues—from commercials to political broadcasting—rumbled on Capitol Hill last week:

(1) Bill to stop FCC from setting limits on length & frequency of commercials was approved by Communications Subcommittee, headed by Rep. Rogers (D-Tex.), bill's sponsor. Proponents are optimistic that bill will get favorable treatment from parent Commerce Committee. What happens if & when it gets to House floor is uncertain.

(2) Political broadcasting issue was raised by CBS Pres. Stanton as he accepted Gold Medal award from National Institute of Social Sciences. He made public offer, contained in letters to Republican & Democratic chairmen, of free prime time with suggested format for 1964 TV campaigns on network. There would be no restriction on number or length of broadcasts; these would be determined by candidates. Core of Stanton's proposal is "candidate-to-candidate confrontations," so that voters can see opponents in "unstaged, unfiltered, direct discussion." Secondly, he suggests debates be confined to "single issues," e.g. civil rights, defense, etc. Broadcasts would be unsponsored, would apply to Vice Presidential as well as Presidential candidates. In statement which proved to be tragically apropos, Stanton observed: "It has been truly said that the Vice President is but a heart-beat away from the Presidency."

Stanton's offer received mixed reaction on Hill, where suspension of "equal time" for top offices in 1964 awaits final resolution in House, following passage of slightly different measures in both Senate & House. Those favoring plan liked it because it lifted restrictions on length of programs and because it was in form of traditional debate, though there was feeling that entire TV exposure should not be limited to one format. Some opposition was voiced on House side, where opponents of equal-time suspension saw in Stanton's proposal justification for their criticism—that networks would be taking too strong a hand in determining nature of TV campaign & its issues.

There were reports that Rep. Bennett (R-Mich.) didn't like plan, might vote against adoption of Senate changes and/or committing them to conference committee. Unanimous vote for either is required—or else measure goes to Rules Committee. Bennett couldn't be reached for comment. Democratic Chmn. John Bailey was understood to favor offer but thought that 4 such debates would be all candidates could prepare for. Republican Chmn. Miller was in St. Louis for Republican meeting, couldn't be reached.

(3) Rep. Younger (R-Cal.) added to "fairness doctrine" controversy, introduced HR-9158 that provides if a station carries a paid controversial program, it needn't provide contrasting views unless paid. He expects to set hearings on measure in Dec. His plan would satisfy recent outcries from conservative & right wing groups that stations were getting reluctant to continue paid programs because FCC policy requires that they present opposing viewpoints. Younger's bill, however, differs completely with views of Sen. Pastore (D-R.I.), who said that one group's possession of "cash" does not justify exclusion of non-paid opposing views.

(4) Rep. Rogers, turned down by FCC on his request that it postpone Jan. 1 start of license fees until he can hold hearings early next year, will now try to hold hearings in Dec. on HR-6697. Bill prohibits license fees unless specifically authorized by Congress. Even if hearings are held next month, there's serious question whether legislation could be enacted before Jan. 1.

In related developments, FCC's oral argument Dec. 9 on its plan to limit commercials is attracting large turnout—it's now expected to take 2 days. And Comr. Lee, who conceived of commercial-ceiling idea, said NAB's Code needs sanctions. He stated that if stations don't live up to programming promises FCC may have to revoke licenses, adding that 1960 program policy statement may have to become matter of rule & regulation.

Following organizations want to appear at oral argument: NAB, Illinois Bcstrs. Assn., League Against Obnoxious TV Commercials, National Assn. for Better Radio & TV, U. of Minnesota college

of liberal arts dean, National Audience Board, Rep. Watson (D-S. C.), KSEL Lubbock, WGN Chicago, Dover Bcstg., Group W, all networks, Metromedia, WANN Annapolis, Storer Bcstg., KDEN Denver, Texas Assn. of Bcstrs., WDRK Greenville, O., Colorado Bcstrs. Assn., Georgia Assn. of Bcstrs., A. E. Tatham of Tatham-Laird agency, Alfred Rosenblatt of Laconia, N. H., who identifies himself as a sponsor, plus these law firms on behalf of multiple clients—Dow, Lohnes & Albertson; Haley, Bader & Potts; Krieger & Jorgenson; Miller & Schroeder; Fisher, Wayland, Duvall & Southmayd; Pierson, Ball & Dowd; Cohn & Marks; George Sutton; Loucks & Jansky; Covington & Burling.

* * * * *

NAB Code violators should either correct abuses or be bounced from membership, Stephens Dietz, Kenyon & Eckhardt exec. vp told NAB's Ft. Worth Conference. He said all responsible ad agencies should join in K&E's new policy of placing spot schedules on Code-subscribing stations—or their equivalent. Possibility of obtaining Justice Dept. approval for joint agency action is being investigated. Discussion of subject with FCC was "somewhat encouraging," he said. But if policy is to work, NAB will have to tighten controls, correct abuses, Dietz asserted. At NAB's Denver session, Sen. Allott (R-Colo.) called Omaha report "shocking" & frightening," said it would make FCC members "program directors" of every station.

FCC DOCUMENTS BRIGHTER 1962 FOR RADIO: Radio had brisk year in 1962, FCC reported in annual wrapup. Profits increased 48% to \$43.5 million on record revenues of \$636.1 million, up 7.7%—3/4 of the revenue increase coming from local time sales. Losses were reported by smaller percent of stations—34.4% vs. 40% in 1961. Of the 1,215 losers, more than 50% reported depreciation expense and/or payments to proprietors more than amount of loss.

Total TV-radio exceeded \$2 billion for first time in 1962—TV contributing \$1.4862 billion. TV's profits were \$311.6 million, compared with radio's \$43.5 million.

FM had \$13.9 million revenues—\$4.6 million by those operated in conjunction with AM, \$9.3 million by independent FMs. Independents lost \$3.2 million, compared with \$2.6 million loss in 1961.

Though networks' net time sales increased 4% to \$23,616,000, they still suffered loss of \$2,386,000,—vs. \$3,010,000 loss in 1961. Network o-&-o profits were up 42.2%, all other stations up 39.8%. Total employment went from 52,534 in 1961 to 54,091 in 1962.

Commission noted that largest difference between losers & profit-makers was national spot business. Profitable operations averaged \$73,796 in spot vs. \$33,783 for non-profitable stations.

