

# WEEKLY **Television Digest**

with

## **Consumer Electronics . . . (starts page 7)**

JULY 1, 1963

NEW SERIES, VOL. 3, No. 26

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

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#### Broadcast

**NAB VOWS ALL-OUT FIGHT AGAINST GOVT.**, focusing on FCC's proposed commercial ceiling, appealing to Congress & public, adopting resolution against 'govt. encroachment.' Summary of board actions (p. 1).

**VHF DROP-IN PLEADERS NEVER SAY DIE:** Sens. Pastore & Hartke urge FCC Chmn. Henry to reconsider; prospective vhf applicant says Commission fosters 'monopoly' & 'absentee multiple ownership' (p. 2).

**EQUAL-TIME SUSPENSION PROSPECTS** about same as in 1960, though sentiment is growing gradually for lifting restrictions on campaigns for Senate, House, governorships. No chance for outright repeal (p. 2).

**COMBINATION RATES BUBBLING IN GOVT.:** After last Feb.'s FCC ruling against combination groups in same city, Commission is being asked to rule on other group arrangements. Issue: Do stations in group gain unfair competitive edge? (p. 3).

**SHAPP BACK AT JERROLD HELM**, takes over presidency from Harman, intends to reemphasize CATV, microwave, instruments—while 'maintaining position' in consumer electronics (p. 4).

**NIELSEN DROPS LOCAL RADIO:** Inability to measure individual auto & portable listening at 'palatable cost' cited; Nielsen wants NAB to help with problem of non-cooperative homes; NAB Rating Council will seek greater advertiser-AAAA participation (p. 5).

**NAB VOWS ALL-OUT FIGHT AGAINST GOVT.:** An aroused NAB board, led by Pres. Collins astride an anti-FCC cause he could ride—proposed ceiling on commercials—went all-out in its semi-annual meeting in Washington last week. Among actions:

(1) Outlined comprehensive & far-reaching plan—developed by Paul Comstock, govt. vp, & John Couric, public relations dir.—to oppose FCC's proposal on commercials, said it was "aghast" at Commission action, stated if federal agency can be given such power it would have "stranglehold" over private business. Plan calls for stepped-up contacts with FCC, Congress, possible legal steps, help from members & state associations, major public relations program (appeals to editorial writers, syndicated columnists, liaison with business-public service-charitable groups), cooperation from advertising community (TvB, RAB, ad groups).

(2) Adopted resolution to alert Congress & public to "undue encroachment" by govt. in broadcasting and of "mounting danger" of further govt. control. Resolution was proposed by John J. Coyle, KVIL Dallas, modified by joint board. Committee of broadcasters, representative of each state, is to carry out program.

(3) Created an Executive Committee to initiate & interpret policy. It will be composed of chairman, plus chairmen & vice chairmen of TV & radio boards. First job: Oppose govt. control.

Elected to one-year term as chairman of joint boards: William B. Quarton, WMT-TV Cedar Rapids, succeeding Clair R. McCollough. James D. Russell, KKTU Colorado Springs, was chosen TV board chairman, succeeded as vice chairman by Glenn Marshall, WJXT Jacksonville. Among other actions:

(1) TV Board adopted new Code commercial standards for prime time limits computed in percentages rather than minutes—17.2% for each of 3 prime evening hours specified by station. Board declined to adopt

#### Consumer Electronics

**MOTOROLA'S 23-IN. COLOR** makes debut in 8-set line, starting at \$650; low-end 21-inch color line starts with \$449.95 console; good color picture shown on new set, which Motorola hopes to sell 'in tens of thousands' this year (p. 7).

**VHF SETS ELIMINATED** from large part of Sears' Silvertone line; new catalog shows only 10 sets available without uhf, 26 sold with all-channel tuner only; prices start at \$109.95 for 19-in. vhf set (p. 8).

**ROUND-CORNER PICTURE TUBES** fade away periodically—and come back. New lines show 27-in sets in only 4 major lines, vs. 8 last year; but majors are still offering 17-, 21- & 24-in. sets (p. 9).

**'PRICING CHAOS'** hit by Motorola's Taylor, who endorses Quality Stabilization bill; warns of 'explosive' situation created by 11-in., but sees little market for 16-in. (p. 10).

**NEW LINES:** Du Mont extends color tube warranty to 2 years, introduces lower-priced sets; Westinghouse expands 'Instant-On' to most TV models; Motorola b&w line emphasizes consoles (p. 10).

**PILOT INTO COLOR TV?** New plant geared to make color chassis for stereo combos; output could begin this year (p. 11).

**PLANT SHUTDOWNS FOR VACATION** begin this week for many TV-radio-electronics firms. Vacation dates listed for set, tube, semiconductor & components manufacturers (p. 11).

percentage changes for non-prime time. Previous limitation was 5 min. & 10 sec. per 30 min. Percentage method is said to produce greater flexibility, though amount of time per hour is same.

(2) Radio Board declined to adopt commercial standards proposed by Radio Code Board.

(3) Joint boards approved Pres. Collins's proposal to donate up to \$15,000 to help reduce illiteracy in Dominican Republic.

(4) Proposal to set up a Program Dept. was deferred for more study, new report next Jan.

(5) Convention dates approved: April 5-8, 1964, Chicago; March 21-25, 1965, Washington; March 27-30, 1966, and April 2-5, 1967, Chicago.

**VHF DROP-IN PLEADERS NEVER SAY DIE:** Vhf drop-ins refuse to remain dead, despite 4-3 FCC vote just before Chmn. Minow left Commission, voting reluctantly with majority (Vol. 3:22 p2). New Comr. Loevinger raised hopes of drop-in proponents during his confirmation hearing, when he stressed need for more competition in TV, said he'd give subject thorough study (Vol. 3:23 p2).

Powerful Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee, last week gave Commission another nudge, during FCC Chmn. Henry's testimony on equal time (see below). Said Pastore:

"It would be very wonderful if we could have the 3 networks operating in every locality . . . I think the drop-ins would accomplish [that] purpose . . . I hope you would consider it in your reconsideration . . . that this will be the final march up the hill." Sen. Hartke (D-Ind.) observed that some candidates are at disadvantage because 3rd network (ABC-TV) doesn't reach as many homes as other 2, said the drop-in markets represent about 5 million people. He asked Henry whether denial of drop-ins means FCC "denial" of its responsibilities. Henry assured him Commission will give "full consideration" to petitions for reconsideration. Hartke wasn't satisfied: "I know what that means, but I don't know what it implies."

Unusual angle in petition for reconsideration was offered last week by Megacity TV Inc., potential Dayton, O. vhf applicant. It argued to Commission that vote against drop-ins fosters monopoly—encouraging uhf filings by "absentee multiple owners" such as Kaiser & United Artists which can use "tax dollars" to finance uhf losses over long period. Megacity suggested that vhf's be dropped in, that grantees use them for 6 years to depreciate equipment—then be required to switch to uhf. Megacity said local groups are expected to file similar petitions for other 6 markets: Jacksonville, Baton Rouge, Birmingham, Knoxville, Charlotte, Johnstown. It urged FCC to set subject for oral argument.

**EQUAL-TIME SUSPENSION PROSPECTS:** Greater journalistic freedom in political broadcasting doesn't seem in cards for 1964 campaigns. Though there's growing sentiment for it, as indicated during hearings by Sen. Pastore's (D-R.I.) Communications Subcommittee last week, Congress as a whole is still leery.

Lifting of equal-time restrictions for Presidential & Vice Presidential campaigns is assured—same as in 1960. But similar easing for candidates for Senate, House and governorships is believed to have only minor chance of success. As for complete repeal of Sec. 315—giving broadcasters same freedom enjoyed by their print brethren—not a chance.

Pastore himself would at least temporarily extend suspension to Senate, House & gubernatorial campaigns, noting that it worked "beautifully" for Presidential & Vice Presidential races in 1960. But Pastore said he doubted Senate would vote for it, echoing GOP National Chmn. Rep. Miller (R-N.Y.) who testified that House isn't likely to buy it. Miller said that "networks are entitled to great credit" for 1960 Great Debates—having allotted some \$6 million in free time.

Miller was concerned about extending broadcasters' freedom into more campaigns because abuses might develop in local campaigns—and these would be hard to "monitor," compared with national network politicasts. Democratic National Chmn. John Bailey also favored 1960-style suspension.

Sen. Hartke (D-Ind.) plumped for complete repeal of equal-time Sec. 315. "If we can trust [broadcasters] for President & Vice President," he said, "we can trust them" for coverage of other offices. Pastore, Scott (R-Pa.) & Morton (R-Ky.) gave him some support, but Pastore said Congress wouldn't go for it: "You can't do it all in one bite." He also said some members of Congress resist expansion of equal-time suspension because they don't want political unknowns among opponents to get too much exposure.

Sen. Thurmond (D-S.C.) said he'd go for suspension extension to the 3 other kinds of offices, that stations in his area have been fair, but that: "Networks have presented biased, one-sided picture of civil rights. Now will they do that for candidates? That's why I don't favor repeal." He later got into shouting match with Pastore & CBS Pres. Stanton, over his charges that networks are "following the NAACP line" in coverage of racial incidents. One observer termed it "most rugged" exchange he'd seen on Hill.

Pastore was irked with FCC, when Chmn. Henry testified that Commission favors suspension for President & Vice President only, saying that FCC believes more experience is necessary. Pastore said 1960 results should be enough proof; "Why do you need 2 bites of the cherry?" he asked.

Henry reported that FCC's recent survey (Vol. 3:24 p5) showed that equal-time law seemed to present no hardships in Senatorial campaigns during 1960. But, said Pastore, FCC figures show nothing about the many stations which refuse to sell or give any campaign time at all. Henry also said that "fairness doctrine" presents more problems than equal time, said FCC hopes to produce new editorializing policy in time for House hearings July 15.

NBC Chmn. Sarnoff favored complete repeal of equal time rule. He said NBC has already received 1964 equal-time demand from Lar Daly, who said he's "Republican" candidate; Daly used to call himself "America First" party candidate. Sarnoff said that recognized 3rd parties would be given full attention, that fringe parties would get "appropriate" coverage. He said that stations should have right to editorialize but that networks shouldn't do so because views would be aired through affiliates who should make their own judgments.

CBS Pres. Stanton favored repeal of equal time, or at least expansion of suspension. However, if neither can be achieved now, he said, following should be considered: Lift equal-time rule for free time, retain it for paid time. This, he said, would allow broadcaster to "perform fully his journalistic function."

ABC Pres. Goldenson sent statement asking for permanent suspension of equal time for President & Vice President only.

Telegrams from nearly a dozen governors—plus appearance by Kansas Gov. Anderson—supported extension of suspension to other offices, including their own; no governor expressed opposition to suspension.

Attorney Paul Porter reported that President's Commission on Campaign Costs recommends complete repeal. He gave personal view that he'd like to see how suspension works for 3 other offices.

NAB Exec. Vp Vincent Wasilewski testified that broadcasters prefer complete repeal of 315, but would also support measure to widen suspension to the 3 other offices.

**COMBINATION RATES BUBBLING IN GOVT.:** Quietly kicking around FCC is question of "combination rates." Last Feb. (Vol. 3:5 p5), after receiving complaints from some stations, Commission issued general public notice stating that certain kinds of combinations raise serious anti-trust questions, are against public interest, must be stopped. Now, Commission faces requests for declaratory rulings in 2 cases, in which broadcasters are uncertain.

Commission named no names last Feb., because alleged culprits had never been told practice is questionable, and FCC believed they shouldn't be ambushed. What happened originally was that rep Meeker Co., following what it sincerely considered imaginative selling, went into some overpopulated radio markets, secured agreements to sell 2 or more lesser-rated stations in each city as a group, using combination rates & discounts. Upon complaints of competitors, FCC issued its Feb. ruling. Though it wasn't announced, Phoenix was city precipitating action.

As everyone knows, both TV & radio are chock full of all kinds of group buys, with combination rates as incentives. Commission staff is now puzzling over "unfair competition" and "anti-public interest" aspects.

We've checked with Station Representatives Assn., FTC, FCC, private attorneys, to find current consensus, if any. Here's what we've learned:

"As long as there's no overlap among stations in combination buy, there's no problem," stated Lawrence Webb, managing dir., Station Representatives Assn. He referred to Phoenix situation where station "network" in same city was an obvious violation of statutes.

Other issues are involved, however. Kernel of matter, as explained by an FCC official, is whether stations in any group plan gain unfair competitive advantage over any competing individual station.

Commission is inclined to rule first on easily defined issues. Phoenix situation was open-shut case. Next in order is likely to be decision on whether certain multiple ownership combination discounts unfairly affect individual stations in competing markets. After that, there will likely be decisions concerning the simplest—and seemingly least objectionable—plans whereby independently-owned stations in scattered markets sell themselves as a group.

FTC can be called upon for advisory opinion, and it has hair trigger on agreements that smack of price fixing or restraint of trade.

A Washington lawyer close to industry practices said there's definite trend in govt. to "protect single stations." He said current FCC line-up is bound to lean that way.

Cases of completely overlapping contours are, of course, per se violations, he told us. He predicted that overriding combination rate issues—including certain multiple ownership plans, cases of only slightly overlapping contours, basic national rep group plans—will be scrutinized in coming months.

**SHAPP BACK AT JERROLD HELM:** It will be intriguing to watch Jerrold Corp. for next year or so, now that Chmn. Milton Jerrold Shapp has reassumed presidency & active management, Pres. Sidney Harman resigning and selling his 86,000 shares to Shapp & associates.

About 2 years ago, Harman came in as Shapp began devoting most of his time to Peace Corps, industrial rehabilitation of depressed areas in Pennsylvania and elsewhere, vocational training of Negro & Puerto Rican youth, etc.

But Shapp & Harman finally came to parting, Harman pushing for diversification into areas Shapp considered too remote. Last week Shapp told us: "We will reemphasize the CATV, microwave & instrument business. We intend to maintain our positions in consumer fields, too—hi fi, etc. But we're not going into general diversification. I'm personally looking forward again to active participation in the CATV business and I hope to help solve the industry's problems." There were rumors Jerrold would now dispose of Harman-Kardon hi-fi component business, Pilot receiver production, etc. But, to contrary, firm is expanding in these areas (see p. 11).

Shapp has firm control of company, has 4 of 6 seats on board. Company lost \$104,000 in first 4 months of year, and Shapp aims to reverse trend. Despite 4-month loss, however, Jerrold had record sales of \$24,802,000, up 38%, for fiscal year ended Feb. 28; and record earnings of \$739,617 were up 24% over preceding year.

Needling FCC on clear channel case, Rep. Harris (D-Ark.) noted that July 2 is expiration of one-year moratorium on implementation of FCC's decision. House in 1962 passed H. Res. 714 asking FCC to hold off duplicating 12 clears pending experiments with clears on powers over 50 kw, losses & gains of service with high powers, etc. Harris noted that FCC decision has been appealed by several clear channel stations, suggested that Commission may want to ask court to hand case back pending gathering of foregoing information. FCC isn't likely to vote further moratorium unless it gets another strong Congressional mandate to do so.

Network program procurement—from anti-trust standpoint—is subject of analysis made by FCC's Office of Network Study. It's understood report will be submitted to commissioners soon.

CBS Washington News Bureau will be operating for 5 owned TV stations by Sept. 1. Separate from Washington CBS News, it will have own mgr., exec. asst., cameraman, soundman.

FCC move on Negro hiring by broadcasters may or may not come about in foreseeable future. Report is that White House is studying whether FCC & similar regulatory agencies have power to enforce equal-employment-rights measure. Commission members haven't considered matter. Staff members have discussed it—but they disagree on likelihood of Commission action soon. If FCC were to act, it could institute rule-making, make issue a criterion in comparative hearings, act on complaints, etc.—presumably under broad "public interest" phase of Communications Act.

Horse-racing broadcasting rules proposed by FCC continue to draw strong criticism. Among recent filings, Neil J. Curry, pres. of National Assn. of State Racing Commissioners, urged that "horse racing must not be singled out from our major sports for regulation by the FCC . . . Illegal gambling on other sports exceeds the off-track horse-race gambling." Assn. also submitted long memorandum arguing that FCC lacks legal power to adopt the rules.

**Nielsen Drops Local Radio:** Nielsen made it official last week—dropping local radio service (Vol. 3:20 p2). Vp John Churchill said company wasn't able to come up with auto & portable listening measurements "at a palatable cost."

Company will stay in network radio as well as in local & national TV. It's now preparing new package to propose to radio networks for fall season. Among other ratings activities:

(1) Documentary on ratings, suggested by Rep. Harris (D-Ark.), is being considered by CBS producer Fred Friendly. Nielsen believes it could be beneficial; Press Relations Dir. Erwin Ephron wrote Friendly that program could help get public to cooperate, participate in samples. Nielsen also will ask NAB to: Promote member spot campaigns to encourage public cooperation; take stand against station promotion "hyponing" during ratings week; urge members not to tamper with surveys.

(2) At NAB board meeting last week, Group W's Don McGannon reported on reform moves (Vol. 3:25 p2), said NAB & RAB are "pledged" to work together on radio methodology study but that he isn't now recommending NAB participation in RAB's proposed Audits & Surveys Co. plan. He also said that NAB Rating Council will seek further representation by advertisers and that AAAA would be invited to become full member instead of liaison.

(3) FTC has started its 2nd ratings field investigation, has men checking station promotion practices.

(4) WAME Miami suit against Nielsen (Vol. 3:17 p1) has been transferred from local circuit court to federal court in Miami on Nielsen's petition—but move to Chicago was denied. Court also asked WAME to spell out damages more clearly.

**TvB signs 19 U.S. TV stations & one British firm:** WAVE-TV Louisville, KTVT Ft. Worth, KVOS-TV Bellingham, KLIX-TV Twin Falls, WPTA Ft. Wayne, WKBW-TV Buffalo, KCRG-TV Cedar Rapids, WBTW Charlotte, WABI-TV Bangor, WAGM-TV Presque Isle, WBEN-TV Buffalo, KCPX-TV Salt Lake City, WICS Springfield, WTVO Rockford, WHNB-TV Hartford, KTHV Little Rock, KOAT-TV Albuquerque, KVOA-TV Tucson, KSYD-TV Wichita Falls, and Southern Television, England.

**National & regional spot TV** for first quarter was up 20% to \$219,771,000 from \$182,098,000 for 1962's first quarter, according to TvB. Alberto-Culver ranked 7th, showed dramatic increase from \$1,998,400 to \$4,194,400. Bristol-Myers had biggest jump, moved from 5th to 3rd place, spending \$6,681,500 compared with last year's \$3,324,600. First place belongs to P&G with \$16,954,900.

**Advertising Council's** special TV drive for "good citizenship" is getting full support from TV networks, their owned stations plus Metromedia & Group W, all members of Council's board. Drive runs through July 4, is keyed to 28-page booklet "Challenge to Americans," available free to public.

**CBS will ask FCC** to reconsider its decision outlawing "incentive compensation plan" and option time. CBS doesn't expect Commission to change mind, but attorneys say prudent legal strategy requires that pitch to FCC be made before appeal to courts is taken.

**Cost of TV is spiralling** for advertisers & agencies, adman Arthur Tatham (chmn. of Tatham-Laird & 4A's) told Advertising Federation of America convention in Atlanta recently, pointing to some choice examples: Model's hand used in commercial 5 years ago cost \$26; today, due to AFTRA-SAG scales, price would be \$70 plus \$55 in lieu of "use fees" for total of \$125. Large ad agency producing \$700,000 worth of TV commercials annually faces more than double tab—\$1.5 million—in talent fees. Production isn't far behind; commercials costing \$7,500 apiece 12 years ago cost \$15,000 today. On other AFA fronts: J. Paul Austin, Coca-Cola pres., told AFA that overseas ad revenues of U.S. advertisers are needed to help finance growth of communications (including TV) to level where there are at least 2 TV sets for every 100 people in world. New AFA officers: George W. Head (ad mgr., National Cash Register Co.) named chmn.; Melvin S. Hattwick (ad dir., Continental Oil), first vice-chmn.; Lee Fondren, mgr. KLZ Denver, 2nd vice chmn.

**More than 60 stations** will be involved in production of *What America Thinks*, planned 15-min. man-on-the-street show due soon from TV Affiliates Corp., offshoot of Trans-Lux. Rotating group of 10 stations will each film 90 seconds worth of *vox populi* reaction to major news events each week, will forward footage to N.Y. where TAC will assemble it into show for use by TAC member stations. Program was proposed and adopted at organization's recent Chicago meeting.

**Russia has about 9 million TV sets**, with 5,000 added daily, *N.Y. Times* reports. Quoting *Pravda* article by TV-radio chief Mikhail Kharlamov, *Times* states TV audience is estimated at 35-40 million, served by 130 basic TV stations & 220 relays serving 60 major cities. Originating stations carry 850 program hours daily, compared with 150 hours 5 years ago. Soviet programming can be seen in 23 countries through red bloc Intervision & Eurovision.

**"Television U.S.A.: 13 Seasons"** has been published by Museum of Modern Art, N.Y., annotating recent 54-program "TV retrospective" at the museum. The 40-p. book (\$1.25) describes programs selected to represent TV's 1948-61 achievements and contains essays by Richard Griffith, curator of museum's film library; Gilbert Seldes, dean of Annenberg School of Communications, U. of Pa., and Jac Venza, guest dir. for TV project.

**New rep:** WHNB-TV New Britain-Hartford to Adam Young, from George P. Hollingbery. Through agreement between Select Station Reps and Bomar Lowrance Assoc., latter takes over representation in Atlanta, St. Louis & Dallas for WXEX-TV Richmond; WHTN-TV Huntington-Charleston & WHIS-TV Bluefield, W. Va.; KTTS-TV Springfield, Mo.

**First "National Broadcast Editorial Conference,"** sponsored by U. of Ga. and Ga. Assn. of Bestrs., at Athens July 25-27, will feature keynoter Howard K. Smith, Rep. Harris (D-Ark.), FCC Comr. Cox, Washington attorney W. Theodore Pierson, NAB's Dr. Mary Ann Cusack—plus sessions with top station newsmen.

**Hartford's pay-TV experiment** adds 2 special programs: "Joan Sutherland Show," through Charles Michelson Inc.; David Ross production of "Hedda Gabler," through International Telemeter. Celebrating first anniversary, RKO General-Zenith Radio report that nearly 3,000 families now can receive 30 hours of pay-TV weekly.

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Ch. 2 Terre Haute must be opened to comparative hearing for new applicants, Court of Appeals ruled last week. It decided that FCC was reasonable in decision taking Ch. 2 from Springfield, Ill. and assigning it to St. Louis & Terre Haute. But it held that Commission erred in failing to invite new Terre Haute applications after a 1961 court ruling. WTHI-TV operates on Ch. 10 there, holds initial decision to move to Ch. 2. Appellant was Ft. Harrison Telecasting Corp., which presumably may now apply for Ch. 2—along with anyone else. FCC is expected to insist that all applicants agree to an interim operation, to activate channel quickly.

Cigarette firms which stopped college publication ads were commended by Sen. Moss (D-Utah) last week, but he repeated his stand that TV commercials must lessen their appeal to youth (Vol. 3:18 p5). He called their action "limited, but significant," urged that an end be put to ads that "associate manliness, popularity and maturity to the use of tobacco."

Capsulized history of broadcasting, from early problems of licensing to future wall screen pictures & "talk-back" circuits, is outlined by Lawrence H. Rogers II, Taft Bestg. exec. vp, in 24-page booklet, "The Business of Broadcasting." It was prepared originally as address to N.Y. Society of Security Analysts.

NBC TV's "Peacock Studio," 10,000-sq.-ft. former Studio 8H in Rockefeller Center, was officially opened last week as 7th NBC studio in N.Y. equipped for colorcasting. Among unique features is mechanically retractable seating for use when studio audience is required, which can be stored in wall to allow full use of floor space.

RKO General Bestg. hq & National Sales Div. moves to 1290 Avenue of Americas.

## Personals

Richard Berman, ex-NBC International facilities mgr., appointed Screen Gems international operations administrator . . . Charles L. Howell, KTBC-TV Austin sales mgr., adds duties as mgr.; O. P. Bobbitt, TV-radio sales vp, adds job as radio KTBC mgr.

Bill Small, CBS News Washington Bureau news dir., promoted to bureau mgr. & news dir., succeeding as mgr. Bob Allison who was named producer-director for Europe.

Alan Carter, special asst. to USIA deputy dir., appointed TV service dir., succeeding Charles N. Hill, who joins Paul Rosen Assoc., N.Y. TV production firm.

Charles H. Tower, Corinthian Bestg. admin. vp, elected exec. vp . . . Frank W. Crane, Broadcast Clearing House western mgr., elected exec. vp.

Edward S. Clammer, ex-RCA broadcast field sales engineer, named Visual Electronics govt. sales mgr., Washington . . . Chester M. Carr, ex-Lockheed Missiles & Space Co., appointed Bauer Electronics gen. mgr.

ETV WQED Pittsburgh promotions: Gregory Heimer, operations & programming dir., to asst. gen. mgr.; Jay Rayvid, production mgr., to program mgr., succeeded by Sam Silberman.

Chester R. Simmons elected vp & gen. mgr., Sports Programs, AB-PT subsidiary; Roone Arledge elected vp & exec. producer . . . Robert M. Weitman, MGM production vp, Culver City, elected to board.

National Community TV Assn. executive committee: Fred Stevenson, national chmn.; Archer Taylor, national vice chmn.; Jack Crosby, secy.; R. L. Stoner, treas.; Glenn Flinn, recent national chmn.; J. Leonard Reinsch & Franklin Valentine Jr., board members.

Curtis L. Pierce promoted to WNBQ-WMAQ Chicago technical operations supervisor, succeeding Theodor Schreyer, retiring . . . Sid Fruchter, ex-WNCN (FM) N.Y. mgr., appointed exec. asst. to Promotional Services Pres. Sidney K. Halpern.

Jay Grill, KOGO-TV San Diego gen. sales mgr., named station mgr. . . Manny Sternfeld, NBC-TV sales pricing admin., named business mgr., WRC-TV-AM Washington.

Herbert W. Hobler, Videotape Center production operations dir., elected vp . . . Charles Fritz, ex-Blair Radio vp & Detroit mgr., appointed WXYZ vp & gen. mgr.

High-definition light-valve TV projector, with scanning rate of 1,029 lines, providing 800 lines horizontal resolution on 20-mc bandwidth, has been sold by GE's Technical Products Operation to Boeing's Aero Space Div. for space vehicle flight simulation, at cost of \$86,000.

Need of ETV for college programs of academic study to train personnel outlined in 45-page report by National Assn. of Educational Bestrs. It's based on study financed by HEW grant.

British Marconi has been appointed sole global agent for CONRAC products of Giannini Controls Corp., Glendora, Cal., including line of TV monitors.

CBS-TV has ordered 44 Marconi 4½-in. image orthicon cameras, 29 of them for new N.Y. Broadcast Center, in what British Marconi described as largest single order for 4½-in. cameras ever placed in U.S.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FACTS ON MOTOROLA'S 2-SIZE COLOR LINE:** "We've done it," Motorola announced proudly last Tue. (June 25), as it demonstrated culmination of its 2-year color program—a line of 8 sets with 23-in. rectangular tubes (starting at \$650) and 3 with 21-in. round tubes (\$449.95-\$529.95).

By any yardstick, it was major accomplishment against heavy odds. New sets were shown at simultaneous news conferences in N.Y. & Chicago, at same moment as RCA was announcing \$11.6-million tube expansion program, including new color engineering lab, to press in Lancaster, Pa. RCA's reaction to Motorola's announcement was predictable: "The 21-in. 70-degree round RCA color tube [is] the only one that currently meets our rigid standards. . ."

Here are the facts, as we saw them & heard them, at N.Y. showing:

Motorola did what many thought it wouldn't do—showed rectangular & round-tube color sets side-by-side. In color, picture quality on both sets appeared virtually identical. Color picture on 23-in. tube was good right out to critical corner areas. Black-&-white picture on both sets was completely acceptable. With picture turned off, new Motorola 23-in. sets look identical to 23-in. black-&-white receivers; in fact, it was something of a shock to see color pictures on them.

The 23-in. line features handsome cabinets throughout, with regular step-ups to \$900 (Drexel cabinets at \$825, \$850, \$875 & \$900), topped by Drexel combination at \$1,650. Low-end 21-in. set is vinyl-covered hard-board consolette, with first 21-in. console at \$499.95. Motorola Consumer Products Pres. Edward R. Taylor said factory price of leader 21-in. is identical to that of Admiral's \$399.95-list color set.

New 23-in. 92-degree rectangular picture tube resembles b&w tube (it uses same bulb), measures nearly 5½-in. shorter from front to back, nearly 4½-in. shorter from top to bottom than 21-in. round 70-degree.

Production of tube by National Video is still "limited," according to Taylor, but large-scale shipments will be under way between Labor Day and mid-Sept.

Motorola is aiming at total sales of "50,000 to 100,000" color sets this year. As to 21-in., Taylor said company hoped to make "between 24,000 & 40,000 of them—as many as we can get tubes for." RCA's color tubes are on allocation, and Taylor expressed hope that Motorola might be able to buy some from Sylvania and/or Rauland later this year. He said company plans to make more 23-in. sets than 21s, and will sell them "in the tens of thousands this year."

Motorola's total expenditure on development of color tube & set is "more than \$4 million," but Taylor expects this to be recovered in about year from now. Motorola supplied tools & new plant for National Video, which makes the tubes, purchased equipment for Dearborn Glass Co., which sags the b&w bulbs and re-forms them to color's more exacting tolerances, and tools for Northern Metals, which makes shadow mask. Taylor conceded that reject rate on tubes was about 50% during early pilot runs in May, but said improvement had been steady since.

The 21- & 23-in. sets have different circuitry, both of Motorola design. Unique feature in both is color indicator light (keyed by color-killer circuit in set) which indicates when color is being broadcast. Yoke for 23-in. set is made by Advance Ross Electronics, first production color yoke to be made by any company but RCA. The 21-in. sets have no power transformer, new demodulation circuit.

The 23-in. tube is considered only interim step by Motorola. All production tools & fixtures can accommodate new 25-in. bulb now being developed by Corning (and scheduled to be ready in about year). Taylor said existing 23-in. circuit can accommodate 25-in. as direct replacement, either by changing mask or using same mask (resulting in picture slightly smaller than viewing area of 25-in. tube).

Motorola will earmark \$1 million additional for advertising color from Labor Day to year's end. "Our advertising will be restrained," said Taylor. "We will assume the posture of a leader."

Impact of new shape, size & deflection of Motorola tube on industry will be significant—how significant nobody knows yet. National Video will sell the tube to other manufacturers—but, said Taylor, "only after we get all we want, and our 23-in. sets will be on allocation as far ahead as I can see."

Motorola's competitors are waiting to see how public receives 23-in. set at \$650 up. They're watching to see whether quality control can be maintained in mass production. (Both Corning & RCA have opposed use of "soft" black-&-white-type glass for color tubes.) After he had reiterated that "we have found no tube that comes up to the quality of our 21-in. round," we asked RCA Electronic Components & Devices Vp Douglas Y. Smith how long it would take RCA to convert if 23-in. proved to be what the public wanted.

"It would take us about a year," he replied. "We wouldn't be starting from scratch, of course, because we know basically what the rectangular tube is all about." He said that conversion would cut into production of 21-in. round tube and put RCA's tube customers in a bind. "You can't shut down a line and re-tool for new production without seriously affecting output. And with our tubes currently on allocation, shortages would develop."

RCA's plans now are unknown—as to new color tube developments. Industry recently has been swept with rumors—flatly denied by both RCA & Corning—that 25-in. rectangular bulb will be ready considerably before implied target date of Summer 1964. Whether RCA will now skip its proposed 90-degree round tube & concentrate on moving directly to 25-in. rectangular is still deep mystery.

Group Exec. Vp W. Walter Watts, in brief luncheon address at Lancaster, summed up RCA's official view of rectangular vs. round color tubes this way: "There's many a girl with an ugly face who gets by on the strength & appeal of her other specifications."

(For RCA's expansion plans, see p. 9; for Motorola b&w line, see p. 10; for Taylor's views on state of industry, see p. 10.)

**ALL-CHANNEL INBOARD IN MOST SEARS SETS:** Jumping the gun on all-channel law, Sears' Silvertone last week became first major TV brand to eliminate vhf-only sets from large part of its line. New Fall-Winter 1963 catalog (Philadelphia warehouse edition) displays 36 basic color and black-&-white TVs, 26 of which are available in all-channel versions only.

Only 10 lower-end sets are advertised in vhf-only or with uhf options (\$20 extra). In 19-in. merchandise, all-channel is standard equipment beginning at \$164.95—five 19-in. sets have all-channel priced inboard; leader sets have option. In 23-in. category, all sets beginning at \$229.95 (8 sets) are all-channel, while 6 lower-priced sets are available in v-only or all-channel. Leader color table model is vhf-only, at \$429.95; all-channel sets begin with consolette at \$459.95, and 9 of the 10 color sets in line are all-channel.

Sears' 19-in. prices begin at \$109.95 for vhf portable, with first step-up at \$134.95, and remote-control 2-speaker all-channel set at \$209.95. Consoles begin at \$169.95 (vhf), 4 combos (all-channel) at \$359.95 & \$449.95. Color sets in veneer cabinets are \$499.95 & \$559.95 (all-channel)—first time color sets have been listed in Sears' catalog.

No 16-in. or tinyvision sets are listed in catalog, although Sears is reported to have placed initial order for 10,000 plug-in 10-in. sets from Toshiba. Sears officials have declined comment about this report and about inboard pricing of all-channel sets, but it's believed its movement toward 82-channel-sets-exclusively is nationwide.

Although Sears devotes 2 catalog pages to color sets, it states that it cannot accept direct mail orders for them. They must be ordered at catalog sales office or retail store catalog sales dept. Color prices include installation (hook-up to present antenna), 90-day home-service parts-&-labor warranty.

Sears' radio line starts at \$6.99 for 6-transistor radio, \$8.50 for 4-tube table set, has plug-in 5-transistor clock radio for \$27.95, single-cabinet FM-stereo-AM table radio at \$75, 2-cabinet unit at \$124.95. Sears' catalog prices should not be confused with prices charged in its retail stores—which vary regionally, and often are lower than catalog prices in special promotions.

**WHERE ARE THE OLD-SIZE PICTURE TUBES?** Round-corner picture tube sets don't die. They just fade away—and keep coming back.

Consumer can still buy new sets with 17-, 21-, 24- & 27-in. picture tubes, but they're becoming scarcer. Take last year's big revival of 27-in., in the new 110-degree deflection angle. Last year it was available in new lines of 8 different major TV brands. This year it shows up in exactly 4. At least 2 of these are holdover models.

One year ago, this was line-up of major-brand 27-in. sets: Admiral had 7 basic models, Du Mont 3, Emerson 1, Magnavox 13, Motorola 4, Packard Bell 1. Montgomery Ward's Airline brand also offered 27-in. sets. In new lines announced so far, Du Mont has 2 holdover combinations in 27-in., Emerson has holdover console, Magnavox has 11 consoles & combos, and 27s still appear in Montgomery Ward stores.

In major lines, 24-in. sets appear only under Magnavox brand—with actual increase in number of basic models (23 vs. 19 last year). Last year GE had promotional 21-in. "portable"; only 21-in. b&w sets this year are Magnavox (4 models). Last year, Du Mont, Emerson & RCA officially listed 17-in. sets; today, none are in official lines, although Admiral is offering promotional 17 in some markets.

Although it seems old round-cornered rectangulars are disappearing, don't count them out. They'll probably continue to keep cropping up. Excellent values often can be offered in these sizes. And after all, 17 is bigger than 16, and 21 is bigger than 19, and 24 is bigger than 23. Those manufacturers who use them sometimes do so with excellent selling results, because these sizes have become almost exclusive with them. Nevertheless, industry today is more square-cornered than it's been at any time in past.

**TV-RADIO PRODUCTION:** EIA statistics for week ending June 21 (25th week of 1963)

	June 15-21	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	142,777	146,771	132,763	3,304,425	3,160,189
Total radio .....	339,268	338,147	365,264	8,248,651	8,899,647
Auto Radio.....	151,762	135,681	135,593	3,650,236	3,137,035

RCA is investing \$11.6 million to add 46,000-sq.-ft. color engineering lab (\$2.6 million), 154,000-sq. ft. manufacturing plant (\$9 million) for stepped up production of camera tubes & other image conversion tubes at Lancaster, Pa. (see p. 7). Expansion means no increase in color tube production at Lancaster, reported Vp Douglas Y. Smith. RCA currently uses 400,000 sq. ft. of Lancaster plant for color tube production. Smith told us that conversion of b&w tube production facilities to color is continuing at Marion, Ind. plant. "Approximately 40% of the Marion plant is now in color tube production," he said, "and it is currently producing color tubes at a rate comparable to Lancaster." Conversion has been intensified at Marion during past 6 months, he added, and "more is coming."

Quality Stabilization Bill (HR-3669) was approved July 26 by House Interstate Commerce Committee and is expected to move to the floor within next 2 weeks. Comparable Senate bill (S-774) still is being processed by Commerce Subcommittee. Executive of major industry group opposing quality stabilization legislation told us: "We expect the bill to pass in the House. We don't think it will pass the Senate."

Superior Cable Corp., Hickory, N.C., forms new Systems Equipment Div., under Jules A. Mack, for "design, development & manufacture of products & equipment for communications & signal systems" in phone, TV & other electronics fields.

Magnavox has franchised all 26 stores in N.Y.'s Friendly Frost chain. Five stores will be identified as "Magnavox Home Entertainment Centers" and handle Magnavox products exclusively. Explaining new arrangement, Pres. Frank Freimann said Magnavox is not "changing its philosophy of doing business," that Friendly Frost's acquisition of Magnavox franchise is part of chain's "program to upgrade the image of its stores to one of high quality & stability" and Friendly Frost's new merchandising program "is completely compatible with the Magnavox objectives." Friendly Frost Pres. Gerald O. Kaye said most stores will continue to handle competitive makes, but "we are throwing out lines on which we can't make a fair profit."

Retail phono record sales set all-time high of \$570,250,000 in 1962, increase of 11% over previous peak of \$513 million in 1961, RIAA reported at week's end. LP albums accounted for about 75% of total sales volume, compared with 81% in 1961. Stereo recordings comprised about 40% of LP sales; classical record sales totaled \$25 million, 25% increase over 1961 volume.

GE infringed Servo Corp. of America's basic patent on a railroad hot-box detector, U. S. District Court Judge Ted Dalton has ruled at Roanoke, Va. He found no basis for willful infringement on infrared detection device, declared Servo entitled to no punitive damages, only to actual damages stemming from infringement.

**TAYLOR HITS TV PRICING:** Motorola's Ed Taylor, in fine fettle, put on virtuoso performance in N.Y. last week at news conference announcing new color line (see p. 7), fielding questions for more than an hour with newsmen at lunch. (Taylor didn't get chance to eat.) Among wide range of subjects covered:

**Pricing:** "We have never seen such a chaotic pricing situation as characterizes our industry today. It has no rhyme nor reason, no relation to costs." Best answer, he said, lies in Quality Stabilization bill, which Motorola supports. About 20 of Motorola's 92 distributors have inaugurated fair-trade pricing. As to whether Motorola will attempt to meet new price cuts in 19-in. portables, he said: "We can't afford to drop the price. We don't do very well at \$139.88—and we won't cut margins." Admiral's color set at \$399.95 "makes no sense at all."

**16-in. & tinyvision:** Motorola has no plans to introduce 16-in. set (although it has designed one). Taylor said the market is too small, and predicted maximum sales of 500,000. As to GE's 11-in. set at \$99.95: "This can be explosive. We're concerned about it." Referring to industry reports that GE plans to release more than 200,000 sets in this size, he added: "I think it will hurt the black-&-white market. This can create a tremendous market for small-screen sets, and make an opening for the Japanese manufacturers to come in and kick it around."

**Predictions:** He forecast sales of about 8 million TVs yearly within next 5 years—2 million color plus 6 million b&w.

**All-channel:** New law will slow TV sales down for a while, he said. Motorola is opposed to turret-tuner-&-channel-strip approach to uhf for remote-control tuning, feels that new uhf tuner must be devised to make remote control applicable. (There are no remote sets in Motorola's new TV line.)

**Hand wiring vs. printed circuits:** Although Motorola uses "hand wiring" as selling point, "we're ambivalent on this subject," he said. "We're going to stay out of the dispute—but ultimately all TV circuits will be printed or integrated circuits."

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EIA board, in addition to other actions reported in our Vol. 3:25 p7 summary of 39th annual convention, approved preliminary plans for construction of EIA-owned hq in Washington, authorized "vigorous opposition" to proposals for 35-hour work week during House hearings, voted to support appropriate legislative efforts to strengthen Anti-Dumping Act, okayed stepped-up campaign to increase EIA membership. Military Products Div. was renamed Govt. Products Div., and preliminary steps were taken to establish Citizens Band Radio Section of Industrial Electronics Div.

Private labeling was roundly blasted by Brand Names Foundation Pres. Albert H. Messer at N.Y. session last week. "Private labels, by their very nature, invite competition purely on the basis of price rather than on the value of the product to the consumer," he said. "Should this price war succeed in the competitive system on which our economy is based, incentive, product development, and quality would give way to meet price competition."

**WESTINGHOUSE, MOTOROLA, DU MONT:** Last 3 major-manufacturer 1964 lines were officially announced last week.

Westinghouse unveiled longer TV line, with popular Instant-On feature on "virtually all models," greater emphasis on styling, and enlarged collection of furniture bases for 19-in. sets. Lowest-priced Instant-On set is "less than \$160." Many prices are lower than last year.

Ten 19-in. models, including Instant-On, Mobil-Sound, Vue Timer & wireless remote sets, are designed to sell in under-\$140-\$280 bracket. The two 23-in. table models run \$10-\$20 lower than last year at \$190-\$250. Seven basic consoles are \$200-\$235. There are 2 combos at \$360-\$595, compared with last year's range of \$400-750.

Westinghouse's color line is enlarged from 5 to 10 sets (excluding carry-overs) and priced at \$525-\$825—all consoles—compared with last year's table model at \$595 & consoles \$695-\$850.

In stereo, Westinghouse has adopted transistor chassis for 3 models, all priced under \$426. Lowest-priced console includes stereo FM-AM at less than \$200. Innovations in TV designer bases include colonial furniture in such decorator finishes as avocado, Valencia red, Cadiz blue, verdi green.

Motorola's new black-&-white line (for color see p. 7) places renewed emphasis on consoles, which national TV sales mgr. C. P. Lloyd says will represent at least \$500 million in industry-wide distributor billing this year. He said Motorola expects to increase its b&w console sales this fall for 3rd straight year.

Prices in line are relatively unchanged, with 19-in. portables held over at \$139.88 & \$149.95. There are four 19-in. "compacts" (\$159.95-\$189.95); 23-in. table models again start at \$169.95. New "Custom Deluxe" console series starts at \$229.95, includes "Picture Optimizer" (peaking) control. Top of b&w console line is \$329.95, compared with \$475 last year for top Drexel-cabinet set. Only Drexel set announced in new b&w line is top-of-line combo at \$875.

Combo line is expanded to 11 models this year from last year's 8, beginning at \$329.95 without radio, \$429.95 with stereo FM-AM.

**New Du Mont color line**—expanded to 9 models from last year's 3—carries 2-year warranty on picture tube, begins at \$599 and is topped by \$795 console—same price as low-end set in last year's color line.

Black-&-white line starts with \$159.95 portable (wireless remote version \$199.95), sleep switch model at \$169.95. Two portables, at \$179.95 & \$189.95 are offered only in all-channel versions, with one-window tuning; i.e., vhf channel window shows uhf dial when switched to "U" position. Two consolettes are \$219.95-\$249.95. Other consoles are \$249.95-\$379.95, total of 11 in all, with top end \$20 lower than last year. Four 23-in. combos are \$595 (vs. 5 at \$595-\$795 last year). Two holdover top-of-line 27-in. combos are now \$795, reduction of \$100 from their price last year.

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**Photo of Sony transistor TV** is featured in ad—ad for competing Sharp TV. Trade ad by Hayakawa for its Sharp Micro TV, shows picture of Sony 5½-in. TV (labeled "\$189.99") and Sony's battery (labeled "\$39.95, requires special charging unit") alongside Sharp 6-in. ("\$179.95") and Sharp battery ("\$19.95, uses recharger built into TV"). Ad's message refers to "theirs" and "ours," and says: "Add 'em up."

**Plant Shutdowns for Vacation:** That time of year is here when most electronics plants close for 2 weeks or more for employe vacations, to fulfill union contracts and/or to gauge inventories. From EIA & other sources, here's our vacation calendar:

**Set mfrs.:** Admiral (except color production), July 1-15. Bendix Radio Div., July 22-Aug. 4. GE, July 29-Aug. 11. Magnavox, July 1-14. Motorola, July 1-14 (Chicago plants), June 24-July 14 (Franklin Park, Ill.). Packard Bell, July 1-14. Philco, July 15-28. Pilot Radio, July 1-22. RCA, July 15-28. Trav-Ler, July 1-14. Warwick, July 15-28. Waters Conley, July 15-28. Wells-Gardner, July 1-15. Westinghouse, June 24-July 7.

**Tubes & semiconductors:** Bendix (Red Bank Div.), July 1-7. Clevite (Transistor Div.), July 1-14. General Atronics (Electronic Tube Div.), July 1-14. General Instrument, July 1-14. Kearfott Semiconductor, July 1-14. National Semiconductor (except marketing), July 15-28. National Transistor, July 1-14. Philco (Lansdale Div.), July 15-28. Raytheon (all Mass. locations except Newton & Quincy), July 1-15. Raytheon Semiconductor Div., July 1-22. Sylvania (Ottawa, O. plant), July 15-28, Dec. 23-29. Transitron, July 1-14. Tung-Sol, July 15-28. **Not closing:** Fairchild Semiconductor, Machlett Labs, Texas Instruments, Western Semiconductors.

**Components & others:** Advance Ross Electronics, June 24-July 7. Aerovox, July 1-7 (New Bedford Div.), July 1-14, (Hi-Q Div.). American Bosch Arma, July 15-28. Ampex (Magnetic Tape Div.), July 1-7. Blonder-Tongue Labs, July 1-14. Erie Resistor, July 1-14. Hawley Products, July 1-14. ITT Federal Labs, July 1-21 (Ft. Wayne), July 29-Aug. 18 (all other locations). Jerrold (Mfg. Div.), July 29-Aug. 11. Litton (Westrex), Aug. 5-18. Minnesota Mining (tape-making operation), June 24-July 7. Oxford Electric, July 1-14. Reeves Soundcraft, July 22-Aug. 4. Speer Carbon (Jeffers Div.), July 1-7. Stackpole Carbon, July 1-7. Thomson Ramo Wooldridge, July 1-14 (Good-All Capacitors), July 15-28 (Radio Condenser). Western Electric (mfg. only), July 15-28. **Not closing:** Amphenol-Borg Electronics, Capitol Records, Clarostat, Collins Radio, CBS Labs, General Dynamics/Electronics, Globe-Union (Centralab Div.), International Rectifier, ITT (North America hq), ITT Kellogg Telecommunications, Littelfuse, P. R. Mallory (Radio Materials Co.), Speer Carbon (Speer Resistor Div.), Sprague Electric, Stanford Research Institute.

**TV set prices declined 3.4%**, radio prices 3.2%, in May 1963 compared with year earlier, Bureau of Labor Statistics reported last week in releasing May Consumer Price Index. Robert J. Myers, Deputy Comr. of Labor Statistics, specifically cited Admiral's \$399.95 color set, Emerson's 16-in. at \$99.95 and GE's 11-in. as "3 major jolts" in TV industry contributing to over-all softening of consumer goods prices.

**Fairchild-Du Mont** has franchised Industrial Video Corp. exclusive distributor & service agency for closed-circuit TV equipment & systems in N.Y. City area. Industrial Video, headquartered at 64-26 68th Ave., Queens, is headed by Pres. Frank L. Wilson. Michael Bonifazio is engineering dir. New distributor will represent Du Mont closed-circuit TV line in the 5 N.Y. burroughs, Westchester County & Long Island.

**PILOT EYES COLOR TV:** One of first names in TV, Pilot Radio Corp.—now a leader in packaged-component and component hi fi—may return to TV production as early as next winter, depending on wishes of its dealers.

Now established in new \$2-million plant in Yonkers, N.Y., and with new management team firmly ensconced, Pilot is casting glances in direction of color TV home entertainment centers. "Our product planning & design are geared to give the dealer the kind of products he wants," Vp-Gen. Mgr. Roland J. Kalb told us last week. "If he wants color TV phonograph combinations, we are prepared to make them."

If Pilot does return to TV, said Kalb, it will be in color only—and its output would be limited to TV-radio-phono combinations. In such a case, "we would build our own chassis—we owe it to our dealers & customers to provide complete home entertainment centers built to our own quality standards." Pilot had several TV combinations in its line a few years ago, but TV chassis were purchased from others.

Kalb reported Pilot's sales volume has increased 65% in last 9 months compared with same period last year. New 165,000-sq.-ft. Yonkers facility will triple Pilot's manufacturing capacity.

Kalb said Pilot's status as autonomous subsidiary of Jerrold Corp. would not be affected by resignation of Jerrold Pres. Sidney Harman and assumption of duties of chief executive by Chairman Milton J. Shapp (see p. 4). Jerrold also announced it will continue operation of its other hi-fi subsidiary Harman-Kardon.

### Trade Personals

**J. Erik Jonsson**, chairman of Texas Instruments Inc., elected to board of Council for Financial Aid to Education, non-profit agency to stimulate private support of higher education.

**Earl Dallan Johnson** resigns as General Dynamics vice chmn. & a dir., will continue as consultant.

**Bryce S. (Buz) Durant**, RCA Sales Corp. product planning & development vp, won first place in June 22 Gold Rush Golf Tournament at Hillcrest Country Club in Indianapolis, scoring 86; team headed by Durant also placed first.

**Marcus A. Acheson**, leader in electronic tube development for nearly 40 years and developer of 1.4-volt filament line which made portable radio practical, retires July 1 after 29 years with Sylvania.

**Stanley Luke** elected an ITT vp, named business development dir. for ITT North American Area . . . **S. Leslie Schwartz** named a Howard W. Sams vp.

**Nelson G. Spoth**, gen. mgr. of Thomson Ramo Wooldridge's Kolcast Industries Div., elected a vp.

**Barnett H. Green**, pres. of Harvey Radio's subsidiary Federal Electronics, elected a dir. of parent firm.

**Gertrude Nelson** appointed Institute of High Fidelity exec. secy. . . **Gregory Barkoukis**, Crest Electronics, Akron, elected pres. of newly formed National Electronic Assns., organization of state service groups.

## 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
Gulton Industries	1963—qtr. to May 31	\$ 6,108,000	\$ 46,000	\$ 21,000	\$0.02	1,139,492
	1962—qtr. to May 31	6,955,000	748,000	364,000	.32	1,130,670
Industrial Electronic Hardware	1963—year to Mar. 31	6,244,883	204,150	146,423	.20	716,307
	1962—year to Mar. 31	4,802,361	336,081	147,456	.22	670,799
Outlet Company (WJAR-TV Providence)	1963—qtr. to Apr. 27	3,619,932	—	124,530	.25	497,100
	1962—qtr. to Apr. 27	3,565,191	—	239,074	.48	497,100
Realtone Electronics	1963—year to Mar. 31	6,827,377 <sup>1</sup>	—	236,582	.28	324,000
	1962—year to Mar. 31	5,489,470	—	255,772	.30	324,000

Notes: <sup>1</sup> Record

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Lynch Corp.				
(Symphonic) .....	Stk.	3%	Sept. 20	Aug. 30
MPO Videotronics-A ....	Q	\$0.10	July 15	July 1
MPO Videotronics-B ....	—	.001	July 15	July 1
Metromedia .....	Q	.10	Aug. 1	July 12
Sangamo Electric .....	Q (omitted)	—	—	—

**Reports & comments:** **Magnavox & International Resistance**, comments, Orvis Brothers, 15 Broad St., N.Y. 5 • **Schlumberger** (Daystrom), report, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • **AT&T**, report, Janney, Battles & E. W. Clark, 1401 Walnut St., Phila. 2, Pa. • **Zenith & Magnavox**, reports, Amott, Baker & Co., 150 Broadway, N.Y. 38 • **Magnavox**, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 • **RCA**, pamphlet report, Hardy & Co., 30 Broad St., N.Y. 4.

**General Tire & Rubber's** "investment in the entertainment business has worked out profitably," noted June 26 *Financial World*, adding: "The RKO General subsidiary set records in both billings & pre-tax earnings in fiscal 1962. Earnings of this Division likely will be penalized by the costs of a subscription TV experiment in Hartford [but] this test of a potentially important new entertainment concept could have long-range significance." *World* also explored GT&R CATV systems.

**RKO General** "contributed substantially to the improved results" as parent General Tire & Rubber scored record sales & earnings in the 1963 fiscal first half ended May 31. Pres. M. G. O'Neil said: "General business outlook continues encouraging and we expect the year's results to produce greater sales and better earnings than last year."

**Taft Bestg.** closed its 1963 fiscal year March 31 (Vol. 3:23 p12) with total current assets of \$6,132,617 (including \$3,083,943 cash) vs. current liabilities of \$4,490,556. This compares with year-earlier assets of \$5,117,631 (\$1,633,551 cash) vs. \$3,379,421 liabilities.

**Lynch Corp.** board has given final approval to merger of Cox Instruments (Vol. 3:22 p11), in which Lynch now owns some 55% of outstanding stock. Effective: June 28.

**Mergers & acquisitions:** **Tung-Sol & Purolator Products** directors have approved merger plan, subject to approval of stockholders of both companies (Vol. 3:19 p11). Proposed merger calls for Purolator to issue one share of \$100 par, 4½% cumulative preferred stock (convertible at \$85 a share) for each 4 shares of Tung-Sol common. Purolator currently owns about 100,000 of Tung-Sol's outstanding 926,826 shares • **Minnesota Mining & Mfg.** will acquire **Dynacolor Corp.**, maker of photographic film, paper & chemicals, if latter's stockholders approve at special Aug. meeting. Terms: one share of 3M common for each 5 of Dynacolor's outstanding 1,390,440 shares.

**RCA has been awarded** Presidential "E-for-Export Expansion" for "outstanding contribution to govt.'s export expansion program." Award, presented to RCA Pres. Dr. Elmer W. Engstrom by Commerce Secy. Luther Hodges, noted approximate 25% increase in RCA export sales over past 3 years. RCA's TV export business was cited as example of "conspicuous success" in developing markets abroad for existing products not heretofore exported. Commerce Dept. singled out as example RCA's multi-million contracts for supplying radio & TV equipment to Nigeria.

**American TV Inc.**, which reportedly has reached merger agreement with Wilcox-Gay Corp. (Vol. 3:25 p9), plans to expand out of Chicago area, where it has own local manufacturing-retailing operation. Plans call for manufacturing facilities in Puerto Rico & San Diego. American TV, headed by U. A. Sanabria, recently introduced color TV line starting with set designed to be sold at \$399.95. Also planned by company is "transcolor" set with color chassis and 23-in. b&w tube, which can be replaced later by rectangular color tube.

**MCA-Technicolor** merger rumors were nailed by MCA Pres. Lew Wasserman. "There are no discussions of any kind going on with Technicolor," he said. Technicolor also denied any takeover conversations are in progress.

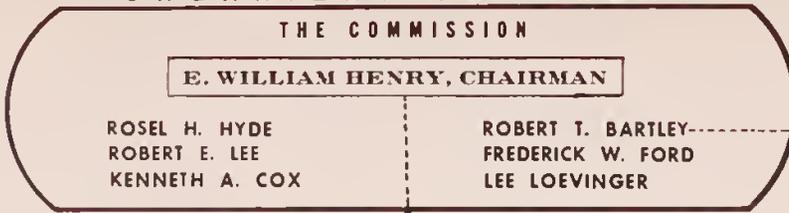
**Distributor Notes:** **William J. Woody**, ex-Webcor, joins Admiral as regional sales mgr. covering distributors in Norfolk, Va., Columbia, S.C., and Charlotte & Raleigh, N.C., with hq in Charlotte • **Webcor** appoints **The Sampson Co.** (Robert L. Sampson, pres.), 2244 S. Western Ave., Chicago 8, distributor for phonographs & tape recorders in Chicago, northeastern Illinois & Lake County, Ind.

# FEDERAL COMMUNICATIONS COMMISSION ORGANIZATION CHART

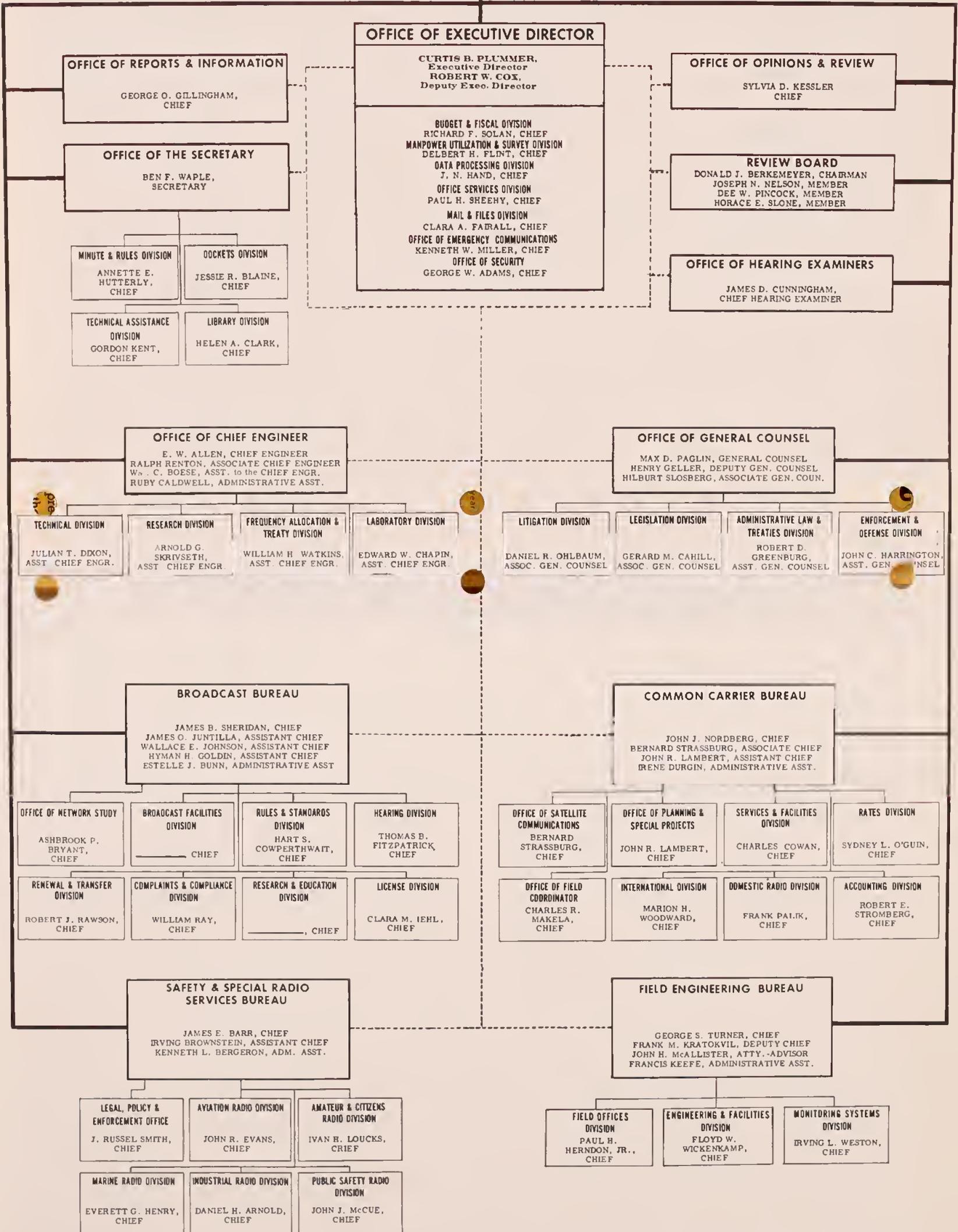
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IN ADDITION TO HIS REGULAR DUTIES AS A COMMISSIONER, COMMISSIONER BARTLEY, AS DEFENSE COMMISSIONER, PROVIDES POLICY GUIDANCE OF THE COMMISSION'S EMERGENCY PREPAREDNESS ACTIVITIES UNDER E. O. 11092 AND ITS DEFENSE COORDINATION AND MOBILIZATION ACTIVITIES.



JUNE 1963

MANAGEMENT ANALYSIS BRANCH  
F.C.C. - WASHINGTON, D. C.

— SOLID LINES INDICATE "ADMINISTRATIVE CONTROL"  
- - - - - BROKEN LINES INDICATE "SUPERVISION AND COORDINATION"

These

Gulton I

Industri  
Hardw

Outlet C  
(WJA)

Realtone

Notes:

Corp  
Lynch  
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## Consumer Electronics . . . (starts page 7)

JULY 8, 1963

NEW SERIES, VOL. 3, No. 27

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

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### SUMMARY-INDEX OF WEEK'S NEWS

#### Broadcast

**DELAY IN DROP-IN DECISION** until Sept. caused by extension of filing time, FCC study. Loevinger still swing man. Cox flails colleagues. Uhf CP-holders asked to explain why they're dark (p. 1).

**CLEAR-CHANNEL DECISION STANDS**—unless Congress votes otherwise—FCC tells Harris. Decision is still good, it says, will bring more service to more people. Next move up to Harris (p. 2).

**COMMERCIALS NO. 1 TOPIC IN FCC MAIL BAG:** Complaints div. getting heaviest mail pull on rule-making placing ceiling on commercials. Stations & Congressmen against it, public for it (p. 2).

**RATING AUDIT BY FALL; OTHER MOVES:** Rating Council expects audit & accreditation to be operational by then; Harris report on hearings due by end of Aug.; AAAA proposes 3 observers for Council (p. 3).

**SARNOFF OVERSEAS-CARRIER** proposal faces uphill fight. Congressional hearings not likely this year, White House study possible (p. 4).

**ABC'S PLEA FOR OPTION TIME** says competitive position vis-a-vis CBS & NBC will worsen, asks longer adjustment period (p. 4).

#### Consumer Electronics

**RCA STANDS PAT** on color tube, notifies set makers it has no 'near future' plans for new tube; move sheds little light on future of

shelved 90-degree round tube; F. W. Sickles resumes output of 70-degree color yokes (p. 7).

**'WARRANTY WAR'** may tarnish brand image, create consumer disbelief, damage retailer, despite some obvious virtues of guarantee as advertising tool, says ad & marketing specialist (p. 7).

**SHALLOW SEES DISTRIBUTION UPHEAVAL:** 'Day of independent distributor is over,' former Magnavox executive tells us. Forecasts 'radical change in distribution' over next 5 years; John M. Otter, ex-Philco distributor, establishes 'total marketing service' for all industries (p. 8).

**TUNNEL DIODE APPEARS** in first consumer product—Sony's uhf adaptor for transistor TV; Sony chief says transistor TV price will drop 'ultimately,' sees company making other sizes (p. 10).

**MATHES COLOR AT \$399.95** leads off 29-set color line; 23-in. b&w sets offered in same cabinets with privilege of exchanging chassis for color later; another phono manufacturer talks of entering color TV (p. 10).

**HOME TV TAPE RECORDER** at \$160, to be marketed late this year, promised by British manufacturer, puzzling U.S. industry; tape speed of 120 ips seen as indication that device is speeded-up audio recorder, although 300 lines resolution is claimed (p. 11).

**APRIL PHONO SALES** by distributors 22% ahead of last year in April, 32% ahead for first 4 months (p. 11).

**NEW FCC ORGANIZATION CHART:** With FCC making so many changes in recent months, particularly in personnel, we thought you might like to have an up-to-the-minute chart showing who's who and flow of authority. Chart is official, prepared by Commission's Office of Exec. Dir. It's included herewith as Special Supplement to all subscribers—handy for wall or desk pull-out use.

**DELAY IN DROP-IN DECISION:** Vhf drop-in reconsideration is a pressing matter, FCC Chmn. Henry tells us, but it's now apparent that time is too short for Commission to act on it before Aug. recess. So, Sept. is earliest date. Meanwhile, more time for comments is likely to be given by Commission.

New Comr. Loevinger is still key man, holding crucial vote—since he replaced Chmn. Minow who voted with 4-man majority against drop-ins. It would be extremely surprising if any commissioner changed his previous vote.

Comr. Cox came out with blistering 24-page dissent against colleagues' decision. He said he yields to none in hopes & efforts to make uhf viable, but he insisted that drop-ins wouldn't hurt uhf, but would help ABC-TV in its urgent need for competitive affiliates.

Cox said FCC seemed to believe Congress's vote of all-channel law was also a vote against drop-ins—but he considers that view "completely erroneous." Said he: "I do not understand how a program represented to Congress as a long-range solution to the allocations problem which it is hoped will produce the

essential pre-conditions for uhf success some years from now can be urged as having reversed overnight all the experience of uhf operators faced with competition from 2 vhf stations. It may be argued that nothing should be done which would seem to reflect adversely on the viability of uhf now that the Commission is once again pushing for expansion of uhf operations. This concern is understandable—if a little late. . . .

"The chances of really extensive implementation of the hundreds of idle commercial uhf allocations would seem best at a point some 7 or 8 years hence when the all-channel legislation will have resulted in a substantial percentage of homes being able to receive uhf signals. I cannot see how those chances could be impaired by authorizing 7 interim vhf stations at short spacing, with the requirement that they run a concurrent uhf operation and then shift over to uhf-only at the end of 7 years." Cox used some pretty brusque language on his colleagues; you can get copy of full text from him.

ABC presented many of same arguments Cox used, in its petition for reconsideration—which includes a comprehensive history of allocations. ABC again promised it would give greater compensation to drop-in stations which would operate simultaneously on uhf.

. . . .

FCC meanwhile gave another of its periodic prods to non-operating uhf grantees. It asked 42 commercial & 9 non-commercial grantees to indicate "the present status of your organization, your physical plant, and your plans with respect to future operation of the station." Usually, after such a nudge, several CP-holders decide to return their grants. It will be interesting to see if passage of all-channel bill and ups-&-downs of vhf drop-ins makes a difference.

**CLEAR-CHANNEL DECISION STANDS—UNLESS:** FCC plans to stick to its clear-channel AM decision—to grant new Class II stations on 13 clear channels—despite Rep. Harris's (D-Ark.) strong hints that it should wait. Only another major Congressional mandate, such as passage of a House resolution again, would persuade Commission to hold off (Vol. 3:26 p4).

FCC last week answered Harris's letter. It's understood that Commission told him it still believes its decision is good, that move will give much-needed service to areas now poorly covered—while cutting out relatively little current coverage.

Harris had asked FCC what it was doing about higher power for clears. Commission noted that WLW Cincinnati has asked for 750 kw and that petitions for rule-making to permit higher power are pending; FCC said it expects to act on them shortly. Harris also wanted to know whether higher power will be possible if channels are duplicated—and Commission told him hikes would be possible on a number of clear channels.

Question now is whether Harris will again seek legislative action to forestall new grants on clears.

**COMMERCIALS NO. 1 TOPIC IN FCC MAILS:** "Overcommercialization" has taken over top spot in mail attraction at FCC's complaints & compliance div. Commission's proposed rule-making to limit commercials (Vol. 3:20 p6) has displaced cases of Pacifica Foundation & Dr. Carl McIntyre's shortwave station, heaviest mail-pullers in recent months:

(1) Stations are vehement about ceiling, attack proposal as unwarranted move into private enterprise, charge that it's first foothold in program control. Small-market stations are particularly upset, asserting that retailers in their markets can't afford to pay much for spots—so that ceiling would create severe hardship.

(2) Letters from Congressmen, speaking for station constituents, denounce proposal as unjustified govt. intervention.

(3) Most of mail from public favors proposal, stating that industry self-regulation hasn't worked. Some letters, apparently stimulated by station editorials, are critical of FCC. Commission has even heard from class of 11th graders.

**RATING AUDIT BY FALL; OTHER MOVES:** Audit & accreditation of rating services are expected to be operational by Fall. NAB's Rating Council has decided that use of outside group, such as independent accounting firm, is best way to handle audit—to eliminate possibility of conflict of interest if broadcasters conducted it.

Harris Subcommittee expects to finish report on ratings hearings by end of Aug. It will be fairly brief, 30-40 pages, will contain recommendations, sampling of transcript highlights, background information leading up to investigation & hearings. Report will be critical of NAB & industry for not moving earlier for clean-up; Subcommittee staffer said he hopes NAB plan will be solid by time report is published.

Rating Council questionnaires on raters' methods will serve as basis for accreditation, are being drawn up by: Dr. Lee Arons, TvB (covering ARB), Hugh Beville, NBC (national Nielsen & Sindlinger); Miles David, RAB (Pulse); Mary McKenna, Metromedia (local Nielsen); Melvin Goldberg, NAB (Hooper).

AAAA Pres. John Crichton answered NAB's latest invitation for full participation in Council. In letter to Group W's Don McGannon, chmn. of NAB Research Committee, Crichton held to position of "observer" status. Only this time there would be 3 observers, drawn from different AAAA committees: Special Broadcast Policy, concerned with national ratings & network buying; Broadcast Media, local ratings & spot buying; Research, broadcast rating methods. Last-named observer would also have liaison with Advertising Research Foundation.

Crichton said "our basic concern is with the improvement of rating services as an aid to our business in reaching buying decisions . . . We are as concerned with an improvement in the accuracy and validity . . . as we are with an audit of their existing performances." He said if the Rating Council doesn't bring about long-range up-grading "it will not have fulfilled any of the obligations it has undertaken," as AAAA sees it. Crichton also urged Rating Council to work with Advertising Research Foundation on methods improvement.

Action by FTC & FCC to do away with deceptive use of ratings in promotion is receiving applause from some rating companies, whose problem over the years has been station disregard for contract conditions specifying limitations on use of numbers in promotion & selling. One major firm told us that interim objectives of FTC-FCC should be written into NAB's plan.

Beleaguered Pulse has cases in Tucson, Boise & Orlando where stations have "illegally" used reports they didn't subscribe to. Tucson has turned up other problems for Pulse. Stations there are puzzling over differences between March & last October surveys, one station going from 48 to 13 in audience share. Lawyer representing nearly all Tucson stations asked Pulse last week for diagram of area surveyed, number of interviews & data for March survey, names of supervisors & interviewers.

Political parties' TV-radio expenditures for Presidential & Vice Presidential election campaigns would be paid by Treasury Dept. in measure (HR-7282) put forth by Rep. Monagan (D-Conn.). It would reimburse up to \$1 million to parties whose top candidates received 10% or more of total popular vote, or up to \$100,000 to parties whose candidates polled less than 10%, more than 1%. In other political broadcasting actions, Georgia Assn. of Bestrs., holding National Editorial Conference July 25-27, has asked to testify at House editorializing hearings which start July 15 (Vol. 3:25 p1). FCC Chmn. Henry is scheduled July 16.

Station rate-cutting, especially prevalent in radio, didn't escape ratings investigators Robert Richardson & Rex Sparger when they were touring country for Harris Subcommittee. Without benefit of hearings, here's solution advanced by Richardson: Require stations to file rate cards with FCC; he says this will give printed rates official status, doing away with wheeling & dealing at agency-advertiser levels.

Station sale transactions should allow FCC a chance to consider buyers other than those proposed by seller, FCC outlined in draft of proposed bill to amend Sec. 310(b) of Communications Act. Commission said similar action had been recommended twice by House Legislative Oversight Subcommittee. Measure would allow FCC to examine public interest questions of sale by striking prohibitive language in present section. Comr. Bartley would go further, requiring proposed buyer to demonstrate his superiority over seller, except in pro forma & involuntary cases.

ETV applications accepted by HEW Dept. for federal funds now total \$1.36 million—of the \$1.5 million voted for this year by Congress. Applicants: Chicago Education TV Assn., Ch. 20, \$309,099; Pa. State U., State College, Ch. 69, \$239,580; N.J. Educational TV Corp., Montclair, Ch. 77, \$339,091; S.C. Educational TV Center, Charleston, Ch. 7, \$59,965, and \$285,261 for Ch. 29 Greenville; Hampton Roads Educational TV Assn., Norfolk, studio equipment for WHRO-TV (Ch. 15), \$129,943.

**Sarnoff on Overseas Carriers:** RCA Chmn. Brig. Gen. David Sarnoff faces uphill fight in his effort to see all international communications combined under Communications Satellite Corp. (Vol. 3:22 p5). He urged "prompt" Congressional hearings on subject, but hearings this year aren't considered likely. However, a study ordered by Pres. Kennedy is believed possible.

Among powerful forces disagreeing with Sarnoff is AT&T, which likes present setup—AT&T handling voice, other firms handling "record" services.

In letters to Sen. Magnuson (D-Wash.) and Rep. Harris (D-Ark.), Sarnoff blasted ITT Pres. Harold Geneen's suggestion that Congress allow merger of all record companies. He said it's "an exercise in futility" to try to separate voice & record services, because technology has blurred the distinction. Said he: "The customer wishes to talk, transmit & record information at the same time. In other words, he wants complete service. Modern technology makes that possible, but the ITT proposal would make it impossible." Sarnoff stated that a "unified organization" could start with "immediate revenue base" of traffic from existing carriers, which amounted to \$160 million in 1962 and "could deal with equal strength, and on equal terms, with govt. monopolies in foreign countries." As for Geneen's assumption RCA would be willing to sell its communications subsidiary to a merged record carrier group, Sarnoff said it was "frivolous"—"truly . . . the tail wagging the dog."

National Educational TV & Radio Center has decided to concentrate solely on TV. Continuing separate ways, sometime before year's end, will be center's 2 radio arms: Broadcasting Foundation of America, which distributes foreign shows to U.S. commercial & educational stations, and Educational Radio Network, linking 8 stations, Boston to Washington. Reportedly, Ford Foundation expressed desire for TV emphasis. BFA board elected as chmn. George E. Probst, Thomas Alva Edison Foundation exec. dir. ERN Dir. Donald Quayle said group hopes to give public "alternative radio service."

Case of former CBS newsmen, who served as first exec. secy of pro-Castro Fair Play for Cuba Committee, brought warning from Sen. Dodd (D-Conn.) that news media have obligation to check on loyalty of employees. In releasing April 10, 1962, testimony of Robert Taber, Dodd said it's something to "ponder" that his "totally pro-Castro presentations [were] purveyed to the American public." CBS spokesman said Taber left CBS in 1960, that he was one of many newswriters, that CBS had no reason to question his objectivity at the time.

Machtronics' 68-lb. video tape recorder will be distributed to industry via Storer Programs, Inc., under agreement announced by Storer's Terry H. Lee. Recorder was first shown at IEEE & NAB conventions (Vol. 3:13 p6 et seq.). Storer's Hank Davis will put full time on sales. Storer's 5 stations will use units, designated MVR 15. Price is \$12,150.

Demand for more colorcasting in Cleveland, sent to FCC Chmn. Henry by Cleveland Councilman Anthony Pecyk, was answered by Henry with: (1) Color sets are moving now, and stations will have more incentive to colorcast. (2) Suggestion that FCC authorize an "all-color" station in Cleveland isn't practical because most programs aren't available in color.

**ABC's Plea for Option Time:** "FCC has placed ABC in double jeopardy," network told Commission last week, by rejecting vhf drop-ins and abolishing option time. In petition for reconsideration, ABC said Commission "has done violence to its paramount policy of fostering competition among the networks."

ABC insisted that removal of option time works greater hardship on it than on CBS & NBC, because it has fewer primary affiliates—127 vs. CBS's 191, NBC's 193. ABC said it must pay as much for programming as other 2 networks but must spread cost among fewer stations and get less for time charges.

ABC also requested more time to adjust to abolition of option time than the Sept. 10 date—pointing out that affiliation contracts have up to 2 years to run. It said FCC decision was "unduly harsh & abrupt" and that more "turn around" time should be allowed.

Competition, not regulation, is answer to overcommercialization, according to FCC Comr. Ford. If FCC puts NAB commercial limitations into rules, he said in recent speech, it would "undermine & destroy" incentive for self-regulation. He suggested that new Commission program form can do the job. He'd change form as follows—and Commission is considering it: "I would require an annual estimate of the total time the station involved is on the air in the ensuing year for a typical week; the percentage of that total time which would be devoted to advertising continuity and the percentage which would be devoted to program continuity in each segment of the broadcast day. I would retain the composite week for the purpose of obtaining the same information for the previous year. Although I do not consider either the typical week or the composite week appropriate for program material on a percentage basis, I do consider them appropriate for program-non-program time purposes. I would then make these figures public and let the market place regulate the limitation on advertising and any abuses of overcommercialization. It is my belief that the competitive factors involved would soon level off the percentage of advertising continuity, at a point which the listeners, the sponsors, and the broadcasters would find reasonable."

New starter is KAIT-TV (Ch. 8) Jonesboro, Ark. which received FCC program test authorization July 3. It's an independent. Owner is George T. HERNREICH, ex-50% owner of KNAC-TV (Ch. 5) Fort Smith. Equipment came from Visual Electronics. KAIT-TV is 5th new station this year—others being WTEV (Ch. 6) New Bedford, Mass. (serving Providence), which started Jan 1; WOOK-TV (Ch. 14) Washington, March 5; WGSF (Ch. 28 ETV) Newark, O., March 18; KIIIX (Ch. 22) Los Angeles, March 25. In addition, WQEX (Ch. 16 ETV) Pittsburgh resumed Jan. 18 after being off since Nov. 1961.

Violation of First Amendment which prohibits censorship is a major argument of several comments filed against FCC's proposed strictures on horse-race broadcasters. The position is taken by NAB, Thoroughbred Racing Assns., and Md.-D.C. Bestrs. Inc., among others. Comments also assert that Congress hasn't given FCC authority to promulgate such rules, may not be able to under Constitution. In addition, proposal is termed discriminatory—and, finally, will do very little to achieve FCC's aim: Curbing illegal gambling.

**New Emergency Broadcast Rules:** Old Conelrad system is out, and new Emergency Broadcast System has been adopted by FCC, effective Aug. 5. In new set-up:

(1) System will be used "during a war, threat of war, state of public peril or disaster or other national emergency."

(2) TV & FM stations, plus AMs not holding special authorization, will go silent during emergency. AM stations in emergency system continue on their regular frequencies—640 & 1240 kc no longer used exclusively.

(3) System will transmit only federal govt. messages—closing down other times. All stations in each area will carry same program. Call letters won't be used, but area identification will be employed.

(4) During weather emergency, all stations may transmit warnings.

(5) Official federal govt. messages will be sent to stations via AP & UPI teletype.

(6) Non-network stations in system may be connected to any network during emergency.

Network TV gross time billings for April were 8.8% above April 1962's figure, according to TvB, totaling \$68,913,571 vs. \$63,330,106 year earlier. By network: ABC-TV, \$18,576,083 vs. \$17,237,755, up 7.8%; CBS-TV, \$26,414,025 vs. \$24,193,144, up 9.2%; NBC-TV, \$23,923,463 vs. \$21,899,207, up 9.2%. For year's first 4 months, total billings were \$272,888,865, up 5.8% from \$257,948,482 in same 1962 period. In April, biggest gains were shown in weekday daytime billings, up 24.6%. For first 4 months, Sat.-Sun. daytime was biggest gainer, up 30.6% over same 1962 period.

You can advertise in Russia, apparently, though you can't sell your product there. Visitors to recent Stockholm international TV conference picked up brochure which starts: "What do you know about the possibilities of advertising your client's goods on the vast market of the Soviet Union?" It reports that TV-radio time may be purchased, as well as space in 6 million copies of technical journals, 2.5 million copies of newspapers. Queries are directed to: "Vneshtorgizdat, Orujeiny per., 25a, Moscow, USSR."

FCC is being besieged by groups, such as equipment manufacturers, which seek to use Commission's forthcoming computer system for many projects—estimating markets, etc. But FCC policy, under Exec. Dir. Curtis Plummer, is to shunt aside temporarily virtually all requests—concentrating on setting up system to speed its own processing procedures.

**Add broadcasters into CATV:** Robert W. Rounsaville applies for franchise in hometown of Rome, Ga., will apply for 2-3 more in Southeast. He owns 6 radio stations: WFUN Miami, WTMP Tampa, WVOL Nashville, WYLD New Orleans, WLOU Louisville, WCIN Cincinnati. He also holds grant for WATL-TV (Ch. 36) Atlanta, now off air, is selling CP for WTAM-TV (Ch. 41) Louisville to Producers Inc.

CATV in Conn. has go-ahead with recent signing of bill by Gov. Dempsey, giving PUC power to require utilities to lease pole space to groups with CATV franchises. Triangle Publications is an applicant for New Haven, where it operates WNHC-TV.

TV blackout of pro football games was attacked last week by WPSD-TV Paducah & Kentucky Congressman. Station wrote FCC that CBS & the National Football League refuse to let it carry any NFL games on days when St. Louis Cardinals are home, even though WPSD-TV's transmitter is 114 miles from St. Louis. WPSD-TV charged that blackout standard of 75 miles from game city hasn't been adhered to by CBS-NFL, that WPSD-TV has been deprived because its Grade B contour extends to within 35 miles of St. Louis. Rep. Stubblefield (D-Ky.) introduced bill (HR-7365) which, he said, would clarify 1961 anti-trust exemption legislation, specifically banning TV blackout of more than 75 miles from home city for any pro sport.

"Town Meeting of the World," CBS's unusual Telstar II project July 10, will feature instantaneous country-to-country switching for first time. Participants: Eisenhower from Denver, Eden from London, Monnet from Brussels, von Brentano from Cologne. Participants, as well as members of audiences in Denver & London, will ask questions back-&-forth. Program will be carried live 12:15-1:20 p.m., repeated via tape 7:30-8:30.

FCC Chmn. Henry was to appear on ABC-TV's *Issues & Answers* July 7, having taped interview July 3. His next speech is Aug. 14, Chicago, before communications subcommittee of American Bar Assn., devoted primarily to space, common carrier, etc. After speech, he plans 2 weeks in Memphis hometown. He also has Nov. 20 speech scheduled for NAEB Milwaukee convention.

News cribbing from local newspaper without authority is a "violation of a property right." So ruled Pennsylvania Supreme Court last week in case involving *Pottstown Mercury* & radio WPAZ. Station had argued that there is no property right in news, but court held in unanimous decision that there are expertise & resources involved in developing local news.

**Switch from Ch. 10 to Ch. 23,** by KERO-TV Bakersfield, Cal., under FCC order, was scheduled for July 1. Operation on both channels for 2 months is planned. Station is using GE equipment, delivering 1.76 megawatts, 3,700 ft. above average terrain, from Mt. Breckenridge.

**Interest in trade publications** *Radio-TV Daily & Film Daily* has been bought by sportscaster-promoter Harry Wismer, who becomes assoc. publisher & exec. vp. Extent of interest wasn't disclosed.

H & B American Corp., CATV system operator, has application pending before FCC to buy stock in Communications Satellite Corp. It speaks of possibility, someday, of using satellite signals to feed CATV.

**Deadline for start of Denver pay-TV over KCTO** has been extended by FCC from July 3 to Oct. 3, at station's request. Station told Commission it has about 800 subscribers lined up, plus sources of programming.

**QXR Network,** acquired in April 1962 from N.Y. *Times* by Novo Bcstg., now has 36 radio affiliates in top 50 markets with addition of 6 new affiliates last week.

**Short-spaced adjacent-channel move of KATU (Ch. 2)** to Portland, Ore., has been granted by FCC which denied AMST opposition—Comrs. Bartley & Lee dissenting.

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# Television Digest

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## Personals

**Ernest Lee Jahncke**, NBC standards & practices vp, takes over as Broadcast Pioneers pres. . . **Edward P. Lawless**, ex-*Readers Digest*, appointed exec. vp, TvB of Canada.

**Bernard S. Krause**, CBS-TV business affairs dir., will also supervise new business affairs-sales, handling new consolidated contract negotiations; **Richard N. Burns & Anthony G. O'Malley** promoted to asst. dirs., business affairs-sales.

**William Muldoon** promoted to commitment admin., NBC-TV participating program sales . . . **Leonard Allen**, NBC News mgr., promoted to operations dir., Washington.

**John F. Box Jr.**, WIL St. Louis exec. vp & gen. mgr., named chmn., NAB Radio Public Relations Committee . . . **Eugene B. Dodson**, WTVT Tampa vp & gen. mgr., elected Florida Assn. of Bestrs. pres.

**Richard B. Hull**, Ohio State U. telecommunications dir., elected chmn., Ohio ETV Network Commission . . . **Arnold Rabin**, ex-NBC producer-writer, appointed special projects admin., ETV WNDR N.Y.

**Charles R. Kinney**, PGW vp, transfers to Los Angeles as West Coast vp . . . **Peter R. Allen**, Blair Radio sales exec., N.Y., promoted to Detroit mgr.

**Albert L. Harmon** promoted to WTTG Washington chief engineer.

**Walter B. McQuillan** promoted by RAB to new post of sales administration mgr., coordinating all sales operations dealing with national accounts.

**Merryle S. (Bud) Rukeyser Jr.** promoted to NBC dir., press & publicity, succeeding **Ellis O. Moore**, resigned.

**William B. Peavey** promoted to eastern TV sales mgr., **Adam Young**; **John M. Slocum** succeeds him as West Coast operations mgr.; **Earl W. Steil** appointed Chicago radio mgr.

**Lee Goodman**, ex-Filmways exec. vp, appointed Sarra vp in charge of production . . . **James G. (Greg) Jackson**, ex-asst. to Idaho Gov. **Robert Smylie**, named news dir., KTVB Boise.

**Al Petgen** promoted by ARB to newly-created client relations dir. for station groups & reps, continues as N.Y. station services mgr.; **Roger Hoeck**, account exec., succeeds Petgen as eastern regional mgr., station services.

**Ellis Shook**, WTTG Washington production mgr., named chapter pres., Academy of TV Arts & Sciences.

**Law firm of Molnar & Gammon** formed by **Lorie M. Molnar** & **James A. Gammon**, 300-305 Edmonds Bldg., Washington 5; phone: 783-6822.

**Consulting engineers John H. Mulaney & Assoc.**, div. of **Multronics Inc.**, move to **Multronics Bldg.**, Rockville, Md.; phone: 427-4666.

## Obituary

**Arthur Simon**, 59, vp & adv. mgr., *Radio-TV Daily*, died July 1 of heart attack in his office. With the publication since 1954, he was former N.Y. chapter pres. of Broadcast Pioneers, current pres. of BP affiliate Broadcasters Foundation Inc. He is survived by wife & daughter.

**Fastest gun in the West & nakedest city in the East** are causing anxiety problems among youth of Australia. In study of American imports for Australian Bestg. Board of Control, researcher **David Martin** said anxiety caused by unpredictable endings or close identification with a situation was greater problem than overt violence. He recommended, according to Reuters report, increase in variety & quality in children's programming. "What is at issue are bad or good films, rather than bad or good scenes," he said.

**Uhf broadcasting in Mexico** will be color only, govt. announced in awarding first uhf grant (XHTO-TV Mexico City). Mexico has not yet established color standards, but engineer **Guillermo Gonzalez Camarena** has been demonstrating his own 2-color system with low-cost color receivers nightly over his XHGC-TV Mexico City.

**Ghana Bestg.** has contracted with **Marconi** for manufacture & installation of TV & sound equipment valued at nearly \$8.4 million: TV stations at Accra, Kumasi, Sekondi-Takoradi; TV studio complex at Accra; radio station at Ejura; microwave link between Accra, Kumasi, Ejura.

**NBC's interest** in Ch. 9 Buenos Aires—over 25%—has been sold to other stockholders; major owner is **Dr. Ildefonso Recalde**, an economist. Ch. 13 there is owned by CBS, Time-Life and **Goar Mestre** (ex-Cuban broadcaster).

**RCA broadcast antenna** engineering, lab & assembly facilities, formerly housed in 3 locations, will be consolidated at 40-acre **Gibbsboro, N.J.** test site, where new building will be erected.

**Radio New York Worldwide (WRUL)**, international shortwave station, names **Edward Petry & Co.** rep.

**Singapore's new TV station** is now in pilot programming, using **Marconi** equipment.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**RCA STANDS PAT ON PRESENT COLOR TUBE:** Still convinced no other approach can now provide the quality & reliability of its 70-degree round 21-in. color tube, RCA has notified TV manufacturers that it "does not now plan to introduce a new color picture tube in the near future."

Don't try to read too much into this message, which was sent to all set makers by telegram June 28. It doesn't mean that RCA will or will not skip the 90-degree round picture tube and eventually move directly into 25-in. 90-degree rectangular production. It was designed to take a load off set makers' minds, to guide them in their planning.

It was form of progress report. Last Nov. 30, you'll recall, RCA shelved its 90-degree round tube for "approximately 9 to 15 months." With the 9-month inner limit rapidly approaching, RCA sought to give them word on its plans so they could design color chassis, plan production lines, sign off engineering on new sets. RCA considers its report "a necessary commercial requirement" and says timing the same week as Motorola's introduction of 23-in. color set (Vol. 3:26 p7) was "coincidental."

Text of telegram: "In Nov. 1962, the RCA Electron Tube Div. sent you a telegram informing you that the introduction of a 90-degree round picture tube would be deferred for approximately 9-15 months. Since that notification, we have continued extensive product-development work on color picture tubes. RCA does not now plan to introduce a new color picture tube in the near future and is continuing to produce the highly reliable and excellent quality 70-degree round color picture tube. You may be assured that if changes occur in our product plan, we will continue to consider your planning need with regard to set design & tooling, and will inform you in advance to assist you in your planning. Your support of our color picture tube program is sincerely appreciated."

. . . .

Important source of picture-tube yokes for RCA-type 21-in. color tubes has resumed production. General Instrument Corp.'s F. W. Sickles Div. has again started shipping color yokes. In recent years, RCA had been sole source. Sickles has also designed & demonstrated new color yoke design for 90-degree tubes which "eliminates the electronic circuits heretofore necessary to correct raster shape, with resultant savings."

General Instrument Vice Chmn. Monte Cohen took issue last week with our statement that Advance Ross Electronics (which makes yokes for Motorola's 23-in. sets) was first company, aside from RCA, to produce color yokes. We were talking about recent color history, but should have remembered that, as Cohen told us: "The F. W. Sickles Division was in actual production of color yokes from 1954 to 1957, when a steady growth of color was anticipated. Tens of thousands of color yokes made by the Sickles Div. were shipped to RCA, Philco, GE, Westinghouse & CBS."

**OBSERVATIONS ON 'WARRANTY WAR':** "Today marketing is on a guarantee binge," notes a leading advertising & marketing authority, which sees dangerous pitfalls ahead in use of warranties as competitive weapon.

In view of warranty pandemonium prevailing in consumer electronics industry (Vol. 3:19 p7), these comments might appropriately illustrate one side in current dispute. They are expressed in "Grey Matter," the advertising & marketing newsletter published by Grey Advertising Inc.

The change of warranty's status from an assurance of integrity to a competitive tool, says the newsletter, "poses dangers to which marketers must be alert." It traces history of guarantee from relationship

between retailer & consumer to a responsibility taken over by manufacturer, but with involvement of retailer and repair station as well.

"The principal danger in this 'warranty war' is its effect on the consumer. Unfortunately, advertising is often used to lead the public to expect too much from the promised guarantee; much more than either the manufacturer or the retailer can deliver," says "Grey Matter". "This danger must be avoided if the guarantee is to maintain its value as a builder of faith in a brand and as an added buying incentive.

"There is a danger, too, of increasing fear among retailers that the consumer will hold them responsible for failure to make good on guarantees advertised by the brand manufacturer. Recent court decisions also have been placing more of the onus of warranties on the manufacturer's shoulders . . .

"The trend has been for courts to regard labels, printed matter & advertising as express & implied warranties of quality by the manufacturer. Advertisers must keep this clearly in mind when planning to use the guarantee as a selling tool."

Virtues of guarantee as marketing & advertising tool are acknowledged: Strengthening of brand image, stimulant to sales. But Grey warns of these pitfalls: Competitive edge is often temporary, "for it becomes dulled when competitors come up with stronger & longer guarantees." When strong competition forces company to stretch guarantee "to point of disbelief, or lace it with evasions & loopholes, it may tarnish the brand name to a degree that no amount of advertising can overcome."

We print these views because of their potential applicability to practices in consumer electronics industry. We'd like to hear other views & comments on subject, and will give them "equal space."

**SHALLOW SEES DISTRIBUTION UPHEAVAL:** "The day of the independent distributor was through 3 to 5 years ago and a radical change in distribution will evolve over the next 5," in the opinion of James J. Shallow, former Magnavox (Vol. 3:25 p11), Columbia Phonographs & Philco executive, who has re-established himself as a management & marketing consultant.

"Big problem in our industry today is that each of 20 different companies is trying to do 15% of the business," he told us at his suburban Philadelphia home & hq (125 Farwood Rd., Phila. 51.). "This wild fight for business puts tremendous pressure on distributors, and the mortality rate of independent distributors in the past 5 years has been appalling."

Emphasizing that "we are now in the era of the large group buyer," Shallow amplified: "Some 10% of the retailers today account for 70-75% of total volume. As a result, the average distributor in big markets now acts pretty much like a broker for the manufacturer, with a 2-5% override on sales. The average distributor today isn't showing much better than a 2% net profit. He'd do better putting his money in bonds. Why should he risk capital for that kind of return?"

With cost of sales & distribution rising sharply, and the bulk buys by group buyers increasing, trend among manufacturers has been to trim independent distributors in favor of more branches or direct relationship with dealers. Philco, for example, has been pruning distributors and in recent weeks has replaced independents with branches in N.Y., Philadelphia & Newark (John M. Otter Companies) and Pittsburgh (J. E. Miller Co.). Sylvania has been dropping branches for franchised dealers (Vol. 2:24 p12), now retails upwards of 40% of volume via direct-to-dealer outlets (Vol. 3:24 p10).

