

WEEKLY **Television Digest**

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Consumer Electronics

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NO 11-IN. TV DATA from EIA this year, as GE withholds statistics; dispute almost breaks up EIA data program, but compromise solution promises figures after year's end (p. 8).

RCA'S WONDERFUL WORLD of color outlined by Saxon & Williams, predicting company's color set dollar volume will surpass total of all other home entertainment products combined next year; new color survey (p. 8).

UNIQUE STEREO PRODUCTS—"Music Modules," halfway between components & packages, and phono with speakers built into headrest cushion, introduced by GE, along with its first tape recorder (p. 11).

CODES, COMMERCIALS, COMMENTS, CONFLICT: It was another troubled week for industry in Washington, mostly involving freedom & money, following FCC Chmn. Henry's big anti-commercial blast (Vol. 3:39 p1). Industry filed comments on FCC's proposal to put ceiling on commercials—gave it heavy barrage. NAB Pres. Collins exhorted TV and Radio Code Review Boards, in separate meetings, to get tougher or expect govt. to squeeze harder—got about 50-50 results.

Comments filed in FCC's proceeding came from every source—networks, group owners, attorneys, individual operators. There was much carefully considered argument, surprisingly little vituperation. But Henry got mighty few suggestions on how to impose commercial strictures, of type he called for in IRTS speech.

Similar themes ran through most comments. Violation of First Amendment... Censorship... Non-workable... Unwise... What is over-commercialization?... Usurpation of Congressional power... Impossible to police... Rigid mold... Complaints minuscule... Would get FCC into details of daily operation... Rate-making, etc.

Several comments suggested that FCC stick to its July 1960 policy statement: Require stations to state their policies—then to rationalize any departures therefrom.

For the life of us, we can't see where FCC is going to come out on this—and we don't think Commission knows, either. There should be some clue when Rep. Rogers (D-Tex.) conducts his hearings on bill to block FCC proposal this month or next (Vol. 3:39 p2). We understand, incidentally, that

FCC this summer received 189 letters from congressmen, complaining about commercial-ceiling proposal.

* * * *

NAB TV Code Review Board session wasn't a happy one. Pres. Collins appealed for tougher Code. Some Board members said they considered his ideas too general, asked for specifics: Where had Board and Code Dir. Robert Swezey been too lax? Collins' view was that it's Code Dir.'s job to supply the specifics—also that latter should exercise more power and leave less to Board. Collins has said that over-all TV Board, in establishing Code Dir. job, intended that Dir. wield broad powers and that Review Board be limited to "reviewing" and advising.

Despite differing views, Collins & Swezey maintain good personal relations, and latter is staying on half-time at half-pay until Fall Conferences end. Then, presumably, Collins will pick new man—subject to Board confirmation.

Collins made 10-page statement to each Code Board, urging: "There should be acceptance of the proposition that the prime purpose of the Code is to serve the best interests of the public... I have made this statement to broadcasters, and some have seemed startled. But this is no novel interpretation of mine," noting that Code and NAB Charter play up service to public as main purpose.

NAB shouldn't wait for trouble, Collins said, but should head it off by "greater effort in research... conferences, workshops and other meetings in which talent and representatives of the public would be invited to participate along with broadcast management personnel."

TV Code Board members left session in glum mood, uncertain about where they go from here. Radio Code Board reacted more favorably. At least it issued a statement saying it "agrees in principle with the general goals pictured by Gov. Collins and in the absence of specific recommendations called for the subcommittee studying commercial limitations to meet on Dec. 6 and to bring back definite proposals... "

Both Boards issued statements strongly commending Swezey—TV Board also enumerating major contributions. TV Board voted to ask 8 stations to resign because of violations; Radio Board knocked off 20. Nine more TVs are in jeopardy.

VHF DROP-INS STILL UP IN AIR: No vhf drop-in decision yet—though FCC treated industry to cliff-hanger evening of Oct. 4. Commission held oral argument all day, planned to meet immediately, vote. But after half-hour session starting 7 p. m., Commission announced it didn't have time to reach decision. Chmn. Henry was to leave next day for Europe—so final action isn't expected until end of month.