Full report contains 16 tables, copies available from Commission, or we'll be happy to get them for you. Among tables: (1) City-by-city breakdown of revenues, expenses, profits, losses. (2) Same thing, state-by-state. (3) Breakdown of payments to proprietors by range of payment. (4) City-by-city figures for independent FMs. (5) Breakdown of expense categories. (6) Breakdown of revenues, etc. by size of city. (7) Breakdown of profit or loss by volume of revenue.

WHERE THE NEW CATVs ARE: Working on CATV Directory section of our next Television Factbook, to be published in Feb., we've dug to unearth all new systems operating or under construction. Process remains a tough one, since there's no official central filing point. Herewith are new systems not included in our last Factbook No. 33, some in communities already CATV-served—and we welcome your corrections, additions, deletions:

Operating: Ala.—Auburn. Cal.—El Cajon, Ojai, Thousand Oaks. Fla.—Tallahassee (2 systems). Ga.—Fitzgerald, Lyons, Ocilla, Vidalia. Ind.—Attica. Kan.—Salina. Ky.—Beattyville, Booneville, Glasgow. Mich.—Calumet, Hubbell, Lake Linden, Laurium, Manistique. Minn.—Thief River Falls. Miss.—Biloxi. Mont.—Superior. N. H.—Groveton. N. Y.—Bayside, Dryden, Olean. Okla.—Laverne, Tonkawa. Tex.—Austin (2), Clarksville, Denison-La Grange, Dublin, Mineola, Quanah. Va.—Charlottesville, Covington, Norton. W. Va.—Clendenin. Wis.—Marshfield, Menomonie, Merrill. Canada: Que.—St. Bruno.

Under construction (some possibly operating): Ala.—Decatur. Fla.—Eau Gallie, Ft. Walton Beach, Gainesville, Melbourne, Ormond Beach. Ga.—Waycross. Hawaii—Honolulu. Ill.—Bridgeport, Flora, Lawrenceville, Olney, Pontiac. Ind.—Delphi, Lafayette, Logansport, Monticello, Vincennes, Washington, W. Lafayette. Md.—Frostburg. Minn.—Rochester. Miss.—Jackson. Neb.—Fairbury. N. J.—Oakland, Ocean City. N. Y.—Utica. S. C.—Florence. Tex.—Palestine. Va.—Clifton Forge, Richmond.

PAT'S PAY-TV PLANS: Southern Cal. was jumping last week with plans for various forms of closed-circuit pay TV. Subscription TV Pres. Sylvester L. (Pat) Weaver held news conference to discuss wired home system his firm plans to institute in Los Angeles & San Francisco (Vol. 3:33 p2 et seq) shortly after first press demonstration of GE's Talaria color projection system by National General Corp., which plans 100-theater TV chain next year (Vol. 3:9 p3, 18 p2).

Weaver said home pay-TV installation charge will be \$10, with \$1 weekly service charge. In return, subscribers would get 24 hours of music, plus "bonus" programs. There will be 3 channels of pay TV, he added, with at least 4-6 hours of programming daily, although "we can be on the air 25 or 30 hours a day." Subscribers will be given 6-min. free "sampling" periods to help them make up minds whether they want to accept programs. Billing will be done electronically on basis of programs viewed by subscriber. "We don't expect to break even for 2 or 3 years," said Weaver.

Demonstration of Talaria projector was held in National General's Village Theater, Westwood, Cal., with programs closed-circuited from NBC's Burbank studios. National General Pres. Eugene V. Klein said his theater network would be in operation within 6-8 months, with starting target of 100 theaters, of which 20 would be owned by National General.

Klein said no theaters have yet been signed for network. However, he's now lining up programming. Under contract with Metropolitan Opera, 5 taped operas would be shown over 3-year period. Deal with Carnegie Hall provides for presentation of live classical & jazz concerts originating there.

Search for new pres. of National Community TV Assn. is underway by selection committee named at NCTA board meeting in Chicago: Martin Malarkey, Malarkey & Assoc., Washington, chmn.; Marcus Bartlett, Cox Stations; Ben Conroy, Uvalde, Tex.; Bruce Merrill, Ameco, Phoenix; Alfred Stern, TV Communications Corp., N. Y.; Robert Tarleton, Lansford, Pa.; Ralph Weir, Junction City, Kan.

Senate passed 1964 appropriations last week: \$15.4 million for FCC, \$400,000 less than House approved, \$1.1 million below budget request; \$12,329,500 for FTC, \$229,500 above House allowance, \$698,500 less than requested. Measure goes to House conference.

EIA's AM-FM transmitter committee, under CBS's O. L. Prestholdt, has been reorganized, plans to produce equipment standards for FM stereo & SCA monitors, issue a "Measurements Procedures Manual," update transmitter-antenna standards.

New CATV in Logansport, Ind., due for Dec. start, has signed 1,600 subscribers out of 7,000 potential, according to Jerrold, joint owner with Chicago's Alliance Amusement Co.

Uhf development organization, FCC-sponsored CAB, elects EIA's Jack Wayman chmn. of its Committee No. 3 (consumer information).

Instructional TV bibliography has been published by Ampex Corp. Ten-page listing was selected by Richard Dewey, Instructional TV Center, San Jose State College.

EXAMINER OKAYS NBC-RKO DEAL: Major milestone was passed in marathon NBC-RKO Philadelphia-Boston station swap case last week when FCC Chief Examiner Cunningham issued initial decision recommending approval. Philco has sought to wrest WRCV-TV Philadelphia from NBC.

Cunningham held, among other things, that: (1) RCA's patent practices don't disqualify NBC as licensee. (2) "There is no question that NBC used its bargaining position to make a business arrangement which Westinghouse would have preferred making without yielding its Philadelphia station," but this shouldn't dispose of case. Complex problem needs FCC's "broadbrush examination" & policy-making. (3) FCC did approve Westinghouse-NBC Cleveland-Philadelphia station swap in 1955 "with complete awareness of the reluctant role of Westinghouse." But "the continuity and integrity of process would seem to oblige govt. to spare private citizens the setbacks likely to flow from a refusal to honor the proper acts of predecessors in office." (4) Anti-trust history of RCA & Ford (Philco's parent) isn't such as to exclude them from station ownership. (5) Philco ownership of WRCV-TV would reduce concentration of ownership in TV-radio. (6) NBC gets black mark for rigged quiz shows.

Finally: "NBC's runaway superiority in experience easily carries all before it and makes its case a winning one over Philco."