"The consumer electronics industry today is in the same phase that automobile manufacturers were in the 1930s," Shallow told us. "Only the strong will survive. Today's TV-radio-phono-hi-fi business is a \$3 billion retail volume—but produces only a 1.5-2% net profit. This provides no base whatever for profit, growth and expansion for all participants. There's going to be a shakeout. A big question is how can manufacturers afford distributors. Another question is how can distributors stay in business. The only independent distributors making money these days are those with companies able to demand a profit margin for dealers."

Shallow believes that Magnavox's approach of direct relationship with dealers is answer to industry's distribution problems. "All dealers want to give in to the temptation to cut prices," he said, "but you've got to be able to force them to make a profit." Shallow believes that "salvation at the retail level lies in Fair Trade." He added: "It takes courage for a manufacturer to Fair Trade today. Many are trying to ride 2 horses—the

volume buyer and the small independent retailer. The manufacturer needs his independent retailers and he's got to see that they make a profit so that they can pay their bills. He can't afford to let too much of his volume fall into the hands of a few volume accounts. He'll get murdered."

Private brands represent another major problem complicating industry sales & distribution, Shallow emphasized. "When you say private label today," he told us, "you're no longer speaking about a few outlets. You're speaking about private national brands with hundreds and even thousands of outlets. For example, Sears Roebuck, in my estimation, does 15% of the national TV business with its private brand. That's a major piece of the business. How about the other big chains, like Montgomery Ward, that already are in private label, and newcomers to private label, like J. C. Penney? When you talk of 6 million annual TV set sales today, you first must subtract the 20-25% unit sales taken by private label outlets. That leaves only some 4.5 million set sales for the brand people. Brand names always will be important—but private labels will become increasingly important."

Shallow summed up market situation this way: "Manufacturers have got to face up to these problems within the next few years." However the distribution pattern changes, "there must be profit in the line so that the retailer can pay his bills and make some money."

Shallow's views are interesting & in many cases controversial, and likely will provoke rebuttal from various quarters. We'll be happy to publish your views in forthcoming issues.



Former Philco independent distributor John Otter has formed John M. Otter Group (120 E. 23rd St., N.Y. 10) to provide "total marketing service including sales, advertising, merchandising." According to ad in June 30 "N.Y. Times", "unique marketing organization provides professional sales, marketing management analysis, consultation, plus experienced sales management & salesmen." Group is based in N.Y., but Otter told us outlets will be established elsewhere as need develops. He plans to cover all fields, won't be limited to consumer electronics.

**TV-RADIO PRODUCTION:** EIA statistics for week ended June 28 (26th week of 1963):

	June 22-28	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	156,843	142,777	136,463	3,461,268	3,295,501
Total radio .....	369,357	339,268	361,895	8,618,008	9,264,445
Auto radio .....	137,092	151,762	136,649	3,787,328	3,271,477

RCA home instrument dollar volume set all-time record during first-half 1963, led by color-TV sales which had best month in history in June. Total first-half sales were 19% greater than all-time high set a year ago, Group Exec. Vp W. Walter Watts announced last week. In dollar volume, color TV sales for June were 170% ahead of June 1962 and 48% ahead of previous best month, Sept. 1962; total home instrument sales were 46% ahead of June 1962 and 20% ahead of previous record Sept. 1962. RCA Sales Corp. Pres. Raymond W. Saxon said color set production at Bloomington is committed through Labor Day, distributor orders for color sets are nearly double those of last year, and 2nd-half orders for b&w are 15% ahead of 1962 period.

Retailers injured by competitors selling at unreasonably low prices would be able to sue them under new bill (S-1815) sponsored by Sen. Humphrey (D-Minn.). Bill, referred to Senate Judiciary Committee, would grant anti-trust status to Sec. 3 of Robinson-Patman Act, empower Justice Dept. to initiate civil suits, enable private parties to institute treble-damage suits following successful govt. anti-trust prosecution.

"Color adapter," to convert black-&-white receiver to color, is claimed to be under development by Scope Inc., 121 Fallfax Drive, Falls Church, Va. William Schaub, dir. of administration, tells us company isn't ready to release details. However, he said device "has moving parts, but not a rotating disc." He said that results are good "but we don't claim the same quality as with regular color sets." Device is still under development, he added, "and we haven't decided whether it should be 2-color or 3-color." Patent applications are pending, Schaub said, and goal is to license others to make adapter, which is intended to sell for less than \$100. Company is primarily in defense electronics. There was rash of converters in color's early days, virtually all using disc, none achieving adequate results (Vol. 11:22, 42, 52).

Beckman Instruments has established direct sales marketing organization of 48 offices & 200 men to handle some \$20 million in annual sales previously made through dealers. Direct sales organization is expected to cut earnings by 15% this year because of start-up expenses, add \$12.5 million net profit over 5 years. Beckman earned \$4.8 million on \$74.8 million sales in 1962 fiscal year.

**TUNNEL DIODE FOR UHF:** First use of tunnel diode in a consumer product will be announced by Sony at Music Show in Chicago July 21-25 when it opens sale of uhf adaptor for its 5½-in. transistorized Micro TV.

Tiny adaptor, which plugs into side of set, has vertical slide-rule dial, uses 3 transistors & tunnel diode. It will be sold, complete with tunable uhf antenna & carrying case, for \$49.95.

Tunnel diode was invented by Japanese scientist Leo Esaki when he was working for Sony. It created flurry of hopeful excitement as superior substitute for transistor in TV & FM sets in 1959, when GE was working hard on tunnel-diode approach (Vol. 15:30 p16 et seq.). But no tunnel-diode consumer devices were actually put on market, to our knowledge—until Sony's uhf adaptor. Sony's next use of tunnel diode may be in FM sets, where a single one could conceivably perform functions of RF amplifier, local oscillator, mixer & first IF amplifier simultaneously.

Sony's perfection of the tunnel diode uhf tuner was revealed to us by Akio Morita, pres. of Sony Corp. of America and exec. vp of the Japanese parent company, in interview during which he gave us some glimpses of Sony's future in U.S.

The 5½-in. transistorized Micro TV has been highly successful in U.S. at present price of \$189.95 (excluding battery), he said. Are further price reductions in the works? Sales at current price are high, said Morita. "Ultimately there's no reason why the price couldn't go down," he added, pointing out that Japanese TV industry already is feeling beneficial effects of removal of 25% sales tax on domestic TV sales.

Morita felt GE's & Admiral's 11-in. tinyvision at \$99.95 would have little effect on Sony's sales, since transistor TV is different category. More than 50% of Sony's sets are sold with battery, he said.

Will Sony add other TV models to its line? Morita speculated that with expansion of number of Sony dealers, "we will eventually have to expand our line. But we will always specialize in transistor TV. If we go into large-size sets, we're just another manufacturer."

Sony plant in Japan currently is producing Micro TV at rate of 1,000 a day, he said, of which about 75% are exported. After the U.S., Sony's biggest foreign markets for TV are Germany & Italy.

Asked about Paramount's Chromatron color tube, to which Sony owns foreign rights, Morita said, with a smile: "All those rumors you hear are not true. It still needs plenty of time. The tube has never been produced in a factory; we must develop it from scratch. We haven't decided yet whether our color set should use transistors or tubes, or what size it will be."

Sony will begin U.S. deliveries of its portable videotape recorder (\$10,900) this month. As with its other products, Sony will try to create new markets for this tape recorder, rather than concentrate on proven ones. Among those suggested as possibilities by Morita: Racetracks, railroads, X-ray recording use in hospitals. Sony will not devote much effort to selling the recorder to broadcasters. "In the broadcast field, they want too many modifications. We'd have to raise the price. Our policy is always to do what we did when we introduced the transistor radio—to create our own market."

**Mathes color at \$399.95:** Curtis Mathes entered color TV market with huge line of 29 sets, starting with wood veneer table model at \$399.95, with 9 consoles \$429.95-\$629.95 and 19 combos \$559.95-\$1,250.

Most color console & combination cabinets are also available with 23-in. b&w chassis. Mathes guarantees these sets to be "color convertible"—that is, any time between one & 4 years from date of purchase, Mathes will exchange b&w chassis for color at total cost of "no more than if the unit had been purchased as a color receiver in the beginning." The 23-in. color-convertible sets are priced \$220-\$300 less than their color-now counterparts.

Mathes also announced it will have 2 separate lines—low-price & higher-price—with separate dealer franchises for each. Only dealers who handle no other brands will be franchised for both low- & high-priced lines, although other dealers can handle one or the other.

Mathes b&w line, as shown last week in Dallas, has three 23-in. consoles at \$179.95-\$209.95 and 4 combos at \$199.95-\$329.95. Portable TVs will be introduced in 3-4 months. Company also introduced 6 stereo consoles with AM-FM at \$159.95-\$279.95.

On heels of Pilot's disclosure last week that it may enter color-TV combo field this year, another phono console maker said it will add color stereo theaters next year. It is Crestmark Div. of Vanity Fair Electronics Corp., Syosset, N.Y. Vanity Fair introduces its first Crestmark console line at Music Show in Chicago later this month. Sales vp is Seymour Mintz.

**Declining prices of picture tubes** are shown in EIA's tally of factory sales for April. Although unit sales increased to 771,073 from 758,539 in April 1962, dollar volume for the month shrank to \$14,197,385 from \$14,253,425 year earlier. Receiving tube sales again declined from year-ago levels, to 26,167,000 units at \$21,521,000 from 31,016,000 at \$25,838,000 in April 1962. EIA's tube sales figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$22,524,000
February	636,392	11,990,596	26,382,000	22,354,000
March	760,524	14,223,508	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
Jan.-Apr. 1963	3,058,235	\$57,257,530	110,193,000	\$92,344,000
Jan.-Apr. 1962	3,112,100	\$59,403,191	123,513,000	\$104,253,000

**Ghost of TV's distant past**—The Kaye-Halbert brand, once a large-selling set in Southern Cal.—has been acquired by White Front Stores, Los Angeles-based discount chain, for use on private-label TV, radios & phonos. Kaye-Halbert Corp. was active in TV production in early 1950's, was dissolved in bankruptcy proceedings late in 1955 (Vol. 11:49 p14).

**Round-corner picture tubes** don't die (continued): Two additions to our list of manufacturers using older sizes of rectangular pictures tubes (Vol. 3:26 p9) have come to our attention. GE still has 21-in. table model in its line, at \$209.95. Muntz is offering both 24- & 27-in. sets.

**Electronic Specialty**, Los Angeles maker of microwave components & antenna systems, other electronic equipment, has been listed for trading on N.Y. Stock Exchange. Symbol: ELS.

**TV RECORDER AT \$160?** U.S. consumer electronics industry was puzzled last week by intriguing report that British firm was ready to commercialize home video-tape recorder which could be sold at about \$160 retail, or, if built into a TV set, would add only about 25% to retail price.

Few details were available on either side of Atlantic beyond publicity announcement. System was demonstrated July 3 on NBC-TV's *Today* show (via tape from England), but it was impossible to determine quality of recorded picture because of difference between British & U.S. TV transmission standards. We could locate no U.S. sources familiar with development. Even IIT Research Institute's Marvin Camras, nation's leading magnetic recording expert, had no direct knowledge of new British recorder.

Recorder is called Telcan and is to be manufactured by Telcan Ltd. (Main St., East Bridgeford, Nottinghamshire, England), whose chief officer is Chmn. Brian North. Telcan is said to be affiliated with Nottingham Electronic Valve Co.

New recorder appears to operate on principle first pursued by early developers of video-tape recording in U.S.—speeding up a conventional audio recorder to permit storage of greater bandwidth. But its proponents claim resolution of 300 lines, which, if claim is accurate, would indicate they have added other principles.

Recorder uses standard quarter-inch sound tape, run at 120 inches per sec., records 2 tracks. It thus can record about 30 minutes on 10½-in. reel using both tracks (turning tape over or reversing direction after 15 minutes). It can also accommodate 11-in. reel, giving 40-min. playing time. Signal-to-noise ratio is said to be 28 db. It can be used as conventional sound recorder at 7½-ips speed. Recorder measures 17-in. long by 9-in. wide by 2-in. deep, with 4-in. protrusion for motor housing.

Recording expert Camras told us that any standard audio recorder with tape speed increased to 120 ips could record rudimentary TV picture, but its resolution would be more on order of 100 lines than 300. He speculated that special high-definition recording head may help increase resolution.

RCA, which has been working on development of home video-tape recording, is known also to have used fast-tape approach in its experimental work, but there's no indication that RCA has come up with what it considers to be a commercial product. (One disadvantage of fast-tape approach is high cost of operation due to heavy consumption of tape—although tape can be erased and used over.)

Telcan officials state their home video recorder will be placed on British consumer market before Christmas and that they are negotiating with U.S. manufacturers for licensing agreements.

**APRIL PHONO SALES UP:** Sales of phonographs continued to run substantially ahead of 1962 in April, according to EIA figures released last week.

At distributor level, sales were 22% higher than April 1962, and 4-month sales ran more than 29% ahead of same 1962 period. Factory sales were 32% ahead for April, 20% ahead for first 4 months, as compared with corresponding 1962 periods. Here are phono sales figures (EIA no longer compiles separate stereo & mono data):

Month	PHONOGRAPH SALES		Factory	
	Distributor			
	1963	1962	1963	1962
January	316,525	219,728	341,696	259,559
February	329,972	239,420	340,275	255,412
March	346,152	299,257	329,713	298,483
April	247,730	201,192	241,206	183,102
<b>TOTAL</b>	<b>1,239,379</b>	<b>959,597</b>	<b>1,252,890</b>	<b>1,043,010</b>

## Trade Personals

**C. J. (Red) Gentry** appointed Motorola national home radio sales mgr., taking over part of duties formerly handled by **William E. Laswell**, who continues as national stereo phono sales mgr.; **Thomas Carroll** succeeds Gentry as national car radio sales mgr.

**Chester Paulson**, ex-Westinghouse portable appliance marketing mgr., named marketing vp, North American Philips consumer goods div.

**Robert Devore** resigns as EIA PR dir., planning to return to journalism; **William Hepner** is acting dir.

**E. V. Huggins** resigns as Westinghouse associated activities exec. vp & dir., will continue as senior consultant "in areas where his experience will be of value." He was 1958-61 exec. committee chairman.

**Charles E. Beck**, Philco pres., elected to Board of Managers of Philadelphia's Franklin Institute . . . **E. MacKay Fraser** elected Lab for Electronics secy.

**Clarence H. Linder**, retired GE vp & former American Institute of Electrical Engineers pres., nominated for presidency of IEEE to succeed **Dr. Ernst Weber**, whose term expires in Jan.

**Dr. Leonard C. Maier Jr.** appointed GE Semiconductor Products Div. gen. mgr. . . . **Thomas P. Cheatham Jr.** elected Litton Industries corporate vp . . . **Doane R. Gero**, former Information Systems chmn.-pres., joins Emerson Electric, St. Louis, as pres. of Industrial Electronics Div.

**Herbert L. Brown** appointed vp of Ampex subsidiary Ampex International . . . **Leon Kuby** promoted to sales mgr. of Harman-Kardon's High Fidelity Div.

## Obituary

**Omer M. Glunt**, 79, TV & radar pioneer and retired Bell Telephone executive, died June 27 at his Stockton, N.J. home. In 1927, he supervised Bell engineers who produced world's first TV broadcast. He also worked on development of radio broadcast transmitters & sound motion pictures. He was director of Bell's Whippany, N.J. facility when he retired in 1949. He's survived by his brother, 2 daughters & son.

**George Partington**, 47, Marconi broadcasting div. chief engineer, died June 13 in England. A noted inventor, he had been with Marconi since 1938, helped develop improved TV cameras & use of 4½-in. image orthicon tube.

## 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
AT&T	1963—year to May 31	\$9,198,283,000	—	\$1,413,835,000	\$5.83	242,641,000
	1962—year to May 31	8,673,152,000	—	1,332,774,000	5.65	235,887,000
	1963—qtr. to May 31	2,377,973,000	—	363,656,000 <sup>1</sup>	1.49	243,611,000
	1962—qtr. to May 31	2,242,430,000	—	346,857,000	1.47	236,160,000
Ampex	1963—year to Apr. 27 <sup>2</sup>	93,271,000 <sup>1</sup>	—	5,005,000 <sup>1</sup>	.64	7,803,000
	1962—year to Apr. 27	84,106,000	—	2,203,000 <sup>3</sup>	.41	7,786,457
Corning Glass	1963—24 wks. to June 16	130,754,107 <sup>1</sup>	\$ 26,964,647	14,343,647 <sup>1</sup>	2.10	6,791,885
	1962—24 wks. to June 17	118,904,523	24,793,015	13,528,015	1.98	6,789,000
A. C. Nielsen Story below	1963—9 mo. to May 31	33,448,783	—	2,299,165	1.34	1,710,000
	1962—9 mo. to May 31	29,575,945	—	2,124,529	1.24	1,710,000
Pacific Industries	1963—9 mo. to May 31	21,291,697	—	(210,358) <sup>4</sup>	—	1,887,239
	1962—9 mo. to May 31	17,784,684	—	606,091	.32	1,887,239

Notes: <sup>1</sup> Record. <sup>2</sup> Preliminary. <sup>3</sup> Includes \$470,000 gains from sales of fixed assets & equipment leases. <sup>4</sup> Before \$478,326 net capital gain

from 2 property sales & resultant \$267,968 net earnings for period.

Sylvania Controller Roy E. Drew was killed, Pres. Gene K. Beare and 2 other Sylvania and GT&E officials injured in July 2 crash of Mohawk Airlines plane as it was taking off at Rochester, N.Y. airport for White Plains, N.Y. & Newark, N.J. Six others in plane were killed and total of 36 injured. Beare suffered broken collarbone and leg. David K. Elwell, Sylvania dir. of new-product planning, lost a leg. Dr. Lee L. Davenport, Pres. of GT&E Labs, who walked away from crash, later was hospitalized, and discharged July 3. Beare & Elwell are in Strong Memorial Hospital, Rochester. Drew, 47, had returned to Sylvania last Jan. from Plax Corp., Hartford, Conn., where he was controller & asst. treas. He previously had been with Sylvania for 20 years. He is survived by his wife, mother and one daughter. The 4 executives were returning to their homes in N.Y. area from new-product planning meeting in Batavia.

General Instrument foresees record sales & increased earnings in 1964's first fiscal quarter ended May 31. In year-earlier quarter, GI earned \$202,000 on \$21.2 million sales. Chmn. Martin H. Benedek described first-quarter performance as turnabout from 1963 fiscal year, ended Feb. 28, which produced loss of \$2.7 million. Among optimistic factors for new fiscal year, he said, GI's Semiconductor Products Group is now marketing "highly advanced products which should have a favorable effect on our semiconductor sales & profits." He also expects tuner-making Sickles Div. to benefit from all-channel law.

A. C. Nielsen registered sharp gains in sales & earnings in the 9 months to May 31 (see financial table) and increased its quarterly dividend on common stock to 17½¢ from 15¢, payable Aug. 1 to stock of record July 12. Reporting profit rise to \$2.3 million from \$2.1 million on sales gain to \$33.4 million from \$29.6 million, Nielsen noted that recent Congressional investigation of TV-radio audience rating services "had no material effect on our progress for either the latest quarter or for the year to date."

Adler Electronics, currently traded over the counter, will apply for American Stock Exchange listing.

RCA's Camden-area plants were struck midnight July 1 by some 2,000 engineers in dispute over layoff formula, wages, other issues. Engineers are members of Assn. of Scientists & Professional Engineering Personnel, which claims some 500 engineers were fired in recent months without regard for union seniority system. Negotiations, under reopener clause in 3-year contract signed July 1, 1961, began early in May. After 2 hours of picketing, truce was declared when company & strikers agreed to recommendation of Federal Mediation & Conciliation Service that layoff-procedure issue be referred to study committee of 4 representatives each from RCA & union. No deadline was set for settlement of issue, but union said strike will be called if talks break down.

Mergers & acquisitions: Automatic Radio Mfg.'s New-Tronics subsidiary has acquired Continental Electronics & Sound System • Electronic Communications has purchased for cash virtually all assets of Electronic Instruments for Research, Baltimore • Eric Electronics & Ionic Industries, both Santa Monica, Cal., have merged and Irving Rossman, Ionic pres., is expected to become pres. of new firm. Eric makes hi-fi components, Ionic portable phonos.

Indictments on rebate charges were handed down by Federal grand jury in Boston against Joseph L. Travers, former pres. & treas. of Precision Microwave, and Raytheon purchasing agent Charles H. Pomfret. Former is charged with paying Pomfret \$3,000 "as an inducement for award of subcontracts" to Norfolk Precision Machine Corp., also headed by Travers.

Industrial Electronic Hardware anticipates record earnings of "better than \$50,000 or 7¢ a share" on \$1.8 million sales in fiscal-1964's opening quarter ended June 30, reported Chmn. Bernard Offerman. This compares with year-earlier profit of \$5,477, 1¢ a share, on \$1.5 million sales.

Metromedia has sold \$7.5 million of 5¼%, 15-year notes to institutional investors via Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co. Proceeds are being used to acquire KTTV Los Angeles.

WEEKLY

# Television Digest

with

## Consumer Electronics . . . (starts page 7)

JULY 15, 1963

NEW SERIES, VOL. 3, No. 28

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

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### SUMMARY-INDEX OF WEEK'S NEWS

#### Broadcast

**'TOWN MEETING' BRILLIANT SUCCESS**, as CBS-Telstar features exchange among statesmen. France blocks European reception (p. 1).

**EDITORIAL HEARINGS & ELECTION YEAR**: House to hear week of testimony. FCC expected to affirm station's rights, will recommend primer on fairness doctrine. NAB to unveil new editorial guide (p. 1).

**COMMERCIAL CEILING BATTLE QUICKENS**: NAB sends ammunition in form of arguments to all stations; Georgia broadcasters call on their Congressmen, stimulating bill by Rep. Weltner (p. 2).

**RATERS ENDORSE AUDIT PLAN**: Virtually all rating firms give final approval to Rating Council measures. Nielsen not in yet, but is expected to back plan (p. 3).

**FM-STEREO STATIONS** now number 241 in U.S. & Canada, many stations increasing hours of stereocasting; 8 new U.S. stereo stations and 12 in Canada are listed (p. 3).

**NAB REPORTS TV PROFITS BEST EVER**, 16.9% on revenues of \$1,016,700 for typical station in 1962. Radio up, too, 7.7% on typical revenues of \$112,200 (p. 4).

**CIGARETTE BAN ON YOUTH APPEAL**: Tobacco Institute urges members not to sponsor programs directed primarily at youth (p. 5).

**'TOWN MEETING' BRILLIANT SUCCESS**: Famed "Stanton touch" was evident again last week, when the CBS president's "Town Meeting of the World"—via Telstar—drew widespread praise. Kudos would have been even more universal had the French not blacked out Europe by refusing use of its satellite reception facility. French sources said their decision was based on "controversial & political" aspects of program.

Intimacy & humanity of participants were conveyed by the live exchange in manner that film or tape never quite matches. It was a striking idea, strikingly executed, featuring as it did warm & frank exchange among: Eisenhower, Eden, Monnet & von Brentano—with CBS's Walter Cronkite as anchor man. CBS was tickled, naturally, and CBS News Pres. Richard Salant said similar "Town Meetings" would be carried quarterly, starting in fall. Producer Fred Friendly said he hopes to arrange similar exchange with Japan in Sept. or Oct., with Russia & Africa later.

**EDITORIAL HEARINGS & ELECTION YEAR**: With election year coming up, Congress this week is putting out a warning sign to broadcasters—editorials on candidates & issues are being watched. Warning takes form of week of hearings, starting today, on editorial practices & problems, conducted by Rep. Rogers (D-Tex.), chmn. of House Communications Subcommittee.

Hearings are "exploratory" & "fact-finding," Rogers told us. Subcommittee wants to examine how on-air stands are conducted, competence of editorialists, forms editorials can take (e.g., commentary, news interpretation). There's one pending bill (HR-7072), by Rep. Moss (D-Cal). It would: (1) Provide for equal opportunities to answer editorials for or against candidates. (2) Ban such editorials 2 days before election time. (3) Require stations to furnish copies of editorials to affected candidates within 5 days of broadcast date.

#### Consumer Electronics

**TOP TV-RADIO-PHONO BRANDS** in Latin American countries reported in survey; Philips virtually dominates area, but U.S. trade names show up strongly (p. 7).

**COMPONENTS MAKERS SAG IN FIRST QUARTER** as combined sales of 22 firms fall more than \$3.9 million to \$278 million from \$281.9 million a year ago. Earnings tumble more than \$2 million to \$7.5 million; 16 of 22 manufacturers show profit decline (p. 8).

**EUROPE TRENDS AWAY FROM 'FAIR TRADE'** in wake of changing attitude toward competition & importance of more competitive markets, reports Chase Manhattan Bank; Motorola urges dealers to support Quality Stabilization legislation by writing Congressmen (p. 9).

**IMPORTS UP, EXPORTS DOWN**—that's TV story. Japanese exports of TV for 5 months tripled 1962 figure, totaled more than 4% of U.S. production; transistor TV shipments exceeded tube TV exports for first time in May; U.S. TV exports declined 28% in first quarter (p. 10).

**LONG PHONO LINE** introduced by Motorola, with new bass speaker baffle system, more coffee tables & benches; radio line includes clock radio with detachable pocket-radio unit (p. 11).

**NEW HIGHS FOR RCA** in sales & profit in 2nd quarter and first half; Sarnoff & Engstrom see progress 'through 1963 & beyond' (p. 12).

Rogers regards FCC Chmn. Henry as key witness because Commission has "crux of the responsibility." FCC is expected to endorse fully its 1949 editorializing report encouraging on-air stands, including endorsing or opposing candidates. It's understood Commission will state that editorials indicate a station's involvement in community interests & needs, help supplement dwindling number of newspaper voices. It also believes that "fairness doctrine" is practical & sound, is observed by most stations.

Commission is expected to recommend issuance of primer on fairness requirements, which could take form of rule-making. This would help spell out station responsibilities for itself & public. FCC also would like to learn more about fairness observance, through in-depth examination at renewal time on random basis.

On Moss's bill, FCC is understood to favor essence of equal opportunities but doesn't think legislation is necessary. It believes it can better handle matters by setting policy and judging problems on case-by-case basis. It also believes HR-7072 ignores fairness questions concerning general handling of controversies.

Here's list of scheduled witnesses: Mon.—Reps. Van Deerlin (D-Cal.), Hall (R-Mo.), Hemphill & Dorn (D-S.C.); Sherwood Gordon, radio KSDO San Diego; Tue.—Henry; Wed.—Dan Kops (WAVZ New Haven) as chmn., NAB editorializing committee; Robert Hurligh, Mutual pres.; Thur.—Frank Stanton, CBS pres.; Don McGannon, Group W pres.; Fri.—Theodore Shaker, ABC-owned TV stations pres.; Harold Neal, ABC-owned radio stations pres. Rogers also plans hearings in Aug., if more licensees want to testify.

NBC isn't testifying, may send statement. Although it believes in station editorializing, its owned stations haven't done any yet. CBS-owned & most of ABC-owned stations do it. Group W stations are also very active editorialists on local & state issues only. Group believes that station management should do it, that it should be kept separate from news dept.

CBS is only TV network to editorialize. Stanton has done it 3 times: Oct. 15, 1950, color TV; Aug. 26, 1954, broadcast access to legislative hearings; July 26, 1959, supporting modification of equal time Sec. 315 of Communications Act. Mutual editorializes twice daily, carried by about 100 of its nearly-500 affiliates.

When Kops testifies for NAB, he will unveil revised edition of "Editorializing on the Air." It's divided into 2 main sections—guidelines & NAB interpretation of policy, covering what a station can & can't do in political editorials. NAB may have Pres. Collins testify next month, after his return from Europe.

**COMMERCIAL CEILING BATTLE QUICKENS:** Industry's stepped-up campaign against FCC's proposed limitations on commercials became more vigorous last week. NAB, under plan conceived by Pres. Collins, sent battle ammunition to all stations in form of arguments challenging Commission.

In covering letter dictated from London, Collins urged stations to discuss issue with Senators, Congressmen, civic & business leaders. NAB is seeking groundswell of opinion against proposed ceilings, hoping to convince FCC of "futility" & "inutility" of plan, as it was put by Paul Comstock, NAB govt. vp.

State assns. are getting into picture, too. Georgia broadcasters came to Washington to meet with Congressional delegation. They sparked interest of Rep. Weltner (D), who said he'd submit bill to block FCC. He didn't like proposed draft submitted by Washington attorney, believing it went too far.

Weltner told us he plans to submit his own bill in a few weeks. He believes FCC should be "restrained" from placing limitations on commercials. However, he does think extent of commercialization is a legitimate issue for FCC to consider in granting licenses & renewals. "We are working on the proper language that would accomplish both these objectives," he said. Senate action also is being sought.

All but 3 of Georgia Congressional delegation attended, including Sens. Russell & Talmadge. In addition to Weltner, Reps. Flynt (D) & Stephens (D) were also described as strong supporters of anti-limitations stand.

NAB has been very active in Congressional liaison, but doesn't believe that first step is introduction of bills. Among arguments against ceiling forwarded last week for broadcaster use, are these: (1) It's contrary to intent of Congress, would lead ultimately to govt. rate regulation. (2) Rule would be unequal & unfair because station & market situations vary greatly. (3) It would destroy free enterprise in broadcasting & cause great economic harm, especially to small-market stations. (4) Undermine voluntary Codes.

NAB's next step is to send letters & background material to all newspapers. Public Relations Service also has been steadily increasing liaison with civic & public service organizations.

Tennessee Assn. of Bcstrs. is meeting today (July 15) with its Congressional delegation. Three-man group, headed by F. C. Sowell (WLAC Nashville), legislative committee chmn., will stress commercial limitations plan & editorializing problems.

A "Federal Radio-Television Agency" to handle all broadcast matters was also proposed by the GAB at its meeting. It would have separate radio & TV administrators, a Broadcasting Court to handle controversial matters & a 3-man Advisory Committee to set policy.

**RATERS ENDORSE AUDIT PLAN:** Nearly all rating services gave Rating Council final endorsement last week for audit & standards plan—including ARB, Sindlinger, Pulse, Hooper. Nielsen is yet to be heard from, though it gave preliminary approval in May (Vol. 3:20 p3).

Nielsen's final OK is considered vital because of importance in network TV. Observers consider negative answer unlikely, but Nielsen is expected to express some reservations, suggest a few ideas, for incorporation into NAB plan. Rater wants NAB to take stronger stand with stations on ratings' week "hyoping" & survey tampering; it also wants stations to encourage public cooperation in surveys through promotional spots (Vol. 3:26 p5).

Council's newly-formed executive committee meets in N.Y. July 19 to review progress of subcommittees on Criteria & Standards and Audit, plus other reports. Key topic of discussion will be outcome of July 18 meeting of NBC's Hugh Beville & NAB's Melvin Goldberg with RAB and Audits & Surveys Co., on radio methodology study. NAB appears steadily inclined toward co-partnership of A&S study as proposed by RAB.

Nielsen announced changes in network TV service: (1) It will expand demographic data to include age of child, children by income & occupation of household head. (2) New market-section ratings report will provide all demographic information 3 weeks sooner. (3) Daytime program ratings will be provided on a "program" basis in addition to "sponsor line-up" basis. (4) Ratings report will be flagged to call attention to reduced line-ups in cases of pre-emption. (5) Ratings will reflect addition of delayed broadcasts to live line-ups.

Nielsen insists these changes were brought about by client recommendations. Any changes reflecting Washington hearings—e.g., inclusion of Mountain Time Zone & complete rotation of sample every 5 years—will be proposed to clients shortly.

Former ratings investigator Rex Sparger, now a ratings consultant in Oklahoma City, was in N.Y. last week talking to Random House about book he & Robert Richardson, other investigator, are co-authoring. Richardson, incidentally, is expected to leave Harris Subcommittee by end of Aug. to run for Congress in Oklahoma's 6th district. He'll campaign in primary as Democrat for Rep. Wickersham's seat.

**241 STATIONS BROADCASTING FM STEREO:** FM-stereo station total is creeping toward that 250 mark. New starters have been few & far between this summer, but many stations already on air have been increasing total stereocasting hours.

Our count of 241 stations now broadcasting stereophonically includes 12 in Canada reported by Dept. of Transport as authorized for stereo multiplex broadcasting.

If you're keeping list of FM stereo markets, addition of these new U.S. stereo stations will serve to update our last published full list of May 20 (Vol. 3:20 p11):

Palm Beach, Fla., WWOS; Decatur, Ill., WSOY-FM; Mattoon, Ill., WLBH-FM; Richmond, Ind., WBKV-FM; Wichita, Kan., KWBB-FM; Detroit, WBFM; Philadelphia, WDVR; Columbia, S.C., WCOS-FM. N.Y. City will get new FM-stereo program source Aug. 25 when ABC's WABC-FM begins multiplex broadcasting.

Here is official list of Canadian stations authorized to broadcast stereophonically: CHFM-FM Calgary; CHQM-FM Vancouver; CJOB-FM Winnipeg; CFPL-FM London; CFMO-FM Ottawa; CHFI-FM & CKFM-FM Toronto; CFCF-FM & CJFM-FM Montreal; CHRC-FM Quebec; CHLT-FM Sherbrooke; CKVL-FM Verdun.

If you find it necessary to keep track of new FM-stereo markets as they open up, we suggest subscription to our AM-FM Addenda service along with your "Television Digest" newsletter. This lists new stereo starters weekly, from official FCC notifications. (Rates on request.)

**NAB REPORTS TV PROFITS BEST EVER:** TV & radio station profits both bounced back in 1962, according to annual analysis just issued by NAB's Dept. of Broadcast Management, under James H. Hulbert. (FCC's official 1962 TV figures aren't expected until late fall, because of losses in personnel and Congressional requests for political-time analyses, etc.)

"Typical" TV station—meaning "median"—had 16.9% profit before federal taxes, compared with 12.6% in 1961, 15.4% in 1960. It's highest yet. "Typical" radio station had 7.7% profit, vs. 4.8% in 1961, 7.6% in 1960.

Typical TV station had revenues of \$1,016,700, expenses of \$844,900, profit of \$171,800. For radio, it was revenues of \$111,200, expenses of \$102,600, profit of \$8,600.

TV income broke down to: \$349,200 (32.8%) network; \$409,800 (38.5%) national & regional spot; \$305,500 (28.7%) local. Expenses were: \$133,500 (15.8%) technical; \$295,700 (35%) program; \$109,800 (13%) selling; \$305,900 (36.2%) general & administrative.

Radio income again showed "zero" for network. National & regional spot produced \$17,100 (15.6%), local \$92,300 (84.4%). Expenses: \$10,500 (10.2%) technical; \$32,900 (32.1%) program; \$18,300 (17.8%) selling; \$40,900 (39.9%) general & administrative.

Telecasters estimate 1963 revenues will rise 4.9%, while radio operators predict 2.8% increase.

Supplied to members, but not released for publication, are breakdowns by population and revenue ranges—enabling broadcasters to compare their performance with stations in similar situations.

Overhaul of Canada's Broadcasting Act, possibly involving complete reorganization of Board of Broadcast Governors (BBG), is expected after special investigating committee reports on study of current broadcasting statute, probably this fall. One recommendation expected by some Canadian broadcasters is for 5-member full-time BBG to replace present board, composed of 3 full-time members and 12 part-timers representing public. Controversy over Canadian broadcast regulation was heightened last month when Dept. of Transport rejected BBG's recommendation to issue AM-FM license for French-language station in Ottawa—first time in BBG's 5-year history that govt. had overturned one of its recommendations. Transport Ministry said license was rejected because govt. doubted ability of area to support 3 French stations. One private French-language station is now operating there, and CBC has been authorized to construct another one. One other BBG-approved AM license, for Winnipeg, is being held up by Dept. of Transport, and there are predictions it may get same treatment as Ottawa application.

Canadian uhf allocation plan, agreed to by U.S., has been issued by FCC. Commission hopes to issue its proposed expanded uhf plan, increasing assignments from about 1,500 to 1,950, before Aug. recess. Expanded plan is designed to take care of ETV needs and anticipated commercial demand. It won't be "saturated"—in sense that no more assignments could be made, but it will be tight as far as more desirable markets are concerned.

Better understanding, not better images, is what U.S. & Britain should seek, NAB Pres. LeRoy Collins stated in July 5 speech in England, at "Anglo-American Conference on Transatlantic Images." He said that mass communications, particularly broadcasting, should have "new vital role to play."

Three or more TV stations can be seen by 89% of U.S. families, according to recent study by ARB. It reports that 3% can get only one station, 4% 8-12 stations. The breakdown: one station, 3%; 2, 8%; 3, 26%; 4, 20%; 5, 15%; 6, 9%; 7, 15%; 8, 2%; 9, 1%; 10-12, 1%.

Czechoslovakia had 1,355,607 receivers as of last Dec. 1, according to communist bloc's International Radio & TV Organization (OIRT). OIRT also reports Bulgaria is doubling production this year and will introduce new "Kristall" set with "59 cm picture tube." Western Europe's EBU reports Greece plans 17 stations eventually, is inviting bids for 3 now—in Athens, Salonica & Patras—while new stations have started recently at Pforzheim, Germany, and Alesund, Norway.

Spanish-dubbed Japanese TV series *Samurai* sold by NBC International to: XHGC Mexico City, Television Interamerica for Caracas, RPC-TV Panama City. NBC says it's first Japanese show distributed in Latin America, anticipates sales in next 8 weeks in Peru, Argentina, Uruguay, Colombia, Central America, Puerto Rico.

Japanese TV broadcasters visited N.Y. offices of Avery-Knodel last week to study rep operation, were briefed on sales, research, promotion, market development. Francis Yoshimura, of Fuji Telecasting Co. N.Y. office, arranged visit for 6 TV executives.

Radio Television Belgrade & Masinimport of Bucharest have ordered Marconi mobile TV studios, containing 4 Mark IV camera channels. Belgrade ordered an additional camera for its studios, Bucharest 3 more.

Study of color TV facilities by Petry-represented stations shows 666,000 color-equipped homes in those 32 markets. Detailed questionnaire, worked out with 14 agency executives, will be forwarded to TvB for possible industry-wide compilation. Study showed virtually all stations are color-equipped for network, 17 for film, 4 for tape, 5 for local live.

Anti-drop-in filings may be submitted to FCC until July 18, Commission extending date for oppositions to petitions for reconsideration. Commission won't get back to them until Sept., following recess. Current impression is that oral argument will be ordered.

**Cigarette Ban on Youth Appeal:** Tobacco industry is gradually tightening advertising appeal to youth, including TV sponsorship. In meeting last week, Tobacco Institute urged members to: (1) Avoid sponsorship of TV-radio programs directed primarily at young audience. (2) Feature adults in TV & print ads. Last month, several companies quit advertising in college publications.

Persistent critic Sen. Neuberger (D-Ore.) called TI decision "pallid," said "it was motivated by a desire to head off govt. regulation." TI thus changed position since last May, when it recommended no action on appeal of Sen. Moss (D-Utah) for an end to youth-directed ads. TI Pres. George Allen last week said that industry believes smoking is for adults and that appeal to youth may be avoided by "good judgment, rather than arbitrary restriction of sponsorship."

Rep. Grabowski (D-Conn.) last week introduced HR-7476 to require label on cigarette packages to indicate health hazard.

**Little creative contribution** comes from TV stations, according to Ted Bates & Co. Senior Vp Richard A. R. Pinkham. Writing in July 8 *Broadcasting*, he says: "The actors act, the writers write, the producers organize, the agents represent, the networks gamble & sell, and what do the stations do? Anything more than provide air time and get paid for doing so? If so, I'd like to hear about it." (It's assumed he will so hear.) Pinkham suggests stations create fund to finance experimental programming, under big name such as Pat Weaver, Leland Hayward, David Merrick and "might come up with some winners and start making some money."

**Measures to give FCC "greater discretion"** in station sales were introduced last week by Rep. Harris (D-Ark.) (Vol. 3:27 p3). HR-7477 would give Commission chance to evaluate public interest questions of sale by allowing it to consider buyers other than those proposed by seller. HR-7478 would heed Comr. Bartley's recommendation, placing burden on sellers to prove that transfer will create "improved broadcast structure."

**Anti-trust implications** of newspaper-station joint ownership needs further study—particularly as TV broaden into uhf—according to Hofstra U. economics Prof. Harvey J. Levin. Writing in July issue of *Challenge*, published by NYU Institute of Economic Affairs, he suggests that Congress can take tougher attitude toward joint ownerships by pressuring Justice Dept., FTC & FCC.

**Attack on pro football** blackouts by NFL was pursued further by WPSD-TV Paducah when it filed anti-trust complaint against NFL. It told Justice Dept. that NFL has violated 1953 final anti-trust judgment against it by extending blackouts beyond those authorized by court. Station previously complained to FCC, got Rep. Stubblefield (D-Ky.) to introduce bill (Vol. 3:27 p5).

**Los Angeles municipal station** on Ch. 40 is proposed by Mayor Sam Yorty who asked FCC to reassign the channel from Riverside to Los Angeles. He said stations would be used "to provide authentic & official information on city govt. functions & operations to the citizens of the city."

**Metromedia**, recent purchaser of KTTV & KLAC Los Angeles, donates \$250,000 to Community TV of Southern California, planning ETV station there.

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**Ancient 770-kc radio case** went through another "final" FCC decision—latest in 21 years of litigation. FCC gave KOB Albuquerque a modification to operate with 50 kw & a night DA, denied WABC N.Y. a non-directional 50-kw renewal and invited it to submit night DA application. Said Commission: "ABC has not demonstrated that competition among the radio networks would be substantially lessened by the requirement that WABC directionalize nighttime." Courts have ruled on case 3 times, and ABC is expected to give it another opportunity.

**Spot TV** led all advertising media in first quarter gains, up 21%, according to *Printers' Ink* data prepared by McCann-Erickson. Network TV increased 6%, network radio was down 12%. Women's magazines were up 13%, general monthlies 9%, farm magazines 7%, business papers 5%. Newspapers were down 6%, weekly magazines 3%.

**ARB adds 6 new agency subscribers:** Doherty, Clifford, Steers & Shenfield; Fletcher, Richards, Calkins & Holden; Fuller & Smith & Ross; Ketchum, MacLeod & Grove; Morse International; J. Walter Thompson, Chicago. ARB now lists 36 of top 50 TV agencies, including all of top 10.

**Technicolor Corp.** plans expansion of TV film processing through major agreement with MCA, which will build processing lab near Universal City studio with capacity of \$15 million worth a year. Technicolor will provide equipment & manpower, has 3-year contract from MCA to process its TV film.

**Machtronics' video tape recorder**, distributed by Storer Programs Inc. (Vol. 3:27 p4), sells for \$15,750 in broadcast version. The \$12,150 price reported was quoted for closed-circuit unit when introduced last spring.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
CTS Corp.	1963—6 mo. to June 30	\$ 14,587,506	\$ 2,097,014	\$ 1,090,807	\$ .74	1,482,003
	1962—6 mo. to June 30	13,673,321	2,085,191	1,034,820 <sup>4</sup>	.70	1,482,003
	1963—qtr. to June 30	7,293,573	910,151	471,658	.32	1,482,003
	1962—qtr. to June 30	7,000,835	1,039,773	484,806 <sup>4</sup>	.33	1,482,003
Electro-Voice	1963—qtr. to May 31	2,765,722	91,964	46,389	.09	497,332
	1962—qtr. to May 31	2,574,510	381	1,123 <sup>1</sup>	—	497,332
Filmways	1963—9 mo. to May 31	9,017,116	187,966	83,966	.14	568,654
	1962—9 mo. to May 31	7,163,039	(345,703)	(234,803) <sup>2</sup>	—	568,654
GE Story on p. 12	1963—6 mo. to June 30	2,397,358,000 <sup>3</sup>	257,148,000	126,120,000 <sup>3</sup>	1.40	89,945,460
	1962—6 mo. to June 30	2,318,836,000	249,064,000	119,977,000	1.34	89,391,842
	1963—qtr. to June 30	1,242,885,000 <sup>3</sup>	—	67,141,000 <sup>3</sup>	.74	89,945,460
	1962—qtr. to June 30	1,218,270,000	—	64,014,000	.71	89,391,842
Muntz TV	1963—9 mo. to May 31	—	—	532,521	.36	1,437,482
	1962—9 mo. to May 31	—	—	783,689	.53	1,437,482
	1963—qtr. to May 31	—	—	60,921	.04	1,437,482
	1962—qtr. to May 31	—	—	182,800	.12	1,437,482
Rollins Bcstg.	1963—year to Apr. 30	7,899,744 <sup>3</sup>	1,214,557	580,388 <sup>3</sup>	.61	957,244
	1962—year to Apr. 30	6,395,312	831,260	437,396	.46	955,475
RCA Story on p. 12	1963—6 mo. to June 30	877,300,000 <sup>3</sup>	60,900,000	29,400,000 <sup>3</sup>	1.60	17,375,000
	1962—6 mo. to June 30	853,900,000	48,600,000	24,000,000	1.32	16,936,000
	1963—qtr. to June 30	441,300,000 <sup>3</sup>	25,600,000	12,100,000 <sup>3</sup>	.65	17,375,000
	1962—qtr. to June 30	428,900,000	19,700,000	9,500,000	.51	16,936,000
Stanley Warner	1963—39 wks. to May 25	104,268,422	3,453,112	1,798,112	.88	2,035,924
	1962—39 wks. to May 25	101,422,850	3,992,588	2,267,588	1.11	2,033,924
	1963—13 wks. to May 25	37,386,664	1,276,146	739,146	.36	2,035,924
	1962—13 wks. to May 25	34,051,600	1,217,603	707,603	.34	2,033,924
Transistor Electronics	1963—year to Apr. 30	2,108,903	—	212,344	.64	—
	1962—year to Apr. 30	1,613,017	—	130,563	.39	—
Vornado	1963—9 mo. to May 31	113,319,140	3,554,926	3,354,926	2.56	1,310,593
	1962—9 mo. to May 31	84,051,418	2,777,898	2,719,374	2.08	1,310,593
	1963—qtr. to May 31	35,005,172	916,815	916,272	.70	1,310,593
	1962—qtr. to May 31	26,970,093	794,580	782,531	.60	1,310,593
Wometco Enterprises	1963—24 wks. to June 15	9,950,000	—	1,043,459	.72	1,438,368
	1962—24 wks. to June 15	8,195,000	—	916,197	.64	1,008,857
	1963—12 wks. to June 15	4,914,000	—	518,812	.36	1,438,368
	1962—12 wks. to June 15	4,478,000	—	467,109	.32	1,008,857

Notes: <sup>1</sup> After tax credit. <sup>2</sup> After \$110,900 tax credit. <sup>3</sup> Record. <sup>4</sup> After \$53,640 provision to adjust for devaluation of Canadian dollar.

### Personals

**CBS-TV network program changes:** Marc Merson, gen. program exec., to live programming dir.; Tom Loeb, live programming supervisor, to program sales dir.; Robert Milford, live programming dir., to program services dir.; Robert Peyson, asst. production mgr., to production mgr.; James Lavenstein, admin. mgr., to program liaison mgr.; Lillian K. Curtis, program personnel admin., to program personnel & services mgr.; Maureen McCleave, network films supervisor, N.Y., to program supervisor, network programs, N.Y.

Crawford H. Greenewalt, du Pont de Nemours & Co. chmn., elected chmn., Radio Free Europe Fund.

John T. Curry Jr., ex-Grey Adv. account exec., named ABC-TV adv. & promotion operations dir. . . . Walter A. Schwartz, ex-radio WINS N.Y. asst. gen. mgr., appointed vp & gen. mgr., radio WABC N.Y.

Thomas J. Knott promoted to public affairs dir., WBZ-TV Boston.

Richard K. Lyon & Seymour M. Chase form Lyon & Chase, Washington TV-radio law firm, Farragut Bldg. (phone: 296-5066).

Mort Werner, NBC programs vp, elected pres., National Academy of TV Arts & Sciences . . . Norman Grant, NBC color coordinator, resigns to become pres., Tele-Color Inc., consultants.

Henry B. Clay, KTHV Little Rock, & John F. Patt, WJR Detroit, appointed NAB finance committee chairmen for TV & radio, respectively.

Elizabeth B. Harris, ex-ABC Radio research mgr., named research mgr., WQXR N.Y. . . . Harry H. Averill, ex-RAB vp, appointed vp & gen. mgr., Thoms Radio-TV Enterprises, hq WEAM Arlington, Va.

Don B. Curran, gen. mgr., radio KGO San Francisco, elected ABC vp . . . Alan Baker promoted to program publicity dir., NBC press dept.

George A. Sperry, ex-WGR-TV Buffalo, appointed adv.-promotion dir., CKLW-TV-AM-FM Detroit.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TOP TV-RADIO-PHONO BRANDS IN LATIN AMERICA:** How do U.S. brand names stack up in Latin America, in terms of TV-radio-phono ownership? Consumer product surveys by International Research Associates for "Reader's Digest" of Mexico, Central America & Colombia is first of its kind, to our knowledge, and shows up some interesting trends.

It confirms nearly complete domination of these markets by Latin American affiliates of big international Philips organization. After Philips, however, U.S. trade names have overwhelming part of remainder of market. These brand names are affiliates, partly-owned subsidiaries or licensees of their U.S. counterparts. Figures represent sets-in-use, therefore don't emphasize recent trends, such as increased sale of Japanese-made equipment.

Completed about year ago, survey is based on cross-section sampling, with 2,505 interviews in 16 Mexican cities, 1,499 interviews in capitals of Costa Rica & El Salvador, 1,519 interviews in 3 principal cities of Colombia. Here are highlights:

In Mexico, 33% of respondents owned TV sets, 32% owned record players, 86% owned radios. In Colombia, 18% owned TV, 35% record players, 93% radios. In the 2 Central American countries, TV ownership was 20%, record players 25%, radios 88%.

In Mexico, Admiral was dominant TV brand, owned by 13% of TV households. GE was 2nd, with 11%, followed by Philips & Philco, 10% each; RCA Victor, 7%; Sears' Silvertone & Zenith, 6% each; Packard Bell & Majestic, 5% each; Emerson, Stromberg-Carlson & Du Mont, 2% each; Crosley & Westinghouse (IEM), 1%.

Mexican phono ownership, unlike TV, sees several European brands in important positions: RCA Victor & Garrard are first, with 9% each, followed by Philips, 8%; Silvertone & Philco, 6%; Universal & Stromberg-Carlson, 5%; GE, 4%; Telefunken, 3%; Zenith, Electra, Blaupunkt & Packard Bell, 2%; Motorola & Imperial, 1%.

Mexican radio ownership finds Philips in lead, with 13%; RCA Victor, 12%; GE, Majestic & Universal, 9% each; Zenith, 4%; Admiral & Silvertone, 3%; Philco, Emerson, Packard Bell & Telefunken, 2% each; Blaupunkt, 1%.

Philips is completely dominant in other Latin American markets surveyed. In Colombia, that brand accounts for 29% of TV sets; followed by GE, 11%; Philco, Crosley & Motorola, 8% each; RCA Victor, 6%; Emerson, 5%; Zenith & Westinghouse, 4%; Silvertone, Olympic & Sylvania, 2%.

Colombian phono ownership: Philips, 36%; Philco, 9%; Silvertone, 8%; RCA Victor, 7%; GE & Motorola, 4%; Zenith, Grundig, New Yorker, V-M, Webcor & Imperial, 2% each. Colombian radio ownership: Philips, 42%; RCA Victor, 12%; GE, 7%; Zenith, 5%; Silvertone, 3%; Telefunken, 2%.

In Central American TV ownership, Philips leads again with 16%; Sylvania is 2nd with 11%; RCA Victor, 9%; GE, Zenith & Motorola, 8%; Admiral, Philco & Du Mont, 6%; Silvertone & Emerson, 5%; Westinghouse & Hotpoint, 2%.

Of Central American phonos, Philips accounts for 30%; RCA, 10%; Philco & Webcor, 5%; Zenith & Grundig, 4%; Silvertone & Telefunken, 3%; Garrard, Blaupunkt & Lowe Opta, 2%; Stromberg, GE & Imperial, 1% each. Radio market in Central America shows Philips with 35%; Zenith, 11%; Philco, 7%; RCA Victor, 5%; Blaupunkt, 4%; Telefunken & Grundig, 3%; GE, Silvertone, Lowe Opta & Siemens, 2%; Majestic, Admiral & Emerson, 1% each.

**COMPONENTS MAKERS SAG IN FIRST QUARTER:** Composite components & tube manufacturers opened 1963's first quarter slowly. Drop in both sales & profits came on heels of whiz-bang 1962 (Vol. 3:14 p11) which saw combined sales of 20 firms nearly \$60 million ahead of 1961, consolidated earnings of 23 companies \$13.5 million ahead.

Amalgamated first-quarter sales of 22 representative components & tube manufacturers slipped more than \$3.9 million to \$278 million from \$281.9 million in 1962's initial quarter.

Combined earnings of these 22 firms sagged more than \$2 million from year-ago pace to \$7.5 million from \$9.6 million. The 1963 total is after deducting \$896,916 losses racked up by Transitron (\$663,023), General Bronze (\$172,220) & Oxford Electric (\$61,673). The 1962 figures also are net, after even greater loss, \$1,196,585—Sangamo Electric (\$546,000), Federal Pacific Electric (\$353,484), Transitron (\$297,101).

Many of companies we analyzed make other products in addition to tubes & components. Some are heavy on production of tubes & components for industrial, govt. & military use. However, they are representative of TV-radio components industry & are bellwethers of sales & profit trends of components for consumer electronic products. Companies analyzed: Amphenol-Borg Electronics, Clevite, CTS Corp., Erie Resistor, Federal Pacific Electric, Gabriel, General Bronze, Hawley Products, Indiana General, International Rectifier, International Resistance, Littelfuse, P. R. Mallory, Muter, National Union Electric, Oak Mfg., Oxford Electric, Sangamo Electric, Standard Kollsman, Texas Instruments, Transitron Electronic, Tung-Sol.

Our analysis of these 22 manufacturers produced these somewhat dismal capsule findings: (1) More than half—12 of 22—failed to match their year-earlier sales. (2) Even greater number—whopping 16 of 22—dropped in earnings. (3) Only one—International Resistance—posted sales record. (4) None set earnings record.

Three firms finished in red each year, but Transitron was only repeater—with far greater loss in 1963's March quarter (\$663,023) than year earlier (\$297,101). Sangamo, which lost \$546,000 in 1962 quarter, bounced back with \$148,000 profit. Federal Electric, a \$353,484 loser a year ago, moved into black with \$67,675 profit. Conversely, General Bronze plunged into red with \$172,220 loss vs. year-earlier's skimpy \$9,457 profit. Oxford Electric also recorded red \$61,673 vs. 1962's Jan.-March profit of \$22,664.

Among 6 firms that boosted earnings, apart from 2 that went from red to black, most impressive gains were netted by Muter, which jumped to \$104,561 from \$72,701, and CTS Corp., up to \$619,149 from \$550,014. Texas Instruments gained to \$2.5 million from \$2.4 million. Amphenol-Borg edged up to \$440,517 from \$412,384.

Sales gains were generally better—but hardly spectacular. Among leaders: Sangamo jumped to \$13.4 million from \$10.6 million. Oak Mfg.—\$9.3 million from \$7.4 million. Texas Instruments—\$59.8 million from \$57.5 million. General Bronze—\$4.1 million from \$3.5 million. CTS Corp.—\$7.3 million from \$6.7 million. International Resistance—record \$8.6 million from \$8.4 million.

Here's 1963-vs.-1962 first quarter performance of 22 representative components & tube manufacturers:

	Sales		Earnings	
	1963	1962	1963	1962
Amphenol-Borg Electronics .....	\$ 20,241,803	\$ 20,021,427	\$ 440,517	\$ 412,384
Clevite .....	25,275,052	25,972,229	1,450,690	1,852,350
CTS Corp. ....	7,293,933	6,672,486	619,149	550,014
Erie Resister .....	6,875,520	6,991,486	63,661	255,467
Federal Pacific Electric .....	22,997,148	23,405,186	67,695	(353,484)
Gabriel .....	7,390,000	7,529,828	107,519	222,735
General Bronze .....	4,114,822	3,518,297	(172,220)	9,457
Hawley Products .....	1,736,283	1,716,994	50,911	101,332
Indiana General .....	5,640,959	7,203,028	373,144	717,763
International Rectifier .....	4,723,483	5,101,371	167,318	382,287
International Resistance .....	8,588,476	8,391,400	452,089	680,896
Littelfuse .....	1,652,000	1,756,000	87,488	103,932
P. R. Mallory .....	24,441,022	24,506,709	864,221	1,074,321
Muter .....	4,172,531	4,132,740	104,561	72,701

	Sales		Earnings	
	1963	1962	1963	1962
National Union Electric .....	9,059,626	9,318,768	242,777	348,507
Oak Mfg. ....	9,345,333	7,415,802	240,685	276,013
Oxford Electric .....	2,089,800	2,263,583	(61,673)	22,664
Sangamo Electric .....	13,387,000	10,615,000	148,000	(546,000)
Standard Kollsman .....	18,020,000	23,436,000	265,456	805,381
Texas Instruments .....	59,797,000	57,483,000	2,455,000	2,411,000
Transitron Electronic .....	6,211,161	6,033,624	(663,023)	(297,101)
Tung-Sol .....	14,923,552	18,311,554	241,087	449,855
<b>TOTALS</b> .....	<b>\$277,976,504</b>	<b>\$281,876,512</b>	<b>\$7,545,052</b>	<b>\$9,552,474</b>

**EUROPE TRENDS AWAY FROM 'FAIR TRADE':** *New European attitude toward competition, particularly in France & Germany, "is responsible for the movement away from resale price maintenance" which "years ago was the common practice in Europe's retail distribution," Chase Manhattan Bank emphasized in latest report on overseas retailing trends.*

*"Marketing strategies of American exporters & companies operating in Europe would do well to take into account these present developments in resale pricing," Chase cautioned, "because the changing legal setting may require them to modify their marketing strategy."*

*Resale price maintenance still is traditional pricing formula for branded & trademarked consumer goods, but its effectiveness "is challenged today by the rapid spread of modern retail methods and by new laws & judicial rulings on competition," Chase pointed out, adding: "Civil servants, businessmen, judges & parliamentarians have come to appreciate the importance of more competitive markets . . . The gradual weakening of resale price maintenance in Europe today is another indication of the continuing development of more competitive markets within the European Economic Community."*

*Fair Trade in France & Germany "has clearly been weakened by the trend of judicial interpretation," and TV sets, radios & household appliances are among products "most affected by this change." Chase amplified: "These product lines are well suited for discount houses which have expanded all over Europe. Their growth is largely a result of the decline of 'fair trade,' but supermarkets & discount houses contribute in turn to the further erosion of resale price maintenance."*

*Change in Europe's distribution practices, Chase report summed up, "will mean several things: Profit margins will be lower & markets will become less 'orderly' & less secure. Yet freer competition may well present new opportunities to American exporters. Their greater experience in competitive marketing should make it easier to enter the European markets & to increase exports."*



*Motorola is urging dealers to "join hands now with the growing army of reputable manufacturers & resellers of quality products who are moving vigorously toward early enactment of the Quality Stabilization Bill." To our knowledge, this is first direct appeal by TV manufacturer for dealer support of Quality Stabilization legislation (Vol. 3:26 p9), which has been reported out of House committee & still is being processed by Senate subcommittee.*

*Motorola Consumer Products Pres. Edward R. Taylor, at N.Y. showing of new TV-stereo lines last week (see p. 11), spelled out to dealers need for Quality Stabilization legislation, told them: "If you believe in this legislation, write your Senators & Representatives and let them know." Brochure on legislation, with appeal for write-in support, was included in dealer take-home kit distributed at meeting. Motorola will deliver Quality Stabilization message to some 25,000 dealers this month during course of 20 new-line meetings scheduled around country.*

**TV-RADIO PRODUCTION:** EIA statistics for week ended July 5 (27th week of 1963):

	June 29-July 5	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	89,693	156,843	82,441	3,550,961	3,375,855
Total radio .....	239,739	369,357	270,323	8,857,747	9,528,398
Auto radio .....	111,313	137,092	110,678	3,898,641	3,372,793

**IMPORTS UP, EXPORTS DOWN:** Japanese TV exports to U.S. for first 5 months of 1963 totaled more than 4% of U.S. black-&-white TV production for same period. In first 5 months of 1962, Japanese sets sent to U.S. were equivalent to only about 1% of American factory output.

Japanese TV exports to U.S. during the 1963 period were 3 times as great as in first 5 months of 1962. For the 1963 period, total was 121,380 sets, compared with 30,382 one year earlier. Breakdown by type of set for 1963 period (1962 figures in parentheses): Over 21-in., 5,267 (2); tube-type sets smaller than 21-in., 67,221 (23,213); transistor TV, 48,892 (7,167).

During May 1963, Japanese TV exports to U.S. held at the same 4% of domestic production; in May 1962 they totaled 3% of U.S. output. May 1963's exports were 19,145 sets, compared with 13,838 one year earlier. Breakdown: Over 21-in., none; tube sets, 9,229 (12,218 in May 1962); transistor, 9,916 (1,620). Significantly, May 1963 saw shipments of transistor sets exceeding tube sets for first time.

Year's first 5 months saw sharp decline in Japanese exports to U.S. of tube radios and "toy" transistor radios (fewer than 3 transistors). Perhaps reflecting softness in U.S. radio market, May shipments in all categories were lower than May 1962, although 5-month shipments of transistor radios were up 13%.

Here are 5-month figures for Japanese radio exports to U.S. (comparable 1962 figures in parentheses): With 3 or more transistors, 2,785,632 (2,463,954); tube radios, 619,074 (408,629); others (mostly "toys"), 939,894 (1,323,219). For May 1963 (vs. May 1962): Transistor, 575,713 (639,591); tube, 84,316 (150,592); others, 174,755 (210,206).

As TV shipments to U.S. increased, American TV exports showed decline of 28% in dollar volume & 27% in units for first 3 months of 1963 as compared with 1962's first quarter. Preliminary reports from Commerce Dept. place first-quarter U.S. TV exports at 27,000 units worth \$3,283,000, compared with 37,000 at \$4,568,000 year earlier.

Imports of TV sets exceeded exports during first quarter, Commerce Dept. reporting imports of \$4,679,000 in TVs (of which \$4,636,000 came from Japan).

Other first-quarter imports (comparable 1962 figures in parentheses, where available), as reported by Commerce Dept.: Transistor radios, 2,194,000 units at \$13,542,000 (2,272,000 at \$13,950,000); radio-phonos, 40,000 at \$3,239,000 (43,000 at \$3,609,000); recorders, \$7,475,000; receiving tubes, 17,371,000 at \$6,891,000 (11,991,000 at \$4,759,000).

**Automatic Radio Mfg.** is suing Ford Motor for \$15 million in triple damages, charging anti-trust violation in latter's sales policy on car radios. In action filed in Boston Federal Court, Automatic accused Ford & unnamed others of conspiracy to "monopolize interstate trade & commerce in the sale of automobile radios designed for installation in cars made by Ford." Suit complained that Ford since 1957 compelled certain auto dealers to sell only Ford radios for installation in Ford cars. Automatic also charged that Ford acquired Philco "for the purpose of manufacturing car radios for the Ford car line as part of a plan to monopolize." Ford said Philco makes no car radios.

## Trade Personals

**Charles H. Colledge**, division vp & gen. mgr. of RCA Broadcast & Communications Products Div., elected a dir. of RCA Victor Co. Ltd., Montreal.

**William P. Hilliard** appointed pres. of General Precision's GPL Div., succeeded by **J. Frank Price** as pres. of subsidiary Pleasantville Instrument.

**Andrew D. Farrell**, former Bendix rep in Washington, appointed head of IIT Research Institute's new Washington office, 1755 Massachusetts Ave. (phone: 234-6880).

**Edward J. Carney**, onetime RCA Semiconductor Products & Components ad mgr., joins ITT's Distributor Products Div. as ad & sales promotion mgr.

**Kenneth W. Bilby**, RCA public affairs exec. vp, has been named chairman of the Manufacturing II Unit of the Publicly Owned Corporations Div. of the Greater N.Y. Fund, directing 1963 fund campaign among approximately 150 firms and their employes in N.Y. area.

**Donald N. Lombardi**, ex-Bro-Dart Industries, named personnel dir., Pilot Radio Corp.

**Robert V. Jordan** appointed mkt. planning mgr. for Sylvania's Electronic Tube & Microwave Device Divs.

**Ron Sanderson** named pres. of Newark Electronics subsidiary Newark Herrlinger Distributing, succeeding **Cal Callaghan**, resigned; **William Little** replaces Sanderson as pres. of Newark Industrial Electronic Supply, another subsidiary.

**Michael D. Roman** appointed Bulova Watch national sales mgr. for radio & stereo products, Accutron timepieces, and watches; **Mort Smit** named consumer electric products sales mgr. Both are new posts.

**Sylvania Pres. Gene K. Beare** returned to his home July 11 to recuperate from injuries suffered in July 2 airliner crash in Rochester in which Controller Roy E. Drew was killed (Vol. 3:27 p12). His condition was described as excellent, with complete recovery anticipated after several weeks at home. He sustained fractures of left leg & several ribs and injury to shoulder. **David K. Elwell**, new product planning dir., is still in Strong Memorial Hospital, Rochester, where he was reported making good progress in view of his extensive injuries. In addition to amputation of his left leg, he suffered multiple fractures of face & jaw, ribs and right ankle. **Dr. Lee Davenport**, pres. of GT&E Labs, also injured in crash, is now back at work, having been released from hospital July 3.

## Obituary

**Frank E. Smolek**, Zenith Sales Corp. national service dir., died July 7 at West Suburban Hospital, Oak Park, Ill. He joined Zenith in 1928, had been national service dir. since 1932. He is survived by his widow and son.

**James F. Lillis**, 54, ITT vp & controller, died July 7 of heart attack at the Norwood Inn, Avon, N.J., which he recently purchased. He lived in N.Y.C. Prior to joining ITT in 1959, he had been vp & controller of Burroughs Corp., Detroit, for 10 years. He is survived by his widow & daughter.

**Motorola Radio & Stereo:** Motorola introduced to dealers last week its longest phono line in years, and a lengthened radio line—both featuring some unusual items.

Stereo pitch this year will be "Wide Spectrum Sound System," using Motorola's 3-amplifier principle. Center bass speaker in more expensive consoles is concealed by acoustical wood baffle, designed to provide damping effect for truer bass reproduction, and permitting use of more pliant speaker cone. Motorola also continues to feature reverb ("Vibrasonic") and has new phono pickup arm with 1½ grams pressure.

Popular coffee table stereo line is expanded this year and now starts at \$99.95. New to line is upholstered window-bench stereo at \$429.95. In portable line, there are 2 all-transistor units, at \$179.95 (swing-down) and \$229.95 (with fold-away mobile cart). Consoles are priced from \$149.95 to \$995, include variety of cabinets by Drexel & Heritage at upper end.

Radio line features 2 new concepts—"Tandem" transistor AM clock radio, whose radio can be detached and used as portable on own self-contained batteries (\$39.95); AM-FM multiplex radio which folds into "occasional chest" when not in use (\$225). Clock radios are \$19.95-\$39.95, with transistor clock radios at \$44.95 & \$49.95, AM-FM-clock at \$69.95 & \$79.95. Table radios start at \$14.95, topped by open-list long-distance AM radio. New AM-FM portable is \$59.95; AM-FM table radios (4 models) are \$49.95-\$79.95.

**Program for 3rd all-channel clinic** sponsored by Committee for Full Development of All-Channel Bestg. was announced last week. Scheduled at 8:30-10:30 a.m. July 22 during NAMM Music Show at Chicago's Palmer House, keynote address will be presented by FCC Comr. Robert E. Lee. Panel discussion will be moderated by W. T. Hamilton of WNDU-TV South Bend. Panelists: Robert G. Weston, Lee's engineer; Jack Beever, Jerrold Electronics; John J. Frick, Frick Electronics & TV Inc.; Garth Heisig, Motorola; Harold Isenring, Sears, Roebuck. In afternoon meeting following clinic, CAB's Consumer Information Committee, temporarily headed by EIA Exec. Vp James D. Secrest, will meet to consider whether to schedule additional clinics and whether to conduct a consumer information program.

**First OEM version** of 3M-Revere tape-cartridge changer will be introduced by Ravenswood next week at Music Show in Chicago, as optional feature in its console line. At same time, 3M will introduce 3 new models, designed to be sold through same franchised outlets as its original \$450 tape-cartridge unit. Two are tape decks—one a recorder-player, the other a playback-only unit—designed to be used with buyer's existing stereo amplifier. Third new model is self-contained portable tape-cartridge player—similar to original model, except that it lacks recording feature. Prices haven't been disclosed.

**Good-business reports:** Zenith first-half sales set new record, according to ads placed in trade papers, with b&w sales at all-time first-half high "with greatest share of industry ever;" color sales doubled those of first-half 1962, putting "Zenith in very dominant 2nd place—and still gaining;" radio sales were higher than year-ago and stereo sales set new record . . . Packard Bell reports sales to dealers at its 1964-line showing in June "exceeded the all-time high sales of last year's showing by 113%."

**Distributor Notes:** Motorola Consumer Products Div. names Robert E. Hanrahan, pres. of R. E. Hanrahan Inc., Gary, Ind., "Distributor of the Year" for top performance in 1962 among 92 distributors • Motorola names Billings, Mont.-based Taylor Distributing Co. distributor for eastern Washington, northern Idaho & Montana, succeeding Sunset Electric. Taylor, which is discontinuing Sylvania TV & electronics lines, will service new territory from its Spokane, Wash. branch. • Emerson appoints 4 distributors for Telectro tape recorders: Steve Jordan Inc., 1117 N. Sante Fe, Wichita, Kan., for central & western Kansas; W. B. Lloyd Co., 160 S. 4th West, Salt Lake City, for Utah; Mason Distributing, 2000 Baltimore St., Kansas City, Mo., for western Missouri & 15 northeastern Kansas counties; National Mill Supply, 207 E. Columbia St., Fort Wayne, Ind., for 13 northeastern Indiana counties.

**Color will account** for virtually all TV set sales by 1970, RCA Chmn. David Sarnoff predicted in lengthy profile in July 7 *N.Y. Herald Tribune*. He also believes field of communications has been "barely scratched," discussed with enthusiasm new personalized frequencies which will enable anyone to see & speak with anyone else anywhere in world via wallet-size or even watch-size TV-radio-telephone device. "This may sound like a fuzzy dream, but it's the most realizable of all the things we've been discussing," Sarnoff told *Tribune* business & financial editor Donald I. Rogers. "It doesn't require any startling invention. The principle already exists." Device was among various electronic developments forecast by Sarnoff in next 10-20 years.

**Field of industrial control** is next major area of continuing industrial revolution, noted Gulton Industries Chmn.-Pres. Dr. Leslie K. Gulton in July 7 *N.Y. Times* profile. Electronic & electrical components now account for some 27% of Gulton's total sales, test & control instrumentation 25%, power sources & power conversion equipment 23%, cordless consumer products, optical scanners, data-handling equipment & similar products 25%. Gulton operates 9 divisions, employs more than 2,000, boosted earnings 36% to \$1.4 million on 23% sales rise to \$30 million in 1963 fiscal year ended Feb. 28. "The most important catalyst in any type of work is enthusiasm," he said.

**Retailers foresee** average 10% profit rise on 5% sales gain in 1963's 2nd half compared with year earlier, concluded National Retail Merchants Assn. after survey of 195 retail executives representing more than 2,000 department, specialty & variety stores. Findings: 68% anticipate profit increases, 4 out of 5 see sales rise; 57% expect prices to remain stable; 42% anticipate higher fall prices; only 27% anticipate rise in inventories; 44% plan to increase private labels, 38% will use more national brands.

**Talk about warranty problems**—a Communist Party commission investigating Russia's TV manufacturing industry reported that 30-50% of 5 makes of Soviet TV sets failed during first hours of use. Some 65% of all sets sold were returned for repairs within first 6 months of use. Reporting in *Pravda*, commission said more than 60,000 complaints were received last year about unreliable TV sets.

**Plant vacation shutdowns (cont.):** Philco Consumer Products Div. manufacturing plants, July 15-Aug. 5 (Philadelphia & Watsontown, Pa. facilities), July 15-Aug. 12 (Connersville, Ind.).

**New Highs for RCA:** "RCA now stands on the firmest footing since its founding 44 years ago." So said Chmn. David Sarnoff & Pres. Elmer W. Engstrom in announcing all-times sales & earnings records for both first-half & 2nd-quarter 1963. Steady upward progression in earnings, they added, should continue through 1963 & beyond, barring unforeseen reversals in national economy.

For 2nd quarter, net profits rose 27% to \$12.1 million on sales increase of 3% to \$441.3 million. For first half, net earnings were up 23% to \$29.4 million on sales rise of 3% to \$877.3 million. (For details see financial table.)

Sarnoff & Engstrom attributed performance in no small measure to "profit-oriented management group," and added: "We believe we have today a stronger management team, with greater depth in qualified personnel, than at any time in RCA's history."

Among highlights of their report: (1) RCA now has more than 550 computer systems installed or on order. (2) Company maintains leadership in color, and Home Instruments Div. had its best 2nd quarter & first half in history. (3) NBC's sales & profits set new records in 2nd quarter & first half.

**GE posted record sales & earnings in 1963's 2nd quarter,** boosted first-half profit 5% above year ago on 3% sales rise to peak \$2.4 billion (see financial table). Included in first-half earnings of \$126.1 million are net earnings of \$4,355,000 produced by GE Credit Corp. In 1962's first half this subsidiary had \$3,805,000 of total \$120 million profit. Chmn. Ralph J. Cordiner noted higher sales of products for consumer, industrial, international & utility markets, said rate of incoming orders is ahead of year earlier. He pointed out that downward price trend has begun to "stabilize and in some important instances to reverse itself," called these "encouraging aspects of the business picture."

**Reports & comments:** Litton Industries, study, Goodbody & Co., 2 Broadway, N.Y. 4 • Magnavox, analysis, Oliphant & Co., 61 Broadway, N.Y. 6 • Electronic Associates, report, Emanuel, Deetjen & Co., 120 Broadway, N.Y. 5; discussion, Hayden, Stone & Co., 25 Broad St., N.Y. 4 • Magnavox, comments, Cohen, Simonson & Co., 25 Broad St., N.Y. 4 • CBS, report, Evans & Co., 300 Park Ave., N.Y. 22 • Zenith, AT&T, Schlumberger (Daystrom) and Electronic Associates, analyses, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • Walt Disney Productions, review, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • Vornado, discussion, Bruns, Nordeman & Co., 52 Wall St., N.Y. 5.

**Hitachi Ltd.** placed on American market 75 million common shares valued at \$20,859,375, through underwriting group headed by Dillon, Read & Co. and Yamaichi Securities Co. of N.Y. (Vol. 3:24 p12). Offering, one of largest in U.S. by a Japanese firm, is in form of 937,500 American Depository Shares, each representing 80 common shares & priced at \$22.25.

**P. R. Mallory** boosted 2nd-quarter profits 10-15% on 4.2% rise to record \$25.4 million sales from year-earlier's indicated earnings of \$976,058 on \$24.6 million sales. Pres. G. Barron Mallory attributed profit improvement to "greatly increased operating efficiencies & strict control of all costs."

**Independent TV-appliance retailers** in increasing numbers are pooling their buying power in co-operatives to cut costs, broaden inventories and battle on more even terms with discounters & department stores, noted July 10 *Wall St. Journal*. "In the face of intensifying competition from discounters," *Journal* said, "some independent appliance dealers see the co-ops as their best chance for survival. It's estimated that the number of independent appliance dealers in the nation has dropped to 35,000 from about 40,000 in 1955." Profile spotlighted Marta Co-Operative as one of nation's "oldest & most ambitious co-ops," noted that it embraces 85 members from Massachusetts to Virginia, compared with 11 when it started in 1949. Some manufacturers & distributors are less than happy with co-ops, *Journal* said, because "group buying prevents them from limiting sales of their products to the specific outlets they want, and they fret that co-ops may pressure them into granting price concessions they don't want to make general."

**Legalities:** Wilcox-Gay & wholly-owned subsidiary **Majestic International** have filed separate Chapter 11 petitions but will continue operating until further order of Federal Court, Brooklyn. Wilcox-Gay listed liabilities of \$479,723 vs. assets of \$651,319, including \$495,000 accounts receivable & \$16,318 deposits. Majestic noted liabilities of \$2,698,888 vs. assets \$510,123, including \$123 deposits, \$300,000 unliquidated claims, \$210,000 inventory. Wilcox-Gay reportedly has reached merger agreement with American TV Inc., headed by U. A. Sanabria (Vol. 3:25 p9) • **Space-Tone Electronics** & 3 subsidiaries (American Music Guild, components-&-cabinet-making Product & Industrial Engineering Corp., and International Acceptance Corp.) have filed voluntary bankruptcy petitions in Federal District Court, Washington, D.C. Samuel M. Greenbaum was named receiver by Judge David A. Pine. Schedules of assets & liabilities will be filed July 19.

**Storer Bestg.** revenues from TV-radio station operations "will be at least 10% ahead of last year for the first half," spokesman noted, but loss of more than \$300,000 on sale of *Miami Beach Sun* obviates similar increase in profit. Nonrecurring loss pushed 2nd-quarter profit below year ago, but Storer anticipates that any first-half profit decrease won't be more than "a few cents a share" from 1962's first-half earnings of \$1.48 a share. Last year, too, Storer had nonrecurring gain of \$912,863 on sale of radio WWVA Wheeling, W. Va.

**Magnavox** has franchised 2 Polk Bros. stores in Chicago, radio-TV sales mgr. George Fezell announced last week, and may add other Polk stores, "contingent on the success of the initial effort." Polk will emphasize "new selling techniques, including development of an 'in-home' selling program," Fezell said, adding that "all Magnavox products will be sold in conformance with the company's national sales policy."

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk. of Record
A. C. Nielsen .....	Q	.17½	Aug. 1	July 12
Avco .....	Q	\$0.20	Aug. 20	July 26
Intl. Resistance .....	Q	.10	Aug. 30	Aug. 15
Medallion Pictures....	Stk.	10%	Aug. 15	July 31
Taft Bestg. ....	—	.15	Sept. 12	Aug. 15
Wometco Ent.—"A" ..	—	.15	Sept. 13	Aug. 30
Wometco Ent.—"B" ..	—	.05½	Sept. 13	Aug. 30

with

**Consumer Electronics . . . (starts page 7)**

JULY 22, 1963

NEW SERIES, VOL. 3, No. 29

**The authoritative service for executives in all branches of the television arts & industries****SUMMARY-INDEX OF WEEK'S NEWS****Broadcast**

**FCC ACTIVITY—BACKGROUND REPORT** on recent work, projected plans of offices: network study, hearings, complaints, chief engineer, field engineering, etc. (p. 1).

**FM FREEZE-END PLAN BEFORE FCC** this week, staff recommending table of assignments with same mileage separations as before (p. 2).

**IT'S FINAL—OUTSIDE RATING AUDIT:** NAB Rating Council executive committee meets, will establish non-profit organization to oversee audit, which will be done by national accounting or business management firm; Nielsen gives up Audimeter in network radio (p. 2).

**SHARPER EDITORIAL GUIDELINES:** House hearings on editorializing get hot as Congressmen worry about political attacks. Broadcasters defend fairness doctrine, but lawmakers think it's weak (p. 3).

**COX DROPPING OUT OF DROP-IN CASE?** MST says he must, because of his advocacy as Broadcast Bureau chief. Cox doubts it. EIA joins opposition to drop-ins (p. 5).

**FCC ACTIVITY — BACKGROUND REPORT:** FCC has a loaded agenda, is trying to knock out some major items before Aug. recess or soon thereafter, as we noted recently (Vol. 3:25 p2). Nearest seems to be FM allocation, which may be voted this week (see p. 2). There's no telling what else will make it soon.

Lawyers & clients were relieved somewhat last week when Commission announced that many kinds of station sales will be acted on in Aug. by Broadcast Bureau under delegated authority.

Meanwhile, heads of FCC's various offices have summarized for Commission their recent activities and projects ahead. We've learned what some of them are. They include:

(1) Legislative history of Radio & Communications Acts is to be studied to determine whether Commission may already have power to regulate networks directly.

(2) Anti-trust angles of network program acquisition policies have been studied, will be reported to Commission soon.

(3) Largo, Fla. Ch. 10, supplemental decision is expected by Aug. 15, Rochester Ch. 13 initial decision by Dec., NBC-Philco initial decision by Nov. 1.

(4) Complaints & Compliance Div. in June sent investigators on 5-day trip to Mass. to examine slanted-editorializing charge, 1½-day trip to Philadelphia re rigged-contest charge, 4 days to York, Pa. & Annapolis, Md. re gambling matter.

(5) Chief Engineer's office has nearly completed work on precision offset, is also testing TV transmissions with low audio power. Study was made of station spacing in Britain with horizontal & vertical polarization.

(6) Field Engineering Bureau put 552 man-days in special study of rules violation in Citizens Band, found 5,470 violations.

**Consumer Electronics**

**SYMPHONIC-VS.-NEC ANTI-TRUST SUIT** strikes at business practices of Japan's industrial giants, charging Japanese TV industry boycott as 'punishment' for Spiegel incident (p. 7).

**COLOR REPRICING** unlikely until fall, with no drop-ins from major manufacturers due at Music Show; Olympic offers color consolette at \$449.95, color-phono combo at \$499.95 (p. 8).

**WHO PAYS 'RETAIL' ANY MORE?** Survey by Opinion Research Corp. finds that consumers of all economic & social strata now expect price concessions & 52% of customers in metropolitan areas pay less than list more often than they did 5-10 years ago (p. 8).

**TINYVISION DOUBLE-TAKE** by industry results from initial success of GE 11-in. sets; except for Admiral set, no introductions appear imminent, but designers are busy (p. 9).

**MUSIC SHOW** introductions stress transistorization, FM stereo & unique ideas; highlights of advance announcements (p. 11).

**FM FREEZE-END PLAN BEFORE FCC:** Vote to end FM application freeze may come from FCC July 25. Special meeting is scheduled to consider staff recommendations for a "Third Report" in the long proceeding. We've learned that staff proposes following:

(1) Adopt table of assignments as spelled out in Aug. 1, 1962, "First Report." There would be many changes from those proposed in Dec. 21, 1962 "Second Notice," but principles would be same. In 48 states, there would be some 2,830 assignments, about 160 more than in "Second Notice."

(2) Ten existing stations would change channels at licensees' request. Three others would be changed involuntarily (KREP Santa Clara, Cal.; KIMP-FM Mt. Pleasant, Tex.; WTTC-FM Towanda, Pa.).

(3) Freeze would be lifted for all applications except in Puerto Rico & Virgin Islands. Applicants would be given 60 days within which to conform with new table of assignments—before any grants would be made.

(4) Minimum ERP for new Class C stations would be raised from 10 to 25 kw.

"Third Report" would leave several factors for later resolution:

Power increases for short-spaced existing stations—those not too close together—may be provided in quite a few cases, under strict rules.

Table of assignments is recommended for Hawaii, Alaska, Puerto Rico, Virgin Islands, Guam—probably with mileage separations different from those in continental U.S.—to come later.

Educational FM (EFM) assignment plan would have to be devised.

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Underlying staff's basic thinking is belief that FM should retain potential for wide-area coverage because: (1) Suburbs keep extending. (2) Primary night aural service to rural "white areas" is needed. (3) Stereo takes more power than mono—for same coverage. (4) FMs appealing to minority tastes need broad geographic base to get adequate economic base.

**IT'S FINAL—OUTSIDE RATING AUDIT:** NAB plans to set up non-profit organization to handle mechanics of rating firm audit. Auditing itself will be done by outside national organization—accounting or business management firm, as we indicated earlier (Vol. 3:27 p3)—which will be responsible to non-profit group.

This was highlight of actions at N.Y. meeting last week of exec. committee of NAB's Rating Council and its Research Committee, both chaired by Group W's Don McGannon. About 20 attended, including 2 AAAA representatives, one ANA. McGannon said "everything was moving ahead of schedule." Other developments:

(1) Criteria & Standards Subcommittee reported that it expects to be finished defining criteria for rating service performance by mid-Aug. These criteria—along with individually designed methods questionnaire for each service—will be mailed to raters by late Aug. (Vol. 3:27 p3).

(2) Final endorsement of most rating services to audit & accreditation plan has pleased Council. NAB wouldn't disclose names of raters who've given OK. "We don't want to create problems with any that haven't as yet," said spokesman. One official conceded that most of the majors are in. He wouldn't confirm nor deny report here last week (Vol. 3:28 p3) that ARB, Sindlinger, Pulse, Hooper have assented, that only Nielsen hasn't been heard from among large raters. Firm is considered key because of importance in network TV. Negative answer isn't likely, but Nielsen is expected to express reservations, make suggestions.

(3) Also last week, NAB representatives met again with RAB and Audits & Surveys Co., on radio methodology study. Reportedly, NAB was much impressed with research objectives of A&S plan, asked that comprehensive presentation be drawn up in form of recommendation to Research Committee. Final action, on whether NAB will put up \$75,000 or part of it to co-partner study with RAB, won't come until mid-Sept.

Among things that impressed NAB: Plan for time-&-motion study of various rating methods, development of mathematical models to produce estimates of cumulative audiences, shedding of light on certain TV research problems as well as radio.

RAB is going ahead on development of study, isn't necessarily waiting for NAB approval, is proceeding on premise that there's still good chance NAB won't co-partner.

Attending NAB-RAB confab: NBC's Hugh Beville, Metromedia's Bennet Korn, NAB's Melvin Goldberg, Group W's James Yergin, RAB's Ed Bunker & Miles David, A&S's Solomon Dutka, Lester Frankel, Wally Knudsen.

In other rating actions, it's learned that Nielsen has dropped its Audimeter device from new network radio measurement plan. That leaves diaries & Recordimeter clock. Networks are studying proposals now.

WAME Miami lawyers, asked by federal court to amend suit against Nielsen by making damages more specific, did so. Added to complaint is statement that Nielsen didn't measure total radio listening because of inability to include auto radio, transistor radio, multi-radio homes. Nielsen is expected once more to file for dismissal.

**SHARPER EDITORIAL GUIDELINES:** Prospects for strengthened FCC rules on editorializing appeared in the cards last week, after 5 days of sharply worded House hearings.

Congressmen on Communications Subcommittee, chaired by Rep. Rogers (D-Tex.), kept talking about need for legislation, indicated they would settle for nothing less than FCC rules to supplant "fairness doctrine." Broadcasters would settle for that in lieu of legislation. FCC, as we indicated week ago, said it's working on editorializing primer, is giving thought to rule-making to delineate broadcasters' responsibility. FCC Chmn. Henry indicated primer would give examples of editorial problems & how FCC handled them.

There were many congressional objections to editorializing, many of them—as one might expect—dealing with political attacks and with mechanics of rebuttal. Look for any new rules to deal with following complaints:

(1) Fairness doctrine isn't specific. (2) Aside from invitations to reply, stations don't publicize that they are charged with responsibility to present opposing views. (3) Rebuttal may be aired at times different from original editorial, reaching different audience. (4) Editorializing creeps into some news programs without being identified. (5) Copies of editorials in too many cases aren't sent to interested, or attacked, parties. (6) There's no system for keeping editorials on file for specified time. (7) In general, not enough rebuttals are sought or presented. (8) Lack of competence of many stations to present researched editorials.

As hearings started, Rep. Hemphill (D-S.C.) stated flatly that editorials should be "done away with" because they're "vindictive." "It's not worth the trouble to the broadcaster, the public or the FCC," he said. Hemphill is not biased against only TV-radio, however. He didn't approve of newspapers that "blast you on the front page and retract it on the back . . . I still want to give [newspapers] their freedom. I wish I could give them some integrity."

Rep. Bennett (R-Mich.) said he didn't think FCC had authority to encourage editorializing, that it wasn't provided for in Communications Act. Henry said it stems from requirement that broadcasters serve community needs. Dan Kops (WAVZ New Haven & WTRY Troy), speaking for NAB, said it came from Sec. 326 of Act, which prohibits censorship. CBS Pres. Frank Stanton said it evolved from the "totality of the Act." Serving the public interest, he stated, "gives us the right to cover the broad spectrum" of programming & issues until Congress or the FCC takes that right away.

In brisk exchange with Subcommittee members, NAB gen. counsel Doug Anello said Congress "can't prohibit any area of programming. You can't attach an unconstitutional condition [to Act]." Moss replied, "But you certainly can impose standards."

Anello pressed on: "I don't think [Sec. 315] is constitutional." Why isn't there a test case, if convictions are so strong? Moss asked. "The only way to test it is by having a broadcaster put his license on the line," Anello said with finality. NAB lawyer referred to 1959 case he tried before Supreme Court in which WDAY Fargo was absolved of any liability in political broadcasting. Court didn't rule on constitutionality because it wasn't an issue in suit.

Stanton was industry's best salesman. He said editorials are vital in a free society "to stimulate discussion and criticism." He related editorializing procedures used by CBS-owned stations & network, bringing this comment from Rep. Younger (R-Cal.): "If all broadcasters were Stantons we wouldn't need an FCC."

Stanton said he was opposed to any legislation, stated fairness doctrine was adequate, but didn't quarrel with idea of clearer FCC rules. Bennett charged that Stanton advocates "de-regulation" everytime he comes before Subcommittee. "I'm saying no further regulation is necessary," replied Stanton.

"You don't have to operate in the public interest as a network," said Bennett. "You thumb your nose at the FCC with impunity." Stanton said company would come under FCC review if it behaved one way as a licensee & another way as a network. He added that FCC does regulate indirectly through stations, citing option time elimination & programming decisions. Bennett amended his charge to say "you could thumb your nose. . ."

Stanton's views reached Rep. Moss (D-Cal.), who wrangled with earlier witnesses over provision in his political editorializing bill (HR-7072) (Vol. 3:28 pl). It would require candidates—not their spokesmen—to reply to editorials that attack them or support opposing office-seekers. Industry witnesses claimed this would create equal time problem by giving all candidates for office a right to comment.

Moss & Stanton then seemed to reach meeting of minds—that perhaps bill could act as an additional amendment to Sec. 315, exempting equal time in these cases and allowing only aggrieved candidate to respond.

Kops argued that broadcasters have same freedom as newspapers, but with further obligation "to bring out all views." He said, as did others, that broadcast editorials are especially necessary today because of consolidation of newspapers. He also presented NAB's newest version of "Editorializing on the Air." It includes 16 guideposts and an interpretation of fairness doctrine. Most congressmen felt same way Younger did—that doctrine leaves opportunity for broadcaster to "crucify" a candidate and then select spokesman of his own choice for rebuttal.

Anello said he favored FCC rules, as against legislation that couldn't deal with many different & changing situations. He also said that FCC could use "cease & desist" procedure more often.

Henry supported editorializing, much as we indicated week ago, thought fairness doctrine was workable but that sharpening of broadcaster responsibilities was necessary, especially in cases of personal attack. He agreed with spirit of Moss's bill, but not its specifics. He thought that legislation was not as appropriate as rule-making. Commission was criticized by Bennett for having done little since 1949 to set down rules on editorializing. He called Henry's statement a "weak one," later referred to fairness doctrine as "ridiculous" & "asinine."

Younger complained about statement of Sherwood Gordon, radio KSDO San Diego, who indicated he didn't think he had to grant opposing views in editorials. Henry said he'll investigate.

Group W Pres. Don McGannon related procedures followed by his stations—complete separation of news dept. from management editorializing, methods used in research and in helping individuals & groups who take opposing stands. He closed by opposing any legislation or rules that will "hamper" editorializing. "I urge you [to] encourage an even greater number of broadcasters to undertake this task in a serious, systematic and responsible way."

ABC-owned stations adopted editorializing policy Aug. 1, 1962, with most of the stations now taking on-air stands, and those that haven't will do so shortly, stated Theodore F. Shaker, ABC-owned TV stations' pres. He was joined by Harold Neal, ABC-owned radio stations' pres. ABC editorial policy bans political endorsements.

NBC sent statement of editorial position. It repeated, in part, views expressed by Chmn. Robert Sarnoff before Senate equal-time hearings last month (Vol. 3:26 p3): Company fully endorses right of stations to editorialize, though its owned stations don't. It doesn't believe network should editorialize because on-air views should originate with licensees.

Network said it isn't convinced that editorials "add significantly" to information service that includes news, interview & discussion programs.

Two testifying Congressmen supported unhampered editorializing. Rep. Van Deerlin (D-Cal.), a former TV-radio commentator, said Congress should join with FCC, NAB, others to stimulate "full and free discussion of public issues." He said hearings "may tend to discourage, if not intimidate" licensees who editorialize. Rep. Dorn (D-S.C.) said editorializing was making "great contribution."

Rep. Hall (R-Mo.) said he favors local editorializing, but is against network documentaries that he believes add up to editorializing, said networks ought to be regulated in this regard. Mutual Pres. Robert Hurleigh said many small stations want to editorialize, but haven't the staff.

Hearings will pick up again in Aug., devoted mostly to station witnesses. Georgia Assn. of Bcstrs. has sent names of 3 members ready to testify; also Ben Strouse, WWDC Washington, is slated to appear. GAB holds its National Broadcast Editorial Conference this week, July 25-27, at U. of Georgia. Rep. Harris (D-Ark.) & Kurt Borchardt, House communications specialist, are scheduled to appear, among others.

**COX DROPPING OUT OF DROP-IN CASE?** Unusual anti-drop-in move was brought into picture last week by Assn. of Maximum Service Telecasters: It filed motion asking Comr. Cox to pull out of proceeding, stating that he's legally barred from participating because of his previous work on case as chief of Broadcast Bureau.