As befits one of most-argued subjects in FCC history, attorneys' presentations were excellent, commissioners' questions intelligent. Each combatant sought solace in questions & comments of commissioners, occasionally thought he found some.

It's still up to Comr. Loevinger. There's no evidence to indicate others have changed minds: Hyde, Ford & Cox for drop-ins; Henry, Bartley & Lee against. Every question & gesture from Loevinger was regarded as hopeful omen—by one side, then the other. All attorneys played on his predilection for competition, diversification of ownership, multiplicity of outlets. He was learning fast.

Nothing really new was thrown into the pot, but issues were sharpened to utmost in this, one of FCC's most difficult decisions. Turnout was heavy, including many out-of-town hopefuls—eager to see another vhf channel put in their communities, or kept out.

Fact that Commission couldn't reach decision quickly was generally interpreted as increasing chance of reversal somewhat—speculation being that Loevinger hadn't yet made up his mind.

ETV MAKES BID AS REAL PROGRAM FORCE: Ford Foundation's \$6-million grant to NET for programming in 1964, together with NET's reorganization & reorientation, represents beginning of new phase of ETV development.

Here is significance of developments: (1) The grant, following by 4 years Ford fund's "terminal grant" to ETV, carries with it tacit admission that ETV programming will always need big subsidies, and commitment to virtually indefinite support so long as Foundation is satisfied with results. (2) Foundation will make no more major grants for instructional (school-type) programming, leaving it

to tax-supported govts. & school districts to take over this field. (3) NET is divesting itself of its instructional programming activities, closing its Washington office (which worked to help develop ETV stations) and will function exclusively as programming network.

NET's activities will be concentrated on production of 5 hours of "original high-quality program material each week"—of which at least 50% will be devoted to public affairs. As announced earlier, NET will leave radio networking field and change its name to National Educational Television (from National ETV & Radio Center).

In addition to supplying them with higher quality programming, Ford Foundation grant will help individual ETV stations by eliminating NET affiliation fees, which formerly totaled \$585,000 yearly (N. Y.'s WNDT, for example, paid \$20,000), and substituting nominal fee of less than \$100 annually.

NET's budget for 1964 will be a record \$7.7 million, according to Pres. John F. White, up from \$6 million this year. The additional \$1.7 million will come from grants from other organizations, interest, income from foreign sales & NET film service. Said White: "What this grant does for us is take us off the streets in hunger. We've got to have free dollars to do things which are important, rather than what will sell." NET now will have own producers & production teams, rather than relying on those of affiliated stations, although it will not have own studios.

Including the new \$6 million, Ford Foundation has now played angel to ETV projects to tune of \$86.4 million—including such programs on commercial stations as "Omnibus" and "Continental Classroom." Of 81 ETV stations currently on air, 75 are affiliated with NET. At joint Ford Foundation-NET news conference in N. Y. last week, White predicted NET would have 95 affiliates by end of next year. First results of grant will be noticed immediately in terms of new programming, he said, but major impact will be on 1964-65 program schedule.

ARF WANTS HAND IN RATING REFORM: Ad executives and broadcasters, who expected ratings reformers to pack up their slide rules & commandments, and steal away as soon as heat was over were jarred into reality at last week's Advertising Research Foundation conference. Need for reform was underscored not only by govt. spokesman, but also by top ARF officials, who added to confusion by indicating they were all set to duplicate at least part of NAB's Rating Council work.

In literate presentation, Charles Howze, Harris Subcommittee chief counsel, paralleled ratings problems with securities mess of 3 decades ago—which led to forced disclosure of all stock information under 1933 Securities Act. He said Washington believes there's something "radically wrong" with audience research, that legislation is being discussed but can be headed off by support for industry-sponsored cleanup efforts. He pointed to NAB's plan, RAB's radio methodology study and studies planned by ARF to improve "market research."

ARF Vice Chmn. Dr. Lyndon Brown announced that organization would concentrate "large part of its activities" on methodology research to improve techniques. This would cover one of 3 phases of Rating Council plan.