Baton Rouge vhf drop-in case apparently is somewhat different from the other 6 (Vol. 3:46 p1), but its fate isn't clear yet. It involves move of Ch. 11 from Houma, rather than straight drop-in. It may differ, too, from other past "move-ins"—where FCC granted short-spaced channel shifts to put 3rd vhf channel in major city, such as Enid-to-Oklahoma City—because no operating station is involved in Houma. Predictions at FCC are that Ch. 11 will stay in Houma now, get shifted later.

Now that vhf drop-ins have been rejected, FCC is going ahead with Commission-network confab on helping uhf. In May, Commission wrote networks, asking how some of their programs might be given to uhfs when regular vhf affiliates aren't carrying them. Meeting is set for Dec. 16, networks sending men of major vp level—several commissioners to participate.

Larger role for ETV—broadcasts of controversial issues, coverage of political discussion, more prime-time competition with commercial stations—was urged by FCC Chmn. Henry in Nov. 20 speech before NAEB convention in Milwaukee. He said he hopes Commission will soon work on "formulation of a program policy" for ETV.

Identification as Miami-Ft. Lauderdale stations was denied to WTVJ & WCKT Miami, FCC saying this might hurt prospects for station in Ft. Lauderdale. Commission said it grants waivers other way around, to help small-city station get big-city identification—but can't see justification of reverse.

CBS was turned down by FCC last week, as expected, on its bid for reversal of ruling that its network TV compensation plan was illegal. FCC held that CBS plan has same restraining effect as now-outlawed option time. CBS is expected to take case to courts.

UPCOMING STATIONS: WCIU (Ch. 26) Chicago, now plans to begin programming Dec. 20, reports John Wiegel, pres.-gen. mgr. It will use RCA 12.5-kw transmitter & 69-ft. tower supplied by A. Belda, Chicago, on roof of Board of Trade Bldg. John McPartlin will be sales mgr.; Gun Chan, program dir. Base hour will be \$450. Spot Time Sales, Chicago, will be rep.

KUSU-TV (Ch. 12 ETV) Logan, Utah holds to Jan. target for programming, reports Burrell F. Hansen, chmn. of radio-TV for grantee Utah State U. It has 5-kw RCA transmitter due in Nov., will use 220-ft. Utility tower.

KCSM-TV (Ch. 11 ETV) San Mateo, Cal. plans to be on air with test pattern by mid-Feb., reports Dr. Jacob H. Wiens, dir. of College of the Air for KCSM-FM & TV. RCA 1-kw transmitter has been ordered for delivery in 60 days. Contracts haven't been placed yet for base & tower.

WNJE-TV (Ch. 77 ETV) Glen Ridge, N. J. still hopes to get on air "early in 1964" according to Robert Pellet, project dir. for N. J. Educational TV Corp. Orders haven't been placed for transmitter or antenna. It will share tower & transmitter house of radio WJRZ in West Orange, paying only maintenance costs. Vacated school in Glen Ridge will be used for studios & offices.

WTIU (Ch. 30 ETV) Bloomington, Ind. has April-May 1964 programming target, writes Elmer G. Sulzer, dir. of radio-TV communications for grantee Indiana U. Construction hasn't started, nor have orders been placed for equipment. However, Indiana U. has complete TV studios used for microwaving 7 programs weekly to WTTV Indianapolis.

WHS-TV (Ch. 38) Boston, plans to be on air Sept. 1, 1964, according to Austin A. Harrison, gen. mgr. for grantee Catholic TV Centre. Harrison, who has been a management consultant, is former owner of KODE-TV & KODE, Joplin, Mo. Equipment has been ordered from RCA, antenna to go on Prudential Tower.

Time Inc. has sold its minority interest in Compagnie Libanaise de Television, which operates 2 commercial TV stations (one English & French, one Arabic language) in Beirut, Lebanon. Purchasers were local interests. Beirut's other station, Tele-Orient, is partly owned by ABC International TV.

KRGV-TV-AM Weslaco, Tex. is being sold for \$1,375,000 to Mobile Video Tapes Inc., owned 50% each by Douglas L. & Charles P. Manship, principals of WBRZ Baton Rouge.

Hearst Corp. has bought radio WAPA Puerto Rico from founder Jose Ramon Quinones for reported \$3,500,000. WAPA-TV is owned by Screen Gems.

ARB's 1963 Market Digest containing viewing and marketing data for every U. S. TV market has been released to subscribers of its Media Management Series. It includes map of TV markets.

Recent new African TV stations: Kampala, Uganda; Ouagadougou, Upper Volta; Abidjan, Ivory Coast; Libreville, Gabon.

Pay TV in Hartford adds another Broadway show to schedule, with performance of taped "Tchin-Tchin."

First major U. S. demonstration of color TV Plumbicon camera will be held Nov. 25-26 at Pentagon for military officials, in combination with new color Eidophor TV projection system (Vol. 3:39 p3). Reports on Philips-developed Plumbicon camera tube for b&w and color applications have excited broadcast engineers in recent months, and broadcast versions are due to be imported by North American Philips with CBS-TV guidance (Vol. 3:39 p5). Theatre Network TV, sponsor of Pentagon showing and distributor of color Eidophor, announced last week that it will also be exclusive distributor of Plumbicon closed-circuit cameras to U. S. govt. & industrial govt. contractors.

TV's sales punch was attested to at TvB's annual meeting last week by Leonard Lavin, pres. of Alberto-Culver, who credited medium with company's rise from \$400,000 net sales in 1955, its first year, to about \$80 million this year. Almost all of firm's \$30 million budget is going to TV. But he warned of increasing costs: "While TV has helped do marvelous things for my company... I suspect that this is just stage one of a dark and devious plot hatched by you owners & managers... In the second & final stage... you get all the money." He said if present rates existed in 1955, he would have been discouraged from using medium, that if trend continues firm will use more of other media.

Survey of toy makers shows, surprisingly, that 1963 TV spending is increasing at slower rate than total media outlays: Total 1963 budgets are estimated up 19%, from \$85,395,000 to \$102,196,000, while TV has climbed only 7%, from \$51,593,000 to \$55,336,000. Growing toy commercial saturation on local shows is cited as one reason for TV's slower pace, in study by Toy Mfrs. of U. S. A.

TV investments will grow twice as fast as all advertising media by 1970, TvB Pres. Norman Cash predicts. He expects TV budgets to jump from \$1.65 billion in 1960 to \$3.3 billion in 1970, while total advertising will go from \$12 billion to \$18 billion, up 50%.