MST relies heavily on "Sangamon Valley" case, in which Court of Appeals held that channel-shift rule-making proceeding involved there was "adjudicatory," not "legislative." MST argues that vhf drop-in situation is similar and that Cox served as an "investigator" or "prosecutor" favoring drop-ins when he was in Bureau. Therefore, MST says, separation-of-functions law requires that he not participate in final vote.

Cox's initial reaction is that MST is wrong. He says that FCC attorneys are researching case and he hopes to respond soon. Commission attorneys we've queried agree with Cox. It's expected MST will go to court if Commission turns it down.

Importance of MST's move is this: Cox is most ardent drop-in advocate. He was with minority in 4-3 vote rejecting drop-ins. New Comr. Loevinger replaced Minow, who voted against drop-ins; if Loevinger votes for drop-ins, and Cox votes again, decision would be reversed. If Cox doesn't vote, and Loevinger favors drop-ins, vote stands at 3-3 (assuming no switch in votes) and old decision stands: No drop-ins. (While everyone speculates about Loevinger's thinking, he says he doesn't know how he'll vote.)

MST makes it abundantly clear that it has "the highest personal respect and esteem for Comr. Cox and his inherent impartiality," and that it's "motivated by professional responsibility" to Cox & Commission.

MST also filed opposition to the numerous petitions for reconsideration. It was joined by, among others, EIA, which said public in the 7 proposed drop-in markets would be hurt if FCC reverses. It said 122,450 sets were sold in those markets last year, with retail value of \$24.5 million. If sets were all-channel, EIA said, public would have paid extra \$3,675,000—and the uhf portion they paid for would be useless if uhfs aren't built.

## Personals

**Glenn Marshall Jr.**, WJXT Jacksonville, & **Richard W. Chapin**, KFOR Lincoln, Neb., appointed NAB 1964 convention co-chairmen.

**Edward Codol**, Katz Agency, re-elected Station Representatives Assn. pres.; **Adam Young** elected vp; **Robert E. Eastman**, treas.; **Bob Dore**, secy.

**Harvey Spiegel**, TvB research vp, elected Radio & TV Research Council pres. . . . **Don Richardson**, assignment editor, CBS News, Washington, promoted to asst. news dir.

**Robert Norvet**, CBS-TV film operations dir., Hollywood, promoted to film operations gen. mgr. . . . **Laurence M. Bub**, literary rights & contract negotiations admin., NBC West Coast, promoted to talent & program administration mgr.

**Arthur Salzburgh**, ex-CBS-TV Stations Div., named research mgr., ABC Radio . . . **Rudi Witschi** appointed mgr., Trans-Lux TV's new international sales office, hq Zurich.

**Edwin C. Metcalfe**, RKO General national sales head, Los Angeles, appointed sales operations dir., group's CKLW-TV-AM Detroit . . . **Donald L. Chapin** elected vp in charge of sales, Taft Bestg.

**Charles Keller** promoted to news & special events dir., WFIL-TV-AM Philadelphia, succeeded by **John Toutkaldjian** as film production unit exec. dir.

**Bob Macpherson** appointed promotion mgr., CTV Network, Toronto, succeeding **Ed Hausmann**, resigned . . . **Robert B. Beusse**, WOR-TV-AM N.Y. adv. & promotion mgr., promoted to adv. & sales development dir.

## Obituary

**Dr. Herbert T. Kalmus**, 81, founder & developer of Technicolor, died July 10 of heart attack at Hollywood home. He is survived by wife, 2 stepdaughters.

**Donald E. Allen**, 50, promotional services mgr., NBC West Coast, died July 15 at St. Joseph's Hospital, Burbank, apparently of heart attack. He had been with NBC since 1947. Survivors are wife, 2 daughters, brother.

# Television Digest

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Active TV committees representing U.S. TV film companies have been established in Europe's principal TV markets by Motion Picture Export Assn. of America, reported William H. Fineshriber, MPEAA vp, last week on his return from 6-week European tour. New groups, similar to those previously set up in Latin America, are in Paris, Rome, Frankfurt & London. Fineshriber reported increasingly favorable climate for TV film exporters as result of increasing set saturation, growing pressure for commercial TV, establishment of new TV stations & networks and rising costs of local production. He also cited growing support in Europe for U.S. sponsored clause in General Agreement on Tariffs & Trade seeking to promote increased freedom of movement for international trade in TV programs. Clause was endorsed last month by broadcasting council of EBU.

FM stereo programming will begin Aug. 1 on ABC's WABC-FM N.Y., AB-PT Pres. Leonard H. Goldenson announced last week. Station provides separate programming from its AM affiliate 6 p.m.-midnight daily, and plans to broadcast this full schedule in stereo, except for newscasts. It will be first FM stereo station to broadcast from antenna atop Empire State Bldg. Goldenson said acceptance of WABC-FM stereocasting may help determine future plans of ABC's 5 other owned FM outlets.

CBS-TV's offer of one-hour televised debate between N.Y. Gov. Rockefeller & Sen. Goldwater (R-Ariz.) was accepted by Rockefeller, declined by Goldwater. Latter turned down invitation of CBS News Pres. Richard Salant for appearance this summer on grounds it would contribute to party "disunity."

WBUD-FM Trenton notified FCC it stereocasts 24 hours daily, Mon.-Sat.—first round-the-clock schedule, according to Commission.

Tightened tall-tower rules are again sought by FAA. Last week, agency sent to broadcast industry copies of 2 "draft proposals"—inviting comments by Sept. 1. One is "Effect of Proposed Construction or Alteration Upon Aircraft Operation Under Visual Flight Rules," other is "Antenna Farm Area Criteria." FAA representatives have been meeting with FCC staff, reporting that farm idea is fine but that congressmen and aviation industry are pressuring FAA to limit all towers to 1,000 ft. According to one consultant, some tower proposals are being turned down on basis of the proposed rules, even though they haven't even been proposed formally, let alone finalized. Copies may be obtained from Federal Aviation Agency, 1711 New York Ave. NW, Washington 25, D. C.

Two political broadcasting bills introduced in House last week. HR-7550, by Rep. Slack (D-W. Va.), would amend Sec. 315 of Communications Act to eliminate statutory requirement of equal time. HR-7612, by Rep. Morse (R-Mass.), would also amend Sec. 315 by providing that whenever a legally-qualified candidate attacks any person on the air, that person is entitled to rebuttal to equal time used in attack.

Satellite status: (1) Telstar II went silent July 16; AT&T hadn't found out why, by week's end. (2) Non-TV Syncom satellite launch is set for July 24; it's to orbit at 22,300 miles. (3) FCC has granted most of the 120-odd applications from carriers to buy stock in ComSat Corp. (4) FCC has issued proposed rules for procurement for ComSat, invites comments by Sept. 23 (Docket 15123).

Cigaret smoking was labeled "severe hazard to health" by California State Dept. of Health. It said risk of dying of lung cancer is 14 times higher among cigaret smokers, that death rate from heart disease is twice as high as among non-smokers. Consumers Union report on smoking was published by Simon & Schuster last week. It attacks tobacco firms' advertising & merchandising policies.

Renewal denials of radio WKBL Covington & WHEY Millington, both Tenn., are recommended in initial decision by FCC Examiner Arthur Gladstone—on grounds of misrepresentation to Commission.

TV is best way to watch eclipse of sun, scientists advised at weeks' end. Naked eye view could lead to retina damage, public was told. All 3 networks planned coverage.

Hartford pay-TV adds "Eddie Fisher in Las Vegas," hour show videotaped at Desert Inn appearance. It will be seen on RKO General-Phonevision system Aug. 3 & 7.

Sale of WDBO-TV (Ch. 6) Orlando Fla., with AM & FM, to Outlet Co. for \$6.1 million (Vol. 3:15 p5), has been approved by FCC.

Teaching through TV will be studied at West Chester State College (Pa.), through \$174,000 grant by Office of Education.

Network TV guide—showing 1963-64 programs, sponsors, starting dates—has been prepared by Avery-Knodel, distributed to 1,400 agency & advertiser executives.

Yankee Network of 30 radio stations in 6 New England states celebrates 35th anniversary.

WRUL N.Y. is first commercial shortwave station to become NAB member.

New broadcast equipment catalog has been published by Gates Radio, Quincy, Ill.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**SYMPHONIC - VS. - NEC COULD SET PRECEDENT:** Striking directly at business practices of old-line Japanese industrial giants, Symphonic's treble-damage anti-trust suit against Nippon Electric Co. & EIA of Japan may well become long-time cause celebre. With significance far beyond TV-radio industries, broadly worded document charges, in effect, that Japan's old established industrial interests, with their interlocking connections, violate U.S. anti-trust laws in their exports to U.S.

Suit is indirect result of celebrated "Spiegel incident" of last Dec., which aroused ire of Japanese TV industry when big Chicago mail-order chain offered 16-in. sets made by NEC for Symphonic at \$79.95 & \$99.95 (Vol. 2:53 p9, 3:2 p11). Symphonic suit, filed late last week in N.Y. Federal District Court, charges that NEC & EIAJ prevented it from acquiring Japanese TV sets "as punishment for having sold to Spiegel and as a warning to other American importers to adhere, and compel their customers to adhere, to the established Japanese price structure."

Named as co-conspirators but not defendants are 19 other firms which were members of pre-war Sumitomo Group, including TV manufacturers Hayakawa, Hitachi, Tokyo Shibaura (Toshiba) & Yaou Electric. Suit alleges increasing interlocking ownership & operation of these firms, including regular meetings & exchanges of executives. As result of this power and of monopolistic acts, says Symphonic, it was virtually frozen out of TV import market.

Symphonic's complaint gives this sequence of events surrounding Spiegel incident: Agreement between Symphonic & NEC was to have run for year from Nov. 1, 1962 with automatic renewal, both parties contemplating that Symphonic would buy "at least 50,000 to 100,000 TV sets" from NEC during 1963. Symphonic says it anticipated net profit of more than \$1 million from first year of contract, more than \$1.5 million from 2nd.

Symphonic's initial order was 15,000 sets, of which 9,000 were to be price-leader model, substantial portion to be resold to Spiegel. Price leader advertised by Spiegel at \$79.95 was sold by Symphonic to Spiegel for \$75.25 FOB Lowell, Mass., or San Francisco; \$99.95 set was wholesaled at \$80.30 FOB. Beginning in Jan. 1963, Symphonic charges, defendants conspired to make "example" of Symphonic to deter other U.S. importers from selling to price-cutters.

NEC used "vast economic resources & influence of the Sumitomo Group of enterprises" to boycott & exclude it from access to low-cost Japanese TV sets, forcing other Japanese TV makers to fall in line, and using "vast economic power & influence of EIA [of Japan] to this end," Symphonic charges. As result, suit alleges, Symphonic is now "unable to obtain any reasonable source of supply" for Japanese TV sets, it has lost customers, and defendants' actions "have virtually rendered Symphonic's TV business unprofitable & valueless."

In addition to treble damages under Sherman Act (amount not yet determined), 2 other claims seek damages for breach of contract against NEC's U.S. affiliates and parent Japanese firms. Symphonic's attorney is Milton R. Wessel of Kaye, Scholer, Fierman, Hays & Handler. Officials of defendant NEC N.Y. Inc. could not be reached for comment at week's end. Japan Trade Center officials in N.Y. declined to comment, since they had not seen complaint.

. . . .

First indication of how Japanese manufacturers intend to fight \$99.95 U.S.-made TV sets came as Music Show opened, when Sharp Electronics (Hayakawa) introduced new version of its 16-in. TV at \$89.95, slashing \$30 from list price of previous leader model. Step-up model is \$109.95. Sharp also announced it would enter 19-in. field with \$129.95 set. At same time, it reduced prices of its battery TV sets, cutting 8½-in. model from \$229.95 to \$189.95 and 6-in. model from \$179.95 to \$169.95.

**COLOR REPRICING—NOT TILL FALL:** Those anticipated drop-in color price leaders at around \$450 probably won't be visible at this week's Music Show in Chicago. Best bet, however, is that there will be some new leader models in fall from companies whose lines now begin at the \$500 level.

Olympic last week joined those manufacturers with color sets starting at \$450-mark, introducing 9-set color line with leader grained metal console at \$449.95. Big surprise in line was color stereo combo (without radio) at \$499.95, with step-ups (FM stereo & AM) at \$619.95, \$895 & \$995. Previous lowest color combo, to our knowledge, was Curtis Mathes unit at \$559.95. Among larger manufacturers, Magnavox had been lowest at \$795. Step-up consoles in Olympic color line are \$549 and 3 models at \$695.

Most manufacturers showing color lines after Admiral tossed its \$399.95 bombshell have priced their leaders at \$449.95. Some of those which showed before Admiral had pointedly omitted metal-cabinet table model or console from lines, and it's believed eventual drop-ins will be in this category.

Here's color price-leader roundup as of this moment: \$400 & below—Admiral, Curtis Mathes, Sears Roebuck (some retail stores). \$450—GE, Motorola, Olympic, some private brands. \$500—Emerson, Magnavox, Philco, RCA, Sears Roebuck (catalog), Sylvania, Zenith. Above \$500—Du Mont (\$599), Packard Bell (\$650), Westinghouse (\$525). It should be noted, however, that some makes (examples: Magnavox, Sears) include service policies and/or installation priced inboard, equivalent to \$30-\$50 reduction.

No immediate intention of lowering color prices or introducing new price leaders is being expressed by any of those manufacturers whose lines start in the \$495-&-above bracket, so far as we can determine. But it's quite possible most of them have long-term plans to do so.

Variety of makes & models of color sets is constantly increasing. Muntz will begin shipment of color sets next month, its line consisting of 3 basic models—lowboy console and 2 combos, both including AM & FM stereo (list prices not yet firmed). Electrohome of Canada will show 5-set color line designed for U.S. market at Music Show, with metal console at \$495, consoles at \$649.50 & \$795.50, combos at \$995 & \$1,395. Setchell-Carlson plans to introduce color set soon.

For other highlights of new products at Music Show, see p. 11.

**WHO PAYS 'RETAIL' ANY MORE?** Major factor in current agitation for Quality Stabilization legislation, Fair Trade, list price clarity, etc. is clear fact that within handful of years consumers of all economic & social strata have become conditioned to expect price concessions—and large & leaping numbers of them now shop until they get them.

Predecessor I-can-get-it-for-you-wholesale boys & other price cutters were annoyance to traditional retailers, but catered to relatively small & limited customer group. Modern discount stores, however, have taken stigma out of paying less than retail. Today, consumers who had only contempt & disdain for yesterday's cut-rate dealers swarm about advertised bargains of discount palaces.

That's essence of survey conducted by Opinion Research Corp. to determine, in part, if consumers today are paying retail or list prices with same frequency as 5-10 years ago. Here are some of the findings:

In metropolitan areas with million-plus populations, 52% of consumers now pay less than list more often than they did 5-10 years ago, compared with 27% who reported no change. In areas of 100,000 to 999,999 population, 45% buy at discount vs. 27% with no change. Even in small communities—under 100,000 population—discount buying rate is up sharply: 39% reported they now buy for less vs. 29% with no change. Over-all, 51% of consumers now compare prices in different stores more often, compared with 31% who reported no change in comparison frequency over past 5-10 years.

Questions relating to discount buying also were posed by Opinion Research to shopping leaders—"the active consumers who have shown most change in shopping behavior over past 10 years" by doing with greater frequency at least 4 of the following: pay less than list, buy imported goods, compare prices between different stores, make all purchases in one store, shop self-service stores.

Among these shopping leaders, survey found, 62% bought their last small appliance at discount price, vs. 33% who paid list & 5% who didn't remember. For their most recent major appliance purchase, 50% bought at discount, 49% paid retail, one didn't remember. Private labels also are more attractive to shopping leaders. Some 37% reported they now buy house brands more often than they did 5-10 years ago.

Traditional retailers who are hopeful that recent financial tremors & shakeout in discount industry will whittle competition will find little solace in growth figures reported by Opinion Research. By 1965, outlook is for total 5,300 discount store units—more than double 1961's 2,512. Of greater significance, discount store sales by 1965 are expected to more than triple to \$15.6 billion from 1961's \$4.8 billion.

• • • •

Discounters' "Giant 13" superchains—most of which sell TVs & radios—are growing rapidly in sales & size, according to mid-year analysis conducted by "Discount Store News." Study covered Arlan's, Atlantic Mills, Clark's, J. M. Fields, GEM, Interstate, K-Mart, King's, Korvette, Shopper's Fair, Spartan, Two Guys from Harrison, Zayre. Summed up report: "Final figures still are being totaled for the calendar half or comparable fiscal period, but the amalgamated pattern emerging shows volume running decisively ahead of a year ago on the strength of a sharp increase in number of stores. Profits, however, clearly reflect the traditional first-quarter doldrums, increasing competition, and the heavy attrition of non-recurring start-up costs for new stores . . . There's no lack of enthusiasm for a big late-year finish, however." Since first of year, these 13 giants added 33 new stores, plan 61 more by year's end.

Zenith has been actively pushing for Quality Stabilization bill both at Washington and grass-roots levels through its dealers & distributors. At its distributor group meetings last May, Zenith Sales Corp. arranged discussions of the legislation. Distributors, in turn, gave dealers "a personal selling" on the bill and asked them to contact Congressmen.

"We were actually assisting in this effort almost 2 years ago," says Zenith Sales Corp. Pres. Leonard C. Truesdell, who adds that company has contributed "sizeable sum of money" in campaign to achieve Quality Stabilization legislation. More than year ago, article by Truesdell favoring the bill was placed in "Congressional Record" by Rep. Holifield (D-Cal.).

**INDUSTRY DOES DOUBLE-TAKE ON TINYVISION:** Like it or not, tinyvision may yet turn out to be the hottest TV item of the year.

Competitors who once questioned salability of GE's 11-in. set starting at \$99.95, now are questioning its reliability and its effect on standard-sized TV market. But they've stopped saying, "it won't sell"—because, fact is, it is selling.

We questioned substantial cross-section of TV manufacturing industry on what their intelligence systems had told them about reception of GE's 11-in. portable, and replies were unanimous: No question about it, it's selling. It seems, in fact, to have met far better consumer response than 16-in. did last year—not only pipeline-filling, but repeat orders already.

This doesn't mean manufacturers are enthusiastic about tinyvision. Many of them expressed fear that it will cut into full-size TV sales. Others felt good sales so far were based on novelty value and that no real potential exists after the "be-first-in-your-neighborhood" market is filled.

Emerson's 16-in. at \$99.95 was frequently mentioned in same breath with tinyvision, as if the 2 were battling it out at marketplace. Actually, low-priced 16s will undoubtedly deflect some sales from 11-in. sets—but they're basically 2 different breeds of cat. For one thing, quantities of \$99.95 sets being delivered by Emerson are unknown. For another, Emerson has whole line of 16s and 19s to sell up to, while GE is currently marketing only two 11-in. sets—\$99.95 & \$109.95. Therefore GE dealers who advertise tinyvision presumably want to sell it, but no dealer advertising 16-in. at \$99.95 is going to be in hurry to close that deal when he has other 16s and 19s priced at up to \$200.

"We're back-ordered everywhere," a GE official told us. He said production of 11-in. table model at \$119.95 & TV-clock-radio at \$149.95 have been postponed in effort to meet demand for \$99.95 & \$109.95 sets. Apparently, the key to sales is not magic price of \$99.95, since GE says public is buying three \$109.95 step-ups (colors, chrome trim) for every one leader model at \$99.95. According to this GE spokesman, Philadelphia dept. store chain Strawbridge & Clothier sold 182 sets in 10 days.

GE also insists tinyvision isn't cutting into sales of other TV, but finding its own market as impulse or gift item. GE's market researchers interviewed 500 consumers who bought 11-in. sets and found "a substantial portion of these people hadn't been in the market for TV sets."

Only other manufacturer planning introduction of U.S.-made tinyvision soon is Admiral, whose "competitively priced" sets will probably be introduced next month or in Sept. Sears Roebuck will begin receiving 10-in. Toshiba-built sets in next few weeks, with 10,000 scheduled to arrive this summer. Sears says it hasn't arrived at price yet, and that it may offer them through its retail stores on selective market basis.

Mysterious quiet prevails among other U.S. manufacturers. There are no stirrings anywhere along supply lines to indicate that GE & Admiral will have any U.S. tinyvision competition remainder of this year. But it's good bet that design departments are working overtime.

Tinyvision sales will be watched very closely from now on by all set manufacturers, trying to find answers to these questions: Is it a fad? How high can it be priced? How cheaply can it be made? Is this a real market which can support many competitive manufacturers—or might it be left limp & lifeless by over-exploitation, like the 16-in. market?

### TV-RADIO PRODUCTION: EIA statistics for week ended July 12 (28th week of 1963):

	July 6-12	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	87,514	89,693	66,949	3,638,475	3,440,734
Total radio .....	252,805	239,739	268,524	9,110,552	9,794,472
Auto radio .....	92,950	111,313	117,629	3,991,591	3,480,472

### Trade Personals

Donald C. Burnham elected Westinghouse pres. & chief exec. officer, succeeding Mark W. Cresap Jr., resigned because of ill health. Burnham, former vp in charge of Industrial Group, also elected a dir.; John K. Hodnette, formerly exec. vp, named vice chmn., a new post; Gwilym A. Price continues as chmn.

Howard W. Hibshman, ex-Stromberg-Carlson, Magnavox & Hotpoint TV, resigns as Pilot Radio marketing dir. to become marketing vp of Water Refining Co., Middletown, O.

Robert L. Shaw, former pres. of Sylvania Home Electronics Corp. & ex-vp of Admiral & Du Mont Emerson, joins General Time's Westclox Consumer Products Div. as mktg. vp, hq in La Salle, Ill. He had been associated with Hupp Corp. for past 6 months (Vol. 3:25 p11).

William S. Hepner Jr. appointed EIA PR dir., succeeding Robert T. DeVore, resigned to join Washington bureau of Fairchild Publications.

William F. O'Boyle, former Symphonic Electronic gen. sales mgr. & onetime vp of Capitol Records' Phonograph Div., appointed Pilot Radio acting western regional mgr., covering 11 western states, hq on West Coast.

Richard M. Kelly, formerly Magnavox eastern sales mgr. for consumer products, rejoins Hupp Corp. as pres. of Easy Appliance Div.

Nat C. Myers Jr., formerly TelePrompTer vp, appointed communications products & services mktg. dir., Fairchild Camera & Instrument's Industrial Products Div., a new post.

James L. Von Harz, former Oak Mfg. administrative vp, joins International Resistance as Burlington (Iowa) Div. gen. mgr., succeeding James Hollyer, resigned.

Mortimer Rogoff appointed a vp of ITT subsidiary, ITT Europe & Data Systems Div.

Ed Stern named Webcor mktg. mgr., a new post . . . James B. Hofer appointed field service mgr. of Arvin Industries' Consumer Div., a new post . . . W. R. Henn appointed GE radio receiver dept. mktg. administration mgr., succeeding L. M. Hodgkins, named San Francisco district mgr.

Herbert C. Knortz elected ITT controller & a vp, succeeding James F. Lillis who died earlier this month (Vol. 3:28 p10).

Richard Lionetti, formerly Columbia Records phonograph sales dept., named merchandising dept. special products mgr., responsible for merchandising Columbia stereo magnetic tape cartridge, among other products.

Dr. Milton U. Clauser, ex-Space Technology Labs vp, & Dr. J. P. Ruina, MIT electrical engineering professor, appointed fulltime consultants, Communications Satellite Corp.

Distributor Notes: Sylvania names Morris H. Housel Jr., ex-Magnavox, gen. sales mgr. for Chicago area, succeeding Erwin J. Arendt, appointed Chicago area district sales mgr. • Emerson appoints subsidiary Emerson Radio of Maryland distributor in Baltimore area for Du Mont home entertainment lines, succeeding Shepherd Electric.

FTC case against Jerrold, which had charged it with misrepresentation of its "TV Receptor" indoor antenna, has been dismissed "for failure of proof." FTC Chmn. Dixon wrote the brief decision. Examiner Joseph W. Kaufman, in Aug. 8, 1962 initial decision, had recommended dismissal of charges. Commission set aside his decision, saying it erred in one respect, but "we are not convinced he erred in dismissing the complaint for failure of proof." Examiner had discounted considerable testimony of expert witnesses, without justification, according to Dixon.

**NEW AT MUSIC SHOW:** Transistorization, FM stereo and unique new products will be sharing spotlight this week in Chicago at Music Show introductions. Among new items:

Westinghouse is showing 3 brand-new items: (1) Miniature all-transistor tape recorder at less than \$40. (2) Transistorized automatic phono with drop-down changer which plays on 6 flashlight "D" cells or line cord, at less than \$70. (3) Transistorized 3-piece FM-stereo-AM table radio in oiled walnut, with two 6-in. & two 4-in. speakers, at less than \$200. Other Westinghouse introductions include 2 transistor stereo portable phonos at about \$160 & \$200, tube stereo phonos at \$70 & \$120, new transistor radio line ranging from \$18 to \$40, four 19-in. portable TVs, one TV-stereo combo.

Minnesota Mining will announce price reduction from \$450 to \$399 on its original 3M-Revere tape cartridge recorder and display new products reported last week (Vol. 3:28 p10) at these prices: Recorder-player deck, \$339; tape player deck, \$269; self-contained tape player, \$329. 3M will start nationwide ad campaign for system this fall.

Sony will debut new color choice in its battery-operated Micro TV—silver—retailing at same \$189.95 as original black model. Also being introduced by Sony are 10 transistor radios, including FM set about size of king-sized cigarette pack, at \$39.95.

Saba of Germany will make another attempt to penetrate U.S. market through its factory sales rep, Lone Pine Electronics, Camden, N.J. It will offer TV combo with built-in uhf, short wave & FM stereo at about \$1,400, including special feature which gives close-up of center of picture on screen, similar to Hoffman's old "zoom" feature.

Arvin this year is showing 3 FM-stereo-AM table models, all in wood cabinets, at \$99.95, \$129.95 & \$169.95.

Another new FM stereo table model, with detachable speakers, will be premiered by Panasonic, along with transistorized tape recorder at \$89.95 and new group of transistor radios. Panasonic also will show its new line of high-styled furniture stereo consoles.

Clairtone Sound of Canada will demonstrate new line of 16 all-solid-state stereo-phono-radio consoles plus 4 tube models.

Ravenswood is showing 4 new functional-furniture styles for which custom stereo components can be fitted—Gov. Winthrop desk, corner table, 2 chiffoniers.

Standard Radio has 3rd version of its tiny Micronic Ruby radio, at \$49.95, and all-transistor portable FM-stereo-AM radio which can be operated on batteries or line cord.

Canadian TV-radio sales are running well ahead of last year, according to EIA of Canada, which last week released these distributor-to-dealer sales figures for May and first 5 months of 1963: TV—first 5 months, total sales 148,278, up 4.6% from 141,758 in same 1962 period; May, 28,468 sets, gain of 34.1% over 21,234 in May 1962. Radio—first 5 months, 195,489, up 5.4% from 184,406 in same 1962 period; May, 48,575, increase of 30.2% over 37,282 in May 1962.

Philco has installed "hot line" teletype connecting its distributors with its display at Music Show in Chicago, to expedite order-taking and to bring information from distributors to dealers attending show.

**Mergers & acquisitions:** ITT will acquire Cannon Electric, Los Angeles manufacturer of electrical connectors, for more than \$33.6 million in stock, subject to approval of latter's stockholders. ITT would issue for each share of Cannon common 0.3023 share of ITT common & 0.05 share of cumulative preferred, with 4% dividend rate & convertible into ITT common at \$60 a share • Avnet Electronics has acquired Fairmount Motor Products (Canada) Ltd. for 8,350 shares of common. Fairmount is subsidiary of Fairmount Motor Products, Philadelphia, previously acquired by Avnet. Latter also has acquired remaining 50% of outstanding stock of Production Technologies, Jamaica, N.Y., for amount not to exceed \$500,000. Sum is to be paid over life of Production Technologies patent for making sheet-metal dies • Vernitron Corp. proposal to acquire United Scientific Labs (De Wald brand hi fi, stereo tuners, amplifiers, Citizen Band products) in stock exchange has been approved by boards of both firms. Vernitron, Farmingdale, N.Y., makes electro-magnetic servo components.

Westinghouse netted record first-half & June quarter sales (see financial table) and pushed mid-year volume across billion-dollar mark for first time. First-half earnings rose to \$26.6 million from \$25.5 million a year ago on sales climb to \$1.109 billion from \$957 million. June quarter profit improved to \$14 million from \$13.7 million on 6.7% sales gain to \$529.8 million from \$496.5 million. Newly-elected Pres. Donald C. Burnham (see p. 10) said first-half orders were up 8% over year earlier, order backlog up 17% at mid year.

Annual bargain-hunting event for retailers, Independent Housewares-Mass Merchandise Show in Chicago, saw further attrition in large-quantity prices for imported transistorized merchandise. Where lowest price deals for 6-transistor radios last year were slightly below \$7 (Vol. 2:30 p9), this year they were \$5.25-\$5.50 (for Hong Kong-made merchandise). Low-end transistor tape recorders have dropped from about \$16 to around the \$10 level.

Ford Motor denied Automatic Radio Mfg.'s charges of anti-trust violations in sales of car radios (Vol. 3:28 p10), filed counterclaim for injunction to prevent Automatic from producing or selling any radio for Ford cars unless properly identified as made by Automatic. Ford alleges that Automatic makes radios similar in design to Ford types, identifies them as Automatic-made only with name on back which is not visible when set is installed.

Davega Stores, ordered into bankruptcy in April, has been formally taken over by Henry Modell & Co., which submitted winning \$311,100 bid in May (Vol. 3:20 p14) for trademarks, name & assets. Eight Davega stores in N.Y.C. area have been added to Modell's 4-store N.Y. chain, with hq in Davega's former outlet in Hotel Commodore. Amalgamated chain is expected to produce first year gross "in excess of \$30 million," Modell said.

Quality Stabilization legislation will pass in House and has very good chance of Senate approval unless opponents move vigorously, Rep. Celler (D-N.Y.) told recent meeting of National Assn. of Mass Merchandisers. "It will take vigorous efforts by organizations such as yours & by those who believe in a free economy to defeat these bills," he said.

## 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
Boston Herald-Traveler (WHDH-TV Boston)	1963—6 mo. to June 30	—	—	\$ 576,000	\$1.16	496,017
	1962—6 mo. to June 30	—	—	544,000	1.10 <sup>1</sup>	496,017
Capital Cities Bcstg.	1963—6 mo. to June 30	8,281,528	—	961,555	.80	1,184,411
	1962—6 mo. to June 30	7,314,395	—	633,027	.52	1,184,411
General Instrument	1963—qtr. to May 31	24,183,152 <sup>2</sup>	529,180	250,680	.10	2,570,401
	1962—qtr. to May 31	21,188,438	324,350	202,050	.08	2,561,342
Gross Telecasting	1963—6 mo. to June 30	—	—	344,637	.86	440,000
	1962—6 mo. to June 30	—	—	288,850	.72	400,000
International Resistance	1963—25 wks. to June 23	14,407,872 <sup>2</sup>	1,513,393	743,393	.51	1,462,209
	1962—25 wks. to June 24	14,286,212	2,575,273	1,165,873	.80	1,462,209
P. R. Mallory	1963—6 mo. to June 30	50,070,047	4,096,807	1,946,582	1.20 <sup>6</sup>	1,621,810
	1962—6 mo. to June 30	49,078,494	4,344,051	2,050,379	1.26 <sup>7</sup>	1,501,941
	1963—qtr. to June 30	25,629,025	2,262,919	1,082,361	.67 <sup>6</sup>	1,621,810
	1962—qtr. to June 30	24,571,785	2,074,589	976,058	.60 <sup>7</sup>	1,501,941
MGM	1963—40 wks. to June 6	101,532,000	(25,088,000)	(12,338,000) <sup>3</sup>	—	2,574,629
	1962—40 wks. to June 6	104,718,000	7,058,000	3,308,000	1.30	2,554,229
	1963—12 wks. to June 6	31,418,000	—	(3,622,000)	—	2,574,629
	1962—12 wks. to June 6	33,952,000	—	755,000	.30	2,554,229
Muntz TV	1963—9 mo. to May 31	9,133,199	811,727	532,521	.36 <sup>4</sup>	1,437,482
	1962—9 mo. to May 31	8,862,320	783,689 <sup>5</sup>	783,689	.58 <sup>4</sup>	1,409,982
	1963—qtr. to May 31	2,605,369	126,918	60,921	.04 <sup>4</sup>	1,437,482
	1962—qtr. to May 31	2,605,027	182,800 <sup>5</sup>	182,800	.12 <sup>4</sup>	1,409,982
Pacific Industries	1963—9 mo. to May 31	21,291,697	—	(210,358)	—	1,827,239
	1962—9 mo. to May 31	17,784,684	—	606,091	.32	1,627,239
Westinghouse Story on p. 11	1963—6 mo. to June 30	1,019,546,000 <sup>2</sup>	49,489,000	26,589,000	.72	36,003,292
	1962—6 mo. to June 30	956,971,000	35,814,000	25,514,000	.69	35,622,369
	1963—qtr. to June 30	529,804,000 <sup>2</sup>	25,901,000	14,001,000	.38	36,003,292
	1962—qtr. to June 30	496,504,000	24,636,000	13,736,000	.37	35,622,369
Wometco Enterprises	1963—24 wks. to June 15	9,950,741	—	1,043,459	.72	1,438,968
	1962—24 wks. to June 15	8,915,101	—	916,197	.64	1,008,857

Notes: <sup>1</sup> Adjusted to reflect Jan.-1963 5% stock dividend. <sup>2</sup> Record. <sup>3</sup> After \$12.8 million tax credit. <sup>4</sup> After preferred dividends & based on 1,437,482 shares outstanding May 31. <sup>5</sup> No income taxes required because

of credits from prior years. <sup>6</sup> Based on 1,621,810 shares outstanding & after preferred dividends. <sup>7</sup> Adjusted to reflect Dec.-1962 2% stock dividend.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Goodwill Stations ..	Q	\$0.12½	Sept. 4	Aug. 21
Gross Telecasting ..	Q	.40	Aug. 9	July 25
Gross				
Telecasting—B ..	Q	.07½	Aug. 9	July 25
Hazeltine .....	Q	.20	Sept. 16	Aug. 30
Littelfuse .....	Q	.03¾	Aug. 1	July 15
Littelfuse .....	Q	.03¾	Sept. 18	Sept. 3
P. R. Mallory .....	Q	.35	Sept. 9	Aug. 9
Screen Gems .....	Q	.15	Sept. 27	Aug. 23
Scrapps-Howard				
Bcstg. ....	Q	.25	Sept. 10	Aug. 22
Transcontinent TV..	Q	.12½	Aug. 15	July 31

Rollins Bcstg. has registered with SEC secondary stock offering of 166,376 common shares by majority shareholders Pres. O. Wayne Rollins & John W. Rollins, a dir. They will own some 68% of outstanding stock after sale. New York Securities Co. heads underwriting group.

C-E-I-R boosted sales 21% in the 6 months ended March 31, but "extraordinary" expansion & consolidation costs resulted in operating loss of \$910,796.

Seven Arts Associated's TV sales produced \$14,739,109 of total \$19,407,905 revenue posted in 1963 fiscal year ended Jan. 31 (Vol. 3:24 p12). TV sales were up more than \$2.5 million from year-earlier's \$12,199,118. Seven Arts closed fiscal year with total current assets of \$19,412,110 (including \$505,226 cash & \$9,088,322 notes & accounts receivable) vs. total current liability of \$13,021,596. At end of 1962 fiscal, current assets totaled \$16,887,608 (\$498,488 cash, \$6,646,097 notes & receivables) vs. \$10,671,545 current liabilities.

Reports & comments: Capital Cities Bcstg., discussion, Rittmaster, Voisin & Co., 260 Madison Ave., N.Y. 16 • CBS & Zenith, reviews, L. F. Rothschild & Co., 120 Broadway, N.Y. • RCA, discussion, D. H. Blair & Co., 42 Broadway, N.Y. 6 • Avco, discussion, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • Lab for Electronics, memo, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5 • Hitachi, prospectus, Dillon, Read, 46 William St., N.Y. 5.

Universal Pictures will redeem, starting Aug. 30, its approximately 14,800 outstanding shares of 4¼% cumulative preferred stock. Redemption price is \$104 a share. However, Universal's board also authorized quarterly dividend of \$1.0625 a share, payable Sept. 3 to holders of record Aug. 15.

# WEEKLY **Television Digest**

with

**Consumer Electronics . . . (starts page 7)**

JULY 29, 1963 **NAB LIBRARY**

NEW SERIES, VOL. 3, No. 30

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**THE LOEVINGER PHILOSOPHY.** New FCC member's tart comments on cross section of Commission problems. Considers it 'pretty good agency' (p. 1).

**DROP-IN ORAL ARGUMENT SET** for Sept. 19. FCC grants KOCO-TV short-spaced move to Oklahoma City. Comr. Cox awaits final filings re his further participation before giving decision (p. 2).

**GO-AHEAD FOR PINPOINT ETV** granted by FCC. Final rules for point-to-point service in 2500-2690 mc band adopted, allowing for broad range of instructional uses (p. 2).

**EDITORIALIZING CHANGES AT WORK:** FCC issues interim clarification of fairness doctrine pending additional rules or primer. CBS offers draft bill to exempt equal time when candidate is attacked. Harris hints at need for legislation, rules (p. 3).

**NIELSEN FAVORS AUDIT ONLY,** sends NAB, clients, others, outline of design for rating audit, suggests CPA firm do it. It believes setting of standards is hazardous (p. 4).

**THE LOEVINGER PHILOSOPHY:** New FCC Comr. Lee Loevinger is nobody's patsy. He has experience. He has opinions. He's had substantial private legal practice. He's former member of Minn. Supreme Court. He's been Justice Dept. anti-trust chief. We talked to him at some length last week, elicited what we believe are most definitive views he has stated so far. Herewith are his comments on good cross section of FCC problems:

"The FCC is a pretty good agency. It handles some 750,000 applications a year. I don't think any other agency has as much. More delegation of staff can be made. Most problems are not controversial. Most of the controversial matters are in the broadcast field, but there are a few in any field. People on the outside do a lot of screaming, but it's because they have their own interests at heart."

"FCC has the habit of doing everything twice. As soon as you rehear a case, you have to rehear a dozen or a hundred more. I think there'll be a lot less of this. Lawyers always want to reargue. I don't blame them. I'd do the same thing. But the fault is ours. It reminds me of Justice Holmes' statement—that we must 'make concessions to the shortness of life.'"

"Am I tough on AT&T? In my first FCC meeting, my colleagues were ready to allow its charitable contributions as a regular expense. I made a reasoned argument and we voted 4-3 against it. FCC needs more facilities to regulate AT&T. It does all it can. We have as much manpower as one of 50 or 100 AT&T offices. It can outman us 10-to-1 on any issue."

"I've read Minow's letter to the President, suggesting that there be a single administrator setting policy and an adjudicatory court. There's nothing in Minow's letter of specifics. Nice ideals. Noble aspirations. But it makes no sense for an administrator to set policy. It's the job of an administrator to carry out policy. His idea is just the opposite of how govt. works. The President doesn't set policy. Congress does—and he carries it out. The routine is handled by an administrator."

### Consumer Electronics

**TINYVISION & IMPORTS** are talk of Music Show as GE 11-in. draws crowds, and 12-in. competitors from overseas make appearance; some U.S. manufacturers seen importing small sets; transistor TV prices dropping, with low now \$149.95, heading toward \$99.95; Zenith introduces \$449.95 color set; Arvin re-enters TV via imports (p. 7).

**ALL-CHANNEL UPS & DOWNS:** Meager attendance at Chicago dealer clinic—but Comr. Lee is hopeful. He may suggest excise-tax compromise—a 2-year moratorium until set-price differential disappears. CAB recommends CATV non-duplication (p. 8).

**MUSIC SHOW HIGHLIGHTS** coming competitive year, with new domestic & foreign entries in fine-furniture console field, FM stereo table radios blooming in profusion, new shirt-pocket AM-FM imports, more TV sets; Magnavox introduces recorders, complete radio line (p. 9).

**TV, PHONO SALES** continue strongly ahead of 1962, unofficial first-half figures indicating b&w TV up 8%, while radio dipped 18% at distributor sales level; official 5-month figures show phono sales 25% above 1962 (p. 10).

"Size of FCC? Five members minimum, 9 maximum. Maybe a little more efficient with 5. The chairman has just about the right amount of power."

"It's very hard to generalize about FCC's programming powers. The 'public interest' standard is nothing more than a cheer—for home-loving, upright, good old American ideals. To some extent, it means that govt. has got to move on a case-to-case basis. I think the 1949 statement on 'fairness' is a pretty sound statement. I don't think FCC should go much beyond that."

"Suppose 10 applicants for a station in New York all want to put on Spanish-language programs—none English. I think we have a right to expect someone to put on English."

"I don't agree that asking questions is the same as making accusations or interfering. On income tax, asking questions isn't an accusation. How else can FCC know what's going on? Should FCC & its staff monitor everything? Should FCC blind itself to what's going on? I believe we shouldn't try to influence programming. However, we shouldn't be wholly indifferent to what's being broadcast. It's like all legal problems. Nothing is completely unlimited—like Justice Holmes' statement about yelling 'fire' in a crowded theater. But we should use restraint."

"I believe that the greatest diversity of ownership of stations is best—other things being equal. I tend to favor those with fewer communications interests than those with more. But you can't come in and say that one can't own more than one station. Which is more concentrated—five 250-watt stations or one 50,000-watt? I don't know yet. My inclination is to think that the five 250-watters are better. But I need a specific situation to judge. I believe in local single ownership—other things being equal."

"Regarding CATV & stations, since a station is an originating point I would think that the station is more socially desirable. But I haven't given it enough thought yet."

"I think the expression 'local live' is an anachronism, an absurdity. I understand when something is 'local,' but is it 'live' when it's broadcast as it happens? If something 'local' happens when few people can watch it, doesn't it make more sense to record it and broadcast it when there's an audience? I'd like to see that cleared up."

There you have the flavor of Lee Loevinger. We think he'll add spice to the proceedings on Pennsylvania Ave.

**DROP-IN ORAL ARGUMENT SET:** That tight issue of whether to add vhf channels to 7 more cities, at short spaces, goes to FCC oral argument Sept. 19, some 3-5 hours devoted to it. Action hasn't been announced yet, but it's understood Commission believes argument is best way to wrap whole thing up finally—and to give new Comr. Loevinger fullest opportunity to come to grips with case in which he'll probably have deciding vote.

Commission also voted short-spaced move of KOCO-TV (Ch. 5) Enid to Oklahoma City, over vigorous opposition of MST & others. This hasn't been announced yet, either, will be released this week.

Whether Comr. Cox will participate further in drop-in case won't be known definitely until FCC returns after Aug. recess. Parties get 13 days to oppose MST's motion that he withdraw (Vol. 3:29 p5). If any of you wonder why there's so much to-do about 7 channel assignments—answer is simple: Each CP is automatically & almost immediately worth millions, each being 3rd vhf in a substantial market.

**GO-AHEAD FOR PINPOINT ETV:** New point-to-point ETV service in 2500-2690 mc band has been finally established by FCC, effective Sept. 9, in time for new school year. Full text of rules should be available soon, but Commission's announcement makes it clear that service will have substantial flexibility, allowing more than straight school-to-school teaching.

NAEB Pres. William Harley commented: "I think there will be quite a demand. It's more limited than broadcasting, but it will be a valuable supplement. I believe that Minneapolis & Boston are among locations where educators are among the most active in this area."

Stations will be 10 watts normally, though more will be granted in special cases. Service is in band now used by "operational fixed stations"—but there are only about 90 of these; no more such will be granted for 3 years. Said Commission regarding new service:

"Systems . . . licensed for this purpose may also be used for other incidental purposes among which are the transmission of cultural material and entertainment to these same receiving locations; the transmission of special training material to selected receiving locations outside the school system, such as hospitals, nursing homes, training centers, clinics, rehabilitation centers, commercial and industrial establishments, etc.; the transmission of special material to professional groups or individuals to inform them of new developments and techniques in their fields and instruct them in their use; and to perform other related services directly concerned with formal or informal instruction and training. When not being used for such purposes, the facilities licensed under these rules may be used for handling administrative traffic of the licensee, such as the transmission of reports and assignments, conferences with personnel, etc.

"Stations licensed in the new service may also be used to relay material to and from commercial and noncommercial TV stations, but not to interconnect TV fixed systems in different areas, or to establish relay systems to cover an entire state or large portion thereof. The rules permit the retransmissions of programs of other broadcast stations, subject to the usual requirement for consent of the originating station. Any portable pickup needs by educational institutions licensed under the new rules can be accommodated by authorizations in the Business Radio Service."

**EDITORIALIZING CHANGES AT WORK:** Repercussions of House hearings on editorializing (Vol. 3:29 p3) resounded last week:

(1) FCC called attention to "affirmative obligation" of licensee to present contrasting views, under fairness doctrine. (2) CBS submitted draft of legislation to exempt equal time requirement when candidate responds to political editorial. (3) Rep. Harris (D-Ark.) said there may be need for clarifying legislation and/or rules on editorializing.

FCC statement on controversial programming said it's considering "primer or rules" that might better define a licensee's responsibilities than does fairness doctrine. For time being, Commission offered these basics: (1) In cases of on-air attack against individual or group, text of broadcast must be transmitted with specific offer of time to respond. (2) When commentator or person other than candidate takes partisan stand, transcript of program must be sent to each candidate concerned with offer of opportunity for "spokesman" to respond. (3) In airing views on current issues, such as segregation, licensee must present balanced views from all responsible community groups. FCC cited specific need to air Negro leaders' views if other racial positions are expressed.

CBS's proposed legislation would add 5th exemption to Sec. 315 of Communications Act. Effect would be to allow a candidate himself to respond to editorial against him, or in favor of opponent. Broadcasters argued at House hearings that, under present law, all other candidates are entitled to time once aggrieved candidate appears. Stations presently try to get spokesman instead of candidate, to avoid equal time merry-go-round.

On fairness doctrine, Rep. Harris (D-Ark.) said last week that Congressmen "might" want an amendment to Communications Act "to assure fairness to politicians" in editorials. He said this would be "their second and probably wiser choice" after realizing that their first choice—prevention of political editorials—"might be attacked in the courts."

Harris told National Broadcast Editorial Conference, sponsored by Georgia Assn. of Bcstrs. & U. of Georgia journalism school, that office-holders are "apprehensive" about broadcast editorializing—not because of lack of trust in broadcasters, but because of "powerful" influence of TV-radio.

"I can assure you, however, that politicians . . . may object to having their 'rights' of answering broadcast editorials depend on the discretion of broadcasters," Harris exclaimed. He said Rep. Moss's (D-Cal.) bill to provide a candidate equal opportunity to answer political editorial has "difficulties" that would have to be corrected if legislation were to be enacted.

Not abandoning idea of rules, Harris stated that while they "may be difficult to lay down hard and fast . . . we must nevertheless strive to do so."

He said he's "strong advocate of broadcast editorializing," stated that in no other area do broadcasters & regulators walk a "tightrope" as they do here. It stretches, he stated, between First Amendment & Sec. 326 of Act (prohibiting censorship) on one end, licensed to serve public interest at other.

Adequate editorializing staff isn't "meaningful" answer, Harris said. A "juke box" station that doesn't discuss public issues isn't equipped to editorialize even if it hired a qualified person to do it, Harris stated. He also said that where editorial is written by outside service or source, it should be so identified.

In letter to constituents last week, Harris offered proposal: Let station present factual outline of both sides of issues, then give opinion. It would give editorials more stature, lessen complaints, he said.

History of editorializing was provided Conference by Dr. Mary Ann Cusack, special asst. to NAB Pres. Collins. She told how editorializing evolved from increased news & public affairs programming, said such views provide "reasoned interpretation of current events," rather than only isolated facts of news story.

Rep. Cleveland (R-N.H.) supported editorializing in House last week—"subject to reasonable rules and regulations . . . the more information and opinions [people] can get the better."

**NIELSEN FAVORS AUDIT ONLY:** Nielsen gave NAB Rating Council what amounted to qualified approval to idea of rating service audit. It didn't comment one way or the other on standards & methods improvement phases of NAB reform plan—except to say these contained "complexities" & "difficulties."

Researcher picked unusual way to reply to NAB's request for final endorsement. It sent assn.—as well as AAAA, ANA, Advertising Research Foundation & all clients—detailed 16-page outline of an auditing system. It contained carefully thought-out design for operation & financing of audit.

In essence, here's what Nielsen is saying: It favors idea of audit, believes one can be put into effect almost immediately. It doesn't like idea of "industry committee" setting standards & criteria or trying to improve research techniques. It believes these areas are hazardous.

Nielsen's audit proposals are in form of suggestions, company spokesman emphasizes. They aren't "hidebound" principles but are intended as something to "build on."

NAB was studying proposal at week's end. Don McGannon, Group W pres. & NAB Research Committee chmn., told us Nielsen's suggestions would be "very helpful." He said prior conversations with Nielsen officials indicate a "qualified yes" to NAB's rating plan. McGannon also said he will be in Chicago today (July 29) and expects to see top Nielsen executives. Most other major research firms have already given approval to NAB plan (Vol. 3:29 p2).

Nielsen proposes audit be done by CPA firm, under non-profit industry committee of advertisers, agencies, networks, stations, researchers. Company, it's understood, isn't so interested in committee membership issues as it is in assuring acceptance of a single audit by these groups.

Subjects of audit would be designated in advance, but auditor wouldn't have to disclose date or period of audit. Financing proposal: (1) Researchers would pay internal cost of audit—record-keeping, executive & clerical salaries, electronic data processing. (2) Users would pay auditing fees, printing & distribution of reports. Nielsen said raters' costs would be greater, repeated view that broadcast audience research is "generally unprofitable business."

In other developments last week, RAB appointed Dr. Alfred N. Watson as advanced research dir. to handle proposed \$200,000 radio methodology study, to be conducted by Audits & Surveys Co. He also will undertake new studies of advertising effectiveness. Dr. Watson, at one time exec. vp of Alfred Politz Research & asst. chief statistician of Census, will continue to teach at Columbia U. CCNY's Dr. Herbert Arkin, consultant to Harris Subcommittee, advised RAB during earlier stages of methodology plan.

RAB also announced that Advertising Research Foundation will begin examination of research study this week to assure ad community acceptance. Bureau also said that NAB officials will receive within 10 days a "full written description" of radio proposal to help them in deciding on co-financing of project with RAB. NAB expects to make final recommendation by mid-Sept.

ARF last week released procedure analysis of magazines study conducted by W. R. Simmons & Assoc. Research. In doing so, ARF said it's "prepared to analyze any syndicated advertising research service, regardless of the medium involved." This would be similar to NAB's auditing plans, although ARF Pres. Alcuin Lehman told us he doesn't prefer term "audit" because it suggests a procedure less comprehensive than "analysis." Lehman also said ARF is studying Nielsen's audit proposal.

**Tennessee Bcstrs. Ring D. C. Doorbells:** General support for industry position against FCC's proposed commercial limitations was reportedly expressed by Tennessee congressional delegation last week. Legislative committee of Tennessee Assn. of Bcstrs., headed by F. C. Sowell, WLAC Nashville, came to Washington to meet with delegation and explore regulatory problems facing industry.

Sen. Gore (D) & George Miller, aide to Sen. Kefauver (D), were among those who attended a breakfast meeting. Paul Comstock, NAB govt. relations vp, accompanied TAB representatives.

North Carolina Assn. of Bcstrs. plans to call on its congressmen Aug. 13-14. Pres. Jack Starnes, WBAG Burlington, said about 15-20 broadcasters will make trip. Group will split into 2 teams, will emphasize commercial ceiling issue. "FCC has eaten away a little bit at a time. It's time to start at the top," said Starnes.

**FTC case against Sterling Drug,** over alleged false ad claims, should be dismissed, examiner recommended last week. He found that company's Bayer aspirin ads didn't misrepresent findings of govt.-contracted study comparing 5 analgesics. Ad stating that report was published in *AMA Journal* doesn't suggest endorsement, ruling held. Dismissal order also would involve 2 agencies—Thompson-Koch, subsidiary of Sterling, and Dancer-Fitzgerald-Sample. Injunctive proceedings were earlier denied by U.S. District Court & Court of Appeals.

**Communication Satellite Corp.** was accused by FCC of dragging its feet on plans for public sale of stock. In authorizing ComSat to borrow additional \$600,000, Commission said corporation is making decisions that Congress intended to be made by complete board that would include representatives chosen by stockholders. Initially, stock was to be offered in 1963. It's reported that stock issue is being held up pending further development work on satellite systems.

**FM freeze will be lifted** in 60 days, as detailed in our advance report (Vol. 3:29 p2)—FCC adopting recommendations of staff. Full text of decision, with city-by-city channel assignments, is due to be released this week. It will be published in *Federal Register* and by Seabrooke Printing Co. (FCC contractor), 514 10th St. NW, Washington.

**Two new ETV applications** filed with HEW, for federal funds: U. of Georgia to expand Ch. 8 facilities, seeking \$136,110 of \$181,479 total cost; San Mateo Junior College District to activate Ch. 14, asking \$122,991 of \$235,544 total. This makes 14 applications requesting \$2,594,734.

**Kennedys in action** while handling Alabama racial crisis last June will be seen "soon" on ABC-TV hour-long documentary. Exchange between President & Attorney General is described as "good inside stuff," was filmed by Robert Drew Assoc.

**Two Cleveland translators,** Ch. 81 & 83, have been granted to repeat signals of midwest airborne ETV transmitters near Montpelier, Ind., to give adequate reception in the Ohio city.

**New Ch. 8 WGHP-TV** High Point, N.C. will be primary ABC-TV affiliate when it starts Oct. 1.

**Anti-TV stand** of National Council of Churches was attacked last week by Carleton D. Brown, WTVL Waterville, Me. In letter to J. Irvin Miller, Council pres., Brown said he was "shocked" at suggestions favoring increased federal control over broadcasting, licensing of networks, etc. He claimed only 61 of 200 Council board members were present to vote on policy, said the governing board refused to discuss issues with industry before adopting policy, called attention to contributions of broadcasters to church interests.

**Second annual CATV management institute** will be held at U. of Wisconsin, August 12-15, sponsored by National Community TV Assn. It will cover on separate days: Management controls, financial controls, customer relations, community relations. Among speakers: Prof. Norman Allhiser, U. of Wisconsin's management institute dir.; Franklin Valentine Jr., Dallas attorney; Rayburn Hahn and Louis Stow, Dallas accountants; Jay Beecroft, 3M's sales training dir.; Kent Moore, retired independent gasoline distributor.

**TV-radio specialists** from 21 African & Asian nations will attend 3-month seminar, starting at Brandeis U. Aug. 4, to receive "some guidance in the effective use of this rather complex instrument, particularly for educational purposes," according to Henry Morgenthau III, director of seminar. For first 35 days, specialists will attend meetings at Brandeis, followed by 45 days of travel in U.S., concluded in late Oct. with 10-day windup at Brandeis.

**Revocation of radios WKYN & WFQM** San Juan and WORA-FM Mayaguez, P.R.—or \$10,000 fines—is proposed by FCC. Commission said that stations sought and were refused right to rebroadcast programs of N.Y. Armed Forces Radio Service—but rebroadcast them anyway, seeking to give impression they came from MBS. Commission said this seems to be "willful & repeated violations of Sec. 325(a) of Communications Act."

**Remarkable roundtable**—one of the most candid we've seen on the subject—is symposium of leading TV producers, conducted by *TV Guide* Editor Merrill Panitt and carried in July 20 issue. They let down a lot of hair, talking about quality, outside interference, critics, politics, ratings, etc. Participants: Norman Felton, Paul Henning, John Houseman, Roy Huggins, Herbert Leonard, Leslie Stevens.

**Application for pay TV test** in Sacramento, filed with FCC by MELCO Pay TV Co. & KVUE (Ch. 40), which has been off the air since March 1960, was returned by FCC as deficient in several respects. Commission said deficiencies include fact that sole funds for test were to be raised by sale of stock without any assurance stock could be sold.

**Application to transfer WAFG-TV** (Ch. 31) Huntsville, Ala. from P. T. Gunn, James R. Cleary, John A. Higdon and associates to Smith Bestg. Inc., for \$509,775, has been filed with FCC. Smith Bestg., owned by M. Davidson Smith III, operates radio WAAY Huntsville, holds CP for WAAY-TV (Ch. 25) there.

**Ch. 11** has been proposed by FCC for Staunton-Waynesboro, Va. Commission said area can use another vhf station, but it seeks comments on impact to future of uhf—and to radio astronomy operations at Green Bank & Sugar Grove, W. Va.

# Television Digest

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TV has increased understanding of mental illness—that it's as "curable as ulcers and no more shameful," stated Dr. T. Glyne Williams, Maryland asst. mental health comr. He said that TV is responsible for 16.7% increase in admissions to state mental hospitals, that patients are being admitted today at early stages of illness.

RAB 1963 Management Conferences called "most important" in RAB history, by Pres. Ed Bunker: Sept. 9-10, Hot Springs, Va.; Sept. 12-13, Atlanta; Sept. 16-17, Dallas; Sept. 23-24, Saratoga Springs; Sept. 30-Oct. 1, Chicago; Oct. 3-4, Palo Alto; Oct. 7-8, Omaha; Oct. 14-15, Detroit.

AAAA's recommended standards for categorizing demographic data have now been released. Anticipating growing use of computers, AAAA said standards answer need for comparable information from all media on households, individuals within households, household heads, housewives.

Transcript of Pacifica Foundation hearings by Senate Judiciary Committee (Vol. 3:3 p6), examining charges of "communist infiltration," has been released—available in 3 parts from Committee or GPO.

WAST Albany switched from Ch. 35 to 13 July 27, using new tower at reduced power. Station had been operating on both channels, will go to full vhf power about Aug. 17.

Its first TV client—KBMT Beaumont-Porth Arthur—has been obtained by rep Roger O'Connor Inc. Firm reps 8 radio properties.

Skyline Films Inc. is new film production firm, 124 E. 40th St., N.Y., headed by Pres. Joseph F. McDonough & Vp David Saperstein, both ex-Craven Film Corp.

## Personals

James C. Hagerty, ABC vp in charge of news, elected vp in charge of corporate relations, parent AB-PT, no successor yet named.

Ray Scherer, NBC White House correspondent, assigned to Congress, succeeding Arthur Barriault, appointed broadcast liaison officer, Office of Emergency Planning; Robert MacNeil succeeds Scherer.

John Edwards, ex-ABC senior Washington & White House correspondent, appointed bureau mgr.-correspondent, new CBS-owned TV station's news bureau, hq National Press Bldg.

John F. Dille Jr., WSJV-TV Elkhart, & Carleton D. Brown, radio WTVL Waterville, Me., appointed NAB membership committee co-chairmen . . . Gene King, ex-radio WCBS N.Y. program dir., named vp, World Wide Information Services.

Al Perlmutter, a former program mgr. of WNBC-TV N.Y., joins NET as exec. producer of weekly news background program which begins on the 72-station network Oct. 7.

Martin Levy promoted to chief, FCC's Broadcast Facilities Div., succeeded by Harold Kassens, chief of Aural Facilities Branch.

John F. Gault, ex-Elmira, N.Y. CATV mgr., named regional mgr. of TeleVision Communications Corp. (formerly Televents Corp.), multiple system operator.

William J. Fahey, ex-Boston *Herald-Traveler*, appointed merchandising & sales coordinator, WNAC-TV-AM Boston & Yankee Network . . . Tom Burkhart, ex-local sales mgr., WTVJ Miami, named gen. sales mgr., WLOS-TV Asheville, both Wometco stations.

Albert Chance, ex-head of own rep firm, named San Francisco mgr., rep Ohland/Robeck; Shaun Murphy, ex-KTVI St. Louis sales mgr., appointed Chicago mgr.; William Gorman, ex-RKO-General West Coast syndication film sales mgr., named N.Y. account exec.

Paul Raymon promoted to gen. sales mgr., WAGA-TV Atlanta, succeeding Buzz Hassett, who resigns Aug. 15 to become asst. gen. mgr. of WGHP-TV Greensboro-High Point, N.C.; Raymon succeeded as local sales mgr. by Charles J. (Chuck) Lupton.

Jack Sobel, national sales mgr., Screen Gems, moves to Hollywood as national sales mgr., West Coast . . . Arnold Starr, ex-WNBC-TV N.Y. account exec., appointed vp & adv. mgr., *Radio-TV Daily*.

International TV's creative aspects will be explored through new International Council & Academy of Television Arts & Sciences, founded by National Academy of TV Arts & Sciences. Playwright Rod Serling & Ted Cott of Oakland Producing Ltd. will serve as pro tem chairman & pro tem president, respectively.

Syria invites TV equipment bids by Aug. 15 for 2 stations, including 300-ft. towers. Write General Directorate of Broadcasting & TV, Damascus; copies of specifications are at Electronics Div., BDSA, Dept. of Commerce, Washington 25.

Jamaica Bestg. Corp.'s new TV station plans to start 4-hour daily schedule on Aug. 4, is now testing. JBC-TV will use 3 transmitters in effort to cover most of island.

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TINYVISION, COLOR, PORTABLES—COMPETITION:** Last week's Music Show in Chicago dramatized the 3 most important areas in TV's battleground—tinyvision, portables & color. Most significant trend in all 3 was fierce competition.

Competitive price-cutting is understandable in international tinyvision-portable race. But in color, where there's no competition from abroad and where nearly every manufacturer expects demand to exceed supply for foreseeable future, it's slightly more puzzling.

Zenith made anticipated move last week when it put back into its line a black color table model at \$449.95, at same time adding 2 more consoles at \$499.95. Other makers who still start their lines at \$499.95—including RCA & Philco—can be expected to go along with their own drop-in programs by fall. There have already been some other minor movements in color field. Philco changed its \$495 color leader from table model to console, as if making room for new leader; Westinghouse unofficially labels its color leader (introduced at "less than \$526") as under \$500.

Color set makers who have \$449.95-list price leaders were emphasizing to prospects at Music Show that these could be sold at \$399.95 with markups similar to Admiral's \$399.95 leader, but that they weren't going to tie dealers to that price by using it as suggested list.

If there was one really "hot" TV product at Music Show, it was tinyvision—quite interesting, in view of fact that only yesterday this was unimportant specialty item left to foreigners. GE's display space was keyed to 11-in. sets at \$99.95 & \$109.95, plus the 2 other step-ups, now due in fall.

Japanese manufacturers & importers, meanwhile, were fighting to enlarge their foothold both in tinyvision & larger-size portable TV, and they made it clear that price would be one of their weapons. Among American-made portables, there were further price reductions, Admiral showing 19-in. at \$129.95, Magnavox at \$139.90—each \$10 below previous low-end 19.

Admiral displayed its 11-in. set (due late in Aug.) on 3rd day of show, and there were plenty of other tiny models shown—by importers. New size made its debut—12-in.—and there was talk by some U.S. manufacturers of using it to compete with GE's 11-in. Since this is Japanese tube, and no U.S.-made 12-in. is in sight, it seems correct to speculate that some U.S. set makers are considering going abroad for their small sets.

Furious competition is beginning to evolve in battery-operated transistor TV, although no U.S. manufacturers are in field yet. Sony had this market practically to self for some time, but 6 Japanese manufacturers are now making various micro TV sizes, and there may be as many as dozen makes on U.S. market by year's end. It also seems obvious that transistor TV is rushing headlong toward \$99.95 mark—from \$249.95 a scant year ago.

Three different makes of battery TV were shown with \$149.95 list—Delmonico's 4½-in. set, which will soon be redesigned into configuration which can accommodate uhf tuner (with current 5½-in. set to be eliminated from line), Star-Lite's 6-in., due for Sept. delivery, Commodore's 5½, whose \$149.95 price will include battery pack. Sharp's new prices—\$189.95 for 8½-in. & \$169.95 for 6-in.—were reported here last week (Vol. 3:29 p7). Sampson showed both 8- & 12-in. battery TVs to get "reaction," gave no prices or delivery dates.

Much of TV talk at show surrounded Sharp's 16-in. bookshelf set at \$89.95, with step-up at \$109.95, and new lightweight 16-in., in design somewhat similar to Philco Courier, also \$109.95. Among other new imported TVs shown were Delmonico square-cornered 9-in., replacing 8-in., at \$99.95 (remaining 8-in. sets have been cut to \$89.95), Sampson's 16-in. Hitachi at \$119.95, Sharp's 19-in. at \$129.95, and two 16-in. consolettes with legs—by Star-Lite at \$119.95 and by Peerless Telrad at \$149.95. Sharp plans 12-in. set this year listing below \$100. Tokai Corp. showed 9-in. designed to sell at about \$89.95.

Probably most significant entry into TV field is return of Arvin—via import route. Without fanfare, Arvin showed attractive 16-in. set, priced at \$119.95 including labor warranty, to be handled through company's regular 2-step distribution. TV product mgr. Frank J. Myers said it was engineered by Arvin & built by Hitachi with UL requirements in mind (although it's not UL listed), with such American features as keyed AGC. He said it's predecessor of "portable specialty line," which eventually may include 2 sizes of transistor TV.

What will evolve out of this proliferating competition & confusion? We see the U.S.-Japanese TV battle intensifying in months to come. We see more U.S. manufacturers joining tinyvision race, some of them fighting imports with imports. We see U.S.-made transistor TV before end of 1964. We also feel there'll be slight reversal in race to smaller sizes, with transistorized 11- & 12-in. sets becoming popular, alongside 5½- & 6-in. versions.

And whichever way you look, there's sharp competition ahead. (For more Music Show coverage, see below & p. 9.)

**ALL-CHANNEL UPS & DOWNS:** FCC Comr. Lee is hopeful about efforts to nurture growth of uhf, though recent clinics for dealers, including one in Chicago at NAMM convention last week, certainly didn't get much attention.

After last week's executive committee meeting of Committee for Full Development of All-Channel Bcstg. (CAB), he told us no more clinics are scheduled. Meanwhile, he said, he's going to FCC with recommendation it fight for excise-tax repeal, to offset the \$20-\$30 increase in set costs produced by addition of uhf. "Perhaps," he said, "we can propose a compromise—a 2-year moratorium until the cost differential disappears. Most of the larger manufacturers tell me it's down to \$20 now, instead of the \$30 originally reported.

"Manufacturers are concerned about FCC vacillation on drop-ins. They're selling combination sets in the proposed drop-in markets, telling the customers there will be uhf stations. They don't want to disappoint them."

Executive committee also adopted recommendation on CATV—urging FCC not to allow duplication of stations' programs within their Grade A contours. Committee also decided to work up a pamphlet on uhf & all-channel sets, to be distributed by GPO at 10¢ or so.

With U-Day only 9 months away, manufacturers' attitude can best be described as one of quiet desperation, dealers are unconcerned—and public is in the dark.

CAB's attempts to educate dealers to date have been ineffective—climaxed by fiasco at NAMM Show, where attendance at all-channel panel was estimated at little more than 100, mostly manufacturers & press, with scattering of representatives of large chain-store & key-account groups. Panel discussion was informative, but uninspired, and some members appeared to be doing slow burn as result of meagerness of turnout.

Lee said he's "not too bullish" about chances for excise proposal, which has died in every Congress since 1954; he said there are now 3 additional arguments in its favor: (1) It should be "companion piece" to all-channel legislation. (2) Threat of imports makes it more important to aid domestic TV industry in keeping prices down. (3) There may be danger of new TV plants becoming established in many states to take advantage of intrastate shipment, which doesn't come under all-channel law. "If the differential between vhf & all-channel is too large," he explained, "I'm sure that small manufacturers will be born to assemble vhf-only sets for intrastate shipment."

Should CAB & industry take case directly to public, bypassing the indifferent retailer? There seems to be some support for this approach, but set makers shy away from unified campaign if it's going to cost them money. Detailed proposal for \$100,000 campaign, prepared by outside promotion agency, was tabled by EIA Consumer Products Div. Exec. Committee last March in Washington (Vol. 3:12 p7), now seems dead.

Govt.-financed drive would be something else again, but Lee poured cold water on this prospect last week. At Music Show news conference, he said he would be willing to try to get appropriation for

it if committee recommends such a drive, but "it would be extremely difficult to get anything like that through Congress."

During the NAMM clinic, Lee said that uhf CP-holders who procrastinate will be "pressed quite hard in the next few months." He ventured that uhf set saturation in 3-4 years will make station operation "economically feasible."

Technical members of panel went over much of same material covered in similar N.Y. & Washington clinics—how to find best signal, master antenna conversion, landlord trouble, etc.

**TV-RADIO PRODUCTION:** EIA statistics for week ended July 19 (29th week of 1963):

	July 13-19	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	104,071	87,514	94,133	3,742,546	3,531,620
Total radio .....	261,989	252,805	295,773	9,372,541	10,087,841
Auto radio .....	84,004	92,950	116,182	4,075,595	3,586,826

**MUSIC SHOWPIECES:** Far more competitive 1964 is in store, judging from wide variety of new products displayed last week at Music Show in Chicago.

In fine-furniture stereo consoles, for example, several new U.S. firms are entering field to compete with already established manufacturers. In addition, at least 4 Canadian firms are seriously bidding for share of this market, and 2 companies have introduced hybrid Japanese-American console lines—Japanese electronics mounted in attractive U.S.-built cabinets.

In radio, FM was becoming a star performer. Virtually every manufacturer & importer displayed at least one FM-stereo table radio, the most popular configuration being 2- or 3-piece wood-cabinet bookshelf design. High-powered battery-operated portable FM-stereo units from Japan (with as many as 25-38 transistors) are beginning to show up. And at least 4 importers showed shirt-pocket AM-FM radios at prices around \$40 & above.

In TV, there was increased import activity, both from Japan & Canada, while German attempts to crack U.S. market have been virtually abandoned (except by Saba, which again showed projection set & 23-in. combo, both at \$1,400).

Tape recorders in all categories are increasing, and beginning to show up as features in many high-end stereo consoles.

Magnavox introduced large quantity of new items, including: (1) Its first tape recorders—mono at \$139.90, transistorized stereo unit at \$298.50. (2) Brand new extensive radio line of 15 sets, all with 90 days labor warranty, from \$19.95 AC-DC set to \$125 two-piece AM-FM-stereo, and including Magnavox's first FM-AM clock radios. (3) Four stereo component systems featuring Astro-Sonic solid-state circuitry at \$450-\$650, with low-end units at \$139.90 & \$189.90 also transistorized. (4) Three color consoles, 2 with remote, at \$695, three b&w combos and new 19-in. portable at \$139.90.

Zenith brought out 3 new color sets at distributor meeting July 23—new low-end at \$449.95 (see page 7) and 2 consoles at \$499.95—plus 19-in. portable at \$179.95 & open-list 23-in. console. New Zenith stereo consoles are \$149.95-\$249.95.

Pilot's line includes 9 new consoles, bringing its range to \$300-\$2,000. Vp-Gen. Mgr. Roland J. Kalb announced "intensive campaign for restoration of fair profits" in industry and warned that "high-pressure selling, low-profit merchandising, indiscriminate distribution & over-saturated markets are quickly tightening the noose on the whole industry," pledging Pilot would maintain its dealer franchise policy.

Clairtone of Canada showed long line of furniture stereo consoles, including b&w combo (with TV made by Philips) at \$799, and color combos (TV by RCA, U.S.) at \$1,195 & \$1,299. Clairtone expects more than 50% of its 1963 sales to be made in U.S., projects total 1963 sales at 32,000 sets.

Electrohome of Canada showed its long line of TVs & phonos, including 5 color sets beginning at \$495 (Vol. 3:29 p9). Fleetwood of Canada plans intensive marketing of b&w TV in U.S., and added to its stereo console line. Featured in Chicago were 23-in. lowboy (unpriced) and combos at \$599.50 & \$699.95. Phillips of Canada showed 3 stereo consoles (under Norelco label) at \$575, \$595 & \$750.

Both Matsushita (Panasonic) & Delmonico devoted considerable space to their stereo consoles housed in U.S.-made cabinets. Panasonic units contain Miracord (German) changers, list from \$249.95 to \$589.95. Delmonico is manufacturing own furniture.

Fisher was back with enlarged console line, starting with drop-down table or wall model stereo unit at \$249.95 (\$349.95 with FM stereo), including TV combos at \$795-\$845 (remote control \$100 extra). TV chassis reportedly is made by Emerson's Du Mont div. Another old-line component hi-fi manufacturer, H. H. Scott, made debut in console field with 6 units at \$995 & \$1,295.

American TV Corp., which occupied Majestic's old space at Music Show (and which is planning merger with Majestic parent Wilcox-Gay, now in bankruptcy proceedings), showed TV & combo line in anticipation of more widespread marketing. Under DeForest brand name, it showed low-end 23-in. console and several 23-in. combos, including one with AM & stereo phono at \$198, with high-end combo at \$300 which has all of TV circuitry in pull-out drawer for easy substitution or repair.

**TV, PHONO SALES SOAR** Preliminary unofficial statistics for first half of 1963 show black-&-white TV sales continuing to run about 8% of last year. Distributor-to-dealer sales are estimated at 2,955,000, up from 2,727,000 during first-half 1962. June sales were about 12% above June 1962.

Radio sales, however, continued to show 1962-to-1963 declines, 6-month distributor-to-dealer sales estimated at 3,927,000, down 18% from 4,801,000 in first half 1962. June's dip from 1962 was about 23%. Despite increased TV sales, inventories at manufacturer & distributor levels were about 11% below 1962 figure at midyear, while radio inventories were down 10%.

Official EIA figures for 5 months were released last week, and they showed continuation of trend which has prevailed all year—TV & phono up, radio down sharply. B&W TV distributor sales, in fact, showed greatest 1963-over-1962 increase in May, up 22%, while 5-month rise was about 8%. Radio sales in May fell 23% below May 1962 mark, and 5-month drop was 17%. Bright spots in radio were auto radio (not included in distributor sales) & FM.

EIA's phono data releases have undergone format change, with new breakdown between table-portable & console substituted for discontinued stereo-mono breakdown. We've changed our tables accordingly, and bring you full 5-month statistics for 1962 & 1963 below:

Phono figures show 25% increase in distributor-to-dealer sales for first 5 months of 1963 over like 1962 period, although May sales were up only 5% from May 1962. Factory sales are up 21% for 5-month period, and about same as last year for month of May. Analyzing new data on table-portable vs. console shows much of 1963's increase has been in former category. For first 5 months, 1963 distributor sales mix was 63% table-portable, 37% console, whereas same 1962 period showed 59% table-portable, 41% console. Thus while table-portable sales rose 32% from 1962, console sales were up only 14%.

Here are EIA's 5-month figures on TV-radio-phono:

## TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,248	562,869
February	535,999	521,275	616,036	697,892
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
<b>TOTAL</b>	<b>2,414,998</b>	<b>2,243,528</b>	<b>3,123,747</b>	<b>3,759,976</b>

## BLACK-&amp;-WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,022	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,223
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
<b>TOTAL</b>	<b>2,794,917</b>	<b>2,674,848</b>	<b>325,839</b>	<b>225,163</b>

## 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
<b>TOTAL</b>	<b>6,931,372</b>	<b>7,542,572</b>	<b>3,082,520</b>	<b>2,642,473</b>	<b>486,089</b>	<b>367,221</b>

## 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
<b>TOTAL</b>	<b>907,689</b>	<b>536,738</b>	<b>1,444,427</b>	<b>684,738</b>	<b>470,423</b>	<b>1,155,161</b>

## 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
<b>TOTAL</b>	<b>885,380</b>	<b>553,719</b>	<b>1,439,099</b>	<b>687,535</b>	<b>496,313</b>	<b>1,183,848</b>

**Should sets exported from U.S. have all-channel tuning?** No, says FCC, but a waiver of Commission rules is needed. Deputy Gen. Counsel Henry Geller said both law & rules are silent about exports, but "whole thrust of the law is to protect the American public, nothing to do with exports." Geller said FCC might be concerned if there's large sale of sets to Americans through foreign PX's, to be brought home, "but I suspect it's de minimis."

**New tube-type uhf tuner** announced by Standard Kollsman, Series U, is claimed to have low noise (average 9 db), low drift, low microphonics, ease of mounting, compactness, long life. It measures 1.66-x-3.64-x-4.07-in. Standard also reports transistor model UT "will be introduced very soon."

**"Relay I" has achieved record** for a communications satellite, builder RCA reports, noting that it has operated 203 days—compared with 185 days for "Telstar I"—has been used for more than 1,350 experiments.

**Quality Stabilization bill (HR-3669)** was reported favorably by House Commerce Committee last week. It allows manufacturer to set price range at which wholesalers & retailers may sell goods, permits him to prevent brand from use in bait merchandising. "States rights" amendment to bill would allow state law to prevent local implementation of act. Senate also has bill, S-774.

**One attention-getting TV set** at Music Show last week wasn't for sale. It was latest model of Russian TV, displayed by Westinghouse. With 17-in. screen, it sells for about \$359.64 in Moscow, Westinghouse officials stated, described features of set, concluded, tauntingly: "And . . . about 10 years ago. Placard in Westinghouse display described features of set concluded, tauntingly: "And . . . it's hand wired, of course."

**New 1-watt service** for manufacturing operations, for communications in noisy areas, etc., has been proposed by FCC. Thirty channels in 72-74 & 75.4-76 mc are planned.

## Trade Personals

P. J. Casella, onetime RCA consumer products exec. vp (Vol. 16:48 p18), resigns as pres. & chief exec. officer of Endicott Johnson Corp. "for personal reasons."

M. Lloyd Bond, ex-Northeastern Engineering pres., appointed asst. communications commissioner, Transportation & Communications Service, div. of General Services Admin. . . . David H. Foster, Collins Radio gen. attorney, named secy., succeeding S. J. Storm, retired.

Herbert K. May, formerly with U. S. State Dept., joins ITT as asst. treas. & special asst. to Pres. H. S. Geneen; George C. Perris named ITT Distributor Products Div. semiconductor products merchandising mgr.

Howard W. Main appointed pres. of Dominion Electrohome's American subsidiary, International Electrohome, continues as mktg. vp of parent firm, with hq in Kitchener, Ont.; Robert Moore appointed mktg. vp of U. S. subsidiary, Donald K. Owens operations mgr., Theodore C. Collins sales mgr.

Charles J. Hirsch, RCA staff engineer, noted for early work on TV standards, among other contributions, stricken with heart attack while flying to Cal., is in Denver's St. Joseph's Hospital.

## Obituary

Frank M. Viles Jr., 45, former mktg. vp. of ITT's Components Div. & 1960-61 head of ITT Distributor Products Div., was killed July 21 in auto accident at Clifton, N.J. He was pres. of Mark International Corp., Montclair, N.J. He is survived by widow & son.

Replacement-tube labeling problem took on new aspect last week when FTC hearing examiner Joseph W. Kaufman held that Westinghouse's labels & statements disclosing that tubes may contain used glass were inadequate because ultimate consumers were unlikely to see them. In initial decision subject to Commission review, Kaufman conceded that reprocessed bulb might be as good as a new one. But he said Westinghouse's identification of glass as "used" appears on labels affixed to tubes & their cartons and on warranty cards, none of which is likely to be seen by consumer who has replacement tube installed in his TV. He suggested possibility of new system under which warranty cards would be given to final consumer rather than dealer, or new method of labeling on tube itself where set owner would see label. Westinghouse, commenting on initial decision, denied any misrepresentation or use of word "new," and stated it has consistently informed public of its employment of used bulbs in easy-to-read bold type.

### Last Call For Factbook #33

Our supply of Television *Factbooks* is dwindling. We urge you to analyze your requirements and order now if you see any need for additional copies arising between now and the issuance of next *Factbook* in Feb.

Remember: *Factbooks* are ideal as business gifts and make excellent time savers for salesmen, distributors, dealers, office personnel, etc. A descriptive folder and order card are enclosed for your convenience. Price: \$15; \$12.50 for 5 or more.

Trav-Ler Industries, "like other companies in our industry, experienced the continuing effects of economic uncertainty" and recorded sharp sales & earnings drops in its 1963 fiscal year ended April 30 (see financial table), Pres. Joe Friedman advised stockholders in annual report. He noted that Trav-Ler initiated "regular production" of color TVs at end of June, estimated "sales of color TV for the balance of the current year should exceed \$5 million based on orders on hand." Trav-Ler closed fiscal year with total current assets of \$7,316,737 (including \$840,411 cash & \$1,020,714 trade receivables) vs. \$3,310,225 in total current liabilities. Year ago, assets totaled \$8,538,087 (including \$2,314,684 cash & \$1,497,563 receivables) vs. \$3,280,713 liabilities. Order backlog approximated \$12 million vs. \$10 million a year earlier. Friedman's "aggregate remuneration" for 1963 fiscal was \$75,000, according to proxy statement for Aug. 13 stockholders meeting. His common stock holdings totaled 314,485, including 6,076 shares held jointly with wife. He also holds warrants to purchase 7,612 shares. As of June 15, Friedman owned 31.02% of 1,013,842 outstanding common shares, wife Jeanette owned 10.84%.

Magnavox profit declined 19.4% in 2nd quarter to \$1.5 million (see financial table) & whittled first-half earnings to \$4.4 million—2.5% ahead of year-earlier's \$4.3 million. First-half sales were down 11.1% to \$77.9 million, June quarter sales were off 23.5% to \$34.1 million. Consumer products sales, however, were up 20% for Jan-June, Pres. Frank Freimann noted, adding: "Orders for TV, stereo hi fi & other consumer products were 50% higher in June than in the same month last year, and this sales momentum has carried over into July." Freimann pointed out that half-year report incorporates start-up costs for Magnavox's color chassis, which it has been producing since April. For total 1963, Freimann said "earnings are expected to be substantially ahead of a year ago."

Sylvania's first-half profit jumped 27% over year ago, contributed to parent GT&E's 21% earnings rise to record \$46.3 million (see financial table). Sylvania's sales also were up from year earlier. GT&E Chmn. Donald C. Power said "strong sales gains were achieved in home electronics products, including TV sets & stereo hi-fi instruments. Sales of lighting products & TV picture tubes also were ahead of last year." No Sylvania figures were disclosed, but GT&E's over-all manufacturing sales rose to record \$376,894,000 from \$369,211,000 in 1962's first half. Manufacturing profit climbed 11% to \$14,473,000 from \$12,999,000.

Motorola reports record sales & earnings in 2nd quarter, and record sales for first 6 months of 1963. Pres. Robert W. Galvin anticipated record sales & earnings for 3rd quarter, "assuming that our nation's economy is not upset by a rail strike or the impact of undue racial unrest." First-half earnings, he said, were affected by large expenditure to broaden semiconductor & integrated circuit lines and to introduce new TV sets, including the 23-in. rectangular color tube. (See financial table.)

Phileo parent Ford Motor posted record first-half sales on 9.6% increase to \$4.434 billion from \$4.043 billion a year earlier. Earnings gained 3% to \$227.2 million from \$268.3 million.

## 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
Aerovox	1963—6 mo. to June 30	—	—	\$ 64,122	\$0.07	870,851
	1962—6 mo. to June 30	—	—	174,067	.20	870,851
Amphenol-Borg Electronics	1963—6 mo. to June 30	\$ 41,963,661	\$ 2,429,599	1,124,693	.81	1,387,677
	1962—6 mo. to June 30	43,334,571	2,139,273	1,015,273	.73	1,387,677
Crowell-Collier	1963—6 mo. to June 30	47,627,107	1,891,972	912,972	.28	3,257,881
	1962—6 mo. to June 30	39,976,276	1,939,559	898,859	.28	3,136,205
	1963—qtr. to June 30	25,817,041	1,549,033	750,333	.23	3,257,881
	1962—qtr. to June 30	22,986,605	1,470,190	671,990	.21	3,136,205
Desilu Productions	1963—year to Apr. 27	21,869,000	1,278,797	(655,387) <sup>1</sup>	—	1,233,631
	1962—year to Apr. 27	14,223,000	272,478	611,921	.53	1,155,940
Erie Resistor	1963—6 mo. to June 30	14,466,000	—	270,000	.27	798,806
	1962—6 mo. to June 30	14,301,000	—	601,000	.67	798,806
	1963—qtr. to June 30	7,590,000	—	207,000	.22	798,806
	1962—qtr. to June 30	7,310,000	—	346,000	.39	798,806
GT&E (Sylvania) Story on p. 11	1963—6 mo. to June 30	684,475,000 <sup>c</sup>	—	46,286,000 <sup>5</sup>	.61	75,307,000
	1962—6 mo. to June 30	649,338,000	—	38,387,000	.52	73,846,000
	1963—qtr. to June 30	351,996,000 <sup>c</sup>	—	24,226,000 <sup>5</sup>	.32	75,353,000
	1962—qtr. to June 30	331,432,000	—	20,225,000	.27	74,142,000
Giannini Controls (Conrac)	1963—6 mo. to June 30	13,035,000	862,396	401,000	.33	1,121,385
	1962—6 mo. to June 30	11,700,000	871,364	429,000	.41	1,070,418
Goodwill Stations	1963—6 mo. to June 30	4,140,577	—	397,505	.57	631,903
	1962—6 mo. to June 30	3,863,306	—	342,900	.49	632,143
Hazeltine	1963—6 mo. to June 30	21,888,000	1,923,000	912,000	.58	1,568,363
	1962—6 mo. to June 30	22,105,000	1,840,000	892,000	.57	1,568,363
Ling-Temco-Vought	1963—6 mo. to June 30	162,824,000	5,849,000	3,663,000	1.32	2,784,050
	1962—6 mo. to June 30	173,989,000	4,564,000 <sup>7</sup>	4,564,000	1.64	2,783,232
	1963—qtr. to June 30	83,582,000	3,152,000	1,991,000	.72	2,784,050
	1962—qtr. to June 30	91,642,000	2,341,000 <sup>7</sup>	2,341,000	.84	2,783,232
Littelfuse	1963—6 mo. to June 30	3,137,088	297,592	145,594	.43	341,237
	1962—6 mo. to June 30	3,354,505	374,791	182,650	.54	341,237
Magnavox Story on p. 11	1963—6 mo. to June 30	77,880,000	8,562,000	4,394,000	.60	7,348,002
	1962—6 mo. to June 30	87,563,000	8,928,000	4,285,000	.59	7,313,623
	1963—qtr. to June 30	34,059,000	2,836,000	1,491,000	.20	7,348,002
	1962—qtr. to June 30	44,524,000	3,918,000	1,850,000	.26	7,313,623
Metromedia	1963—26 wks. to June 30	27,978,000	—	1,838,228	1.03	1,715,044
	1962—26 wks. to June 30	26,206,000	—	1,021,655	.57	1,707,057
	1963—13 wks. to June 30	14,450,000	—	1,134,945	.64	1,715,044
	1962—13 wks. to June 30	13,936,000	—	882,923	.50	1,707,057
Motorola Story on p. 11	1963—6 mo. to June 30	172,166,230 <sup>5</sup>	10,486,053	4,913,094	1.22	4,026,872
	1962—6 mo. to June 30	159,649,347	12,123,551	5,685,976	1.41	4,026,872
	1963—qtr. to June 30	91,576,134 <sup>5</sup>	7,286,905	3,556,427 <sup>5</sup>	.88	4,026,872
	1962—qtr. to June 30	82,632,185	6,974,897	3,230,032	.80	4,026,872
Pacific Mercury Electronics	1963—year to Mar. 31	21,875,333	—	482,740	.69	748,500
	1962—year to Mar. 31	17,414,000	—	252,749	.36	748,500
Packard Bell Electronics	1963—9 mo. to June 30	37,967,000	—	805,000	.94	854,043
	1962—9 mo. to June 30	35,931,000	—	(333,000)	—	854,043
Storer Bcstg.	1963—6 mo. to June 30	19,917,000	—	2,931,654 <sup>2</sup>	1.28 <sup>2</sup>	2,289,986
	1962—6 mo. to June 30	18,067,000	—	3,618,366 <sup>3</sup>	1.48 <sup>3</sup>	2,438,181
	1963—qtr. to June 30	10,147,000	—	1,304,437 <sup>2</sup>	.61 <sup>2</sup>	2,289,986
	1962—qtr. to June 30	9,367,000	—	1,466,770	.60	2,438,181
Taft Bcstg.	1963—qtr. to June 30	3,203,574	1,220,986	565,746	.36 <sup>4</sup>	1,589,485
	1962—qtr. to June 30	3,057,975	1,266,357	578,541	.36 <sup>4</sup>	1,578,938
Thompson Ramo Wooldridge	1963—6 mo. to June 30	240,081,345 <sup>5</sup>	14,086,956	7,066,956	1.84	3,766,410
	1962—6 mo. to June 30	231,589,854	13,330,666	6,414,666	1.68 <sup>6</sup>	3,731,118 <sup>6</sup>
	1963—qtr. to June 30	122,730,309 <sup>5</sup>	7,813,607	3,976,207	1.04	3,766,410
	1962—qtr. to June 30	119,919,624	7,415,900	3,536,500	.93 <sup>6</sup>	3,731,118 <sup>6</sup>
Trav-Ler Industries Story on p. 11	1963—year to Apr. 30	22,105,904	456,766	248,766	.25	1,013,842
	1962—year to Apr. 30	25,065,078	1,296,449	639,499	.63	1,013,842

Notes: <sup>1</sup> After non-recurring charges totaling \$1,857,006. <sup>2</sup> After special charges of \$256,247 (11¢ a share). <sup>3</sup> Includes special credit of \$912,863

(37¢). <sup>4</sup> Based on 1,589,485 shares. <sup>5</sup> Record. <sup>6</sup> Adjusted to reflect Dec-1962 10% stock dividend. <sup>7</sup> No tax liability because of loss carry-forward.

WEEKLY

# Television Digest

with

## Consumer Electronics ...

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

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AUGUST 5, 1963

NEW SERIES, VOL. 3, No. 31

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**TV SETS AT THE 'FIVE & DIME' INCREASE AS WOODLWORTH & KRESGE MAKE SERIOUS BID FOR TV BUSINESS VIA DISCOUNT SUBSIDIARIES; KRESS IS TEST SELLING TVs IN SELECTED STORES (P. 8).**

**FM STEREO STATIONS IN U.S. & CANADA NOW TOTAL 271, WITH AT LEAST 40 BROADCASTING ENTIRE SCHEDULES IN STEREO; 18 STEREO STATIONS ADDED TO OUR RUNNING LOG (P. 9).**

**COLLINS CONTRASTS U.S. & UK TV: U.S. TV system is better than Britain's.** Though he's much too courtly to put it in such words, that's NAB Pres. Collins' opinion. In news conference after return last week, he gave his impressions, including:

(1) "TV is not a basic part of the English way of life, as it is in the U.S. It's collateral, in a sense. For example, there's nothing on TV in the morning, little in the afternoon. It's a sort of spoon-feeding process, instead of a fountain, always available, as it is here... TV doesn't have the impact on the economy as it does here. There's no real local radio service... I was amazed at the lack of understanding of what TV can render to the public."

(2) "They do some things extraordinarily well... News, interpretation, documentaries, sports, dramatic work... But they take much greater license than we do, with profanity in drama, and so forth."

(3) "They do a remarkably good job with commercials. They give attention to quality. They minimize interruptions, and the public is less prone to protest. Our broadcasters could learn much in this area... The advertisers are happy with the system... I'm not advocating the 'magazine concept' in that I think a sponsor should be divorced from a program. I believe he should have the freedom to be associated with a program, but the broadcaster should always have the responsibility for the programs."

(4) "BBC & ITA do considerable sampling of the public's program preferences. But since there's no commercial competition among stations, there isn't the same need for ratings we have. BBC samples some 3,000 people a day."

(5) "Our newspapers have far higher standards... Sensational coverage of the Profumo-Keeler affair... Broadcast coverage was much more limited."

(6) "I found it very difficult to adjust their receivers for a good picture... Hotels don't seem to concern themselves with a good antenna or good service. I had the feeling that the sets didn't measure up. I had the impression that the transmission is good." Collins didn't get to continent, thus had no comment on other countries' TV.

**TRANSLATORS VS. CATV IN NEBRASKA:** Station-CATV conflict in Scottsbluff, Neb., one of most unusual, moved to another stage last week. FCC granted 2 vhf translators there to KSTF, also granted station 2 uhf translators each in Borie & Albin, Wyo., to relay Denver station signals to Scottsbluff.

Collier Electric Co. operates CATV system in Gehring, across river from Scottsbluff, has long wanted to put a system in Scottsbluff. KSTF is satellite of KFBC-TV Cheyenne, whose principal William Grove is long-time foe of CATV.

Translator grants put Grove in position to feed 3 free signals to Scottsbluff area, and question now is whether this will kill or shrink CATV system. Another interesting aspect of situation is that FCC granted waivers of rules so that Borie & Albin translators can be used primarily for relaying purposes. Normally, FCC grants translators to serve viewers in their areas, not primarily as relays.

Another FCC action affecting station-CATV relations came in Yuma, Ariz. CATV operator Bruce Merrill, who also operates KIVA (Ch. 11) there, sought to block grants (on economic grounds) of Ch. 7 & 9 stations in El Centro, Cal., which would put signals into Yuma, which also has CP for KBLU-TV (Ch. 13). The 3 potential new competitors would hit both KIVA and CATV system. Commission turned down KIVA's objections because it believes the facts it presented are "too inconclusive."

Canadian CATV operators have hands full, too. Latest problem is introduction of bill which would put CATV under control of Board of Broadcast Governors by widening definition of broadcasting to include "the redissemination for commercial gain of broadcast matter by wired transmission intended to be received by private persons."

**GM & L-O-F COMMERCIALS RULED ILLEGAL:** Those controversial 1957-58 auto glass commercials of General Motors & Libbey-Owens-Ford were judged "spurious or fake" by FTC last week. It adopted initial decision of July 1962, with modifications, and ruled that commercials were illegal because of inaccuracy & unfair methods of competition in advertising. Companies have 20 days to file objections.