Compton Advertising Chmn. Barton Cummings would go further, said he thinks ARF ought to become "watchdog" to insure that "independent research services adhere to correct standards of data collection and dissemination." This would match remaining 2 phases of Rating Council plan—setting of standards & audit.

NAB's official position is that it welcomes all help, but actually it's seething at renewed efforts to get ARF into ratings reform. ARF spokesman told us that exact direction it will take is not yet certain—whether it plans only methodology research or will get into "watchdogging." Plans have been designed, but board has yet to pass on them.

It's curious that some admen are anxious to see ARF get into ratings clean up, while AAAA & ANA are reluctant to join Rating Council board because they say reform is broadcast industry problem.

Pressing for change, Howze told conference: "There seems to be, at least among some broadcasters and advertising people, a great reluctance to concede that the role of the rating services is as pervasive in American broadcasting as I am persuaded it is. This reluctance amounts almost to a conspiracy of silence." He repeated his advocacy of reporting ratings in ranges to give "recognition" to "element of statistical variance."

"There is nothing wrong with the pursuit of certainty," he said. "But an illusory certainty can be fraught with danger. During our hearings, the idea was expressed several times that some figures, however inaccurate, are better than no figures at all. In view of the amounts of money spent each year on broadcast advertising, I would urge a searching reconsideration of that notion." Alluding to Securities Act, Howze said "single dominant obligation" of stock issuers was "disclosure" of information to protect investors, conceding that Act doesn't pretend to protect those who would rather rely on "hot tip."

He also expressed hope that FTC would take "increased interest" in ratings week "hypoing" by broadcasters, said agencies & advertisers should be willing to pay more for improved research. He stated that under FCC rules, broadcasters can't solely program by numbers, urged ad community to "voluntarily assume responsibilities to the American people commensurate with those required of broadcasters."

Regarding plans for methodology research, ARF's Brown noted that group is consulting with RAB on its study, is "supervising" ARB studies on non-cooperation of diary keepers and possible bias in using sample drawn only from "listed" telephone numbers. He said specific costs for technique research would have to be underwritten by agencies, advertisers and/or media. Cummings called on ARF members to donate money to special fund to investigate audience measurement practices.

TvB Pres. Norman (Pete) Cash came out officially for reporting ratings in ranges—"as the needed red flag." He added, however, that research experts say that "traditional range of error statistics cannot be applied to our audience measurement techniques." This in no way reduces our need for such figures, he said, urging that proper techniques be developed.

Sindlinger & Co. held Washington demonstration last week, displaying method to show statistical range, using IBM 1401 computer. Company says range can be reported for every radio & TV rating produced for its national & local reports. Effective immediately, Sindlinger said, each rating will show low, middle & high points.

At Chicago RAB Management conference last week, Robert E. L. Richardson, former Harris Subcommittee ratings investigator, defended himself against critics of his Dallas speech few weeks ago (Vol. 3:38 p3). He said he's not seeking more broadcast clients as ratings consultant (he'd already signed Gordon McLendon), repeated his intention to run for Congress next year. He also disputed charges that his ratings validation plan is impractical. He said ARB & Hooper both told him they'd be willing to have all their work checked.

Richardson's proposed plan would have ratings re-checked from interviewing to tabulating, was criticized for placing too heavy a burden on rating companies. We were also told by govt. source that not even FCC would require such checking by licensees.

RKO—CATV GIANT WITH 100,000 CUSTOMERS: Far-&-away biggest CATV operator—grossing perhaps more than \$4 million annually from some 100,000 subscribers—will be RKO General, under deal whereby it will acquire control of H & B American Corp. For pay-TV enthusiast RKO, which is testing over-the-air toll TV in Hartford, deal gives it very respectable-sized nucleus for cable-TV pay system whenever it chooses to move that way.

Deal is subject to vote of H & B stockholders in Dec., presumably no problem. It puts together RKO's 27 systems with 30,000 subscribers and H & B's 24 systems serving 70,000. H & B is also building 4 more, has franchises for additional 3.