Portable TV tape recorder for industrial & educational use has been announced by Dage TV Co., div. of Harvey-Wells Corp., Cambridge, Mass. Made by Victor Co. of Japan, it weighs 147 lb., is priced at \$12,450. Recorder has helical scan, uses 1-in. tape, can be stopped to hold single still frame. Monitor is built in.

Course for young Negroes on careers in TV-radio has started at WOW-TV-AM-FM Omaha, in cooperation with Omaha Urban League. About 12 boys & girls, from early teens to early 20's, are attending first course of 5 two-hour meetings.

Deadline for duPont Awards nominations is Dec. 31—to Curator, Alfred I. duPont Awards Foundation, Box 1153, Lexington, Va. Three winners—large TV or radio station, small station, commentator—will be announced at March dinner in Washington.

"Minicruiser," mobile Videotape recording studio in Studebaker station wagon, is being marketed by Ampex. It includes 97-pound Ampex VR-660 Videotape recorder & 8-in. monitor.

AB-PT has retained Ruder & Finn as corporate PR counsel. Firm also will help develop PR programs for ABC-TV and AB-PT's other interests.

Ch. 2 for ETV in Samoa has been allocated by FCC, at request of Interior Dept.

Personals

Clark Grant, promotion mgr., WOOD-TV-AM Grand Rapids, elected BPA pres. . . **Christine Fahy** named station relations dir., Keystone Bcstg. System.

C. George Henderson, WSOC-TV Charlotte, elected TvB chmn., succeeding **Gordon Gray**, WKTU Utica, who becomes chmn. ex-officio; **Jack Tipton**, KLZ-TV Denver, re-elected secy.; **Frank M. Headley**, H-R Television, named treas., succeeding Henderson.

Bernard Strassburg, assoc. chief of FCC Common Carrier Bureau, promoted to chief, succeeding **John Nordberg**, retiring. . . **Robert Cox**, FCC deputy exec. dir., joins HEW Dept. Dec. 2 as chief of new operations analysis staff.

Harry Plotkin, Washington attorney, possessor of rare blood type—Group A-subtype I-negative—only 10 such people known in U. S., read newspaper story of emergency need for case of heart surgery, donated. Has one complaint: "Why don't they call it 'I-positive'?"

Robert M. Akin, Storer Bcstg. finance dir., named vp & gen. mgr. of firm's Southern Cal. Cable TV. . . **Richard W. Ostrander**, national sales mgr., WTVN-TV Columbus, promoted to gen. sales mgr.

Thomas B. Jones, exec. program dir. of WFIL-TV & WFIL Philadelphia, named also to new post of program coordinator, Triangle TV & radio stations; **John F. Wade**, ex-Avery-Knodel, appointed to new post of national research dir., Triangle Stations.

Frederick J. Cudlipp, ex-eastern region mgr., Capitol Records EMI div., appointed CBS Laboratories' professional product marketing dir., newly-created post. . . **Frank E. Whittan**, ex-technical supervisor, radio WRCV Philadelphia, appointed technical field supervisor, WRC-TV-AM-FM Washington.

Douglas H. Donoho, CBS Radio sales staff, Chicago, promoted to Detroit mgr. . . **Elliott Ames**, ex-ABC-TV senior presentation writer, named promotion & client services mgr., Sports Programs.

Head of U. S. delegation to radio & space communications conference in Geneva, **Joseph McConnell**, was commended by President Kennedy for his "leadership." Onetime NBC pres., McConnell was given much credit for success of meeting to allocate frequencies for communications satellites.

Nephew of Rep. Harris (D-Ark.)—**Willie Harris Jr.**—elected vp of KGBT-TV Harlingen, Tex. He's been with station 7 years.

New video tape spot commercial or short programming reel with self-shipping box has been announced by 3M. The 6 1/2-in. reel holds 750 ft. of video tape for 10 min. recording time at 15 ips.

GE has received "one of its largest orders" from single station for TV studio equipment, from WWJ-TV Detroit, \$700,000. It's part of 2-year \$1.2 million expansion & modernization program.

Electronic standards converter, employing more than 2,000 transistors, has been developed by BBC to convert 625-line CCIR-standard TV pictures to British 405-lines.

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Access to courtrooms by cameras & microphones is "dead issue," as far as American Bar Assn. is concerned, Al Hewitt of "Shreveport Times," told convention of AP Managing Editors Assn. recently. He termed it "serious setback for the press," criticized ABA study committee for giving "inordinate weight" to poll it conducted of bar presidents in 50 states—"many of whom have had little experience with cameras and microphones in the courtroom." He said photographic access has worked in Texas & Colorado, should be publicized. Reuven Frank, NBC News, at Group W public service conference said broadcasters "should argue it out with courts, not with ABA."

A right angry British type, Jonathan Miller, has first of series on American TV in Nov. 16 "New Yorker." He disagrees with TIO, one gathers. Example: "Television is a low-grade domestic seance in endless session, and the set goes to it with a vengeance, mouthing its gobbet of luminous cheesecloth until the tube burns out."

Movies are hit in France & Austria, according to recent reports by Commerce Dept. which says TV is one of major reasons. It says that French theater operators are seeking "some form of an operating agreement with French TV." Austrian TV set count was 420,000 July 1, vs. 376,000 in 1961, 49,000 in 1958. In Guatemala, Commerce reports, govt. is accepting bids for a 10-kw Ch. 5 transmitter.

There are 10,427 feature-length movies available to TV, according to Fall-Winter edition of "TV Film Source Book" published by Broadcast Information Bureau, N. Y. Of these, 2,997 are post-'48's, 1,205 are in color.

New rep firm formed by Richard Swift, ex-Bolling TV div. pres., & Richard Koenig, ex-Bolling vp in charge of radio, at 247 Park Ave., N. Y.; phone: MU 2-7770. Firm name awaits legal clearance.

Multiple-set homes in N. Y. 17-county metropolitan area have reached 35.3% of total, according to A. C. Nielsen study made for WNEW-TV.

"Careers in TV" & "Careers in Radio" are booklets now available from NAB. They were written by James Hulbert, mgr. of broadcast management dept.

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

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GOOD BUSINESS HOLDS; PROSPECTS FAVORABLE: With TV & phono business roaring toward all-time sales record in 1963, economic indicators seem to show clear skies ahead well into new year.