FTC held that, contrary to commercials: (1) Safety plate glass used in side windows of GM cars is lower in quality than windshield. (2) Auto safety sheet glass of non-GM cars is higher in quality than home window glass. (3) Demonstrations of perceptible disparity between safety plate glass & safety sheet glass weren't accurate under ordinary conditions.

Comr. Everette MacIntyre, speaking for Commission, said: "What appears to be in one commercial, a real comparison in distortion characteristics between plate glass and sheet glass is not that at all; it is actually a comparison between 'empty space and sheet glass' since the picture purportedly taken through plate glass was actually taken through an open window. MacManus, John & Adams was agency for GM commercials.

**FCC GEARS FOR DROP-IN ARGUMENT:** Ground rules for vhf drop-in oral argument Oct. 4, changed from Sept. 19 (Vol. 3:30 p2), were announced by FCC last week. It said it wants to hear about:

(1) What policy will give more network competition. (2) Impact of vhf drop-ins on uhf growth. (3) Whether vhf drop-in grantees should also operate uhf, and whether they should have to shift to uhf by some date. (4) When will competition develop in the 7 markets—with or without drop-ins.

Participation in oral argument is limited to those who filed petitions for reconsideration or opposition to such petitions.

FCC also explained why it granted short-spaced move-in of KOCO-TV from Enid to Oklahoma City: Station couldn't cover latter city adequately from distant site—and move-in wouldn't hurt uhf. Comr. Loevinger offered concurring statement saying that MST had no standing in case, had no right to file an opposition. Also, he said, the antenna-move issue has nothing to do with the 7 drop-in cases.

**NIelsen & NAB TALK TURKEY:** Top Nielsen & NAB officials got down to bedrock on ratings in Chicago last week to find out how close the researcher is to endorsing NAB's reform plan.

It was a meeting of chieftains: A. C. Nielsen Sr. & Jr., Exec. vp Henry Rahmel. For NAB, Don McGannon, Group W pres., & Howard Bell, NAB planning & development vp.

Bell said meeting was "satisfactory," believes company will back up earlier expressions of desire to cooperate. Nielsen said it would examine its position. NAB hopes next time it hears from Nielsen it will be in form of application for accreditation, indicating final endorsement. These have been received from virtually all active rating firms (Vol. 3:28 p3).

Meeting was candid exchange of views. NAB spokesmen told Nielsen it wasn't happy with way rater sent its 16-page audit plan to entire industry (Vol. 3:30 p4). NAB representatives said they were unhappy because Nielsen's action invited voluminous comments at a time when Nielsen & NAB were moving toward conclusion of negotiations.

Nielsen's suggestion to have research companies serve as members of "industry committee" was turned down by NAB. Assn. also said that setting of standards & official accreditation were key elements of NAB plan and would stay in. Nielsen suggested audit-only.

Minimum standards germane to all services have been compiled by Melvin Goldberg, NAB research vp. They include such requirements as: Training of interviewers; quality control of field supervisors, editors, tabulators; guidelines on size of sample needed to accomplish different research objectives. Accreditation will depend on raters' compliance with these minimum standards, as well as those outlined in individual methods questionnaire.

Harris Subcommittee staff pored over Nielsen's plan last week, found it wanting in essentially same areas NAB did, we were told. Harris staff also backs ratings plan advanced in editorials by Sol Paul, "TV Age" publisher. It would provide that ratings be expressed in ranges rather than in fixed estimates. Staff plans to recommend it to Subcommittee for final adoption in report. Advertising Research Foundation also supports idea. Researchers we've checked with, however, believe it would create additional problem: If a station gets a "10-20" rating, it would be inclined to promote the "15" average or even the "20."

**'A NEW ELECTRONIC CONSUMER PRODUCT?'** More & more consumer electronics leaders these days are publicly goading their engineers—usually in luncheon speeches—to come up with "a new electronic consumer product." In view of fact that consumer segment of electronics industry has been progressing at slower rate than any other division (20% growth since 1959 vs. 70% for military & space electronics, 68% for industrial electronics), challenge seems well warranted.

Garage-door openers and programmed vacuum cleaners aren't the answer. Home video tape recording may not be answer, either, in view of fact that there already is an adequate home movie industry. Perhaps it's time to take new, unbiased look at an old proposal—one, which, if it succeeded, might start new consumer electronics boom of TV proportions. It's a product which would belong directly to same industry which successfully pioneered, developed & sold TV.

This product is home facsimile—the "fax" which created flurry of excitement in the 1930s & 1940s, until it was eclipsed by TV and then virtually forgotten as potential broadcasting & consumer medium, although it has become highly developed commercially & industrially.

As result of recent developments, fax now holds promise of providing unlimited supply of printed matter for the American family at virtually no cost except initial purchase price of receiver—about equivalent to TV set. Magazines, books, newspapers, trade publications, encyclopedias, photos, art treasures could be transmitted to homes instantaneously and in practically unlimited quantities.

Home facsimile is far more practical now than it was 20-30 years ago when several pioneers pushed it hard, even to extent of widespread home tests. Now, TV stations could add fax transmitting equipment at low cost to originate printed matter during non-broadcast hours. If fax succeeded as consumer medium, full-time stations could be assigned, TV network lines now span continent, making possible transmission of national publications (with regional news & ads inserted by local stations, if desired). Cathode-ray electronic printing tubes (such as one used in A. B. Dick address-

ing system) and refinements in xerography help to make possible new & more efficient techniques of home reception.

One of biggest drawbacks of fax in the 40's may now have been overcome—its fantastic appetite for expensive, sensitized paper. John R. Porterfield, TV & facsimile pioneer, onetime TV set distributor & broadcaster, has applied for patent on new system which nearly eliminates cost of paper. A far cry from old techniques which devoured rolls of paper, his system uses paper-thin plastic sheets—unsensitized—and printing by magnetic "ink." Both "ink" & "paper" are re-usable. When material has been read, it is stacked in hopper and automatically erased, the ink returning to its reservoir.

Porterfield's system also has provision for magnetic "binding" of paper into magazine format. Binding is removed automatically when plastic paper is re-used. For material of more than temporary interest, "permanent" button is pressed on receiver, and magnetic ink is permanently fixed to either plastic or regular paper.

This is just one system—undoubtedly others could be developed to overcome fax's former shortcomings. As to costs, Porterfield estimates cathode-ray printing tube in quantities would cost about same as picture tube, and whole receiver initially would occupy no more space than TV lowboy console.

He estimates material could be printed at rate of better than 3 pages a minute—standard magazine size—possibly much faster, depending on bandwidth, resolution, etc. Receivers would have to be equipped with "programmer-timer" so that channel & time could be preset for tuning at any hour of day or night. "Program guide," presumably also distributed by facsimile, would list week's vast catalog of material by time & channel.

If you say you've heard this song before, you're undoubtedly right. But home facsimile may well be worth 2nd look in context of recent electronics developments, and because of these potential characteristics: (1) It would satisfy a public need—judging by vast recent increases in printed material. (2) It can be justified in terms of economy—in year's time, consumer could far more than recapture initial investment in price of magazines, books & newspapers alone. (3) It would fulfill important public educational service. (4) Its program material is virtually unlimited. (5) It could provide greatest ad medium in history of printing—"Reader's Digest" could increase circulation from current 12 million to 50 million. (6) It could supplement costly printing, mail & newsstand circulation of publications. (7) It follows successful TV-radio pattern of broadcaster-manufacturer-consumer relationship.

Is this blue-sky dreaming? Was TV? Remember, not one major scientific breakthrough is required to develop practical home facsimile. Want a new consumer product? Perhaps it's time to re-evaluate fax.

## CAPSULES

Group W embarks on long-awaited theatre-&-TV project this fall. Simultaneous with opening of "The Advocate" on Broadway Oct. 13, videotaped version will be presented on company's 5 stations. Broadcaster investment will be about \$150,000 (\$60,000 as 60% partner in play; about \$90,000 for taping). Taping will be done about 2 weeks before opening, with benefit of lighting not available on stage. TV version will be offered for sponsorship—ads to be slotted at beginning, between acts & close. Plans for syndication depend on movie rights; it could be syndicated 90 days after play's Broadway closing or not for several years if movie deal is made. Project was announced by Don McGannon, Group W pres.; it's under direction of Herman Land, creative services dir.

By far tallest man-made structure in world will be 2,063-ft. tower of KEND-TV (Ch. 11) Fargo, construction starting in Sept. Current record holder is 1,749-ft. Columbus, Ga. tower. Structure will be built by Kline Iron & Steel Co., Columbia, S. C., which also holds contracts for 1,800-ft. & 2,000-ft. towers—stations not yet identified. Pres. B. H. Kline reports that Bethlehem Steel is so proud of its work that it's taking ads in major national publications.

**NEW & UPCOMING STATIONS:** WQAD-TV (Ch. 8) Moline, Ill., year's 6th new starter, began as ABC-TV primary outlet Aug. 1. On-air total now is 640 (525 vhf commercial). Non-commercial total is changed to 79 with resumption of KTXT-TV (Ch. 5 ETV) Lubbock, Tex., off-air June & July.

WQAD-TV uses 25-kw RCA transmitter, 1065-ft. Stainless tower, RCA traveling wave antenna, at site near Orion, Ill. Frank P. Schreiber, ex-WGN-TV Chicago, is pres. & gen. mgr.; Lad F. Hlavaty, ex-KCRG-TV Cedar Rapids, chief engineer; Les C. Rau, ex-KWWL-TV Waterloo, Ia., dir. of sales; C. Douglas McCarty, ex-KETV Omaha, dir. of programming; Jack Wilson, ex-KETV, production dir. Base hour is \$900. Rep is H-R Television.

Note: Three CP-holders report delays in construction. WEPA-TV (Ch. 66) Erie, Pa. states that all activity is in abeyance pending FCC approval of request to change to Ch. 24; KVSF-TV (Ch. 2) Santa Fe, N. M. reports difficulties in coming to agreement with U. S. Forest Service on a transmitter site; KBLU-TV (Ch. 13) Yuma, Ariz. states it can't move until "current protests against us from KIVA are resolved by FCC."

\* \* \* \*

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

**WGHP-TV (Ch. 8) High Point, N. C.** has nearly completed construction, reports James W. Coan, pres. Oct. 1 is target for start with ABC-TV. It will use RCA transmitter, 1117-ft. Kline tower. Nat Tucker, ex-WBTV Charlotte, N. C. will be program & production dir.; Leo Derrick, ex-WFMY-TV, Greensboro, N. C. promotion & public relations dir.; Charles Harville, ex-WFMY-TV, sports dir.; Fred Barber, ex-WSOC-TV Charlotte, N. C. news dir. Rates and rep not set.

**WHNT-TV (Ch. 10) Huntsville, Ala.** has CBS-TV affiliation and plans start between Sept. 15 & Oct. 1, according to John Godbold, secy.-treas. It has ordered RCA transmitter, will use 254-ft. Blaw-Knox tower.

**KECC-TV (Ch. 9) El Centro, Cal.** hopes to start about Oct. 1 with ABC-TV, writes pres. H. S. Killgore. RCA transmitter & 605-ft. Rohn tower have been ordered.

**WCIU (Ch. 26) Chicago, Ill.** has Oct. target, reports John Wigel, pres. RCA 12.5-kw transmitter is due Aug. 15 for installation in Board of Trade Bldg. Tower is now ready for erection.

**Happy with Hartford pay-TV experiment,** RKO General chief Thomas O'Neil & Zenith pres. Joseph S. Wright issued statement terming first year's operation "encouraging & enlightening." O'Neil said it's too early for "complete conclusions" but tests showed that system meets a public need, that program expenditures "are consistent" and that subscriber dropouts are "remarkably low." He said 3,000 homes are served, and many more could be if operators chose to accelerate installations. Wright said "it appears that our confidence in subscription TV was justified. . . We believe that commercial TV will not lose. . . but will benefit eventually through renewed interest in TV as a medium, through encouraging the establishment of new stations and stimulating the creative talents of the entertainment industry." O'Neil said most major film distributors, except Universal & 20th Century, have cooperated.

**FIRST ETV GRANTS SOON:** HEW expects to make first federal grants for ETV station construction by Sept. 1, states John Hurley, deputy undersecretary for ETV. There are 14 applications requesting total of \$2,594,734 (Vol. 3:30 p5)—though Congress appropriated only \$1.5 million for first year.

There's no formal priority system in granting of funds, says Hurley. It's Congress's primary intent to establish new stations, but applications for expansion of facilities "will receive full consideration, too," he asserts.

Three general standards in statute guide HEW in grants: (1) Effective use of channels. (2) Equitable geographic distribution. (3) Greatest number of persons in as many areas as possible must be served.

Initial grants will be made from first 2 groups of applications—those accepted by June 29 & July 13. HEW has a 30-day waiting period after acceptance. New point-to-point service (Vol. 3:30 p2) doesn't qualify for grants.

Bill signed by President Kennedy in May 1962 authorizes \$32 million for ETV construction over 5-year period. With first grants to be made soon, 4 years remain.

**Four types of color cameras**—including "separate luminance" version using only 3 camera tubes—were demonstrated in London to EBU delegates now evaluating 3 proposed European color TV standards. All 4 Marconi cameras will work with any of the standards being considered—U. S.'s NTSC, France's SECAM, Germany's PAL (Phase Alternation Line system, developed by Telefunken). Color cameras shown by Marconi: (1) Camera with 3-in. image orthicons, one tube for luminance (b&w) signal, 2 for red & blue, the green signal being derived from the other 3. (2) 4-tube camera, with luminance signal produced by new type of pickup tube, Philips' "Plumbicon," said to combine excellent sensitivity & resolution with simplicity of vidicon. (3) Standard type 3-tube camera with 3-in. image orthicons. (4) Camera with three 4 1/2-in. image orthicons. The 3-in. image orthicons in new cameras are new type developed by English Electric Valve Co.; sensitivity of photocathode in "blue" tube has been markedly increased to compensate for low sensitivity of "blue" channel.

**Interim 3-point editorializing guidelines** issued by FCC nearly 2 weeks ago (Vol. 3:30 p3) were challenged by NAB last week as too restrictive, got FCC to clarify language. FCC originally advised that if station presents views on current topic, e.g. racial issue, it must offer "all" responsible community groups opportunities for expression. Literally, NAB said this could include groups with similar ideas. FCC changed it to say station must consult "other"—not "all"—groups to get contrasting views. In other development, Rep. Celler (D-N. Y.) was scheduled to say on WOR-TV N. Y. Aug. 4 that efforts to prevent editorializing "should be resisted." He suggested stations offer "letters to the editor" program at fixed times for public viewpoints on station stands.

**Value of short-spaced vhf drop-ins** is not the only aspect creating "to-do" over proposals to add the vhf stations (Vol. 3:30 p2), according to Clair McCollough, Steinman Stations. He takes exception to our report which stresses demand for the facilities, says: "The big to-do is over the loss of service short-spacing will bring. This is the kind of thing that ruined AM radio coverage."

## Personals

Paul Sonkin, ABC-TV audience measurements mgr., promoted to research dir.; Seymour Amlen, program analysis & marketing mgr., to assoc. research dir.; John Tiedemann, audience measurements supervisor, succeeds Sonkin; Sheldon Jacobs, senior research analyst, succeeds Tiedemann.

Gene Walsh, NBC asst. trade news editor, promoted to business & trade publicity mgr., succeeded by Richard J. Connelly.

Robert Howard promoted to national sales mgr., WNBC-TV N. Y., succeeding Jay J. Heitin, who joins Santa Barbara College staff.

Joseph E. Baudino, Westinghouse Bcstg. vp, Washington, appointed chmn., NAB by-laws committee.

Howard Grafman, ex-gen. mgr., radio WXFM Chicago, appointed central div. sales mgr., Allied Artists TV... Ted Hardy appointed merchandising dir., KXTV Sacramento.

Frank B. Parrish, sales promotion mgr., Gates Radio, promoted to adv. mgr... William Dutcher, production mgr., WMT-TV Cedar Rapids, appointed station mgr., WMT-FM, succeeding Daniel Katz, who joins Katz Agency, N. Y.

Robert Chandler, ex-MGM-TV, appointed information & special services dir., CBS News, succeeding Josef C. Dine, named information dir., CBS Labs... William A. Brendle, ex-ABC-TV, named CBS-TV press information sports mgr.

P. W. (Pat) Valicenti promoted to asst. chief, FCC Hearing Div.; Otis Hanson named chief, Aural Existing Facilities Branch.

John M. Taff, from Rules & Standards Div., appointed engineering asst. to FCC Comr. Loevinger.

Herbert E. Forrest advances to partner in Welch, Mott & Morgan, Washington TV-radio law firm... Fred G. Goddard resigns as vp-gen. mgr., radio KXRO Aberdeen, Wash., to concentrate on CATV holdings in Wash., Ore. & Cal.

Jerry Marcus promoted to asst. gen. sales mgr., KTLA Los Angeles; Jerry Birdwell to exec. asst. to Carlo Anneke, gen. sales mgr.

Bill Sikes, ex-producer-dir., KAKE-TV Wichita, named program dir., Kansas State Network... Mitchell Krauss, news & programs dir., WRUL N. Y. elected operations vp.

Henry S. Noerdlinger, veteran movie researcher-author, named mgr., National Education Assn.'s new motion picture, TV, radio information center, Los Angeles.

## Obituary

Murray B. Grabhorn, 62, broadcast veteran & recently asst. dir., Multiple Sclerosis Society, died July 26. Twice pres. of Radio Executives Club, N. Y. (now International Radio & TV Society), he had served as ABC vp & Station Representatives Assn. managing dir. He is survived by 2 daughters.

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**TIME INC. JOINS TTC DEAL:** Transcontinent TV Corp. wrapped up its \$38.5 million sale of stations (Vol. 3:15 p3, et seq.)—with a change from previous lineup, Time Inc. taking uhf KERO-TV Bakersfield.

Taft Bcstg. acquires WGR-TV-AM-FM Buffalo, WDAF-TV-AM-FM Kansas City & WNEP-TV Scranton. Midwest TV Inc. (August Meyer), previously set to acquire KFMB-TV-AM-FM San Diego & KERO-TV, gets former only—Time Inc. taking Bakersfield for approximately \$1.5 million, same bid as Meyers'.

TTC stockholders will receive \$21.20 a share, will still hold WDOK-AM-FM Cleveland (valued at 80¢ a share) because FCC rules preclude sale until they've been held 3 years. Whole transaction requires FCC approval and favorable Internal Revenue Service ruling.

**Timidity in public affairs programming** is based on broadcaster fear of govt. reprisal, concludes Aug. 10 "TV Guide." Magazine quotes senators, congressmen, FCC commissioners, NAB Pres. Collins. Rep. Harris (D-Ark.) says "broadcasters are afraid of government regulation... of the power of the FCC over license renewal." FCC Chmn. Henry thinks "the fear is healthy. It's better than complacency. We are their conscience." Comr. Cox says it's not fear but "economic resentment."

**Encyclopaedia Britannica's** first network TV buy is half-sponsorship of NBC-TV's "Exploring", educational series for children. Newton Minow, who plugged for more children's programming while FCC chmn., joined EB in June as exec. vp.

**Reception for FCC Comr. Loevinger** by Broadcasters Club takes place Sept. 12. On Sept. 5, there's gathering for about 30 visiting foreign broadcasters, similar to last year's.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FIRST IMPARTIAL REPORT ON TELCAN:** That British home video-tape recording system (Vol. 3:27 p 11) has been inspected by at least one engineering team in behalf of American TV manufacturer—with unimpressive results.

This U. S. set maker has decided it is uninterested in Telcan process in present form—on basis of report by engineers who analyzed the device. Developed by Telcan Co., East Bridgeford, Nottinghamshire, machine is claimed to produce picture with 300 lines definition, 2-mc bandwidth, on standard 1/4-in. audio tape run at 120 in. per second. Proponents state that home TV recorder could be built to retail at less than \$200, or add only about 25% to price of set if built as integral part of TV receiver.

Engineers who inspected machine were dissatisfied on several points: (1) They likened picture quality to transatlantic newsfilm shots transmitted via undersea cable, which they felt was unsatisfactory for routine home use, although it might be usable for recording of historic events which couldn't be captured in action any other way. (2) Recording head reportedly has life of only 100 hours, then must be replaced. (3) Machine's appetite for tape (nearly 7 miles of it for 60-min. recording) makes it uneconomical. (4) Fact that it will only record 15-20 min. without reversing or changing reel makes it inconvenient.

Study team also had reservations about cost figures submitted by Telcan, feeling that in actual production they might be several times as high.

Telcan Co. indicated that it won't meet its planned deadline of pre-Christmas marketing this year in England, meanwhile. It's now quoting early 1964 for sampling British market, with U. S. arrangements possible by fall of 1964.

"We will continue to watch its progress," an official of the U. S. manufacturer said, "but at present there are too many shortcomings for us to be interested."

**DISCOUNTER RALLIES COMPETITORS FOR PRICE FIGHT:** Going Zenith & Motorola one step better in their campaigns to recruit distributor & dealer support for Quality Stabilization legislation (Vol. 3:28 p9 et seq.), a small Rhode Island discounter has triggered regional counter-offensive that well may become pattern for protest throughout country.

Dismayed by discount industry's general apathy in face of growing support for QS legislation, Irwin Chase, pres. of Ann & Hope Factory Outlet Inc. (150,000-sq.-ft. company-operated discount dept. store in Cumberland, 165,000-sq.-ft. branch in Warwick), fired off letter to competitors which read in part:

"We are taking steps to combat this bill and we urge you, as a fellow discounter, to do the same. . . We urge you, for our common protection, to write letters yourselves to all your Congressmen & Senators. . . We are also considering a plan whereby we will print postcards for our customers to send to their national representatives. Don't you think we all should do this at the same time. . . ? Would you be interested also in joint ads in the newspapers with coupons for readers to send to their representatives. . . ?"

Chase told us his proposals presently are in "a discussion stage with our competitors." He's held one meeting so far with interested competitors, has follow-up session scheduled for near future. Indicative of interest in Chase plan, initial meeting attracted representatives of such discount super-chains as Zayre, which operates 53 stores across country from its Natick, Mass. hq. Zayre told us

their representative would attend 2nd Chase meeting, added: "We're interested in anything that can stir interest in this bill & alert the public to what it really means to them."

Despite fact that discounters "are the main targets of this legislation," noted "Discount Store News" editorially in July 29 issue, "little opposition, except for the National Assn. of Mass Merchandisers, has come from discount stores. . . One exception to the rule is Ann & Hope."

Chase explained discount industry's apathy this way: "Old industries are sophisticated but new ones, like the discount industry, never seem able to get together on joint problems. Everyone seems too interested in his own problems. There's a tendency for everyone to let 'George' do it. We thought of our approach as a means to get the ball rolling at least on the local level."

To get ball rolling, each Ann & Hope employee has fired off postcard to Rhode Island Congressmen urging rejection of QS bill. Company has petitioned state's Congressional delegation to vote against bill, warning in letter that should bill pass, "the jobs of each & every one of our employees will be endangered & the cost of living for Rhode Islanders will rise to an alarming degree."

**TV SETS AT THE 'FIVE & DIME':** As if things weren't tough enough for TV retailers, new competition is developing quietly but progressively in unexpected area—the traditional "five & dime" store.

With little fanfare, such bellwethers as Woolworth & Kresge are making their first serious bid for sizable chunk of TV business via recently established discount subsidiaries, we learned in conversations with industry leaders last week. Others, encouraged no doubt by recent successful entry of variety stores in TV field, notably J. C. Penney (Vol. 2:52 p8), are sampling TV sales in their conventional stores. S. H. Kress, for example, we learned, is now pilot selling portable TVs & even consoles in some 15-20 of its 272 stores.

It's too early to gauge market-share potential of five-dime competition, but Woolworth & Kresge expansion plans for their discount offshoots are well worth noting. Former's Woolco Dept. Stores Div. now numbers 8 giant discount stores, has 3 more slated for opening this fall. Kresge's K-Mart Div. opened year with 18 major discount outlets, will close year with 50. How much traffic will they generate? Financial Vp & Treas. J. E. Hearst estimates: "The 50 K-Mart stores that will be in operation by the end of 1963 should have annual sales of no less than \$3.5 million each."

Composite "five & dime" retailer, we found, sells brand-name TVs, does not carry color sets yet, offers credit, delivery & installation services. Here's summary of our roundup of five & dimers:

Woolworth sells virtually no TVs via its traditional outlets. Several stores may carry a TV piece or two, we were told, but over-all picture is so minimal that it's "hardly worth talking about." Situation is completely different at Woolco Div. Each of 8 Woolco stores has TV dept. & "we will have TV depts. in all future Woolco stores," we were told by R. Van Overschelde, buying supervisor. Woolco carries only name brands, sells no color sets, private labels or imports. Some departments are Woolco-operated, others leased. "At the moment I have no preference," Overschelde said, "because we're too new at it. It all depends on the kind of deal we can make in the particular area. If we can get a good lessee we lease. If we can't, we operate ourselves."

Kresge has been selling TVs in its conventional stores for about 3 years, but "they haven't set the world on fire," we were told by K-Mart Merchandising Vp C. M. Booker. "We sell TVs in all K-Marts and they'll be in all future K-Mart stores. We regard them as something that's needed for the complete store. We don't make a long profit on them, but they contribute to the image." K-Mart has both leased & operated TV departments, he told us, "and there are advantages both ways. However, we've had no problem operating our own TV departments and I believe eventually they'll be company operated." K-Mart also sells only national brands—and no color. Booker agreed that competition sometimes develops between a Kresge store and a K-Mart. When this happens in the same shopping area, however, "the Kresge will meet our price on the TV."

W. T. Grant is now selling private-labeled Bradford TVs in 350-375 of its 1,070 traditional stores, and so far offers TVs in only one of its 7 DisKay Discount Marts, in Gary, Ind. That DisKay store took over a Grant outlet that had been selling TV, Grant spokesman told us. "We have no plans at

this time for extending TV to our other DisKay stores," he said, pointing out that the Gary, Ind. outlet is larger than most DisKay stores and has ample room for TV display.

Space is factor in Kress's selection of TV test stores, we were told by home furnishings Merchandising Mgr. G. N. League. "The test stores are new, larger shopping center outlets," he explained, and "they run to 30-40,000 sq. ft. Previously, our stores were 25,000 sq. ft." He said TV sales test has been going on for about 6 months and expansion of program will depend upon evaluation of test data. "Credit is most important," he told us, "and we put TVs in only stores that offer credit." Kress is testing both branded and non-branded TVs, stocks only floor samples, contracts for TV supplier to furnish delivery & installation services. Test is centered mainly in Cal. & Fla. stores, but outlets in N. Y. & N. J. also are involved.

Not all five & dimers are interested in TV. Bargain World Stores, discount offspring of G. C. Murphy variety chain, sold portable TVs for 6-month period 2 years ago & "never again," we were told by Merchandising Mgr. J. E. Brant. "We had more complaints than sales, and we wound up taking a lot of the sets back and selling them in lots." Bargain World sold only imported Japanese portables, Brant explained, "and the big headache was service." He concluded: "We had fair sales but we're not at all interested now. We'll leave the TVs for the appliance boys."

McCrorry Stores Corp. sells some TVs in some selected stores, but not in its 24-store Gulf Mills discount division, based in Mobile, Ala. Gulf Mills Vp-Gen. Mgr. Miles J. Ellis summed up no-TV policy: "We don't sell TV sets for 2 basic reasons—we operate small stores & we're cash only."

\* \* \* \*

TV sets are included in J. C. Penney's first general merchandise catalog, marking its full-fledged entry in mail order field. Giant variety chain is now distributing 1,252-page fall & winter book with 85,000 individual items. Pres. William M. Batten also said catalog centers are planned eventually for all Penney stores, estimated catalog desks would be opened in 123 stores by "end of the year."

**FM STEREO STATIONS PASS 250:** New information indicates that there are now some 259 FM stations in U. S. and 12 in Canada—for total of 271—broadcasting in FM stereo. At least 40 of these—probably far more—broadcast their entire schedules stereophonically.

Based on recent data—including FCC notifications, reports from stations themselves and survey by Zenith Sales Corp.—these new stereocasting FM stations should be added to our previous lists (Vol. 3:20 p 11, 28 p 3):

California—Fremont, KHYD; Los Angeles, KFAC-FM; San Jose, KEEN-FM. Colorado—Denver, KFML-FM; Manitou Springs, KCMS-FM. Georgia—Columbus, WRBL-FM. Illinois—Champaign, WLRW. Indiana—Greenfield, WSMJ; Indianapolis, WFMS. Kansas—Wichita, KCMB-FM. Maine—Caribou, WFST-FM. Michigan—Saline, WOIA-FM. New York—N. Y., WABC-FM. Ohio—Hamilton, WFOL. Tennessee—Greenville, WGRV-FM. Wisconsin—Kenosha, WLIP-FM; Madison, WRVB-FM; Wausau, WSAU-FM.

With coming of fall, FM stereo activity should quicken, and it now seems possible that there will be as many as 300 stereo stations on air by year's end.

**TV-RADIO PRODUCTION:** EIA statistics for week ended July 26 (30th week of 1963):

	July 20-26	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	117,932	104,071	103,990	3,859,131	3,631,910
Total radio .....	251,934	261,989	310,237	9,591,705	10,398,695
Auto radio .....	66,186	84,004	96,783	4,107,079	3,675,423

**Trade Personals**

**Ronald N. Campbell & George L. Wilcox** elected vps of Westinghouse; responsibilities of Campbell, former vp of residential heating & central air conditioning, will include consumer groups, headed by Vp **Chris Witting**. Other new appointments by new Pres. **Donald C. Burnham** include: **Marshall K. Evans**, former management services vp, now operations staff vp; **A. C. Monteith** senior vp; **Douglas D. Danforth** succeeds Burnham as industrial group vp. . . **James Farnell** has resigned as Westinghouse radio & phono product mgr., no successor yet designated.

**Douglas Y. Smith**, RCA Electronic Components & Devices vp, is recuperating at Memorial Hospital, Morristown, N. J., from mild coronary suffered July 18.

**Stanley W. Horrocks** resigns as Hoffman Electronics pres. because of "difference in management principles," succeeded by **H. Leslie Hoffman** who also continues as chmn.

**Thomas A. Boyd**, GT&E exec. vp-finance, retires Nov. 1, will be succeeded by **John J. Douglas**. **Robert J. Gressens** will succeed Douglas as pres. of subsidiary Lenkurt Electric.

**Joseph A. Gill** appointed industrial relations mgr., Sylvania Home & Commercial Electronics Div., succeeding **Bruce C. Hoeffel**, resigned.

**Eric Smith** appointed Clairtone Sound gen. sales mgr. for Canada. . . **William H. Hummel** named mfg.-engineering mgr., GE audio products dept., succeeding **Julius W. Vetter**.

**Frederick L. Kuhne**, ex-Motorola N. Y. gen. sales mgr., named to new post of metropolitan N. Y. district sales mgr., Pilot Radio.

**Edward Foster** named head of CBS Labs' magnetic transducers section.

**Obituary**

**Mark W. Cresap Jr.**, 53, recently resigned Westinghouse pres. (Vol. 3:29 p10), died July 28 in Presbyterian-University Hospital, Pittsburgh, following surgery for gastric hemorrhage. He had been reported improving from July 17 operation, took sudden turn for worse July 27. He joined Westinghouse in 1951 as vp., became pres. 7 years later at age 47. He is survived by widow, son & daughter.

**Rectangular color tube is being demonstrated** by National Video to its set-making customers. Although it can't accept orders for delivery this year—it's committed to satisfy Motorola's needs before delivering to other customers—Pres. Asher Cole says delivery of the 23-in. rectangular 90-degree tube to other set makers will begin next year. Meanwhile, Corning is continuing development work on 25-in. rectangular color bulb. Although final parameters haven't yet been set, fairly large-scale sampling is expected to begin in Sept. with bulb production probable within a year.

**Retail sales of Magnavox products** totaled \$174,588, -000 last year, according to company's trade ads. Magnavox says its top 10 dealers each averaged \$1,398,000, top 100 averaged \$665,390.

**May factory sales** of TV picture tubes edged upward to 703,393 units from 703,255 in May 1962, but dollar value, reflecting declining prices, shrank more than \$800,000 to \$12,888,058 from \$13,676,659. Cumulative unit & dollar sales continued to trail a year ago, down nearly 54,000 units & \$3 million from 1962's Jan-May pace. Receiving tube sales continued downward slide, declined in May to 26,662,000 units from May 1962's 30,341,000. Dollar value dropped to \$21.6 million from \$25.5 million. Year to date sales showed 136,855,000 tubes at \$113,944,000—down sharply from 1962's 5-month sales of 153,854,000 units at \$129,753,000. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January . . . . .	890,246	\$16,846,046	27,025,000	\$ 22,524,000
February . . . . .	636,392	11,990,596	26,382,000	22,354,000
March . . . . .	760,524	14,223,503	30,285,000	25,643,000
April . . . . .	751,073	14,197,385	26,167,000	21,521,000
May . . . . .	703,393	12,888,058	26,662,000	21,600,000
Jan.-May 1963 . . . .	3,761,628	\$70,145,588	136,855,000	\$113,944,000
Jan.-May 1962 . . . .	3,815,355	\$73,079,850	153,854,000	\$129,753,000

**Japanese TV manufacturers** have agreed to establish minimum factory prices for sets bound for U. S. Subject to approval by Ministry of International Trade & Industry, 17 set makers approved plan to permit EIA of Japan to set price floors on 4 TV categories—19-in., 16-in., 5-6-in. & smaller than 5-in. Minimums would apply to price paid manufacturer by exporter, not price paid by U. S. importer. Plan is expected to become effective Sept. 1. There was no official reaction, meanwhile, from parties involved or from Japanese govt., to Symphonic's suit against Nippon Electric, charging that Japanese business practices are basic violations of Sherman Anti-Trust Act (Vol. 3:29 p 7). Unofficially, importers & Japanese manufacturer representatives here were inclined to look at case as basically a contract dispute between Symphonic & NEC. As to anti-trust aspects of case, feeling was that Japanese business organization & methods had been at least tacitly approved by U. S. govt. Said one spokesman: "Minimum prices are good for the industry. If they were declared illegal, some manufacturers would jump for joy and start unloading immediately."

**Warwick & Zenith** were turned down by FCC, in their petitions that Commission reconsider its decision permitting uhf stations to use aural power 10% that of visual. Petitioners urged that fringe-area reception would suffer, but FCC asserted: "In our judgment, virtually all of the significant degradation of sound service will occur in areas where the picture obtainable is unusable or at best severely degraded." WNEP-TV (Ch. 16) Scranton-Wilkes-Barre had told Commission aural power reduction will save it \$5,000 in power, \$6,000 in tube rentals, per year.

**Zenith** has revised prices on color sets with Space Command remote control, cutting suggested lists of some models \$50-\$75. Meanwhile, Zenith announced it is entering antenna business, supplying its distributors with full line of indoor & outdoor vhf, uhf & FM antennas, including hardware & accessories.

**RCA & Indiana General** have signed licensing agreement covering soft ferrite materials & apparatus and processes for making & testing ferrites & devices.

(Continued from Page 12)

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Sangamo Electric	1963-6 mo. to June 30	\$ 25,869,000	—	\$ (296,000)	—	1,637,617
	1962-6 mo. to June 30	24,379,000	—	(494,000)	—	1,637,161
Standard Kollsman Industries	1963-6 mo. to June 30	36,172,429	\$ 591,408	280,764	.12	2,254,296
	1962-6 mo. to June 30	46,157,144	2,332,797	1,420,497	.63	2,179,686
Stewart-Warner	1963-6 mo. to June 30	66,419,480	8,747,488	4,222,488	1.21	3,482,449
	1962-6 mo. to June 30	60,598,598	7,732,976	3,812,976	1.09 <sup>12</sup>	3,321,421 <sup>12</sup>
	1963-qtr. to June 30	33,313,890	—	2,159,437	.62	3,482,449
	1962-qtr. to June 30	31,171,420	—	2,069,319	.59 <sup>12</sup>	3,321,421 <sup>12</sup>
Technicolor	1963-6 mo. to June 29	38,288,423	—	1,703,199	.64	2,655,921
	1962-6 mo. to June 29	27,609,554	—	828,607	.31	2,623,218
Texas Instruments	1963-6 mo. to June 30	128,250,000	11,109,000	5,256,000	1.31 <sup>5</sup>	3,951,661
	1962-6 mo. to June 30	119,736,000	9,222,000	4,784,000	1.19 <sup>5</sup>	3,947,161
	1963-qtr. to June 30	68,453,000 <sup>6</sup>	5,733,000	2,801,000	.70 <sup>5</sup>	3,951,661
	1962-qtr. to June 30	62,253,000	4,559,000	2,373,000	.59 <sup>5</sup>	3,947,161
Warner Bros. Pictures	1963-9 mo. to June 1	67,560,000	9,461,000	4,961,000	1.02	4,850,052
	1962-9 mo. to June 1	59,543,000	10,969,000	5,569,000	1.15	4,830,052
Wells-Gardner	1963-6 mo. to June 30	9,643,000	—	131,000	.31	422,400
	1962-6 mo. to June 30	9,307,000	—	246,000	.58	422,400
	1963-qtr. to June 30	5,879,000	—	184,000	.43	422,400
	1962-qtr. to June 30	4,927,000	—	184,000	.43	422,400
Zenith	1963-6 mo. to June 30	166,289,000 <sup>6</sup>	—	7,654,000 <sup>6</sup>	.84	9,113,196
	1962-6 mo. to June 30	145,997,000	—	6,983,000	.77	9,033,177
	1963-qtr. to June 30	74,022,000 <sup>6</sup>	—	2,591,000 <sup>6</sup>	.28	9,113,196
	1962-qtr. to June 30	64,476,000	—	2,254,000	.25	9,033,177

Notes: <sup>1</sup>Before capital gains of \$354,000 (8¢ a share). <sup>2</sup>Before \$157,000 capital loss. <sup>3</sup>Before \$231,000 (5¢) capital gains. <sup>4</sup>Before \$24,000 capital loss. <sup>5</sup>After preferred dividends. <sup>6</sup>Record. <sup>7</sup>Includes \$356,000 special credit. <sup>8</sup>Includes \$450,000 special credit. <sup>9</sup>Includes \$178,000 special credit. <sup>10</sup>Includes \$225,000 special credit. <sup>11</sup>Includes capital gains equal to 11¢ a share. <sup>12</sup>Adjusted to reflect Sept. -1962 5% stock dividend. <sup>13</sup>Before special \$3,350,000 (81¢) charge for phasing out East Coast semiconductor operations (Vol. 3:10 p 10) reduced earnings to \$309,000 (4¢). <sup>14</sup>Adjusted to reflect Jan. -1963 5% stock dividend.

**Zenith's Record Results:** Zenith reported record sales & earnings for both 2nd quarter & first half, its 6-month sales increasing 14%, earnings 10% over record 1962 period, while 2nd-quarter sales & earnings were both up 15% over previous record year ago (see financial table).

Company said color TV "contributed substantial increases in sales volume & profits" and that distributor sales of Zenith color sets increased nearly 100% over first-half 1962. (Zenith Sales Corp. Pres. Leonard C. Truesdell last week predicted his company would sell 200,000 color sets this year.) B&w set sales volume also reached new first-half record.

Pres. Joseph S. Wright, addressing Security Analysts of San Francisco last week, predicted 1963 b&w sales of about 6.5 million sets, with at least 650,000 color sets, for total of more than 7 million TVs this year. As to Rauland's new color tube plant—"one of the most up-to-date, automated electronic factories in the world"—it is now supplying tubes to Zenith and eventually "we will be self-sufficient in color tubes, just as we are in b&w."

Although Zenith is continuing to expand its military & industrial electronics horizons, said Wright, "we intend to keep our solid consumer base, and have no intention of getting into a position where the cancellation of one contract. . . could seriously affect our business."

**Magnavox**, which reported sales & profits sag in 1963's 2nd quarter (Vol. 3:30 p12), expects total year profits to rise to "better than \$2 a share" from 1962's \$1.73, Pres. Frank Freimann said. Anticipated 15% earnings gain is down from 20% gain forecast by Freimann during May annual meeting. Magnavox has increased percentage of consumer vs. military sales. For 1963, military electronic sales will approximate 25% of total, down markedly from 45% in 1962. Freimann also emphasized that "our color TV sales this year will be 3 to 4 times those in 1962 and for the first time we'll make some money on color sets."

**WJAR-TV Providence** broadcast operations produced \$432,406 of Outlet Co.'s total \$4,052,338 revenues in fiscal quarter ended April 27 (Vol. 3:26 p12). This was down from \$646,501 a year earlier, resulted from "recent entry into this TV market of a 3rd station in a formerly 2-station market." However, company said, "it is expected that the remaining 9 months will show less of a decline in broadcasting revenue than was experienced in the first 3 months."

**Ampex executives' salaries & stock holdings**, as reported in proxy for Aug. 27 annual meeting: Chmn. Alexander M. Poniatoff, \$55,016 & 5,500; Pres. William E. Roberts, \$90,012 & 13,000; vp Robert Sackman, \$45,006; treas. & finance vp John P. Buchan, \$45,006.

## 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—6 mo. to June 30	—	\$ 8,877,000	\$ 4,219,000 <sup>1</sup>	\$0.95	—
	1962—6 mo. to June 30	—	11,976,000	5,553,000 <sup>2</sup>	1.24	—
	1963—qtr. to June 30	—	3,890,000	1,830,000 <sup>3</sup>	.41	—
	1962—qtr. to June 30	—	5,534,000	2,511,000 <sup>4</sup>	.56	—
Arvin Industries	1963—6 mo. to June 30	\$ 46,633,000	2,627,000	1,213,000	.93	1,306,272
	1962—6 mo. to June 30	40,108,000	2,108,000	1,007,000	.77	1,304,897
	1963—qtr. to June 30	24,519,000	1,494,000	678,000	.52	1,306,272
	1962—qtr. to June 30	21,294,000	1,128,000	535,000	.41	1,304,897
Clevite	1963—6 mo. to June 30	53,083,801	6,829,092	3,364,092	1.74 <sup>5</sup>	1,902,137
	1962—6 mo. to June 30	53,555,494	7,961,108	3,879,108	2.01 <sup>5</sup>	1,893,033
	1963—qtr. to June 30	27,808,749	—	1,913,402	.99 <sup>5</sup>	1,902,137
	1962—qtr. to June 30	27,583,000	—	2,027,000	1.05 <sup>5</sup>	1,893,033
Dynamics Corp. of America	1963—6 mo. to June 30	37,659,874	3,738,474	2,010,292	.52	—
	1962—6 mo. to June 30	41,825,049	4,679,259	2,100,256	.56	—
Fairchild Camera & Instrument	1963—6 mo. to June 30	56,785,000	—	651,000 <sup>7</sup>	.26	2,535,583
	1962—6 mo. to June 30	49,486,000	—	2,844,000 <sup>8</sup>	1.12	2,526,083
	1963—qtr. to June 30	30,155,000 <sup>6</sup>	—	505,000 <sup>9</sup>	.20	2,535,583
	1962—qtr. to June 30	25,602,000	—	1,492,000 <sup>10</sup>	.59	2,526,083
General Bronze	1963—6 mo. to June 30	8,825,045	(165,063)	(165,063)	—	391,820
	1962—6 mo. to June 30	8,071,763	13,695	13,695	.03	391,820
Globe-Union	1963—6 mo. to June 30	31,557,456	1,159,824	609,824	.46	1,319,675
	1962—6 mo. to June 30	31,881,107	2,675,990	1,236,990 <sup>11</sup>	.94	1,319,675
Hoffman Electronics	1963—6 mo. to June 30	16,457,121	—	(176,041)	—	1,538,888
	1962—6 mo. to June 30	22,066,363	—	(67,557)	—	1,537,312
Indiana General	1963—6 mo. to June 30	—	1,442,570	740,370	.64	1,150,002
	1962—6 mo. to June 30	14,168,000	2,463,452	1,188,052	1.03	1,150,002
Instruments for Industry	1963—6 mo. to June 30	1,043,248	29,032	29,289	—	—
	1962—6 mo. to June 30	761,723	(19,364)	(18,896)	—	—
Minnesota Mining & Mfg.	1963—6 mo. to June 30	362,313,074	86,369,069	42,069,069	.81	52,257,057
	1962—6 mo. to June 30	334,512,372	81,350,260	38,750,260	.75	51,823,123
	1963—qtr. to June 30	190,177,942 <sup>6</sup>	46,353,063	22,453,063 <sup>6</sup>	.43	52,257,057
	1962—qtr. to June 30	172,826,699	41,775,608	19,775,608	.38	51,823,123
Muter	1963—6 mo. to June 30	7,910,472	199,132	101,084	.08	1,257,695
	1962—6 mo. to June 30	8,109,340	289,340	142,977	.11 <sup>14</sup>	1,199,094
National Co.	1963—6 mo. to June 30	4,147,000	—	31,000	.03	804,246
	1962—6 mo. to June 30	4,805,000	—	112,000	.13	802,779
National Video	1963—year to May 31	16,455,217	—	180,713	.15	1,233,334
	1962—year to May 31	18,433,163	—	934,281	.76	1,233,334
Oak Mfg.	1963—6 mo. to June 30	19,999,283	1,076,491	505,491	.74	687,074
	1962—6 mo. to June 30	15,769,956	1,263,018	620,568	.95	655,824
	1963—qtr. to June 30	10,653,950	573,806	264,806	.39	687,074
	1962—qtr. to June 30	8,354,154	693,555	344,555	.53	655,824
Raytheon	1963—6 mo. to June 30	254,825,000	8,054,000	3,659,000 <sup>13</sup>	.85 <sup>5</sup>	4,125,238
	1962—6 mo. to June 30	312,759,000	11,136,000	5,336,000	1.29 <sup>5</sup>	4,011,326
	1963—qtr. to June 30	128,416,000	3,908,000	1,743,000	.40 <sup>5</sup>	4,125,238
	1962—qtr. to June 30	155,425,000	5,917,000	2,837,000	.69 <sup>5</sup>	4,011,326
Reeves Bcstg. & Development	1963—6 mo. to June 30	2,754,400	230,700	100,900	.07	1,408,893
	1962—6 mo. to June 30	2,301,700	12,100	7,600	.01	1,408,893

(Continued on Page 11)

WEEKLY

# Television Digest

with

## Consumer Electronics . . .

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

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AUGUST 12, 1963

NEW SERIES VOL. 3, No. 32

### SUMMARY-INDEX OF WEEK'S NEWS

#### Broadcast

**THE FULL SCHEDULE OF BILL HENRY**—who talks about selling & donating political time, rejects rumors of aspirations for Congress, meets ad men, concludes Omaha report (p. 1).

**UHF—HOPES & FEARS, FITS & STARTS**—stirs concern as KIX Los Angeles runs into trouble, one of first to retrench since all-channel-law (p. 2).

**CONGRESS'S PENDULUM SWINGING BACK?** Maybe so—as legislators begin to worry about giving too much power to FCC and other agencies (p. 2).

**FIGHTING FCC COMMERCIAL CEILING**, broadcasters report support from congressmen who plan to introduce bills, resolutions (p. 3).

**TENSION IN RATING REFORM DEVELOPMENTS; RAB** seeks more money; Harris staff again talks of 'exploring legislation;' WAME suits dismissed (p. 3).

**THE FULL SCHEDULE OF BILL HENRY:** FCC Chmn. Henry leaves for Chicago this week, speaks on international communications Aug. 14, at convention of American Bar Assn., then goes back to Memphis, hoping for a vacation. He figured in news last week:

(1) During interview with columnist Charles Bartlett, he suggested that if stations sell political time, they should also be required to donate equal amount of time—to be divided among candidates for the office involved. "I suggested it only as a point of discussion," he said. "I'm interested in full discussion of controversial issues. Bartlett had asked me about cutting down political broadcasts, because of the costs of campaigning. I told him that I'm against that, that we favor more discussion."

(2) Is he planning to run for Congress from Tennessee? "I'll be in my office as chairman on Nov. 1964. That reminds me of the talk about Romney—that he wasn't running but wasn't locking the door. Well, I'm locking the door."

(3) He met with broadcast committee of AAAA in N.Y. Aug. 5, told us: "I found the talk with the ad agency people very constructive to me. And I think they may have noticed the absence of horns on my head. Our interests coincide in some ways. They believe in diversity of programming, would like to see more clearances and sponsorship of public affairs programs. But they're not unanimous. They talked more about 'clutter' than overcommercialization. We discussed more stations, uhf, local live vs. film. I invited them to file comments on our commercial rule-making. I suggested they invite Cox & Loevinger up for a meeting, too, and they said they would."

(4) His report on Omaha local-live hearing is due out this week. "It will be long," he said, "but I just couldn't avoid it."

Foregoing is just what's above the surface in Henry's iceberg of work—but he's young & healthy, seems to thrive on it.

#### Consumer Electronics

**TV IMPORTS THIS YEAR** will total about 400,000, of which half will be transistorized; first-half pace is 4 times higher than '62 (p. 7).

**TELCAN FOCUSES INTEREST** on home video tape, but neither U. S. nor Japanese firms believed close to success; British development viewed with enthusiasm by laymen, but engineers are still dubious (p. 7).

**RCA & COLOR** featured in 3 major articles in 7-day span; Sarnoff claims No. 1 position for RCA in consumer electronics, says color dollar volume may exceed b&w within 3 years (p. 8).

**TOP TV BRANDS** in 11 more markets are listed on basis of personal interview surveys by newspaper ad departments; RCA first in 10 markets (p. 8).

**PHILIPS TESTS TUBE MARKET**, will judge future after 'more experience.' Kataoka to make GI uhf tuners (p. 11).

**UHF-HOPES & FEARS, FITS & STARTS:** FCC is trying to be cautious & realistic about uhf while promoting it at same time—seeking to broaden public's choice of TV programs while avoiding charges of enticing entrepreneurs into losing their shirts.

Thus, when new KIIX (Ch. 22) Los Angeles, on air since March and aimed at Negro audience, cuts personnel, seeks refinancing, limits offering to 2 hours of film nightly, a chill runs through many quarters.

Los Angeles is supposed to be prize uhf market, conversions running some 2,000 weekly, and Spanish-language KMEX-TV (Ch. 34) said to be coming along fairly well.

FCC's uhf enthusiast Comr. Lee said he'd look into Los Angeles situation right away when he heard reports. "Perhaps," he mused, "we should have stiffer financial requirements for uhf applicants." Last thing he & rest of commissioners want to do is to be responsible for another uhf boom & bust.

FCC recently sent its periodic query to idle uhf CP-holders, including those which once operated, asking for their plans. Replies are still arriving, but 2 former operators have said they're turning in their suits—WGLV (Ch. 57) Easton, Pa., which operated 1953-57, and WHUM-TV (Ch. 61) Reading, Pa., on-air 1953-56. Quite a few letters were returned by Post Office with "no longer in business" notations.

There is long-range enthusiasm, nonetheless. We've checked out all applications filed with FCC since Jan. 1, found following: 48 uhf (13 of them ETV), 15 vhf (2 ETV). Of the vhf's, 6 were for channels now occupied by stations given short licenses after "influence" decisions (Boston, etc.)—thus, shouldn't really be counted.

All-channel-set law is what sparked uhf resurgence, of course. Some applicants are experienced broadcasters, hoping to make out soon in large markets. Others quietly & frankly intend to grab a channel and hold it until risk seems reasonable. And a few are starry-eyed novices oblivious of uhf's pains & strains of the 1950's.

**CONGRESS'S PENDULUM SWINGING BACK?** You'll recall how Congress, particularly Rep. Harris (D-Ark.) & his investigating subcommittee, ripped FCC mercilessly for failure to keep firm hand on industry. It's pretty clear now that New Frontier has gone too far for many, including Harris, to stomach.

Once upon a time, there were influence-peddling, quiz scandals, payola. Prodded by Congress, FCC jumped to attention, started clamping down. (Similar trend applies to other agencies—FTC, FPC, etc.) But broadcasters are up in arms, going directly to their congressmen, getting action.

Recent House hearings on editorializing were typical (Vol. 3:20 p3), congressmen heatedly asking FCC where it gets its authority to encourage or discourage editorializing. There's nothing "specific" about it in Communications Act, they assert, wondering whether Congress has given away too much power to "agencies downtown."

Most outspoken on issue is Rep. Rogers (D-Tex.), member of Commerce Committee and chmn. of Communications Subcommittee. "Delegated power begets power," he told us. "The FCC is an arm of Congress created to administer the rules Congress sets down. If the tail is beginning to wag the dog, then something should be done about it."

FCC has gone too far with its proposal to limit commercials, Rogers stated. "It should be the subject of legislative hearings." Previously, he challenged FCC's new license fees, introduced bill to prohibit them "unless specifically permitted by law." It's not that he thinks fees are necessarily wrong, he said, but that FCC's authority comes from general statement in 1951 appropriations act. His point is that if there are to be fees, Congress should authorize them specifically. He recently told constituents: "In my view, Congress should set to work to restore to itself authority passed along over the years to regulatory agencies."

Commerce Committee Chmn. Harris has recently challenged FCC on several matters, telling it to keep hands off CATV, goading it to grant experimental superpower on clear channels, questioning its handling of equal time in some instances. Rep. Moss (D-Cal.) is a sharp needler, too.

Issue crosses party lines. GOP Reps. Bennett (Mich.) & Hall (Mo.) were among most persistent advocates of need for congressional authority for broadcast editorializing. Hall even wants to regulate network documentaries—somehow.

Sen. Bartley (D-Alaska) introduced a congressional reorganization bill which would include a check on agencies. Said he: "I feel Congress needs some systematic means of reviewing these administrative actions." Rep. Dorn (D-S. C.), at editorializing hearings, said that all agency rules should be reviewed by Congress before they go into effect; this doesn't have much of a chance—because it would load Congress with impossible pile of detail. It was precisely because of this that the agencies were created. But Rogers looks at it this way: "If Congress is too busy to conduct the business of the nation, then something is wrong."

Most of reason for the pulling-&-hauling is President Kennedy's theory of "strong" regulation and his choice of appointees who agree—such as Minow & Henry at FCC, Elman at FTC, Swidler at FPC.

Swing of pendulum toward stronger regulation is slowing up, may reverse before long.

**FIGHTING FCC COMMERCIAL CEILING:** Broadcasters' direct appeal to their congressmen, about FCC's proposal to limit commercials, is beginning to show some results.

Rep. Weltner (D-Ga.) has drafted, not yet introduced, bill forbidding FCC from imposing "specific limitations" on commercials. However, draft also says FCC has right to consider commercial abuses in weighing license renewals. GAB & NAB scarcely had this in mind, spokesmen calling it "damaging." Weltner told us it merely "restates the power FCC already has," but said he's not sure whether he'll introduce present version or draft another.

Rep. John Davis (D-Ga.) wrote FCC Chmn. Henry about commercials, as have most of Ga. delegation. He said there's nothing wrong with FCC "guidelines," but he frowned on "limits." This, he said, could lead to govt. limitation on station profits.

Tenn. Assn. of Bcstrs. is considering asking its delegation to introduce resolution against commercial ceiling. F. C. Sowell (WLAC Nashville), TAB legislative committee chmn., said congressmen backed TAB's position during recent meetings (Vol. 3:30 p 5), firmly believes delegation would support it strongly. Nashville Advertising Federation last week passed resolution attacking FCC proposal.

**TENSION IN RATING REFORM DEVELOPMENTS:** Problems on road to rating reform: (1) To help finance its proposed \$200,000 radio methodology study, RAB has opened membership doors to all persons & organizations allied to aural medium. (2) Harris Subcommittee staff member, watching Nielsen & NAB parry & thrust, comments: "If NAB needs Nielsen more than Nielsen needs NAB, then perhaps legislation should be explored." (3) WAME Miami ran into courthouse wall, in litigation against rating firms, dismissed its suit against Pulse, had suit against Nielsen thrown out for 2nd time. (4) WFIL TV & radio Philadelphia, mirroring broadcaster concern over pending increases in cost for improved research, asked ARB to increase sample size but decrease number or reports, to equalize costs.

RAB associate memberships are now open to attorneys, syndicators, producers of commercials & station aids, station brokers, equipment manufacturers, etc. Up to now, only stations, representatives, networks have been members.

"There is urgent need for additional financial support of RAB at this juncture," said Pres. Edmund Bunker. "We are [seeking it] from those whose prosperity is dependent on the radio medium."

Bulk of new funds for research, however, will have to come from increase in regular membership, said Miles David, administrative vp, stating that RAB soon will announce signing of another station group. Bureau also outlined its methodology study to Advertising Research Foundation, received favorable reaction, we were told. Next step is to present it to ARF's technical committee for evaluation.

NAB Research Committee is to make final recommendation by mid-Sept. on whether to co-finance RAB's proposed study. Field work on RAB's study, scheduled to start in Sept., will probably be delayed, though some pre-testing may get started.

NAB meanwhile emphasizes that development of Rating Council plan is going ahead with or without Nielsen—though it would prefer inclusion of the dominant network TV rater (Vol. 3:31 p3). Pres. Collins wrote Nielsen Sr. outlining once more NAB's position, but there's still no final word from Chicago major domo.

Harris staff reasons this way: Ratings hearings showed abundance of weaknesses in ratings systems, but Congressmen were willing to let industry attempt its own clean-up; if major forces can't get together, then perhaps legislative avenues—already considered—should be explored again.

After federal court in Miami dismissed WAME's suit against Pulse for "lack of jurisdiction"—meaning suit was inadequate—station then said it was dismissing suit, Pulse reported. And WAME's amended complaint against Nielsen was also dismissed; station can refile (Vol. 3:29 p3).

WFIL stations asked ARB to increase sample from 490 to 2,400, decrease reports from 10 per year to 4. These steps, said John Wade, stations research dir., would "provide greater stability and validity," especially when data has to be fed into agencies' computers, and also would be within "economic capabilities" of broadcasters.

A disclaimer would also be added by Philadelphia stations when research data appears in print: "Caution! Ratings and homes reached are estimates only, subject to defects and limitations of source materials and methods. These source materials have not been approved or disproved by the station."

Pulse announced it's discontinuing coincidental interviewing, used as a means to supplement its roster recall method. In doing so, it will increase recall interview sample.

## **CAPSULES**

Reports that cut in multiple ownership was favored by 4 FCC members, in recent discussion, are unfounded, according to Commission sources. What happened: Comr. Loevinger learned for first time that ownership ceiling is 21 stations—7 TV, 7 AM, 7 FM—instead of total of 7. He asked colleagues why. Discussion thereafter disclosed no indication that majority wants to lower ceilings. Staff has long studied multiple ownership, might recommend cut, sooner or later.

Communications Satellite Corp. last week answered FCC's charge that it was dragging its feet on public stock offering (Vol. 3:30 p5). Chmn. Leo Welch, in barbed letter to FCC Chmn. Henry, said stock would be available by "early part of 1964," called Commission's recent criticism "an invasion of the firm's managerial functions." He said timing of stock sale would be determined by directors appointed by President Kennedy, disagreeing with FCC's contention that representatives of stockholders should be serving on board. In Senate hearings on \$5.5 billion appropriations for NASA, Sens. Kefauver (D-Tenn.) & Morse (D-Ore.), others, argued against a \$44 million research measure for communications satellites. They repeated charges of "giveaway," fought for amendment to provide reimbursement by ComSat for proportionate share of costs. Senate voted instead that none of NASA's funds could be used for "exclusive" benefit of private corporations without reimbursement. Space company also announced that RCA, AT&T and Hughes Aircraft have been selected to do studies on "multiple access techniques."

Foreign-language channel has been added to TeleGuide's closed-circuit feed to 37,720 rooms in 41 N.Y. hotels. Using Ch. 13, 7:30 a.m.—1 a.m. daily, half-hour films touting city's attractions are presented in French, Italian, German, Portuguese, Spanish & Japanese—Pan American sponsoring. English service has been operating 18 hours daily on Ch. 6 since June.

New ad guidelines for arthritis & rheumatism products adopted by NAB, endorsed by Arthritis & Rheumatism Foundation: (1) Positive disclosure made that product effectiveness is temporary relief of minor aches & pains. (2) Claims & demonstrations should be consistent with limitations on labeling. (3) Substantiation of product claims using bona fide studies & experts. (4) Advise prolonged sufferers to see physician.

**UPCOMING STATIONS: WHYY-TV (Ch. 12 ETV) Wilmington, Del.** has Sept. 12 programming target, reports Gen. Mgr. Richard S. Burdick. GE transmitter is being installed at Glassboro, N. J. site; studios will be at Fifth & Scott Sts., Wilmington, & at WUHY-TV (Ch. 35) Philadelphia. It will use 864-ft. Stainless tower.

**KFME (Ch. 13 ETV) Fargo, N. D.** plans programming about Nov. 1 after Oct. 14 tests, says Gen. Mgr. Clair R. Tetterer, ex-KTCA-TV St. Paul ETV. RCA transmitter is being installed and antenna is being prepared for placement on 426-ft. self-supporting Blaw-Knox tower.

**WEIQ (Ch. 42 ETV) Mobile, Ala.** will be on air "between Oct. 1 and Dec. 31," according to Raymond Hurlbert, gen. mgr. of Ala. chain of ETV stations. Studio-transmitter building construction has been finished. GE 12-kw transmitter is on hand, and 500-ft. Blaw-Knox tower is ready.

**KNMT (Ch. 12) Walker, Minn.,** with 2-kw RCA transmitter delivered, has completed 999-ft. tower 3 mi. E. of Hackensack, Minn. It will begin operation "sometime later this year," writes Glenn W. Flint, gen. mgr. of owner KCMT (Ch. 7) Alexandria, Minn. which plans to operate KNMT as semi-satellite. KCMT rep. is Avery-Knodel.

**WSVI (Ch. 8) Christiansted, V. I.,** has Nov.-Dec. target, reports George A. Mayoral, vp & gen. mgr. Visual Electronics transmitter is on hand, and construction of studio-transmitter building is near completion. It will use 60-ft. Utility tower.

**KUSU-TV (Ch. 12 ETV) Logan, Utah** hopes to be on air by Jan. 1, writes Burrell F. Hansen, chairman of radio-TV for grantee Utah State U. It plans to ask for bids shortly on 5-kw transmitter, will use 220-ft. Fisher tower.

**New York U. Conference** on international communications in business, other fields, starts Aug. 13, runs 4 days. Interpublic Pres. Marion Harper is honorary chmn. Harry Maynard, *Life* assoc. advertising dir. is chmn. Organizers: Ward Stevenson, PR Society of America pres., San Francisco State College professors S. I. Hayakawa & Richard Dettering. Speakers invited: Dr. Howard Rusk, NYU Medical Center; Eric Johnston, Motion Picture Assn. of America pres.; Stuart Chase, author; Dave Garroway; Benny Goodman; Newton Minow, Encyclopaedia Britannica. "A Look at Our Mass Media" panel will feature *Time* Chmn. Andrew Heiskell; Curtis Pres. Joe Culligan; TV executive Richard Heffner.

**CATV systems** in Norton & Appalachia, Va., totaling about 1,000 subscribers, have been bought by PGR Enterprises, headed by Frank Russell, retired NBC Washington vp who also heads Ellensburg, Wash. system. Seller is Harold C. Bailey who continues to operate Pineville, Ky. system. Transaction was handled by Daniels & Assoc.

**Peace Corps ETV training course** for 16 Colombians and 18 Peace Corps members started at U. of Neb.'s KUON-TV Lincoln, will run to Aug. 31. It's a pilot project, will be duplicated elsewhere if successful, according to Peace Corps Dir. Sargent Shriver.

**Jefferson Standard Bcstg.** has donated \$47,500 in TV equipment to S. C. Educational TV Center for planned Ch. 29 Greenville & Ch. 7 Charleston.

**CBS-TV & NBC-TV were criticized** by Rep. Hebert (D-La.) for "not carrying one word" in their news programs of last week's House debate on Pentagon's anti-discrimination directive. He said he hadn't watched ABC-TV. He questioned whether it was Pentagon "news management" or "censorship" by news media that was keeping public from knowing what was in Gesell report. Southerners have denounced report as use of military to promote political policy.

**Opera on TV** is "a thousand times more powerful" than in even an ideal theater, according to Samuel Chotzinoff, head of NBC Opera Company. "As for future of TV opera," he said in recent lecture, "it is problematical. As long as we have the Sarnoffs around, we will have TV opera and the experimentation that goes with it ... But the future looks dim unless the public demands more opera, and sponsors arise who will think 15 million listeners is a sizable audience."

**"Censorship"** through "prior restraint" is charged against FCC by TV Cable of Austin, in petition for reconsideration of recent CATV-microwave grant. FCC conditioned grant with its customary requirement that grantee agree not to duplicate local-station programs 30 days before or after telecast. Grantee also argued that Commission seeks to exercise jurisdiction in an area where Congress gave it none.

**May network TV billings** rose 8.3% over May 1962—from \$66,101,761 to \$71,567,346. First 5 months are up 6.2% over 1962 period—from \$324,050,243 to \$344,096,012. Each network's Jan.-May figures: ABC-TV, \$91,991,624, up 8.7% from \$84,659,058; CBS-TV, \$131,097,520, up 5.4% from \$124,362,088; NBC-TV, \$121,006,868, up 5.2% from \$115,029,097.

**HEW has received 3 more ETV applications** for federal grants: U. of Utah, \$246,131 to expand Salt Lake City's Ch. 7 & to acquire 18 translators; Miami U., Ohio, \$127,504 to expand Oxford Ch. 14; Delta College, Mich., \$187,049 to activate Bay City Ch. 19. Applications now total 17 seeking \$3,155,418 (Vol. 3:31 p5).

**"Star Spangled Banner"** would have to be played by TV-radio stations at sign-on & sign-off times in bill introduced by Rep. Wydler (R-N. Y.). He noted that most stations carry the Anthem, but some, he said, "play 'Hail to the Chief,' which is absurd, and 'My Country 'Tis of Thee,' which is the tune of 'God Save the Queen.'"

**"Right to editorialize** [should] be defended and maintained" by Congress, Rep. Dorn (D-S.C.) told House last week. He said that TV-radio have been discriminated against in access to news, that Congress should see to it that "sacred right" to editorialize not be abridged by "regulatory agency or bureaucrat."

**CBS-TV launches 2 daily half-hour newscasts**—a networking first—on Sept. 2: "Evening News With Walter Cronkite" (6:30-7 p. m., EDT, Mon.-Fri.) & "Morning News With Mike Wallace" (10-10:30 a. m., Mon.-Fri.). Latter will cover general & women's news.

**NBC News launched wire service** between N. Y. & Washington last week, for exchange of all national & international news & background stories. Possibility: It might be made available "outside NBC," said William R. McAndrew, NBC News exec. vp.

**QXR (FM) Network switches to tape** distribution from on-air relay to its 16 northeastern affiliates. Reasons: Technical problems & growing use of stereo. Affiliates in other parts of country were already on tape.

## Personals

**CBS News changes:** Charles Kuralt, from Latin & South America, to chief West Coast correspondent, Los Angeles; **Robert Schakne** named West Coast bureau mgr.; **Bernard Eismann**, chief Midwest correspondent, to N. Y. bureau; **Hughes Rudd**, chief Southern bureau correspondent, succeeds Eismann; **Russ Bensley** named Midwest bureau mgr.; Southern & Southwest bureaus consolidated in New Orleans bureau with **Dan Rather** as chief correspondent, **Nelson Benton** as bureau mgr.

**Donald H. McGannon**, Group W pres., also elected chmn., succeeding **E. V. Huggins**, Westinghouse Electric exec. vp, resigned; **Donald C. Burnham**, new Westinghouse Electric pres., elected to Group W board.

**Ellis O. Moore**, recently resigned as NBC press & publicity vp, joins Standard Oil of N.J. public relations dept. . . . **Jack D. Pohle**, ex-CBS Radio Spot Sales, Los Angeles, appointed radio mgr., Peters, Griffin, Woodward, Los Angeles.

**Metropolitan Bcstg. TV changes:** **Albert P. Krivin**, vp & gen. mgr., KMBC-TV Kansas City to KTTV Los Angeles in same capacity; **Mark Wodlinger**, vp & gen. mgr., WZZM-TV Grand Rapids, succeeds Krivin; **Reavis Winckler**, KTTV publicity dir., named promotion & public relations dir.

**Harold C. Sundberg**, gen. sales mgr., WZZM-TV Grand Rapids, promoted to vp & gen. mgr.

**Rep. Oren Harris** (D-Ark.) receives National Defense Transportation Assn.'s National Transportation Award.

**Dennis Scuse**, BBC U.S. representative, transfers to London as TV enterprises gen. mgr. . . **Don Redell**, ex-Producers Studio, Los Angeles, joins Tele-Tape Productions, N. Y., in sales & production.

**Mort Fleischmann** promoted to promotion mgr., NBC, West Coast, succeeding late **Donald E. Allen**. . . **James E. Watson**, NBC Radio sales analyst, promoted to sales development mgr.

**Malcolm R. Johnson**, NBC News night mgr., promoted to mgr. . . **Jack E. Krueger** promoted to news mgr., WTMJ-TV-AM Milwaukee.

**Dan E. Bellus**, Transcontinent TV adv. & promotion dir., named station mgr., group's WDOK-AM-FM Cleveland.

**Jack Crosby**, Del Rio, Tex., named chmn., NCTA Research Council, which also adds **William Adler**, Weston, W. Va., and **George Barco**, Meadville, Pa.

**Richard A. Feleppa**, ex-Remington Electric Shavers, re-joins WOR-TV-AM N. Y. as sales promotion mgr.; **David Krutchik**, copy chief, promoted to audience promotion mgr.

**Donald (Gene) Jones**, ex-radio KMOX St. Louis, named mgr., Avery-Knodel, St. Louis office. . . **Brad Marks**, ex-Buena Vista Distributing, named midwestern sales mgr., Walter Reade-Sterling TV Div.

**Robert R. Tinchler**, vp, Cowles Bcstg., N. Y., transfers to WREC-TV-AM Memphis as public affairs dir.

**James E. Szabo**, ex-WABC-TV N. Y. gen. mgr., appointed special sales mgr., WOR-TV N. Y.; **Leslie L. Dunler**, ex-radio-TV vp, Mogul, Williams & Saylor, joins sales staff.

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**Jerry Solomon**, ABC-TV sales planning coordinator, promoted to sales planning mgr.; **Mark Cohen**, nighttime sales service mgr., to sales offerings mgr.; **Jack McCarthy**, ABC-TV daytime sales service mgr., succeeds Cohen; **Richard Masilotti**, asst. daytime sales service mgr., succeeds McCarthy; **Wendell Barnes**, daytime availabilities coordinator, succeeds Masilotti.

**Participation of FCC Comr. Cox** in vhf drop-in proceedings is still expected, according to knowledgeable people at Commission, following AMST's petition that he withdraw because of his pro-drop-in stand as chief of Broadcast Bureau (Vol. 3:29 p5).

"**Largest complete local TV news** organization in the U. S." is aim of WCBS-TV N. Y., which hired Joseph T. Loughlin from WTVT Tampa-St. Petersburg to be dir. of news. He'll be responsible for 12 out of 18 1/2 hours of station news per week.

**Second Arabian network** was to start Aug. 1, but shortage of foreign exchange "will place serious limitations on the number of sets needed to expand TV reception," according to Commerce Dept.'s "International Commerce."

**Silent portable radios** on city buses have been requested by Columbus, O. utilities dir. "The world we live in is noisy enough," he said, noting that if "request" doesn't work, a rule will be made.

**New FM "working arrangement"** with Canada, for allocation of channels within 250 miles of border, has been released by FCC. Copies are available from Commission.

**Purchase of KTVU** (Ch. 2) San Francisco-Oakland by Cox Stations, for \$12,360,000, has been filed with FCC.

**TvB's new Los Angeles address:** 444 N. Larchmont Blvd., 90004; phone: 469-8231.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**1963 TV IMPORTS—ABOUT 400,000:** Based on first-half figures, it now seems evident that Japanese TV manufacturers will export total of 400,000 sets—perhaps more—to U.S. this year. At least 50% will be transistorized battery-powered units.

First 6 months of 1963 saw U.S.-bound TVs leaving Japan at pace of more than 4 times higher than during same 1962 period. Exports from Japan to U.S. during first half totaled 147,362 sets, or about 4.3% of U.S. production during same period, up from 33,671 (1% of U.S. TV output) in first half 1962. In June, figure was 25,982, about 8 times higher than the 3,288 of June 1962.

Transistorized sets exceeded number of tube sets exported in June for 2nd month in row—13,798 transistor, 12,184 tube, compared with 501 transistor, 2,788 tube in June 1962. All sets exported in June were in "21-in. & smaller" category. Here's breakdown of first half 1963 exports (comparable first-half '62 figures in parentheses): Over 21-in., 5,267 (2); tube TV, smaller than 21-in., 79,405 (26,001); transistorized, 62,690 (7,668).

Transistor radio exports to U.S. for first half 1963 were up about 10% in 3-or-more-transistor category—3,448,463 vs. 3,125,290. Tube and "toy" radio shipments were down—tube radios to 508,831 from 761,977 in 1962, toy radios to 1,073,636 from 1,484,681. June exports: 3 or more transistors, 663,831 (vs. 661,336 in June 1962); tube, 100,202 (142,903); toy & others, 143,742 (161,462).

Tentative minimum factory TV prices for export to U.S. have been established by EIA of Japan, meanwhile, subject to govt. ratification (Vol. 3:31 p10). Applicable only to completed sets, proposed "free on rail" minimums are: 16-in. sets, vhf \$45, all-channel, \$55; 19-in., vhf \$55, all-channel \$63; 5- & 6-in. transistor sets, vhf \$70, all-channel \$80.

**TELSCAN FOCUSES INTEREST ON HOME TV TAPE:** Although Britain's Telcan home TV tape recorder is still wrapped in mystery & controversy, mere reports of its existence have stirred up almost feverish interest in future field of home video tape machines.

Several firms here & abroad have been working for some time on the concept. RCA concedes its "hear-see" recorder is not imminent. Chmn. David Sarnoff was asked specifically about reports of the British development in course of interview last week by "Wall Street Journal" (see also p. 8). He replied that home video recorders probably would come along within 10 years, adding that the problem is to produce one within consumer's price range.

In Tokyo, meanwhile, Shiba Electric Co. announced prototype of possible home TV recorder. Unlike Telcan unit which uses standard 1/4-in. audio tape at 120 in. per second, Shiba's machine requires 2-in. wide video tape, is claimed to record 64 minutes on 8-in. reel, at 5-in. per second. Shiba announced no timetable for development, or any proposed price range, merely stating that it is "trying" to develop such a unit.

Sony, which is now marketing portable TV tape recorder in U.S. at \$10,900, says it still has long way to go in its efforts to develop unit priced for home use. Meanwhile, IIT Research Institute (formerly Armour Institute) of Ill. Institute of Technology is working on new electron-beam tape scanning system which it feels could eventually make possible economical system for home, using standard audio tape run at 7 1/2 in. per second. It was described earlier this year at IEEE convention by magnetic recording expert Marvin Camras (Vol. 3:13 p6). Development of this system into even high-priced working equipment is expected to take several years.

Meanwhile, Telcan system with its spectacularly low announced price (Vol. 3:31 p7) continues to arouse interest & speculation on this side of Atlantic. One TV industry figure (not an engineer), who just returned from England where he saw demonstration, termed our summary of reports on the machine last week "too downbeat." Requesting that his name not be used, he said pictures it produced

were "better than kinescope quality" and quite acceptable for home. Using thinner tape, he said, developers are confident they can increase capacity of machine to one full hour of recording on single reel.

Most other reports this week, however, tended to confirm reactions we quoted last week. One British engineer told us claims for Telcan were "not being taken seriously in broadcasting circles" in England.

A noted electronics research scientist told us he was collecting reports from those who witnessed demonstrations, and said "comments range from one end of the scale to the other—from very good to unacceptable." He added that on basis of description of device received from field, "you shouldn't be able to get much of a picture with it." He speculated that unit is basically a speeded-up audio tape recorder with some special type of recording & playback head.

Others pointed out that Telcan Co. is offshoot of Nottingham Electronic Valve Co., which once created stir by announcing that it had developed home TV camera to sell at about \$200.

Lacking more information, we have located no one who is willing to make flat statement about value of the British development. It has captured imagination here to extent that several important firms are thinking of sending representatives to Britain to appraise it and possibly discuss license arrangements, and that one American magazine is planning special article on it. Stripped of emotional content & wishful thinking, best summary of situation at moment, from engineering standpoint, is this: There's too little known about the device to make practical judgment as to its quality, reliability, producibility & potential.

Until curtain of secrecy is lifted, non-engineering people tend to be extremely excited about development, but opinion among engineers remains decidedly dubious.

**TOPIC A—RCA:** Nearly everybody seemed to be writing about RCA & color last week. Within span of 7 days, color TV received featured treatment in Aug. 6 "Saturday Evening Post," RCA was subject of 5-page cover story in Aug. 1 "Forbes" (with Gen. Sarnoff & NBC peacock on cover), and full-column interview with Gen. Sarnoff appeared in "Wall Street Journal."

"Forbes" profile could be called a mixed review. "The apparent renaissance of [RCA] may well be the top corporate story of 1963," it begins. It concludes: "A happy ending is possible but far from guaranteed." "Forbes" points to RCA's sales & profit advances of past few years, but also notes it's far below some other electronics entities in profit as percentage of sales dollar. Emphasizing color, it asks editorially whether RCA can maintain its lead in this field.

"Wall Street Journal" interview appeared to be answer to "Forbes" study. Among statements attributed to Sarnoff in interview: RCA is first in industry in combined dollar sales of home instruments. RCA will sell "well in excess" of million color & b&w sets this year and will expand its TV production facilities. Dollar volume of color sets will exceed b&w possibly within next 3 years. Color TV will be America's major new growth industry in this decade. RCA profits in first 7 months of year are 25% ahead of 1962. Replying directly to implication in "Forbes" article that RCA misjudged color market by 10 years, "Wall Street Journal" carries typically Sarnoffian rejoinder: "My answer is that if RCA had waited 10 years, color itself would be 10 years removed from its present healthy & growing status. No mathematical timetable has ever been devised for pioneering."

"Saturday Evening Post" business editor Sandford Brown gave color formal recognition as "the proverbial better mousetrap" in 2-p. article, "Color Catches Fire." He predicted that virtually all TV would eventually be in color, gave RCA credit for "risking huge sums to blaze a trail."

**TOP TV BRANDS-IN-USE IN 11 MARKETS:** From personal-interview surveys conducted by or for newspaper advertising departments, we've compiled results of TV brands-in-use polls for 11 more areas. Last April, we printed results in 15 markets surveyed by Consolidated Consumer Analysis newspapers (Vol. 3:17 p8).

Surveys highlighted below show set ownership. In case of multi-set homes, they generally reflect brand bought last. Because they represent purchases over many years, they don't reflect recent changes in brand preference or popularity.

Regional nature of TV brand selection is well demonstrated by variations in rankings. Only RCA, winning first place in 10 of the 11 markets, is consistently in top ranks of these areas.

Other brands which ranked among top 3 in various areas: Philco, first place in one market, 2nd in three, 3rd in two. Zenith, 2nd in four, 3rd in one. Motorola, 2nd in two, 3rd in three. Admiral, 2nd in one, 3rd in three. GE, 2nd in one, 3rd in one. Silvertone, 2nd in one, 3rd in one.

Summaries below give top 10 brands in each market, with number of interviews, date of interviews and TV penetration:

Miami metropolitan area (1,804 interviews, May 1961-April 1962), TV in 94.8% of homes: (1) RCA Victor 16.4%. (2) Zenith 15%. (3) Philco 11%. (4) Admiral 10.4% (5) Motorola 9.6%. (6) Emerson 6.7%. (7) Silvertone 6.5% (8) GE 6.4% (9) Du Mont 4.3%. (10) Westinghouse 3.1%.

Detroit metropolitan market (7,233 interviews, 1961), TV in 91% of homes: (1) RCA Victor 15.4%. (2) Motorola 12.2%. (3) Admiral 11.8% (4) GE 8.3%. (5) Muntz 6.3%. (6) Zenith 6.1%. (7) Philco 4.9%. (8) Silvertone 2.8%. (9) Sylvania 2.7%. (10) Emerson 2.5%.

State of Minnesota (1,230 interviews, April-May 1962), TV in 95.3% of homes: (1) RCA Victor 21.4%. (2) Zenith 12.1%. (3) GE 11.4%. (4) Motorola 10.8%. (5) Philco 8.8%. (6) Admiral 7.7% (7) Silvertone 4.6%. (8) Coronado 3.5%. (9) Magnavox 3%. (10) Sylvania & Emerson, 2.8% each.

Charlotte, N. C., entire county (1,801 interviews, May 1961-April 1962), TV in 93.7% of homes: (1) RCA Victor 20.4%. (2) Silvertone 10.3% (3) Motorola 9.6% (4) Zenith 8.9% (5) Admiral 7.6% (6) GE 7.5%. (7) Philco 7.1%. (8) Westinghouse 5.1%. (9) Emerson 3.1%. (10) Crosley 2.5%.

Akron city trading zone (1,803 interviews, July 1961-June 1962), TV in 97.9% of homes: (1) RCA Victor 20.2%. (2) Admiral 13.8%. (3) Philco 11.9%. (4) GE 8.7%. (5) Motorola 7.8%. (6) Muntz 6.3%. (7) Zenith 4.6%. (8) Sylvania 4.3%. (9) Emerson 4.1%. (10) Ambassador 3.8%.

Cincinnati retail trading zone (1,796 interviews, June 1961-May 1962), TV in 96.7% of homes, color TV in 2.1% of homes: (1) RCA Victor 16.7%. (2) Zenith 15.7%. (3) Philco 13.1%. (4) Admiral 12.1%. (5) GE 9.5%. (6) Motorola 8.2%. (7) Crosley 5.7%. (8) Westinghouse 3.1%. (9) Muntz 2.9% (10) Sylvania 2.5%.

Youngstown city trading zone (1,065 interviews, June 1961-May 1962), TV in 97.3% of homes: (1) RCA Victor 22.5%. (2) Philco 22.3%. (3) Motorola 9.4%. (4) GE 8.2% (5) Admiral 7.6%. (6) Zenith 6.9%. (7) Emerson & Sylvania 3.1% each. (9) Crosley 2.8%. (10) Silvertone & Magnavox 2.6% each.

Portland, Ore. metropolitan area (more than 1,800 interviews, Jan.-Dec. 1962), TV in 94.4% of homes: (1) RCA Victor 15.4%. (2) Zenith 14.1%. (3) Admiral 9.4%. (4) Motorola 8.3%. (5) Philco 6.4%. (6) GE 6.4% (7) Silvertone 6.1%. (8) Hoffman 4.9%. (9) Packard Bell 4.6%. (10) Westinghouse 3.4%.

Philadelphia-Delaware Valley (more than 2,000 interviews, Jan. 1963), TV in 96.9% of homes: (1) RCA Victor 31.4% (2) Philco 19.6% (3) Zenith 9.9% (4) Admiral 9.7%. (5) GE 9.6% (6) Motorola 8.5%. (7) Silvertone 5.8%. (8) Westinghouse 4.6%. (9) Magnavox 3.1%. (10) Sylvania 1.8%.

Beaumont, Tex. (1,000 interviews, 1962), TV in 97% of homes: (1) Philco 16.8%. (2) Motorola 15%. (3) Zenith 11.6%. (4) RCA Victor 9.7%. (5) GE 8.6%. (6) Silvertone 8.2%. (7) Admiral 5%. (8) Westinghouse 3.6%. (9) Hoffman 3.1%. (10) Truetone 2.5%.

Houston, Tex. retail trading zone (2,022 interviews, July 1961-June 1962), TV in 91.6% of homes: (1) RCA Victor 16%. (2) Philco 13.2% (3) Silvertone 11.7%. (4) Zenith 10.6%. (5) GE 9.6%. (6) Motorola 9.5%. (7) Admiral 7.3%. (8) Truetone 3.3% (9) Westinghouse 3.2%. (10) Hoffman 2.9%.

Huntington, W. Va. -Ashland, Ky. metropolitan area (1,642 questionnaires returned, June-July 1962), TV in 93.1% of homes: (1) RCA Victor 19.9%. (2) GE 17.7%. (3) Motorola 16.5%. (4) Philco 14.2%. (5) Admiral 7.8% (6) Silvertone 7%. (7) Zenith 6.1%. (8) Magnavox 2.4%. (9) Emerson 2.3%. (10) Westinghouse 2.1%.

Further information & complete surveys may be obtained from sponsoring newspapers or their reps: Miami Herald, Detroit News, Minneapolis Star & Tribune, Charlotte Observer & News, Akron Beacon Journal, Cincinnati Enquirer, Youngstown Vindicator, Portland Oregonian, Philadelphia Inquirer, Beaumont Enterprise & Journal, Houston Post, Huntington Publishing Co.

## Trade Personals

**D. Brainerd Holmes**, ex-RCA official whose resignation as director of U.S. manned space flight program becomes effective Sept. 15, joins Raytheon Oct. 1 as a senior vp; Raytheon finance Vp **George Ingram Jr.** promoted to senior vp & elected to board.

**Frank D. Langstroth**, recently promoted to Sylvania govt.-industry relations vp, resigns to become Hoffman Electronics marketing vp... **Brian Marohnic** promoted to Zenith national service mgr.

**M. E. Karns** elected to new post of RCA licensing vp; **Stephen S. Barone** promoted to succeed Karns as RCA International Div. license operations vp... **Frank R. Buchanan** named financial planning & controls mgr. in newly created RCA Commercial Receiving Tube & Semiconductor Div. Other new appointments in division: **Harold A. DeMooy**, receiving tube operations dept. mgr.; **Norval H. Green**, commercial semiconductor operations dept. mgr.; **George J. Janoff**, marketing dept. mgr.; **Kenneth M. McLaughlin**, memory products dept. mgr.

**Frank J. Ehringer**, ex-automotive products vp-gen. mgr., elected pres. of Tung-Sol, succeeding **Milton R. Schulte**, who retired along with Chairman **Louis Rieben**; electron tube div. vp-gen. mgr. **Paul Scharninghausen** elected to board.

**David L. Milling**, ex-DuPont & Westinghouse, named adv. sales mgr., Magazine Div., Howard W. Sams & Co.; he's son of **J. A. (Shine) Milling**, pres. of Sams Div.

**Frank J. O'Brien** resigns as Motorola purchasing vp... **Joseph S. Campbell**, ex-Hoffman & Packard Bell, named mgr. of Admiral govt. electronics div.'s new Washington office in Cafritz Bldg.

**John J. Douglas**, pres. of Lenkurt Electric, Nov. 1 becomes GT&E finance exec. vp, succeeding **Thomas A. Boyd**, retiring... **Louis C. Lerner**, exec. committee chairman, also elected chairman of National Co., succeeding **Herbert C. Guterman**, who resigned as chairman but continues as dir.

**C. Gayle Warnock**, ex-Raytheon PR dir., rejoins Ford as resident mgr. of its N. Y. World's Fair exhibit... **Norman Sanders**, ex-University Loudspeakers, named hi-fi products sales mgr., Bogen div. of Lear Siegler.

**John F. O'Donnell** promoted to International Resistance major industrial mktg. mgr., succeeding **Kenneth C. Dreusicke**, named Burlington Div. mktg. mgr... **Henry J. Schulthesz** appointed business mgr., IIT Research Institute.

**New Cal. laws** regulating TV-radio repairmen require: (1) Written estimate of repair costs must be given customer who requests it, before work is started. (2) Customer must receive itemized invoice of all parts & labor, and replaced parts must be returned. (3) Service dealers must be registered, beginning Jan. 1, 1964. New Bureau of Electronic Repair Dealer Registration is empowered to go to court to stop deliberate overcharging, misrepresentation of used parts as new, misleading advertising, etc.

**Endorsement of legislation** to repeal excise tax on all-channel sets was voted by board of directors of National Assn. of Music Merchants.

**Distributor Notes:** **Olympic Radio & TV** appoints 4 new distributors: **Reliable Brands**, 35 Cline St., Dayton, O. for Ohio; **TCR Distributors**, 1205 East River Drive, Davenport, Ia., for Iowa; **Dutch Valley Distributors**, 1399 Dutch Valley Place, N.E., Atlanta, for Georgia; **East Coast Appliance**, 911 Lady St., Columbia, S.C., for South Carolina... **Admiral** names **George A. Lubenow** regional sales mgr. covering distributors in Phoenix, Reno, Salt Lake City & Fresno... **Admiral** appoints newly formed **John L. McDonald Distributing** (former Admiral regional sales mgr. **John L. McDonald** is gen. mgr., **Elton M. Tuttle** credit mgr., **Charles V. Safarik Jr.** service & parts mgr.), 1523 Marcy St., Omaha, distributor for 71 Nebraska counties & 7 west central Iowa counties, replacing K. K. Co., Omaha... **Olympic Radio & TV** names **Theodore Bloom** pres. of sales subsidiary Olympic of Southern New England Inc., New Haven, Conn., a new post.

**Philco** joined move to lower-priced 19-in. portables at week's end with introduction of new leader in its Starlite line. Although no list price was established, it's understood to be competitive with Admiral, Emerson, GE & Sylvania low-end 19 listing at \$129.95. Previous low-end Starlite was \$149.95. Among other new sets in Philco "Fall Festival" series are redesigned 19-in. Townhouse line and new 23-in. table model (no list prices, but believed to be unchanged). Also introduced were special stereo ensembles, built around table model with matching base and auxiliary room speakers.

**Emerson's 16-in. set at \$99.95** now represents between 15 & 20% of company's unit TV shipments, Pres. Benjamin Abrams told us last week. He said Emerson's entire line has benefited from this price leader, and he forecasts that company's good business would continue through the year. Emerson, he added, is now making "proportionately more all-channel receivers than any other manufacturer"—currently 18-20% of its total production. He estimated percentage would go up to 25-30% this fall.

**Pilot Radio will make color TV sets** this fall, Vp-Gen. Mgr. Roland J. Kalb has announced, confirming report in these pages last month (Vol. 3:26 p 11). A pioneer in TV (Pilot claims to have built first commercial TV set in 1928), Pilot, now a subsidiary of Jerrold Electronics, will make its own chassis for use in TV-radio-phonograph combinations.

**New lower-price Sony transistor TV** has gone on sale in Japan, but officials of Sony Corp. of America say it's designed for home market only, and there are no plans to sell it in U.S. Like Sony's Micro TV set sold here, new set is also 5 1/2-in., but is sold in straight AC version without converter for battery. Battery & converter can be purchased separately. Sony set sold in U.S. has built-in converter, and battery pack is sold as accessory.

**Crackdown on stores selling hi-fi components** without UL seal probably will force court test of Portland, Ore. ordinance banning sale of non-UL approved equipment. Seven Portland retailers have been ordered to remove non-approved devices; all pledged battle in courts, arguing that equipment they sell has met all tests of City of Los Angeles Electrical Testing Lab.

**Packard Bell** reports sales of home products reached all-time high in first half 1963, increasing 32.8% over same 1962 period, with color TV registering greatest gains.

**PHILIPS PROBES TUBE MARKET:** Dutch-made picture tubes, from Philips, are still being sold to set makers in U. S., but Amperex (the North American Philips subsidiary) still says it probably won't be able to determine whether to stay in U. S. picture tube business long before year is over.

Amperex declines to state which set manufacturer is purchasing its picture tubes, but it's common knowledge in industry that Motorola is buying some or all of them. Philips tube being sold here is 23-in. 110-degree "heavy" tube (23CMP4). Amperex's Edgar Meagher denies that Philips tubes are being sold here at lower prices than domestically made tubes. "We can't tell whether we'll stay in this field until we've had a little more experience in it," he adds.

In another parts import development, General Instrument became 3rd U. S. tuner maker to sign agreement with Japanese firm. GI and Kataoka Electric Co. have reached deal under which Kataoka will make uhf tuners using GI designs. Other tuner makers have agreements for TV tuners—not necessarily uhf—with Japanese firms. For example, it's understood that vhf tuners in both GE & Admiral 11-in. sets are being built by Noble-Oak in Japan.

**Delmonico International** consolidated its operations in 140,000-sq.-ft. plant in Maspeth, L. I., following acquisition of Shaw Mfg. Co., Brooklyn cabinet manufacturer. Exec. Vp Herbert Kabat hailed acquisition as making possible greater console production keyed to American designs. Delmonico also started new distribution program with opening of Boston branch, with Detroit branch due for opening soon. Kabat said company will have 10 branches, each with showroom, service facilities & warehouse, by year's end. He said Delmonico sales last year approximated \$14 million, and will rise to \$18 million this year, reaching \$25 million by 1965.

**Heavier penetration into consumer field** is goal of Ampex, which has formed new consumer products div. It has introduced first 4 models of new line of stereo tape recorders. New div. is headed by John N. Latter, who is also Ampex controller. New recorders introduced were priced from \$549.50 to \$695, but lower-priced models will be introduced soon, including self-contained portable stereo system at less than \$500.

**Sansei Electronics Industry Co.** will establish assembly plant in San Fernando, Cal. to assemble phono consoles from Japanese parts for sale to U. S. manufacturers and under its own "Hi-Mood" brand name. U. S. operations will be handled by new subsidiary, Sansei Electronics Corp. of America, headed by Vp Shigetada Chikazawa.

**Zenith introduced** lower-priced radios, including gift-packed shirt-pocket set at \$16.95—\$3 below former price leader, and first Zenith set to use Japanese parts. Other new Zenith radios: Pocket set with RF amplification, \$39.95; FM & FM-AM radios at \$39.95 & \$49.95; 3 clock radios, one open list, the others \$39.95 & \$49.95.

**Jerrold enters uhf** converter market with 2 home models to be sold through its Distributor Sales Div.—the "Vista" for strong signal areas, and transistorized "Super-Vista" for weak signal areas.

**High-resolution closed-circuit TV camera**, with nominal horizontal resolution of 775 lines, has been introduced by Du Mont Labs Divs. of Fairchild for industrial use, at \$2,495.