Agreement is rather complex: RKO subsidiary Video Independent Theatres will acquire 1,550,000 H & B shares in exchange for all stock of VIT subsidiaries Vumore Co. & Mesa Microwave. VIT also agrees to lend up to \$2 million to H & B. VIT, which had previously bought substantial H & B stock on open market, will end up with about 56% of the 4,626,000 H & B shares which will be outstanding. H & B earned about \$1.4 million, before depreciation, on sales of \$4.45 million in fiscal year ended July 31, has tax credit of \$3 million from previous losses. In same year, Vumore & Mesa had net operating profit, before taxes & depreciation, of about \$1.16 million on \$2.2 million sales.

CATV & broadcasting industry continue to churn, meanwhile, with reports & rumors of system acquisition by more & more telecasting entities. Even networks are reported getting hot.

STANTON & SALANT ON EDITORIALS & NEWS: Rare presentation of serious industry-wide problems, rather than network economic & programming issues, highlighted 10th annual CBS Radio Affiliates Assn. Convention in N. Y. last week:

(1) CBS Pres. Dr. Frank Stanton urged broadcasters to editorialize: "If we do not use the right... we will lose it." He also cautioned against abusing power because it would invite "troublesome and dangerous regulation." Stanton said editorializing was not a "privilege" bestowed by FCC. "I think that the Commission was doing no more than recognizing a right that has its roots in the First Amendment," he said. Stanton declared that CBS-owned stations were among those that at first showed "timidity" & "indecision" toward on-air advocacy. He added, however, that in past 5 years owned radio & TV stations have carried over 1,800 editorials.

(2) CBS News Pres. Richard Salant used occasion to attack "check-book journalism"—paying for exclusive rights to cover hard-news stories. As example, he pointed to Fischer quintuplets, whose story rights were bought by "Saturday Evening Post." He called practice a disservice to public & profession. "When we start treating news stories like baseball or football games, and bid for them as though they were sports, journalism is in trouble," he said.

CBS Radio Pres. Arthur Hull Hayes reported that network time, on average, has been 80% sold out since March; in some weeks, it exceeded 90%. Station payments for 1963 will more than double estimates made when new compensation plan was announced year ago. Michael Hanna, WHCU Ithaca, was named affiliates' chmn.

Three new tall towers, found to contain "deviations" in steel, are being replaced by Bethlehem Steel and builder Kline Iron & Steel Co., Columbia, S. C. Discovery was made as 2,069-ft. tower for KEND-TV Fargo (formerly KXGO-TV) was being fabricated. Bethlehem replaced "a number of steel members," said Bernard Kline, pres. of construction firm. It was then found, said Kline, that steel for 2 other towers had come from same lot—partially-erected one for WGHP-TV High Point, N. C. (1,252 ft.) and completed structure for WIBW-TV Topeka (1,255 ft.). Replacement tower at High Point has been "topped out," said Kline. Changes in other tower are "going forward." Thad Sandstrom of WIBW-TV stated: "Kline moved quickly and without compromise to correct fully the problems arising through no fault of theirs."

Sale of WMTW-TV-FM Mt. Washington, for about \$4 million, is under discussion with 3 prospective buyers, including Jack Paar. Pres. John W. (Duke) Guider said his continuation as gen. mgr. would be up to purchaser.

Metromedia has sold KOVR Stockton-Sacramento to McClatchy Newspapers, subject to FCC approval, for just under \$8 million.

Los Angeles ETV Ch. 28 application has been filed by Community TV of Southern Cal., which also seeks \$500,000 construction funds from HEW.

"ABC-TV Hootenanny," new magazine "inspired" by the program, goes on newsstand Oct. 29.

FTC should set standards so that TV commercials at least "will appear to be telling the truth," U. S. 5th Circuit Court of Appeals in New Orleans suggested last week as it upheld FTC decision against Carter Products commercial. Commission charged that Rise ad used special foaming agent in place of ordinary lather. FTC last week also issued consent order forbidding Chesebrough-Pond's from making certain claims in Vaseline commercials, e. g. that product affords substantial protection against infection. Another consent order, against Vitamin Industries, prohibits false therapeutic claims for Guardian 12 Plus Vitamins, Guardian A/D/E Plex, Cal Plex F Vitamins. Commercials claimed products would treat arthritis & rheumatism symptoms, among others.