Among welcome reports were 2 from Commerce Dept.: (1) Personal income rose in Oct. to all-time high, its biggest month-to-month increase in 1-1/2 years—5% above Oct. 1962 level. (2) Survey of consumer buying intentions, conducted during week of Oct. 13, showed increase in plans to purchase consumer products during next 6 months. Near top were intentions to buy TV sets—total of 5.1% of consumers polled, up from 4.9% in survey one year earlier. Only significant decline in buying intentions was in poorly-defined (and ridiculously-named) category of "radio & phonographic equipment," whatever that is.

Preliminary sales estimates for Oct. showed not only that TV business continued excellent, but gave some evidence of recovery in relatively depressed domestic radio market. Distributor-to-dealer TV sales for Oct. were unofficially placed at about 659,000, nearly 8% above the 612,000 of Oct. 1962, bringing 10-month sales figures to about 5,417,000, better than 7.5% higher than 1962's sales for same period. These figures, of course, include neither color sets nor 11-in. tinyvision.

TV import business also continues good, apparently, with U. S.-bound shipments from Japan setting new single-month record of 62,630 units (valued at \$3,362,294). Imports are headed toward 500,000-mark this year, shipments from Japan already totaling 317,089 sets, or about 6% of domestic b&w production, for 9-month period.

Domestic radio sales in Oct. were very close to Oct. 1962 figures, perhaps equaling them. Preliminary tally placed them at about 1,043,000, compared with 1,063,000 in Oct. 1962 and 1,105,000 in Oct. 1961 (distributor-to-dealer). For year-to-date, total sales were about 7.6 million, 14% below 8.89 million of first 10 months of 1962. Inventories of both TV & radio continued to run 10-11% below 1962 (combined factory-distributor levels) at end of Oct.

With release of official EIA TV-radio sales data for Sept., our preliminary report last month on excellent Sept. business (Vol. 3:42 p8) actually turned out to be slightly conservative. The official good news is on p. 11.

NEW TUNER MAKER FACES 'PIRACY' CHARGE: Industrial Electronic Hardware Corp. last week announced plans to manufacture uhf tuners—and found itself confronted with legal action by General Instrument, largest uhf tuner maker.

GI got temporary restraining order Nov. 15 from N. Y. State Supreme Court to prevent IEHC from using its "trade secrets," pending Nov. 27 hearing on preliminary injunction. Basis of GI's action is presence on IEHC's staff of 2 tuner experts recently hired from GI's tuner-making F. W.

Sickles Div.—former chief TV tuner engineer Fred J. Kitty (now IEHC vp in charge of uhf tuners) and technician Vincent Forni.

Temporary order prohibits Kitty & Forni "from using or disclosing to IEHC any GI trade secrets & confidential information, and forbids IEHC to use any such information."

IEHC hopes to carve itself up to 10% of uhf tuner business, according to its announcement which states its first production line will have capacity of 15,000 tuners per week (or about 750,000 a year). IEHC Chmn. Bernard Offerman said this could "add about \$5 million to sales"—indicating, by simple division, an OEM price of about \$6.67 per tuner. Tuner production is planned in Chicago plant of IEHC subsidiary Raypar Inc.

Company's announcement said line would be in operation about May 1, and IEHC spokesman told us target date for industry sampling is "early Feb. or sooner." Officials would release no details about tuner itself, but assumption is that it would be transistorized. Uhf converter production is anticipated later.

IEHC, which also released 6-month earnings statement last week (see financial table), had 1962 sales of \$6.245 million, recently purchased interest in Data Communications Inc., Moorestown, N. J. An old-line tube socket & TV-radio parts maker, IEHC has hq at 109 Prince St., N. Y.

There are currently 4 independent suppliers of uhf tuners—GI, Oak, Sarkes Tarzian & Standard Kollsman. Promise of market for 7-7.5 million tuners a year has prompted several other manufacturers to look at this field. Former TV tuner maker P. R. Mallory & Co. says it is re-entering field with detent-type transistorized tuner (Vol. 3:42 p7).

Another company planning to enter OEM tuner field is Gavin Instruments, Somerset, N. J. uhf converter manufacturer. Sales mgr. Joseph Kerner told us last week that set manufacturers have already been sampled, that his company is working on improved model, plans to be in production by May.

Uhf tuner field actually may not be as lucrative as some people think—because it may be spread mighty thin. Some set manufacturers will build all or part of their own requirements, including Admiral, GE, RCA, Zenith. Production of uhf tuners hasn't yet started in Japan—but when it does, you can expect large-scale imports. Vhf tuners are currently being imported by some TV makers, and 3 of the 4 independent U. S. tuner manufacturers have Japanese affiliates or licensees.

IMPROVING DISCOUNT IMAGE GAINS SHOPPERS: Although "low-margin movement" still has long way to go before it "gains complete acceptance from American shoppers," discount stores today have markedly higher degree of acceptance than they had just 2 years ago, in opinion of Dr. Ward J. Jensen, Los Angeles marketing-management consultant.

"Concept of self-service is better understood, more widely accepted," he declared in Nov. 18 "Discount Store News" analysis of recent nationwide study of consumer attitudes toward discount outlets. "Most of the findings show that shoppers feel considerably better about low-margin stores than they did at the time of comparable research which we had undertaken in 1961. More families have shopped at discount stores, and a greater number include low-margin outlets as a part of their regular shopping patterns."

There's still negative reaction to discount stores, to be sure, he said, but "negative comments about discount stores were much fewer in number—and much less intense—than in our earlier study. By and large, quality of merchandise is perceived as having been upgraded," he continued, and "over all, low-margin outlets are regarded as more 'dependable,' 'reliable,' 'trustworthy,' and 'stable' than previously." General industry image "shows considerable improvement."

It's not all clear sailing for discounters, however. Shoppers noted one reservation which Dr. Jensen regards as "particularly significant." He amplified: "Of the shoppers who express various dissatisfactions with discount stores, close to 60% specifically mention their inability to find 'new items' or 'new products' in low-margin outlets as one of the major reasons for their displeasure." As supporting evidence, it is interesting to note that discount houses are just beginning to offer color TV, although this "new" product has been generally available for several years.

Dr. Jenssen opined that "this grievance may be real, or it may be imagined. Either way, the fact that it emerges with such consistency among dissatisfied discount shoppers tabs it as one of the major remaining weaknesses of the low-margin movement."