**Tung-Sol** has omitted customary 17 1/2¢ quarterly dividend, and Pres. Milton R. Schulte said "results of operations for the quarter ended June 30 have been disappointing." Principal factor was poor semiconductor business, he noted, adding: "In this particular industry overcapacity has continued, and imports have risen at an alarming rate, with resultant declining prices & substantial losses being incurred." Tung-Sol closed its East Orange, N. J. transistor plant July 3, culminating phase-out program started late in 1962 to remove "a drain" on earnings. Tung-Sol & Purolator have terminated merger discussions.

**Corporate profits** in 1963's 2nd quarter rose to record heights & 3rd-quarter earnings "seem likely to be at a rate close to this record," reported Aug. 1 "Wall St. Journal." Earnings of 496 corporations rose 15.9% to \$3,304,968,000 from \$2,850,621,000 in 1962's June quarter. Twenty-three electronics & electrical equipment firms boosted earnings 7.9% to \$126,219,000 from \$116,954,000. Nine were broad-line companies, and they improved 8.3% to \$114,503,000 from \$105,702,000. Fourteen were specialty companies. Their profits were up 4.1%—to \$11,716,000 from \$11,252,000.

**Space-Tone Electronics**, in bankruptcy proceedings (Vol. 3:28 p12), reported total assets of \$146,266 vs. \$1,594,784 liabilities. Bankruptcy schedules for 3 subsidiaries showed \$122,379 assets & \$2,178,851 liabilities for American Music Guild, subscription club for stereo records & phonographs; \$48,753 & \$55,552 for Product & Industrial Engineering, maker of components & cabinets; \$1,825,180 & \$1,244,407 for International Acceptance, Space-Tone's sales financing operation. Creditors' meeting is tentatively scheduled for Aug. 7, 10 a. m., in Washington, D. C. Federal Court.

**Seven Arts Productions** management was criticized by minority shareholders at annual meeting for alleged failure to make "full disclosure" about \$5 million purchase of 20% interest in land development company on Grand Bahama Island. They contended Seven Arts would have been better off concentrating exclusively on entertainment field. Company earned \$1.7 million in its 1963 fiscal year ended Jan. 31 (Vol. 3:24 p 12). Seven Arts denied withholding investment data, said purchase in Grand Bahama Development Co. "was not made in an unwise, imprudent or precipitous manner."

**International Resistance** foresees "excellent" 2nd half on basis of rise in orders that commenced in 2nd quarter. Pres. Walter W. Slocum said total 1963 sales should top 1962's record \$29.4 million. Earnings are expected to trail 1962's record \$2.5 million but top prior record of \$2.1 million set in 1961.

**Muntz TV** will redeem at \$1 par value all outstanding preferred shares issued to creditors under the 1956 reorganization plan. Preferred stock certificates must be surrendered for redemption by Aug. 29. Shares outstanding after that date will be cancelled on company's books.

**Nippon Electric** earned \$3,575,000 or 37¢ a share on \$95,533,000 sales in the 6 months to March 31. Per-share earnings are expressed in American Depository receipts. Year-ago comparisons are not available.

**Curtis Mathes** stockholders were scheduled to vote at last week's end in Dallas on proposal to double the 1,087,120 common shares authorized to enable company's directors to declare 100% stock dividend in near future.

## 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—6 mo. to June 30	\$100,418,045	\$3,006,922	\$1,463,295	\$0.60	2,423,561
	1962—6 mo. to June 30	94,740,193	2,590,784	858,058	.35	2,417,461
	1963—qtr. to June 30	50,510,359	1,446,109	678,750	.28	2,423,561
	1962—qtr. to June 30	46,430,284	1,233,337	348,101	.14	2,417,461
Andrea Radio	1963—6 mo. to June 30	2,156,576	—	(2,904)	—	254,136
	1962—6 mo. to June 30	2,733,058	—	149,711	.59	254,136
	1963—qtr. to June 30	1,212,082	—	3,304	.01	254,136
	1962—qtr. to June 30	1,277,746	—	62,526	.25	254,136
American Electronics	1963—6 mo. to June 30	5,741,713	—	189,192 <sup>1</sup>	.16 <sup>1</sup>	1,177,842
	1962—6 mo. to June 30	4,603,307	—	(354,451)	—	1,177,842
	1963—qtr. to June 30	3,003,253	—	64,926 <sup>1</sup>	.06 <sup>1</sup>	1,177,842
	1962—qtr. to June 30	1,950,510	—	3,771	—	1,177,842
Audio Devices	1963—6 mo. to June 30	4,004,450 <sup>2</sup>	469,605	242,605	.28	868,371
	1962—6 mo. to June 30	4,070,103	446,196	223,196	.26	844,526
Lear Siegler	1963—year to June 30	193,072,259	7,555,898	4,750,574	1.20 <sup>3</sup>	3,894,293
	1962—year to June 30	190,782,798	12,384,015	6,005,006	1.51 <sup>3,4</sup>	3,918,023
Macfadden-Bartell	1963—6 mo. to June 30	12,083,250	—	627,007	.39	—
	1962—6 mo. to June 30	11,229,928	—	(393,629)	—	—
National Union	1963—6 mo. to June 30	18,560,975	1,095,411	526,411	.09	5,547,000
	1962—6 mo. to June 30	18,478,849	1,143,301	545,801	.09	5,747,479
Sonotone	1963—6 mo. to June 30	11,064,434	—	105,412	.08 <sup>3</sup>	1,224,491
	1962—6 mo. to June 30	10,527,606	—	150,895	.12 <sup>3</sup>	1,220,430
TelePrompTer	1963—6 mo. to June 30	2,715,040	69,224	69,224 <sup>5</sup>	.09	—
	1962—6 mo. to June 30	2,268,540	—	— <sup>6</sup>	—	—
	1963—qtr. to June 30 <sup>6</sup>	1,472,045	—	149,911	.20	—
Tung-Sol	1963—26 wks. to June 29	28,921,715	285,609	137,609 <sup>7</sup>	.03 <sup>3</sup>	926,826
	1962—26 wks. to June 30	35,567,514	1,534,635	713,635	.65 <sup>3</sup>	926,826

Notes: <sup>1</sup> After reserve of \$50,000 (4¢ a share) against losses on an investment. <sup>2</sup> Second quarter sales \$2.1 million, 10% above last year. <sup>3</sup> After pfd. dividend. <sup>4</sup> Adjusted to reflect 3% stock dividend in fiscal '63. <sup>5</sup> Includes special credit from sale of property. <sup>6</sup> 1962 results unavailable. <sup>7</sup> Before non-recurring costs of approximately \$70,000.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
I-T-E Circuit Breaker . . . . .	-----	no action	Aug. 6	-----
Lear Siegler . . . . .	Q	\$0.10	Sept. 3	Aug. 16
Lear Siegler . . . . .	—	3%	Sept. 17	Aug. 16
Litton Industries . . . . .	Ann.	2½%	Nov. 1	Oct. 18
Storer Bcstg. . . . .	Q	.45	Sept. 9	Aug. 23
Storer Bcstg. 'B'. . . . .	Q	.12½	Sept. 9	Aug. 23
Thompson Ramo Wooldridge . . . . .	Q	.35	Sept. 15	Aug. 23
United Artists . . . . .	Semi.	2½%	Oct. 29	Sept. 13

**Granco Products**, operating under Chapter 11 bankruptcy petition (Vol. 3:18 p 12), has filed 10% plan under which unsecured creditors would receive lump payment of 10% of their claims one year from date of confirmation. Plan reportedly has approval of creditors' committee. Next hearing: Aug. 15 at 2 p. m., before Referee Sherman D. Warner in Jamaica, N. Y.

**Admiral sales** for 2nd quarter were highest since 1953, and sales & earnings were above 1962 for both quarter and first half (see financial table). Pres. Vincent Barreca said civilian business registered 15% gain in quarter, while govt. sales decreased. He said distributor sales of Admiral color TV in first half were more than double last year's figure, accompanied by gains in b&w. He added that optimism for 2nd half by distributors & dealers is far greater than at any time in recent years.

**Owens Illinois Glass Co.** reported 4% sales gain and 1.5% decline in profits during first half, compared with last year. In commenting on company's operations, Chmn. J. P. Levis said: "TV bulb sales rose substantially as our new Kimcode system continued to increase in popularity with TV set makers."

**Trans-Lux Corp.** reports net income of \$343,092 (48¢ a share) for 6 months ended June 30, compared with \$358,795 (50¢) for same 1962 period.

# WEEKLY **Television Digest**

with  
**Consumer Electronics . . .**

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

AUGUST 19, 1963

NEW SERIES VOL. 3, No. 33

## SUMMARY-INDEX OF WEEK'S NEWS

### Consumer Electronics

**CONGRESS LOOSENING ETV PURSESTRINGS**, may compromise on \$6 million for station construction, of the \$32 million authorized for 5 years (p. 1).

**NEW ATTEMPT AT PAY-TV ON WEST COAST**: Subscription TV Inc. being formed by Lear-Siegler, Reuben H. Donnelley Corp., veteran promoter Matty Fox, others, plans to televise Giants & Dodgers games in 1964 (p. 2).

**NIELSEN SAYS 'YES'; HARRIS STAFF ACTIVITY**: Major TV rater endorses NAB reform plan, sends application for accreditation; Harris Subcommittee plans to publish edited 4-volume hearings transcript in addition to report (p. 2).

**CATV—INDUSTRY IN TRANSITION**—ready for some federal regulation as telecasters & theatermen continue to move in. But some seek congressional help to keep FCC from getting 'too tough' (p. 3).

**DAVID BLANK—CBS'S FREE WHEELING** economist—featured in "Business Week", sees TV revenues rising 9% annually in next decade (p. 4).

**CONGRESS LOOSENING ETV PURSESTRINGS**: Genuine shot in arm for ETV is finally expected from Congress, which last year voted measly \$1.5 million for station construction. Senate has just voted \$7 million, House \$5 million, for year beginning July 1, 1963—of the \$32 million to be spent over 5-year period. Senate-House conferees frequently compromise, so \$6 million may well be final figure.

With few choice commercial vhf channels in prospect, much attention is drawn to ETV station potential. To suppliers of station equipment & services, this is nothing to sneeze at. NETRC estimates that the 79 existing ETV stations represent a \$50 million investment, \$20 million annual operating costs—covering 34 states with 104 million people in their service areas.

Dr. John Bystrom, HEW's ETV chief, tells us that surveys indicate some 80 station starts are likely by Jan. 1, 1965, that states plan 125-150 more within 2 years thereafter.

Costs of station vary enormously, of course, but Dr. Bystrom estimates average cost of construction at \$350,000, annual operating about half that. William Harley, pres. of NAEB, says his organization estimates there will be 175-200 stations by 1968.

Equipment makers don't noise their estimates around. One thing they do say, however, is that a lot of people are talking blue sky when they speak of "thousands" of stations within 5-10 years.

Intriguing Samoan ETV project, for which Congress has appropriated special \$1.75 million fund, is expected to begin telecasts in Feb. NAEB is supervising program, designed to lift Samoa's educational standards through 3 instructional channels. Smith Electronics handled design engineering. Project includes receivers, studios, microwave, translators, etc. NAEB is overseeing hiring & training of station personnel & teachers.

### Broadcast

**TV SALES UP & CLIMBING AT MIDYEAR**: Distributor volume hits record 541,810 b&w TVs in June, pushes year-to-date totals to 2,956,808 vs. 2,724,038 a year earlier, EIA figures show; radio sales lag (p. 5).

**SET MAKERS POST SOLID FIRST-HALF GAINS**: Our analysis of 15 TV-radio manufacturers shows 12 increased sales, 10 boosted earnings, and combined volume & profits were well ahead of 1962's first-half pace (p. 6).

**QUALITY STABILIZATION—ANOTHER GO-ROUND**: Senate Commerce Subcommittee opens 3-day hearings today on S-774 legislation amid growing industry belief that some form of QS law will pass House this year (p. 7).

**RCA DROPS COLOR PRICE**: Makes first reduction in base price in 7 years, with 21-in. black metal table model at \$449.95 (p. 9).

**CBS'S RECORD PACE**: Sales & earnings climb to record levels both in first half & June quarter. First-half profits jump nearly \$5 million to \$19.4 million on \$20 million sales gain to \$273.3 million (p. 9).

**NEW ATTEMPT AT PAY-TV ON WEST COAST:** Another crack at televised baseball in San Francisco & Los Angeles, via cable pay-TV, seems to be in works again. Subscription Television Inc. has been formed, and familiar name of Matty Fox is in there again. Details haven't been announced, but they're due to be released when stock registration is filed with SEC this week.

Firm involves 2 major companies: West Coast electronics manufacturer Lear-Siegler (which has Olympic as set-making subsidiary) and Chicago-centered Reuben H. Donnelley Corp. (best known as "Yellow Pages" publisher). Third element in picture includes Fox and ex-"Seventeen" magazine publisher Robert F. MacLeod.

Company will be capitalized at \$22 million; original investors are putting up an additional \$6 million. Lear-Siegler has designed wired-TV equipment; lines will be leased from phone company. Donnelley will handle billing. Fox, who's been working on similar project since San Francisco Giants & Los Angeles Dodgers moved to Coast in late 1950's, reportedly still has pay-TV contracts with these clubs under his Skiatron banner.

Plans call for pay-televising of Giants & Dodgers home games sometime next year. Company will expand to other cities if West Coast project is successful. Firm reportedly also has contract with impresario Sol Hurok for cultural fare. Other programming, e.g. movies & taped shows, also is planned.

Basic monthly charge reportedly would be \$4.33, after \$10 installation fee. Costs for each offering would range around \$1-\$1.50. Because Giants have contract with city of San Francisco, deal would have to be cleared with city officials.

SEC stock filing is expected to tell how much Subscription Television Inc. will be paying ball clubs for TV rights. When Skiatron was dealing with Giants about 5 years ago, there were reports of a \$37.5 million deal over 15 years; another story mentioned \$2 million over 2 years.

**NIELSEN SAYS 'YES'; HARRIS STAFF ACTIVITY:** Nielsen's long-awaited application for Rating Council accreditation—indicating final endorsement of reform plan—has been received by NAB. Company originally favored audit-only idea, balked at accreditation & setting of standards (Vol. 3:30 p4).

NAB now has OKs from all major raters. Rating Council's next step, by end of month: Send raters detailed questionnaires on their methods, with set of standards applying to all research services (Vol. 3:31 p3). Compliance with standards and with performance outlined in questionnaires will determine accreditation.

Articles of incorporation for non-profit company to oversee audit are being drawn up by NAB. Rating Council Inc. is tentative name, with present Council serving as board. Small staff will administer program. Bids have been requested from companies to do auditing under RCI supervision.

Harris Subcommittee staff keeps anxious eye on rating developments. Chief counsel Charles Howze plans to meet Aug. 19 & 22 with NAB rating principals—Group W's Donald McGannon, NAB vp's Howard Bell & Melvin Goldberg, possibly others. Subcommittee attorney Robert Richardson, who leaves staff job Aug. 20, will attend first meeting.

Meetings are viewed as critical by Howze, who's faced with task of weighing proposals & alternatives for Subcommittee members. It's understood Subcommittee wants to be reassured that NAB is ready to speak for entire industry. Nielsen's endorsement of NAB plan brightens picture considerably.

Here's latest staff planning on wrap-up of rating hearings, to be given to Subcommittee: Subcommittee report, as we indicated earlier, will contain 3 parts—background leading up to hearings, general survey of hearings highlights, findings & recommendations (Vol. 3:27 p3; 3:31 p3).

There's also tentative plan to publish edited transcript of hearings, which would appear before report. Because of size, it would be in 4 volumes: (1) First part of hearings covering testimony of networks, stations, FTC Chmn. Dixon & NAB Pres. Collins's initial appearance, in present edited form about 600 pages. (2) Testimony of all rating services, except Nielsen, about 500 pages. (3) Nielsen, which was on the stand about 10 days, about 600 pages. (4) FCC Chmn. Henry, RAB Pres. Bunker, Census Bureau witnesses, Collins's second appearance with McGannon, size not yet determined.

Another matter which may appear in printed record is report from each network on shows cancelled on basis of ratings. FCC Chmn. Henry promised to get this from networks. It will be ready by early Oct.

Investigator Richardson leaves to set up law office in Weatherford, Okla., preparatory to running for Congress from 6th district in Democratic primary next year. Rep. Wickersham (D) is incumbent.

Before he leaves ratings scene, however, Richardson will have something to say. He'll address Oklahoma Bcstrs. Assn. Aug. 24, on local ratings; he's tentatively set to participate in RAB management conferences in Dallas Sept. 16-17, Chicago Sept. 30 & Oct. 1; he also plans speech to Missouri Bcstrs. Assn. Oct. 3-4.

AAAA issued 20-page report evaluating radio research, said present state "frustrates and annoys a large percentage of media planners." It said that although there have been many prior reports & studies, "not much progress has been made toward objective study of valid ways of determining and reporting radio audience size and characteristics."

RAB Administrative Vp Miles David, welcomed report, said AAAA's recommendations are similar to RAB's objectives for its proposed \$200,000 methodology study.

AAAA research subcommittee evaluated: (1) Basic market data (2) Station coverage data (3) Audience research. It urged radio to implement recommendation of 1961 "Madow Report," calling for establishment of Office of Research Methodology to evaluate & develop "the most valid and reliable" methods.

Other recommendations: Standardize coverage reporting procedures, county-by-county, based preferably on consumer coverage reports of actual listening; provide revised coverage reports where technical facilities or programming is changed; standardize station & program characteristics on listener attitude or qualitative studies; develop sharper measures of effect of station "environment" on response to commercials.

**CATV-INDUSTRY IN TRANSITION:** Community antenna business is certainly in flux. The "big boys" continue to move in. Prominent telecasters have taken plunge. Many theater people who missed boat on TV stations are making sure they don't overlook this 2nd chance at TV. Watch for more big moves before long.

Backwoods flavor of early CATV days is fast dissipating. CATV has become significant enough to draw attention of govt., as well as eye of investors.

National Community TV Assn. has come a long way toward accepting a degree of federal govt. regulation-willing to exchange some freedom for some protection of chaos of patchwork local-station regulation.

When FCC returns from Aug. vacation, new round of discussions begins. Much depends on Chmn. Henry. Former Chmn. Minow really wanted to wrap up a final agreement before he left, regretted that he didn't. FCC staff has taken tougher line than Minow did. Thing to watch for is Henry's attitude; it will set tone for discussions.

There's militant faction within NCTA which vows not to accept a tough line. It has found it has some influence in Congress, and there's talk of pushing a "ripper bill"-to take FCC apart. Of course, similar talk has come from some broadcasters, too, when they're displeased with Commission. It never seems to worry FCC seriously, apparently.

Prospects of CATV regulation, tough or lenient, don't faze CATV hopefuls. We've checked around, for example, and found new systems starting in last 3 months in following communities: Fairbury, Neb.; Olney, Ill.; El Cajon, Cal.; Oakland, N.J.; Rochester, Minn.; Jackson, Miss.; Honolulu; Waycross, Ga.; Vincennes, Ind.; Springfield, Ill. And the country seems awash with CATV prospectors.

Little is heard about overseas developments-but there are persistent rumors of substantial things in works-and some of industry's saviest people have been out scouting.

We look for heat in the business this winter.

**DAVID BLANK—CBS'S FREE-WHEELER:** "The Man for All Seasons at CBS" titles Aug. 10 "Business Week" article on economist David Blank. The highly respected but little publicized Blank is given very free hand—and researcher Frank Stanton, CBS pres., is delighted with Blank's results.

Article reports that "Wall Streeters" were dubious about TV & CBS growth potential, stimulating Blank to make study concluding TV revenues should increase 9% annually for next decade, that TV-home saturation should rise from 91% to 96% in same period, that rates could be increased accordingly.

Story notes that Blank decided color-set-sales figures—unavailable from industry (meaning RCA)—could be determined by projecting color-set counts made by 6 electric utility firms. He concluded 425,000 were sold in 1962.

Blank also challenges McCann-Erickson's figures showing 1929 to be "Golden Age" in which advertising took greater share of Gross National Product than it has since. Blank claims ad percentage has grown steadily. TV station sellers ought to be particularly pleased with Blank's projections.

**Senate version** of FCC-requested bill to give it "greater discretion" in approving station sales was introduced by Sen. Magnuson (D-Wash.). S-2052 would give Commission opportunity to evaluate public interest aspects of sale by allowing it to consider buyers other than those proposed by sellers. Comr. Bartley would add proviso that seller "prove" transfer would create "improved broadcast structure." Similar House measures (HR-7477, 7478) were introduced last month (Vol. 3:28 p5).

**White House meeting** with broadcasters, similar to those President Kennedy has been holding with newspaper editors & publishers, takes place Aug. 22, described as first of a series. Luncheon will be attended by 22 station executives—no network or NAB representatives though NAB played part in working out idea with Pierre Salinger, President's news chief.

**Puerto Rico is added to ARB's** local TV market reports, with 2 surveys of San Juan scheduled for 1963-64. These will be taken during ARB's customary Nov. & March nationwide sweeps. One TV station has subscribed so far, and several agencies & advertisers are interested, says ARB.

**Segregationist congressmen** are keeping on FCC's trail, checking on Commission's interpretation of "fairness," seeking more network & station exposure of their views. Commission answers with reiteration of its recent policy statement (Vol. 3:30 p3).

**CBS donated \$250,000** for ETV Ch. 28 in Los Angeles. Dr. Lee DuBridge, chmn. of Community TV of Southern California, said station expects to be on air in fall 1964.

**Five-station ETV network** in Pennsylvania has moved step closer. Bill providing \$970,000 for project was signed by Gov. Scranton.

**Omaha local-live hearing report** by FCC Chmn. Henry has been delayed, is now expected in early Sept.

**Metropolitan Bcstg.'s 7 TV stations** join TvB.

#### 1964 TELEVISION FACTBOOK ADVERTISING

The 1964 Edition of **Television Factbook** (#34) is now in preparation and advertising space reservations are being accepted. The **Factbook**, with a circulation sharply increased to 10,000, is used daily by executives in all facets of the TV industry—the people who make the decisions and buy time, equipment, services. Thus it becomes the most effective advertising medium available to those selling to the television industry. The **Factbook**, including its exclusive coverage maps and viewing data, marketing information and directories, will be fully up-dated throughout. Furthermore, it will contain the most comprehensive International Television Directory yet published. To reserve your advertising space in this 1200-page-plus compendium, call, write or wire: **Television Factbook**, 2025 Eye St. N.W., Washington 6, D. C.; Area Code 202-965-1985; TWX: 202-965-0979. Many choice positions are still available. Copy deadline is October 15th.

**Robert D. Swezey**, NAB Code Authority dir., leaves \$40,000-a-year job Oct. 15 when contract expires. Pres. Collins lauded him as he left, said there's no hurry to pick successor who'll probably be named in late fall. Collins will choose him, subject to Board confirmation, salary to be negotiated. Before leaving, Swezey will help arrange Code Review Board meetings before Fall Conferences which start Oct. 14.

#### Personals

**Joseph H. McConnell**, Reynolds Metals pres., NBC pres. 1949-52, named chmn. of U.S. delegation to Oct. 7-Nov. 8 ITU space communications allocations conference, in Geneva.

**Stimson Bullitt**, chmn., KREM-TV-AM-FM Spokane, elected pres., succeeding **Louis Wasmer**, resigned; **Mrs. A. Scott Bullitt**, chmn. of parent King Bcstg., named KREM Bcstg. chmn.; **Ancil H. Payne** elected King business vp.

**Thomas E. Cunningham** appointed UPI TV-radio sales mgr. . . **Norman Waggy** promoted to news & editorial dir., WJW-TV Cleveland, succeeding **Ken Armstrong**, resigned.

**Sam Chase**, "Billboard" editor-in-chief, resigns to form management consultant firm at 527 Madison Ave., N. Y.; **Lee Zhito** promoted to succeed him.

**James Karyan** appointed by NBC News to produce Washington documentaries. . . **Donn B. Duffy** appointed national sales service coordinator, WTTG Washington.

**Stephen R. Rintoul**, vp & radio sales mgr., Venard, Torbet & McConnell, N. Y., transfers to Chicago in similar capacity, succeeded by **Brock Petersen** as N. Y. radio sales mgr.

**New reps:** KARD-TV Wichita, to Petry from Peters, Griffin, Woodward; new WHNT Huntsville, Ala., due to start in early fall, to Venard, Torbet & McConnell; KRCR-TV Chico-Redding & new WNBE-TV New Bern, N. C., to Adam Young Inc.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TV SALES UP & CLIMBING AT MIDYEAR:** Buoyed by record June volume, distributor sales of black-&-white TVs closed out 1963's first half more than 200,000 units ahead of 1962's initial 6 months. Official EIA figures show Jan.-June TV sales of 2,956,808 units—up from 2,724,038 in same 1962 period.

June TV sales, as forecast in informal preliminary report (Vol. 3:30 p10), picked up sharply from April-May doldrums, climbed to 541,810 units from June-1962's record 480,510. Sales surge made June 1963's 2nd highest month, topped only by March's 601,797.

June also was big radio sales month—but not big enough to top year ago or to push cumulative business ahead of 1962's first-half totals. Distributor radio sales at close of half totaled 3,935,670—sharply behind year-earlier's 4,800,574. June's 811,923 volume was 1963's 2nd highest monthly total—topped only by March's 818,510. However, June volume lagged well behind year-ago's 1,040,598.

Here are EIA's official midyear TV-radio distributor sales to dealers:

## 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
<b>TOTAL . . . . .</b>	<b>2,956,808</b>	<b>2,724,038</b>	<b>3,935,670</b>	<b>4,800,574</b>

Same TV-up, radio-down pattern prevailed in production. First-half TV output ran markedly ahead of year ago—3,459,921 vs. 3,295,501. June was 1963's 2nd highest TV production month, saw outpouring of 665,004 sets vs. 620,653 in June 1962.

June also was marked by highest monthly output of all-channel TV receivers in 7 years. Production of 107,500 all-channel sets more than doubled June-1962's 50,283, pushed year-to-date output to 433,339 vs. 275,446 in 1962's first half.

Total radio production ran behind year ago in both June & cumulative totals. June's 1,653,866 was highest monthly total for year but short of June-1962's 1,721,873. Jan.-June production trailed year ago by nearly 700,000 units—8,585,238 vs. 9,264,445.

FM radio production, excluding FM car radios, was upbeat all the way. Year-to-date output outran year-earlier, 640,907 vs. 459,508. June's 154,818 sets were 1963's highest monthly output and strongly ahead of June 1962's 92,287. Auto radio production was ahead on June-to-June reckoning 670,106 vs. 629,004, and year-to-date 3,752,626 vs. 3,271,477.

FM-stereo reception capability was incorporated in 57% of all TV-radio & radio-phono combinations produced during 2nd quarter, EIA also noted. This compares with approximately 50% of first-quarter production. Of April-June's 354,824 combinations, 203,324 are FM-stereo equipped. This breaks down into 27,017 of total 57,829 TV-radio combos produced; 176,307 of total 296,995 radio-phonograph combinations.

Here are EIA's official TV & radio production figures for first half:

### 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
<b>TOTAL</b>	<b>3,459,921</b>	<b>3,295,501</b>	<b>433,339</b>	<b>275,446</b>

### 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
<b>TOTAL</b>	<b>8,585,238</b>	<b>9,264,445</b>	<b>3,752,626</b>	<b>3,271,477</b>	<b>640,907</b>	<b>459,508</b>

**SET MAKERS POST SOLID FIRST-HALF GAINS:** TV-radio manufacturers generally gained momentum in June quarter & rounded 1963's halfway mark with collective sales & earnings strongly ahead of year earlier. Sales picture, however, was brighter than profit performance, and several firms closed first half with earnings lagging. In most cases, it should be noted, profit declines were attributed to investments in upcoming color TV production.

Six volume producers of TVs & radios—Admiral, Andrea, Magnavox, Motorola, Wells-Gardner, Zenith—boosted amalgamated sales \$28.6 million to \$528.6 million from \$500 million in 1962's first half. Their earnings rose some \$345,000 to \$18.6 million from \$18.2 million. The 1963 figure is after deducting Andrea's \$2,904 loss. At end of first quarter (Vol. 3:20 p9), it's interesting to note, earnings of 8 volume set makers declined by some \$300,000 despite \$17.2 million sales gain over 1962's initial 3 months.

Impressive first-half gains were posted by 5 companies—Arvin Industries, GE, GT&E (Sylvania), RCA, Westinghouse—in which TVs & radios are but several of numerous consumer & defense products. They boosted first-half sales by \$206 million to \$5.025 billion from \$4.819 billion, increased profits \$20.7 million to \$229.6 million from \$208.9 million.

Our first-half sales-profit analysis also included 4 volume set makers—Muntz TV, Pacific Mercury, Packard Bell, Trav-Ler—whose 9-month or 12-month fiscal periods closed during calendar half. Their combined sales rose \$3.8 million from year ago to \$91.1 million from \$87.3 million. Their earnings rose by some \$727,000 to \$2.1 million from \$1.3 million. The 1962 figure is after deducting Packard Bell's \$333,000 loss.

Over-all, our analysis of these 15 set makers produced these nutshell findings: (1) Overwhelming number—12 of 15—netted sales gains. (2) Ten of 15 increased earnings. (3) Combined sales & profits were markedly ahead of first-half 1962. (4) Only one of 15—Andrea—failed to close first half in the black. (5) Six companies posted sales records. (6) Four set makers had record earnings.

Among volume producers, Motorola & Zenith had record sales, and latter also posted record earnings. Among multi-product companies, record sales & earnings were scored by GT&E, GE & RCA. Westinghouse had record sales.

Profit gains of 10 firms that improved earnings were sizable in number of instances. RCA jumped \$5.4 million to \$29.4 million from \$24 million. GE rose to \$126.1 million from \$120 million. Packard Bell bounced back from year-earlier \$333,000 loss with \$805,000 profit. GT&E climbed to \$46.3 million from \$38.4 million. Pacific Mercury, in year to March 31, nearly doubled earnings to \$482,740 from \$252,749.

Major sales gains were produced by Admiral—to \$100.4 million from \$94.7 million; Zenith—\$166.3 million from \$146 million; Motorola—\$172.2 million from \$159.7 million. Westinghouse pushed over billion dollar sales mark from \$957 million. RCA jumped to \$877.3 million from \$853.9 million.

Here are 1963-vs. 1962 first-half performances of 6 volume producers:

	Sales		Earnings	
	1963	1962	1963	1962
Admiral . . . . .	\$100,418,045	\$ 94,740,193	\$ 1,463,295	\$ 858,058
Andrea Radio. . . . .	2,156,576	2,733,058	(2,904)	149,711
Magnavox . . . . .	77,880,000	87,563,000	4,394,000	4,285,000
Motorola. . . . .	172,166,230	159,649,347	4,913,094	5,685,976
Wells-Gardner. . . . .	9,643,000	9,307,000	131,000	246,000
Zenith . . . . .	166,289,000	145,997,000	7,654,000	6,983,000
<b>TOTALS. . . . .</b>	<b>\$528,552,485</b>	<b>\$499,989,598</b>	<b>\$18,552,485</b>	<b>\$18,207,745</b>

Here are comparative first halves of 5 multi-product companies:

Arvin Industries. . . . .	\$ 46,633,000	\$ 40,108,000	\$ 1,213,000	\$ 1,007,000
GE . . . . .	2,397,358,000	2,318,836,000	126,120,000	119,977,000
GT&E (Sylvania). . . . .	684,475,000	649,338,000	46,286,000	38,387,000
RCA. . . . .	877,300,000	853,900,000	29,400,000	24,000,000
Westinghouse. . . . .	1,019,546,000	956,971,000	26,589,000	25,514,000
<b>TOTALS. . . . .</b>	<b>\$5,025,312,000</b>	<b>\$4,819,153,000</b>	<b>\$229,608,000</b>	<b>\$208,885,000</b>

Here's fiscal performance of 4 additional volume producers:

Muntz TV (9 mo. to May 31) . . .	\$ 9,133,199	\$ 8,862,320	\$ 532,521	\$ 783,689
Pacific Mercury (year to March 31) . .	21,875,333	17,414,000	482,740	252,749
Packard Bell (9 mo. to June 30). . .	37,967,000	35,931,000	805,000	(333,000)
Trav-Ler Industries (year to April 30) . . .	22,105,904	25,065,078	248,766	639,499
<b>TOTALS. . . . .</b>	<b>\$91,081,436</b>	<b>\$87,272,398</b>	<b>\$2,069,027</b>	<b>\$1,342,937</b>

**QUALITY STABILIZATION—ANOTHER GO-ROUND:** Amid growing industry belief that some form of Quality Stabilization legislation now is good bet to pass House this year, Senate Commerce Subcommittee is slated to open 3-day hearings today on its S-774 version.

This will be Senate group's 2nd review of pros & cons this year (Vol. 3:23 p8), and interest is such that there won't be time to hear all who want to be heard. Among applicants who drew blanks were 2 members of anti-QS National Assn. of Mass Merchandisers, which had been represented at earlier hearings.

There's increasing belief that discount industry, which stands to lose much under QS regulations, allowed opponents to steal march in House. With HR-3669 now through Commerce Committee and awaiting action by Rules Committee to move onto floor, discounters are shedding apathy & sharpening battle tactics for "last stand" fight in Senate.

"Many people in the low-margin retailing field are now, for the first time, beginning to understand what QS is and what it means to them," we were told last week by NAMM Exec. Secy. Roger Courtland. "They're just beginning to realize that QS could put a lot of them out of business."

He explained discount industry's general apathy: "The people in this mushrooming discount industry have been so busy with business, expansion and opening new stores that many of them haven't even had time to read the newspapers. Until recently, many didn't know how the bill would affect them. However, as soon as they understand that QS is price-fixing in disguise & has nothing to do with quality, they understand the threat to their business."

Concurrence came from industry trade paper "Discount Store News," which emphasized editorially in Aug. 12 issue: "We would like to goad or shame into action a discount industry which apparently has done little to protest & even knows less about a bill (HR-3669) which would amount to Federal Fair Trade Law & could seriously hamper the pricing techniques of a discount industry based on pricing technique. For the fight let's give cards, spades & the House to pro-QS lobbyists & concentrate on the Senate which has not yet blessed this latest price-fix gambit."

#### TV-RADIO PRODUCTION: EIA statistics for week ended Aug. 9 (32nd week of 1963):

	Aug. 3-9	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	127,726	106,449	129,822	4,093,306	3,867,331
Total radio .....	272,083	211,185	270,081	10,074,973	10,827,494
Auto radio.....	109,013	63,177	131,299	4,279,269	3,826,909

## TOPICS & TRENDS

Servicing industry, "presently accounting for more than \$5 billion in gross sales," will get tremendous hypo from color TV, RCA Sales Corp. Pres. Raymond W. Saxon told Texas Electronics Assn.'s 11th Annual Clinic & Fair. "The opportunities for dealers who emphasize service in selling color TV is particularly promising because today's consumer will not buy a color set like a box of cereal off the shelf of the supermarket," he said, "though some consumers may be buying portable sets like this today." He noted that independent servicemen now handle more than 94% of service business on RCA TV sets.

Electronic Components Conference of 1964, sponsored by EIA & IEEE, with American Society for Quality Control participating, convenes in Washington, D. C. May 5-7, seeks papers for presentation in these areas: Resistors, capacitors, connectors, printed wiring, materials for components, thin film devices, microminiaturization, conductors & cables, reliability & testing techniques. Three copies of 500 word abstract should be sent by Nov. 1 to technical program chairman, Dr. John J. Bohrer, International Resistance Co., 401 N. Broad St., Phila. 8, Pa.

Motorola now foresees 1963 color sales of 600,000-700,000 units, up from previous estimate of 600,000 maximum. Consumer Products Pres. Edward R. Taylor believes lower prices & Motorola's entry in field & introduction of 23-in. sets will produce the additional sales. Forecast for b&w sets: 6.5-7 million.

J. C. Penney will soon add color TVs in most of the 74 of its 1,684 stores now selling private-label b&w sets. Initial color models will be 21-in. consoles made by Wells-Gardner for Penney's Penncrest label. Some Penney stores are expected to have color sets before month's end.

Litton Industries is forming a division to make & market microwave cooking & heating ovens for commercial use, anticipates "a multi-million-dollar investment in the field over the next few years." Litton currently is a supplier of components for microwave ovens.

## Trade Personals

**Lawrence Levy** elected Raytheon corporate development vp, a new post.

**Robert E. Kirby** elected Westinghouse engineering vp, succeeded by **James M. Beggs** as Electronics Div. gen. mgr.

**W. Stratton Anderson Jr.**, former State Dept. foreign service officer, named vp of GT&E International and GT&E Service Corp.

**James J. Egan** appointed TV products mgr., Westinghouse TV-Radio Div. mktg. dept., a new post. Other new posts in department reorganization: **Herc Paxinos**, radio & intercommunication products mgr.; **S. Silverman**, replay products mgr. (stereo, phonographs, tape recorders); **Dominick F. Sementa**, selective distribution sales mgr.; **A. D. Burke**, multiple distribution sales mgr.

**William A. Ray**, founder of General Controls, and **George K. Bryant**, long-time RCA, elected chmn. & pres., respectively, of ITT General Controls.

**Howard J. Corey** elected Oxford Electric pres. & chief exec. officer, succeeding **J. B. Ceader**, who continues as chmn. . . **Arthur T. Cestaro** appointed General Electronic Labs broadcast products mgr.

**Everett W. Woerter**, formerly American Machine & Foundry, appointed EIA staff engineer for Parts Div., succeeding **J. Howard Schumacher**.

**Wayne B. Swift** appointed vp & northeastern regional dir. of C-E-I-R's Boston center.

**Louis H. Backe III**, ex-RCA, named southeastern regional mgr., ITT Distributor Products Div. . . **Charles E. Shaw Jr.** appointed Philco Consumer Products Div. industrial relations mgr., a new post.

**W. F. Wansbrough**, Canadian GE vp, will be keynote speaker at Aug. 23 CNE's press, radio & TV directors luncheon.

**G. Willard King** appointed asst. PR dir., Illinois Institute of Technology; **Gunther Marx** named to similar post at IIT Research Institute.

## Obituary

**Louis Abrams**, 68, co-founder & a dir. of Emerson Radio & Phonograph, died Aug. 15 in New York's Doctors Hospital after a long illness. He had been in the phonograph industry since 1915, co-founded Emerson in 1922 with brothers Benjamin (now Emerson pres.) & Max (secy.-treas.). Abrams' most recent corporate post was pres. of subsidiary Plastimold Corp. Illness forced his retirement from active corporate participation several months ago. He is survived by widow & son.

**DISTRIBUTOR NOTES:** Philco establishes factory branch to succeed **Medaris Co.** as distributor in Dallas & Lubbock, Texas. PDI-Dallas will operate from offices at 1202 Dragon St., Dallas, and 23rd & C Sts., Lubbock. **Ed Rogers** is branch mgr. . . **Westinghouse Appliance Sales** appoints **Richard Affel** TV & stereo product sales mgr. for New York & parts of New Jersey & Connecticut, succeeding **Max Zagoren**, resigned to open manufacturers rep office in New York. . . **George H. Wilkins** resigns as Magnavox's metropolitan New York zone mgr., succeeded by **Phillip Weil**.

**RCA DROPS COLOR PRICE:** Adding impetus to downward trend of color TV pricing, RCA this week put lowest base on its color line in 7 years by adding 21-in., black metal table model at \$449.95—as we forecast last May (Vol. 3:20 p8). This "lowest ever" set supplants \$495 models which had been RCA price starters since 1956.

"Color sales growth will be stimulated even further this fall with the introduction of this lower priced set," announced RCA Sales Corp. Pres. Raymond W. Saxon. He also forecast "record RCA TV sales rate" this year with "well over one million sets produced and sold." Color will account for greater proportion of this total than last year, but RCA b&w sales "are headed for their best showing since 1957."

Also added by RCA: Lowboy hardboard color console at \$549.95, b&w 23-in. lowboy at \$228.88 and 2 top-of-the-line 100-watt stereo consoles at \$795 & \$695.

**CBS'S RECORD PACE:** CBS sales & earnings rose to record levels in both first half & June quarter (see financial table). First-half earnings rose sharply to \$19.4 million from \$14.6 million on sales gain to \$273.3 million from \$253.1 million.

TV Network & TV Stations Divs. contributed to upbeat performance with sales markedly ahead of year earlier, Chmn. William S. Paley & Pres. Frank Stanton noted in stockholder report, adding: Ad revenues of TV industry in first quarter were "approximately 10% above" same 1962 period, and rate of growth of TV revenues, once expected to level off, continues to increase. Current pace "even exceeds the rapid rate of growth during the 1957-59 period." Paley & Stanton also noted that "current year sales & orders for CBS Radio Network," at end of first half, "exceeded by over 1/3 the network's revenues for the full year 1962."

**TelePrompter** is selling its Cherry Hill, N. J.-based Weathers, Conley Electronics & Audio-Visual Divs. to Defiance Industries in \$1.5-million-plus transaction slated for consummation early next month. TelePrompter Pres. Irving B. Kahn said businesses being sold account for approximately 40% of company's gross revenues but represent less than 10% of total assets. H. J. Schlafly Jr. will resign as engineering vp to become executive head of the Cherry Hill operation under Defiance Industries. He will continue as a TelePrompter dir. TelePrompter will concentrate on expanding its CATV holdings & related closed-circuit TV & meeting production services, anticipates "the highest earnings in our corporate history in 1963," Kahn said.

**Zenith dropped in** what it describes as "the only TV receiver on the market today that combines portability with the convenience of a remote control that turns set off & on, changes channels to the left & to the right, adjusts volume to any of 3 different levels, and silences sound while the picture stays on the screen." New set is 19-in. "Shorecrest" at \$269.95, including Space Command Remote Control as standard equipment.

**Macfadden-Bartell** expects 1963 profit to jump to more than \$1 million from 1962's \$162,738. Pres. Lee Bartell said revenues should rise to nearly \$25 million from \$23.2 million. Company's broadcasting stations produced 213% gain in operating profit in first half (Vol. 3:32 p12) to \$294,282 & continue to forge ahead, he said.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Ampex	1963—6 mo. to July 31	\$ 23,413,000	\$ 1,795,000	\$ 933,000	\$0.12	7,827,000
	1962—6 mo. to July 31	21,523,000	1,483,000	878,000	.11	7,799,000
CBS Story on p 9	1963—26 wks. to June 29	273,276,969 <sup>3</sup>	40,735,017	19,370,017 <sup>3,4</sup>	2.11	9,185,318
	1962—26 wks. to June 30	253,135,149	31,940,720	14,587,720	1.59	9,160,362
	1963—qtr. to June 29	132,063,108 <sup>3</sup>	—	9,195,016 <sup>3</sup>	1.00	9,185,318
	1962—qtr. to June 29	121,167,754	—	6,513,940	.71	9,160,362
Decca Records	1963—6 mo. to June 30	—	—	2,625,372	1.72	1,527,401
	1962—6 mo. to June 30	—	—	3,313,972	2.17	1,527,401
Walt Disney Productions	1963—9 mo. to June 29	53,709,831	—	4,453,692	2.58	1,725,049
	1962—9 mo. to June 29	49,716,429	—	3,452,223	2.06	1,647,804
	1963—qtr. to June 29	21,467,975	—	1,877,136	1.09	1,725,049
	1962—qtr. to June 29	17,073,148	—	1,027,158	.61	1,647,804
Eitel- McCullough	1963—6 mo. to June 30	—	—	225,000 <sup>1</sup>	.12	1,842,288
	1962—6 mo. to June 30	—	—	262,000	.14	1,842,288
GPE	1963—6 mo. to June 30	105,600,000	—	1,500,000	.78 <sup>8</sup>	1,643,101
	1962—6 mo. to June 30	107,900,000	—	1,900,000	1.02 <sup>8</sup>	1,643,101
	1963—qtr. to June 30	57,300,000	—	607,871	.30 <sup>8</sup>	1,643,101
	1962—qtr. to June 30	59,600,000	—	1,031,089	.56 <sup>8</sup>	1,643,101
ITT	1963—6 mo. to June 30	582,519,658 <sup>3</sup>	—	21,481,372 <sup>3</sup>	1.25	16,725,508
	1962—6 mo. to June 30	535,275,694	—	19,000,433	1.11	16,486,872
	1963—qtr. to June 30	301,686,919 <sup>3</sup>	—	11,966,965 <sup>3</sup>	.70	16,725,508
	1962—qtr. to June 30	283,714,606	—	10,646,107	.62	16,486,872
Litton Industries	1963—year to July 31 <sup>5</sup>	550,000,000 <sup>3</sup>	—	23,300,000 <sup>3</sup>	2.29	10,145,217
	1962—year to July 31	393,807,709	—	16,315,952	1.64	10,145,217
MCA	1963—6 mo. to June 30	—	—	7,189,000	1.45	4,538,770
	1962—6 mo. to June 30	—	—	6,631,000	1.38	4,519,603
	1963—qtr. to June 30	—	—	4,031,304	.82	4,538,770
	1962—qtr. to June 30	—	—	2,427,159	.34	4,519,603
Oxford Electric	1963—6 mo. to June 30	5,062,968	—	(52,917)	—	461,989
	1962—6 mo. to June 30	4,746,320	—	54,111	—	436,466
	1963—qtr. to June 30	2,973,168	—	8,757	.02	461,989
	1962—qtr. to June 30	2,482,737	—	31,447	.07	436,466
Paramount Pictures	1963—6 mo. to June 30	—	—	610,000 <sup>6</sup>	.37 <sup>6</sup>	—
	1962—6 mo. to June 30	—	—	1,701,000	1.01	—
	1963—qtr. to June 30	—	—	335,000 <sup>7</sup>	.21 <sup>7</sup>	—
	1962—qtr. to June 30	—	—	572,000	.34	—
Reeves Industries	1963—6 mo. to June 30	4,066,000	(122,000)	(59,000) <sup>2</sup>	—	3,236,775
	1962—6 mo. to June 30	4,023,000	19,000	12,000	—	3,235,515

Notes: <sup>1</sup>Before gain of \$203,000 (11¢ a share) from sale of property. <sup>2</sup>After \$63,000 tax credit. <sup>3</sup>Record. <sup>4</sup>Before \$1,499,014 net gain on disposition of certain real estate. <sup>5</sup>Preliminary. <sup>6</sup>Before \$1,785,000 (\$1.10 a share) profit on sale of investments. <sup>7</sup>Before \$1,340,000 (82¢) profit on sale of investments. <sup>8</sup>After preferred dividends.

Reports & comments: RCA, report, Burnham & Co., 60 Broad St., N. Y. 4... Motorola & AT&T, analyses, Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. 4... Schlumberger (Daystrom), analysis, Gerstley, Sunstein & Co., 121 S. Broad St., Philadelphia 7... Inter-

national Resistance, comments, Sincere & Co., 231 S. LaSalle St., Chicago 4... RCA, review, Coggeshall & Ricks, 111 Broadway, N. Y. 6... Columbia Pictures, review, Paine, Webber, Jackson & Curtis, 25 Broad St. N. Y. 4.

WEEKLY

# Television Digest

with

## Consumer Electronics ...

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

AUGUST 26, 1963

NEW SERIES VOL. 3, No. 34

### SUMMARY-INDEX OF WEEK'S NEWS

#### Broadcast

**PRESIDENT'S BUSINESSMAN'S LUNCH** with 19 broadcasters is first in series; Kennedy seems surprised at depth of concern about FCC regulatory efforts (p. 1).

**NAB FIGHTS CHALLENGES TO LEADERSHIP**, says 1964 'National Broadcast Editorial Conference' is duplication. GAB meeting with State Dept. also draws fire (p. 2).

**HARRIS STAFF LIKES NAB'S RATINGS PROGRESS**, is 'very much encouraged'; parties show each other their recommended standards; NAB expects plan to start before year is out (p. 2).

**NCTA POSITION—WORK WITH FCC**, says Chmn. Stevenson who rejects those who'd 'rip' Commission. Pres. Dalton resigns, will be consultant (p. 3).

**DETAILS OF WEST COAST PAY-TV CABLE DEAL** filed with SEC; Donnelley, Lear-Siegler & Tolvision (Matty Fox) to end up with 10% each in \$27 million deal (p. 3).

**ACLU QUESTIONS FCC FREE-SPEECH 'EXPERTISE'**, accuses Commission of 'vague standards' on 'vulgarity' in Appeals Court brief (p. 4).

**PRESIDENT'S BUSINESSMAN'S LUNCH:** President Kennedy & 19 leading broadcasters had very nice lunch Aug. 22, by all reports, in first of series similar to those he has had with publishers & editors. NAB broached idea to White House many months ago, finally achieved fruition—though no one from NAB hq attended, and no one from staff suggested guest list (which, of course, would have been sheer suicide). It's assumed Presidential advisor J. Leonard Reinsch, of Cox Stations, had substantial hand in suggesting names. Date for next lunch hasn't been set, and jockeying for invitations might take place—it's rumored. (For guest list, see p. 5.)

Ground rules of such meetings prohibit quoting President, and sessions are supposed to be off-record, but communicators have tendency to communicate. Broadcasters were forthright in their expression of concern that FCC is going too far in regulation, and President seemed somewhat surprised at degree of their unhappiness.

There was considerable talk about editorializing, and President indicated that his earlier highly pro-editorializing position has been tempered somewhat lately by broadcast views of extreme right wingers, such as "Lifeline" program. Among other things, broadcasters voiced worries about FCC's proposal on commercial ceiling, about grants of too many radio stations, about possibility of too many TVs some day. They also said they'd like a broadcaster on FCC. (Fact is, one was considered before Loevinger appointment.) Kennedy's reaction to foregoing was described as "thoughtful," "interested," "sympathetic," "noncommittal," etc. Take your choice.

There was complete agreement that food was excellent, that atmosphere was cordial, that Kennedy was charming. He had high praise for TV-radio's contributions, and his guests departed feeling well hosted.

#### Consumer Electronics

**TRANSISTORS TAKE OVER** in uhf tuners, as most tuner makers agree that they'll become competitive with tubes this year (p. 7).

**PHONO SALES UP SHARPLY AT MIDYEAR:** Distributor volume increases nearly 330,000 units to 1,759,470 phonographs vs. 1,429,687 in Jan.-June 1962; factory sales climbed 327,000 units ahead to 1,894,298 from 1,567,385, EIA reports (p. 8).

**COMPONENTS PROFITS DWINDLE IN FIRST HALF:** Combined earnings of 24 manufacturers dropped \$5.1 million to \$29.5 million (p. 9).

**TUBE SALES LAG AT HALF:** Factory sales of both TV picture & receiving tubes trailed year-earlier's unit & dollar volume in both June quarter & first half. Jan.-June TV tube sales drop (p. 10).

**PACIFIC MERCURY WILL MERGE** into Warwick Electronics if stockholders of both firms & California Corporation Commission approve. Warwick Pres. L. G. Haggerty would be pres. of amalgamated firm (p. 11).

**NAB FIGHTS CHALLENGES TO LEADERSHIP:** NAB finally got fed up with efforts by other groups to usurp its national role, finally said so last week. Up to now, NAB has been irritated but quiet about such things as Ga. Assn. of Bcstrs., "National Broadcast Editorial Conference" in Athens, Ga. (Vol. 3:30 p3). But when GAB came to Washington trying to arrange an international conference in Atlanta, with State Dept. help, and when meeting was held in Washington to plan 1964 Editorial Conference, NAB boiled over.

Editorializing is part of NAB's job, said Vp Howard Bell who was observer at planning session. He said NAB has "no intention of abandoning its national responsibility to any other agency... If state organizations independently expand their programs into national or international fields, a fractionalization of effort is bound to occur."

NAB had participated in Athens conference, billed by GAB as first of kind. Bell noted that NAB held Public Affairs-Editorializing Conference in March 1962. He said such meetings outside NAB duplicate expense, responsibility, effort. NAB may hold 2nd editorializing conference in Feb., in conjunction with annual state assn. presidents' meeting. He said this isn't "anti-state association" stand, that NAB seeks groups' support on many matters. For example, he noted, Govt. Affairs Mgr. Hollis Seavey attended Okla. Bcstrs. Assn. meeting last week, urged members to come to Washington to get their congressional delegation to fight FCC proposal to limit commercials. NAB plans shortly to announce steps to strengthen ties with state groups.

Chmn. of 1963 editorializing conference in Athens, Dick Mendenhall, WSB-TV Atlanta, asserted: "We intend to go ahead and have a conference." Ralph Renick, WTVJ Miami, has been named 1964 chmn. GAB & Fla. Assn. of Bcstrs. have offered conference sites; final decision is due by Jan. 15.

Mendenhall said group wants NAB's cooperation but believes that editorializing is "unique function that doesn't belong to NAB, GAB or anybody else. We are trying to establish a national forum that would travel each year to different parts of the country, allowing all broadcasters to participate."

NAB turned down invitation to attend GAB meeting with State Dept. officials, told State it didn't endorse plan. NAB spokesman said Pres. Collins has been working with White House for more than year, on similar idea, covering program exchanges, frequency allocations, etc.

\* \* \* \*

Pres. Collins was rebuffed, meanwhile, by network presidents in his request for discussion of "problems & opportunities" in TV advertising, including "serious threats that we are now facing of unwarranted govt. incursions" and possibilities of "a serious reduction in the attractiveness of the medium for advertising purposes."

Collins had suggested that representatives of agencies & advertisers be included. Network presidents told Collins they're concerned about anti-trust aspects of such a meeting, that they didn't believe non-broadcasters should be included, that Code might be bypassed.

Collins didn't spell out what he's concerned about; he's known to be worried that congressional investigators might blow up small problems into big ones, that advertisers complain more & more about "clutter," that commercial "interruptions" are growing out of hand. He says industry might well forstall trouble on advertising front by acting now, believes that something similar to "ratings mess" may otherwise develop in this area, too.

**HARRIS STAFF LIKES NAB RATINGS PROGRESS:** Harris Subcommittee staff came away from 2 meetings with NAB rating reformers last week, "very much encouraged" over results to date. Chief counsel Charles Howze said "satisfactory progress" has been made, that in some things "NAB has moved faster than expected."

Meetings were called to review NAB's Rating Council efforts to establish an audit of ratings firms, to set minimum research standards, to work toward methods improvement. A written report will be sent to Subcommittee this week. Subcommittee also wanted to be reassured that Rating Council was acting for entire industry.

Now that Nielsen has applied for accreditation (Vol. 3:33 p2), all major raters have given OKs. Conlan ratings firm—raked over coals at hearings for inability to show field work had been done—hasn't yet applied for accreditation.

Harris staff and NAB exchanged looks at each other's recommended standards. Howze showed

recommendations staff will give Subcommittee for published report. NAB revealed its proposed standards developed by Melvin Goldberg, research vp, to apply to all research services regardless of method.

There was substantial agreement on most points. In fact, many staff recommendations were similar to NAB's standards. These included, among others, supervision & training of field personnel, tabulators, editors, plus clear & prominent statements in ratings report on sample size & procedures used in collection & tabulation of data.

There was only one substantial point of disagreement. NAB doesn't like staff's recommendation that ratings be reported in ranges rather than in single estimates. Staff believes this would place ratings in proper role as "estimates." But NAB believes industry would still be left with same old problem of over-promotion, stations using high point range in selling (Vol. 3:31 p3).

NAB also said that Rating Council would be operational before year is out. It's holding to schedule of sending individual questionnaires to rating firms by end of Aug.; these would be returned in about 3 weeks. There's meeting of Council Sept. 9 to review bylaws & articles of incorporation for Rating Council Inc. It will also give final approval to standards.

Aug. 19 meeting was attended by: Howze and staff attorney Robert Richardson; for NAB, Howard Bell, planning & development vp, Goldberg & Hollis Seavey, govt. relations mgr. Group W's Don McGannon, NAB research committee chmn., met with Howze Aug. 22. Richardson left Subcommittee job at mid-week (Vol. 3:33 p3), was to address Oklahoma Bcstrs. Assn. at week's end.

**NCTA POSITION—WORK WITH FCC:** "We ain't fightin' nobody." That's comment of NCTA Chmn. Fred Stevenson after reading our report (Vol. 3:33 p3) that one faction within NCTA would like to blast FCC because of its staff's recommendations for tough legislation. "As before," Stevenson told us, "we are eager to work with the Commission to come up with legislation to solve our problems. The attitude of some people, which you reported, certainly does not represent the view of NCTA."

Resignation of NCTA Pres. William Dalton Oct. 1 was announced, meanwhile. He'll continue as a consultant, presumably for the 15-16 months remaining in his contract. Job paid \$50,000 annually. In addition, he'll be free to take on assignments in other fields, including hotel management.

No successor is in sight, and NCTA board is in no hurry to pick one. Many names will be mentioned promptly, but none is being considered seriously. Some NCTA forces are pushing for choice of man with CATV system operating experience and with capacity for Washington representation.

There seemed to be little progress, meanwhile, by Leon Papernow, exec. vp of H & B Communications Corp., to organize special group of major CATV operators to pursue own goals outside NCTA. One of largest operators, H & B quit NCTA earlier in year. But Papernow wrote Stevenson, assuring him that he envisioned no "rump" association fighting NCTA. Rather, he said, an association can't always achieve all objectives of all members who must sometimes act independently. But big RKO General, which has bought substantial chunk of H & B stock, remains NCTA member.

**DETAILS OF WEST COAST PAY-TV CABLE DEAL:** Pay-TV has had so many false, tentative & inconclusive starts that industry remains skeptical of even so well-backed a proposed venture as the West Coast deal just disclosed (Vol. 3:33 p2).

Reuben H. Donnelley Corp. and Lear-Siegler Inc. are no corporate weaklings, while Los Angeles Dodgers & San Francisco Giants are not unknown. Promoter Matty Fox is a bit different, having produced little but noise about pay TV heretofore. But he appears to have bounced back and put together quite a group.

New Subscription TV Inc. filed SEC registration statement (File 2-21653) last week, disclosing following details: 2,255,000 shares registered, 1,900,000 to be offered public at \$12 each through Wm. R. Staats & Co., 640 S. Spring St., Los Angeles. Six parties have committed themselves to buy 300,000 shares at \$12, while Dodgers & Giants have subscribed for remaining 55,000 at \$12.

Currently, company has 1,328,972 shares outstanding—46.8% owned by Tolvision of America Inc. (77% held by Matty Fox), 11.3% by Donnelley, 11.3% by Lear-Siegler. Other stockholders include Dodgers 5.3%, Giants 4.1%. After sale of new offering, Donnelley, Lear-Siegler & Tolvision will hold 10% each. Temporary pres.-treas. is attorney Donald A. Petrie; Robert F. MacLeod, ex-"Seventeen" publisher, is vp & asst.-treas.-asst. secy.

Statement says that minimum of 20,000 homes each are to be linked by cable in San Francisco & Los Angeles by start of system July 1964 Two telephone companies have agreed to make engineering studies of cable-stringing job, but no contracts for job have been signed. Giants are to get 20% of gross receipts up to \$1.5 million, 33 1/3% thereafter, for its home games; Dodgers would get \$200,000 initially, then 33 1/3% of receipts. Deals are for 5 years.

Showman Sol Hurok also has been signed—to 5-year \$10,000-a-month contract plus 0.5% of receipts on shows he supplies.

Price to subscribers: \$10 installation, \$4 monthly, plus \$1-\$1.50 for most games and shows. Counsel for Subscription TV Inc. is Hughes, Hubbard, Blair & Reed, One Wall St., N. Y.

Statement also reports law suit against firm by Standard Kollsman which claims company is bound by 1958 contract under which Standard was to supply 100,000 "program selectors." Lear-Siegler is supposed to make them now.

On another pay-TV front, Home Entertainment Co. of America (Oliver Unger, chmn.), 19th & Broadway, Santa Monica, Cal., reported plans to start pay-TV cable system in Houston by mid-1964—tying up with Houston businessman C. J. Tacconelly. Company said it's also studying Dallas, Ft. Worth, Austin.

**ACLU QUESTIONS FCC FREE-SPEECH 'EXPERTISE':** Unique "smut" case—FCC's license denial of radio WDKD Kingstree, S. C. year ago (Vol. 2:31 p3)—may be on way to becoming a classic in tortuous history of "obscenity."

FCC had denied license because it concluded that DJ Charlie Walker had broadcast material "coarse, vulgar, suggestive, and susceptible of indecent, double meaning." It also held that licensee E. G. Robinson was guilty of "misrepresentation" to Commission.

WDKD challenged decision in Court of Appeals, and last week American Civil Liberties Union filed amicus curiae brief on behalf of station. It picked interesting counsel for the job—Harry Plotkin. As FCC asst. gen. counsel over decade ago, Plotkin probably would have been just as rough on station as Commission is now. But, he says, "I think I've learned a little since then." He left FCC for private practice in 1951.

Position expressed in brief is this: FCC has come up with "vague standards." (1) "Vague standards are not fair to the licensee who must conform his conduct to govt. directives." (2) "Vague standards have a stultifying effect that goes beyond the individual licensee." (3) "Adequately stated standards are necessary if effective judicial review is to be maintained." Here's guts of brief:

"The statute authorizes the Commission to proceed with respect to 'obscene' programs, but the Commission has chosen not to do so. While ACLU recognizes that the test of obscenity is itself most difficult of application, nevertheless the fact remains that there have been several hundred years of judicial history interpreting the word and many learned articles have been written on the subject. With respect to the standard utilized by the Commission there is no judicial history to aid us. Nor does the Commission in its opinion furnish any narrowing or limiting scope...

"The Commission has frequently criticized broadcasting as a 'vast wasteland.' This criticism is not predicated upon any daring excursion by licensees into new fields. On the contrary the criticism has been of sameness, safe programs, timidity of approach. Yet the same agency that criticizes broadcasting on this score is one that in the next breath cautions licensees that they must not put on any programs that are judged patently offensive by ... the housewife, the teen-ager, the young child."

As for "misrepresentation" issue, ACLU argues that: (1) "Even though the Commission has indicated that it would have denied a renewal on misrepresentation alone had not the vulgarity issue been present, the intensity of its views on vulgarity is so strong that ACLU believes that some Commissioners might have voted a different way if they knew they could not have relied on the vulgarity issue for denial of license." (2) FCC refused initially to give station copies of tapes it considered "vulgar"—"a procedure which almost smacks of entrapment."

Another brisk comment: "While the courts are required to show deference to the findings and rulings of the Commission in the area of its expertise, ACLU submits that in the area of free speech the Commission has no specialized expertise."

**UPCOMING STATIONS: WHY- TV (Ch. 12 ETV) Wilmington, Del.** is keeping to Sept. 12 programming target, writes Gen. Mgr. Richard S. Burdick. GE transmitter is to be ready Aug. 26, Stainless 864-ft. tower Aug. 28.

**WNTV (Ch. 29 ETV) Greenville, S. C.** hopes to be on air Sept. 15, reports Chief Engineer Charles S. Morris. Renovation of building for TV is well under way but delivery of GE transmitter has been delayed pending approval of HEW grant. Its 146-ft. tower was built by Greenville Iron & Steel Co. Morris has no target at present for S.C. Educational TV Commission's other CP, WITV (Ch. 7) Charleston, which will use existing 162-ft. Stainless tower.

**WHNT-TV (Ch. 19) Huntsville, Ala.** has 25-kw RCA transmitter on hand, expects to begin Oct. 1 as CBS affiliate, says John Godbold, secy.-treas. It has 254-ft. used Blaw-Knox tower, will have RCA antenna. Charles Grishan, ex-WAPI-TV Birmingham, will be gen. mgr. Rep: Venard, Torbet & McConnell.

**WGHP-TV (Ch. 8) High Point, N. C.** expects to meet Oct. 1 target for start with ABC, writes Pres. & Gen. Mgr. James W. Coan. Construction of studios & transmitter house has been completed. RCA 25-kw transmitter is on hand, and 1255-ft. Kline tower is 20% completed. Storer will be rep.

**Guests of President Kennedy** at White House luncheon for broadcasters (see p. 1): Gene Autry, Roger W. Clipp, John H. DeWitt Jr., Herbert E. Evans, John E. Fetzer, John W. Kluge, Norman Knight, Clair R. McCollough, Donald McGannon, C. Wrede Petersmeyer, Ward L. Quaall, William B. Quarton, J. Leonard Reinsch, Lawrence H. Rogers II, Edgar B. Stern Jr., George B. Storer Sr., Harold C. Stuart, E. R. Vadeboncoeur, Mitchell Wolfson.

**Conservative Party of N. Y. State** has reversed its position on equal time. It now favors suspension of Sec. 315 of Communications Act for all elections in 1963 & 1964, though it testified year ago against suspension for 1962 elections. Party's experience during last year's campaigns showed broadcasters were "fair" in their treatment of minority parties, wrote Charles E. Rice, vice chmn., to Senate Commerce Subcommittee. More so than newspapers, he said. He agreed with industry that equal-time law makes broadcasters "over-cautious," resulting in less time available for politicians.

**Fuller disclosure** of regulatory agency rules & decisions would be required by HR-8046, introduced by Rep. Fascell (D-Fla.). Measure underscores growing congressional concern over regulatory agency power (Vol. 3:32 p2). It provides that all regulations be printed in "Federal Register" before they're effective, that voting of agency members be available for inspection.

**TV's first 3-hour news special**, on civil rights, will be presented by NBC-TV Sept. 2, 7:30-10:30 p. m. It will deal with history of problem, present all sides of issues, cover international reaction and England's handling similar problem.

**A. C. Nielsen Co. and "Esquire"** magazine have formed Neodata Services Inc., Boulder, Colo., for subscription fulfillment through electronic data processing. Facilities were formerly owned by "Esquire," serviced about 20 magazine clients.

**Series of restrictions on networks** is again proposed by FCC's Office of Network Study in 75-page memo for Sept. 18 Commission agenda. It's much same as proposal submitted about year ago (Vol. 2:50 p2), suggesting rule prohibiting networks from program syndication and from ownership of more than 50% of prime-time entertainment programs. When first submitted, we suggested that some proposals might have a bit more chance with more New Frontier commissioners. We think that still holds, and there are more such commissioners.

**"Biggest thing since the Hiss program,"** according to one FCC staff member, is reaction to FCC's statement on "fairness doctrine" (Vol. 3:30 p3). Rising number of vitriolic letters, primarily from extreme right wing, accuse Commission of saying broadcasters must give free time to communists, that FCC is "anti-religious," "anti-American," "against states' rights," wants "govt. control of stations," etc. Flow of mail jumped sharply after test ban treaty was negotiated.

**FCC's official TV financial report for 1962** is expected in Sept., according to H. H. Goldin, Broadcast Bureau asst. chief. He said there's every indication that NAB's figures, showing excellent improvement over 1961 (Vol. 3:28 p4), will be substantiated. AM-FM report is expected at year's end. New reporting form (No. 324) requires tabulation of payments to owners & their "close" relatives, will give more accurate picture of performance, according to Goldin.

**HEW has received 7** new applications for ETV construction grants, making total of 24, for \$3,971,692: School District of Kansas City, \$102,000 to expand Ch. 19; Florida Central East Coast ETV Inc., \$232,179 to activate Orlando Ch. 24; Bowling Green State U., \$96, -898 to activate Ch. 70; Oregon State Board of Higher Education, \$208,258 to expand Corvallis Ch. 7, also \$106,292 to expand Portland Ch. 10; U. of South Dakota, \$14,351 to improve Vermillion Ch. 2; Board of Education of Ogden, Utah, \$56,296, to improve Ch. 9.

**North Carolina ETV bill**, passed by Assembly, gives U. of North Carolina (Ch. 4 WUNC) \$1,250,000 for construction of additional ETV transmitters & microwave links, plus \$250,000 for operation 1963-1965. Studios are at Chapel Hill; N. C. State College, Raleigh; Woman's College, Greensboro.

**TV Cable of Austin Inc.** reports 100 miles of CATV cable strung, plans Sept. start of service in the Tex. city. Pres. John Campbell has named as gen. mgr., W. R. Lastinger, recently mgr. of Carlsbad, N.M. system.

**Pay-TV would be boon to uhf**, according to Teleglobe system developer Sol Sagall. Writing in "Telefilm" magazine, he also urges that FCC change its rules to allow test of each pay-TV system in more than one market.

**Time Inc. made grant to ETV WNDT N. Y.** for live coverage of 2-week opening sessions of U. N. General Assembly.

**Five-station ETV network** in Pennsylvania has moved step closer. Bill providing \$970,000 for project was signed by Gov. Scranton.

**TV Affiliates Corp.** will hold West Coast programming conference Aug. 26-27 in San Francisco, for exchange of ideas among subscriber program dirs.

## Personals

**Elmer W. Lower**, ex-NBC News vp & gen. mgr., appointed ABC pres. of news, special events & public affairs, succeeding James Hagerty who shifted to corporate relations vp for parent AB-PT.

**NBC Chmn. Sarnoff** addresses Boy Scouts of America National Training Conference Aug. 29-Sept. 4 at U. of Ill.

**Peter Reinheimer**, ex-ABC-TV eastern sales mgr., appointed Screen Gems national sales mgr. . . **Dean Behrend**, NBC-TV client presentations admin., sales planning dept., promoted to sales proposals mgr., succeeding **Ronald J. Pollock**, resigned.

**John R. Haggan** promoted to gen. supervisor of public affairs, CBC, succeeding **Bernard Trotter**, named exec. asst. to Queen's U. principal.

**Ben Strouse**, radio WWDC Washington pres., named area chmn., Radio Free Europe Fund. . . **Marvin L. Shapiro**, eastern sales mgr., rep TVAR, elected vp.

**Robert Edmonds**, business rep, Screen Directors International Guild, promoted to exec. secy. . . **Donn E. Winther**, ex-WBZ-TV Boston asst. sales mgr., appointed advertising & promotion mgr., radio WABC N. Y.

**Wells Bruen**, ex-Official Films, named sales mgr., rep Roger O'Connor's new Dallas office in Reliance Life Bldg. (phone: 214-748-0437).

**Leo Derrick** appointed promotion & public relations dir., WGHP-TV Greensboro-High Point; **Nat Tucker**, ex-Jefferson Standard, named program & production mgr. . . **Robert A. Dettman**, chief engineer, & **John Grandy**, sales mgr., elected KDAL-TV Duluth vp's.

**Marshall Keeling** promoted to TV sales mgr., **John Murphy** to radio sales mgr. in Chicago office of Adertising Time Sales. . . **Nord Whited** promoted to KTTV Los Angeles program dir.

**Law firms** of Steadman & Leonard and Hennessey & McDonald, plus Howard J. Schellenberg Jr., form Steadman, Leonard & Hennessey, 1730 K St. NW, Washington 6 (phone 333-8000). Partners are: Charles W. Steadman, Philip J. Hennessey Jr., George Stephen Leonard & Schellenberg. Also associated: Joseph D. Murphy & Philip J. Hennessey III.

**First RCA's TFR-1 unit** for recording 16mm film from picture tube, with "consistently higher results than are possible with current kinescope equipment," was sent to Japan's NHK network, which has ordered 6. They'll be used for 1964 Olympic coverage. First delivery in U. S. will be to Cathedral of Tomorrow, Akron church.

**Possible precursor of live TV interchanges** between Alaska and rest of continental U. S. is newly opened microwave link connecting Vancouver, Canada with Annette Island, Alaska. Two large hops—of 154 & 190 miles—are made by use of tropospheric scatter. Built by 2 GT&E subsidiaries, \$5-million system will provide 240 telephone channels, is not equipped for TV.

**CBS-TV orders 264 monitors** from Conrac, for new building now under construction.

# Television Digest

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**Membership increase of 10%** in past 6 months, capped by signing of 3 Hearst radio stations, announced by RAB Pres. Ed Bunker at Oklahoma Bcstrs. Assn. meeting. He attributed jump to support for bureau's proposed methodology study. "The industry has been voting with its dollars for better radio research," he said. Progress on compilation of dollar figures spent in radio by advertisers, in cooperation with Station Representatives Assn., was also reported by Bunker. He said pilot project in N. Y. has received 100% cooperation from stations in reporting billing figures.

**June network TV billings** jumped 5.1% over last year, from \$63,722,400 to \$67,003,000, TvB reports. Billings for Jan.-June were up 6%, from \$387,772,600 to \$411,165,900. Daytime billings for first 6 months increased 14%, from \$120,780,300 to \$137,738,500. Jan.-June volume for each network: ABC-TV, \$109,175,100, up 8.4% from \$100,690,300; CBS-TV, \$157,909,100, up 5.7% from \$149,443,600; NBC-TV, \$144,081,700, up 4.7% from \$137,638,700.

**Prediction that 1963 ad volume** will reach \$12.967 billion, 5% above last year's \$12.380 billion, is made by "Printers' Ink". It sees spot & network TV combined climbing 11% to \$1.735 billion from \$1.567 billion. Spot & network radio, magazine says, will increase 3% to \$269 million from \$261.4 million.

**Franchise for new medium**—ads on back of all Chicago Transit Authority transfers—has been granted WGN. Base rate is \$600 a day with cost-per-thousand estimated between 40 & 78 cents. New Chicago Transfer Advertising will be co-managed by Charles E. Gates, radio WGN station mgr., & Ben H. Berentson, WGN-TV station mgr.

**One of most elaborate** single-station promotions for fall schedule was that of CKLW-TV Detroit-Windsor last week, drawing some 1,100 agency men, et al., and including 4-hour boat ride.

**Brazil's Televisao Excelsior** orders Marconi 3-in. image orthicon color channel & two 21-in. color monitors. Manufacturer says it's first color channel it has sold outside UK; equipment is modified for U. S. color standards.

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TRANSISTORS TAKE OVER IN UHF TUNERS:** Most TV sets sold after mid-1964 will be transistorized—at least to extent of their uhf tuners. But if uhf tuner manufacturers are happy over prospect of transistors which are competitive with tubes, they're somewhat disturbed over present state of their business. With one exception, no set manufacturer has jumped gun on all-channel law, and—though all-channel set production is increasing—so far it's below expectations of many in industry.

By next May, everything will be all-channel, of course. And tuner makers are ready for the rush. Most of them—including F. W. Sickles Div. of General Instrument, Standard Kollsman & Oak Mfg., as well as GE (which makes its own tuners)—will cast in their lot with transistor oscillator, as opposed to tube-type.

As they summarize them, transistor's advantages are these: (1) Compactness. (2) Low power, consequently no UL problems. (3) Reliability; even though uhf oscillator tubes are now extremely reliable, there's still stigma associated with tubes because of track record in uhf's early days. (4) Less drift. (5) Far lower oscillator radiation; transistors can meet FCC's limit of 500 microvolts (now temporarily suspended, but scheduled to be re-imposed Jan. 1).

Sparking shift to transistor is promise of price decreases to point where semiconductor is competitive with tube for uhf oscillator. Transistor being used now is Fairchild silicon unit, but both Motorola & Texas Instruments, possibly others, are expected to get into act with competitive silicon transistors for uhf oscillator use.

All tuner makers are working on mechanical aids to make uhf tuning as simple as vhf. Although pushbutton system seems to be favored currently, 3 major tuner manufacturers agree that there will probably be little demand for this type of unit—perhaps too little to build it at all—through 1964.

F. W. Sickles Vp-Gen. Mgr. Edgar Messing summed up reasons when he said set manufacturers "want to meet the requirements of the law first, without making it too hard to sell sets" because of extra cost involved in pushbutton or other easy-tune devices.

Some simplification has already been accomplished in regular continuous uhf tuning. Most tuners now have 2-speed drive—fast for locating station, slow for fine tuning.

All-channel tuning will add about \$20 to retail price of set, no matter how it's disguised, at least through 1964. That seems to be unanimous opinion of set & tuner manufacturers. There have already been some price reductions on uhf tuners—and more will probably come with stepped-up production—but not enough to cut retail differential substantially. Current tuner prices run from slightly above \$6 for direct-drive units to above \$7-8 for some 2-speed tuners. Then there's added cost to set manufacturer of brackets, antenna terminals, etc.

Another factor which may increase price differential further, in opinion of some TV set makers, is FCC's recent decision to permit uhf stations to use aural power as low as 10% of visual power—instead of 50% heretofore required. Some manufacturers argue ruling puts more burden on receiver maker for increased sensitivity of sound channel, thereby increasing costs. Commission recently turned down petitions by Zenith & Warwick for reconsideration of ruling (Vol. 3:31 p10).

What is the proportion of uhf tuners to TV sets in current market? EIA figures don't tell entire story, since many uhf tuners aren't installed in factory, but shipped to distributors or dealers in form of conversion kits to change sets in inventory from vhf to all-channel. Sickles' Edgar Messing estimates uhf tuners now constitute about 25-30% of set production. Oak tuner Product Mgr. Paul A. Wheaton concurs with this estimate, but Standard Kollsman Engineering Vp Fred Edwards thinks this figure somewhat high.

Although business is picking up, it's slower than expected—and tuner makers are ready for big rush any time it develops. However, they're beginning to despair of that rush developing very long

before the law requires. So far only major TV brand anticipating new law by going all-channel throughout most of its line is Sears' Silvertone (Vol. 3:26 p7). Today's price market now appears to preclude this type of action by majority of industry.

Set makers are watching competitors closely, however. Standard Kollsman's Fred Edwards described current atmosphere: "Everybody's afraid somebody will jump the gun with a big advertising splurge. Nobody wants to do it. Yet everybody's preparing to change over to all-channel at a moment's notice, but they won't do it until they're required to—either by competition or by law."

**PHONO SALES UP SHARPLY AT MIDYEAR:** Distributor-to-dealer & factory sales of phonographs got strong June shot-in-the-arm and widened appreciably the cumulative lead over 1962's Jan.-June sales pace. EIA official figures show distributor phono sales in June jumped more than 40,500 units ahead of June 1962, pushed year-to-date volume nearly 330,000 units ahead. Factory sales rose more than 71,600 units in June, and total half-year volume closed out with approximate 327,000 lead over year earlier.

First-half distributor sales totaled 1,759,470 phonographs—comfortably ahead of 1,429,687 in 1962's first half. Portables & table models closed midyear outselling consoles by nearly 2-to-1, and both categories were markedly ahead of year earlier. Portable-table category, however, showed greater gain—to 1,122,725 units from 888,408, compared with consoles' improvement to 636,745 from 541,279.

June distributor sales rose to 315,043 from June-1962's 274,526. Portables-tables a year ago out-sold consoles by nearly 3-to-1: 203,670 vs. 70,856. This June, consoles narrowed edge to slightly more than 2-to-1: 215,036 vs. 100,007. June's 215,036 portables & tables scored 1963's monthly high for that category. June console sales were only 4th best of 6 months.

Here are EIA's official first-half distributor-to-dealer sales:

#### 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
<b>TOTAL . . . . .</b>	<b>1,122,725</b>	<b>636,745</b>	<b>1,759,470</b>	<b>888,408</b>	<b>541,279</b>	<b>1,429,687</b>

Factory phono sales at midyear pushed ahead to 1,894,298 units from 1,567,385 a year earlier. Breakdown includes 1,191,326 portables & tables and 702,972 consoles—vs. 935,467 & 631,918 respectively in Jan.-June 1962.

June factory sales totaled 455,199 phonos vs. June-1962's 383,537. June was portable-&-table category's top 1963 month by far—with 305,946 units, nearly 100,000 ahead of previous high of 205,955 set in Jan., and more than 58,000 ahead of June-1962's 247,932. Console sales improved to 149,253 from 135,605 in year-ago month, and came within 700 units of equaling 1963's monthly high of 149,923 posted in Feb. Here are EIA's official first-half factory sales:

#### 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
<b>TOTAL . . . . .</b>	<b>1,191,326</b>	<b>702,972</b>	<b>1,894,298</b>	<b>935,467</b>	<b>631,918</b>	<b>1,567,385</b>

**COMPONENTS PROFITS DWINDLE IN FIRST HALF:** Slow first-quarter start by composite components & tube manufacturers (Vol. 3:28 p8) slowed even further in April-June period and produced less than cheery sales & earnings picture for first half.

Combined Jan. -June sales of 21 companies dropped \$54.7 million to \$1.046 billion from \$1.101 billion a year earlier despite fact that more than half—12 of 21 firms—showed increased sales.

Profit picture was even more downbeat. Earnings of 24 manufacturers dipped aggregate \$5.1 million to \$29.5 million from \$34.6 million in 1962's first half. The 1963 figure is after deducting combined \$513,980 losses of 3 companies—General Bronze (\$165,063), Oxford Electric (\$52,917), Sangamo Electric (\$296,000). Year-earlier figure is after deducting Sangamo's \$494,000 loss.

Although 24 manufacturers were only \$5.1 million off 1962's first-half profit pace, significant factor is number of companies involved in earnings lag. Of 24 companies analyzed, 19 were down in profits from year earlier—and of remaining 5, one, Sangamo, wound up half still in red. It improved position, however, by cutting year-ago loss of \$494,000 to \$296,000. Although some companies report signs of price stabilization & even upswing, it's obvious that imports & fierce domestic competition are still taking toll.

Sales gains were more impressive. Among big jumps: Oak Mfg.—to \$20 million from \$15.8 million. Texas Instruments—\$128.3 million from \$119.7 million. Thompson Ramo Wooldridge—record \$240.1 million from \$231.6 million. P. R. Mallory—\$50.1 million from \$49.1 million. General Bronze—\$8.8 million from \$8.1 million. Sangamo—\$25.9 million from \$24.4 million.

Here's 1963-vs.-1962 first-half performance of representative components & tube manufacturers:

	Sales		Earnings	
	1963	1962	1963	1962
Aerovox . . . . .	—	—	\$ 64,122	\$ 174,067
Amphenol-Borg . . . . .	\$ 41,963,661	\$ 43,334,571	1,124,693	1,015,273
Clevite . . . . .	53,083,801	53,555,494	3,364,092	3,879,108
CTS Corp. . . . .	14,587,506	13,673,321	1,090,807	1,034,820
Dynamics Corp. of America. . .	37,659,874	41,825,049	2,010,292	2,100,256
Eitel-McCullough . . . . .	—	—	225,000	262,000
Erie Resistor . . . . .	14,466,000	14,301,000	270,000	601,000
General Bronze . . . . .	8,825,045	8,071,763	(165,063)	13,695
Globe-Union . . . . .	31,557,456	31,881,107	609,824	1,236,990
Indiana General . . . . .	—	—	740,370	1,188,052
International Resistance . . . . .	14,407,872	14,286,212	743,393	1,165,873
Littelfuse . . . . .	3,137,088	3,354,505	145,594	182,650
P. R. Mallory . . . . .	50,070,047	49,078,494	1,946,582	2,050,379
Muter . . . . .	7,910,472	8,109,340	101,084	142,977
National Union Electric . . . . .	18,560,975	18,478,849	526,411	545,801
Oak Mfg . . . . .	19,999,283	15,769,956	505,491	620,568
Oxford Electric . . . . .	5,062,968	4,746,320	(52,917)	54,111
Raytheon . . . . .	254,825,000	312,759,000	3,659,000	5,336,000
Sangamo Electric . . . . .	25,869,000	24,379,000	(296,000)	(494,000)
Sonotone . . . . .	11,064,434	10,527,606	105,412	150,895
Standard Kollsman . . . . .	36,172,429	46,157,144	280,764	1,420,497
Texas Instruments . . . . .	128,250,000	119,736,000	5,256,000	4,784,000
Thompson Ramo Wooldridge. . .	240,081,345	231,589,854	7,066,956	6,414,666
Tung-Sol . . . . .	28,921,715	35,567,514	137,609	713,635
<b>TOTALS . . . . .</b>	<b>\$1,046,475,971</b>	<b>\$1,101,182,099</b>	<b>\$29,459,514</b>	<b>\$34,593,313</b>

**TV-RADIO PRODUCTION:** EIA statistics for week ended Aug. 16 (33rd week of 1963):

	Aug. 10-16	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV. . .	150,858	127,726	107,160	4,244,164	3,975,821
Total radio . . . . .	349,027	272,083	349,425	10,424,000	11,164,777
Auto radio. . . . .	140,352	109,013	120,123	4,419,621	3,911,890

**TUBE SALES LAG AT HALF:** Factory sales of both TV picture & receiving tubes declined in June from year-ago month & closed first half trailing Jan. -June 1962 in both unit & dollar volume, EIA reported last week.

TV picture tube totals for first half showed sales of 4,469,169 units, down some 87,000 from 4,556,143 in 1962's first half. Dollar value dropped even more sharply—by \$3.7 million to \$83.6 million from \$87.3 million. June sales showed unit decline to 707,541 from 740,788, dollar decline to \$13.5 million from \$14.3 million.

Receiving tube sales at end of first half were off year-ago pace by 17.3 million units & \$16.6 million. Unit sales tumbled to 166,187,000 from 183,503,000; dollar value decreased to \$137.7 million from \$154.3 million at close of 1962's first 6 months. June unit sales dropped behind June-1962's 29,649,000 volume to 29,332,000, and dollar value slipped to \$23.8 million from \$24.6 million. Here are EIA's official first-half 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
Jan.-June 1963.	4,469,169	\$83,608,494	166,187,000	\$137,708,000
Jan.-June 1962.	4,556,143	\$87,332,694	183,503,000	\$154,340,000

**Pilot Radio has debuted** free floor plan for franchised dealers which provides 4-month selling period with no capital investment. During 4-month period, noted Vp-Gen. Mgr. Roland J. Kalb, dealers pay only invoice price for Pilot products sold, without interest or other charges. Two 30-day extensions at low interest rates can be secured if needed. Pilot also introduced new warranty program for its stereo hi-fi consoles & portable stereo phonographs. Deluxe solid-state consoles & portables will carry 2-year parts & one-year service guarantees. All other consoles: one-year parts & 90-day service warranties.

**Dominion Electrohome** expects to increase U.S. dealerships to 500 in 50 states from present 415 by year's end, according to Howard W. Main, newly appointed pres. of American subsidiary International Electrohome (Vol. 3:30 p11). Electrohome is now producing color TVs for U.S. market, anticipates 1963 sales of 800-1,000 sets, 3,000-4,000 next year.

**AT&T was top spender** in 1962 for new buildings & remodeling with \$193 million outlay, reported "Architectural Forum" magazine. Subsidiary Western Electric placed 3rd with \$41 million investment, behind 2nd-place General Motors with \$97 million. AT&T this year plans to increase new construction outlay by 22%.

**Robert Electronics will test market** its new 1-7/8 in.-per-sec. stereo tape recorder in St. Louis, opens "extensive consumer promotion" on Crossfield 770 model Sept. 15.

**Bill to license Wisconsin TV technicians** was killed in state legislature. Measure provided state board exams for servicemen, proposed standards for brand promotion & advertising repair prices.

### 1964 TELEVISION FACTBOOK ADVERTISING

The 1964 Edition of **Television Factbook** (#34) is now in preparation and advertising space reservations are being accepted. The **Factbook**, with a circulation sharply increased to 10,000, is used daily by executives in all facets of the TV industry—the people who make the decisions and buy time, equipment, services. Thus it becomes the most effective advertising medium available to those selling to the television industry. The **Factbook**, including its exclusive coverage maps and viewing data, marketing information and directories, will be fully up-dated throughout. Furthermore, it will contain the most comprehensive International Television Directory yet published. To reserve your advertising space in this 1200-page-plus compendium, call, write or wire: **Television Factbook**, 2025 Eye St. N.W., Washington 6, D.C.; Area Code 202-965-1985; TWX: 202-965-0979. Many choice positions are still available. Copy deadline is October 15th.

**Philco & management team** headed by Pres. Charles E. Beck got Aug. 17 "Business Week" profile which emphasized, in part: "As it matures under Ford's tutelage, the new Philco is turning out to be quite different from the old. For one thing, the management & divisional structure have been considerably altered. The company has dropped out of the commercial computer business & beefed up its defense electronics work. It has shown new aggressiveness in the consumer goods business. Sales, which stood at \$420 million in 1961, slipped in 1962 as Ford took hold. But now, although it is Ford's policy not to disclose figures for its subsidiaries, 42-year-old Beck says: 'Business is up, across the board. Substantially so.'" Magazine notes "one unexpected bonus" of Ford-Philco merger: "Philco now can turn over some of its styling problems to Ford designers. The things they come up with may look more like Thunderbirds than TV sets, but as William Balderston Jr., product planning mgr. for consumer products, puts it, this 'has tremendous advantages in terms of fresh ideas.'"

**AID is supplying 10,000 radios** to Viet Nam for distribution to village leaders. It's part of govt. plan to strengthen communications to rural organizations. Radios were bought from Maxwell Electronics, Garland, Tex., for \$140,000. Plans call for another 40,000 sets to be sold through commercial sources in Viet Nam. AID last month authorized \$39,300 letter of credit for purchase of 3,852 one-band transistor radio kits from RCA. Viet Nam govt. has 7 stations; radios can't receive communist Radio Hanoi.

**Texas Instruments** will shortly introduce process tools & test equipment for users of integrated semiconductor circuits. Claiming there's "very little commercially available" of this type of equipment, TI will market carriers to handle & store networks, tools to assemble networks, a circuit board, \$3,000 high-speed electric welder, \$16,500 programmed tester.

**Clevite is expanding** its semiconductor components activities, has formed in Waltham, Mass. a Semiconductor Div. which embraces former Clevite Transistor operation.

**Two new Bureau of Standards** publications: "Tabulation of Data on Receiving Tubes" & "Tabulation of Published Data on Soviet Electron Devices."

## Trade Personals

**Thomas R. Hays** named sales mgr. of newly formed RCA Commercial Receiving Tube & Semiconductor Div.

**Joseph A. Halmes** appointed distributor sales mgr., RCA Electronic Components & Devices. Other appointments in RCA Distributor Products organization: **Joseph J. Kearney**, receiving & picture tube merchandising mgr.; **D. M. (Max) Branigan**, industrial tube & semiconductor merchandising mgr.; **Kenneth B. Shaffer**, distribution control & customer relations mgr.; **R. J. Corbett**, administrative services mgr. **Robert B. Sampson**, mkt. development mgr., also assumes new product planning responsibility.

**Milton J. Shapp**, Jerrold chmn., awarded annual Distinguished Service Award of Frontiers International, nation's only Negro service club, for "distinguished service in the improvement of inter-racial & inter-group relations"... **Lawrence G. Haggerty**, Warwick Electronics pres., elected a dir. of Jefferson Electric, Bellwood, Ill. electrical products producer.

**Gerald J. Werner**, Motorola traffic mgr., appointed 1963-64 chmn., EIA Traffic Committee.

**John C. Lobb**, formerly H. M. Byllesby Co. pres., appointed ITT Industrial-North America group exec., responsible for ITT's Industrial Products Div. & ITT General Controls.

**Fred Kremer Jr.** named IIT Research Institute business operations vp. . . **Donald J. Kasun** appointed Westinghouse cryogenic systems dept. engineering mgr.

**Dr. Wayne B. Nottingham** appointed Electronics Corp. of America research vp. . . **Frank J. Kiernan**, formerly General Precision industrial planning dir., named vp of GPE subsidiary Graflex Inc.

**Fenton W. Guild** appointed Sylvania operations analysis mgr., succeeding **Richard J. Price**, recently appointed Semiconductor Div. controller. **Eugene F. Guerin** succeeds Guild as Microwave Device Div. controller.

**Saul Fast** appointed National Co. engineering vp; **Samuel J. Davy** named vp & asst. to pres.

**Dimitri R. Stein**, ex-Columbia Technical Corp. vp & dir., forms Cable Consultants Corp., 7 Woodland Ave., Larchmont, N. Y.

**UK's 1962 electronics exports to U. S.** jumped 30% over 1961 to \$29.1 million, reported Business & Defense Services Administration's Electronics Div. Record-playing mechanisms accounted for more than 37% of total value. Mechanisms with record changers increased to 1,172,300 units valued at \$10,861,000 from 1961's 1,120,500 at \$10,780,000. Mechanisms without record changers decreased—to 3,100 at \$25,000 from 11,400 at \$105,000. British radios imported climbed sharply to 6,700 units at \$191,000 from 2,800 at \$81,000. UK exports of electronic phonographs & record players to U. S. were down—to 1,700 at \$37,000 from 1961's 6,800 at \$116,000.

**White House-to-Kremlin** communications hot line project has awarded equipment contracts to RCA for radio, ITT for cable.

**MERGERS & ACQUISITIONS:** **Warwick Electronics & Pacific Mercury Electronics** will merge if shareholders of both companies & Cal. Corp. Commission approve. Warwick would be surviving company, and terms call for Pacific Mercury shareholders to get 1.1 share of Warwick common for each of 498,500 outstanding Class A common shares. Pacific Mercury also has 200,000 Class B shares, owned by Sears Roebuck which also holds major interest in Warwick. Class B shares would be exchanged at rate of one for each 1.065 Warwick shares.

Warwick Pres. Lawrence G. Haggerty is slated to become pres. & chief exec. officer of amalgamated firm. Pacific Mercury Pres. Joe Benaron would be Warwick senior vp, a dir., head of Pacific Mercury Div. & pres. of Pacific Mercury subsidiary Thomas Organ, which would be included in merger. Other merger news last week:

**Electronic Communications** has purchased for \$1 million 75% of voting stock of **Benson Mfg.**, Kansas City, Mo. metal fabricator. Stock was purchased from Benson family, and Electronic Communications now will tender similar offer to other stockholders for remaining 25% of stock.

**Erle Resistor** will merge manufacturing operations of its **Fryling Electric Products** subsidiary with its **Technical Ceramics Div.**

**SECURITIES NOTES:** **Sprague Electric** has registered with SEC \$15 million of sinking fund debentures, due 1988, slated for public offering later this month via underwriting group headed by First Boston Corp. & F. S. Moseley & Co. Proceeds will be used to retire existing debt & to increase working capital. . . **Westinghouse** is requesting tenders on maximum \$15 million of its outstanding \$285 million of 3 1/2%, 30-year debentures due 1981. Purchase price will not exceed principal & interest accrued to Oct. 1, 1963. Chemical Bank N. Y. Trust Co. will receive debentures for Westinghouse until close of business Sept. 16. . . **Tektronix**, Beaverton, Ore. maker of cathode ray oscilloscopes, has registered with SEC 540,000 common shares to be underwritten by group headed by Lehman Bros. Certain stockholders are offering 440,000 shares of the issue, Tektronix 100,000 shares. In its 1963 fiscal year ended May 25, Tektronix earned \$5.8 million on \$70.5 million sales.