Special film on govt. problems may be shown to lead-off session next week of NAB fall conference, if difficulty of combining different film sound standards can be overcome. Currently being prepared by Hollis Seavey, NAB govt. relations mgr., film would be 6-8 minutes long, would feature Congressional comment on broad range of problems, especially editorializing, fairness, equal time, commercial limitations. Participants: Sen. Pastore (D-R. I.), Reps. Harris (D-Ark.), Rogers (D-Tex.), Younger (R-Cal.), Broyhill (R-N. C.). Footage of Rogers, who plans hearings on his anti-commercial ceiling bill, was filmed in Amarillo last week; Harris appearance would be excerpted from recent Metromedia interview.

Equal time suspension for 1964 Presidential & Vice Presidential campaigns was voted by Senate last week, clearing way for another series of debates as well as greater coverage of major party candidates. Senate made minor changes in House-passed H. J. Res. 247. One makes suspension of Sec. 315 apply for only 60 days—Sept. 4-Nov. 2. House voted for 75 days before it was known that Democratic Convention would be held late in Aug.

Ch. 37 will be reserved for radio astronomy for 10 years, FCC decided last week, Comrs. Lee & Cox dissenting. Ruling won't affect present TV service. Commission said it will propose in planned revisions of uhf allocations table a substitute for Paterson, N. J., where channel has been applied for. Similar action will be requested of Canada & Mexico, FCC said, and it will recommend world-wide reservation.

Broadcaster has same responsibility to public as does newspaper publisher or merchant, William Ray, FCC complaints & compliance chief, told Missouri Bcstrs. Assn. last week. "He has a responsibility to make a profit because if he doesn't his product will suffer and he'll go broke," he said. If there are too many commercials, he'll reach point of diminishing returns, Ray stated.

Delay of pay-TV start in Denver over KCTO for one month has been granted by FCC. A 6-month extension was requested, but FCC wants information on: (1) Equipment status. (2) Solicitation of subscribers. (3) Program availability. Pay-TV proponents are satisfied they'll get 6 months after supplying data; it would be 3rd 6-month extension.

NAB-RAB liaison committee meets this week to explore areas of cooperation and possible joint ventures. Not on agenda is subject of whether NAB will co-finance radio ratings methodology study. That project is in hands of NAB Research Committee.

Personals

James M. Seward, CBS Radio exec. vp, presented Gold Mike award by affiliates for 30 years "affiliation"... **Gerald E. Rowe** promoted from mgr. to dir., NBC audience advertising & promotion.

John Scuppo, NBC-TV promotion mgr., promoted to promotion dir... **Russell G. Van Arsdale**, ex-WJAR-TV Providence, appointed news dir., KTTV Los Angeles.

George E. Shannon promoted to business affairs dir., WCBS-TV N. Y... **George Johannessen**, ex-ARB, rejoins Edward Petry & Co. as TV salesman; at one time he was Petry TV research dir... **Steven F. Beard Jr.**, Blair TV Dallas mgr., & **Gabriel P. Dype**, Detroit mgr., elected vp's.

Joel Chaseman, WBC Productions gen. mgr. & "Steve Allen Show" exec. producer, promoted to Group W project dir., succeeded by **Chet Collier**, program mgr., KYW-TV Cleveland.

Jack Alstrop, distribution mgr., BBC Sound Transcription Service, promoted to BBC U. S. representative, succeeding **Dennis Scuse**, who returns to London as gen. mgr., BBC TV Enterprises.

Richard J. Anderson, ex-KOVR-TV Sacramento-Stockton, named engineering mgr., KTTV & KLAC Los Angeles; **David Gordon**, ex-Screen Gems & CBS-TV, appointed publicity & exploitation dir., WNEW-TV N. Y.

Allan S. Timms, ex-ITA electronics sales mgr., joins Adler Electronics Industrial Products Div. as field sales engineer.