For most part, though, "our recent findings speak extremely well for the discount industry and document that tremendous strides have been made by the industry in a relatively brief period of time." However, Dr. Jenssen emphasized, one of the major over-all marketing trends "I foresee shaping up for 1964 is a greater-than-ever emphasis on new products. If my predictions in this regard are correct," then fact that "shoppers do not expect to find new products in a discount store could develop into a major problem for discounters."

14 MORE FM-STEREO STATIONS START: Grand total of FM stations broadcasting in stereo in U. S. & Canada now stands at 256—possibly more, in view of fact that some stereocasters are slow in notifying FCC, and even slower about tooting their own horns.

Only 14 stations have started stereocasting since our last tally of July 15 (Vol. 3:28 p3). If you're keeping track of stereo markets you can add these stations (along with the ones reported July 15) to complete list we published May 20 (Vol. 3:20 p10).

These are most recent starters: KNIK-FM Anchorage, Alaska; WTAN-FM Clearwater, Fla.; WRBL-FM Columbus, Ga.; WXRT-FM Chicago; WXFM Elwood Park, Ill.; WIAA Interlochen, Mich.; WOIA-FM Saline, Mich.; WPRB (student-operated commercial station) Princeton, N. J.; KRSN-FM Los Alamos, N. M.; WABC-FM N. Y. C.; WRFM Woodside, N. Y. (Metropolitan N. Y. C.); WTOL-FM Toledo; WDOD-FM Chattanooga; WGRV Greeneville, Tenn.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 15 (46th week of 1963) excluding 11-in. and smaller:

	Nov. 9-15	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV. . .	152, 288	165, 396	117, 781	6, 289, 558	5, 838, 464
Total radio.	450, 019	416, 598	431, 255	16, 221, 094	17, 060, 406
Auto radio	204, 651	200, 470	185, 107	7, 035, 559	6, 214, 427

TOPICS & TRENDS

Removal of excise tax on all-channel sets is being pushed by FCC, Comr. Lee spearhead. He said meeting with Treasurer Secy. Dillon has been sought. "I'm optimistic," Lee says, "but I guess I'm pretty much alone. I'm going to argue that there wouldn't be a serious loss in taxes because it would stimulate set sales, produce faster conversion of receivers. I'm going to argue that the case is unique, that Congress pushed the all-channel law down the manufacturers' throats but that it isn't telling any other similar industry what to make or not to make."

All-channel law & FCC rules cover set shipments to Puerto Rico, FCC announced, responding to GE inquiry (Vol. 3:49 p10). Commission pointed out that Sec. 330 & 303(s) of Communications Act make it explicit.

Parts wholesalers who sell retail—either parts or service— are squeezing independent service dealers out of business. So said NATESA Exec. Secy. Frank J. Moch in testimony before House Small Business subcommittee investigating dual distribution. "Legitimate markups on parts," said Moch, are "absolutely essential to survival of the servicer."

Free 90-day carry-in service is being offered on all Admiral portable TV sets by Admiral Corp. -Chicago Div., with "while-you-wait" service in most cases. For \$6.95, consumer can extend this parts-&-labor warranty to full year.

NEB. TIME-SALE MUDDLE—CONT'D... Despite advice from state's legal leader that voided contracts can't be revived, Nebraska Legislature has rushed through 4 remedial bills to protect retailers & financing agencies from loss of some \$1 billion in merchandise sold under instalment contracts since 1959 (Vol. 3:44 p7).

They face staggering loss of product, interest & principal in wake of State Supreme Court's decision in Oct. which voided 1963 Instalment Sales Act, hastily written this summer to replace 1959 Instalment Sales Act declared unconstitutional by Court in July.

New Acts also will get Court axe, in opinion of state Attorney General Clarence Meyer. "They're also unconstitutional," he told us. "I've already told that to the Legislature, in writing." Markedly more optimistic is Marvin R. Werve, consumer credit vp for Omaha National Bank. "In 1958," he told us, "a previous Supreme Court upheld the principle in these remedial bills."

In addition to passing the 4 remedial bills, Legislature was slated to convene in special session at 12:01 am Nov. 23 for final hearing and vote on LB-11 bill that overhauls state's interest structure & on a constitutional amendment, to go on state ballot next Nov., which would empower Legislature to establish special interest rates for various product groups. Why the wee hour meeting? Werve explained: "Saturday is the big Nebraska-Oklahoma football game, and nobody wants to be stuck here Saturday afternoon debating bills."

Remedial bills—3 signed into law Nov. 15, one passed last week—relate to various aspects of the time-sales muddle, Meyer told us, and all are written along same lines. "They are designed to have a retroactive effect," he explained, & their key point is to reduce penalties. One Act, for example, provides that all instalment contracts written since 1959 come under state's 9% usury law. If such contracts are in violation of 9% simple interest ceiling, then they would be subject to penalty of usury law—"just the loss of interest." Another of the 4 Acts validates all contracts voided by the Supreme Court decision if they were written in good faith, i.e., in accordance with requirements of the 1959 & 1963 Instalment Sales Acts.

"I believe all 4 Acts will be tested in court promptly," Meyer emphasized. "In fact, these Acts already have been introduced as defense in several cases which went before the Supreme Court & District Courts this week." These are cases filed by consumers to retain products purchased under instalment contract & to recoup payments already made.

We asked Meyer what would happen if courts rule new Acts unconstitutional, as he expects will happen. "In that event, the present situation in Nebraska would remain unchanged. The voided contracts would remain void, & consumers would be free to file suit to retain their purchases & regain payments made on their contracts. There is, of course, a one-year statute of limitation on these contracts." Under new law passed in July, purchasers must file within one year of date of law's passage or within one year from date of final payment.

"This state will be in a helluva shape" if courts knock down 4 remedial bills, in Werve's opinion. "The big national financing agencies would pull out of Nebraska," he said. Should Supreme Court void new Acts, there still remains one avenue of hope: "One possible remedy

is a declaratory judgment by the Court that it will not invalidate any future contract. However, this would not affect those contracts on which consumers already have obtained judgments."

It's estimated that some 200 cases already have been filed by consumers. Some of the sums involved are staggering, and in some instances, Werve told us, the violations involved amount to as little as 24¢ overcharge above 9% usury limit.

Nebraska sales have slowed markedly in wake of time-sales muddle. "Sept. sales were down 27% despite fact that this is the big back-to-school month & that sales throughout the nation were up," Werve said. Meyer pointed out that "on straight instalment sales today, the only safe procedure is to keep total interest charges within the 9% usury limit."