**Reports & comments:** **Walt Disney Productions**, discussion, Walston & Co., 120 Broadway, N. Y. 5; comments, Bache & Co., 36 Wall St., N. Y. 5. . . **A. C. Nielsen**, review, Carl M. Loeb, Rhoades & Co., 42 Wall St., N. Y. 5. . . **Arvin Industries**, review, J. R. Williston & Beane, 115 Broadway, N. Y. 6. . . **AT&T**, discussion, Josephthal & Co., 120 Broadway, N. Y. 5. . . **Motorola**, analysis, Orvis Brothers, 15 Broad St., N. Y. 5.

**Nearly 1/3 of consumers** who plan TV purchase in next 12 months will buy color set, according to Home Makers Guild of America survey based on 903 respondents. Of this group, 9.3% plan TV buy, and 29.3% will make it color. Zenith leads brand-preference parade with 25.9% vote, followed by RCA, 22.2%, GE, 12.4%, Philco, 11.1%, Motorola, 7.4%. Only 35.4% have portable set in mind, 34.1% will buy console, 22% table, 7.3% combinations, 1.2% tinyvision.

## 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
Bendix	1963—9 mo. to June 30	\$630,839,645	\$30,582,903	\$14,860,841	\$2.74	5,423,975
	1962—9 mo. to June 30	599,672,486	34,386,418	15,648,962	2.89	5,423,335
	1963—qtr. to June 30	215,381,050	—	5,588,127	1.05	5,423,975
	1962—qtr. to June 30	212,853,040	—	5,321,848	.98	5,423,335
Clarostat Mfg.	1963—6 mo. to June 30	4,290,254	—	(23,810)	—	484,392
	1962—6 mo. to June 30	5,227,046	—	177,763	.40	484,392
Consolidated Electr. Ind.	1963—6 mo. to June 30	84,772,034	—	2,407,113	.76	3,176,908
	1962—6 mo. to June 30	83,150,374	—	2,353,323	.74	3,172,377
Desilu Productions	1963—13 wks. to July 27	4,877,359	—	84,875	.07	1,233,631
	1962—13 wks. to July 27	3,377,845	—	14,305	.01	1,155,940
EICO Electronic Instrument	1963—9 mo. to June 30	6,036,257	—	73,686	.12	607,143
	1962—9 mo. to June 30	6,853,416	—	210,824	.35	607,143
Esquire Radio & Electronics	1963—6 mo. to June 30	1,825,987	—	29,116	.07	417,650
	1962—6 mo. to June 30	1,800,533	—	28,038	.07	417,650
Hawley Products	1963—6 mo. to June 30	3,926,680	—	154,001	.55	260,000
	1962—6 mo. to June 30	3,767,524	—	227,159	.81	238,450
Meredith Publishing	1963—yr. to June 30	71,200,000	—	2,232,000	1.68	1,331,212
	1962—yr. to June 30	69,313,555	—	2,097,847	1.58	1,323,866
Howard W. Sams	1963—yr. to June 30	14,246,567 <sup>3</sup>	1,774,513	945,020 <sup>3</sup>	1.75	537,111
	1962—yr. to June 30	13,025,702	1,397,447	860,061	1.59	535,718
Terminal-Hudson Electronics	1963—6 mo. to June 30	6,915,983	—	82,473	.08	1,206,804
	1962—6 mo. to June 30	7,064,323	—	135,587	.13	1,206,804
Thompson-Starrett (Delmonico)	1963—6 mo. to June 30	18,722,580	—	308,531	.10 <sup>1</sup>	2,817,646
	1962—6 mo. to June 30	12,412,445	—	339,792 <sup>2</sup>	.11 <sup>1</sup>	2,817,646
20th Century-Fox	1963—6 mo. to June 30	49,194,240	—	4,760,593	1.87	2,545,845
	1962—6 mo. to June 30	51,315,528	—	(12,456,457)	—	2,545,845
	1963—qtr. to June 30	25,233,062	—	2,468,457	.97	—
	1962—qtr. to June 30	18,648,000	—	(11,942,870)	—	—

Notes: <sup>1</sup>After preferred dividends. <sup>2</sup>No income taxes required because of prior years' losses. <sup>3</sup>Record.

**Reeves Bcstg. & Development**, which closed first half with profit jump to \$100,900 from \$7,600 in Jan. - June 1962 (Vol. 3:31 p12), obtained profitable operations from all divisions, Pres. J. Drayton Hastie noted in mid-year report to stockholders. Earnings from Broadcast Div., he said, "increased over 75%; the Studio Div. produced a substantial profit in place of a previous deficit." Working capital at end of half increased to \$466,600 from \$137,500 a year earlier, long-term debt dipped to \$3,474,700 from \$3,617,300.

**Raytheon** has filed patent infringement suits against Thermowave Corp. & subsidiary Thermowave Mfg., charging violation of 6 Raytheon patents for microwave cooking devices. It seeks injunction & damages. Raytheon has licensed various companies to manufacture microwave cooking devices under its patents. Licensed are Tappan, American Monarch, Rudd-Melikian, Di-Arco and Litton Industries. Litton recently announced formation of new division to make & market microwave cooking & heating ovens for commercial use (Vol. 3:33 p8).

**Hewlett-Packard** has received Japanese govt. approval to form jointly owned electronics firm with Tokyo-based Yokogawa Electric Works. Latter will own 51% of stock of new firm, Hewlett-Packard 49%. New company, slated to begin operations Oct. 1, will have authorized capital of \$5.6 million, initial paid-in capital of \$1.4 million.

**Audio Devices** has purchased assets of Sound Corp. of America, will transfer facilities of Worcester, Mass. maker of endless-loop cartridges, transports & playback units to its Stamford, Conn. magnetic tape plant.

**Granco Products'** 10% Chapter 11 plan (Vol. 3:32 p12) has been approved by majority of creditors, & Referee Sherman D. Warner has scheduled hearing on confirmation for 2 p. m., Sept. 12, in Jamaica, N. Y.

**Avnet Electronics** has purchased for cash "in excess of \$1 million" California-based Imperial Records, will incorporate it with subsidiary Liberty Records.

# WEEKLY **Television Digest**

with

## **Consumer Electronics . . .**

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

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SEPTEMBER 2, 1963

NEW SERIES VOL. 3, No. 35

### SUMMARY-INDEX OF WEEK'S NEWS

#### **Broadcast**

**UHF'S UNSOLVED DILEMMA**—programming—attracting increasing attention from FCC & industry. Among proposals: Network-sharing, ban on film exclusivity clauses, increasing multiple ownership, CATV restrictions (p. 1).

**LOEVINGER'S 'TOUGH' ROLE** on FCC verified by maiden speech outlining 3-point program for broadcast regulation; stricter multiple-ownership & duopoly rules; requirement that stations devote as much time to news as commercials; 'experimentation & innovation' (p. 2).

**RADIO RATING STUDY** being prepared by ARB, underwritten by major station group, using personal diary method; Harris staff proposal to use rating ranges instead of single figure stirs controversy (p. 3).

**BAN ON COMMERCIAL LIMITS** proposed by Rep. Rogers in bill to prohibit FCC from ruling on length or frequency of messages, citing threat of 'financial ruin;' more state associations to march on Washington (p. 4).

**UPCOMING STATIONS:** Reports on plans of commercial grantees in Walker, Minn. and Virgin Islands, ETV outlets in Mobile, Ala. and Bowling Green, O. (p. 5).

#### **Consumer Electronics**

**ADMIRAL TINYVISION** now being shipped; new 11-in. set, at \$99.95 & \$109.95, weighs 14 1/2 lb., is scaled-down version of larger sets (p. 7).

**ALL-CHANNEL ACTION** to ease transition explored; excise tax exemption chances seen improved; Lee visits major set makers, discusses ban on shipments within state; consumer information materials on way (p. 7).

**CANADIAN ELECTRONICS** industry booming, but beset with problems; 100 firms employ 18,000 with annual output of \$500 million; saturation & import troubles (p. 8).

**DISCOUNT INDUSTRY EXPANDS**, midyear census showing number of stores rose 37% in year, area jumped 42%; 162 new stores projected for 2nd half (p. 9).

**MANUFACTURER SHIPMENTS** of consumer electronics last year totaled nearly \$1.7 billion, according to new Census figures, which traditionally are lower than EIA estimates (p. 10).

**MINIMUM TV EXPORT PRICES** due for ratification by Japan govt.; new figures show Japan exported \$159 million in electronic equipment to U.S. last year (p. 11).

**UHF'S UNSOLVED DILEMMA—PROGRAMMING:** While most attention in uhf expansion drive has been focused on receiver build-up and technical problems, there's increasing recognition that real key to success of uhf—or any TV—is availability of popular programming.

Programming problem was emphasized in last few weeks by difficulties experienced by KIIIX (Ch. 22) in Los Angeles market, where Spanish-language KMEX-TV (Ch. 34) is being hailed success (Vol. 3:32 p2). Many ideas to help give uhf stations better crack at existing programming, and to open up new program sources, are being tossed around—some of them involving fairly substantial changes in current TV business practices.

Recent meeting of little-publicized program subcommittee of industry-govt. Committee for Full Development of All-Channel Broadcasting (CAB), headed by Lawrence Turet (WUHF-TV Milwaukee) discussed some possible remedies. Among those attending top-drawer session were McCann-Erickson's Pat Weaver and representatives of Four Star Productions, ABC Films, Show Corp. of America, TV Affiliates Corp., NET. Here are some proposals discussed by that group and mentioned by others, including FCC Comr. Lee, chmn. of CAB:

Share network programming. Proposals have been made for FCC rules, or exercise of existing Commission authority, to (1) require networks to make available to non-affiliates shows which are not cleared by regular affiliate in area, (2) bar station affiliation with more than one network when there are non-affiliated stations in same area, (3) make network affiliation available to local stations in areas now fed network programs from neighboring cities.

Break up film "exclusivity." There's some sentiment for looking into legality or desirability of "territorial exclusivity" contracts made with stations by program syndicators. In discussing this proposed remedy, Comr. Lee told us that proponents of plan argue that, since wire services' territorial exclusivity pacts have been banned, there may be case for similar action in program syndication field.

Increase multiple ownership. Lee continues to favor modification of group ownership rules to permit single entity to own up to 5 v's & 5 u's. "It may help solve the program problem by attracting big money to uhf," he said, but conceded "there's a case against this; if the large broadcasters haven't utilized their right to own 2 u's, they may not be interested in 5, either. But I believe that if the opportunity is big enough, it will attract the big dollar."

Pay-TV possibilities. There seems to be general belief that if pay TV succeeds it will help uhf, since there are very few areas with a 4th vhf available for subscription programming. However, pay-TV projects to date (both wired and on-air tests) have suffered from same problem as uhf—scarcity of programs. William Putnam, WWLP Springfield, Mass., who heads CAB's pay-TV subcommittee, while agreeing that pay TV could provide additional program source, is anxious to avoid impression that uhf's future is tied exclusively to subscription TV.

Attitudes toward CATV. Uhf'ers are extremely concerned about competition from CATV systems. CAB has asked FCC to forbid CATV systems within Grade A contours from carrying programs of distant vhf stations if they're also available on local uhf outlets.

Raising financial requirements. To prevent stations from going on air without sufficient financing to pay for adequate programming and withstand early losses, there's been much discussion of increasing financial requirements for uhf station applicants. As Comr. Lee expressed it, an applicant in top 25-30 markets should be prepared for heavy losses first 2 years, anticipate turning profit corner in 3rd. (For Lee's views on manufacturer-dealer problems, see p. 7).

CAB's ratings subcommittee, headed by Adam Young, is looking to larger samples in mixed vhf-uhf areas to reflect uhf viewing, as one possible source of helping to call uhf stations' potential to attention of advertisers & agencies.

"Agencies are interested in one thing," says Managing Dir. Lawrence Webb of Station Representatives Assn., himself a onetime uhf station manager—"show them an audience." Problem was summed up by James O'Grady, Adam Young exec. vp and vice chmn. of CAB programming subcommittee: "Uhf broadcasters & salesmen are no longer concerned about technical considerations. It's the programming that has to be developed."

**LOEVINGER FORESHADOWS 'TOUGH' ROLE:** FCC Comr. Loevinger's maiden speech was one to send chills racing up & down the spines of major broadcast interests. In opinion of many broadcasters it labels him as the man to watch, from standpoint of regulatory toughness.

Address by new commissioner didn't produce same national shockwaves as 1961's earthquake in the vast wasteland, because it was aimed more directly at broadcasters—not general public. But it hit hard at 3 sensitive areas: Multiple ownership, concentration of media control, commercial limitation.

Speaking before convention of Association for Education in Journalism at Lincoln, Neb., Loevinger revealed himself as literate, independent thinker, with original ideas. As well befits former Justice Dept. anti-trust chief, he devoted good part of speech to "monopoly," came out strongly for re-evaluation of multiple ownership, duopoly, and newspaper ownership yardsticks. He also made unique proposal that broadcasters be required to devote at least as much time to news as to commercials.

He made no specific suggestion for change in multiple-ownership requirements. He conceded, in fact, that "there are practical & legal difficulties with divestiture [of] present broadcast holdings," but opposed "any significant increase in the concentration of control of the mass media."

"Mass media," in fact, is key phrase in Loevinger's view of ownership situation. He indicated he favors virtual case-to-case consideration based on media control. as opposed to hard-&-fast limit of number of stations which could be owned. "In considering multiple ownerships," he said, "the Commission should not count by arbitrary categories, but should consider all other interests & affiliations in the communications field. It makes no sense to say that a man with 7 small AM stations cannot

acquire an 8th, although the same station may be acquired by a corporation with 7 TV stations, 7 FM stations and 6 large AM stations plus a string of newspapers. Generally I would consider newspaper ownership or affiliation a substantial negative factor in determining qualification for a broadcast license."

Commission's duopoly rule is "plainly inadequate," he asserted, and proposed it be broadened to preclude common ownership of broadcast & print media in same area. "It is just as undesirable for one person to control the local newspaper & TV or radio station as to control 2 radio stations in the same locality—and for the same reason."

Loevinger said greater diversity of ownership would improve programming in long run, providing greater variety. However, in giving diversity his No. 1 priority, he said: "If we must choose between program quality & diversity, I would choose diversity without hesitation." He proposed uhf band as opportunity to implement his diversity doctrine—in direct conflict with Comr. Lee's proposal that ownership limits be liberalized to permit control of 5 vhf & 5 uhf stations by any single entity (see p. 1).

While taking note of criticisms that TV programming is "banal, boring & bad," he conceded that all surveys show mass of public is satisfied with it, attributed complaints mainly to "critics, intellectuals & the educated elite." He clearly identified himself with this group with statement which certainly wasn't intended to endear him to broadcasters: "I prefer radio to TV and much prefer reading to the intellectual indolence of surrender to any form of broadcasting." He said his aim was not to "ban trash from the air," but to help assure adequate choice of programming for all tastes. "One man's trash is another man's treasure; one man's vast wasteland is another's verdant vineyard."

Where Loevinger did make suggestions on rules touching on programming was in field of public information broadcasting. "The most significant public interest served by broadcasting—and the end that most clearly justifies the spectrum allocations made to it—is the performance of the journalistic function and its contribution to the maintenance of a political democracy and a free society," he said. Then he advanced this novel criterion for determining whether station is meeting its responsibilities:

"Since it is the journalistic function which gives the principal social value to broadcasting, I would measure broadcasting performance principally by the degree to which it performs this function. Specifically, I would require as a minimum that each station devote at least as much broadcasting time to news as it does to commercial advertising." Terming this yardstick "at best a crude measure" he said it has virtue of being "clear & definite" operational criterion. "In effect, it makes each broadcaster pay for the time he takes from the public domain for his own commercial use by devoting an equal amount of time to public service."

Third major proposal by Loevinger was that FCC encourage "enterprise, experimentation & innovation" by broadcasters. He threw specific suggestion into the pot: Broadcasting should end its reliance on AP & UPI, which, he said, basically use "newspaper techniques," and "establish its own independent news resources." Only in this way, he reasoned, could full potential of broadcasting be realized as news medium. (UPI Pres.-Gen. Mgr. Mims Thomason, in statement of rebuttal, pointed out that UPI & AP have devoted many millions of dollars to developing world-wide facilities, that UPI has separate broadcast news dept., that eliminating broadcast activity would weaken existing news agencies and "seriously damage all forms of news communications." AP had no formal comment, but spokesman pointed out that all previous "broadcast-only" news agencies—such as Trans-Radio—had failed.)

Thus, Loevinger's 3-point program—in order of priority: (1) "Maximum diversity & dispersion of station ownership." (2) "Adequate performance of the journalistic function" through time-balance of news & commercials. (3) "Enterprise, experimentation & innovation," including independent "Broadcast News Assn."

**ARB READIES RADIO STUDY; OTHER MOVES:** ARB will announce signing of major station group to underwrite a radio methodology study. ARB hasn't been in radio since 1952, has been conducting tests using personal diaries in Baltimore & Washington.

Announcement will come just about time NAB's Research Committee will be making recommendation on whether to spend \$75,000 to co-finance RAB's radio methodology study—in about 2 weeks. RAB

last week sent NAB detailed 20-page outline of its proposed \$200,000 study that would be conducted by Audits & Surveys Co.

ARB has been using 2 samples in testing—single-medium diary for radio & multi-media diary measuring radio, TV, newspapers, magazines. Methodology study financed by station group would use similar sample designs plus 2 validating samples—one for in-home listening, another for out-of-home. Personal diary differs from usual household diary because it's kept by individuals, not family. Sample design itself is made up of people, not households. Back in 1947, James Seiler, now ARB pres., observed that unless radio listening was measured on a personal basis, its research would be lacking.

In another development, those concerned with rating reform have been spending much time evaluating key proposal of Harris Subcommittee staff that ratings be expressed in ranges rather than in single estimates. NAB's Rating Council, basically against it, and Charles Howze, Subcommittee chief counsel, who's for it, have been getting earfuls of opposing viewpoints.

Arguments against proposal (which would be passed on to Subcommittee for its approval and inclusion in published report): (1) Ranges would be accurate only when true probability sample is used; however, no rating firm uses such a sample. It's therefore possible that range could be less accurate than single rating, which in itself is supposed to be an estimate and, consequently, an expression of variance in rating. (2) Ranges would not lessen problem of over-promotion or over-selling, because station or rep could promote high range or range's average.

Another possible danger was pointed up by ARB official. In its early days, company operated only on east coast, had western affiliate called Teleque, which used ranges. Rating official said Teleque often found agencies buying on low side of range and justifying buy to client on high side, making client think he got more for his money.

In favor of proposal are Advertising Research Foundation and Dr. Herbert Arkin of CCNY, Subcommittee consultant. Their view is that it would show user of ratings the range of possible error. "It would dramatize the variance factor," observed Howze.

Reflecting strong stand in favor of ranges is Chris Rashbaum, research dir. of rep Harrington, Righter & Parsons. "Ranges may not add up to more honest research, but they would lead to more honest 'use' of research. It's important to call attention to fact that ratings are estimates. An 8.3 rating is always looked upon as so much better than an 8.2. It could actually be lower. If media research directors did the buying, there'd be no problem. But there's great turnover among timebuyers and it's necessary to put up a flag calling attention to the estimate."

There are also those who see ranges helping lower-rated stations. A 4th-ranked station might be able to show that its high range overlaps low range of 3rd-ranked operation.

On speech circuit, Melvin Goldberg, NAB research vp, addresses closed session of Radio-TV Research Council in N. Y. He'll review Rating Council progress and outline Subcommittee thinking. Howze will address Advertising Research Foundation's 9th Annual Conference at N. Y.'s Commodore on Oct. 1.

**ROGERS BILL BANS COMMERCIAL LIMITS:** Battle against FCC's proposal to limit commercials received support from Rep. Rogers (D-Tex.). He introduced bill at week's end to prohibit FCC from setting rules on length or frequency of commercials, by amending Sec. 303 (b) of Communications Act. Rogers has been concerned about FCC overstepping itself (Vol. 3:32 p2), has considered commercial limitations an example. Rogers said commercial rules would have "drastic consequences on economic vitality" of broadcast industry, adding "it should not be the function of govt. to dictate a set of rules [which] could threaten broadcasters with financial ruin."

State assns. continue action against proposal: Okla. Bcstrs. Assn. will call on its Congressional delegation about Sept. 4 in Washington; N. C. Assn. of Bcstrs. will make its calls Sept. 10, headed by Earl Gluck, WSOC-TV Charlotte; Kan. Assn. of Radio Bcstrs. replied to FCC's proposal last week, said it believes people "are much more interested in the services we provide than in the precision accuracy of the clock in complying with a federal edict," stated ad revenue was "fundamental" to American broadcasting.

**UPCOMING STATIONS:** KNMT (Ch. 12) Walker, Minn. hopes to be on the air in Nov., reports Glenn W. Flint, gen. mgr. of owner KCMT (Ch. 7) Alexandria, Minn., which plans to operate KNMT as a partial satellite. Work on transmitter house near Hackensack, Minn. is scheduled for completion by mid-Sept. A 2-kw RCA transmitter awaits installation there. Base hour will be \$150. Avery-Knodel will be rep.

**WBGU-TV (Ch. 70 ETV) Bowling Green, O.** plans Jan. 2 programming after testing since late in Nov., according to Dr. Duane E. Tucker, gen. mgr. & dir. of bcstg. at Bowling Green State U. Installation of RCA transmitter on the top floor of University's new administration building is to start about mid-Sept. Tower will be installed on roof. Robert F. Kissinger, chief engineer of radio WBGU, will also oversee WBGU-TV. Robert Clarke will be production mgr.

**WEIQ (Ch. 42 ETV) Mobile, Ala.** is installing GE 12-kw transmitter and hopes to be in operation by Jan. 1, says Raymond D. Hurlbert, gen. mgr. of state's chain of ETV stations. Blaw-Knox 500-ft. tower is ready; contract to install antenna & transmission line will be let after Oct. 1.

**WSVI (Ch. 8) Christiansted, V.I.** now plans Dec. tests and Jan. or Feb. programming, writes George A. Mayoral, vp & chief engineer of owner WORA-TV Mayaguez, P.R. The transmitter-studio building is half completed. A 500-watt Visual Electronics transmitter is on hand, as is a 60-ft. Utility tower. Rep not chosen, base rate not set.

**Tiff between NAB & Ga. Assn. of Bcstrs.** reached letter-writing stage last week. Jack Williams, GAB exec. secy., & Ray Carow, WALB-TV Albany & GAB pres., wrote separately to NAB vp Howard Bell protesting his public stand decrying attempts to bypass NAB's national leadership on such matters as editorializing & international broadcast conference (Vol. 3:34 p2). Williams said its editorializing activity "does not constitute a challenge to anyone," expressed hope that other state groups would have similar conferences. He said GAB supports NAB, stated he believes NAB should have full-time "liaison man" for state assns. (It's known that NAB is working towards greater cooperation in this area.) Carow said he believes in full cooperation, but wished NAB would have consulted with him before releasing "antagonistic attitude" to press. Bell was on vacation, but Pres. Collins commented: "It is difficult to respond without appearing petty." He said groups should "work cooperatively on common objectives and separately on separate ones, but not have head-on collision with each other coming around the same barn from different directions."

**Subsidizing uhf conversion** in its area, KCHU (Ch. 18) San Bernardino is helping defray costs of converters to its viewers by paying \$10 toward price of each one purchased from local dealers. In full-page ads, station will tell consumers that they can convert to all-channel for only \$14.95. Recently purchased by local newspaper, Sun & Telegram, station will debut new format Sept. 15, emphasizing local programming, including local newfilm & telecasts of local athletic events, as well as top-quality feature films. Station has held meetings with TV & uhf converter dealers & distributors, will inaugurate 17-hour-daily, 7-days-a-week programming Sept. 29.

**FCC should rescind fairness doctrine statement** made July 26 (Vol. 3:30 p3), NAB said last week. Commission "errs when it attempts... to lay down by specific rule the precise manner by which fairness doctrine is to be achieved or judged," NAB gen. counsel Douglas Anello said in letter to FCC Secy. Ben Waple. Provision in 2 examples cited by FCC—that station "must" send transcript of controversial program to attacked person or party—is too rigid, Anello stated. It would encompass, he said, cases where station may not be involved in controversy and also cases involving paid political broadcasts by person other than candidate. Attorney said July statement presents "an entire new concept in Commission policy."

**Sen. Pastore (D-R.I.) holds hearings** this week on 4 communications bills. Sept. 4 at 2 p.m.: (1) S-708, to provide that FCC may not consider member of Congress as favorable factor in applications for station license or permit. Sen. Proxmire (D-Wis.), bill's sponsor, is first witness. (2) S-1193, FCC-requested bill to require that petitions for intervention in FCC hearings be filed not more than 30 days after publication of hearing in "Federal Register." (3) S-1005, to authorize FCC to grant special temporary authorizations for 60 days for certain non-broadcast operations, introduced by Sen. Magnuson (D-Wash.) at Commission's request. FCC Chmn. Henry will testify on one or more of these bills. Sept. 3 at 10 a.m.: (4) S-920, to permit alien amateur radio operators to operate in U.S., provided there's agreement between U.S. and alien's own govt. Sen. Goldwater (R-Ariz.), who introduced bill, will testify.

**House editorializing hearings**, chaired by Rep. Rogers (D-Tex.), pick up again Sept. 18-20. Communications Subcommittee in July heard from networks, NAB, FCC, Congressmen, others (Vol. 3:29 p3). It now wants to hear from broadcasters, has invited requests for appearances. Among those who are tentatively set to testify: Ben Strouse, WWDC Washington; some members of Ga. Assn. of Bcstrs.; John Tyler, KFDA-TV Amarillo; Charles Crutchfield, Jefferson Standard Bcstg.

**UPI will produce & syndicate** its own TV newfilm, effective Oct. 1, ending collaboration with Movietone News after 12 years. Movietone said it's discontinuing domestic newsreel service.

#### 1964 TELEVISION FACTBOOK ADVERTISING

The 1964 Edition of **Television Factbook** (#34) is now in preparation and advertising space reservations are being accepted. The **Factbook**, with a circulation sharply increased to 10,000, is used daily by executives in all facets of the TV industry—the people who make the decisions and buy time, equipment, services. Thus it becomes the most effective advertising medium available to those selling to the television and advertising industries. The **Factbook**, including its exclusive coverage maps and viewing data, marketing information and directories, will be fully updated throughout. Furthermore, it will contain the most comprehensive International Television Directory yet published. To reserve your advertising space in this 1200-page compendium, call, write or wire: **Television Factbook**, 2025 Eye St. N.W., Washington, D. C. 20006; Phone: (202) 965-1985; TWX: 202-965-0979. Many choice positions are still available. Copy deadline is October 15, 1963.

## Personals

**Thomas A. McAvity**, ex-J. Walter Thompson TV programming dir., rejoins NBC-TV as general programming executive. . . **John W. Kluge**, Metromedia pres. & chmn., will receive Pulse "Man of the Year" Award at Oct. 16 luncheon. . . **John J. Madden** elected vp & controller, Metropolitan Bcstg.

**Marcus Bartlett**, gen. mgr. of WSB-TV Atlanta, named to head Cox Stations CATV operations; **Frank Gaither**, radio WSB gen. mgr., appointed head of Cox TV-radio stations; **Don Elliot Heald**, WSB-TV sales mgr., promoted to station mgr.; **Elmo Ellis**, radio WSB program mgr., promoted to station mgr.

**Clayton H. Brace**, returned from 2-year Beirut tour representing Time-Life Broadcast's interest in Compagnie Libanaise de Television, appointed vp-gen. mgr., KOGO-TV-AM-FM San Diego. . . **William G. Evans** promoted to station mgr., WZZM-TV Grand Rapids.

**David J. Shurtleff**, mgr. of WJAR-TV Providence, and **Arnold F. Schoen Jr.**, mgr. of WDBO-TV-AM-FM Orlando elected vps of parent Outlet Co.

**Howard H. Marsh** promoted to sales mgr., KPIX San Francisco, succeeding **Lamont L. Thompson**, named exec. vp, rep TvAR; **William P. Hessian Jr.** succeeds Marsh as asst. sales mgr. . . **A. C. R. Stone** appointed production mgr., Storer Programs, Hollywood.

**Willis Grant**, NBC coordinator of corporate information, promoted to research projects mgr. . . **John H. Kirchstein**, ex-NBC Spot Sales research analyst, named research supervisor, WNBC-TV N. Y., succeeding **Nathaniel S. Rubin**, resigned. . . **Leo V. Collins**, ex-press information & public affairs dir., radio WXYZ Detroit, named to similar post at WABC-TV N. Y., succeeded by **David R. Klemm**, ex-Balaban Stations.

**Howard Kany**, CBS TV Stations international business relations dir., appointed to U. S. National Commission for UNESCO.

**Henry N. Kozanowski**, RCA mgr. of TV advanced development, will receive SMPTE's 1963 David Sarnoff Gold Medal Award for meritorious achievement in TV engineering at Society's technical conference Oct. 13-18 in Boston; award cites Dr. Kozanowski's contributions to improved TV studio & film camera equipment.

**Edward Galuska** promoted to engineering mgr., Adler Electronics industrial products div., specializing in uhf broadcasting, TV repeater & instructional TV systems.

**Largest CATV system in U. S.** will be located in Austin, reported Jerrold Electronics, as it announced signing of over \$750,000 deal with Capital Cable Corp. of Austin, subsidiary of Mid-West Video Corp., Little Rock. System will provide Austin with 8 TV channels (including one for local weather) and unspecified number of FM-stereo channels. It's part of more than \$3 million in CATV contracts signed by Jerrold since Milton Shapp resumed presidency few months ago.

**Edward Petry & Co.** has been sold to employee group headed by Exec. vp Martin Nierman. Chmn. Edward Petry & Pres. Edward Voynow continue in same posts & as directors. Stock was bought from Petry, Voynow & their families with substantial down payment.

# Television Digest

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**Civil rights march on Washington** Aug. 28 turned out to be real TV spectacular, with networks devoting far more time to it than they had originally planned—including unscheduled 3-hour continuous stretch of live coverage from 1:30 to 4:30 p. m. by CBS. Coverage was described as most elaborate for any event ever held in Washington, with some 35 cameras in use. All 3 networks presented nighttime specials. Coverage reportedly cost 3 networks more than \$300,000. Coverage was relayed to Europe via Telstar II twice during the day from NBC—once for 23-min. presentation, once for 30 min. It was telecast in 9 West European countries by Eurovision network and in 7 Iron Curtain nations by Intervention. No national rating figures were available at press time, but Nielsen measurements of N. Y. area indicated that viewing for 9:30 a. m. -3 p. m. period was 46% higher than in same time period one week earlier.

**Dramatic behind-the-scenes** attempt to use closed-circuit TV to help in rescue of miners trapped by cave-in in Sheppton, Pa., may result in important contribution to mine safety. Prime mover in plan was Robert J. Tarlton, pres. of Panther Valley TV in nearby Lansford, Pa. Officials of U. S. Bureau of Mines, on the scene, expressed extreme interest in technique.

**First ETV construction grants**, totalling \$858,152, were made last week by HEW: Chicago ETV Assn., \$299,619 to activate Ch. 20; Hampton Roads ETV Assn., \$129,143 to expand WHRO-TV (Ch. 15); S. C. ETV Commission, \$270,303 to activate Ch. 29 Greenville & \$59,222 to start Ch. 7 Charleston; Utah State U., \$99,865 to activate Ch. 12 Logan.

**RAB & Radio Sales Bureau** of Canada have reached 2-year agreement whereby RSB members become members of RAB and receive all materials. RSB is made up of 84 stations & 9 station reps. RAB Pres, Edmund Bunker pointed out arrangement is "common sense way of spreading cost of promotion and sales ideas." In another development, Robert Alter, RAB vp & national sales dir., announced new national drive aimed at reaching top agencies at 3 levels—account management, media, creative.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**ADMIRAL SHIPPING 11-IN. TINYVISION:** Admiral's 11-in. personal portable is now in large-scale production and shipments have begun—joining GE's hot-selling set of same size on the new U. S. -made tinyvision market—as first predicted in these pages last Jan. (Vol. 3:4 p8).

Company had promised its set would be "competitive" with GE's—and indeed it is, down to last penny. Price leader is \$99.95, with step-up at \$109.95, exactly same as GE's 2 low-end 11-in. personal portables. But this is about only similarity. Where GE stresses it has developed radically new "no-chassis" circuit, Admiral's big selling-point is that it is virtually a scaled-down version of maker's larger sets, using "same time-proven circuitry."

Presumably because of this concept and because, in words of Admiral electronics Vp A. A. Medica, "far more than normal strength has been engineered into this TV," Admiral's set is slightly larger & heavier than GE's. Admiral set weighs 14 1/2 lb. vs. GE's 12 3/4; dimensions are 12 5/8-in. high, 13 5/8 wide, 9 7/8 deep, while GE set measures 10 3/8-in. high, 14 tapering to 10-in. wide, 9 7/8-in. deep. Admiral's \$99.95 set has 14,000-volt horizontal chassis, monopole antenna, side-mounted tuner, beige polypropylene cabinet. Step-ups have 2-tone finish, featuring silver-gold and black, red, sungold or white, front-mounted channel indicator, earphone & jack.

GE's 11-in. portable got new & unpredicted boost, meanwhile, when Sept. issue of influential Consumer Reports gave it generally favorable review. GE is now in production of 2 more 11-in. models which had been delayed as result of big demand for \$99.95 & \$109.95 sets—desk-top or table model at \$119.95 and bedside clock-TV-radio at \$149.95.

Industry will watch tinyvision sales closely this fall to see whether bloom comes off—whether there's room for only one or two makes, whether it's a fad or whole new field. No matter what they discover, it's pretty safe bet that Admiral & GE will have U. S. -made tinyvision field all to themselves at least through Christmas.

**ACTION TO EASE ALL-CHANNEL TRANSITION:** With "U-Day" less than 8 months away, there's one slight glimmer of hope that all confusion & dislocation can be completely avoided. This is possibility of congressional elimination of 10% manufacturers' excise tax on all-channel sets, which, in effect, would nullify price increases forced by addition of uhf tuners.

There's only outside chance for passage of this exemption legislation—and it would require massive lobbying job, an area where TV manufacturers have never been very effective. Nevertheless, there's some reason to believe exemption legislation has better chance now than ever.

FCC Comr. Robert E. Lee, chairman of govt. -industry Committee for Full Development of All-Channel Broadcasting (CAB), has earned himself title of "the set maker's friend" on the FCC, as result of his efforts to smooth transition to all channel. "It's ironic," Lee told us last week, "that I was the only commissioner to vote against the all-channel proposal, and yet I have been delegated to police it." Lee will ask FCC to put excise-tax exemption on its list of recommended legislation when it meets on its legislative program this month. "I think the Commission will buy it," he said. "We have much more persuasive arguments for Congress than we ever had before."

Key to excise-tax exemption's chances is position of the administration, as expressed by Treasury Dept. In past, Treasury has always opposed measure, but there's some hope it may soften its stand this time. James D. Secrest, EIA exec. vp-secy. and head of CAB's information committee. also feels there's better chance for excise tax exemption than ever before. Situation this time is unique, he points out, in that Congress passed law which in effect raises TV set prices, and it now has it within its power to bring those prices down by removing excise tax.

In recent weeks, Comr. Lee has visited nearly all major TV set manufacturers. He told us he found 2 areas of extreme concern about all-channel law: (1) Fear that competitors will evade "spirit

of law" by continuing shipments of vhf-only sets within their home states, possibly even setting up assembly plants in populous states (N. Y., Cal. & Ill. comprise 36% of TV market). (2) Utter ignorance of public, and even dealers, about meaning & effect of law.

With regard to first area, Lee said even intrastate shipment of vhf-only sets may well be illegal, on ground that set could well be transported to another state through transshipment, etc. "I've asked for a legal opinion on this." He added: "By & large, the set makers say they're going to adhere to the letter & spirit of the law. But everybody's watching the other guy, to see if he does. They're also watching us. Some of them are afraid we'll abandon uhf. They agree it would help if the FCC would guarantee to make no changes in television channel allocations for at least 3 or 4 years."

As to thorny problem of educating public, dealers & service technicians, 3 independent steps are being taken: (1) FCC is preparing 15-min. sound-slide strip, illustrated by Agriculture Dept. graphic artists, for orientation of service technicians to uhf. It will have premier Sept. 11 at EIA fall conference in N. Y., will be loaned to interested groups or sold at cost. Lee favors shipping it to all TV stations for on-air showing. (2) Transcript of all-channel seminars in Washington, N. Y. & Chicago are being boiled down into pamphlet, for distribution by either govt. or EIA. (3) EIA & National Better Business Bureau are drafting consumer orientation pamphlet on uhf. (4) There's possibility CAB may develop one-minute public-service spot announcement for shipment to all TV outlets.

Another extremely significant activity of CAB may result in correction of what many TV set makers consider an aggravating error by FCC. CAB's technical committee will meet Sept. 24 to discuss proposed tests of various ratios of visual-to-aural power of TV stations. FCC recently gave uhf stations permission to operate with aural output as low as 10% of visual, while percentage for vhf remains at 50%. Set makers have been extremely concerned, particularly insofar as this would require sets which must accommodate varying visual-to-aural ratios, conceivably increasing costs (Vol. 3:34 p7). Engineering committee, headed by Dr. Frank G. Kear, is expected to propose tests to FCC. Depending on results, petitions could be filed with FCC to change standards to make them uniform for both vhf & uhf.

Other technical research into uhf, at govt. expense, is also possibility. Said Lee: "I have not ruled out govt. funding of research which is beyond the capabilities of any one company." He added that he thought it wouldn't be too difficult to obtain Congressional appropriation for specific uhf research.

With all the preparations for all-channel changeover, consumer information remains weak link, however. Secrest believes strongly that all TV stations—particularly vhf—should be persuaded to get behind law and spread information about it to consumers. "The one person who doesn't know about it," commented Secrest, "is the consumer—who's going to have to pay for it." Lee, too, favors maximum information campaign. He's even coined slogan for all-channel drive: "Don't be half set—be all set."

For other reports on proposals & actions to encourage uhf, see story on p. 1.

**CANADIAN ELECTRONICS—A PROFILE:** In past 3 decades, Canada's electronics industry has grown to more than 100 companies with annual output of more than \$500 million, employing 18,000 people in manufacturing, marketing, engineering and research activities. Future of that industry, however, now is and "will continue to be one of the major problems which must be solved by both industry and govt."

This profile of Canada's booming but beset electronics industry was drawn by W. F. Wansbrough, Canadian GE vp and onetime EIA of Canada pres., in recent Toronto address.

"Maturity came fast to our industry," he noted, but then the problems developed. More than 40 Canadian firms are involved in heavy electronics—microwave, radar, computers, and so on. Bulk—60—are engaged primarily in components and accessory fields. Of latter, 6 produce tubes and semiconductor devices, 12 "are primarily engaged" in production of TVs, radios, phonos, hi-fi equipment.

"Sales of TV receivers in Canada completely saturated the market in 5 years—twice as fast as our U.S. cousins," noted Wansbrough. "When this market fell away, it left in its wake more than half of the TV manufacturers in Canada who could not survive the drop in total sales. Added to the confusion was the introduction of imported transistor radios [which] were laid down in a Canadian port, with end costs lower than the cost of Canadian components alone before assembly, and as imported articles subsequently had the added tax advantage."

Although Canada has "not experienced the phenomenal growth rate of the electronic industry in the U. S.," he continued, "we have kept pace on consumer and industrial products in percent of sales." Wansbrough emphasized: "To those in the electronics industry, the fact of the industry's growth is not as significant as the changing nature of the industry as the growth continues."

Looking to future of Canada's electronics industry, he urged: "If we are to continue to grow, we must become more world-market conscious. We must build our industry on the sound basis of design, quality and price, using those skills available to us to emphasize unique design and quality products that have appeal in industrial world markets. We must use our relatively compact facilities to our advantage of added flexibility in production runs and in innovation of product and design."

He called on govt. to "be alert to pressures which will be exerted to weaken Canada's anti-dumping legislation," warned that "industry planners cannot be continually plagued by doubts and uncertainties concerning future tariff policies that would seriously affect long range plans." Electronics industry "requires a tariff structure which offers reasonable long-term stability, at or near the present relatively low levels," he said.

"Given a sound business climate with a proper application of engineering approach," Wansbrough concluded, "our industry can and will put more production money into research, step up its activities in product planning, value analysis, market research, advertising and sales promotion—in fact, given a free hand, we can and will develop a color TV market in Canada, to name one area of opportunity."

**'SHOOK-OUT' DISCOUNT INDUSTRY EXPANDING:** TV retailers encouraged by recent and continuing shakeout in discount industry can take little solace from midyear census by Aug. 26 "Discount Store News." Discount competition is increasing sharply, and there are replacements by the dozens for each discounter chopped by Chapter 10 or 11.

Population of discount stores rose a booming 37% (or 585 units) in the 12 months to June 1963—to total 2,169 units. Total discount footage rose 42% to 122,495,000 sq. ft. from 85,939,000. And all indicators point upward. By year's end, census projected, number of stores will increase by 162. Footage will jump another 13.3 million sq. ft. June-to-June period, DSN summed up, was "one of discount store industry's greatest boom periods."

Forty-eight percent of 2,169 stores are bunched in top 50 markets. Chicago leads in saturation with 132 stores. Runners-up: Los Angeles, 92; New York, 89; Philadelphia, 57; Cleveland, 43; Detroit, 40; Boston, 37. Five other markets have at least 20 discount stores.

Miami, however, which ranks 26th in number of stores (15), tops all markets in terms of "discount density"—total discount store footage vs. population. There, as DSN puts it, "15 units fight for survival with a total of 1.6 million feet of selling space and a population of a million."

Discount stores also are getting bigger. In year to June 1963, average store size increased to 54,000 ft. from 50,000 ft. Closed-door or membership discount stores are decidedly larger on the average, with 86,000 ft. Closed-door stores, incidentally, account for 6.5% or 11,820,000 of total 122,495,000 sq. ft. of discount selling space.

Top discount department, in terms of frequency among stores, is housewares, present in 96.8% of stores. Of these, 79% are store operated, 21% leased. TV-appliance departments rank 19th, in 65.9% of stores and are 69% operated and 31% leased. TV-appliance departments are more popular among closed-door discount stores, rank 9th and are found in 94% of stores.

Fixturing a TV-radio-appliance department, DSN found, averages \$1.77 per sq. ft. in conventional discount store (80,000 sq. ft.). Cost rises to \$2.50 for a deluxe operation, dips to \$1 for low budget store.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Aug. 23 (34th week of 1963):

	Aug. 17-23	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	167,041	150,858	155,142	4,396,286	4,132,603
Total radio .....	406,770	349,027	550,949	10,814,908	11,652,448
Auto radio.....	169,170	140,352	270,377	4,566,154	4,103,170

**GOVT. 'S NEW TV-RADIO FIGURES:** Manufacturers' shipments of TVs, radios, phonos, recorders & hi-fi components totaled \$1,695,320,000 in 1962, up more than 13% from the \$1,492,735,000 of 1961. So says Census Bureau's annual tally of U.S. consumer electronics business. Figures represent net value of units shipped, FOB plant, after discounts & allowances and exclusive of freight charges & excise taxes.

Census tally is based on reports from all known U.S. manufacturers. Its breakdowns in various categories traditionally reveal lower unit & dollar volume than EIA figures which are the industry standard. This year, Census neatly sidestepped howling controversy in which it became enmeshed last year when it reported 1961 shipments of color TV sets as 147,000 units, while industry had been using figure of 180,000 (Vol. 2:44 p7). RCA had protested that Census figure was inaccurate. In new tally, however, Census hides color figure by combining it with b&w total. It reports combined color and b&w shipments were 6,644,000 sets at \$925,132,000, up from 6,012,000 at \$812,012,000 in 1961. EIA reported 1962 factory production of b&w sets at 6,484,000 units and 6,177,000 in 1961.

One clue to Census' figure for color shipments last year can be obtained in this roundabout manner: Last year Census figure on b&w shipments was about 5% below EIA's. Assuming same relationship this year, deducting 5% from EIA's b&w figure and subtracting this from Census' combined color-and-b&w total indicates color set total of about 484,000—almost identical to many well-informed industry estimates.

Most other Census consumer electronics figures for 1962 run below EIA's tallies. For example, total electronic phonos (including radio combos) came to 4,561,000 vs. EIA's 4,954,000.

Perhaps principal value of Census report is the light it sheds on shipments of hi-fi components, on which little statistical information is available elsewhere. Here are 1962 (vs. 1961) figures: Home audio amplifiers & pre-amps, 207,000 units at \$44,670,000 (vs. 389,000 at \$38,754,000); tuners & tuner-amplifier combinations, 243,000 at \$21,544,000 (vs. 190,000 at \$12,540,000); other home-type equipment, such as converters & adapters, 530,000 at \$7,391,000 (vs. 473,000 at \$6,073,000); home recorders, 466,000 at \$88,631,000 (vs. 389,000 at \$38,754,000).

Complete report [Current Industrial Reports, series M36M(62)-1] is available for 10¢ from Bureau of Census, Washington, D. C. 20233, and from Commerce Dept. field offices.

**Color TV kit** will be offered by Heath Co., beginning in Nov., at \$349 without cabinet. Optional extras are cabinet (\$49), uhf (\$20), mounting kit (\$4). Heath, subsidiary of Daystrom, is 2nd manufacturer to offer color TV in kit form. Transvision has been in color kit field for some time.

**"Friends of Service"** awards voted by convention of National Alliance of TV & Electronic Service Assns. at last week's Chicago convention went to Zenith Radio, Finney Co., GE tube div., Philco parts div., Raytheon tube div., RCA tube div., Sylvania tube div., Tung-Sol, and Howard W. Sams & Co.

**Home video recording fever** has gripped Britain. Two low-priced systems, said to be ready for production, have been announced there within 2 months. On heels of furor created by claims for Telcan home TV tape recorder (Vol. 3:32 p7) comes announcement by another British firm that it has developed 33 1/3-rpm LP disc which will produce picture as well as sound. Combination picture-sound player will sell for about \$100—perhaps in about 3 months—according to promoter Wolverhampton Radio & Supplies Co., Wolverhampton. Inventor Colin Mason claims his "Videogram" is capable of reproducing bandwidth of up to 35 mc (10 times the frequencies needed for reproduction of TV picture), that the picture-sound records could be produced for same price as standard audio LPs—or even lower. Mason says \$100 picture-sound phono would be designed to be plugged into TV set. U.S. TV engineers are even more skeptical about Videogram than they were about Telcan.

**More U. S. households own TV sets** than refrigerators by margin of better than 5%, recent Census Bureau sampling indicates. Sampling was made last July in connection with quarterly study of consumer buying intentions, showed 89.9% of households surveyed had TV sets, 85.4% refrigerators, 72.5% washing machines, 22% dryers, 14.9% air conditioners, 7.2% dishwashers. As with most other consumer durables, buying intentions were up, compared with last year. Some 4.4% of households indicated in July 1963 that they planned to buy TV sets within next 6 months; one year earlier, figure was 4.3%, and in April 1963 it was 4.2%. Intentions to buy "radios & phonographic equipment" during next 6 months were expressed by 1.9%, same as one year earlier, down from 2% in April '63.

**"TV Set Buyers' Guide"** pull-out supplement to Sept. 7 "TV Guide" will be accompanied by 235 pages of tie-in advertising by set manufacturers & distributors in magazine's 70 regional editions, more than double last year's 112. Buyers' Guide itself will have 19 pages of ads by GE, Philco, RCA, Sears, Sylvania, Westinghouse & Zenith (Vol. 3:24 p9). Tie-ins include additional full-page ads by GE in all 70 editions, by Sears in 30, by Packard Bell in 11. All other advertisers in Buyers' Guide, in addition to many distributors, have also scheduled space in regional editions.

**Magnavox sales have increased** sharply in past several months, virtually putting "in the bag" earlier forecast of more than \$200 million in 1963 sales, Pres. Frank Freimann said. Sales last year totaled \$202 million. "We will have to show a sales improvement of about 35% in consumer products this year to offset lower military product sales and achieve our sales goal," he amplified. Military sales through July were down "about 40%" from year ago. July-Aug. consumer products sales shot 50% ahead of year ago, he said. TV led gain parade with 80% jump. New low-priced portables sparked TV sales rise with volume "up over 100%" from 1962. Freimann said Magnavox is "shooting for more than \$2 a share" in earnings this year, up from 1962's \$1.73.

**Sylvania TV factory unit sales** rose 16% above year ago during 1963's first 7 months, Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis reported. Factory stereo sales pushed 30% ahead, with consoles accounting for bulk of increased sales. Theis said that demand for Sylvania portable TVs "especially sets with optional clock timers, has far outpaced production schedules."

## Trade Personals

**Dan R. Cavalier**, former vp of E. F. MacDonald Co., Dayton, O. appointed Philco Consumer Products Div. merchandising mgr., succeeding **Raymond B. George**, who will be reassigned.

**Dr. W. W. Wetzel**, pioneer in development of magnetic sound tape, will retire next year as vp-gen. mgr., 3M Magnetic Products Div., to be succeeded by his long-time co-worker, scientist **M. C. Hegdal**. . . **George J. Wachholz**, former Revere-Wollensak Div. vp, elected 3M corporate vp & head of Photographic Products Group, which includes newly acquired Dynacolor Corp. as well as Revere-Wollensak; **Darrell H. Boyd**, ex-tape cartridge systems product mgr., named to new post of Revere-Wollensak consumer products marketing mgr.

**Takashi Nakagawa** appointed director of electronics & machinery inspection sections of Japan Trade Center, N. Y., succeeding **Makoto Toida**, returning to Japan.

**Albert E. Warner**, ex-RCA International industrial relations dir., named Sylvania industrial relations dir. . . **Jerry Balash**, ex-Telesystems Corp., named to new post of uhf product mgr., Blonder-Tongue Labs, charged with working with stations & dealers in individual uhf markets to develop local converter marketing programs.

**J. A. (Shine) Milling**, pres. of Sams Div. of Howard W. Sams Co., elected pres. of Electronic Industry Show Corp. Other officers elected: vp, **J. Rudy Hummes** (J. W. Miller Co.); treas., **Walter A. Clements** (Littelfuse); secy., **Aaron Lippman** (Aaron Lippman Co.).

**R. A. Correa**, former RCA patents & licensing vp, elected business development vp of American Machine & Foundry. . . **Voyle Gilmore**, **F. M. Scott III** & **Robert C. Carp** named Capitol Records vps.

**Edward G. Dietrich** appointed Sylvania closed-circuit national accounts mgr., with N. Y. hq.

**Larry Dorst**, Flint & Dorst, Milwaukee, elected pres. of National Alliance of TV & Electronic Service Assns. (NATESA). Other officers: **Earl Steffes**, secy. gen.; **Harold Q. Eales**, re-elected treas.; **Frank J. Moch**, renamed exec. dir.

**Widespread use of tunnel diodes** in uhf tuners was predicted by GE's W. C. Broeffle at recent Wescon meeting in San Francisco. He said GE will be in full production of tunnel diodes by 4th quarter, with prices ranging from less than \$1 to about \$3. First manufacturer to use tunnel diode in consumer item was Sony, which has incorporated it in oscillator stage of uhf converter (Vol. 3:27 p10).

## Obituary

**G. Pryor Molloy**, 46, former Owens-Illinois industrial & electronic products marketing vp, died Aug. 26 in Medellin, Colombia, of complications following surgery. Last spring he was appointed vp-gen. factories mgr. of O-I subsidiary Cristalleria Peldar S. A. A one-time RCA engineer, he was long identified with O-I's Kimble TV bulb operation, serving as engineering superintendent of Columbus, O. TV bulb plant from 1952 to 1956. He is survived by his wife & 2 sons. Funeral arrangements are incomplete, but private services will be held in Ft. Lauderdale, Fla.

**JAPANESE MINIMUM TV PRICES:** New price floors for popular sizes of TV sets exported to U. S. from Japan (Vol. 3:32 p7) were expected to be put into effect this week or next, following ratification by Japanese Ministry of International Trade & Industry. So far, 23 Japanese TV manufacturers have agreed to observe minimum prices, which were proposed through EIA of Japan.

Export prices, as finally established, will be at least 3% higher than factory prices. Minimum prices, including forwarding, custom-clearance and exporter commission fees: 19-in. sets, \$56.65 (uhf \$64.89); 16-in., \$46.35 (\$56.65); 5-6-in. transistor TV, \$72.10 (uhf \$82.40); smaller than 5-in. transistor, \$66.95 (uhf \$77.25). Sizes not included in list are not price-controlled.

Meanwhile, U. S. Commerce Dept. released tally of total 1962 Japanese electronics exports to U. S., indicating dollar volume rose to \$159 million, 32% above 1961 figure. Commerce Dept. statistics reflect slight revisions from figures reported in these pages earlier this year (Vol. 3:6 p7).

They show total Japanese TV exports to U. S. last year of 159,000 sets valued at \$9,168,000, of which 123,000 were tube type and 36,000 transistorized. Exports for first-half 1963 alone totaled 147,362 sets—close to total for all 1962. Other 1962 Japan-to-U. S. export figures: Radios (all types), 12,125,000 at \$87,-722,000 (up from 11,552,000 at \$74,638,000 in 1961). Tube radios decreased from 2,224,000 in 1961 to 1,-608,000 in 1962 and toy radios dropped from 4,774,000 to 2,736,000, while 3-or-more-transistor sets soared from 4,554,000 to 7,781,000. Tape recorders & accessories jumped from \$539,000 in 1961 to \$2,111,000 in 1962.

In parts categories, here are 1962 Japan-to-U. S. exports: microphones, 179,000; loudspeakers, 2,953,000; earphones, 4,298,000; capacitors, 70,136,000; electron tubes, 27,343,000; transistors, 11,073,000; diodes & other semiconductors, 7,581,000.

Another tabulation by Commerce Dept. shows Japanese electronics production last year totaled \$1.6 billion in 1962—increase of about \$200 million over 1961. Consumer items accounted for 54% of total, TV receivers being largest single category—\$525 million, or nearly one-third of total. Japan produced 4,864,800 TV sets last year, including 4,400 color sets.

Commerce tabulations of Japanese production & exports to U. S. are available from Electronics Div., Busi- & Defense Services Administration, Commerce Dept., Washington.

**International Resistance will market** Eastman Kodak-produced sound magnetic tape this fall via 1,800 electronics distributors. Kodak mktg. Vp Gerald B. Zornow said distribution deal with IRC does not affect present marketing of the tape through photo dealers, added: "Domestic sales of audio tape by manufacturers totaled about \$20 million in 1961. Nearly 50% of that total was the result of sales by electronics distributors."

**Minnesota Mining now has full line** of 11 Revere & Wollensak tape recorders & players with introduction of 7 new reel-to-reel recorders, starting at \$125. Revere line contains only one reel-to-reel unit, all other models being cartridge units.

## 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
Beckman Instruments	1963—year to June 30	\$ 78,738,000	\$ 6,774,000	\$ 3,734,000	\$2.40	1,558,435
	1962—year to June 30	75,778,000	8,822,000	4,824,000	3.10	1,554,322
Capitol Records	1963—year to June 30	48,604,946	—	1,001,016	2.17	—
	1962—year to June 30	41,857,465	—	350,488	.76	—
Chris-Craft (formerly NAFI)	1963—6 mo. to June 30	39,055,529	2,277,127	1,377,127	1.00	1,376,672
	1962—6 mo. to June 30	38,402,528	2,641,152	1,436,152	1.04	1,376,672
Cowles Magazines & Bcstg.	1963—6 mo. to June 30	58,193,578	3,172,342	1,319,623	.44	2,950,501
	1962—6 mo. to June 30 <sup>3</sup>	—	—	—	—	—
Philips Lamp	1963—6 mo. to June 30	744,022,000 <sup>1</sup>	—	43,212,000	—	—
	1962—6 mo. to June 30	660,922,000	—	42,104,000	—	—
	1963—qtr. to June 30	—	—	20,287,400 <sup>1</sup>	—	—
	1962—qtr. to June 30	—	—	20,284,200	—	—
Rollins Bcstg.	1963—qtr. to July 31	2,126,160	—	255,739	.27	957,244
	1962—qtr. to July 31	1,928,715	—	168,642	.18	955,475
Serval	1963—9 mo. to July 31	—	—	538,080	.22 <sup>2</sup>	1,928,845
	1962—9 mo. to July 31	—	—	1,979,014	.96 <sup>2</sup>	1,927,345
Sparton Corp.	1963—year to June 30	32,797,269	—	1,065,930	1.14 <sup>2</sup>	919,024
	1962—year to June 30	26,452,648	—	641,182	.67 <sup>2</sup>	919,024
Spencer-Kennedy Labs	1963—year to June 30	2,027,909 <sup>1</sup>	313,716	190,716	.86	221,635
	1962—year to June 30	1,588,766	293,726	176,726	.80	221,235
Sprague Electric	1963—6 mo. to June 30	43,598,343	4,704,320	3,011,514	1.99	1,513,879
	1962—6 mo. to June 30	44,046,249	5,762,640	3,325,088	2.25	1,477,767

Notes: <sup>1</sup>Record. <sup>2</sup>After preferred dividends. <sup>3</sup>Comparison invalid because of acquisitions.

**MERGERS & ACQUISITIONS:** Magnavox is exploring a "very sizable" acquisition and "serious negotiation" may begin within one month with an undisclosed company whose product line is "compatible with ours" and "could double our sales," Pres. Frank Freimann disclosed. General Precision Equipment was rumored as the possible company, but GPE Chmn. James W. Murray, while confirming that merger conversation had been held with Freimann in the past, said GPE now "has no merger agreement nor tentative agreement with anyone and isn't discussing a merger with anyone." Other merger news last week:

B. S. F. Co., holding company controlled by Defiance Industries which is purchasing TelePrompTer's Weathers, Conley Electronics and Audio Visual Divs. (Vol. 3:33 p9), has increased its own financial interest in TelePrompTer. It has purchased a \$500,000-6% subordinated debenture accompanied by warrants to buy 97,561 shares of TelePrompTer common stock at \$5.125 a share before July 31, 1978. B. S. F. earlier this year agreed to buy 40,000 of TelePrompTer's 762,134 outstanding common shares for \$240,000.

Rollins Bcstg. secondary offering of 85,000 shares has been placed on market at \$16 each by underwriting group headed by N. Y. Securities Co. Offer is by selling stockholders, and no proceeds will accrue to company.

Sylvania's 1963 earnings will jump more than 30% on 10%-plus sales rise over 1962 levels, GT&E Chmn. Donald C. Power forecast. He said GT&E would post record sales and earnings, estimated sales rise to \$1.4 billion from 1962's \$1.328 billion. Consolidated net income should rise to \$100 million (more than \$1.30 a share) from \$86.3 million (\$1.15). Power said per-share earnings in 3rd quarter should top 32¢ vs. 27¢ a year earlier, noted that 4th quarter is GT&E's best.

Sprague Electric offering of \$15 million in 4 3/8% sinking fund debentures was placed on market last week and immediately oversubscribed. Debentures, due Sept. 1988, were priced at 99.625% to yield 4.40%. Proceeds will be used to repay some \$14 million in short-term debt balance to working capital. Underwriting was by group jointly managed by First Boston Corp. and F. S. Moseley & Co.

TV-Electronics Fund closed 1963's 3rd fiscal quarter July 31 with resources 11.1% ahead of those extant at close of 1962 fiscal year last Oct. 31. Pres. Chester D. Tripp reported. Total net assets, however, declined to \$367.7 million from \$379.8 million at end of current fiscal half ended April 30. Net assets per share dipped to \$7.35 from \$7.48.

Zenith has added 19-in. portable TV for hospital use. "Roomate" model also is available with remote control and pillow speaker unit.

# WEEKLY **Television Digest**

with

## **Consumer Electronics . . .**

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

SEPTEMBER 9, 1963

NEW SERIES VOL. 3, No. 36

### SUMMARY-INDEX OF WEEK'S NEWS

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#### **Broadcast**

**HARRIS HITS AT RECENT FCC MOVES**, thinks it's going too far—would like it to modify 'fairness doctrine' statement, to drop proposal limiting commercial; he doesn't believe FCC has statutory right to regulate CATV (p. 1).

**FCC PONDER'S 'FAIRNESS' IN DRAMATIC WORKS**. Staff recommends CBS be told that 'Smash-Up' drama, on automobile injury claims, was 'controversial,' warrants presentation of opposing views (p. 3).

**BROADCASTERS POST FIRST-HALF GAINS**: Analysis of 8 independent groups shows gross income of 9% earnings up 26% over 1962 period (p. 3).

**STORER JOINS BROADCASTERS' CATV PARADE**, buying Southern Cal. systems, planning to feed 12 channels. Richard Moore, ex-KTTV, also in picture (p. 4).

**COOPERATORS DON'T WATCH MORE TV, SAYS ARB**: Rater releases 24-market validation study showing comparable viewing habits between those who fill out diaries and those who don't (p. 4).

**NO FAVORS FOR CONGRESSMEN** in competitive FCC cases? Right, say Pastore & Proxmire, who endorse

bill spelling it. Pastore would extend bill to cover all branches of govt. (p. 5).

#### **Consumer Electronics**

**3RD 11-IN. SET** due—from fast-moving Curtis Mathes—probably in time for Christmas selling; set maker to manufacture own plastic cabinets (p. 7).

**SHELBOND PICTURE TUBE** meets warm reception in initial introduction to tube & set makers; more manufacturers add Kimcode sets (p. 7).

**CINERAMA-TELCAN PACT** gives movie company control of manufacture & distribution of home TV recorder in U. S. & most foreign countries; Cinerama aims to do own manufacturing, become power in consumer electronics (p. 7).

**TV PRICE COMPARISONS** show low-end portables dropped 7% in year, table models began 3% lower, while starting prices of consoles fell 13%, combinations 21%, color sets 32% (p. 8).

**IMPORTS & UHF** are principal topics facing consumer manufacturers at this week's EIA conference in N. Y.; new staff director to be named (p. 10).

**ANNUAL INDEX OF TV-RADIO DEVELOPMENTS**: Responding to persistent demand, we have gone back and indexed all issues of "Television Digest" for 1961 & 1962, including copies herewith to all subscribers. Apparently, many organizations find index of great value in tracking down developments over the years. With resumption of index, we have now covered every year since 1949.

**HARRIS HITS AT RECENT FCC MOVES**: Concern that FCC is overstepping itself, expressed by several congressmen recently (Vol. 3:32 p2), was punctuated last week by Rep. Harris (D-Ark.) in speech to Arkansas Bcstrs. Assn. Chairman of Commerce Committee made these points:

(1) He asked FCC to "review" and "modify" its July 26 statement designed to clarify broadcaster responsibilities under fairness doctrine, said statement "can only result in obliterating this fundamental dividing line of responsibility with regard to programming between licensees & the Commission."

(2) On FCC's proposal to limit commercials: "I believe firmly that after the comments are all in and after the Commission will have had an opportunity to think over the matter, it may very well drop the proposed limitations."

(3) On editorializing: "I am of the firm conviction that the Congress should [establish] ground rules and that it should not leave this important question to the FCC without at least laying down specific guidelines to the Commission."

(4) He conceded that FCC won an important CATV judicial victory in Carter Mountain case (Vol. 3:21 p4), but said that its attempt to regulate CATV is without statutory authority from Congress.

Speech was in form of 2 letters—one he had written last week to FCC Chmn. Henry dealing with fairness doctrine, the other to a "broadcaster friend" who expressed concern about the other matters. Broadcaster originally wrote to Harris that he had "belly full" of regulation, said a station license "was tantamount to a hunting license for the FCC and the Congress to haunt broadcasters in connection with every aspect of their business." Commission was working on reply at week's end; it's expected this week.

Harris's letter stated: "If the Commission in an attempt to achieve fairness seeks to apply its 'Fairness Doctrine' to the content of individual programs involving the discussion of issues of public importance then, contrary to the policy of the [Communications] Act, the Commission inevitably will inject itself into programming on a day-to-day basis."

But he did add: "The authority and responsibility of the Commission with regard to programs thus is limited to determining periodically (at renewal time) whether or not the licensee on an overall basis has performed in the public interest."

Ironically, just about the time Harris was saying FCC shouldn't apply fairness doctrine to individual programs, Senate Communications Subcommittee Chmn. Pastore (D-R. I.) was asking FCC for a "fairness" ruling on a specific program. Commission people were asking each other: "Which chairman do you read?" Sen. Thurmond (D-S. C.) also had misgivings on subject (see p. 5). And, to get more complicated, FCC was wrestling with complaint about unfairness in a CBS-TV drama (see p. 3).

Other highlights of Harris letter to broadcaster: "I firmly believe [bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting commercial limits] constitutes a step in the right direction in that it would permit the Commission to cope with excessive commercialization as one aspect of programming on a case-by-case over-all basis without letting the Commission inject itself into the day-to-day program operation of all broadcast stations. . . "The only way in which broadcasters can audit rating services is to do so collectively as has been proposed by NAB. The association has made good progress. . .

"This reminds me that you had some misgivings about your own trade association. Let me remind you that [it] was responsible for the adoption of radio and television codes which contain specific provisions concerning the limitation of advertising. . . I venture to say that had your association been in a position to exercise greater influence in this area, the industry might not be confronted now with Commission rule-making. . .

"Broadcasters in general seem to feel on the defensive. . . The requirement that broadcasters must establish and meet community needs can be both your shield and sword. If you succeed in getting your communities behind you, you need not fear greatly governmental criticism or interference. The Commission's Omaha hearings seem ample proof of my contention.

"I have a strong feeling that in recent months the Commission may have forgotten an important principle which it alluded to in its statement on programming. The Commission stated 'we do not intend to guide the licensee along the path of programming; on the contrary the licensee must find his own path with the guidance of those whom the signal is to serve.' The Commission's Notice of Fairness, its proposed rule-making on advertising and the proposed ban on horse-racing information seem to me examples of this new Commission attitude. I regret this attitude and I hope this trend will not continue. . .

"Community antenna TV systems are increasing by leaps and bounds. In my own state there are now more than twice as many such systems as there are television stations. In [the Carter Mountain case] the court upheld the contention of the Commission that it could use its power to license microwave operations for the purpose of regulating community antenna systems.

"I don't agree with this approach. . . I am still old-fashioned enough to believe that basic policies should be laid down by the Congress, and not by Commission fiat with judicial approval. . . It seems to me that a basic conflict seems in the offing between local television stations and community antenna systems. Unless some steps are taken to resolve this conflict, the Congress may well be called upon to do the resolving."

NAB Pres. Collins had heated comments about FCC & Congress for Arkansas meeting. He said a licensee "lives under an FCC which finds him to be qualified as a broadcaster when he is granted a license, an FCC which is prohibited by law from censoring what he broadcasts—and yet, an FCC which seeks to coerce the nature of his programming in various ways. . .

"He lives under a Communications Act—hoary in obsolescence—that fixes in the FCC a strange and inefficient co-mingling of legislative authority, judicial power and executive control. The result may prove to be a boon to Washington lawyers, but it is nightmarish and frightening to most broadcasters.

"He lives under a Congress which by mandate restricts his efforts in the broadcast of messages of political candidates, and which is now giving serious consideration to curbing further the expression of his editorial viewpoints."

**FCC PONDER'S 'FAIRNESS' IN DRAMATIC WORKS:** Interpretation of FCC "fairness doctrine" in handling controversial issues, when it comes to dramatic works, can be a ticklish thing. We've learned, for example, that Commission has up for consideration a complaint about Oct. 10, 1962 "Smash-Up" show on CBS-TV's "Armstrong Circle Theatre." FCC staff's recommendation is that CBS be told that program was controversial and that "fairness doctrine" applies even if a dramatic work was involved.

Program involved excessive & fraudulent claims in automobile injury suits. National Assn. of Claimant's Counsel of America complained to FCC that program was an effort to "brainwash the minds of prospective jurors" and was instigated by insurance companies. It asked Commission to do something to prevent further similar presentations.

When asked by FCC to comment on NACCA's complaint, CBS had said: "Because of the nature of dramatic programs and because creative talents cannot be channeled at will, we have never accepted the proposition that a drama which may present one facet or point of view is to be counterbalanced by an opposing point of view. To do so, we feel would rob dramatic presentations of their essential vitality. But, in any event, in the case of 'Smash-Up', the issue, or theme of the program, was that the assertion of fraudulent claims, having unethical & perjurious connotations, can lead to discovery & prosecution. We do not believe that this issue is one about which there can be any reasonable controversy."

Commission staff argues that CBS is wrong. It suggests that CBS be told that "substance" is what counts, not "form," but that broadcaster has wide latitude in choice of techniques for achieving fairness. Staff also recommends that NACCA be told, however, that FCC has no power to prohibit broadcast of any programs.

**BROADCASTERS POST FIRST-HALF GAINS:** Independent TV-radio broadcasting chains, riding momentum of 1962's sales & profit spectacular (Vol. 3:15 p1), posted equally impressive revenue & earnings gains in 1963's opening half. Combined gross income of 8 broadcasters rose 9% above 1962's Jan.-June level, while earnings of 9 chains climbed 26%.

Here's capsule summary of our analysis of these independent broadcasters: (1) Each of 8 broadcasters whose sales figures were available showed increase over year earlier. (2) Overwhelming number—7 of 9—boosted earnings. (3) All finished first half in the black. Many of the broadcasters we analyzed have diversified interests, but they are representative of industry sales and profit trends because, in all instances, broadcasting is a major activity.

Combined sales of 8 broadcasters rose 9% to \$88,309,070 from \$80,955,405 in 1962's opening half. Gains in the main were steady & substantial. Wometco, for example, jumped more than \$1 million to \$10 million from \$8.9 million. Metromedia—to \$28 million from \$26.2 million. Capital Cities—\$8.3 million from \$7.3 million. Storer—\$19.9 million from \$18.1 million.

Amalgamated earnings of 9 broadcasters climbed to \$8,810,691 from \$7,013,507. Latter figure is after deducting Macfadden-Bartell's \$393,629 loss in 1962's first half. This broadcaster, incidentally, rebounded from that loss with resounding \$627,007 profit in 1963's first half. Only 2 companies slipped from year-earlier's profit pace. Taft, in the quarter to June 30, dipped to \$565,746 from \$578,541. Storer slipped to \$2.9 million from \$3.6 million (1963 figure is after special charges of \$256,247). Here's 1963-vs.-1962 first-half performance of 9 representative broadcasters:

	Sales		Earnings	
	1963	1962	1963	1962
Capital Cities Bcstg. . . . .	\$ 8,281,528	\$ 7,314,395	\$ 961,555	\$ 633,027
Gross Telecasting. . . . .	—	—	344,637	288,850

	Sales		Earnings	
	1963	1962	1963	1962
Goodwill Stations . . . . .	4, 140, 577	3, 863, 306	397, 505	342, 900
Macfadden-Bartell . . . . .	12, 083, 250	11, 229, 928	627, 007	(393, 629)
Metromedia . . . . .	27, 978, 000	26, 206, 000	1, 838, 228	1, 021, 655
Reeves Bcstg. & Development . . . . .	2, 754, 400	2, 301, 700	100, 900	7, 600
Storer . . . . .	19, 917, 000	18, 067, 000	2, 931, 654	3, 618, 366
Taft (qtr. to June 30) . . . . .	3, 203, 574	3, 057, 975	565, 746	578, 541
Wometco Enterprises . . . . .	9, 950, 741	8, 915, 101	1, 043, 459	916, 197
<b>TOTALS . . . . .</b>	<b>\$88, 309, 070</b>	<b>\$80, 955, 405</b>	<b>\$8, 810, 691</b>	<b>\$7, 013, 507</b>

**STORER JOINS BROADCASTERS' CATV PARADE:** Chalk up another breakthrough of major broadcaster into CATV. It's Storer this time, buying 80% of Southern Cal. Cable TV Corp., Los Angeles. The two systems involved are relatively new, relatively small (about 250 subscribers each), but have big growth potential. They're in Ojai Valley & Thousand Oaks area. According to Storer Pres. George B. Storer Jr., area is expected to increase population from 18, 000 to 180, 000 in 10 years.

Systems were bought from major stockholders Victor Sharar & CATV equipment maker Spencer-Kennedy. Sharar will remain as vp-gen. mgr., and Richard Moore, onetime head of KTTV Los Angeles, becomes a vp & stockholder.

Systems carry all Los Angeles signals plus Santa Barbara station, will add San Diego programs—to provide total of 12 channels. Said Storer: "The present systems being operated are only a start in over-all expanding systems that we anticipate." Storer thus joins parade of powerful & shrewd broadcasters who have decided finally to diversify into this natural extension of their operations. (For compilation of broadcasters now in CATV, see Vol. 3:17 p3 et seq.).

But CATV operators still have their problems with FCC, which, though it now has no authority over them, does control their most important means of expansion—microwave systems to bring in more & better signals.

Last week, 20 microwave operators whose links don't cross state borders, filed joint pleading through attorneys Smith & Pepper, challenging FCC's authority to regulate them. They asked for a declaratory ruling, asserting that Commission has very limited control over them because they're not interstate operators. They claimed that FCC can only decide if an applicant for such microwaves is qualified "and that the radio portion of the operation is conducted in accordance with applicable technical standards and does not interfere electrically with other authorized radio operations." Sympathetic reaction at FCC is not anticipated.

**COOPERATORS DON'T WATCH MORE TV, SAYS ARB:** After ratings hearings, many observers came away with opinion that viewing habits of those who cooperate in sample design are substantially different from those who don't. Rep. Moss (D-Cal.) repeatedly asserted that ratings measure only viewing of those "curious" people who cooperate by accepting gadgets in house & by filling out diaries.

ARB offered "counter-evidence" last week. It released results of 24-market validation study conducted in June 1962, a 116-page report titled "The Influence of Non-Cooperation in the Diary Method of Television Audience Measurement." Company used telephone coincidental method to validate viewing in homes originally drawn for its diary method. In this way, it could check on homes that didn't return diary as well as those that did. The 24 markets reflect all sizes & locations.

ARB said study showed that there are no major differences in viewing levels between cooperators and non-cooperators, though there were slight differences in audience characteristics. For example, it found that for random selected time periods, homes using TV were 24.7% among cooperators and 23.8% for non-cooperators. Cooperators, however, were made up of slightly larger families.

Rater also concluded that even in markets where the rate of cooperation differs, higher viewing levels occur just as often among cooperators as among non-cooperators. This would be true in such markets as Savannah, which showed a 36% sample return of diaries, as against Wichita with a 60% return rate. However, differences in audience characteristics increase as return rates decrease.

**NO FAVORS FOR CONGRESSMEN:** Though FCC wasn't much excited about it, saw no need for it, there might develop quite some support for Sen. Proxmire's bill (S-708)—which would forbid FCC from giving a special plus to applicants who are also members of Congress.

In Senate Commerce Subcommittee hearing last week, Chmn. Pastore (D-R. I.) not only endorsed bill but said it ought to apply to officials of all other branches of govt., too. To do otherwise, he said, is an "act of injustice to other applicants."

FCC Chmn. Henry agreed with purpose of bill but said Commission policy embodies it and that there's no need for legislation. Pastore & Proxmire disagreed. They pointed to examiner's initial decision in 1959 favoring Capital Cities for Ch. 10 in Albany. Applicant contained members of Congress. Ruling on one of many criteria—civic participation—examiner said: "It cannot be ignored that some of these individuals have achieved civic and political prominence which denotes in them an ability to discern and be responsive to the interests of... their community; to be elected and re-elected as members of the House of Representatives is such a manifestation. The aggregate civic backgrounds of each applicant are good, but Capital Cities' is manifestly superior."

Pastore & Proxmire didn't like this at all, even though Henry pointed out that final grant a year later was based on many other factors favorable to Capital Cities, Henry said decision indicated that Commission doesn't have policy of either favoring or penalizing an applicant because member of Congress is officer or stockholder.

Sen. Thurmond (D-S. C.) stated there ought to be measure prohibiting members of Congress from having an interest in a station. "Is it wise for any member to apply to the government for a franchise?" he asked.

Thurmond then seized opportunity to ask about fairness doctrine. He queried: (1) When a local station airs a taped version of his news bulletin containing views on controversial matters, does it have to give "equal time"? (2) And how about President's press conference? (3) And does fairness doctrine apply to networks as well as stations?

There has to be reasonable opportunity for contrasting viewpoints, Henry stated. Doctrine doesn't require "exact balance;" it's the over-all picture that counts, he said, adding that policy applies to licensees but as a practical matter networks comply.

What happens when network programs favor nuclear test ban treaty? Thurmond inquired. Stations should provide other views, Henry said.

Thurmond also asked if fairness doctrine applies to broadcast views that are paid for. Is station required to give free time to opposition? Henry said Commission will have ruling in about 2 weeks. Pastore has no problem at all with the subject. Just because a group has "cash" is no reason why opposing side shouldn't be heard, he declared.

On another bill, Henry testified on Commission-requested measure (S-1193) to require an interested party who wants to intervene in hearing to do so not more than 30 days after hearing issues are published in "Federal Register." Present deadline is 10 days before hearing begins. Pastore thought this a fine idea.

**Abolition of option time still holds,** FCC said, as expected, turning down petitions for reconsideration filed by ABC, its affiliates' association and CBS. Commission gave arguments short shrift. It told ABC that it doesn't think it will be "hurt" more than CBS or NBC, that networks don't need more time to adjust to new rules. CBS was concerned about FCC's language in option-time decision, which not only prohibited option time but any other arrangement "which has the same restraining effect as time optioning." CBS argued, among other things, that this came without warning, is vague & discriminatory, violates court remand, constitutes rate-making. Commission tossed out all CBS arguments. It's now up to courts.

**Oklahoma Congressional delegation** added its support to stand against FCC's proposal to set ceiling on commercials. It reportedly told 8-man committee of Oklahoma Bcstrs. Assn. that it would write letter to FCC stating its displeasure with rule-making. OBA met with Congressmen in office of Sen. Monroney (D). Others attending: Sen. Edmondson (D), all Congressmen (aides of Albert (D) & Jarman (D) substituted for their bosses). It's understood broadcasters were surprised that Congressmen were familiar with issue. Before meeting, OBA held background meetings with NAB staff.

**Equal time relief for 1964 elections** will be weighed this week by Senate Communications Subcommittee. It meets to pass on 4 bills that were subject of hearings in June (Vol. 3:26 p2). Safest bet is on measure to grant 1960-style equal-time suspension for Presidential & Vice Presidential campaigns—S-251 and House-passed H. J. Res. 247. Though there's growing sentiment for extension of equal-time relief, chances are slim for following bills: S-252—permanent suspension for President & Vice President, Senators, Congressmen, governors; S-1696—complete repeal of Sec. 315 of Communications Act, introduced by Sen. Hartke (D-Ind.).

**Next round of editorializing hearings** has scheduled following executives (more are expected to be added): Sept. 18, John Tyler & Tom Martin, KFDA-TV Amarillo; Gerald Sanders, KZZN Littlefield, Tex.; Leon Goldstein, formerly WMCA N. Y., for American Civil Liberties Union; Sept. 19, Ben Strouse, WWDC Washington; Clarence Jones, WQIZ St. George, S. C.; Sept. 20, Harry Thayer, WGHQ Kingston, N. Y.

**American Samoa ETV project** has ordered nearly \$1 million in TV transmitters & studio equipment from International GE, and \$45,000 in microwave links & master TV antenna systems from Jerrold. IGE will supply transmitters for first 3 channels (6 are planned) and equipment for one main studio.

**Constituents' queries,** involving govt. agencies, are forwarded by congressmen with every imaginable kind of covering letter—but Rep. Beckworth (D-Tex.) has one of most unusual. It's handwritten, reads: "Please note, give consideration, help all possible, as facts justify, state status and return. Regards. Lindley Beckworth."

**Group W is planning its 5th public service programming conference** in Cleveland in early Nov. Last was held in Pittsburgh in 1961; before that San Francisco, Baltimore, Boston.

**NEW & UPCOMING STATIONS:** **WNBE-TV (Ch. 12) New Bern, N. C.** got program test authorization Sept. 4 for start as ABC-TV outlet Sept. 7. It's year's 7th new station, raises operating total to 641, of which 79 are ETV. It has RCA equipment in \$790,000 plant on Park Ave., Glen Burnie Meadows, New Bern. Owners are Thomsland Inc. 50%, Nathan Frank 50%. Frank also operates N. C. radios WHNC Henderson & WCNF Weldon. Thomsland owners are Harold H. & Meredith S. Thoms, each 1/3 owner of WISE-TV, Asheville. Nathan Frank is pres. & gen. mgr.; Harold Thoms, vp; George Roesler, national sales mgr.; Don Pierce, station mgr. Base hourly rate is not available, but top min. rate is \$80. Rep is Young Television.

\* \* \* \* \*

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

**KCSM-TV (Ch. 11 ETV) San Mateo, Cal.** has set a Feb. 4 target, writes Dr. Jacob H. Wiens, dir. of College of the Air for KCSM-FM & TV. Station will be in library complex of new \$15 million College Heights campus. Bids for transmitter are expected to go out soon. Dr. Wiens will be gen. mgr. & chief engineer for KCSM-TV; Douglas B. Montgomery, ex-KOGO-TV San Diego, will be program mgr. & film buyer; Deyrol Anderson, ex-KQED San Francisco, operations mgr.

**WNJU-TV (Ch. 47) Linden, N. J.** plans to begin in spring of 1964, reports Pres. Edwin Cooperstein. It will aim programming toward Spanish-speaking & Negro population in N. Y. City area, but will also have Italian, Jewish, German, Polish and other programming. It hasn't ordered transmitter yet, offices have been established in Mosque Theatre Bldg., 1020 Broad St., Newark, where it also will have studios. Antenna will be on Empire State Bldg. Rep: National Time Sales.

**New international TV-radio sales firm, Overseas Broadcast Services Ltd.,** will provide 2-way services—sales agents here for foreign stations & program producers and agents abroad for U.S. stations & programmers. A subsidiary international station rep firm, T.I.E. Sales Ltd., has been formed in partnership with Television International Enterprises Ltd., London. It will represent, in the U.S., stations all over the world. OBS has agreement with Halas & Batchelor Cartoon Films Ltd. to sell its animation product in U.S.; it will also serve as European circulation & advertising representative for "Television Digest" & "Television Factbook." Stephen A. Mann, former ABC International sales mgr., is pres.; Boris Frank, ex-mgr. of Screen Gems International Broadcast Div., is sales vp. Directors: James F. O'Grady, Adam Young exec. vp; Donald G. Softness, Softness Group (PR) pres.; John D. Hayes, formerly international vp of Erwin Wasey, Ruthrauff & Ryan. Address: 230 Park Ave., N. Y. 17; phone: Oregon 9-0560.

### Obituary

**Frank Falknor, 66,** former operations vp for CBS-TV who retired in 1956, died Sept. 6 at Kingston (N. Y.) Hospital after long illness. He was pioneer radio engineer, joined network in 1933. He's survived by wife, son, 2 daughters.

## Television Digest

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### Personals

**New NBC vps:** **Robert Kasmlre** (corporate affairs); **Lawrence Grossmann** (national advertising & promotion); **Merryle (Bud) Rukeyser** (press & publicity).

**John L. McClay**, ex-vp & mgr., Gannett broadcast div., named operations dir., Taft Bcstg. **Charles Ticho** promoted to gen. mgr., N. Y. studios, Fred A. Niles Communications Centers.

**Marshall Karp** promoted to ABC-TV sales mgr., eastern div. **Harold Geary**, station clearance dept., ABC-TV, promoted to daytime sales service mgr.

**William Rubens**, NBC audience measurement mgr., promoted to newly-created post of research dir., Owned Stations & Spot Sales Div. **Dick Kaplan**, ex-D'Arcy Adv., appointed asst. research dir., CBS TV Stations.

**Yale Newman**, ex-ABC News, named news & public affairs dir., WTTG Washington. **Vic Reed**, KGO-TV San Francisco news dir., promoted to public affairs dir., KGO-TV-AM. **William F. Mitchell** promoted to news, programming & public affairs dir., WESH-TV Daytona Beach-Orlando.

**Donald J. Badger**, ex-promotion & merchandising mgr., WTEV New Bedford-Providence, named to sales staff, WLBW-TV Miami. **Arthur Perles**, ex-editor, "Radio-TV Daily," appointed MGM-TV press chief.

**Tom Wright** promoted to WTVT Tampa news dir. **William G. Garry**, ex-WBBM-TV Chicago news dir., appointed editorial dir., WBKB.

**FCC Chmn. Henry speaks** briefly during Sept. 12 opening of WHYV-TV (Ch. 12 ETV) Wilmington, also Sept. 17 during inauguration party for AWRT Washington Chapter, at Broadcasters Club.

**FCC Comr. Loevinger speaks** at Sept. 12 luncheon of Federal Communications Bar Assn. at National Press Club.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**11-IN. TV COMING FROM 3RD MANUFACTURER:** In neat change of pace, fast-moving Curtis Mathes Mfg. Co. is entering The Great Tinyvision Race of 1963-64, will bring out own version of 11-in. personal portable TV—probably in time for Christmas selling.

This is real change of pace for Mathes, heretofore a specialist in TV-phono combinations and now moving rapidly into color. Becoming comfortably ensconced in what may be the 3 fastest-moving segments of TV market—combos, color & tinyvision—Mathes, with its unique way of doing business, may well be heading for major manufacturer status, despite its protestations that it wants to stay small.

Mathes now has own plastics plant in preparation for its entry into portable field, will manufacture cabinet as well as insides of new 11-in. set, as it does its furniture TVs. Tube of its 11-in. will be of new Shelbond variety, requiring neither bonded nor external implosion shield (see below).

Entire industry has been watching GE's 11-in. sales, and pronounces them good so far. It will also be scrutinizing reception of just-introduced Admiral 11-incher (Vol. 3:35 p7). There's little hope of any of the other majors coming up with 11-in. before Christmas; few can turn on a dime the way Curtis Mathes does. Tinyvision race, before it's over, could leave some major manufacturers—or Mathes—with good case of egg-on-the-face. But since it entered TV business, Curtis Mathes has tasted very little omelette.

**SHELBOND TUBE MEETS WIDE APPROVAL:** Curtain is going up on Act II of "How to Succeed in Picture Tubes Without Safety Glass," and first reviews indicate it may well be a hit.

Sampling of tube & set makers shows widespread interest in new Corning process for building tubes requiring neither external nor laminated implosion plate (Vol. 3:25 p8). Tube makers like it because it's simple manufacturing process. Set makers are interested because it holds promise of saving them money, while having many of advantages of bonded tubes.

Shelbond was Corning's answer to Owens-Illinois' Kimcode system, but it's good guess O-I could not care less, since Shelbond uses same bulb as Kimcode, available either from Corning or O-I. Kimcode, too, has gained some adherents recently, in addition to Curtis Mathes & GE, its first users. It's understood Emerson will switch to Kimcode on its 16-in. set, and that TraVler & Muntz are using it in some models.

Every tube maker is exploring Shelbond process, and it's good bet that several will go into production as soon as the special metal rims are available from Corning—which should be pretty soon. It will be available in 16-, 19- & 23-in. sizes, and, as soon as UL listing is obtained, in 11-in. Curtis Mathes, 3rd U. S. manufacturer to enter 11-in. field (see above), is expected to use Shelbond tube in its tinyvision. (GE's 11-in. uses its own Lamilite bonded plastic implosion shield, Admiral's uses Pittsburgh Plate's bonded glass shield.)

Tube makers would like to see end of multiple system of implosion shielding, and many can be expected to push Shelbond as ideal all-purpose system. As to set makers, so far they're studying it. . . very interested. Who'll be first to use it in large-size tube? Good guess is Admiral.

**BEHIND CINERAMA—TELSCAN DEAL:** Through its acquisition of rights to British-developed Telcan home TV tape recorder (Vol. 3:31 p6, 32 p7), Cinerama Inc. hopes to become a major power in consumer electronics manufacturing & distribution.

While some American TV engineers were unimpressed with Telcan recorder, Cinerama found it "brilliant technical breakthrough" capable of rapid improvement. Here are highlights of Cinerama's arrangements & plans.

Cinerama's agreement is with Rutherford Engineering Partnership, Bermuda, which consists of 5 individuals who also own Nottingham Electronic Valve Co. and Telcan Co., both of Nottingham, Eng-

land. Under terms of contract, new firm will be established, to be controlled by Cinerama (believed to have 51% ownership), with the 5 members of Rutherford group holding balance of stock. New firm will have rights to manufacture, market & promote Telcan outside British Commonwealth and "certain common market countries."

Cinerama plans to manufacture recorder in its own plant facilities, principally its Cinerama Camera Corp. factory in Cal. It hopes also to offer tape recorder deck to TV manufacturers, but hasn't established whether it will supply hardware or manufacturing licenses.

First U. S. demonstration of Telcan will be held under Cinerama auspices "within several months." As to limitations of present model (fast tape speed, only 15 minutes' recording at a time), Cinerama spokesman told us: "The quality of the picture can be greatly improved rather rapidly. The combination of thinner tape and slower speed can provide more recording per reel."

Company says it hopes to have recorder on U.S. consumer market some time next year. It says price will be "within the consumer range—definitely under \$500, possibly a lot cheaper," although it won't be committed to Telcan's estimated British consumer price of \$173.46. Cinerama also says it plans to market low-priced home TV camera to make Telcan a sort of home TV movie system, but it will not handle home vidicon camera developed by Nottingham several years ago.

Among byproducts of Telcan, Cinerama says it's investigating industrial version of TV tape recorder at "slightly higher price."

Cinerama officials confirm our speculation that Telcan is basically a speeded-up audio tape recorder, equipped with special head. They said they also investigated recently announced "Videogram" LP disc sound-picture system in Wolverhampton (Vol. 3:35 p10), found it "excellent," but rejected it since it lacks Telcan's versatility—it can play back, but can't record.

Cinerama claims it bid against "some of the biggest companies in the world" for Telcan rights, won out not because it offered more money, but because of "our policy against enslavement" of Telcan owners. Cinerama's stock, traded on American Exchange, responded listlessly to announcement of Telcan pact late Sept. 3. It had closed Sept. 3 at 16 (it was 2nd most active stock), opening Sept. 4 at 16, its high for day, closing at 15 1/8, down 1/8, on a generally declining market.

Cinerama has now put itself on record, announced its tentative schedule—and the industry will be watching closely. One thing is certain: Home video recording fever is in the air. In next few months & years, you'll hear about more & more inventions which claim to make it practical. One or more of them will actually go to market.

**PRICE TRENDS OF 15 TV BRANDS:** Starting prices of consoles, combinations & color sets have taken far greater plunge during last 12 months than those of portables & table models. This is one trend that shows up sharply when we analyze tabulation of manufacturers' suggested list prices (or their equivalents) in new "TV Set Buyers' Guide," published last week as supplement to Sept. 7 "TV Guide."

Median price of low-end 19-in. portables, tabulation indicates, dropped 7% from Sept. 1962 to Sept. 1963, and 23-in. table models dipped 3%, while starting prices of 23-in. consoles fell 13%, combinations 21% and color sets 32%.

Table shows trends, rather than exact suggested list prices, but even so, it demonstrates price attrition in TV industry. It lists approximate retail price ranges of sets sold under 15 brand names (Admiral, Airline, Du Mont, Emerson, GE, Magnavox, Motorola, Olympic, Packard Bell, Philco, RCA, Silvertone, Sylvania, Westinghouse, Zenith). When compared with last year's Buyers' Guide (same brands except Airline), it gives interesting indication of what has taken place in single year.

In 16-in. category, 8 manufacturers are listed. Median starting price is \$130 (all figures are rounded). Five manufacturers gave this \$130 figure, while lowest was \$100 (Emerson), highest \$150 (Zenith). In last year's listing, only one 16-in. manufacturer was represented—GE, starting at \$170 (now \$130).

Of 15 manufacturers offering 19-in. portables, 6 have starting price of \$130, which represents the median. Lowest is \$100 (Silvertone), highest \$160 (Du Mont). Of 14 makes last year, median was \$140, with range of \$120-\$170.

In 23-in. table-model market, median starting price for 13 manufacturers offering them this year

is \$180, ranging from \$160 (Silvertone) to \$190 (4 manufacturers). Last year, median was \$185, and range of 11 manufacturers' low-end 23-in. table models ran from \$160 to \$230.

Half of the 15 manufacturers start their 23-in. console lines this year at \$200, which is median starting point, while range is \$150 (Airline) to \$250 (2 manufacturers). Last year, median was \$230, range \$180-\$260.

Median starting price of b&w 23-in. combinations has fallen more than \$100 in 12 months. This year it's \$380, although more set makers (4 of them) start their combos at \$400 than at any other price. Combo starting prices range from \$250 (Airline) to \$595 (Du Mont). Last year, median was about \$483, and range was \$300-\$700, with greatest number (3) beginning at \$500.

In color sets (lowest priced table model or console), this year's median starting point is \$450 (8 out of 15 brands), and range is \$390 (Silvertone table model) to \$599 (Du Mont console). At this time last year, the 13 brands of color sets ranged in starting price from \$480 to \$795, and median starting price was \$650, although \$695 (4 brands) & \$595 (3 brands) were most popular starting points.