John Griffin, ex-news dir., KSLA-TV Shreveport, appointed to similar post, WTAR-TV-AM-FM Norfolk, succeeding **Clayton Edwards**, who joins NASA... **Lloyd Dobyns** promoted to news dir., WAVY-TV-AM Norfolk, succeeding **Vern Jones** who joins UPI Newsfilms as Washington bureau chief.

James W. (Bill) Mansfield, production coordinator of Army's "Big Picture" TV series, named NAB audio-visual mgr., succeeding **Arthur D. Stambler**, who resigned to open production firm; Mansfield retires from Army Oct. 31 as Sgt. major.

Robert Brewster, marketing dir., KHOL-TV Kearney-Holdrege & KHPL-TV Hayes Center, promoted to station mgr.; **Marlyn (Moe) Milliken**, program dir., promoted to asst. station mgr.

Clyde M. Hunt, engineering vp, Post-Newsweek Stations, named chmn., NAB Convention's Engineering Conference Committee.

FCC retirements: **Helen A. Clark**, library div. chief, after 28 years; **Francis Keefe**, admin. asst. to chief, Field Engineering Bureau, after 21 years.

National & international reps: KFEQ-TV-AM St. Joseph, Mo., names Avery-Knodel; KTVW-TV Seattle-Tacoma & KCTO-TV Denver to Roger O'Connor. Arab Middle Eastern Network, with TV stations in Syria, Jordan, Kuwait, Iraq & Lebanon, names ABC International; Ch. 11 Beirut (Tele Orient), associated with ABC International, is flagship station.

Tele-Tape Productions and Video Industries Corp. of America merged, will use former's name.

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TV homes in U.S. total 50,433,100, increase of 1,404,000 since last year, ARB reported recently. California replaced N. Y. as state with most TV homes—5,101,000 to 5,046,400. TV penetration is greatest in Rhode Island & New Jersey, 96%. New England tops regional penetration with 94%.

NABET & KTTV Los Angeles have signed 6-year agreement, described as longest engineers' contract ever negotiated. It calls for immediate salary increases, inclusion in pension plan of union employes during contract period, improvement of sick leave benefits, grievance machinery, severance pay for terminations resulting from automation.

"Oscar of Industry" trophy for best stockholder report in broadcasting industry will be presented Oct. 30 to Metromedia. Runners-up in broadcasting category of "Financial World's" 23rd Annual Report Survey: CBS, 2nd place, and AB-PT, 3rd.

"What Government Should Know About Advertising," AAAA booklet containing brief explanations of 6 economic benefits derived from advertising, has been distributed to nearly 1,700 Congressional & federal officials.

New color origination equipment—including live cameras to permit colorcasting of next year's Mets' games—has been ordered by RKO General's WOR-TV N. Y. Currently, NBC's WNBC-TV is only N. Y. station airing regular local live color shows.

TV version of "The Advocate," to be presented simultaneously with Oct. 14 Broadway opening, was taped at Videotape Center last week. It will be seen on 5 stations of Group W, originator of project.

NBC's annual affiliates' convention will be held at Beverly-Hilton Hotel, Los Angeles, Dec. 2 for 192 radio stations, Dec. 3 for 203 TVs.

WWRL N. Y., Negro-appeal station, sold for more than \$2 million by William Reuman to Egmont Sonderling & associates.

SESAC will sponsor annual community service award for public service by New Jersey station, in conjunction with New Jersey Bcstrs. Assn.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FCC NOT KIDDING ON ALL-CHANNEL: FCC last week took official note of rumors, innuendos and foot-dragging among set manufacturers by releasing statement which said, in no uncertain terms: (1) It is committed to uhf and will not abandon it. (2) It intends to enforce all-channel law. (3) It has no intention of postponing law's April 30 effective date.

Some industry leaders, meanwhile, are becoming increasingly concerned about potential uhf tuner emergency next spring. All-channel set sales have not increased as anticipated—and instead of gradual rise in percentage of all-channel sets, many feel there will be mad rush in April to increase all-channel sets from about 25% to the required 100% of production. If this should happen, they fear temporary shortage of tuners could cause major dislocation.