While Meyer is of opinion that contracts already pronounced dead will stay dead, he's convinced that upcoming LB-11 bill, which overhauls state's interest structure, "can be successfully defended" as constitutional.

Interest law bill would reduce number of loan categories from 8 to 3—standard loans, instalment sales, instalment or personal loans. It would retain 9% interest ceiling on standard loans, establish rate on instalment sales at up to 12% annual simple interest, revamp present instalment loan law by setting maximum loan at \$1,500 from \$3,000, and pegging interest rates at 30% for first \$300, 24% for next \$200, 12% on final \$1,000

"Usury structure on instalment sales contracts would be 12% simple or \$6 per \$100 per year," Werve explained. "This would be down considerably from the previous rates under which retailers were allowed to charge as high as \$15 per \$100 per year. These higher rates were passed by heavy lobbying, and they didn't sit well with the public."

Extended warranty controversy among home electronics & appliance manufacturers & retailers is explored by Nov. 19 "Wall St. Journal" which noted that GE, Magnavox, Admiral & others "in the past year or so have been strengthening guarantees and warranties on one or more of their products" in belief that manufacturer can "boost sales by broadening his promise to make good on defective products." However, "some manufacturers and retailers contend that these companies are wasting their time and boosting the cost of their products. They claim that a consumer is primarily concerned with the price and features of an appliance." In latter group are RCA and Zenith, "Journal" noted and quoted Zenith's Leonard C. Truesdell: "We haven't felt any pressure to do it, and an extended warranty has to be figured into the cost somewhere." RCA was quoted: "We prefer to let our dealers decide whether to extend warranties." Major bone of contention was cited by Sam Boyd, onetime NARDA pres., who, "Journal" noted, "Says many dealers feel that liberalized manufacturer's warranties on some products not only increase cost but also cut into a dealer's own repair business. He adds that manufacturers' allowances for labor involved in guaranteed repairs usually don't cover dealers' costs."

New sets: New GE "Accent" radio line, especially designed for key retailers, has 10 models, including FM stereo radios, listing at \$14.95-\$229.95. . . Andrea introduces 2 tambour-door contemporary lowboy color sets at \$975 (remote) & \$875.

SEPTEMBER'S RESULTS: Official confirmation of our report last month that Sept. was best single TV sales month since 1956 (Vol. 3:42 p9) came last week from EIA Marketing Services Dept. in terms of sales figures. Preliminary results for Oct. indicated excellent business is continuing (see page 7).

EIA's official TV statistics look even better than preliminary Sept. reports did. Exclusive of color sets and 11-in. merchandise, they show distributor-to-dealer sales of domestic TVs ran close to 10% ahead of 1962's very good Sept. For year's first 3 quarters, sales were 7.5% above 1962 period.

Radio sales were down once more, about 9.7% below Sept. 1962 and running 15.6% behind last year on 9-month basis. Production figures showed all-channel sets at 17% of total TV output in Sept., 14% for first 9 months. All-channel output in Sept. was nearly double that of one year earlier, while it was 75% above 1962 for year-to-date. FM radio production in Sept. was only 7% higher than year-earlier figure, but up 33.5% for 9 months.

Here are EIA figures, to which we have added year-ago comparisons (11-in. TV sets excluded):

TV-RADIO DISTRIBUTOR SALES

Month	Black & White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
March	601,797	580,876	818,510	917,236
April	395,166	364,742	637,443	809,499
May	378,215	310,799	598,410	772,479
June	541,810	480,510	811,923	1,040,598
July	448,441	449,528	698,043	921,089
August	549,421	518,451	849,274	848,881
September	803,521	731,100	1,133,464	1,255,346
TOTAL	4,758,191	4,423,117	6,616,451	7,825,890

BLACK-&WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
June	665,004	620,653	107,500	50,283
July	394,291	336,409	75,589	28,359
August	565,198	500,693	90,457	44,862
September	779,405	731,517	133,265	70,299
TOTAL	5,188,815	4,864,120	732,650	418,966

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	594,505	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
April	1,359,769	1,472,654	596,899	519,296	102,208	63,193
May	1,384,063	1,444,074	555,812	504,846	119,756	62,292
June	1,653,866	1,721,873	670,106	629,004	154,818	92,287
July	990,605	1,134,250	331,816	403,946	120,825	68,037
August	1,252,878	1,253,753	489,327	427,747	119,963	98,609
September	2,103,447	2,196,371	952,129	887,104	176,260	165,433
TOTAL	12,932,168	13,848,819	5,525,897	4,990,274	1,057,955	791,587

Uhf signals, when no stations are available, are provided by portable 10-lb. vhf-uhf translator for dealers & technicians, offered for "under \$100" by Standard Kollsman.

Trade Personals

Victor Mucher resigns as Clarostat pres. & treas., continues as a dir.; **Francis Chamberlain** resigns as sales & mktg. vp; **Russell E. White**, formerly controller, named finance vp. **George Mucher**, exec. vp, also named chief exec. officer until new pres. is elected.

Arthur L. Chapman, formerly Pacific Mercury Electronics exec. vp, appointed Hallicrafters exec. vp & gen. mgr., succeeding **Stanley E. Rendell**, resigned.

Matthew N. Cinelli, ex-Westinghouse, named mgr. of Philco's Consumer Products Div. electronics plant, succeeding **John N. McDowell**, now assigned to staff of **Fred J. Meredith**, gen. mfg. mgr. . . **Leon M. Schachere**, ex-Stromberg-Carlson & Magnavox, promoted to new post of Eastern regional mgr., Sylvania Home & Commercial Electronics Corp.

Charles J. Coward, GE Audio Products Dept. gen. mgr., elected a dir. of subsidiary E. I. Co. Ltd., Shannon, Ireland maker of TVs, radios, phonographs.

Daumant (Del) Kusma, ex-Philco Lansdale Div. mfg. dir., joins International Resistance as operations dir., responsible for 3 divisions: Instrumentation & Systems, North American Electronics, St. Petersburg.

James S. Farnell, former Westinghouse radio & phonograph product mgr., named Lloyd Ultrasonic and Lloyd Trading mktg. mgr., a new post.

Herman Schkolnick promoted to mgr. of new Electro-Visual Products Dept., Du Mont Labs Divs. of Fairchild Camera, with responsibility for all TV equipment design, development & marketing.