Of 10 brands of color combinations listed this year, median starting point is \$895, with range of \$500 (Olympic with phono but no radio) to \$1,650 (Motorola 23-in. color combo). This time last year, only 3 brands offered color combos—starting at \$995, \$1,100 & \$1,750. Here's low end comparison:

Category	Median Starting Price		Starting Price Range	
	Sept. 1962	Sept. 1963	Sept. 1962	Sept. 1963
16-in. portable. . . . .	—	\$130	\$ 170	\$100-150
19-in. portable. . . . .	\$140	130	120-170	100-160
23-in. table . . . . .	185	180	160-230	160-190
23-in. console . . . . .	230	200	180-260	150-250
23-in. combo. . . . .	483	380	300-700	250-595
color . . . . .	650	450	480-795	390-599
color combo . . . . .	—	895	995-1,750	500-1,650

**TV-RADIO PRODUCTION:** EIA statistics for week ended Aug. 30 (35th week of 1963):

	Aug. 24-30	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	165,184	167,041	131,631	4,561,470	4,278,367
Total radio .....	366,932	406,770	389,153	11,181,840	12,056,603
Auto radio.....	144,146	169,170	146,940	4,710,300	4,247,206

**TOPICS & TRENDS**

TV exports from Japan to U.S. set single-month record in July, when 47,418 sets were shipped, according to Japanese govt. figures. This was more than 14 times the 3,289 shipped in July 1962. For 1963's first 7 months, total was 194,780 sets, up fourfold from the 46,715 for comparable 1962 period and higher than total for entire year of 1962. For the 7-month period, Japanese exports to U.S. were equal to 5% of total U.S. b&w TV production during same period, first time figure has reached this proportion. (Japanese govt. has discontinued breakdown between transistor & linecord sets and between large- & small-screen sets, probably at request of Sony, largest exporter of transistorized TVs.)

Exports of transistor radios (6 or more transistors) continued to climb in July, while shipments of other types of radios extended their decline. For first 7 months of year multi-transistor radio exports from Japan to U.S. totaled 4,237,151 sets, up 13% from 3,776,517 in same 1962 period, while tube radios declined 33% to 599,069 from 895,735 and other radios (mostly "toys") dipped to 1,230,621 from 1,686,070. July exports (1962 in parentheses): Multi-transistor 787,688 (651,227), tube 90,238 (133,776), other 156,985 (201,389).

GE cut prices on 3 radios last week, reducing \$16.95 gift-pack 5-transistor personal portable to \$14.95, eight-transistor personal set from \$29.95 to \$19.95, AM-FM table model from \$59.95 to \$49.95. Dropped in was 13-transistor AM-FM portable at \$49.95 (same price as GE's 8-transistor AM-FM-SW portable).

**EIA—IMPORTS & UHF:** Attention of consumer products manufacturers at this week's EIA fall conference in N. Y.'s Biltmore Hotel will be focused on 2 industry problems: imports & all-channel TV.

Association's Electronics Imports Committee, headed by Sprague Electric Chmn. Robert C. Sprague will make another effort to gain support of Consumer Products Div. for "constant & intensive" program designed to "prevent the destruction of the U.S. electronics industry by increasing imports from low-wage countries." Consumer manufacturers previously have been divided on this issue. Sprague will seek approval of all EIA divisions for appropriation to support industry-wide program.

On all-channel front, Consumer Products Div. executive committee will view world premiere showing of FCC film strip designed to educate TV service technicians & public on uhf & all-channel law (Vol. 3:35 p7). Group will also consider strategy, and resolution to pass on to FCC, aimed at repeal of 10% federal manufacturers' excise tax on all-channel receivers.

Consumer products group will consider 2 proposals for engineering tests: recommendation by Committee for Full Development of All-Channel Broadcasting that FCC sponsor tests of varying ratios between visual & aural power of TV stations; proposal by National Bureau of Standards' Dr. Kenneth A. Norton for tests of reduced separation between vhf stations.

Other highlights of EIA conference: (1) Naming of new consumer products staff director to succeed L. M. Sandwick. (2) Organizational meeting of new Distributor Products Div. (3) Formation of citizens' band equipment section within Industrial Electronics Div. (4) Talk by U. S. Office of Education's Dr. Ronald Lowdermilk on school electronic equipment. (5) Sept. 10 dinner address by Washington attorney Walter Slowinsky on "Legal & Tax Aspects of International Trade," with emphasis on anti-trust problems in dealings with European Common Market.

**RCA's fall ad campaign**, understood to cost \$7 million, will be biggest ever, highlighted by unique national "RCA Victor Week" newspaper rotogravure promotion, one of largest distributions of its kind. As explained by RCA Sales Corp. ad & sales promotion vp Jack M. Williams, 8-page color roto insert, including local dealer listings, will be distributed with 211 newspapers Sept. 29—for total of 33 million copies, supplemented by direct mailings of 7 million additional copies. Williams said TV industry is headed for new sales record in 1963, "and we believe that when business is good we should increase our advertising."

**Westinghouse expands** consumer advertising this fall, including 23 full-page ads in national magazines, highlighting Instant-On TV and transistor stereo. First ads show Westinghouse TV and 8 competing makes, stressing that Westinghouse is only one to get picture instantly.

**DISTRIBUTOR NOTES:** Olympic Radio & TV named **Harry Green** pres. of subsidiary Olympic of S. Cal., a new post . . . **Symphonic Radio & Electronic** appoints **Radio Specialties Co.**, 12775 Lyndon, Detroit, distributor for metropolitan Detroit. Symphonic had no distributor in Detroit area previously. . . **Philco** appoints **C. Dick Fuller** sales mgr. for Philco Distributors Cincinnati, succeeding **Richard Brenner**, resigned.

**Ampex's 1963-vs.-1962 performance** shows sales ahead 12%, earnings up 56%, pre-tax earnings up 63%, orders received 27% ahead and backlog about 21% ahead. Pres. William E. Roberts also reported that Ampex will introduce 30-35 new products in fiscal 1964, beginning next Feb. 1, termed new products the company's "lifeline." He said Ampex is seeking diversification, will invest some \$70 million for R & D in next 5 years. Ampex's International Div. is growing faster than the domestic operation, he noted, adding: "To increase our penetration of worldwide markets Ampex is expanding its manufacturing facilities in England and plans a new manufacturing plant within the European Common Market—undoubtedly in Belgium." Company also is "making progress toward a joint venture activity in Japan."

**Nippon Electric Co.** has dropped out of group of 23 Japanese TV manufacturers & potential TV manufacturers who have agreed on proposed minimum TV export prices (Vol. 3:35 p11). NEC and its U. S. affiliates are principal defendants in anti-trust suit filed in N. Y. last month by Symphonic Electronic Corp., charging price-fixing conspiracy among Japanese TV manufacturers doing business in U. S. (Vol. 3:29 p7). There was some indication, meanwhile, that Japanese govt. may hold up approval of export price floors pending interpretation whether it may cause manufacturers or their U. S. representatives to run afoul of U. S. anti-trust laws. In N. Y., attorneys for NEC are expected to file motions in connection with Symphonic complaint next month, but any trial is probably at least a year in future.

**RCA has introduced** new outdoor TV & FM radio antennas which will be marketed via RCA Parts & Accessories distributors. Paul B. Garver, Parts & Accessories mgr., said each of 3 new TV antenna series is "ideally suited for both color and b&w reception," described them as "unique in that they utilize a cross-fed, stagger-tuned driven element assembly which gives us a series of exceptionally fine engineered vhf antennas [featuring] extremely high gain, flat frequency response, high front-to-back ratio."

**First color sets** by Setchell-Carlson feature plug-in circuits for easy servicing. Novel feature is plug-in chroma circuit, which can be removed for repair without interfering with b&w operation of set. Sets also have built-in picture tube booster, which can be adjusted to compensate for aging. Color consoles are priced from \$696 to \$716, with all-channel models about \$20 higher. Featured in Setchell-Carlson b&w line is 23-in. TV-AM-FM stereo chassis designed for custom installation.

**Sylvania TV factory unit sales** rose 16% above year-ago period during 1963's first 7 months, Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis reported. Factory stereo sales pushed 30% ahead, with consoles accounting for bulk of increased sales. Theis said that demand for Sylvania portable TVs, "especially sets with optional clock timers, have far outpaced production schedules."

**International Electrohome** reports its U. S. b&w TV sales volume has increased more than 200% over total 1962 volume since last spring, and that 55% of its 1963 TV production has been sold less than 45 days after its dealer introduction.

**Packard Bell color price leader** is \$499.95, rather than \$650 reported in recent roundup (Vol. 3:29 p8).

## Trade Personals

**John L. Burns**, former RCA pres., headed investor group which purchased Rawlings Sporting Goods Co. for more than \$10 million from A. G. Spalding & Bros., will become chmn. of new Rawlings Corp.

**Harry A. Rloff** retires as asst. treas. & asst. secy. of Minnesota Mining's Revere-Wollensak Div., will serve as consultant.

**Douglas L. Hamilton** elected Sylvania corporate controller, succeeding **Roy E. Drew**, killed in July 2 crash of Mohawk Airlines plane at Rochester, N. Y. (Vol. 3:27 p12).

**Charles H. Resnick**, Raytheon general attorney, also elected secy., succeeding **Wellington F. Scott**, resigned to join Boston law firm.

**Oral D. Koch** appointed gen. mgr. of P. R. Mallory's Mallory Electronics Co. Div., succeeding **William A. Clark**, who died last month.

**Charles J. Hirsch**, RCA staff engineer, reported recovering well from heart attack, having returned from Denver hospital Aug. 22 (Vol. 3:30 p11).

**Electrical engineers' starting salaries** are highest in engineering field, according to analysis of graduates of Ill. Institute of Technology. This year's electrical engineering graduates are receiving average monthly paycheck of \$607, up from \$585 for graduates just a year ago. Other engineering fields (last year's average starting pay in parentheses): chemical \$585 (\$558), industrial \$582 (\$584), mechanical \$589 (\$570), metallurgical \$582 (no change).

**A. R. Bernard Co.** has been established in Chicago by ex-Argus Exec. vp Albert R. Bernard for marketing, financing and sales promotion of tape recorders and other electronic products, photographic equipment and allied items. Firm is located at 3512 N. Kostner Ave., will handle both U. S. and imported products.

**MERGERS & ACQUISITIONS:** **Purolator Products** is seeking control of **Tung-Sol** via offer to purchase from stockholders 200,000 common shares at \$22 each. Offer expires Sept. 26. Tung-Sol, which closed on NYSE Sept. 3 at 17-1/4 and jumped to 22-1/8 Sept. 4 after Purolator's announcement, termed offer "an attempt to purchase effective control of Tung-Sol at a bargain price." Merger discussions between the 2 firms broke down last month (Vol. 3:26 p12). Tung-Sol Treas. Paul Hemschoot said Purolator's merger offer of one share of 4-1/2% convertible preferred stock for each 4 shares of Tung-Sol common "was grossly inadequate"... **Minnesota Mining & Mfg.** has purchased **Dynacolor Corp.**, Rochester, N. Y. film maker and processor, for more than \$17 million in 3M stock. Terms: one share of 3M for each 5 of Dynacolor's outstanding common shares... **Delmonico International's** parent, Thompson-Starrett Co., plans to acquire for 60,000 common shares **Shaw Mfg.**, maker of decorator-style cabinets for TV-radio-phonograph and other combination home electronics instruments. Acquisition will be used to furnish cabinets for Delmonico's imported TV and stereo chassis. Shaw lost \$499 on \$431,453 sales in its 1963 fiscal year ended last Jan. 31.

**Transitron Electronic** suffered its 3rd successive annual loss with record deficit of \$2.8 million in its 1963 fiscal year ended June 29 (see financial table). Pres. David Bakalar blamed loss on unfavorable pricing conditions in semiconductor industry but maintained that Transitron continues as a major factor, competitively & financially strong. Company's cash & marketable securities at end of fiscal year slipped to \$6,299,463 from \$6,681,356 a year earlier. Long-term debt, however, was reduced to \$1,897,666 from \$2,134,544. Ratio of current assets to current liabilities was 5.9 to 1 vs. 5.4 to 1 at end of fiscal 1962. Bakalar forecast a marked improvement in operating results in new fiscal year despite fact price competition and other adverse factors are expected to continue. Sales in fiscal 1963 dropped to \$23 million from \$28.8 million last year and record \$47.8 million in fiscal 1960.

**Electronics Capital Corp.**, San Diego-based small business investment firm headed by Pres. Charles Salik, will invest \$1.25 million in equity capital and long-term loans in Energy Systems Inc., Palo Alto, Cal. maker of power, transmission and test equipment for use in communications, radar & nuclear fields. ECC closed its 1963 fiscal year June 30 with \$21,136,000 committed to 20 electronics firms. ECC stockholders will vote Sept. 20 on proposed amendment to company's investment policy that would permit ECC to underwrite the sale or other distribution of its portfolio companies' securities. "As these companies develop to a point where public financing is considered appropriate to raise additional funds that may be needed," ECC noted in proxy statement to shareholders, "the corporation believes it can be of assistance in this effort."

**Allied Radio** posted record sales in its 1963 fiscal year ended July 31 (see financial table) but earnings dropped sharply because "during the year an unprecedented amount of merchandise was returned by our customers because it was either defective or didn't otherwise measure up to their expectations," reported Pres. A. D. Davis. "Among products affected were record changers, tape recorders, and high-fidelity equipment made by a wide range of domestic and foreign manufacturers." Davis said Allied's "basic accounting procedures" failed to disclose the "full scope of these and other problems" until after year's end, summed up: "Quality problems, in our own manufacturing division and with many of our suppliers, were at the root of the reduced earnings" which fell to \$591,000 from \$1.2 million a year earlier.

**Reports & comments:** **Paramount Pictures**, analysis, Newburger, Loeb & Co., 5 Hanover Square, N. Y. 4... **Rollins Bcstg.**, prospectus, A. C. Allyn & Co., 44 Wall St., N. Y. 5... **Walt Disney Productions** and **Schlumberger (Daystrom)**, reports, L. F. Rothschild & Co., 120 Broadway, N. Y. 5... **Capital Cities Bcstg.**, review, Purcell, Graham & Co., 50 Broadway, N. Y. 4... **ITT**, review, Van Alstyne, Noel & Co., 52 Wall St., N. Y. 5... **Ling-Temco-Vought**, review, D. H. Blair & Co., 42 Broadway, N. Y. 4... **Walt Disney Productions**, report, Woodcock, Moyer, Fricke & French, 123 S. Broad St., Philadelphia 9... **Sprague Electric**, prospectus, The First Boston Corp., 15 Broad St., N. Y. 5... **Arvin Industries**, study, Courts & Co., 11 Marietta St., N. W., Atlanta 1... **Avco**, report, Hirsch & Co., 25 Broad St., N. Y. 4... **Jerrold Corp.**, report, Leason & Co., 39 S. La Salle St., Chicago, 3...

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio Story on p. 11	1963—year to July 31	\$ 62,143,000 <sup>1</sup>	—	\$ 591,000	\$0.54	1,065,098
	1962—year to July 31	51,963,000	—	1,187,000	1.08	1,019,739
Emerson Radio & Phonograph	1963—39 wks. to Aug. 3	—	—	1,351,566 <sup>2</sup>	.60	2,270,497
	1962—39 wks. to Aug. 3	—	—	1,787,431	.79	2,270,497
Industrial Elec- tronic Hardware	1963—qtr. to June 30	1,745,448	—	44,379	.06	737,294
	1962—qtr. to June 30	1,505,924	—	6,673	.01	737,294
Lynch Corp. (Symphonic)	1963—6 mo. to June 30	12,380,675	\$ (165,942) <sup>3</sup>	(121,060)	—	1,141,590
	1962—6 mo. to June 30 <sup>4</sup>	12,376,971	139,336 <sup>4</sup>	21,100	.02	1,141,590
Microwave Associates	1963—9 mo. to June 30	8,009,400	—	37,700	.04	1,020,600
	1962—9 mo. to June 30	9,643,200	—	365,800	.36	1,012,100
	1963—qtr. to June 30	2,734,600	—	1,900	—	1,026,200
	1962—qtr. to June 30	3,381,500	—	99,900	.10	1,013,700
Republic Corp.	1963—39 wks. to July 27	34,667,662	—	1,462,145	.48 <sup>5</sup>	2,443,448
	1962—39 wks. to July 27	31,985,093	—	1,128,632	.34 <sup>5</sup>	2,443,448
Schlumberger (Daystrom)	1963—6 mo. to June 30	147,542,000	17,977,000	9,402,000	1.76	5,333,587
	1962—6 mo. to June 30	127,131,000	17,843,000	9,748,000	1.83	5,333,587
Times-Mirror	1963—28 wks. to July 14	80,083,014	—	4,318,459 <sup>6</sup>	.98 <sup>6</sup>	4,424,014
	1962—28 wks. to July 14	74,881,704	—	2,307,000	.53 <sup>7</sup>	4,385,755
	1963—16 wks. to July 14	46,079,694	—	2,551,778 <sup>6</sup>	.58 <sup>6</sup>	4,424,014
	1962—16 wks. to July 14	44,369,255	—	2,144,295	.49 <sup>7</sup>	4,385,755
Transitron Story on p. 11	1963—year to June 29	22,925,523	(5,706,776)	(2,806,776) <sup>8</sup>	—	7,503,368
	1962—year to June 29	28,831,539	(1,543,755)	(498,755) <sup>9</sup>	—	7,503,368
United Artists	1963—6 mo. to June 29	49,971,000	1,209,000	802,000	.44	1,805,542
	1962—6 mo. to June 29	62,066,000	3,868,000	2,003,000	1.11	1,741,473

Notes: <sup>1</sup>Record. <sup>2</sup>Before substantial non-recurring gain from sale of 86%-owned Emertron subsidiary to Litton Industries (Vol. 2:47 p11). <sup>3</sup>Before taxes & amortization of excess costs. <sup>4</sup>Restated to include operations of Cox Corp. <sup>5</sup>After preferred dividends. <sup>6</sup>Before \$4,589,001 (\$1.03 per share) non-recurring gain from sales June 29 of KTTV Los Angeles. <sup>7</sup>Adjusted to reflect Jan.-1963 2% stock dividend. <sup>8</sup>After tax credit. <sup>9</sup>After tax credit and special \$265,000 credit.

**Scripps-Howard Bcstg.** "enjoys one of the highest over-all profit margins among TV-radio companies—22% after tax in 1962," noted Aug. 28 Merrill Lynch, Pierce, Fenner & Smith report, adding: "We currently estimate 1963 earnings in the \$1.30-\$1.40 range" vs. 1962's \$1.20, "despite results of 58¢ a share in the first 24 weeks just equaling earnings of the like 1962 period." Broker also noted that "management is aggressively seeking an additional vhf TV station," said "such negotiations are continuous but no announcement is known to be imminent at this time." Scripps-Howard's West Palm Beach station, "unprofitable last year," report continued, "has been operating under an increased advertising rate schedule this year and the company hopes it will be profitable for 1963 as a whole."

**Sonar Radio Corp.**, Brooklyn, N. Y. maker of citizen band radios, radio telephones, other electronic devices, more than tripled earnings in its 1963 fiscal year ended June 30. Profits climbed to \$160,870 (40¢ a share) from fiscal-1962's \$48,969 (12¢).

**Magnavox-GPE merger rumors** (Vol. 3:35 p12) continued to simmer last week despite statements from both that trade speculations were just that. "N. Y. Herald Tribune" on Sept. 1 forecast "formal announcement in a few weeks," commented "merger would make electronics sense—consolidation of consumer-oriented and govt.-oriented firms." "Tribune" said merger terms were one share of Magnavox for each 1.1 shares of GPE, "subject to market price movements." Magnavox told us: "Nothing to it. Talks have not gone beyond the preliminary stage. the matter has not even been discussed with our board. and merger terms definitely have not been discussed."

**Sonotone** charged the Air Force unreasonably high prices for nickel cadmium storage batteries, General Accounting Office claimed, seeking refund. GAO said Sonotone failed to disclose significant cost & production data before award of fixed-price contract, also later changed battery design without approval and delivered less costly product. Result: contract price of \$1,901,200 exceeded costs by some \$704,000, or 58¢.

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

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

SEPTEMBER 16, 1963

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NEW SERIES VOL. 3, No. 37

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

**Broadcast**

**COMMERCIAL LIMITS BATTLE NEARS CLIMAX:** Two more broadcaster delegations—North Carolina & Missouri—call on congressmen. Oklahoma lawmakers send strong letter to FCC, expressing unanimous opposition. Another anti-limits bill is introduced. Cox says Commission might yield if Code had more subscribers (p. 1).

**RATING COUNCIL WANTS AAAA ON BOARD:** Group meets in N. Y., will again seek full participation of agencies & advertisers. Names of raters who've applied for accreditation disclosed. NAB reportedly close to cooperation with RAB on radio study. FTC's Sweeny says he's concerned about hyping & precise audience claims (p. 2).

**PAT WEAVER, PAY TV, PROGRAMS, MONEY.** With Weaver as pres., new Subscription TV Inc. is in position to beef up programming. He gets \$85,000, plus 1% of profits, plus stock option. NBC's Tom Gallery also hired as sports dir., at \$62,500 (p. 4).

**LOEVINGER STANCE**—more new FCC member's thinking on FCC workload, organization, staff delegation, programming questions (p. 5).

**COLOR & UHF GROWTH—AT THE RECEIVER END:** Questions about color TV are probably the most numerous we get—and answers are probably hardest to find. Hence, we urge our subscribers in broadcast field as well as those in manufacturing-distribution-finance, to read report on color in our "Consumer Electronics" section (p. 6). Though it's devoted primarily to receiver distribution, this represents growth of stations' color audience, a fundamental subject.

Report is based on study by Sylvania, one of most alert in research field. Report is exclusive, and we're happy to present this addition to your information on vital development of color TV.

For similar reasons, development of new audience, we suggest you also read our report on all-channel-receiver activity at EIA conference, in "Consumer Electronics" section.

**COMMERCIAL LIMITS BATTLE NEARS CLIMAX:** There's growing expectation FCC will drop its proposal to limit commercials. For weeks, Commission has been buffeted by Congress in form of letters, speeches, bills. Much of reaction is result of unprecedented face-to-face campaign by broadcasters to bring their story to congressional delegations.

Missiles to FCC have been concerned not only with merits of issue, but also with question of agency stretching its statutory authority. Another bill (HR-8381) to forbid FCC from making rules on

**Consumer Electronics**

**DIMENSIONS OF COLOR** shown in unreleased survey of 17,590 families conducted for Sylvania; color owners enthusiastic about sets, but want more programs; consumers ahead of dealers in color interest; 40% of families have not seen color; Mansfield estimates 872,500 sets sold through 1962, predicts 1963 sales of 460-650,000 (p. 6).

**1.5 MILLION COLOR TUBES** will be required by set makers next year, RCA's Watts predicts; sees possibility of 25-in. rectangular sets by Christmas 1964, but no all-out production until 1965 (p. 8).

**ALL-CHANNEL PUBLICITY PROGRAM** stalled again as EIA members propose extensive changes in FCC film strip; Norman Jack Wayman named EIA consumer products staff director; manufacturer group plans vigorous import action (p. 8).

**A LOOK AT DISCOUNT INDUSTRY IN 1970's** by economist Dr. Ward J. Janssen finds more and larger stores on the way, a decline in proportion of department and variety stores. However, expansion may bring its own problems to discounters—shortage of good store sites, maximum store size for optimum returns (p. 9).

length or frequency of commercials was introduced by Rep. Purcell (D-Tex.). It's virtually same as measure introduced by Rep. Rogers (D-Tex.) (Vol. 3:35 p4).

Two more state associations "marched on Washington" last week. Committees from North Carolina & Missouri associations called on their congressional delegations.

Sen. Ervin (D-N. C.) was especially receptive to his state's group. After broadcasters related their FCC problems, Ervin said it reminded him of story about lion's den: "All the tracks led in, none led out." Sen. Jordan (D-N. C.) also thought something should be done about commercial limitations. He said he would first have to "get together with his lawyer"—meaning Ervin. Latter was also very concerned with larger issue—that regulatory agencies were stretching their legal powers.

North Carolina broadcasters, 19 strong, split up into 4 groups to make calls. They carried individualized brochures, referred to rule-making as "bold extension" of FCC policies to "place broadcasters under govt. domination and control."

Each brochure contained total of TV & radio sets in use in each congressional district. Each also listed 6 reasons why proposal shouldn't be adopted; these were same arguments made by NAB in its original battle communique to broadcasters (Vol. 3:28 p2), including: "contrary to intent of Congress" & would "destroy free enterprise."

North Carolina members of House Commerce Committee—Reps. Broyhill (R) & Kornegay (D)—were also reported very sympathetic to broadcaster fight. About a dozen Missouri broadcasters called not only on their senators & representatives, but on selected congressmen from neighboring Illinois, including Sen. Dirksen (R).

Oklahoma Congressional delegation sent strong letter to Commission last week, as we indicated it would after visit by state broadcasters 2 weeks ago (Vol. 3:36 p5). Signed by senators & all congressmen, letter expressed "unanimous opposition" to proposal, noted that FCC hasn't exhausted present machinery, said it has never raised question of overcommercialization at renewal time for any Oklahoma station. Further, letter said, proposal is without legal foundation, citing 1940 Supreme Court decision (FCC vs. Sanders) in which Court held that Communications Act doesn't attempt to regulate business practices of licensee.

There was talk last week of trying to get a senator to introduce a bill similar to Rogers' measure. Among those mentioned as possibilities were Magnuson (D-Wash.), Pastore (D-R. I.) or Monroney (D-Okla.). But with feeling of guarded optimism, those closest to battle at NAB would like to see what FCC's next step is.

FCC Comr. Cox, advocate of commercial limits, told RAB Management Conference last week: "When NAB said there should be a limit of 18 minutes per hour for commercial time, nobody in the industry cried out censorship or rate regulation. Incidentally, some stations have told me they'd be happy if they could only sell the NAB limit. . .

"I understand that about 30 to 35% of the radio stations and maybe two-thirds of the TV stations subscribe to the NAB Code. I should think that if the NAB would come out with a more flexible Code, one that would take into account the daytime, the seasonal, the small market problems of radio—and then, if NAB could show probability of significant improvement in the level of subscriptions (but surely not 100%)—the FCC might be inclined to take a wait-and-see attitude about making the Code part of our rules."

Campaign by broadcasters now has included congressional calls from state associations representing West Virginia, Georgia, Tennessee, Oklahoma, North Carolina, Missouri. Virtually all efforts were coordinated with NAB.

**RATING COUNCIL WANTS AAAA ON BOARD:** Rating Council is making renewed effort to get full agency & advertiser participation in reform program by having AAAA & ANA represented on board when Council is incorporated. This reportedly is basic holdup in plans to file papers in Delaware for Rating Council Inc., as group met in N. Y. last week to review articles & bylaws. Articles can't be filed until proposed RCI can specify makeup of board.

Tentative board plans would give NAB about 5 members, plus one for each network, TvB, RAB, SRA, NAFMB, plus ANA & AAAA if they go along. NAB is aware that effectiveness of reform pro-

gram would be greatly enhanced if these groups participated. When Group W's Don McGannon, NAB research committee chmn., made last appeal, AAAA Pres. John Crichton clung to status of "observer" (Vol. 3:27 p3). AAAA & ANA representatives attended last week's Council meeting. In other developments:

(1) Council for first time disclosed names of 9 research firms which have applied for accreditation—ARB, Nielsen, Pulse, Hooper, Sindlinger, Trendex, Alfred Politz Research, SRDS Data, Trace.

(2) RAB's detailed proposal for radio methodology study was discussed. Some disagreements, not major, were aired. McGannon said there'd be discussions "to eliminate areas of uncertainty and differences." At that time, NAB's Research Committee would meet to decide, one way or the other, on co-financing study. RAB would like NAB to put up about \$75,000 of total \$200,000. NAB is anxious to conclude matter. Top NAB sources told us that meeting would take place in about 2 weeks, said they expect NAB to cooperate with RAB, but perhaps not come up with as much as \$75,000.

(3) Council standards & criteria for all rating services were discussed, but not approved. Reason given: It was first time that many of the 2 dozen executives who attended meeting had chance to see them and they wanted more time. Changes in language, not substance, were also requested.

(4) Council has sent out its individual methods questionnaires to ARB, Nielsen, Pulse, Hooper, Sindlinger. Others will be sent shortly. When they're returned in Oct., they'll serve as basis for audit, which RCI will supervise.

(5) NAB Research Vp Melvin Goldberg addressed closed session of Radio-TV Research Council in N. Y., reviewed progress of Council. Later discussion centered around Harris Subcommittee staff proposal to have ratings expressed in ranges rather than in single estimates (Vol. 3:35 p4). Researchers expressed almost unanimous opposition to idea, considered adopting resolution to that effect.

(6) Harris Subcommittee published first volume of ratings hearings' transcript. It's 417 pages, covers testimony of all witnesses up to rating services—including networks, stations, FTC Chmn. Dixon, NAB Pres. Collins, others (Vol. 3:33 p2). Three more volumes are planned: (1) Testimony of all rating services except Nielsen; (2) Nielsen; (3) FCC Chmn. Henry, RAB Pres. Ed Bunker & Vp Miles David, Census Bureau witnesses, Collins' second appearance with McGannon. Subcommittee staff now expects to have complete draft of report, containing recommendations, ready for Subcommittee in Oct.

(7) Charles A. Sweeny, FTC Food & Drug Advertising Div. chief who's been responsible for Commission's ratings investigations, told RAB Management Conference: "...It has appeared to me that too many of you have lost sight of the real purpose of audience ratings, that is, to measure the listening audience... and measure it as accurately as possible with tools at hand. You may not appreciate, for example, how surprised I am by the indifference to hypoing. I am told over and over again, very casually, that is a natural and common practice and that results probably even out."

He paralleled ratings with claims made by companies for their products and whether these claims are "meaningful and non-deceptive." He said: "In the hypoing situation... we want to know whether we are actually determining, as precisely as possible, the real listening audience or instead only how effectively a giveaway program juiced it up." He also said that size of sample is not necessary criterion, that some small samples can be more accurate than large. He said he's also interested in how methodology has been followed and how results have been tabulated.

Sweeny called attention to FTC action requiring raters to state that their numbers are estimates. "Despite this and many other recent disclosures," he said, "many broadcasters do not seem to have been reading their mail. I still see in trade magazines and in daily newspapers the same bold, unqualified, precise audience claims that broadcasting stations were publishing a year ago... The FTC has a limited jurisdiction in this matter... But the Commission does have a very clear legal responsibility and firmly intends to discharge it as fully as possible..."

"We are presently investigating the advertising of broadcasters and certain others to determine whether the claims are false and misleading. I cannot discuss those cases. I can say, generally, that we anticipate that advertisements based on special surveys will be given careful scrutiny. I can also ask you if you doubt that we are extremely curious to learn how certain broadcasters propose to justify the claims they are making, in the light of recent developments, when questioned by FTC attorneys [and FCC]."

**PAT WEAVER, PAY TV, PROGRAMS, MONEY:** Eyebrows shot up all over industry last week when new Subscription TV Inc. announced signing of Sylvester (Pat) Weaver as president. Reaction seemed to be: Well, now maybe they might get somewhere.

"The program's the thing." This truism of TV—be it pay TV, uhf, color, what have you—obviously was recognized by developers of new firm. They have money, are likely to get plenty more from public through \$23 million stock offer (Vol. 3:33 p2 et seq.). Now, they may get the product. Pat Weaver's name is synonymous with successful innovation, particularly during his days as NBC chmn., when he created "Today," "Tonight," the "spectaculars" and other financial-artistic winners.

Weaver leaves chairmanship of McCann-Erickson Corp. International. He has 5-year agreement with STI, at \$85,000 annually, plus 1% of company profits before Federal income tax (with ceiling of \$165,000), plus option to buy up to 50,000 shares at 100% of fair market value at time of grant of option.

STI has also glommed on to Tom Gallery, NBC sports dir., will pay him \$62,500 a year as vp & sports dir. Vp Robert F. MacLeod gets \$36,000 annually.

Also disclosed in filings with SEC are prices STI will pay stockholder Lear-Siegler for program selectors to be attached to receivers—\$48.95 to \$56.02, depending on quantity.

We hear STI has more impressive moves up its sleeve. Well, it's got Dodgers & Giants baseball, and public will pay something for that. Now, it's got Pat Weaver, who should be able to capture moneymakers, if anyone can.

STI also reported to SEC that Home Entertainment Corp. (Oliver Unger) had agreed to accept approximately \$1 million offer. Home Entertainment had planned pay system in Santa Monica, now says it's gearing for Texas cities (Vol. 3:34 p4).

**ETV's fantastic potential** as teaching aid is highlighted in new book, "The People Look at Educational Television," published by Stanford U. Press (209 pp., \$5.50). It's result of 2-year study under direction of Dr. Wilbur Schramm of Stanford, Prof. Jack Lyle of UCLA, Prof. Ithiel de Sola Pool of MIT. More than 30,000 interviews were conducted through grant from U. S. Office of Education. Operations of 9 representative ETV stations were also analyzed. Research showed that ETV viewers are not heavy TV users generally. Another book, "Broadcasting: The Canadian way," by Albert A. Shea, has been published by Harvest House Ltd., Montreal (\$2 paper-bound, \$4 cloth).

**ETV does excellent job,** FCC Chmn. Henry stated at start of WHYV-TV Wilmington Ch. 12 operation, evening of Sept. 12. And, he added: "There is no rule of gov't. that says that educational & cultural programming have to be dull. . . Let's have the bland programming that delights the mass audience and the sponsor alike. But let's also have the symphonies, the classics, the great documentaries." Dedication ceremonies were broadcast from both Wilmington & Philadelphia studios. Audio was lost at former, so Henry decided to drive to Philadelphia, telecast from there. He & asst. John Cushman then drove back to Washington—arriving 4 a. m.

**Senate Commerce Committee** has approved 1960-style equal-time suspension for President & Vice President only, favoring House-passed H. J. Res. 247 over 3 other bills (Vol. 3:36 p5). Senate committee would grant suspension for 60 campaign days, not 75 as approved by House. Group also approved S-1193 to require parties who want to intervene in FCC hearing to do so within 30 days after notice of hearings in "Federal Register," compared with present deadline of 10 days before hearing begins.

**WALA-TV Mobile is off FCC hook.** Commission had proposed license revocation for station's alleged threats & pressures on advertisers. Station pleaded illness of owner W. O. Pape (brain hemorrhage, stroke, paralysis, age of 71), said he wasn't aware of goings on, reported appointment of responsible trustees. Nephew Wadsworth Pape was in charge during alleged misconduct, and Commission said that fact would be considered in connection with CP for WBVI-TV (Ch. 13) Panama City, Fla., in which the younger Pape is stockholder.

**"Fairness" questions,** including those from Rep. Harris (D-Ark.) (Vol. 3:36 p1), will be considered by FCC Sept. 18. Expectations are that Commission will issue "clarification"—but no basic change in position. Last week, NAB Govt. Vp Paul Comstock told Mich. Bestrs. Assn. that FCC's July 26 statement on "fairness" created "utter confusion." He said there's "no evidence of widespread unfairness."

**Broadcast journalists** can take pride in their product today, but should strive for higher degree of professionalism, Theodore F. Koop, CBS Washington vp, told Radio-TV News Directors Assn. in Minneapolis last week. He provided 4 criteria: (1) Integrity & honesty; (2) objectivity, fairness & balance; (3) maturity; (4) sense of responsibility.

**Second round** of House editorializing hearings, Sept. 18-20, will hear from, in addition to those we reported last week (Vol. 3:36 p5): Sept. 18, Jesse Helms, WRAL-TV Raleigh; Sept. 20, Arthur Arundel, WAVA Arlington; Ralph Renick, WTVJ Miami.

**Santa Maria, Cal. Ch. 12** has been granted Central Coast TV over competitor Santa Maria Telecasting. FCC based preference on program plans, likelihood of program effectuation, area familiarity, ownership-management integration, broadcast record.

**Ely, Minn. CATV system** & radio WELY have been sold for "in excess of \$200,000" to North Central Video (Joseph Poiré), Rochester, Minn., by WELY Corp. (V.T. Hallett), through broker Blackburn & Co. CATV has 1,300 subscribers.

**Chicago CP for ETV Ch. 20** has been granted to Chicago Educational TV Assn., the first authorized to an organization with HEW Dept. ETV funds; it has \$270,000. FCC also granted Ch. 36, Jacksonville, to Rust Craft Bestg.

**ABC-TV novel promotion:** Bought 14 classified ads in N. Y. edition of "Life" on sale last week. For example: Under "professional & technical"—"Wanted: Rich criminal to match wits with millionaire detective. Apply "Burke's Law" Friday night, Channel 7, 8:30."

# Television Digest

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## Personals

**Edward F. Ryan**, WTOP Washington, elected pres., Radio-TV News Directors Assn. Other officers: **John Thompson**, NBC News, first vp; **Bruce Palmer**, KWTW Oklahoma City, TV vp; **Harry McKenna**, WEAN Providence, radio vp; **Lee White**, KROS Clinton, Ia., treas.

**Lamont L. (Tommy) Thompson**, ex-acting gen. mgr., KPX San Francisco, appointed exec. vp, rep TvAR; he formerly was rep's Chicago vp.

**Robert B. Cox**, Metromedia art dir., promoted to creative arts dir. . . **Dave Diles** promoted to sports dir., WXYZ-TV-AM Detroit.

**James Theiss**, vp, Blair TV's BTA Div., formerly father of 3 sons, promoted to father of 6 children with addition of girl triplets.

**Victor E. Ferrall Jr.**, ex-asst. counsel, Kefauver Anti-trust & Monopoly Subcommittee, becomes associate of Koteen & Burt, Washington communications law firm.

**James A. McManus**, Advertising Time Sales vp & N. Y. TV sales mgr., promoted to national TV sales mgr.; **W. B. Taylor Eldon**, vp & N. Y. radio sales mgr., to national radio sales mgr.

**Maj. Gen. Albert H. Stackpole** (ret.), vp, WHP-TV-AM-FM Harrisburg, elected pres., succeeding **Lt. Gen. Edward J. Stackpole** (ret.), named chmn.; **Cecil M. Sansbury** re-elected exec. vp.

**Chuck Barris**, ABC-TV daytime programming mgr., promoted to ABC-TV Western Div. dir. of daytime programming. . . **Len Goldberg**, ex-BBDO broadcast coordinator, appointed ABC-TV program development mgr.

**Robert Brown**, NBC press supervisor, news & public affairs, promoted to corporate information coordinator. . . **Bernard Munzelle**, ex-ITT Export Corp., appointed CBS International projects mgr.

**Arthur Schatzow** promoted to chief, FCC's Research & Education Div.

**LOEVINGER STANCE—Cont'd:** It was "Loevinger Day" in Washington Sept. 12. Newest FCC Comr. Lee Loevinger spoke first at luncheon of Federal Communications Bar Assn., was guest of honor at Broadcasters Club reception that evening.

The former anti-trust chief of Justice Dept. showed he's articulate, studious, affable. Speaking from notes at lunch, he made these points:

FCC is criticized for being slow, vague & vacillating, so he analyzed its workload. He noted that Commission processes about 740,000 applications yearly, with staff of about 1,300—more than 10 times as many applications as those handled by all other similar federal agencies combined, which have aggregate staff of 8,700. He also compared FCC load with work of courts, made it clear he thinks Commission has "an overwhelming mass of workload."

He's not much impressed with FCC reorganization plans of former Chmn. Minow or of FCBA committee. He said he "didn't follow" Minow's proposal of splitting FCC into a single administrator who would set policy and an adjudicatory court. Nor did he go for FCBA group's 3-layer idea: administration, policy, adjudication. Division of FCC will increase delay, he said, insisting that 2 or more groups can't work faster than one. He came up with 4 recommendations:

(1) More delegation to staff, giving Review Board more authority, letting it handle all kinds of cases.

(2) Formulate criteria on programming. He said he recognizes there are 2 schools—the "specific criteria" group which says FCC should aim to improve programming, and the "minimum criteria" group urging Commission to do as little as possible. Views he expresses in Lincoln, Neb. speech (Vol. 3:35 p2) show he leans toward former.

(3) Commissioners should be personally responsible for decisions instead of having separate staff write them.

(4) There should be continuing review of Commission procedures.

**FCC Itinerary:** All commissioners go to N. Y. Sept. 24 for Chmn. Henry's IRTS speech. Then all except Henry take tour of military installations across country, ending in Los Angeles Sept. 28; Sept. 30-Oct. 1 inspection of land-mobile services in Los Angeles is also scheduled (with Chmn. Henry joining colleagues). Also planned is informal meeting with Los Angeles' ETV group—then back to Washington by Oct. 2. Henry plans to fly to Geneva about Oct. 6 for start of international space-communications allocations conference, will be back in about 10 days, possibly stopping in London for meeting with BBC & ITA chiefs. FCC delegation at conference, to last about 6 weeks: Former Comr. Craven, engineers William Watkins, Saul Meyers, Harry Fine.

**Lee R. Zemnick** returns to Jerrold, after leaving last Dec., as Community Systems Div. mgr.

**Clair R. McCollough**, Steinman Stations, elected to Broadcast Pioneers board; he's a former pres.

**Jack Blume**, Washington communications attorney, and **Mary Platto**, announce marriage July 12 in Monterey, Cal. He's widower with 2 children; she's widow with 2.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**DIMENSIONS OF COLOR—SYLVANIA'S SURVEY:** Consumer & dealer attitudes toward color TV have been measured on unprecedented scale—with some surprising results—in unreleased Sylvania survey supervised & interpreted by Market Research Dir. Frank W. Mansfield.

It shows color set owners enthusiastic about their sets, but not about number & quality of programs. It implies consumers are far ahead of dealers in their interest in color; dealers, in fact, show up as relatively unenthusiastic lot. However, 40% of American families, it indicates, have never seen color TV.

Actual consumer survey was conducted by National Family Opinion, based on response of 17,590 families, chosen on scientific sampling basis, to questionnaires. In addition, TV dealers in 15 cities were shopped & interviewed.

Survey was completed early in 1963 and used in part as basis for Mansfield's color sales & production estimates in March 1963. He estimated about 872,500 color sets were sold to public (1.5% of survey respondents owned them) through 1962 and that retail sales would total 460-650,000 this year. Most of his projections are conservative, in comparison with claims made by others (see tables p. 7).

Only portion of survey which has been released (last May) showed that most color set owners were satisfied with ease of tuning and repair costs, and that average repair bill was \$30.50 per year (Vol. 3:19 p7). Although some findings may now be somewhat dated, most are highly revealing:

Color set ownership: Of total color sets, 39.9% are owned by families with incomes of \$10,000 or greater, 28.9% by \$7,000-\$10,000 income group, 16.7% by \$5,000-\$7,000 group, 9.9% by \$3,000-\$5,000 group, 4.6% by families with less than \$3,000 income. Stated another way, 4.08% of respondents in top income group owned color sets, shrinking to 2.13%, 1.05%, .73% & .33% as income level goes down.

A full 40% of population has never seen color TV, survey indicates. Percentage of those who have seen color is greatest in large cities, lowest (41%) in rural areas. Pacific Coast residents have had greatest exposure to color (69% have seen), with Mid-Atlantic & East North Central next (65%), East South Central lowest (45%). Of non-color owners who have seen color program, 43.7% have viewed store demonstration, and nearly as many—39.9%—have seen it in a private home.

Consumers have fairly good idea of price of cheapest color set. A full 32% put it in correct range of 251-350% of cheapest b&w set, while 29% had deflated idea of color price and 31% thought it higher than it actually is. As a matter of fact, 29.2% correctly picked price range of cheapest b&w TV (\$81-\$120), while 29.8% picked bottom color retail price (\$381-\$480).

Average color set owner paid \$617.20 for his set, and 30.5% bought set in appliance store, 30.1% in TV-radio store, 15.5% in dept. or furniture store, 12.7% in wholesale or discount house.

Color owners generally like their sets, but aim some criticism at programming. Reception of color was rated excellent or good by 92% of owners, reception of b&w on color set called excellent or good by 91% of owners. Some 28.5% of owners used set only for viewing color programs.

As to programming, 49% of color owners felt there wasn't enough color programming, while 48% thought there was enough (3% didn't answer). Some 52% said they "seldom or never" experienced tuning difficulty, 39% said "occasionally," 6% "frequently." A full 37% of those with unrepairable tuning problems blamed TV station rather than set.

How can color TV be improved? Largest group of owners, 35%, cited "more programs;" 2nd largest, 13%, cited type of program, 12% better transmitting & production, 9% color & reception, 7% tuning & adjustment, 6% cabinet or set.

Husband or head of family exerted most influence in purchasing color set, according to overwhelming number of responses (60%). Wife or homemaker was credited as deciding factor in only 14% of cases:

son, daughter or relatives, 9%; nobody in particular, 12%. Perhaps color owners' biggest tribute is in new-set buying intentions—89% said they'd buy another color set, 5% would buy b&w.

However, 19 respondents in survey were former color owners who had disposed of their sets. All of the sets had been purchased in 1960 or before, and were projected to represent 14% of sales through 1960. Reasons for getting rid of set: repair costs, 8 owners; investment too big, 5; reception quality, 3; not enough programs, 2; destroyed by fire, 1.

Shopping survey found dealers by-&-large a fairly diffident lot. Of stores in 15 cities, 12.7% didn't display color. Of stores which did, salesmen in 40.7% tried to sell RCA, 21.4% Zenith, 7.3% Admiral, 5.3% Magnavox, 4% Philco, 2% GE. Greatest percentage of salesmen pushed over-\$600 consoles, and fully 73.3% refused to come down from original price quoted. Only 14.7% came down.

Salesman tried to sell interviewer color set in 88.7% of cases, but apparently many weren't sold on color themselves. As to their comments about quality of color reception, 42.1% were favorable, 68.7% neutral. As to service problems, however, 77.9% were favorable. Interviewers rated enthusiasm of salesmen's pitch as 52.7% neutral, 35.3% unfavorable, 30% favorable. Some 44.7% offered trade-ins on old b&w sets and 80% said they had no installation charge for color.

Dealers ranked color as more profitable than b&w—28.9% said their profits on color consoles were "good," and 9.6% called color table model profits good, while comparable b&w figures were 10.4% & 8.1%. Nevertheless, 27.4% said color console, and 25.2% said color table model profits were "poor," vs. 33.3% & 43% for b&w.

In only 20.7% of cases did salesman suggest purchase of color set, & 14.7% of salesman suggested buying b&w instead of color set. In response to statements by interviewers, 71.8% of dealers agreed color set price is "much too high," but with all other negative statements (poor color quality, poor picture, repair problems), majority of salesmen disagreed. But interviewers characterized only 31.9% of salesmen as enthusiastic about color, 28.1% favorable, 20% neutral, 9.6% negative.

Most color customers are "sold" before they enter store, survey indicates. Some 54.1% of retailers agreed that "customers come in and ask to see & buy color sets," while 34.8% said they "have to be sold color by salesman."

Based partly on survey data, Mansfield estimates color production, sales, inventories:

	Production	Retail Sales	Inventory (year end)	Cumulative Sales
Through 1956	100,000	75,000	25,000	75,000
1957	65,000	65,000	25,000	140,000
1958	60,000	60,000	25,000	200,000
1959	100,000	100,000	25,000	300,000
1960	150,000	125,000	50,000	425,000
1961	150,000	150,000	50,000	575,000
1962	410,000	297,500	162,500	872,500

Survey showed 15% of families expected to buy new TV sets in 1963. Of these prospective buyers, 9.4% said they would buy color sets and 40.8% said they'd consider both color and b&w. Interestingly, those who were considering color were fairly knowledgeable about color set prices. Biggest percentages of these (32%) estimated price ranges at \$381-\$480; 31% said \$481-\$630.

Mansfield gives widely varying projections of future color TV sales—conservative, median, moderately optimistic & optimistic—based on different combinations of variables. The following are his projections in terms of full range (from conservative to optimistic) together with the medians:

	Production		Retail Sales	
	Range	Median	Range	Median
1963	490,000-775,000	580,000	460,000-650,000	520,000
1964	540,000-1,105,000	700,000	530,000-985,000	660,000
1965	600,000-1,405,000	805,000	600,000-1,320,000	790,000
1966	680,000-1,765,000	980,000	680,000-1,700,000	960,000
1967	775,000-2,160,000	1,135,000	780,000-2,120,000	1,130,000

**1, 500, 000 COLOR TUBES (ROUND) IN '64—WATTS:** RCA anticipates demand by U. S. TV makers for at least 1.5 million color tubes next year—and it feels reasonably certain that the overwhelming majority of them will be 21-in. round tubes with 70° deflection.

So we were told by W. Walter Watts, RCA group exec. vp last week. "We are now soliciting the industry for forecasts of color tube needs for next year," he said. "It looks like the figure will be 1.5 million and above. We could have sold one million this year, if we could have built that many."

Timetable for finalizing of design of Corning's upcoming 25-in. rectangular 90° color bulb is still uncertain, but Watts indicated RCA's development of tube & circuit elements for it is progressing satisfactorily. "We're proceeding with all haste to get the engineering done and get the bulb, and we are most optimistic."

When will the new size be on market—in color sets? "If the bulb is available by the end of this year," said Watts, "I wouldn't be surprised to see a few 25-in. rectangular sets around Christmas 1964, but they'd be in the Rolls-Royce class. I don't think anyone will go all-out until 1965."

Changeover to rectangular tube—whenever it comes—is bound to cause some dislocations in color tube productive capacity, Watts explained. "We're now on a 6-day-a-week, 3-shift basis, and can't supply the current demand. When we do introduce it, it will cut down our productive capacity, as a result of the changeover, and because the new tube will be larger, heavier and will require more tests at first than our current product." He added that RCA's tube operations still have further potential for color expansion.

RCA will soon be joined in mass production of color tubes by Rauland and Sylvania, both producing 21-in. round 70° tubes, and by National Video, producing 23-in. rectangular 90° tubes for Motorola. Watts' 1.5-million figure was estimate of demand for color tubes next year, not color set sales. Because of larger number of manufacturers & dealers in color, and longer color set lines, sales potential probably is considerably below this figure, considering necessity of building up inventories.

"Biggest single stimulus to color," according to Watts, would not be shorter rectangular tube, but regular color programming by CBS.

On other topics, Watts had these comments:

Will all-channel law hurt TV business? "The way people are spending money these days, I can't believe that the cost of a uhf tuner will deter anyone from buying a new set."

Prospects for radio business: "I think it will continue to be a high-volume low-profit business for some time, but keeping its head above water. For American sets to regain leadership, we must leapfrog the Japanese with inventions which will make our sets smaller and cheaper—just as they leapfrogged us. Quite possibly, integrated circuits will provide the opportunity, although true integrated circuitry is still several years off in the consumer field. The component industry let us down in not keeping up with the Japanese in small, inexpensive components. If they can't do it for us, we're going to have to do it ourselves."

Outlook for consumer electronics: "I'm optimistic at least through mid-1964. If the tax cut comes through, business will be every bit as good as 1963. All of the economic indicators are favorable. The inventory buildup in steel is being wiped out. Housing starts are showing the right trend. Auto sales are good. People are making a few bucks more a week. It looks good."

Who's on first? "On a dollar basis we're selling more TV sets than anyone else, and I wouldn't be surprised if this were true on a unit basis, too. So what? It's not important, and we don't want to get in a fight with anyone. Business is fine, just as it is."

**STILL NO ALL-CHANNEL PR PROGRAM:** FCC's educational film strip on uhf went back to drawing board last week after preview showing before highly sophisticated audience—EIA's Consumer Products Executive Committee—at manufacturer assn.'s fall conference in N. Y.

The 15-min. slide & tape presentation—detailing history of uhf, results of FCC's N. Y. tests and devoting considerable time to antenna installation techniques—was criticized by set manufacturers as trying to appeal to too many audiences and lacking in "hard sell." It was too technical for consumers, they said, and not technical enough for servicemen. Some suggested that perhaps 2 films were needed.

Representatives of 3 companies—RCA, Warwick & Blonder-Tongue—volunteered to work with FCC staffers in helping to revise presentation. Manufacturers agreed "rough cut" presentation they saw would form good nucleus of film for education of distributors, dealers & field men. It also was understood that any consumer-oriented campaign would not start until Jan., after fall selling season. Revisions undoubtedly will hold film up for at least 2 months.

Pamphlet on how to get all-channel reception, aimed at both trade & consumers, is now in preparation by Committee for Full Development of All-Channel Broadcasting (CAB), manufacturers were told. FCC representatives said that booklet probably would have to be printed privately, since initial information was that it can't be printed by Govt. Printing Office unless adopted as official FCC publication.

CAB's proposal for elimination of excise tax on all-channel sets—which will be submitted to FCC for inclusion in its legislative recommendations to Congress—was discussed by committee, which raised no objections. Other actions taken at EIA conference:

Norman Jack Wayman, former sales dir. of Industrial Electronic Sales Co., Falls Church, Va., and for 10 years sales mgr. for RCA consumer products at Washington's Southern Wholesalers, was appointed consumer products staff dir., succeeding L.M. Sandwick, resigned.

Strongest action to date on imports—backed by substantial appropriation—was taken by EIA board. Pledging more active stand, it approved import committee proposal to appeal to all companies within EIA for support. First action will be intensive study to determine which segments of industry are being hurt, and how much. Armed with facts, it could then press for action with Tariff Commission, Customs, Congress or in trade negotiations. Complementary study would determine what could be done to increase electronics exports.

Consumer Products Committee endorsed tests proposed by CAB technical committee, headed by Ben Adler, to determine best ratio of aural to visual power in TV transmission (Vol. 3:35 p7). CAB is expected to propose tests to FCC with eye toward changes in recent ruling which permits uhf stations to reduce aural power to 10% of visual, while keeping old 50% rule for vhf outlets—thereby complicating set manufacturing process and possibly adding to cost of receivers. Committee rejected proposal by Bureau of Standards' Kenneth Norton that it conduct tests of reduced separation between vhf stations, as contrary to spirit of all-channel law. (For EIA elections, see p. 11.)

**A LOOK AT DISCOUNT INDUSTRY IN 1970'S:** "Despite the huge share of total retail sales which discounters now hold—better than \$7 billion by our estimates—the number of low-margin outlets in the U.S. today still appears to be well below the saturation point," in opinion of economist Dr. Ward J. Janssen, Los Angeles consultant.

Discount movement is "one of the most phenomenal success stories in the entire history of American retailing" and it is still "far short" of point of "economic saturation," he noted in Sept. 9 "Discount Store News" analysis.

For every discount outlet today, there are 1.4 department stores, 3 shopping centers, 10 variety stores, nearly 13 supermarkets. Emphasizing that there is still ample "economic room for considerable amounts of further expansion by discounters," Dr. Janssen pointed out: "If the same ratios which prevail today were to continue to hold as population expands, by 1970 there would still be fewer than 2,500 discount outlets in operation, along with almost 3,500 department stores, 8,000 shopping centers, and better than 30,000 retail food establishments. By 1975—at which time we could expect to see almost 35,000 supermarkets, 9,000 shopping centers, 4,000 department stores and 27,000 variety outlets—there would still be only 2,700 discount stores serving American shoppers."

But Dr. Janssen doesn't expect today's ratios to hold. Far from it. By 1970, he expects "a significant shift in favor of both the discount outlet and the shopping center, along with a decline in the present proportion of supermarkets, department stores and variety stores." Here are discount gains he foresees in next 7 years: Ratio of discount stores to department stores—"could easily be 1 to 1" (vs. 1 to 1.4 now); to variety stores—"as low as 5 to 1" (vs. 10 to 1); supermarkets—"in the neighborhood of 10 to 1" (vs. 13 to 1).

It's not all clear sailing ahead into the '70s, however, Dr. Janssen pointed out. "The major obstacle to further growth of discount retailing, of course, will be the scarcity of sound, strategic site

locations. Especially with the strong trend to multiple dwelling units—which means less population spillover into new geographic areas, more expansion in a vertical direction—discounters will soon find that good store sites are virtually non-existent."

Another potential trouble area for discounters, he believes, may develop from the fact that "along with representing a greater proportion of total retail establishments, we also foresee discount stores increasing significantly in size. Firm signs of the beginning of this trend are already quite evident."

Average discount outlet operating in 1961 was 23% larger in space than average low-margin store operating the preceding year, he pointed out. From 1961 to 1962, average size jumped another 12.5%. Even larger jump came last year. "The average store opened in 1962 was almost 44% bigger than all stores that were in operation in that year, better than 60% bigger than all discount outlets in operation in 1961; a whopping 99% bigger than those operating in 1960."

Summing up possible pitfalls for discounters, Dr. Jenssen said: "With population expansion moving vertically rather than horizontally into new geographic areas, virgin trading areas are not being created fast enough to enable discounters to fill the economic vacuum. As a result, low-margin outlets are expanding in size as well as in number of units. Somewhere along the line in this move to bigger units, of course, we will begin encountering the problem of 'maximum' size—the point of decreasing return. What happens then is difficult to foresee, but it will be most interesting to watch."

**TV-RADIO PRODUCTION:** EIA statistics for week ended Sept. 6 (36th week of 1963):

	Aug. 31-Sept. 6	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	119,304	165,184	121,666	4,680,774	4,399,593
Total radio .....	323,931	366,932	342,316	11,505,771	12,412,656
Auto radio.....	151,540	144,146	119,938	4,861,840	4,378,446

## TOPICS & TRENDS

Component hi-fi industry factory sales will total around \$70 million this year, Institute of High Fidelity Pres. Raymond V. Pepe indicated last week at opening of N. Y. High Fidelity Music Show. He said last year's sales—excluding tape recorders—were about \$60 million and that industry's pace was running about 15% higher this year. Hi-fi show featured increasing amount of transistorized equipment, giving good evidence that many more components will be heavily transistorized by this time next year. Transistorized components are usually said to add 20-30% to prices—and they've met with wide acceptance to date. This is one reason why industry is looking forward to perhaps its biggest increase next year. FM stereo and trend to one piece receivers (tuner, pre-amp & amp) also are expected to increase both sales and dollars-per-unit.

Stepped-up picture tube activities and greater efforts in integrated circuits may result from Philco's decision to discontinue large-scale manufacture & marketing of transistors. Philco said this "product family is no longer profitable" because of "competitive product & pricing action." Lansdale Div. will undergo "major product reorientation," staying in semiconductor field through increased emphasis on microelectronics & integrated circuits. In another indicator of heavy transistor competition, International Rectifier Corp., in announcing sharply lower earnings (see financial table), blamed depressed prices of semiconductors.

Electronics industry revenues should climb to \$15 billion this year from 1962's \$13 billion sales, GT&E Chmn. Donald C. Power forecast. He noted that sales of consumer & industrial electronics are on the rise, but said military market would produce biggest increase—up about \$1.5 billion to \$9 billion. For GT&E this year, he predicted sales rise to record \$1.4 billion from \$1.3 billion, \$100 million (some \$1.32 a share) from 1962's \$86.5 million (\$1.15).

Ampex wins distinction of being first to offer home TV tape recorder—a \$30,000 combination color TV-radio-phono-audio-video-recorder unit called Signature V and being marketed exclusively by (who else?) Nieman-Marcus, Dallas. The 9-ft.-wide home entertainment center, demonstrated last week at N. Y. High Fidelity Music Show, has Ampex VR-1500 portable closed-circuit Videotape recorder built-in, features Packard Bell color chassis and Cohu vidicon camera.

**Long-range business planning** is an increasing "must" as companies grow larger and more diversified and R & D costs rise, in opinion of Wendell R. Smith, ex-RCA, now pres. of Philadelphia-based Marketing Science Institute. "The electronics industry is a case in point," he pointed out, adding: "Because of rapidly advancing technology, the opportunities that exist in the field are almost unlimited. However, the cost of exploring these opportunities and developing products and services that would result in their realization is of such magnitude that even the largest firms in the industry are incapable of pursuing them all. Therefore, there is a problem of selection and the associated problem of allocating an essentially limited R & D effort over the opportunities of greatest promise. Hence, long-range planning becomes mandatory as the inevitable result of the increasing cost of pursuing new frontiers."

**Lawrence G. Haggerty**, pres. of Warwick Electronics, was elected EIA vp representing consumer products div., succeeding Robert S. Bell, who resigned last spring when Packard Bell left EIA (Vol. 3:25 p10). Other EIA elections: Norman A. Triplett, Triplett Electrical Instrument Co., named chmn. of new distributor products div.; Thomas Ure, Hardwick Hindle Inc., vice chmn.; Jack D. Hughes, EIA vp for division—all 3 to serve on board. Parts div. named J. Frank Leach, Amphenol-Borg, as div. rep on board, succeeding R. J. Grigsby, Grigsby Co.; Frank Randall, Amperex, semiconductor div. chmn., elected to board.

**GE will lay off** or transfer some 2,000 workers in next 12-18 months at its Syracuse, N. Y. facilities. Among these are about 1,000 employed by TV receiver dept. They're slated for layoff by late fall. "Changing technologies and demands of our customers were bound to result in a decrease in GE employment here," explained Syracuse employe and plant community relations Mgr. Reid L. Shaw. GE's Syracuse work force totals 15,000—down from peak of 17,200 in 1962.

**Packard Bell** introduces 2 new color combinations, at \$994.95 & \$1,195-\$1,225, and b&w combos at \$499.95 & \$725-\$750. Eight new stereo phonos were introduced, including \$279.95 unit designed as cocktail table, occasional table or window seat.

**Admiral** has increased production of its 11-in. TV by 20% for remainder of year as result of better-than-anticipated orders at distributor open houses. Set is priced at \$99.95 & \$109.95, all-channel versions \$119.95 & \$129.95.

**Telerecord Corp.**, Hollywood, Cal., will be formed early next year to merchandise home entertainment equipment and phonograph records by wire, Pres. Donald L. Orsatti announced. Company expects to complete by Sept. 16 a public offering of 200,000 shares at \$1 par.

**Magnavox color TV training clinics** for dealers in 50 cities are underway, will be completed by early Nov., reports National svc. mgr. Raymond J. Yeranko. Each will last 2 days, include shop work on sets.

**Westinghouse has opened** 108,000-sq. ft. plant at Elkridge, Md. to manufacture integrated electronic circuits.

## Trade Personals

**Robert S. Alexander**, former Wells-Gardner pres. & chmn. (Vol. 2:5 p10), ITT vp, and pres. since Oct. 1962 of ITT's new Arkansas electronics mfg. operation (Vol. 2:41 p10), joins Zenith as mfg. vp, succeeding **Donald MacGregor** who retires Oct. 1. Latter continues as a consultant.

**H. Donald Nelson** appointed GE distributor sales planning mgr. for entertainment electronic components, a new post.

**John N. Latter**, formerly Ampex controller, appointed Consumer Products Div. vp-gen. mgr.

**Joseph S. Imirie**, former Air Force asst. secy., joins Litton Industries as a vp.

**Edward Weisl** named sales mgr. of Industrial Electronic Hardware's subsidiary I. E. H. Mfg., succeeding **Ben Bawun**, resigned. . . **Joseph R. Mazzola** appointed mfg. mgr., Du Mont Labs' Electronics Div. . . **Robert Everett** named selenium operation R & D mgr., General Instrument Rectifier Div.

**William A. Williams** named Far East and Pacific gen. mgr. of ITT, elected pres. & a dir. of subsidiary ITT Far East & Pacific Inc.

**Robert H. Jones** named mgr. of GE's N. Y. news bureau, succeeded as L. A. news bureau mgr. by **Jack E. Schoonover**.

**Randolph Bronson**, Silicon Transistor co-founder & exec. vp for past year, elected pres. & chief exec. officer.

## Obituaries

**Fergus Sloan Sr.**, 60, Westinghouse vp & onetime mgr. of TV-Radio div., was killed Sept. 10 in auto accident in West Orange, N. J. He had been with Westinghouse since 1932, served during 1940's as asst. gen. mgr. of Westinghouse Radio Stations. He became corporate vp & gen. mgr. of Lamp Div. in 1956, post he held at his death. He is survived by widow & son.

**John F. Allen**, 72, retired AT&T ad dir., died Sept. 8 at Roosevelt Hospital, N. Y. He lived in Upper Montclair, N. J., was with AT&T from 1928 to 1955. He is survived by his widow and daughter.

**Charles A. Peterson**, 60, asst. to Sylvania's treas., died Sept. 7 of heart attack at his Greens Farms, Conn. home. He was apparently stricken while mowing lawn. He is survived by his widow, 2 sons, daughter.

**DISTRIBUTOR NOTES:** Olympic Radio & TV names **Harry Green** pres. of subsidiary Olympic of S. Cal., a new post. . . **Symphonic Radio & Electronic** appoints **Radio Specialties Co.**, 12775 Lyndon, Detroit, distributor for metropolitan Detroit. Symphonic had no distributor in Detroit area previously. . . **Krich-N. J.** names **Paul A. Hilton**, ex-Zenith & Du Mont-N. Y., treas. . . **Admiral** appoints **David H. Gorrell** and **Robert D. Trathen** regional sales mgrs. Former will cover distributors in Kansas City, St. Louis, Wichita, Peoria & Springfield, Ill. Trathen will cover Cincinnati, Columbus, Dayton, Charleston.

## 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
Electronic Research	1963—year to May 31	\$ 2,206,453	\$ 334,290	\$ 166,290	\$0.46	362,407
	1962—year to May 31	1,868,948	157,907	81,607	.23	362,407
Harvey Radio	1963—6 mo. to July 31	3,343,485	271,091	129,396	.16	808,413
	1962—6 mo. to July 31	3,468,672	328,468	155,507	.19	808,413
Hewlett-Packard	1963—9 mo. to July 31	85,474,000	—	5,494,000	.46 <sup>1</sup>	11,186,962
	1962—9 mo. to July 31	81,504,000	—	5,407,000	.46 <sup>1</sup>	11,024,501
	1963—qtr. to July 31	30,697,000	—	1,972,000	.17 <sup>1</sup>	11,186,962
	1962—qtr. to July 31	28,620,000	—	1,961,000	.17 <sup>1</sup>	11,024,501
International Rectifier	1963—year to June 30	17,289,000	—	484,865	.20	2,414,542
	1962—year to June 30	17,882,000	—	1,207,262	.50	2,414,542
Travler Ind. Story below.	1963—qtr. to July 31	3,730,023	(150,037)	(84,537)	—	1,013,842
	1962—qtr. to July 31	5,214,000	159,563	82,563	.08 <sup>2</sup>	965,658

Notes: <sup>1</sup>After preferred dividends. <sup>2</sup>Based on 1,013,842 shares outstanding July 31, 1963.

**MERGERS & ACQUISITIONS:** ITT's acquisition of Bell & Gossett has been approved by shareholders of the Morton Grove, Ill. maker of pumps, heating & refrigeration equipment (Vol. 3:16 p11). Acquisition, slated for completion by Sept. 30, involves some \$47.8 million. Each of Bell & Gossett's 2,078,385 common shares will be exchanged for 0.335 share of ITT common and 0.07 share of cumulative preferred, 4% convertible series D. . . Litton Industries proposes to acquire Adler Electronics, if latter's shareholders approve, in stock exchange believed to total some \$15 million. Litton would exchange about \$15 of its common stock for each Adler share—except those held by Pres. Benjamin Adler and certain other stockholders who would get "substantially less." Transaction is expected to be completed within month, if promptly approved by Adler stockholders and California Corporations Commissioner. . . Rheem Mfg., currently owner of 200,000 of Roberts Electronics' 560,000 outstanding common shares, has made offer to acquire remaining shares. Terms: one Rheem share for each 19 of Roberts initially, then additional shares in 4 half-year payments based on Roberts' gross sales over 2-year period.

**Lab for Electronics** seeks to increase its non-military business to 60% of total volume, racked up 32% in commercial sales in fiscal 1963 ended April 30—up from 27% in preceding fiscal, 1% in 1960 fiscal. Pres. Henry W. Harding forecast for 1964 fiscal "some promise in an atmosphere of greater competition than ever before." In first fiscal quarter ended July 31, Lab for Electronics increased earnings to \$45,000 from \$31,000 a year earlier despite sales slip to \$13.2 million from \$15.4 million.

**First Japanese 11-in.** portable is being produced by Toshiba, replacing its 10-in. set. New 114° tube is about one inch shorter than Japanese 12-in. tube. No export plans have been announced.

**Travler Industries** opened fiscal-1964's first quarter, ended July 31, with \$84,537 loss (vs. \$82,563 profit year earlier) on 28% sales slide to \$3.7 million from \$5.2 million (see financial table). Pres. Joe Friedman attributed loss mainly to start-up costs for color production, sales decline to delayed release on shipments to large contract accounts. He forecast record sales & earnings for total fiscal year ending next April 30. Previous records: earnings, \$706,227, fiscal 1960; sales, \$25,065,078, fiscal 1962. Friedman previously predicted fiscal-1964 sales at \$25-27 million. Travler's color TV operation already is in the black, he said, and should produce some \$5 million additional sales in current fiscal year. Shipments of all home electronic products rose sharply to some \$2.5 million in Aug., are expected to run between \$8.5-9 million in 2nd fiscal quarter ending Oct. 31.

**Tektronix** public offering of 540,000 common shares at \$19.75 a share (Vol. 3:34 p11) was immediately oversubscribed. Of total offering, 100,000 shares were sold for the Beaverton, Ore. manufacturer of cathode ray oscilloscopes, 440,000 for selling stockholders. Tektronix earned \$5,770,537 on \$70,450,810 sales in its 1963 fiscal year ended May 25. Company has 8,072,700 outstanding shares.

**Standard Kollsman** has opened Los Angeles warehouse for uhf converters to speed service to West Coast customers. Warehouse will stock Model A converter (\$39.95) and Model B (\$29.95).

**Reports & comments:** AT&T, report, Shearson, Hammill & Co., 14 Wall St., N. Y. 5; analysis, Hallgarter & Co., 44 Wall St., N. Y. 5; review, Hirsch & Co., 25 Broad St., N. Y. 4; report, Woodcock, Moyer, Fricke & French, 123 S. Broad St., Philadelphia 9. . . Cinerama, discussion, Reuben Rose & Co., 115 Broadway, N. Y. 6. . . Zenith, analysis, Hornblower & Weeks, 40 Wall St., N. Y. 5.

WEEKLY

# Television Digest

with

## Consumer Electronics . . .

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SEPTEMBER 23, 1963

NEW SERIES VOL. 3, No. 38

### SUMMARY-INDEX OF WEEK'S NEWS

#### Broadcast

**OFFICIAL FCC 1962 TV PROFIT REPORT**—up 31.5% to \$311.6 million. Records broken all over, revenues up 12.7% to \$1,486,200,000. Network time sales up to \$521.5 million, national spot \$539.5 million (p. 2).

**'OPPOSING VIEWS' AIRED ON FAIRNESS**, FCC telling Harris it's fairer to public & station to give prompt rulings on controversies, rather than wait for renewal (p. 2).

**RATINGS' CHECK PLAN STIRS CONTROVERSY**: Former investigator Richardson offers RAB conference 4-point validation plan—disturbs stations. RKO General will sponsor ARB's radio study (p. 3).

**NEW RIDE ON PAY-TV TROLLEY** starts, pay-TV operator Tom O'Neil doesn't expect profits for 5-10 years—but looks for revenues 3 times that of free TV. Football & baseball owners resume toll-TV talk-up (p. 4).

**CONGRESS & EDITORIAL FREEDOM**: House editorializing hearings produce articulate station pleas for less regulation. Reps. Moss & Younger still favor rules (p. 5).

#### Consumer Electronics

**MORE FACTS ON COLOR MARKET** from Sylvania survey: Heaviest color concentration in large markets and on West Coast; consumers tell why they bought color; dealers' attitudes & policies explored (p. 7).

**COLOR TUBES**—Admiral explores manufacture; Corning's 25-in. bulb on schedule, deliveries seen probable in first-half 1964; Sylvania says it will meet goal of 20,000 tubes this year; Rauland mass production soon (p. 8).

**N. Y. GETS TOUGH ON ADS**: State's new False Advertising Law provides civil penalties of \$500 for each violation, is aimed at companies & persons who prepare ads. TV & radio stations and print media are exempt (p. 10).

**RECORD TV SALES** likely this year; color and b&w may reach 7.46 million, or 7.87 million including imports; imported radio sales may equal domestic product for first time, at 10 million each; domestic phono sales headed for 5.5 million record (p. 9). July TV sales slightly below 1962 figure, but recovery came in Aug. (p. 11).

**NEW ARB-FACTBOOK SERVICE—UPDATED STATION COVERAGE**: We are pleased to report the start of a new service for users of our annual Television Factbook—updated station coverage reports. Through arrangement with American Research Bureau, which supplies the station circulation data for the Factbook, we have begun distribution of revised station pages for those stations which have commissioned ARB to make new coverage studies since its last nationwide study covering all stations.

Revised ARB data are incorporated in map & tabular county-by-county information for the station, and copies of the revised page are sent to all Factbook users or any selected portion chosen by the station—such as ad agencies & advertisers. The first station to employ this new service is WMTW-TV Poland Spring, Me. (Mt. Washington, N. H.), through its rep Harrington, Righter & Parsons. Copies of WMTW-TV's new page, to be pasted over the old page in Factbook No. 33, are now in the mails to the groups selected by the station. A copy is enclosed herewith for information of Television Digest subscribers.

We are prepared to revise & distribute immediately new pages for all stations which have had such new studies prepared by ARB. For all stations wishing to commission new ARB studies from now on, ARB is prepared to make the studies in March for release approximately June 1, 1964. Our new 1964 Factbook No. 34 will be published in Feb. Therefore, studies conducted in March may be distributed by us in June & thereafter—as supplement pages to the new Factbook—to reflect the latest coverage information for the station.

We are happy to offer the service, as part of our effort to provide the industry with the latest possible coverage information. Further details available from Washington, 2025 Eye St., N. W.

**OFFICIAL FCC 1962 TV PROFIT REPORT—UP 31.5%:** Telecasting's powerful profitability drive resumed in 1962—we all knew that—but FCC's official figures now show exactly how good it was. It was fine: Income (profits) before Federal income taxes up whopping 31.5% from 1961 because revenues increased 12.7% while expenses rose only 8.6%. And there's every indication 1963 will be excellent year. For example, TvB just reported that 2nd quarter national spot billings were up 18.5% from 1962—and FCC reported that national spot accounted for more than half of 1962's time-sale increase over 1961. Earlier (Vol. 3:28 p4), NAB's study reported that telecasters estimated 1963 revenues would rise 4.9%.

CBS economist Dr. David Blank, one of industry's most astute analysts, tells us he believes 1963 will show further 8-9% revenue increase—but he doesn't estimate profits. He thinks networks will have about 8-9% increase, local about 5-6%, spot "well over 10%."

As for 1964, according to Dr. Blank, there should be "further substantial rise at all levels, if the economy holds up. If the tax cut comes, and I'm sure that it will, the rise is certain to continue." Under such assumption, he said, he'd expect 1964 increase to be about same as 1963's—or perhaps slightly less.

"Another observation I'd like to make," he said, "is that we have returned to the higher rate of growth in the industry, to the highest since 1957. This has occurred since the end of the 1961 recession."

Records were broken all over the place in 1962, according to FCC. Revenues hit \$1,486,200,000, profits \$311.6 million. Network time sales went to \$521.5 million from 1961's \$480.3 million, national spot to \$539.5 million (exceeding network for first time) from \$468.5 million, local to \$242.5 million from \$211.2 million.

All groups benefited. Networks bounced back to \$36.7 million profit from dip to \$24.7 million in 1961 from 1960's \$33.6 million. Network o&o's went to \$74.7 million profit from \$62.3 million. All other stations totaled \$200.2 million profit, compared with 1961's \$150 million. Even uhf drove up strongly—57% reporting profits vs. 40% in 1961—their revenues up 9.6%.

Of stations reporting profits (362 vhf, 43 uhf), 21 (vs. 13 in 1961) showed profits over \$3 million each, 33 showed \$1.5-3 million (vs. 26 in 1961), 35 showed \$1-1.5 million (vs. 29 in 1961). Profits under \$25,000 were indicated by 38 (vs. 44 in 1961). Of the losers (86 vhf, 32 uhf), 19 lost less than \$10,000 (vs. 17 in 1961), and at other end of scale only 2 lost more than \$400,000 (vs. 5 in 1961). Gross of more than \$8 million each was achieved by 19 stations, while 28 reported gross of less than \$100,000 each.

For first time, FCC reported payments to proprietors, partners & stockholders—excluding dividends and other payments from surplus. Total of \$11,115,068 was paid by 322 stations. Of the 132 stations reporting losses, 63 paid total of \$1,304,128 to proprietors. Also, of the 132 losers, 118 reported depreciation expenses—totaling \$7,812,562. Since total lost by the 132 was \$11,247,642, it's obvious that little of red ink was caused by payments to proprietors.

Employment rose to 41,846 (networks 9,055) from 40,086 (networks 8,798) in 1961, 40,612 (networks 9,610) in 1960. Report is FCC Notice 40706, includes 15 tables. We'll be glad to get you a copy.

One of most important tables in report is the market-by-market tabulation for cities with 3 or more stations. It is reprinted & enclosed herewith as a Special Supplement.

**'OPPOSING VIEWS' AIRED ON 'FAIRNESS':** FCC's "fairness doctrine" remained controversial issue last week, and reasonable opportunity for expression of opposing views was exercised before Congress (see also p. 5):

(1) FCC answered letter of Rep. Harris (D-Ark.), defending its policy. Harris 2 weeks ago asked FCC to review & modify its "fairness" interpretation of July 26 (Vol. 3:36 p1). Commerce Committee chairman huddled with FCC Chmn. Henry after release of letter Sept. 20, but wouldn't comment for publication.

(2) In decision on "Life Line" controversy, Commission said it isn't necessary for stations to give free time in direct answer to paid viewpoint, but that it is station's responsibility to present contrasting views as it sees fit—as long as its efforts are "honest" & "reasonable."

(3) FCC answered letter from NAB gen. counsel Douglas Anello; he had asked FCC to rescind its July 26 statement. FCC said Anello's interpretation was "incorrect."

FCC's letter to Harris said it isn't wise to wait until renewal time to weigh station's fairness performance, as Harris suggested. It offered these reasons: (1) It's not fair to licensee to await renewal before resolving complaint because passage of time would work against him in presenting his side. (2) To wait would be contrary to "fundamental policy" of fairness doctrine providing that public be given opportunity to hear contrasting views on controversial issues of importance. (3) It would be "most unfair" to political candidates and "would militate against" the goal of an informed electorate.

Harris had asserted that Commission shouldn't apply doctrine to specific programs because it would lead to its involvement in day-to-day programming. Said FCC: "Whenever the judgment is made as to fairness, whether it be at the time of complaint or upon renewal, it may be necessary for the Commission to take into account the content of individual programs..." There may be no other way to resolve complaint, it said, stating that history shows this has not led to "improper interference." It also said most complaints turn on whether reasonable opportunities for contrasting views have been provided "without resort to individual programs."

On "Life Line" controversy, stations have been troubled because Citizens Committee for Nuclear Test Ban Treaty asked for free "fair time" to respond to anti-treaty program on paid "Life Line" series. FCC wrote WKUL Cullman & WARF Jasper, Ala.: "There is... no single method by which this obligation is to be met... In the good faith exercise of his best judgment, [broadcaster] may... decide upon a local rather than a regional or national spokesman—or upon a spokesman for a group [which] is willing to pay for the broadcast time. Thus, with the exception of the broadcast of personal attacks, there is no single group or person entitled as a matter of right to present a viewpoint differing from that previously expressed on the station." FCC emphasized station is not freed from responsibility because it can't find group to pay for contrasting view, but can meet its obligation through own judgment.

In letter to NAB's Anello, FCC said that "licensee is fully responsible for all matter which is broadcast over his station." It said Anello's letter asking Commission to rescind July 26 interpretation complained that it made fairness doctrine apply to on-air controversies where station is not directly involved (Vol. 3:35 p5).

Anello objected among other things, to provision that station must send transcript of controversial programs to all attacked persons & parties, said Commission "errs" when it attempts to lay down specific rules on fairness. On latter point, Anello got encouraging response: "We also recognize... that no guidelines can ever hope to supply the precise answer to all the various factual situations which may arise."

In related development, Chmn. Henry encouraged broadcasters to express opinions on controversial matters. He told Washington chapter of American Women in Radio & TV: "It is easier and more palatable not to deal realistically and in depth with the host of complex controversial issues that surround us... I would suggest to you that unless this trend is reversed, broadcasting will in large measure have failed in its journalistic mission."

**RATINGS' CHECK PLAN STIRS CONTROVERSY:** Robert E. L. Richardson, who did most of needling at ratings hearings as Harris Subcommittee staff attorney, shook up a few broadcasters at Dallas RAB Management Conference last week. He described 4-point program of ratings validation that he thought each station should undertake if it uses ratings. By week's end, there were some calls to rating services & to Washington attorneys as stations worried anew about their obligations.

"A disclaimer clause will not do," Richardson said. He referred to recent FTC-FCC statements (Vol. 3:24 p3) that broadcaster must "take reasonable precautions to insure that a survey which he uses in an advertising campaign is valid." If stations don't take precautions, they shouldn't use ratings at all until NAB "or some governmental unit" has system of auditing, he stated.

Now an Oklahoma attorney (planning to run for Congress next year) as well as ratings consultant, Richardson offered this program for "major operator" to follow: "First thing he should do would be to acquire the services of a qualified person if he does not have one within his own organization and send this person or persons to the rating service or services which he uses."

"He should have this person do a complete audit and analysis of a recent survey for his market. This person could be a certified public accountant, a statistician or another person acquainted with broadcast measurement research. . . He should completely tabulate every questionnaire, and in fact, reproduce the rating report in every detail.

"Second, the sample should be analyzed as it was drawn. . . as to the design of the sample and its execution in the field. Third, all weighing and editing procedures used by the rating company should be analyzed. . . Fourth, a certain number of the persons which the company claims to have interviewed for the survey should be re-interviewed on a random basis to ascertain if in fact the interviewing was done in the field."

Richardson also said he was "impressed" with RAB's proposed radio methodology study, said he also believed that it's an FTC violation to print ratings, shares or total home figures "as exact figures."

Major rater we've checked said 4-point plan would lead to "chaos." He said all broadcasters should have assurances that ratings were arrived at properly but that even if 10 broadcasters required this type of individualized validation, it would cut down on production, could lead to doubling of facilities & cost. He observed that about 430 TV stations & 1,200 radio stations buy ratings and that Nielsen & ARB each turn out more than 600 local TV reports a year.

Govt. source close to FTC-FCC ratings action said Richardson's program is fine statement of ideal validation, but speculated that even FCC wouldn't require this of individual licensees.

In other development, RKO General is identified as the major station group which will underwrite ARB's radio methodology study, as we disclosed 3 weeks ago (Vol. 3:35 p3). Study will be conducted in Detroit using personal diaries to measure both in-home & out-of-home listening.

This will be TV rater's first radio activity since 1952, except for recent tests in Baltimore & Washington. Personal diary technique differs in that it seeks to measure individual listening as opposed to family listening expressed in "homes." Two diary formats will be tested—one is radio-only, other will also measure TV, newspapers, magazines. About 2,800 total diaries will be placed. In addition, there will be 2 validating samples—for in-home & out-of-home.

Study will be conducted in Detroit's TV area. This, said Frank Boehm, RKO General research & promotion dir., will permit "analysis of radio's value as a complement to TV." Pres. Hathaway Watson said study "could result in a new syndicated local radio measurement, providing more complete, valid and reliable audience estimates than have been available before."

**NEW RIDE ON THE PAY-TV TROLLEY:** "Tempered optimism" is phrase which might cover Tom O'Neil's outlook for pay TV. RKO General chmn., in one of his infrequent news conferences (in Hollywood), said he doesn't think pay TV will be profitable for some 5-10 years—and that "everybody has oversold" the idea. However, he went on, he expects subscription TV eventually to produce 3 times the income free TV does.

O'Neil said RKO General expected to lose \$4 million in its Hartford 3-year test, is prepared to lose \$10 million, but that experiment is "well worth it."

Consequence of overselling pay TV, O'Neil said, is that everyone—notably Broadway producers—ask too much money for their output. He's also unhappy about failure of 20th Century-Fox & Universal to release films for Hartford.

With new Subscription TV Inc., heavily backed and boasting Pat Weaver as president (Vol. 3:37 p4), now moving toward closed-circuit cable pay TV, it's significant that O'Neil said he's considering closed-circuit, too. This isn't surprising, in light of fact RKO is a major CATV operator.

Weaver hasn't said anything yet, may be under wraps until SEC acts on STV's proposed public stock offer. When he does open up, he has enormous capacity for generating excitement. It will be intriguing to see whether he has his old magic—subdued during the 8 years since he left NBC.

STV's entry has unquestionably started new wave of pay-TV talk. For example, pro football teams are beginning to talk up pay TV in some form or another—perhaps theater TV—when current free-TV contracts run out. In Cleveland, Indians Pres. Gabe Paul reported he's negotiating with STV, said: "We're interested in some system—which one I don't know for sure at this time."

**CONGRESS AND 'EDITORIAL FREEDOM':** Handful of articulate broadcasters from small & large communities made strong & literate pleas last week for less regulation in editorializing, if not in other areas. At 2nd and probably final round of House editorializing hearings (Vol. 3: 29 p3), station men said unhampered on-air views were necessary to help keep communities informed, especially with declining number of newspapers and with fewer competitive newspaper voices in same community.

If broadcasters had any substantial effect on congressmen, it wasn't immediately discernible. Lawmakers seemed impressed as station operators recounted their policies & efforts to be fair. But Rep. Moss (D-Cal.), whose pending HR-7072 would make "equal time" apply to editorializing when political candidate is attacked or if his opponent were favored by station editorial, said: "Majority of broadcasters are responsible and fair, but it's never the majority that brings about the need for legislation." Rep. Younger (R-Cal.) is another who favors some sort of specified guarantees on fairness, chiefly because a station requires federal license.

Rep. Rogers (D-Tex.), chmn. of Communications Subcommittee, hasn't indicated his leanings. He asked most witnesses: If there were to be "guidelines," should Congress or FCC set them? If there had to be additional rules, broadcasters said, they favored Congress providing them. Rogers wanted to make clear at outset that hearings were not intended to harass industry, as suggested by some. He said hearings were started because broadcasters didn't know what was expected of them.

Highlight of hearings was testimony of Gerald Sanders, KZZN Littlefield, Tex., later involving statements from NAB & FCC. He said recent edition of sponsored "Life Line" show assailed signing of nuclear test ban treaty. Then came request for free "equal time" from Citizens Committee for a Limited Nuclear Test Ban Treaty. He called NAB, which advised him to grant request as a "practical judgment." Surprisingly, Moss & Younger, who favor tighter fairness rules, were aghast. They thought station went beyond its obligation. "I know of no effort to make you go beyond offering reasonable opportunity to answer," said Moss. And Rogers said he thought station would have been fair if it told Citizens Committee it had opportunity to pay for response.

FCC cleared up specific "Life Line" issue by week's end, in response to similar problem facing WKUL Cullman & WARF Jasper, Ala. It said under fairness doctrine station is free to make its own determination in providing contrasting views (see story p. 2).

NAB Pres. Collins issued statement to clarify its advice to KZZN. He said because of confusion over FCC's July 26 interpretation of fairness doctrine, NAB felt it necessary as practical matter to advise station to grant "equal time." Collins reiterated NAB's basic philosophy that "it is the broadcaster's integrity and his judgment from which real fairness must come."

Witnesses at editorializing hearings, in addition to KZZN's Sanders: John Tyler & Thomas Martin, KFDA-TV Amarillo; Jesse Helms, WRAL-TV Raleigh; Clarence Jones, WQIZ St. George, S. C.; Ben Strouse, WWDC Washington; Mitchell Wolfson & Ralph Renick, Wometco stations; Arthur Arundel, WAVA Arlington; Harry Thayer, WGHQ Kingston, N. Y.; Barry Sherman, WQXI Atlanta; Leon Goldstein, ACLU; A. Maxwell Hague, Broadcast Editorial Reports.

**FCC CATV-MICROWAVE POLICY:** FCC hasn't budged yet in its position that microwaves to serve CATV systems won't be granted unless grantees agree not to duplicate—30 days before & after—programs telecast by local station.

A couple of unusual situations have been before Commission—one of which was decided last week, another still pending. In first, Wentronics Inc. had a microwave to serve its Casper, Wyo. CATV system with Denver ETV station; Wentronics had accepted FCC's 30-day non-duplication condition—but Wentronics didn't want the condition to apply to its relay of Denver commercial stations. Sorry, said FCC, the condition applies to whole CATV system, not just to one microwave channel.

In Austin, Tex., 2 CATV operators are stringing cable—and fighting each other. Capital Cable Co. has microwave to get out-of-town stations, and it had accepted non-duplication condition. TV Cable of Austin isn't using microwave, has receiving antenna on KTBC-TV's 1,137-ft. tower; it advertises that programs won't be delayed. KTBC-TV has option to buy 50% of TV Cable of Austin, and it has asked Capital Cable not to duplicate, simultaneously, its programs with out-of-town signals. Capital Cable went to FCC, argued that KTBC-TV has put it at unfair advantage, is asking that 30-day condition be waived.

FCC also set for hearing the microwave applications of Minnesota Microwave Inc., to determine impact of its service to CATVs on KCMT Alexandria. At same time, however, Commission turned down petitions for reconsideration, by KLTU Tyler, Tex. and KTAL-TV Texarkana, of microwave grants to serve CATVs in their areas.

"Communications and the Community" is theme of Group W's 5th Public Service Programming Conference, to be held Nov. 11-13 in Cleveland (Vol. 3:36 p5), it's announced by Pres. Don McGannon. Sessions are expected to gather several hundred TV-radio executives, govt. officials, prominent educators, entertainers, press. Prior conferences—held in Pittsburgh, San Francisco, Baltimore, Boston—have set high standard for industry meetings. Programming vp Richard Pack is in charge.

**State associations** should have fulltime offices, Jack Williams, exec. secy. of Georgia Assn. of Bcstrs. told convention of Louisiana Assn. of Bcstrs. last week. He said: "Any success we may have had... is due to our 24-hour-a-day, 7-day-a-week, service to the small broadcasters, helping with their employment, legal & government problems, public relations, technical questions & license renewals." Such offices "can move swiftly" in opposing "federal encroachment," he said.

**WFGA-TV keeps Ch. 12 Jacksonville**, FCC ruled in final decision. It agreed with examiners' initial decision holding that applicant Jacksonville Bcstg. Corp. is disqualified for having attempted *ex parte* influence on Commission, but disagreed with them regarding applicant City of Jacksonville, said latter wasn't responsible for such under-the-table efforts.

**Time to answer Pres. Kennedy's Sept. 18 TV-radio address on tax cut** was sought quickly by Republican National Committee Chmn. William Miller, promptly given by the networks. Networks indicated they had intended to offer time for response.

## Personals

**John Lynch**, former special projects div. program mgr., promoted to mgr., ABC News, Washington, reporting to bureau chief Robert Fleming.

**Everett H. Erlick**, AB-PT vp-gen. counsel, and **Sydney H. Eiges**, NBC public information vp, named co-chairmen of new Bcstg. & Adv. Div. of American Jewish Committee's Appeal For Human Relations, formed to combat bigotry and advance cause of human rights.

**Harry E. Smith** now heads GE's Syracuse broadcast equipment operations as mgr. of new Visual Communication Products Program (which also includes audio equipment); he moves from marketing mgr. of former Technical Productions Operation, which had been headed by **Robert L. Casselberry**, now mgr. of Planning, Standard Products, Communication Products Dept., Lynchburg, Va., with responsibilities in mobile radio, telecommunications, power line carrier.

**James Robertson**, ex-WTMJ-TV Milwaukee & WTTW Chicago, resigns as NET network affairs vp to become vp-gen. mgr. of upcoming Los Angeles ETV Station (Community TV of Southern Cal.). . . **Rudy Bretz**, ex-UCLA ETV, named vp-TV systems planning, National Education Sciences Corp.

**Caywood C. Cooley Jr.**, Jerrold community systems div. mgr., promoted to product planning dir. . . **Lawrence T. Pfister** appointed audio products mgr., Gates Radio.

**Malcolm M. Bursleson**, Metropolitan Bcstg.'s engineering dir., elected vp, hq WTTG Washington. . . **Ira J. Goldstein**, Metromedia asst. gen. counsel, moves office to Los Angeles.

**Donald F. Fischer**, ex-WCKT Miami, named promotion mgr., KTVI St. Louis. . . **J. Kelson Weber**, Nielsen media research div. account exec., elected vp.

**Thomas J. White Jr.**, ex-Avery-Knodel exec. vp, appointed gen. sales mgr. for radio, Adam Young. . . **Ransom Y. Place Jr.** promoted to radio sales service dir., Peters, Griffin, Woodward.

**Donald J. Trageser**, ex-asst. gen. mgr., radio KDKA Pittsburgh, appointed vp & gen. mgr., radio WEEI Boston.

**George W. Bowe**, asst. program mgr., WTIC-TV Hartford, promoted to head new TV-radio special programs div. for documentaries & public service.

**Add TV golf splurge:** (1) "CBS Match Play Classic," 32 leading pros teamed for tourney running weekly Dec. 28-April 5, 4-5 p. m. Sat., with \$150,000 prize money—\$50,000 to winning team. (2) Fourth Network Inc., 2301 W. 3rd St., Los Angeles, headed by John R. Vrba, ex-KTTV Los Angeles, starts with Frank Sinatra Tournament Nov. 9-10 on 125 stations, has Palm Springs Classic Feb. 1-2, USC-Ohio State football game, plans sports documentaries, general entertainment programs.

**New CATV systems** under construction: Gainesville, Fla., University City TV Cable Co., Box 13795, James L. Milliken mgr.; Decatur, Ala., Decatur Cable TV Inc., 1628 Fifth Ave. SE, Helmut Dieter mgr.