Last few weeks have seen increase in tempo of rumors that Commission will abandon uhf for close-spaced vhf assignments, or that it will be receptive to petition for postponement of effective date of all-channel law while it ponders various channel allocation proposals. These rumors are based on pure misinformation, lack of information and wishful thinking. Some of these arise from fact that FCC is hearing arguments on short-spaced vhf drop-ins (see p. 2), others from existence of proposal for reallocation in vhf bands by Bureau of Standards' Kenneth Norton (Vol. 3:37 p9).

Commission finally decided rumors and half-truths had reached such pitch it was time to set record straight, which it did in letter to EIA, approved by full Commission, and released this week. Here is full text:

"It has recently come to our attention through the activities of the Committee for Full Development of All-Channel Broadcasting that some question has been raised as to whether the Commission is contemplating general changes in TV broadcast allocations which would affect implementation of the all-channel TV receiver requirements.

"We wish to advise you explicitly by this letter that the Commission has no intention of deviating from its decision to encourage full utilization of the uhf channels for TV broadcasting. We do not intend to initiate any general changes in the principles of the table of channel assignments, including mileage separation requirements, for TV stations, nor do we anticipate any change in the date (April 30, 1964) after which TV broadcast receivers manufactured must be capable of receiving all TV broadcast channels.

"We hope that this information will dispel any uncertainty as to the Commission's intentions to maintain its present TV allocations policies."

Even if serious tuner shortages should arise, it's highly unlikely that FCC will seriously entertain any petition for postponing April 30 deadline. Commission feels that since date was set far enough in advance, and since it was recommended by industry itself, any hardship will be of industry's own making.

Tuner manufacturers say they're prepared to step up uhf tuner output to 7-million-a-year rate by April 30, if it can be done in orderly fashion. But, said one, "we just physically can't increase our production fourfold in one month. Our facilities are ready, but we must have time to recruit and train workers. We were led to believe that there'd be a gradual increase in all-channel sets, up to the 100% point by April 30. Now we can see no sign of it. It looks like it's going to come in one overnight jump—on April 30."

Set manufacturers concede it does look that way—but, they ask, what can they do as long as dealers keep ordering vhf sets? Said one industry leader, just returned from swing around the country: "The dealers couldn't care less. They just tell us they'll face that problem when they get to it. Meanwhile, we can't shove all-channel sets down their throats."

Tuner makers are hard-pressed even to find out clues to future demand for their product. There are many new elements in this highly competitive field. Japanese firms are now in it with both feet,

already getting fairly good share of vhf tuner market. More set makers are producing their own tuners. Several component manufacturers not now in tuner field are understood to be developing tuners.

There could well be over-capacity in uhf tuner business in next year or so. But by spring, it now appears there'll be sudden & frantic scramble for tuners. And FCC can't be counted on to bail anyone out.

NO 11-IN. TV STATISTICS FROM EIA: Starving for details on production & sales of 11-in. tinyvision, TV industry will have to tighten its belt and sharpen its guessing until early next year.

Dispute which came within hair's breadth of destroying EIA's TV production & sales data program was resolved this way: EIA's reports, for balance of this year, will include no sets 11-in. & smaller. Final figures for 1963 will be adjusted retroactively to include production & sales of 11-in. sets. Beginning in Jan. 1964, all b&w sets, of all sizes, will be included in EIA's regular reports.

Recent meeting of EIA consumer products marketing data committee in Chicago burst into acrimony when it was revealed that GE had not been including 11-in. sets in its marketing data reports. Other manufacturers, including RCA, talked of withholding TV data entirely or withdrawing from EIA's statistical pool. Compromise forestalled break-up of statistical organization.

GE had been withholding 11-in. data on basis of EIA rule that where one manufacturer makes more than 50% of any category of product, statistics on this product will be withheld on option of manufacturer. Rules provide that EIA collects data and notifies manufacturer that it has 50% or more of given market, then asks manufacturer whether it wishes to waive its "security right." In current case, however, GE decided that it had more than 50% of 11-in. market and invoked another privilege of membership in EIA statistical pool—that reporting is voluntary.