"Broadcasters' bookings good," noted Nov. 20 "Financial World," adding: "There is more than a hint that the broadcasting industry has come of age and its leading equity issues may be regarded more properly as investment media than as glamour stocks poised for further spectacular growth." Profile pointed out that total network gross time billings rose 6% in first half from year earlier, noted that CBS economist David Blank "has predicted for the industry a network gain of 8-9% in billings this year." CBS drew "World" accolade as "undisputed earnings leader in the field." NBC "continues to give an undisclosed profit to RCA," and AB-PT, "although it chalked up the best advance in billings" in first half [8.4% vs. CBS' 5.7% & NBC's 4.7%] posted 9-month results "below those of year ago." Magazine emphasized that "independent TV-radio broadcasting chains have shared in the general prosperity," spotlighted Metromedia, Storer, Taft.

Radio Shack shareholders have approved financial reorganization of the Boston-based retail & mail-order electronic parts distributing chain now controlled by Tandy Corp. (Vol. 3:44 p12). They also authorized increase in capital stock to 5 million from 1 million shares, portions of which will be offered to existing stockholders, later to public.

Raytheon will drop patent infringement suit against Thermowave Corp. in wake of agreement under which latter will make & sell microwave ovens under Raytheon patents. Among other Raytheon licensees for microwave cooking equipment: Litton Industries, Tappan, Rudd-Melikan, American Monarch, Di-Arco Corp.

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
Audio Devices	1963—9 mo. to Sept. 30 ¹ 1962—9 mo. to Sept. 30 ¹	\$ 6,373,945 —	\$ 667,872 —	\$ 340,872 —	\$0.39 —	868,371 —
Chris-Craft Industries	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30 1963—qtr. to Sept. 30 1962—qtr. to Sept. 30	52,684,402 51,693,524 13,628,873 13,347,054	2,376,303 2,616,309 99,176 (24,843)	1,436,303 ² 1,481,309 ² 59,176 ³ 45,157 ³	1.04 1.08 .04 .03	1,376,672 1,376,672 1,376,672 1,376,672
Consolidated Electronic Industries	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30	133,136,607 125,613,418	8,137,000 7,750,818	3,822,355 3,690,818	1.20 1.16	3,178,653 3,172,377
Electronic Assistance	1963—9 mo. to Oct. 31 1962—9 mo. to Oct. 31 1963—qtr. to Oct. 31 1962—qtr. to Oct. 31	8,674,000 1,624,000 3,629,000 513,000	— — — —	1,034,000 (225,000) 397,000 (29,000)	.72 — .27 —	— — — —
EICO Electronic Instrument	1963—year to Sept. 28 1962—year to Sept. 28	7,422,939 8,692,357	(98,942) 281,427	(46,942) ⁴ 136,427	— .22	607,143 607,143
Industrial Electronic Hardware	1963—6 mo. to Sept. 30 1962—6 mo. to Sept. 30	3,490,924 2,975,772	— —	75,242 28,901	.10 .04	737,297 716,307
Lafayette Radio Electronics	1963—qtr. to Sept. 30 1962—qtr. to Sept. 30	6,650,841 6,381,124	127,925 307,163	79,940 179,161	.08 .17	1,061,675 1,061,675
Litton Industries	1963—qtr. to Oct. 31 1962—qtr. to Oct. 31	154,029,000 ⁵ 127,309,000	— —	6,536,000 ⁵ 5,212,000	.62 ⁶ .51 ⁶	10,602,017 10,031,382
MCA	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30 1963—qtr. to Sept. 30 1962—qtr. to Sept. 30	— — — —	— — — —	9,530,000 ⁷ 9,190,000 ⁷ 2,340,000 2,560,000	1.90 ⁷ 1.87 ⁷ .45 .49	4,538,770 4,519,603 4,538,770 4,519,603
Oxford Electric	1963—9 mo. to Sept. 28 1962—9 mo. to Sept. 28	7,533,128 6,970,312	(127,016) 143,661	(127,016) 71,661	— .16	461,989 436,466
Pacific Industries	1963—year to Aug. 31 1962—year to Aug. 31	28,464,218 24,447,022	— —	(249,837) ⁸ 511,981	— .27	1,827,239 1,627,239
Packard Bell Electronics	1963—year to Sept. 30 1962—year to Sept. 30	49,435,135 49,683,033	1,171,196 (1,411,848)	1,081,196 ⁹ (1,427,848)	1.27 ⁹ —	854,668 854,043
Paramount Pictures	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30 1963—qtr. to Sept. 30 1962—qtr. to Sept. 30	— — — —	— — — —	3,582,000 ¹⁰ 594,000 2,972,000 (1,107,000)	2.21 ¹⁰ .36 1.83 —	1,620,481 1,670,281 1,620,481 1,670,281
Pentron Electronics	1963—qtr. to Sept. 30 1962—qtr. to Sept. 30	2,369,113 2,687,578	— —	58,223 120,525	.02 .05	2,532,644 2,441,037
Philips Lamps	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30	1,169,546,000 1,031,658,000	— —	66,442,000 63,662,000	— —	— —
Thompson-Starrett (Delmonico)	1963—9 mo. to Sept. 30 1962—9 mo. to Sept. 30	26,724,929 18,231,678	882,585 596,207	436,385 499,007	— —	2,847,545 2,820,145
Warwick Electronics ¹¹	1963—26 wks. to Sept. 28 1962—26 wks. to Sept. 29	53,748,000 47,325,000	1,862,000 1,573,000	900,000 766,000	.22 .19	4,001,145 3,972,997

Notes: ¹Year-ago figures not available. ²Includes \$123,000 net profit from sale of NAFI Telecasting operating assets. ³After \$70,000 tax credit. ⁴After \$52,000 tax credit. ⁵Record. ⁶Adjusted for Dec.-1962 2-1/2% stock dividend. ⁷Before 46¢ per share nonrecurring gain. ⁸After \$448,326 net capital gains from sale of 2 properties and \$293,578 tax credits. ⁹Before nonrecurring income equal to 15¢ a share from sale of land and Bellwood Div. (Nov. 1962). ¹⁰Before \$1,785,000 (\$1.10) profit on sale of investments. ¹¹Includes performance of Pacific Mercury Electronics, merged Oct. 28 (Vol. 3:44 p12), on "pooling of interests" basis after eliminating intercompany transactions.