**Feature article on CATV**—what it is, its problems, etc.—was carried in Sept. 15 "N. Y. Herald Tribune."

# Television Digest

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**Add new TV uses**, from address by James Quirk, publisher of "TV Guide": "Two years ago we received a letter from a lady in New Jersey who requested that we send her copies of all the August issues of 'TV Guide'. It seemed that the lady was due to become a mother, and the only way she could determine the stork's arrival time was to pinpoint the date of a TV show she had seen nine months previously. We sent the lady her magazines; she located her program and sent us a warm letter of thanks. Unfortunately, she never did tell us what show she had been watching that eventful day, so we can only guess. We think it was either 'Naked City,' or 'I Search for Adventure.'"

**ABC-TV was elated** by viewers' response to its new-show debuts last week, as measured by 26-city Trendex report for Sun.-Thur., showing it leading all networks in ratings & share of audience each night of period. For 5 evenings, ABC-TV said its average rating was 18.7, share of audience 39.1, compared with 11.9 & 24.9 for CBS, 12.0 & 25.0 for NBC. On Tues. evening, ABC's rating was 23.3, share of audience 48.6. ABC introduced all of its new shows last week, and its network competition was largely end of summer schedule, but included some new CBS & NBC shows.

**Portable broadcast Videotape recorder** has been introduced by Ampex at \$14,500. New transistorized VR-660 is similar to VR-1500, designed for closed-circuit use, except that output signal meets FCC standards for broadcast without additional equipment. Like VR-1500, it uses helical scanning and is incompatible with standard console broadcast recorders. Deliveries of unit, which weighs less than 100 lbs., are scheduled to begin early next year.

**Portable video tape recorders**, made by Machtronics and sold by Storer, now meet FCC standards. MVR-11, 68 lbs., sells for \$13,850; MVR-15, 78 lbs., is \$15,750. Henry J. Davis, Storer Programs, N. Y., heads broadcast sales.

**Annual outing** of Federal Communications Bar Assn. is set for Oct. 7, again at Washingtonian Country Club near Washington—golf, ball game, tennis, beer, dinner, etc.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**MORE FACTS ON COLOR TV MARKET:** Dimensions of color TV's market, together with dealer & set-owner attitudes toward color, were presented exclusively in these pages last week (Vol. 3:37 p6) in form of highlights from Sylvania's color study, one of most exhaustive ever conducted. Here are some additional findings from the survey of 17,590 families, and interviews with dealers in 15 cities.

Bear in mind that Sylvania's survey was conducted early this year. In fast-breaking color TV market, many changes in parameters and attitudes could well have occurred since then. It's understood, in fact, that Sylvania Market Research Dir. Frank W. Mansfield is updating his projections of color set sales. We will report them as soon as they're available. Among survey highlights:

Color set ownership: As might be expected, ownership is most heavily concentrated in larger cities—32.3% of color sets were in cities with population of 2 million or more, 29.7% in cities of 500,000-2 million, 18.6% in cities of 50-500,000, 9.5% in cities of 2,500-50,000, and 9.9% in rural areas. In cities of 50,000 and above, concentration of color sets was proportionately greater than population distribution—in smaller cities & rural areas it was less. In other words, color ownership per capita increases with increasing city population.

Greatest percentage of color sets are located in East North Central area (29.9% of them are there), followed by Pacific area (20.9%), Middle Atlantic (17.5%), South Atlantic (8.7%), West South Central (8.4%), New England (5.7%), West North Central (3.8%), Mountain (3%), East South Central (2.7%). However, greatest density of color sets, on per-population basis, is in Pacific area, where 2.69% of respondents had color sets, followed by East North Central (1.95%), and New England & West South Central (1.42% each).

Exposure to color TV: Higher income families are more likely to have seen color TV programs—77% of those in \$10,000-&-up bracket have seen color, and percentage declines steadily with decreasing income brackets to 39% for those who make less than \$3,000 a year.

Why people like color: Comments by color set owners on what they like most about their sets were placed in following general categories: Color & reception, 35% of respondents; adds interest to viewing, 30%; nature-travel-scenery, 22%; enjoy it generally, 8%; movies, 5%; sports, 3%.

Why people buy color: Survey attempts to classify reasons for buying. Under general grouping of "favorably impressed," 24% of owners are listed, with circumstances broken down this way: saw in friend's home, 7%; demonstration, 7%; other, 10%. "Economic reasons" are given for 27% of purchases, with this breakdown: old set worn out, 15%; other, 12%. "Progress of art" was reason for most purchases (38%), broken down this way: color now interesting, enjoyable, 21%; color has been improved, 6%; more color programs, 11%. "No particular reason, just wanted one," accounts for 19% of purchases. Some 5% were received as gifts.

Dealers' displays. In 15-city shopping tour, interviewers counted number of color sets displayed by dealers, as compared with black-&-white. Los Angeles was No. 1 in ratio of color-to-b&w sets displayed (N. Y. ratio wasn't given), where 16.6% of sets counted by shoppers were color. Boston was next, with 15.2%, followed by Dallas (13.7%), Denver (12.9%), Indianapolis (12.2%) & Pittsburgh (10%). In remainder of cities, fewer than 10% of display sets were color.

Reception in stores. Interviewers weren't satisfied with quality of color pictures displayed in stores. In only 10% of cases did interviewers have favorable opinion of color pictures they saw in stores; opinion was unfavorable in 17.3% of cases, neutral in 76%. Nevertheless, salesman's competence won 70.7% favorable vote from interviewers.

Service contracts were mentioned by 76.7% of dealers. In 34% of cases, contracts were compulsory; in 26.7% recommended; in 17.3%, available but not recommended. There was no extra charge

for contracts in 49.3% of cases. In others, charge was about equally divided above & below \$35 (15.3% vs. 16.7%).

Dealer service on color: Fewer stores repair color sets than b&w. While 40.7% of dealers said they made their own b&w repairs, only 30.4% said they serviced color. Among reasons for not offering color service: Arrangements made directly with manufacturer or his representative (33%); cheaper to subcontract (31.8%); too costly to maintain service dept. (19.3%); special training required for servicemen (5.7%). However, those who did color servicing were more likely to make a profit on them than on b&w—25.5% of stores said b&w repairs were a profitable operation, and 29.3% found color repairs profitable.

**COLOR TUBES—ADMIRAL AND OTHERS:** Those rumors you've been hearing—that Admiral is exploring possibility of producing color tubes—are true. Admiral officials give "no comment" reply when asked, but it is known that company has hired Marvin Rathfelder, ex-Rauland special products mgr. and onetime National Video plant mgr. His working title is said to be "vp in charge of color tube plant."

It's understood that no decision has been made, but Admiral's exploration results from dissatisfaction with present ration of color tubes and prospects of continuing color tube shortage for some time. Color tubes are on allocation, and many large set makers—including RCA Victor—aren't getting as many as they'd like.

If Admiral does go into tube business, it's understood, it would manufacture rectangular color tubes only—no black-&-white. It probably would take Admiral at least 2 years to get going, and by that time switchover to 25-in. rectangular tube would have occurred (Vol. 3:37 p8).

Seriousness of Admiral's intentions aren't known. It would take at least \$10 million and possibly 100 scarce engineers to put anybody in color tube business today. It's no secret that all 3 experienced tube makers now tooling up for color tube production are having more difficulties than they'd anticipated—gearing up to produce color tubes is almost indescribably difficult operation. Here's how color picture tube situation stands as of this moment:

(1) Corning Glass Works is "on schedule" in its development of 25-in. rectangular 90° color bulb. Based on its announcement to set manufacturers July 1962 (Vol. 2:30 p7), this means bulbs could be delivered starting some time between Jan. & Aug. 1964.

(2) Sylvania says it will meet its goal of 20,000 color tubes during 4th quarter of this year, although there are reports it has lowered its sights to 15,000. It is currently making color tubes in small quantities.

(3) Rauland expects to reach volume production of color tubes "in a matter of weeks," according to Zenith Pres. Joseph S. Wright. He also reiterated Zenith's goal of 200,000 color set sales this year.

(4) National Video conceded it's still having difficulty producing 23-in. rectangular 90° color tubes for Motorola, and that it had cut back initial production because rejection rate was 50%. Motorola, now 6-8 weeks behind schedule on 23-in. color sets, now says it's "moot question" how many will be delivered in time for Christmas.

(5) RCA hopes to produce close to million color tubes this year, sees demand for more than 1.5 million in 1964 (Vol. 3:37 p8).

National Video's problems were explored during stockholders meeting in Chicago last week. Pres. Asher Cole explained difficulty is still "cross-contamination between colors and lack of adherence of the dots to the screen," but added: "We are beginning to see daylight and we feel that the major portion of the expense of getting into color tube business is behind us." When rectangular tube is in production, he said, it will cost perhaps \$5 more than conventional 21-in. round color tube.

In its black-&-white business, National Video reported improvement—having turned out 232,575 tubes in 3 months ended Aug. 31, up from 227,447 in same 1962 period.

In reporting that 25-in. rectangular bulb development is progressing on schedule, Corning Electrical Products Div. Vp-Gen. Mgr. Allen W. Dawson said program will cost more than the \$4 million

originally estimated. At time of original announcement of rectangular color bulb development program, Corning told set makers bulb would cost them \$20-\$25, compared with \$15 for current round color bulb.

Dawson, whose business hinges on astute prediction of trends in TV, made these observations about 3 phases of color & b&w market:

- (1) "Color business is great, almost unbelievable—much better than most people realize it is."
- (2) "Tinyvision could be awfully good next year, with sales of American small sets running between 500,000 and one million. Incidentally, American tube manufacturers pay less for U.S.-made tinyvision bulbs than Japanese tube manufacturers pay for Japanese-made tinyvision bulbs."
- (3) "The Shelbond picture-tube concept [requiring no safety glass] seems to be gaining great acceptance. But we still think the twin-panel bonded tube is the finest picture tube made." Meanwhile, Owens-Illinois has developed new version of bare-faced tube, Kimcode III, which—like Shelbond—does not require fiberglass sleeve around funnel.

\* \* \* \* \*

Motorola still anticipates record 3rd quarter sales & earnings, despite fact that production troubles with 23-in. rectangular tube have delayed output of its new color sets by 6-8 weeks, Pres. Robert W. Galvin reported. "Adverse effects of the delay," he said, "have been offset to a considerable degree by other factors"—such as "excellent" volume by semiconductor & communications equipment divs., "splendid" demand for radios, "pickup" in alternator business, and good acceptance of b&w TV line. Galvin also forecast record 1963 sales, said earnings would show improvement over 1962's \$3.03 a share (before a 25% capital gain).

**RECORD TV SALES LIKELY THIS YEAR:** Enough of year's sales results are in to warrant guarded prediction that 1963 could well set all-time record for TV unit sales. To do so, it would have to surpass boom year of 1955, when distributor-to-dealer sales totaled about 7.45 million (including color). There's growing belief this may happen.

It all depends on color sales. If they reach 750,000 this year, record will probably be set. This is based on our assumption that b&w sales will total 6.71 million this year, which seems probable on basis of preliminary 8-month sales figures, which show b&w distributor-to-dealer sales at 3,941,000, up about 6.5% from last year's 3,692,000. Although TV sales for last half of 1962 were excellent, gain of at least 6.5% should be maintained for rest of year—due in large part to popularity of 11-in. sets.

Total TV sales may well run to about 7.87 million this year, if you include imports—making 1963 far-&-away biggest TV sales year, since there were no TV imports during record 1955.

Sales of domestic radios (excluding auto) should wind up at about 10 million this year, 15% short of last year's 11,757,000. At the 8-month point, distributor radio sales are about 16.5% behind last year—5,471,000 units vs. 6,571,000. Radio sales for rest of year probably won't lag as far behind 1962 as they have during first half, because current radio slump had its beginnings in last year's 2nd half. Trend is showing already, with preliminary Aug. distributor sales estimate of 838,000 radios, just 1% below the 849,000 sold in Aug. 1962.

Sales of radios actually will set all-time record this year, if you include imports. Total will probably be around 20 million sets (excluding auto & "toy" sets), marking first time sales of imports have matched domestic product.

Domestic phono sales are headed for record, too—due to wind up year at about 5.5 million, or 15% ahead of last year's 4.84 million at distributor-to-dealer level.

In TV, sales were below comparable 1962 month for first time in July, according to EIA figures. Preliminary estimates, however, indicate that Aug. showed gain again, its 536,000 distributor sales being about 3.5% ahead of Aug. 1962's 518,000.

TV inventories at end of Aug. were in excellent shape. At manufacturer & distributor levels, total stocks were 8% below year-before figure. Radio inventories were also down about 8% in face of 16.5% decline in sales. For official EIA 7-month figures, see p. 11.

**N. Y. GETS TOUGH ON ADS:** "False advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this state is hereby declared unlawful," declares N. Y.'s new False Advertising Law which became effective Sept. 1. Statute is all-embracing, gives Attorney General Louis J. Lefkowitz "an additional strong weapon with which to combat the false and deceptive practices which continue to plague consumers and honest merchants and service people," and likely will be trailblazer for similar legislation in other states.

False ad statute is "aimed directly" at companies and people who prepare ads, empowers attorney general to take violators to court for civil penalties of \$500 for each violation. TV & radio stations, as well as print media, are exempt. Law is gunning for ad preparers, includes in-store ads, signs and circulars, and it leaves them little room to be other than factual.

N. Y.'s law defines false advertising comprehensively: It means advertising, "including labeling, which is misleading in a material respect; and in determining whether any advertising is misleading, there shall be taken into account (among other things) not only representations made by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity to which the advertising relates under the conditions prescribed in said advertising, or under such conditions as are customary or usual."

Lefkowitz amplified: "This all-embracing definition makes the honesty of an ad the test of its lawfulness. Failure to reveal essential facts becomes as important as the use of outright falsehood or deception; inadvertence on the part of the advertiser is as fatal as intentional misleading."

We spoke with Albert G. Seidman, attorney in charge of FTC's N. Y. office, on importance of new legislation. He told us: "This law is particularly important in N. Y. because FTC has jurisdiction here over large retailers who are in interstate commerce but who are forced to compete with local retailers, many of the cash-and-carry type, who do not come under our jurisdiction." He noted that "this is the first state law with the civil penalty provision," forecast "it would seem only logical that many other states will follow N. Y.'s lead." He pointed out that many states have criminal statutes covering false & misleading ads, but "being criminal statutes, they are cumbersome to enforce. Further, the authorities, already burdened by criminal cases, do not in many instances have the time to get into these commercial crime cases." He said N. Y.'s law "fills a need we are most conscious of," added that it could be applied as well to service industries "generally not subject to the FTC."

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N. Y. City Council passed and relayed for Mayor Wagner's signature a Fair Sabbath Law which will permit small, family-operated businesses to remain open on Sun. if they close another day of the week. It covers only stores operated by owners or their immediate families.

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## TOPICS & TRENDS

Singer Sewing Machine Co. may import TV sets for sale under "Singer" brand name in its own retail stores. Company spokesman said this was "under consideration, but that doesn't mean we've decided to do it." Some 60 Singer outlets in N. Y. metropolitan areas are currently handling Magnavox line on "test" basis. Some Singer stores are also displaying Westar Japanese-made TVs, Singer having purchased entire inventory from Litton subsidiary Westrex Co. Alpine, leaving TV import business. Singer spokesman pointed out that Westar sets—and the proposed imports—were small-screen receivers not competitive with Magnavox line.

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Integrated circuits should start showing up in consumer entertainment equipment by 1965, according to prediction by Joseph D. Hurley, marketing mgr. of Westinghouse Molecular Electronics Div., which recently dedicated \$2-million integrated circuit plant at Elkridge, Md. (See "Molecular Revolution in Consumer Products," Vol. 3:5 p7.)

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German version of barefaced picture tube has been introduced by Standard Elektrik Lorenz, ITT affiliate. Looking like a cross between Shelbond & Kimcode, it has bonded steel shell around rim, with mounting flanges, and steel jacket bonded to forward portion of funnel.

TV STATION MARKET-BY-MARKET INCOME & EXPENSES IN 1962  
 Report by FCC for Markets with 3 or More Stations

TV MARKETS	(1)	NO. OF STATIONS IN OR MORE THAN OPERA-TION	(2)	NO. OF PORTING STATIONS \$25,000 OR MORE	(3)	NETWORKS	(4)	NATIONAL AND REGIONAL ADVERTISERS AND SPONSORS	(5)	LOCAL ADVERTISERS AND SPONSORS	(6)	TOTAL STATIONS REPORTING	(7)	TOTAL BROADCAST REVENUES <sup>2</sup>	(8)	TOTAL BROADCAST EXPENSES	(9)	TOTAL BROADCAST INCOME <sup>3</sup>	(10)
ALBANY-SCHENECTADY-TROY, N.Y.		3	3	3	\$1,769,417		3	\$4,171,663	1,120,038	1,120,038	3	3	\$6,315,949	4,432,445	\$1,883,504				
ALBUQUERQUE, N.M.		3	3	3	637,716		3	670,237	1,075,364	1,075,364	3	3	2,228,541	1,963,523	295,018				
AMARILLO, TEX.		3	3	3	529,957		3	627,474	1,169,080	1,169,080	3	3	2,247,342	2,079,528	167,814				
ATLANTA, GA.		3	3	3	1,920,953		3	4,900,155	2,874,711	2,874,711	3	3	8,578,041	5,822,564	2,755,477				
BAKERSFIELD, CAL.		3	3	3	438,262		3	744,322	988,661	988,661	3	3	1,972,939	2,049,791	123,852				
BALTIMORE, MD.		3	3	3	2,413,171		3	8,414,497	2,831,439	2,831,439	3	3	12,063,319	8,476,622	3,586,697				
BEAUMONT - PORT ARTHUR, TEX.		3	3	3	556,697		3	728,355	530,470	530,470	3	3	1,796,159	1,891,837	95,678				
BINGHAMTON, N.Y.		3#	2	2	*		*	*	*	*	3	3	2,761,916	1,735,199	1,046,717				
BOSTON, MASS.		3	3	3	4,415,980		3	17,540,621	6,027,539	6,027,539	3	3	24,026,019	12,252,237	11,773,782				
BUFFALO-NIAGARA FALLS, N.Y.		3	3	3	2,482,228		3	8,697,803	3,099,577	3,099,577	3	3	12,043,928	7,844,161	4,199,767				
CEDAR RAPIDS - WATERLOO, IOWA		3	3	3	952,322		3	1,398,532	534,394	534,394	3	3	2,689,424	2,201,256	488,168				
CHARLESTON-OAK HILL-HUNTINGTON, W.VA.-ASHLAND, KY.		4	4	4	1,770,390		4	2,106,503	1,187,899	1,187,899	4	4	4,789,132	3,909,063	880,069				
CHARLESTON, S.C.		3#	3	3	652,171		3	514,964	778,436	778,436	3	3	1,871,180	1,565,503	305,677				
CHATTANOOGA, TENN.		3	3	3	740,429		3	894,956	669,869	669,869	3	3	2,164,774	2,143,552	21,222				
CHICAGO, ILL.		4	4	4	7,054,125		4	34,195,637	10,573,458	10,573,458	4	4	48,713,762	29,712,522	19,001,240				
CINCINNATI, OHIO		3	3	3	2,636,123		3	5,989,261	2,341,772	2,341,772	3	3	11,107,538	6,686,423	4,421,115				
CLEVELAND, OHIO		3	3	3	3,530,265		3	13,828,650	3,879,551	3,879,551	3	3	19,739,822	10,118,245	9,621,577				
COLORADO SPRINGS-PUEBLO, COLO.		3	3	3	365,275		3	530,601	708,873	708,873	3	3	1,562,268	1,574,571	12,337				
COLUMBIA, S.C.		3	3	3	530,794		3	928,481	720,623	720,623	3	3	2,236,208	1,734,717	501,491				
COLUMBUS, OHIO		3	3	3	1,769,170		3	5,722,126	2,477,788	2,477,788	3	3	9,390,350	5,891,318	3,499,032				
DALLAS - FORT WORTH, TEX.		4	4	4	2,329,261		4	7,322,725	4,130,637	4,130,637	4	4	12,801,343	8,756,825	4,044,518				
DENVER, COLO.		4	4	4	1,361,121		4	2,293,642	2,311,271	2,311,271	4	4	7,699,734	5,345,256	2,354,478				
DES MOINES - AMES, IOWA		3	3	3	1,156,933		3	2,472,925	871,763	871,763	3	3	4,003,330	3,153,243	850,087				
DETROIT, MICH.		3	3	3	4,737,242		3	12,707,520	5,287,163	5,287,163	3	3	20,232,778	10,969,223	9,263,555				
EL PASO, TEX.		3	3	3	482,239		3	682,032	1,053,004	1,053,004	3	3	2,106,641	2,000,445	106,196				
EVANSVILLE, IND.		3	3	3	794,191		3	762,500	746,466	746,466	3	3	2,196,456	2,013,180	183,276				
FLINT-SAGINAW-BAY CITY, MICH.		3	3	3	1,096,732		3	2,072,047	739,663	739,663	3	3	3,428,988	2,852,475	576,513				
FORT WAYNE, IND.		3	3	3	879,616		3	1,142,085	773,944	773,944	3	3	2,584,645	1,949,544	635,101				
FRESNO-HANFORD-VISALIA, CALIF.		6	6	6	913,478		6	1,822,197	1,287,073	1,287,073	6	6	3,497,579	3,839,727	342,148				
GRAND RAPIDS-KALAMAZOO, MICH.		3#	3	3	1,913,712		3	4,362,493	629,362	629,362	3	3	6,761,511	3,587,208	3,174,303				
GREEN BAY, WISC.		3	3	3	1,079,707		3	1,330,620	730,587	730,587	3	3	2,977,217	2,406,986	490,231				
GREENVILLE-SPARTANBURG, S.C.-ASHEVILLE, N.C.		4	3	3	1,004,810		3	1,265,949	926,418	926,418	4	4	3,353,721	2,549,593	774,128				
HARRISBURG-LANCASTER-YORK-LEBANON, PA.		5	5	5	1,452,971		5	2,946,126	1,183,328	1,183,328	5	5	4,733,834	3,717,233	1,016,601				
HARTFORD-NEW HAVEN-NEW BRITAIN-WATERBURY, CONN.		5	5	5	2,008,953		5	7,926,938	1,336,410	1,336,410	5	5	10,370,434	6,759,938	3,610,496				
HONOULULU, HAWAII		3	3	3	*		*	*	*	*	3	3	*	*	*				
HONOLULU, HAWAII		4#	4	4	457,005		4	962,720	2,330,126	2,330,126	4	4	3,549,234	3,395,306	153,928				
HOUSTON-GALVESTON, TEX.		4	4	4	1,784,658		4	6,978,977	2,239,356	2,239,356	4	4	9,761,650	6,304,526	3,457,124				
INDIANAPOLIS-BLOOMINGTON, IND.		4	4	4	1,335,058		4	6,598,003	2,685,897	2,685,897	4	4	10,727,396	6,765,439	3,961,957				
JOHNSTOWN-ALTOONA, PA.		3	3	3	1,417,855		3	2,302,319	579,148	579,148	3	3	4,022,671	2,134,230	1,888,441				
KANSAS CITY, MO.		3	3	3	2,280,059		3	6,536,446	2,348,762	2,348,762	3	3	9,692,335	6,720,892	2,971,443				
KNOXVILLE, TENN.		3	3	3	937,744		3	1,321,457	930,356	930,356	3	3	2,899,601	1,972,775	927,828				
LAS VEGAS - HENDERSON, NEV.		3	3	3	147,486		3	279,252	1,367,698	1,367,698	3	3	1,874,274	1,417,297	456,977				
LINCOLN-HASTINGS-KEARNEY, NEBR.		3	3	3	739,198		3	895,663	870,453	870,453	3	3	2,398,321	1,850,650	547,671				
LITTLE ROCK, ARK.		3	3	3	845,956		3	1,081,288	896,081	896,081	3	3	2,692,534	2,116,897	575,637				
LOS ANGELES, CAL.		8#	8	8	6,845,247		8	20,988,614	20,988,614	20,988,614	8	8	56,622,760	42,684,065	13,938,695				
LOUISVILLE, KY.		3	3	3	1,583,143		3	3,999,144	1,273,317	1,273,317	3	3	6,158,751	3,460,988	2,697,763				
MADISON, WISC.		3	3	3	633,060		3	1,190,288	591,607	591,607	3	3	2,271,963	1,759,317	514,646				
MEMPHIS, TENN.		3	3	3	1,816,889		3	3,422,750	1,128,658	1,128,658	3	3	5,731,001	3,584,237	2,146,764				
MIAMI, FLA.		3	3	3	1,839,260		3	6,719,402	2,971,569	2,971,569	3	3	10,826,617	6,867,705	3,938,912				

(over)

**TIME SALES:**

TV MARKETS	NO. OF STATIONS IN OR MORE OPERATING	NO. RE-PORTING \$25,000 OR MORE	NATIONAL AND REGIONAL							TOTAL BROADCAST REVENUES <sup>2/</sup>	TOTAL BROADCAST EXPENSES	TOTAL BROADCAST INCOME <sup>3/</sup>
			(1)	(2)	(3)	(4)	(5)	(6)	(7)			
MILWAUKEE, WIS.	4	4	2,291,172	7,019,040	2,684,280	4	10,602,818	6,913,168	3,689,650			
MINNEAPOLIS-ST. PAUL-MINN.	4	4	2,636,324	6,486,793	4,491,651	4	13,519,250	10,257,873	3,261,377			
MOBILE-ALA.-PENSACOLA, FLA.	3	3	819,447	1,367,162	938,207	3	2,914,618	2,464,171	450,447			
MONTGOMERY, ALA.	3#	2	*	*	*	2	*	*	*			
NASHVILLE, TENN.	3	3	1,494,134	2,219,666	2,054,635	3	5,211,981	4,016,152	1,193,829			
NEW ORLEANS, LA.	3	3	1,669,610	3,926,761	2,173,335	3	6,669,128	5,367,345	1,321,783			
NEW YORK, N.Y.	6	6	13,116,672	63,523,038	15,416,350	6	84,406,248	46,677,127	37,729,121			
NORFOLK-PORTSMOUTH-NEWPORT-NEWS-HAMPTON, VA.	3	3	1,514,252	2,133,714	1,749,562	3	4,972,764	4,003,813	968,951			
OKLAHOMA CITY-ENID-OKLA.	3	3	1,569,477	3,420,579	1,508,795	3	6,104,409	3,892,092	2,212,317			
OMAHA, NEBR.	3	3	1,507,147	3,038,565	1,039,935	3	5,117,534	3,071,719	1,245,815			
ORLANDO-DAYTONA BEACH, FLA.	3	3	836,075	1,324,651	1,114,660	3	3,090,577	2,435,825	654,752			
PADUCAH, KY.-CAPE GIRARDEAU, MO.-HARRISBURG, ILL.	3	3	784,959	1,007,669	285,028	3	1,944,385	1,529,334	415,051			
PEORIA, ILL.	3	3	838,238	1,121,709	740,506	3	2,472,031	2,317,953	154,078			
PHILADELPHIA, PENN.	3	3	6,123,449	22,532,580	5,503,042	3	30,300,297	17,956,880	12,341,417			
PHOENIX-MESA, ARIZ.	4	4	858,445	2,252,293	2,054,491	4	5,203,913	4,752,668	451,245			
PITTSBURGH, PA.	3	3	3,611,811	4,710,122	4,235,221	3	18,488,914	10,273,852	8,215,062			
PORTLAND-POLAND SPRINGS, ME.	3	3	1,026,183	1,755,671	790,588	3	3,241,222	2,931,924	309,298			
PORTLAND, ORE.	4#	4	1,752,897	4,743,376	2,040,105	4	7,501,581	6,246,625	1,254,956			
RICHMOND - PETERSBURG, VA.	3	3	1,176,299	1,417,443	937,890	3	3,724,594	2,828,583	896,011			
ROANOKE - LYNCHBURG, VA.	3	3	1,077,185	1,224,624	894,056	3	2,922,731	2,300,968	621,763			
ROCHESTER, N.Y.	3#	3	1,299,729	2,741,813	1,244,134	3	4,683,385	3,812,746	870,639			
ROCHESTER-AUSTIN, MINN.	3	3	584,211	602,242	569,372	3	1,713,378	1,345,048	368,330			
MASON CITY, IOWA	3	3	1,308,104	4,383,124	1,535,029	3	6,123,399	5,462,728	694,673			
SACRAMENTO-STOCKTON, CAL.	3	3	1,068,769	1,651,968	1,534,529	3	4,166,520	3,936,013	230,505			
SALT LAKE CITY-OGDEN-PROVO, UTAH	4	4	1,226,341	2,437,639	1,555,464	4	6,814,167	4,123,325	490,844			
SAN ANTONIO, TEX.	4	4	3,488,374	14,009,339	6,754,608	4	22,301,270	13,197,786	9,103,484			
SAN FRANCISCO-OAKLAND, CAL.	5	5	2,034,366	6,172,616	2,207,621	5	9,705,624	8,383,170	1,322,454			
SEATTLE - TACOMA, WASH.	3	3	1,001,893	1,593,191	984,705	3	3,232,858	3,136,126	94,732			
SHREVEPORT, LA.-TEXARKANA, TEXAS	3	3	652,456	836,112	613,051	3	2,083,829	1,930,921	154,908			
SOUTH BEND - ELKHART, IND.	3	3	890,736	2,042,487	859,186	3	3,341,104	2,948,512	392,592			
SPOKANE, WASH.	3	3	1,194,016	1,857,702	1,267,102	3	3,984,589	2,878,596	1,105,993			
SPRINGFIELD-DECATUR-CHAMPAIGN	4	4	2,922,823	9,341,393	3,244,113	4	13,439,737	9,540,893	3,898,844			
URBANA-DANVILLE, ILL.	3#	3	1,567,681	4,429,384	1,117,765	3	6,171,269	3,397,199	2,774,070			
ST LOUIS, MO.	3	3	1,349,931	3,909,115	1,793,644	3	6,208,533	4,109,447	2,099,086			
SYRACUSE, N.Y.	3	3	452,937	526,162	1,216,354	3	2,111,922	2,045,375	66,547			
TAMPA - ST. PETERSBURG, FLA.	3	3	1,221,121	2,359,086	1,271,630	3	4,444,996	3,533,125	911,871			
TUCSON, ARIZ.	3	3	*	*	*	3#	*	*	*			
TULSA, OKLA.	3	3	2,788,509	9,231,269	2,634,732	4	14,632,666	10,428,148	4,204,518			
WAILUKU, HAWAII	3	3	1,091,179	1,919,371	969,957	3	3,537,075	3,139,766	397,309			
WASHINGTON, D.C.	3	3	1,030,076	1,433,491	952,479	3	3,232,651	2,865,590	367,067			
WICHITA-HUTCHINSON-KANS.	3	3	668,634	1,076,851	455,608	4	2,084,187	1,816,190	267,997			
WILKES BARRE-SCRANTON, PA.	4#	3	309,713	3,215,371	395,006	3	3,810,552	3,474,768	335,784			
YOUNGSTOWN, OHIO	3	3	308,713	3,215,371	395,006	3	3,810,552	3,474,768	335,784			
SAN JUAN-CAGUAS, PUERTO RICO	308	299	\$153,241,966	\$461,863,703	\$191,437,087	307	\$738,385,842	\$501,716,819	\$236,666,023			
TOTAL 91 MARKETS												

MARKETS LESS THAN 3 STATIONS  
 TOTAL 183 MARKETS  
 TOTAL 274 MARKETS

1/ Before commissions to agencies, representatives and others  
 2/ Total revenues consist of total time sales less commissions plus talent and program sales.  
 3/ Before Federal income tax.  
 \* denotes loss  
 # Not all stations in this market operated a full year during 1962.  
 Data not published for groups of less than 3 stations.  
 Hilo and Hilo-Lake have 3 and 2 satellite stations, respectively, whose financial statistics are included in the reports of their parent stations.

**TV-RADIO SALES DOWN:** TV sales were below comparable 1962 month for first time this year in July—but they were down by only about 1,000 sets, and Aug. sales made handsome recovery (see p. 9). Official figures, released last week by EIA, show distributor-to-dealer sales for 1963's first 7 months were about 7% above comparable 1962 sales.

EIA's production statistics show all-channel sets constituted 20% of July TV output, and 13% of total production for year's first 7 months, up from 9% in same 1962 period. In July, all-channel output was 168% ahead of July 1962, and for 7 months it was running 67% ahead of last year.

Radio sales to dealers continued far below last year, down about 24% for both July and for 7-month period. FM, nevertheless, continues to shine, up 78% for July (from July 1962) and up 44% for year. For first 7 months of year, FM sets constituted 17% of total factory output (excluding auto sets, both AM & FM), compared with 8% for first 7 months of 1962.

Auto radio production was below same 1962 month in July for first time this year, dropping by 18%, but for full 7 months car radio production was 11% higher than year-ago and heading for all-time record. Auto radio this year so far constitutes a full 43% of total radio output, up from 35% in same period last year.

Here are EIA TV-radio sales & production figures:

**TV-RADIO DISTRIBUTOR SALES**

Month	Block-&-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	692,043	921,089
<b>TOTAL</b>	<b>3,405,249</b>	<b>3,173,566</b>	<b>4,633,713</b>	<b>5,721,663</b>

**BLACK-&-WHITE TELEVISION PRODUCTION**

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
June	665,004	620,653	107,500	50,283
July	384,291	336,409	75,589	28,359
<b>TOTAL</b>	<b>3,844,212</b>	<b>3,631,910</b>	<b>508,928</b>	<b>303,805</b>

**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
<b>TOTAL</b>	<b>9,575,843</b>	<b>10,398,695</b>	<b>4,084,442</b>	<b>3,675,423</b>	<b>761,732</b>	<b>527,545</b>

**July factory sales** of TV picture tubes topped year-ago volume by 38,600 units but slipped more than \$246,000 in value. Factory sales of receiving tubes were downbeat all the way—off 1.4 million units and \$1.5 million. EIA's July report shows sales of 603,622 TV picture tubes at \$10.8 million, compared with 565,022 at \$11.1 million in July 1962. For year to date, units trailed 1962's first 7 months 5.1 million vs. slightly more than 5.1 million. Value trailed \$94.4 million vs. \$98.4 million. July receiving tube sales dropped to 22.7 million units from 24.1 million, dollar value dipped to \$18.1 million from \$19.6 million. Cumulatively, 7-month unit sales lagged behind 1962's Jan.-July period 188.9 million vs. 207.6 million. Dollar value trailed \$155.9 million vs. \$174 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$ 22,524,000
February	639,392	11,990,595	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
May	703,393	12,888,058	26,662,000	21,600,000
June	707,541	13,462,906	29,332,000	23,764,000
July	603,622	10,818,297	22,688,000	18,148,000
Jan.-July 1963	5,072,791	\$94,426,791	188,875,000	\$155,856,000
Jan.-July 1962	5,121,165	\$98,397,051	207,625,000	\$173,952,000

**Lag between space-age technology** and civilian applications was called one of biggest challenges to industry by RCA Group Exec. Vp W. Walter Watts recently in address to Downtown Rotary Club of Houston. All Americans will benefit from "business fallout of space," he said, but scientific & engineering skill to translate these developments to commercial uses is in short supply. One long-range solution to this "drastic imbalance," he asserted, lies in vigorous effort to increase number of students choosing science & engineering professions.

**"We'll meet Japanese prices**—we're going to fight them." So we were told by Sarkes Tarzian, pres. of Sarkes Tarzian Inc., one of the "big 4" TV tuner manufacturers, in commenting on use of Japanese-made tuners by 3 major set makers. Tarzian said his company had made "no deal" with any Japanese tuner manufacturer. The other 3—General Instrument, Standard Kollsman & Oak Mfg.—all have licensing or affiliation agreements with Japanese tuner makers.

**Symphonic Electronic Corp.** has moved its N. Y. hq to new Pfizer Bldg., 235 E. 42nd St., from former offices at 10 Columbus Circle. Phone: TN 7-8700. Engineering, purchasing, production & service facilities remain at Lowell, Mass. (consumer products) & New Brunswick, N. J. (defense equipment).

**Litton Industries** shareholders have authorized issue of 3 million shares of new \$5 par convertible preferred stock which will make company "more effective in taking advantage of acquisition opportunities," Chmn. Charles B. Thornton reported.

**Admiral's 11-in. portables** will be fair-traded at \$99.95 and \$109.95 (step-up models) by Admiral-Chicago & Admiral-Boston. Admiral's Metropolitan Div. (N. Y.-Newark area) has been fair-trading full line for 13 months.

## 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
Famous Players Canadian	1963—6 mo. to June 30	—	—	\$ 877,248 <sup>1</sup>	\$0.50	1,737,072
	1962—6 mo. to June 30	—	—	861,843 <sup>2</sup>	.49	1,737,072
Lafayette Radio Electronics	1963—year to June 30	\$ 30,994,518	\$ 1,466,766	761,264	.72	1,061,675
	1962—year to June 30	24,936,144	1,232,674	676,372	.64	1,061,675
National Video	1963—qtr. to Aug. 31	4,007,198	—	105,575	.09	1,233,334
	1962—qtr. to Aug. 31	3,919,658	—	86,690	.07	1,233,334
Regency Electronics	1963—year to June 30	1,389,598	—	84,260 <sup>3</sup>	—	—
	1962—year to June 30	782,328	—	(103,934)	—	—
Rollins Bcstg.	1963—qtr. to July 31	2,126,160	—	255,739	.27	957,244
	1962—qtr. to July 31	1,928,715	—	168,642	.18	955,475
Silicon Transistor	1963—6 mo. to June 30	2,322,000	—	201,000	.35	533,958
	1962—6 mo. to June 30	1,131,000	—	123,000	.23	516,250
Technicolor	1963—6 mo. to June 30	38,288,423	—	1,703,199	.64	2,655,921
	1962—6 mo. to June 30	26,609,554	—	828,606	.31	2,623,218
Walter Reade/Sterling	1963—6 mo. to June 30 <sup>4</sup>	5,500,000	—	220,000	.14	—
	1962—6 mo. to June 30	4,202,063	—	163,149	.10	—
Vocaline	1963—6 mo. to June 30	988,000 <sup>5</sup>	—	83,845 <sup>5</sup>	.16	520,550
	1962—6 mo. to June 30	960,000	—	18,000	.03	520,550

**Notes:** <sup>1</sup>Before \$82,336 (5¢ a share) profit on sale of fixed assets. <sup>2</sup>Before \$841,343 (49¢) profit on sale of fixed assets. <sup>3</sup>Includes \$40,000 tax credit from tax-loss carry-forward. <sup>4</sup>Preliminary. <sup>5</sup>Record.

"Investment sheen seems to have rubbed off the stocks of many TV and radio broadcasting companies," noted Sept. 15 "N. Y. Times," adding: "The question that remains is whether the stock market has already discounted prospects of favorable earnings for the near future. Some security analysts feel that the opportunity for rapid price appreciation in radio and TV stocks has been diminished and that future growth will be at a more leisurely pace." However, report continued, "a survey of half a dozen leading brokerage firms and a leading advisory service shows that virtually all have recommended CBS, RCA and other broadcasters." Here are some thumbnail sketches: "The consensus seems to be that CBS could earn as much as \$4 a share this year" vs. \$3.27 in 1962. . . "There were also selected recommendations for RCA but these studies covered the company on an electronics basis rather than as a broadcaster" . . . "Metromedia has only about one-tenth of the market value of CBS [but] the company is willing to give battle to any other company that would attempt to usurp its role as a growth company" . . . "Rollins Bestg. has improved its financial position as a result of programming aimed at the Negro population" . . . "Taft Bestg., with about 7% of its outstanding stock held by institutional investors, was considered a leading long-term investment by Bache & Co." . . . "AB-PT was called an 'interesting' situation by a leading brokerage house."

ITT will hold its Oct. 1 board meeting in West Berlin, in plant of West German affiliate Standard Elektrik Lorenz AG, which employs some 32,000 in 17 plants throughout country.

**MERGERS & ACQUISITIONS:** Tung-Sol tried to throw a block at Purolator's attempt to obtain stock control (Vol. 3:36 p11) by obtaining temporary restraining order on Purolator's offer to buy 200,000 shares at \$22 each. However, U. S. District Court dismissed Tung-Sol's complaint several days later for lack of jurisdiction. Tung-Sol termed price inadequate, said company & shareholders will suffer "irreparable injury" if offer goes through, charged Purolator with "having breached a confidential relationship" by using "for its own benefit" information received from Tung-Sol during earlier merger talks. Purolator as of Sept. 4 owned about 130,000 shares or 14% of Tung-Sol's outstanding stock, would own 35% if it acquires additional 200,000 shares it seeks. . . Litton Industries, in process of acquiring Adler Electronics (Vol. 3:36 p12), also has agreed in principle to acquire Clifton Precision Products, Clifton Hts., Pa. maker of space vehicle & aircraft electronic equipment. Acquisition requires approval of directors of both firms, Clifton's shareholders, California Corporations Commissioner. Under proposed stock exchange, Litton would pay some \$8-10 million.

Technicolor has declared its initial stock dividend and its first cash dividend since 1957, both payable Oct. 21 to holders of record Sept. 30. The 12 1/2¢ cash payout was described as a "regular quarterly dividend," and company hopes to pay it regularly. Stock dividend is 2%.

CTS Corp. has increased common stock dividend to 15¢ a share from 12 1/2¢, payable Oct. 18 to holders of record Sept. 30.

WEEKLY **Television Digest**

with

**Consumer Electronics . . .**

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

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SEPTEMBER 30, 1963

NEW SERIES VOL. 3, No. 39

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

**HENRY STRIKES AT INDUSTRY POCKETBOOK** in IRTS speech attacking 'over-commercialization,' gets polite but cold reception. Industry hikes pressure on congressmen, gets more support (p. 1).

**EIDOPHOR COLOR PROJECTOR** now in production; demonstration hailed by show-business spectators; TNT says it will present theater-TV entertainment & sports events (p. 3).

**ADMEN TOLD THEY'RE PART OF RATINGS PROBLEM:** Rating Council expects final word in week or 10 days on whether AAAA-ANA will serve on board. Accounting firm that will do auditing will be picked shortly. Ranges idea stirs more comment (p. 3).

**INDUSTRY COMBATS NEW TALL TOWER CRISIS:** NAB, Maximum Service Telecasters, et al., say new FAA 'antenna farm' criteria would disrupt TV service, cause interference. Other standards would seriously limit location & size of towers, they say (p. 4).

**HENRY STRIKES AT INDUSTRY POCKETBOOK:** Broadcasters are likely to be even unhappier with new FCC Chmn. Bill Henry, if possible, than they were with predecessor Newt Minow. Minow's main emphasis was on programming. Henry is hot on programming, too, but he chose to hit broadcasters in even more sensitive spot—pocketbook—in his most important speech to date.

Henry had bluest of blue chip audience when he spoke last week to International Radio & TV Society in N. Y., the annual affair attended by all commissioners. "Over-commercialization" was his theme. It was the kind of speech that broadcasters get madder about, the more they think about it. His reception was courteous, and applause was polite but cool. Fact is, Henry raised hell with commercials, said FCC intends to do something about it.

FCC staff members attending luncheon were pleased with speech, said they thought reaction was good. But, privately, many industry people seethed. Networks wouldn't comment, said they'd give views in papers to be filed in the rule-making proceeding. People we talked to didn't care for speech one bit. "Arrogant," said one. "Worst speech by a public official I've ever heard," said another.

NAB Pres. Collins had this comment: "The chairman feels that a better job should be done in broadcast commercial practices. And so do I. So do most licensees, I believe. The question is 'how' and 'when.' We believe this should come from self-regulation. The chairman thinks the time for this is running out. I believe it is running, but I will fight to insist that it is not out. It is really incredible that with all the danger lights we do not have better support for our codes."

Code board meetings next week shape up as something of a showdown, could be critical. Collins is bound to push for stronger codes, while some board members will oppose him vigorously.

**NBC CHARGED WITH 'COERCION'** in Philadelphia case, FCC Broadcast Bureau urging denial of license renewal for 'naked use of network power.' Commission unlikely to accept recommendation (p. 5).

**Consumer Electronics**

**COLOR TV OUTPUT** estimates, year-by-year for 1954-1963, indicate some 1.7 million sets in use by year's end (p. 7).

**EIA GIRDS FOR IMPORT FIGHT;** expanded Imports Committee forming, should be ready to go 'within a few weeks,' Chmn. Robert Sprague tells us. Work progresses on over-all battle plan to provide 'look at the situation and to develop resistive measures, while there is time' (p. 7).

**CONSOLE PHONOS** increasing share of market hints that console boom may succeed portable boom of last 12 months (p. 9). July phono sales by distributors exceed July 1962 figure by 2%, but 7-month sales are up 20% (p. 10).

Though Henry had stern speech, opinion in Washington is that FCC is unlikely to adopt any stringent ceilings on commercials. Rule-making was voted by bare 4-3 majority—and powerful congressional opposition has been sparked by broadcasters.

Whole Missouri House delegation, for example, last week joined in letter to FCC blasting proposal. Missouri senators are expected to follow suit. Recently, whole Oklahoma delegation protested to FCC. Many individual members of Congress have done same, including Sen. Allott (R-Colo.) last week.

Speech stirred Rep. Rogers (D-Tex.) into quick assertion that FCC has no power to limit commercials (nor to impose license fees). He said he plans hearings on his bills to prohibit both (HR-8316 & HR-6697) in Oct. or Nov. He said that agencies such as FCC cannot assume powers which Congress has not expressly given them. Such powers, he asserted, "must be granted by the operation of the legislative processes of the Congress." He declared that "assumption of that power by an independent agency, even though they do not have the right to do so, places in jeopardy many businesses in the communications industry and in related pursuits."

So what did Henry say? Excerpts: "In a free enterprise, commercial broadcasting system, advertising is part of the price we pay to get the programs. But when it begins to interfere unduly with the programs, to limit unreasonably the time devoted to them, to restrict the content put into them or to frustrate by interruption the enjoyment and understanding the public gets out of them, we have a real problem... In fiscal 1962, we received approximately 2,500 complaints about advertising, of which about 35%—the biggest category—related to length, amount and frequency..."

"I have been told, many times, that this is not something about which the government needs to be concerned. After all, so the reasoning goes, advertisers and broadcasters want to keep the public's attention and good will... And the broadcaster who over-commercializes runs the risk of losing his audience to a competitor who doesn't. So the free market and the public's ability to turn the dial, according to this view, will keep commercialization within tolerable limits..."

"Where is that other station? Who wins the argument between the man who wants to put in another commercial and the one who wants to keep it out? The public, after all, will take a lot of punishment in order to watch or listen to a program it likes."

Newspapers lapped up Henry's needling, particularly such things as his criticism of "teasers," giving example of: "Good Evening, Ladies & Gentlemen. The President has just asked the Congress to declare war. We'll be back with that story after a word from our sponsor." Also, his quote of cartoon: "And so, Ladies & Gentlemen, it looks like the end of civilization as we know it. And now here's David Krank for the Ajax Oil Company." Broadcasters are accustomed to such kidding—but not from FCC chairmen.

Henry sought to assure audience he still has faith also in self-regulation: "The content of commercials—the question of taste and intelligence—is in many ways the biggest problem of all. But except for matters such as fraud and deception, problems of content should be handled by forces inside the industry." He also said: "I recognize the real efforts in the field of self-regulation that have been made by the subscribers to the NAB Codes, and of the progress there is being made."

Henry tried to assure industry that Commission doesn't intend to be arbitrary, that it recognizes different standards should apply to 50-kw outlets vs. 250-watters, to big-city stations vs. isolated towns, to daytimers vs. fulltimers, etc. But he said FCC needs concrete suggestions from industry, not "dog-eared denunciations and over-simplified, unsubstantiated conclusions."

But broadcasters aren't likely to tell FCC how to draft specific ceilings. Early comments are now being filed, and they generally attack Commission proposal as violation of First Amendment and of anti-censorship provisions of Communications Act. Then, there are comments such as those, for group of clients, by firm of Covington & Burling, which said "negative attitude" toward commercials is "more emotional than logical... simply snobbery... rate-making... intolerable administrative burden [for FCC]... Advertising, after all, pays for Project Mercury coverage as well as for soap opera..." Comments alluded to Henry's count of 2,500 complaints (35%, or 875, regarding length, amount & frequency). These amount to "eighteen one-thousandths of one percent" of American TV homes, comments noted. NAB and many other major entities plan to file comments this week. They'll be among most interesting in recent FCC history.

**EIDOPHOR COLOR PROJECTOR IN PRODUCTION:** Color version of Eidophor Theater-TV projector was unveiled last week by Theatre Network TV Inc. (TNT), its U. S. & Canadian distributor. Comments of demonstration audience—from show business, sports & broadcasting fields—were highly favorable.

TNT Pres. Nathan L. Halpern announced at demonstration that his company, leader in closed-circuit networking, plans to re-enter field of theater-TV programming as result of availability of color Eidophor. However, Halpern explained to us, this will be on occasional basis, for "outstanding entertainment & sports events which are unique"—rather than daily, regularly scheduled programming as announced early this year by National General Corp. (Vol. 3:9 p3).

National General will be using GE's Talaria light valve projector, which operates on principle similar to Eidophor. Both systems accommodate standard NTSC color signal and are capable of modification for various color or line standards. GE says its production of Talaria is "on schedule."

Color Eidophor is currently in production and available from TNT on immediate-delivery basis. TNT has declined to make price public (as has GE), but said its system will be "competitively priced." Prices of both systems are believed to be roughly in neighborhood of \$50,000.

Swiss-developed Eidophor color projector is being manufactured by Ciba subsidiary Gretag Ltd., Switzerland (which holds patents), and giant Philips of Netherlands. Some 124 black-&-white Eidophors are now in use in U. S. Since color projector was evolved from b&w Eidophor, Halpern said, basic b&w Eidophor components are interchangeable with components in color projector.

Color Eidophor uses 3 electron guns, 3 lens systems and 3 cassettes (mirror & fluid control-layer assemblies). Talaria employs only 2 electrons guns & lens systems, uses different type of control layer with transparent window instead of mirror.

TNT makes these claims for color Eidophor: can project on screens up to 50 X 38 ft.; more than 4,000 lumens of screen brightness; contrast ratio of 100-1; resolution more than 700 lines; geometric distortion less than 1%. It uses 2 1/2-kw xenon lamp as light source. One spectator who has seen demonstrations of both color Eidophor & Talaria called them "reasonably parallel" in performance.

Among comments from audience at initial demonstration at TNT Technical Center, Woodside, L. I., was this, from veteran of TV industry: "Over-all quality was excellent, color very good, resolution & geometry very good, flesh tones fine."

Audience at demonstration was star-studded, including Paramount's Barney Balaban, 20th Century's Spyros Skouras, Madison Sq. Garden Pres. Ned Irish, RCA's W. Walter Watts, heads of 4 large theater chains, National Football League officials, et al.

**ADMEN TOLD THEY'RE PART OF RATING PROBLEM:** New Rating Council overtures to Presidents John Crichton of AAAA & Peter Allport of ANA, to have groups serve on Council's board, are reportedly making progress (Vol. 3:37 p2). The 2 still feel that ratings reform is broadcast industry problem, but NAB is trying to convince them that agencies & advertisers are part of the problem. Council expects final answer in week to 10 days, so that it can file incorporation papers.

Council will shortly evaluate bids of major accounting firms—such as Price, Waterhouse and Touche, Ross, Bailey & Smart—to select one to conduct audit of ratings under RC supervision.

Proposal of Harris Subcommittee staff to report ratings in ranges instead of single estimates continues to create industry fuss (Vol. 3:35 p4). Charles Howze, Subcommittee chief counsel, addresses Advertising Research Foundation Conference Oct. 1, is expected to illustrate point by using 1933 Securities Act as example. It's understood he'll say that registration & prospectus statements are required to provide maximum information so that investors can buy intelligently. If they prefer to rely on a hot tip, that's their business, but at least they've had benefit of proper data. He'll also say that no figures are better than those inadequately gathered.

Compromise idea we heard from Dan Denenholz, research vp of rep Katz Agency, appears to have merit in opinion of those we've consulted at NAB, ratings firms & Harris Subcommittee. He suggests that ratings be printed as they are in individual estimates, but that ratings reports provide a separate easy-to-read table showing ranges involved.

This would appear to accomplish Subcommittee's objective of having ranges dramatize variance factor. At same time, it would meet objections of raters, who claim vastly increased costs would result if all ratings had to be expressed in ranges. It also would assuage Rating Council, whose chief objection is that ranges wouldn't accomplish much because buyers would end up using single estimate anyway, by averaging high & low points.

Interest in ranges idea is running high, with apparently much at stake. Ruth Jones of J. Walter Thompson sat in on Rating Council meeting few weeks ago, strongly favors ranges, wrote Chmn. Don McGannon: "I am still disturbed about the reluctance of the Council to endorse the 'range' concept. You, as an experienced broadcaster, will realize that 'precise' numbers have a virtual stranglehold on the broadcasting industry. . .

"While some researchers might argue that 'range' reporting is only accurate when based on a perfect sample, perfect response, perfect tabulation, etc., it seems logical that 'ranges' are far closer to the truth than the present 'precise' figures. . . An opinion had been expressed that buyers would use the average of the highs and lows if this concept were adopted and therefore the specific 'precise' figures would be better. I don't believe that an arbitrary statement can be made as to what buyers would do. . .

"I feel that the 'range' principle could be a breath of fresh air for programming innovation. . . It will enable broadcasters to present their true qualifications and images to buyers—good management policies, good local live programming. . . I can assure you than many agencies, broadcasters, research people and leading representatives, as well as the ARF, RAB and TvB, are strongly in favor of the 'range' concept."

In other development, RAB Pres. Ed Bunker predicted that in future media will place more emphasis on "researching research." On pending radio methodology study, he told American Marketing Assn.: "Within a few weeks we may be able to announce that RAB and NAB have joined forces to finance a study of radio measurement methods.

Also on radio front, Sindlinger made presentations last week to show computer service that will provide demographic data and buying plans of consumers, covering all media. In addition to national service for ABC Radio & NBC Radio, company is ready to report local measurements of 67 major U. S. markets, with sample sizes of no less than 2,000 each. It uses recall technique measuring "yesterday's" media exposure.

**INDUSTRY COMBATS NEW TALL TOWER CRISIS:** There's real concern that new criteria for height & location of tall towers, as proposed by Federal Aviation Agency, could seriously impair present & future TV service.

New standards for "antenna farms" are unilateral, giving consideration only to aviation needs, completely ignoring broadcast requirements, NAB commented last week. It said new maximum heights criteria are "arbitrary" & "overly restrictive" and would "severely limit" location sites. NAB also objected to new "hazard rule"—judging towers on basis of "adverse" effect on aviation, rather than present standard that structure shall not constitute a hazard to air navigation.

MST said FAA proposals appear to favor only one antenna farm per community. This would be "simply impossible" in most cities without violating FCC co-channel & adjacent-channel mileage standards, affecting both TV and FM allocations, MST stated. It said proposals could lead to "vast areas of interference" and "drastic loss of service."

Practical effect of proposals would be to disallow "any" tower more than 1,000 ft. above ground and "most" towers more than 500 ft. above ground, MST said. It pointed to suggestion banning any structure more than 500 ft. above airport elevation within a radius of 10 miles of an airport having a 5,000 ft. runway. Few metropolitan areas with TV stations don't have such airports, MST declared. Similarly, MST said proposals would ban any structure above 500 ft. within a radius of 5 miles of an airport with runway of 2,000-5,000 ft. It concluded that most cities, even small ones, have at least one such airport.

Assn. said that 1957 Joint Industry-Govt. Tall Structures Committee committed itself to more than one antenna farm per community and supported concept of having aviation interests compromise their needs "to the fullest extent possible" to provide maximum TV service to public.

**NBC CHARGED WITH 'COERCION':** FCC's Broadcast Bureau, which usually takes the tough line in recommendations to Commission, hasn't changed. Its suggestion is that NBC be denied renewal of its WRCV-TV Philadelphia, so that it would have no license to trade for WNAC-TV Boston, as it proposes to do.

NBC's reaction was to issue brief statement that Bureau's conclusions are "untenable" and that its arguments will be rebutted in pleadings to be filed by Oct. 21.

Bureau concludes that NBC got its Philadelphia station by pressuring Westinghouse. Latter owned the outlet, wanted NBC-TV affiliation for its Pittsburgh station. Bureau claims that NBC wouldn't give the affiliation until Westinghouse agreed to swap Philadelphia station for NBC's Cleveland station. Said Bureau:

"NBC's entire pattern of conduct with respect to the Pittsburgh affiliation reveals a deliberate effort to attain the Philadelphia station through the naked use of network power, which can only be properly characterized as bald coercion."

Bureau leaves unanswered the obvious question: If NBC is so bad, why should it be permitted to keep any other stations? We put the question to knowledgeable FCC sources, got this answer: "The conclusion was limited to this proceeding. It isn't necessary to say more."

Statement does say this: "We have no doubt that through the many years the NBC network has made innumerable and important contributions in the field of broadcasting. The network enjoys a vast and generally receptive audience. However, without attempting to detract from NBC's contributions, it must be observed that these contributions are not always without self-serving objectives." Such language suggests that Bureau may consider loss of one station, with value running well into 8 figures, may be enough punishment. However, Commission isn't very likely to accept Bureau's harsh recommendation.

**Network TV billings** were up 3.8% in July—\$66,744,800 vs. \$64,291,000 for July 1962. Billings for first 7 months increased 5.7%—\$477,863,500 vs. \$452,063,600. July figures for each network: ABC, up 2.1% from \$15,708,700 to \$16,039,200; CBS, up 6.2% from \$25,793,400 to \$27,401,900; NBC, up 2.3% from \$22,788,900 to \$23,303,700. TvB also reported that cosmetics & toiletries advertisers increased network & spot TV buys by \$18.4 million for Jan.-June 1963, biggest increase of any category. Expenditures jumped 20.7%, from \$88,882,590 to \$107,264,900. Total TV outlays for all products for first half jumped 12.5% to \$854,042,900 (\$442,877,000 for spot, \$411,165,900 for network).

**ETV advocate FCC Comr. Lee**, urging broadcasters to support educational medium, said ETV is carrying much of the load of public service programming. His remarks were to be aired on Sept. 29 "Mark Evans Show" on WTTG Washington, celebrating first anniversary of ETV WETA-TV.

**Red Goose** production company has been formed by Renee Valente, for 12 years a top executive of Talent Associates Paramount Ltd. Partners: John Wray, former Ed Sullivan show dir., and Burr Smidt, set designer.

**Philips will export TV cameras** to U.S., under guidance of CBS-TV, according to announcement at week's end by North American Philips Co., which hopes to market both color & b&w cameras under Norelco brand name. Heart of new cameras will be Philips-developed "Plumbicon" tube, said to produce uniform color picture free of halos, shadows & blurring. Norelco claims new tube has all advantages of vidicon, particularly in ease of handling, with none of the smearing, which bars vidicon from many live broadcast uses. Plumbicon color cameras, says Norelco, are smaller than current b&w image orthicon cameras and can operate under "relatively normal" lighting conditions. Amperex will handle sales & applications of Plumbicon.

**Fourteen top writers** affiliated with "N. Y. Herald Tribune" will be featured by Corinthian stations in video taped 2 1/2-min. weekly features. More columnists will be added later, and features may be fed to other stations. The 14: Roscoe Drummond, Robert Donovan, Marguerite Higgins, Stewart Alsop, Red Smith, Earl Mazo, Rowland Evans & Robert Novak team, Eugenia Sheppard, Walter Kerr, Judith Crist, Maurice Dolbier, Emily Genauer, Earl Ubell.

**HEW has received 6** new applications seeking \$1,104,028 for ETV construction grants. So far, 27 have been filed requesting \$5,394,822. New applications: San Jose Office of Education, \$75,575 to activate Ch. 54; U. of Maine, \$110,017 to activate Calais Ch. 13; Greater New Orleans TV Foundation, \$188,156 to expand Ch. 8; U. of Idaho, \$111,211 to activate Moscow Ch. 12; New Mexico State U., \$204,537 to activate Hatch Ch. 12; U. of Illinois, \$414,532 to expand Urbana Ch. 12.

**Add CATV entries** by major broadcasters: Meredith Bcstg. confirms it's negotiating with Jerrold Corp. for joint operation of systems in Melbourne, Eau Gallie & Ormond Beach, Fla. It's also planning to seek franchise in Cocoa Beach.

**Senate has passed S-1193** requiring parties who want to intervene in FCC hearing to do so 30 days after publication in "Federal Register." Present practice is 10 days before start of hearing. Similar HR-5327 is pending before House Commerce Committee.

**Revocation & renewal proceedings** have been ordered by FCC against radio WTIF Tifton & WDMG Douglas, both Ga.—on charges of unfair competition against WSIZ Douglas, misrepresentations, unauthorized transfer, character qualifications.

**Red Skelton-Johnson's Wax** celebrate 10 years together at Oct. 1 luncheon of L. A. Advertising Club. Agency Foote, Cone & Belding claims it's longest star-sponsor relationship in network TV.

**ABC-TV gets exclusive rights** to 1964 U.S. Summer Olympic Trials. NBC-TV will telecast Tokyo Olympic games Oct. 1964. Trials will be telecast on 18 dates between April 4 & Sept. 20.

**Broadcaster Gordon McLendon** of Dallas said he "might possibly" run against Sen. Yarborough (D-Tex.) in next year's primary.

**Overseas Broadcast Services** named European rep for Teleguide, closed-circuit hotel service providing N. Y. tourists with information.

## Personals

**James Levey**, ABC-TV asst. to program development dir., promoted to daytime programming mgr. . .

**Alfred I. Miranda**, ex-asst. to pres., ABC International TV, appointed dir. of new client relations dept., CBS TV Stations National Sales.

**Robert Northshield**, NBC News & Public Affairs producer, promoted to gen. mgr. . . **Jack Deutscher**, NBC organization development mgr., promoted to organization development, employment & training dir.

**NBC Chmn. Sarnoff** leaves Sept. 30 for Orient, Middle East, Europe, in connection with 1964 Olympics.

**FTC Comr. A. Leon Higginbotham** nominated by President Kennedy as U. S. district judge for eastern Pa. . . **Alvin M. King**, NAB stations relations field dir., promoted to newly-created state assn. liaison dir.

**Paul Blakemore Jr.** named head of "Television Age" midwest adv. sales. . . **Leonard G. West**, ex-ITA Electronics & RCA named chief project engineer, CCA Electronics.

**Donald H. McGannon**, Group W pres., addresses Broadcast Advertising Club of Chicago Oct. 8. . . **William Dozier**, Screen Gems west coast vp, appointed senior vp for production & west coast operations.

**Robert Schmidt**, KAYS Hays, Kan., elected AP Radio & TV Assn. pres. Other officers: **Tom Eaton**, WTIC Hartford, eastern district vp; **Carl Lee**, WKZO-TV Kalamazoo, central district vp; **F. O. Carver**, WSJS Winston-Salem, southern district vp; **John Thompson**, KRCA-TV Los Angeles, western district vp.

**Bernie Sandler**, promotion mgr., radio WGR Buffalo, promoted to similar post, WGR-TV, succeeded by **Richard D. O'Connor**, ex-sales promotion mgr., Curtiss-Wright.

**Joseph S. (Dody) Sinclair**, pres. & gen. mgr., WJAR-TV Providence, is separated from his 2-year-old whiskers, grown for membership in Brothers of the Brush to celebrate city's 325th anniversary; (Television Digest will be tickled to report whether other major beards remain outstanding in TV-radio industry).

**Tom A. Reynolds**, WOR-TV-AM N. Y. traffic mgr., promoted to operations dir., succeeding **Bernard (Barney) Boyle**, retired. . . **G. Woodruff Sloan Jr.** promoted to WTIC-TV Hartford regional sales mgr.

**George M. Green**, business mgr. & secy.-treas., KOSA-TV Odessa, Tex., elected vp-gen. mgr. & asst. treas. of licensee Southwest States' TV-radio stations.

**Charles H. Colledge**, RCA Broadcast & Communications Products Div. vp-gen. mgr., was slated to leave at weekend for 2-week European circuit to confer with network people in Rome & London, inspect RCA microwave facilities in Madrid; returns Oct. 17 for RCA Victor board meeting in Montreal.

**Carl Lindemann Jr.**, ex-NBC News special projects vp, appointed NBC sports vp, succeeding **Tom S. Gallery** who has joined Subscription TV Inc. as rep & sports dir. **Willard E. Walbridge**, KTRK-TV Houston exec. vp-gen. mgr., elected chmn. of TV Information Committee, governing body of TIO, succeeding **Clair McCollough**, Steinman Stations pres. . . **Perry Smith** promoted to NBC sports mgr.

## Obituaries

**Albert L. Capstaff**, 50, pres. & gen. mgr., Virgin Isle TV Cable Corp. & former NBC executive, died in sleep at home in St. Thomas; he also had residence in Darien, Conn. He was producer of Kay Kyser & Jack Benny radio shows, was vp-programs for NBC Radio 1959-1962. He's survived by wife, 3 daughters, son.

**George Frechette**, 57, pres. of WSAU-TV-AM Wausau, vp & gen. mgr. of WFHR Wisconsin Rapids, died Sept. 24 of heart attack. He's survived by wife, son, daughter.

**NEW & UPCOMING STATIONS: WNTV (Ch. 29 ETV) Greenville, S. C.** received STA Sept. 25 for Sun. Sept. 29 start. It's year's 10th new starter and with last week's debut of WVAN-TV (Ch. 9 ETV) Savannah, Ga. (which got program test authorization Sept. 16) and Sept. 12 start of WHYV-TV (Ch. 12 ETV) Wilmington, Del., raises ETV operating total to 82 and U. S. over-all total to 644. WNTV has GE transmitter & 146-ft. tower built by Greenville Iron & Steel Co. R. Lynn Kalmbach is gen. mgr.; George E. Blair, educational dir.; Henry J. Cauthen, dir. of production & engineering; Charles S. Morris, technical dir. WVAN-TV is 2nd station to get on air of 4 planned by Ga. State Board of Education. It will use personnel at WXGA-TV (Ch. 8 ETV) Waycross; James Rodgers as resident engineer. Other CPs held by State Board are WJSP-TV (Ch. 28 ETV) Columbus & WCLP-TV (Ch. 18 ETV) Chatsworth; neither has definite starting dates.

\* \* \* \* \*

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

**KFME (Ch. 13 ETV) Fargo, N. D.**, installing antenna on 426-ft. Blaw-Knox tower this month, is keeping to Nov. 1 target for programming, reports **Clair R. Tettemer**, gen. mgr. It has 10-kw RCA transmitter nearly ready at site on U. S. 81, 2.5-mi. S. of Fargo.

**KBLU-TV (Ch. 13) Yuma, Ariz.** has set Dec. 1 target for start as CBS-TV outlet, writes **Robert W. Crites**, gen. mgr. It has 2-kw Dynair transmitter scheduled for delivery in late Sept. Construction of studio-transmitter building began in late Aug. It will use 200-ft. Blaw-Knox tower. Base hourly rate hasn't been set. Rep will be **Grant Webb & Co.**

**WNJE-TV (Ch. 77 ETV) Glen Ridge, N. J.**, hopes to begin "early in 1964", says **Robert Pellet**, project dir. It is planned as first of 4 interconnected uhf ETV stations designed to serve entire state. Fund-raising campaign is still underway and order for transmitter hasn't been placed. It has "considerable" amount of other equipment donated by CBS, NBC & WOR-TV. It will share tower of radio WJRZ West Orange, paying only maintenance. Vacated school in Glen Ridge will be used for studios & offices.

**ETV has own splash** for new season, quite impressive—with press kits, news conferences, brochures, etc. Write NET, 10 Columbus Circle, N. Y., for material describing shows you might want your children to watch. We took our press kit home.

**New CATV franchise:** Daytona Beach Shores, Fla., to Halifax Cablevision Inc., subsidiary of Community TV Systems, New Haven, Conn. (**William Schlank**, Pres.).

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**COLOR OUTPUT ESTIMATES, 1954-63:** One of questions we're asked most frequently is—How many color sets have been sold to date? Actually, of course, nobody knows but RCA—and RCA ain't telling.

For the last year, however, we have been using production & sales estimates which we have carefully developed on basis of best evidence—by poring over material gathered during color's 10-year history, by considering all estimates & guesses from others, and by drawing on any available surveys.

The figures are rough guidelines of estimated color TV production—but through 1961 they can also be used to represent distributor-to-dealer sales. After 1961, with many more models on market, many more dealers handling color, it's common sense to assume there has been inventory buildup and sales have been lower than production figures.

For some years, we have given 2 figures. These represent our high & low estimates, in cases where evidence suggests considerable variation. All told, they indicate about a million color sets in use at beginning of 1963. These figures are merely rough guides, and are submitted as our guesstimates. We believe them to be close to truth, but we make no guarantees:

1954. . .	10,000 (15-in. sets)	1959. . .	85,000-91,000
1955. . .	28,000-35,000	1960. . .	110,000
1956. . .	40,000-78,000	1961. . .	185,000
1957. . .	48,000-82,000	1962. . .	460,000
1958. . .	60,000-89,000	1963. . .	760,000

Naturally, we're anxious to flush out any more precise or more accurate figures. Therefore, we'll be delighted to hear (and print) any rebuttal to these estimates, and to correct any errors in this tabulation. Just send us your own tabulation, and we'll gladly print it, with or without attribution.

**EIA GIRDS FOR IMPORT FIGHT:** EIA is determinedly marshalling its forces and facts for full-scale attack on increasingly nettlesome import situation before it festers into irrevocable trouble. Commenting on EIA board's strongest action to date on imports (Vol. 3:37 p9)—substantial appropriations, approval to recruit support from all EIA members, determination to have stronger voice in 1964 trade negotiations under Trade Expansion Act—Sprague Electric Chmn. Robert C. Sprague, EIA dir. & chmn. of EIA Import Committee, told us last week:

"The intelligent thing is to do something now, before the situation gets out of hand. Nothing catastrophic is going to happen overnight, of course, and the Japanese certainly aren't going to take over the U.S. electronics industry. However, we are faced with a long-range problem of severe competition in many areas as foreign countries develop competence and allocate resources. Our purpose now is an intelligent effort to look at the situation and to develop resistive measures, while there is time. The textile industry waited too long, and now it is in a quota situation."

EIA is working on its battle plan, but "it wouldn't be proper for me to divulge details until our new committee has been organized and has developed and approved the over-all plan," Sprague said. EIA has authorized expansion of Imports Committee to include 2 representatives from each product division. "I'm waiting now to hear from the heads of the divisions on their appointments," he told us, "and our committee certainly should be formed and ready to go within the next few weeks."

Where will EIA committee go? Four distinct avenues of attack are open, according to EIA sources. After thorough study of import situation, and properly armed with facts and figures, Imports Committee possibly will take one or more of these steps: (1) Request Tariff Commission

to increase rates on electronic products. (2) Through office of Christian A. Herter, President Kennedy's special representative for trade negotiations, seek more advantageous negotiations of reciprocal agreements via GATT—General Agreement on Tariffs & Trade. (3) Ask Customs Bureau to invoke Anti-Dumping Act in certain electronics product classifications. (4) Ask Congress to tighten Anti-Dumping Act.

Need for intensified EIA action at this time, Sprague told us, is dictated by "dramatic increase in imports" over past several years and threat of more to come. Spiraling import rate was detailed by Sprague in Aug. 15 letter to Herter. U. S. imports showed 11.1 million radios in 1962—nearly double 1960's 6.5 million. TV sets—263,000 units in 11 months from mid-1962, and, Sprague emphasized, "current imports [are] about 10 times 1961 level." Radio tubes—51.9 million in 1962 from 27.6 million in 1960, or "an increase of 90% in 2 years." Sprague also gave Herter these facts on 1962-vs.-1961 Japanese exports to U. S.: TV sets, "almost a 6-fold increase in one year" to 158,591 in 1962 from 23,151 in 1961. Capacitors—up more than 100% to 70 million from 34 million. Transistors—up almost 100% to 11 million from 5.7 million. Component parts for electronic products—"an increase of almost 900% to \$11.2 million value in 1962 from \$128,000 value in 1961.

Emphasizing that parts manufacturers "suffer double impact" from imports—by direct competition from imported parts and from loss of domestic business through imports of TVs, radios, other end products—Sprague informed Herter that worse is yet to come: "We believe that a major assault on the domestic market for parts by foreign producers is in prospect. We have information from Tokyo outlining Japan's 5-year plan for the production of electronic apparatus. It is significant to us that the projected production of electronic components in general is set at a 213% increase by 1967. This is almost double the 1967 target figure for consumer type end products."

EIA is seeking to have electronic components deleted from Schedule 6, part 5, "Electrical Machinery and Equipment" category of Tariff Schedules of the U. S. (1963) for purpose of separate consideration as entity by Tariff Commission. "To lump electronic products," Sprague wrote Herter, with "array of other articles for the purpose of determining whether the entire classification, as an entity, should be considered for future tariff reduction, is to disregard the separate and distinct competitive situation of electronic products. Electronic capacitors, resistors, tubes and semiconductors, several of which may be held in the palm of the hand, and selling for a few cents to a few dollars each, cannot be considered, for trade agreement purposes, on the same basis as an electric generator selling for several million dollars."

There's another important reason, Sprague told us, why electronic components merit special tariff protection. "If the commercial and industrial areas of our industry are adversely affected by imports, there will certainly follow an adverse effect on our research, development and production capabilities in the field of military components."

Trade Expansion Act, Sprague told us, "introduced a new policy for this country—that an industry is expendable in the national interest. I question that it is reasonable for a nation to allow an industry to be sacrificed simply because a foreign country decides to specialize and allocates resources. There should be some protection—and there isn't in the Trade Expansion Act.

Here are capsules of other import subjects covered in our conversation with Sprague:

(1) Dumping problem. "We're the only industrial country that doesn't have an adequate anti-dumping law. We have to prove 2 things—that the product sells for less here than it does domestically, and that it does catastrophic damage. That 2nd point is difficult to prove. Just across the border, in Canada, they only have to prove that the product, in the same quantity and of the same quality, sells for less than in the country of origin."

(2) Balance of trade. "Balance of electronics trade is currently about 3 to 1 in our favor—but that's a misleading picture because the balance is favorable only in military electronics and in some industrial areas. If our military aid program should cease, that favorable balance would cease overnight."

(3) Affiliation deals with Japanese firms. "This is strictly a defensive measure. Our companies certainly would prefer to make the products at home. Sprague Electric also has plants abroad, but they're there to serve those areas, and the way the economy is booming in those areas, those

plants will be increasingly busy. As for companies that have formed Japanese affiliates for the purpose of exporting to the U. S., I have no facts or figures on those operations specifically, but I know that some of those companies have not done well financially over-all. It may be just a matter of happenstance."

(4) Possible retaliation by foreign customers. "They're much more restrictive abroad. Nobody there has to buy from us unless they want to."

(5) Possibility of voluntary curtailment by foreign competitors. "Some relief may come through voluntary action by our friends overseas. They certainly don't want to get us mad. They know that if we do get mad we have both the resources and the energy to do something about it." Fact is, foreign competitors have at times shown their awareness of this.

Sprague summed up situation this way: "What the import situation will be, or what form protection will take, in the next 5, 10 or 15 years is impossible to determine, of course. However, it would be unintelligent not to recognize the potential for trouble and to do something about it now. If you're intelligent and aggressive, you can do something about it. The danger comes when you stick your head in the sand."

**BIGGER SHARE FOR CONSOLE PHONOS?** It's too early to tell for certain, but console phono boom may be shaping up as successor of portable boom the industry has been enjoying for more than year now. For 3 successive months, consoles' share of phono market has been greater than last year, thus reversing strong first-quarter trend to portables.

In early part of 1963, by far the greatest part of distributor sales increases over 1962 were represented by portables. As latest EIA figures on p. 10 show, trend has changed since April. Total sales are continuing to run ahead of 1962, and greater percentages of the increase are being accounted for by consoles.

Console business, of course, is far more seasonal than portable sales, and ratio of consoles-to-portables sold swings widely from season to season. For first 4 months of 1963, consoles' percentage of total distributor sales mix lagged comparable 1962 months, although actual sales in units were higher.

In Jan. 1963, consoles accounted for only 36% of total phono sales (vs. 48% in Jan. 1962), 42% in Feb. 1963 (vs. 47% year earlier), 39% in March (vs. 42%), 35% in April (vs. 36%). Crossover came in May, when 37% of total phono sales were consoles, compared with 30% in May 1962. In June, 32% were consoles, up from 25% year earlier. In July, 29% of sales were consoles, vs. 27% in July 1962.

Good console sales, in fact, kept total phono sales for July 1963 ahead of those of July 1962. Portable sales for month were about 1% below comparable 1962 figures, while consoles were up 11.5%—bringing total sales for month to about 2% higher than year-earlier figure.

It may be functional furniture, it may be FM stereo, which provided sales boost for consoles. But whatever it was, phono console market developed added strength during traditionally dull warm months.

For phono sales figures, and further analysis, see p. 10.

## TOPICS & TRENDS

World electronics sales will more than double in next 6 years to \$40 billion from current \$19 billion, in opinion of Ampex Pres. William E. Roberts. He emphasized "constantly changing" shape of world markets, however, added: "Today the U. S. is the largest market for microwave components, but within 10 years Europe will be the largest. In the past, the U. S. has been the dominant market for TV & radio, but now it is Europe. The European market for military electronics & computers is growing faster than the U. S. market." To retain leadership as supplier of some 2/3 of world electronic production, U. S. companies, Roberts said, must make all "major management decisions on the basis of worldwide opportunity."

**JULY PHONO SALES:** Paced by increased share of console sales (see p. 9), July distributor sales of phonos were about 2% higher than in July 1962. This was slimmest 1963-over-1962 margin in a year where every month has seen increases over comparable year-before month.

Even though margin over 1962 was slight, July sales can be considered quite good, since comparable month-July 1962—was unusually good sales month, up 18% over July 1961. For first 7 months of 1963, distributor-to-dealer sales were running 20% above comparable 1962 period.

Here are EIA's monthly distributor & factory sales figures, with 1962 comparisons:

Month	PHONO DISTRIBUTOR SALES					
	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	329,972	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	205,048	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
TOTAL...	1,334,370	724,081	2,058,451	1,102,415	619,572	1,721,987

Month	PHONO FACTORY SALES					
	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
TOTAL...	1,421,608	809,738	2,231,346	1,155,663	722,115	1,877,778

**RCA plans to transfer** its TV-radio transmitter engineering and production operation from Camden, N. J. to new facilities at Meadow Lands, Pa., near Pittsburgh. Transfer date has not been set, RCA told us, refuting union claim that move is slated to begin Oct. 1. RCA would not comment on statement by high IUE, AFTE, and ASPEP unions that it rejected their joint offer to rebuild at their own expense the building to be vacated, a "deteriorating" 40-year-old structure which RCA says is no longer "suitable." Unions said they were prepared to spend \$1.9 million to modernize structure. Also slated for transfer from building is RCA's broadcast antenna operation, which will move to facility now under construction at Gibbsboro, N. J., 20 miles away. Conversely, RCA has transferred from Meadow Lands to Camden its marketing operation for 2-way radio and audio-visual equipment.

**EIA TV-radio production figures** were again unavailable last week, as in preceding week. EIA spokesman said problem is failure of some companies to report—leaving figures incomplete. He said reason for non-reporting wasn't known.

"World's smallest 10-transistor AM-FM radio" is claim made by Sharp Electronics for its new \$39.95 set, which measures 3 1/4 x 4 3/4 x 1 1/2 in.

**DISTRIBUTOR NOTES:** Olympic Radio & TV appoints new distributors: John Iverson Co. (Robert Brown, sales & svc. mgr.), branches in Minot & Mandan, N. D., for North Dakota; Anderson-Young Electric Co. (John M. Young, pres.; Ralph V. Mills, secy.-treas.), Lubbock, Texas, for western Texas and eastern New Mexico. Olympic also names Franklin H. Kark district sales mgr. for middle-eastern U. S., Roy L. Thistle factory sales rep for Maine... Delmonico International opens factory branch in Baltimore, at 2330 Hollins St., Bernard D. Smith mgr... Sprague Electric appoints Robert Peters N. Y. state & metropolitan area sales mgr, effective Jan. 1... Minnesota Mining's Revere-Wollensak Div. names David Gassner eastern regional sales mgr. for consumer products, H. B. LaGrandeur western regional sales mgr. for consumer products, both new posts... Olympic Radio & TV names Thomas A. Cutler pres. of Olympic TV of Missouri, St. Louis... Sylvania appoints McGregor Distributing (Malcom Bates McGregor pres.), 511 W. Olive St., Springfield, Mo., distributor for 31 Missouri counties, Kansas's Cherokee & Crawford counties, Oklahoma's Delaware & Ottawa counties... Roberts Electronics names 7 new distributors: Sidles Co., Des Moines, Ia., Roskin Distributors, Hartford, Conn., Bluff City Distributing, Memphis, Tenn., Choquette & Co., Providence, R. I., Clairvais Corp., Endicott, N. Y., Allied Appliance, Cambridge, Mass., Miller Jackson Co., Oklahoma City, Okla.; appoints Roy J. O'Donnell regional mgr. for Montana, Utah, New Mexico, Colorado, southern Idaho, El Paso, Tex.; O. B. Elliott regional mgr. for the Carolinas... Sylvania will sell direct in Washington, D. C. market, succeeding distributor American Wholesalers.

**Labor news:** Westinghouse has proposed to its 4 national unions a 3-year labor contract providing 2 pay increases averaging 14¢ an hour and improved fringe benefits. A 7¢ increase begins when pact becomes effective, will be followed by 5-10¢ boost April 1965. Current pact with IUE, IBEW, UE & Federation of Westinghouse Independent Salaried Workers expires Oct. 15. These 4 unions represent some 67,000 of Westinghouse's 115,000 workforce... GE refuses to bargain in good faith, IUE protested to NLRB last week. GE has offered 5% wage increase but, union accused, has adopted "take it or leave it" attitude. GE denied charge, said it still stands on 5% offer but has made "substantial concessions" in other benefits. Shortly after filing charges, IUE accepted GE proposal for 3-year contract on wages, 5-year pact on benefits. Two 2.5% wage boosts provide 7¢ increase retroactive to Sept. 23, another 7¢ in April 1965. IUE, which represents some 70,000 GE workers, had sought 7 1/2¢ boosts, plus cost-of-living adjustments. Comparing GE & Westinghouse offers, IUE spokesman estimated former's total package at 23¢ an hour, Westinghouse's at about 20¢.

**New transistor radio line** was announced last week by ITT's Distributor Products Div. All packaged with accessories, they are: 6-transistor pocket radio, \$14.95; 8-transistor, \$14.95; 9-transistor, \$34.95; 9-transistor AM-FM, \$39.95; AM-FM battery or AC walnut finished AM-FM stereo radio in walnut finish cabinet, \$169.95.

**Admiral is now producing** 10,000 TV and radio sets daily, including more than 500 color receivers, has boosted employment at its Harvard, Ill. electronics facility to record 3,600 from 2,450 last year. Plant is now running a 2-shift operation.

## Trade Personals

**William E. Boss**, longtime (15 years) RCA TV executive & color TV coordinator, and most recently exec. vp of distributor Southern Wholesalers, Washington, D.C., joins Admiral as b&w TV sales mgr., a new post.

**Joel J. Zimmer**, former asst. to pres., elected vp of Symphonic Electronic Corp. and its subsidiary Symphonic Radio & Electronic Corp.

**Milton Selkowitz**, former national sales mgr. of defunct CBS Electronics' Columbia Phonograph Dept., and gen. mgr. for past year of Sealy Mattress (Vol. 2:49 p11), joins Audio Dynamics, New Milford, Conn. audio components maker, as mktg. dir.

**John L. Burns**, former RCA pres., now Rawlings Corp. chmn. (Vol. 3:36 p11), elected to boards of General Battery & Ceramic Corp. and Russell, Burdsall & Ward Bolt & Nut Co. He's also a dir. of A & P, Oxford Paper Co., Worthington Corp. and State National Bank of Conn., and a consultant to RCA.

**Webcor** forms 3-man management team—**Paul Roth**, marketing, **John Luttrell**, finance, **Herbert Gumz**, manufacturing—reporting to Chmn.-Pres. **Titus Haffa**.

**John Hanway** promoted to ITT administrative dir.

**Milton J. Shapp**, Jerrold chmn.-pres., receives "President's Achievement Award" from alma mater Case Institute of Technology.

**Frederick T. Henry** promoted to commercial product engineering, Sylvania Home & Commercial Electronics Div.

**S. Edward Franklin** joins General Instrument's F. W. Sickles Div. as operations vp, headquartering at Chicopee, Mass.

**Harold J. Ruetz** appointed mgr. of Dominion Electrohome's new Product Development Div.; **Leo F. Fitzpatrick**, consumer products gen. sales mgr., also named Consumer Products Div. mgr.; **Norman E. Bartlett**, private trade label sales mgr., also appointed Private Trade Label Div. mgr.

**Charles J. O'Donnell** appointed Standard Kollsman Industries operations vp.

**James W. Evans** promoted to exec. vp of Hazeltine's Hazeltine Electronics Div.

**Charles O. Cary** named mktg. vp, Hazeltine's Hazeltine Electronics Div.; **M. S. Wilson** appointed vp.

**Theodore L. Jacobsen** appointed mktg. dir. of Litton Industries' Westrex International Div.

**Robert J. Stahl** named Sylvania product planning mgr., a new post. . . **Harvey G. Foster** appointed GT&E Service Corp. security dir.

**Walter W. Slocum**, International Resistance pres., elected a Leeds & Northrup dir. . . **John H. Rubel**, former Asst. Defense Secy. for research & engineering, named Litton Industries vp & technical planning dir.

**Lou Burdick** rejoins Webcor as distribution mgr., succeeded by **Harry Ellis** as Argus Inc. tape recorders product mgr. Ellis also continues as catalog sales merchandise mgr.

**Everett F. Carter** named mfg. mgr., Sylvania Chemical & Metallurgical Div., a new post.

**Dr. Elmer W. Engstrom**, RCA pres., receives first annual Aerospace Electrical Society award Oct. 9 in Los Angeles for his contributions to data processing management techniques in aerospace industry; others to be honored by AES are NASA administrator James E. Webb and Rep. George P. Miller. (D-Cal.).

**Dr. Robert N. Hall**, GE Research Labs physicist, will receive IEEE's David Sarnoff Award in Electronics at Oct. 30 National Electronics Conference, Chicago, "for his outstanding contribution to the scientific understanding of semiconductors and for their application to electronics."

**John P. Buchan**, Ampex finance vp & treas., also named controller, succeeding **John N. Latter**, recently appointed Consumer Products Div. vp-gen. mgr. (Vol. 3:37 p11).

**Robert G. Shortal**, onetime vp asst. financial editor, joins RCA's Public Affairs staff.

**Leonard L. Rosenfeld** promoted to Jerrold mgr. of manufacturing.

## Obituaries

**Emil J. Simon**, 74, radio communications pioneer and founder & pres. of Intercity Radio Telegraph Co., died Sept. 14 of heart attack at Midtown Hospital, N. Y. He had numerous radio developments to his credit: Simon radioguide, host of military communications devices. Intercity Radio Telegraph, founded in early 1920s, linked 6 cities. It was liquidated in early 1930s. During World War II, Simon directed production of military radio equipment at Radio Navigational Instrument Co., N. Y., was a radio consultant in his later years.

**Howard G. Stokes**, 75, retired AT&T radio ad mgr., died Sept. 21 in St. Luke's Hospital, Utica, N. Y. He joined Bell System in 1911 as ad copywriter, retired in 1948. Several of his posts included: educational dept. development mgr. of Western Electric subsidiary Electrical Research Products (1929-31), AT&T ad supervisor (1936), radio ad mgr. (1946). He is survived by widow, son, daughter.

**Extension of deadline** for filing replies to Symphonic's treble-damage anti-trust suit (Vol. 3:29 p7) was requested last week by attorneys for Nippon Electric N. Y. Inc. and Sumitomo Shoji N. Y. Inc., firms named among defendants. The firms are scheduled to file motions in N. Y. Federal Court Oct. 1 to postpone date for answering complaint from Oct. 7 to Dec. 7. Both firms claimed their investigations required much work in Japan. Attorney for NEC N. Y. is Robert L. Clare Jr. of Shearman & Sterling; Sumitomo Shoji N. Y.'s counsel is Stewart W. Richards of Beer, Richards & Haller. Symphonic is represented by Milton R. Wessel of Keye, Scholer, Fierman, Hays & Handler.

**Admiral has been guilty** of discriminating in prices and promotional allowances to its TV, radio and other product retailers, FTC examiner Loren H. Laughlin charged in an initial decision. He reported that Admiral in 1956 & 1957 charged larger dealers lower prices than their smaller competitors for the same products in Milwaukee, N. Y. and District of Columbia trading areas. Promotional allowances to certain retailers were not made equally available to competitors, he also charged, and called for desist order.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Arrow Electronics	1963—6 mo. to June 30	\$ 2,519,700	\$ 48,000	\$ 24,500	\$ .06	430,000
	1962—6 mo. to June 30	2,513,400	112,000	55,000	.13	430,000
Avco	1963—9 mo. to Aug. 31	381,342,360 <sup>1</sup>	34,465,770	16,515,770 <sup>1</sup>	1.48	11,163,726
	1962—9 mo. to Aug. 31	288,908,388	25,893,933	12,390,933	1.14	10,885,903
	1963—qtr. to Aug. 31	135,061,647 <sup>1</sup>	—	5,358,994 <sup>1</sup>	.48	11,163,726
	1962—qtr. to Aug. 31	103,209,830	—	4,017,808	.37	10,885,903
Friendly Frost	1963—6 mo. to July 31	12,386,013	—	(54,858)	—	937,620
	1962—6 mo. to July 31	14,864,857	—	(181,215)	—	937,620
Gulton Industries	1963—6 mo. to Aug. 31	14,712,000	439,000	215,000	.17	1,260,000
	1962—6 mo. to Aug. 31	14,471,000	1,441,000	704,000	.62	1,131,370
	1963—qtr. to Aug. 31	8,027,000	467,000	229,000	.18	1,260,000
	1962—qtr. to Aug. 31	7,516,000	693,000	340,000	.30	1,131,370
Outlet Co. (WJAR-TV Providence)	1963—year to July 27	19,290,079	1,709,258	854,577 <sup>2</sup>	1.72	497,100
	1962—year to July 27	19,353,693	2,091,398	990,827	1.99	497,100
	1963—6 mo. to July 27	7,978,183	321,831	177,331	.36	497,100
	1962—6 mo. to July 27	8,142,373	707,012	336,347	.68	497,100
Screen Gems	1963—year to June 29	64,377,000	7,562,000	3,800,300 <sup>1</sup>	1.50	2,538,400
	1962—year to June 30	52,188,900	7,063,200	3,466,300	1.37	2,538,400
Wometco Enterprises	1963—9 mo. to Sept. 7	14,826,918	—	1,514,068	1.04	1,438,968
	1962—9 mo. to Sept. 8	13,099,915	—	1,317,031	.92	1,008,857
	1963—qtr. to Sept. 7	4,876,176	—	470,608	.32	1,438,968
	1962—qtr. to Sept. 8	4,184,814	—	400,834	.28	1,008,857

Notes: <sup>1</sup> Record. <sup>2</sup> Before \$68,586 non-recurring costs.

**MERGERS & ACQUISITIONS:** Warwick Electronics & Pacific Mercury Electronics shareholders have approved proposed merger plan (Vol. 3:34 p11) under which former will be survivor and Pacific Mercury will become an operating division. Approval of Cal. Corp. Commission also is required. . . ITT has agreed in principle to acquire for some \$15.9 million in stock Gilfillan Corp. of L. A., radar pioneer and early TV set producer. Proposed acquisition, subject to approval of Gilfillan shareholders and boards of both firms, calls for issuance by ITT of 0.1283 share of common and 0.068 share of cumulative preferred (\$100 par value with 4% dividend, convertible into ITT common at \$65 each) for each Gilfillan common share. . . Raytheon has acquired for undisclosed sum name and certain assets of Sideband Engineers Inc., Rancho Santa Fe, Cal. maker of amateur radio transceivers. . . Wometco Enterprises has agreed to purchase for more than \$1 million cash Coca-Cola Bottling Works of Nashville, Tenn., which also operates plants in Lebanon & Springfield, Tenn. and holds 50% interest in bottling companies in Dickson & Columbia, Tenn.

Ravenswood Corp., Annapolis, Md. maker of stereo equipment, reportedly has been seized by Internal Revenue Service for alleged non-payment of \$42,181 in excise taxes (4th quarter of 1962 & first half of 1963) and \$20,742 in withholding taxes for 1963's 2nd quarter. We called Ravenswood for confirmation and details, were notified that company phone has been disconnected.

Metromedia expects 3rd quarter earnings to climb to "more than 20¢ a share" from 14¢ (\$271,036) a year earlier, and total year profits to rise to "at least \$2 a share" from 1962's operating net of \$1.40 (\$2,489,639). Richard L. Geismar, vp & treas., also reported Jan. - Aug. broadcast revenue rose 30%, earnings 40%, said "we hope to pay a little more in dividends next year if earnings warrant." Sales in 3rd quarter are foreseen at "about \$17 million" vs. \$12 million year earlier, at "about \$65 million" for total year vs. \$53.1 million.

National General believes earnings in its 1963 fiscal year ended Sept. 25 rose to \$3.5 million from fiscal-1962's \$2.3 million on sales of some \$48 million vs. \$43.1 million. Pres. Eugene V. Klein reported experiments on joint GE-National General national theater TV network system (Vol. 3:9 p3) are nearing completion at Westwood, Cal., said system will be operating in 10 theaters by May. Company is now "husbanding cash for our projects," he said, but likely will consider paying cash dividends "within the next year or 2."

Purolator now owns "about 30%" of Tung-Sol's 926,826 outstanding shares, indicating gain of 148,000 shares from its tender offer (Vol. 3:38 p12), which expired Sept. 26. Purolator Pres. James D. Abeles said firm hasn't "decided yet" on another tender offer, explained company bought Tung-Sol at \$22 a share when it was listed at \$17 because any "definite buying" on market "would have pushed the stock out of range."