In this decision, GE had precedent. RCA has never reported production or sales of color sets & picture tubes. Thus, industry is deprived of statistics in TV's 2 hottest areas—color & tinyvision.

Although Admiral also produces 11-in. TV, and Curtis Mathes will be in production next month, latest figures (preliminary Aug. statistics, Vol. 3:38 p9) reflected no 11-in. output, since Admiral hadn't started production and GE withheld figures. (Admiral, though not member of EIA, is member of its statistical pool.)

In its reports to manufacturers, EIA breaks down tube sizes into categories of 21-in. & larger, 19-&-20-in., and 18-in. & smaller. For remainder of year, latter category will be changed to 12 through 18-in., and no sets with screens 11-in. & smaller (by any manufacturer) will be included. All production & sales figures, including those reported weekly & monthly in these pages, are exclusive of sets with 11-in. & smaller screens.

EIA's statistics will give clue to whether 11-in. sales are "plus business" or substitute for larger sizes. If sales of conventional-size TV, as reported in EIA figures, continue to equal or exceed last year, this can be cited as evidence that tinyvision sales are "extra." (July TV distributor sales as reported by EIA—without 11-in. sets—were very slightly behind July 1962; preliminary Aug. figures indicate increase of about 3.5% over Aug. 1962.)

Lacking figures on color & tinyvision, EIA statistics thus are probably running more than million sets below actual TV output, on annualized basis. Best guess of 11-in. production for this year: 300,000-350,000 sets.

Resolution of tinyvision problem doesn't alter color TV reporting situation. There's still no indication when—if ever—RCA plans to report its color TV production or sales.

"COLOR IS OUR MOST IMPORTANT PRODUCT": RCA shipped its first sales team to N. Y.'s Sales Executives Club last week for presentation on color TV, armed with dazzling new statistics & predictions—and preview of first results of new consumer color survey.

As World Series color week opened, RCA Sales Corp. Pres. Raymond W. Saxon and Ad & Sales Promotion vp Jack M. Williams put color story across with some snappy comparisons. Examples:

Dollar sales of RCA Victor color sets next year, said Saxon, "will surpass the combined total of

our other home entertainment products—including b&w TV, radio, stereo "Victrola" and tape cartridge recorders." Industry-wide color sales will achieve retail rate of more than \$450 million this year, rising to \$750 million next year and surpassing b&w's "billion-dollar sales rate" some time in 1965. This year, one color set is being sold for every 9 b&w sets; next year, figure will be 1 to 5.

"During the 10th anniversary year of color TV next year," Saxon added, "this reasonably new medium will record retail sales equal to the present rate of the home laundry industry." For first 8 months of 1963, RCA's color set sales have contributed "considerably" greater dollar volume than b&w—even though its b&w unit sales are running more than 10% ahead of 1962. By next year, Saxon said, RCA line will have more color than monochrome models.

Saxon gave first details of consumer survey just completed by Elmo Roper & Associates, about 9 months later than Sylvania color survey (Vol. 3:37 p6, 38 p7). It showed—as did Sylvania survey—that color owners were satisfied with both color & b&w reception on their sets. Owners are enthusiastic color boosters, only 2% suggesting that their friends wait a while longer for color, 1% suggesting friends buy b&w sets.

Some 30% of consumers questioned "firmly said their next TV receiver would be a color set," while 25% were undecided whether to buy color or b&w. Sylvania survey, made early this year, indicated 9.4% of prospective purchasers intended to buy color sets this year and 40.8% would consider both color & b&w.

In what appeared to be a bit of CBS-baiting, Saxon said that color set owners overwhelmingly preferred color programs to b&w. He explained by quoting survey results: b&w set owners preferred "Bonanza" (which is in color) over "Gunsmoke" (b&w) 53% to 30%—but "Bonanza's" margin with color owners was 87% to 8%.

In other color news last week: (1) Muntz formally announced its entry into color market with 3 "competitively priced" sets—2 phono combinations, one lowboy. Announcement said company expects to sell about 1,000 color sets within a month, and that in color it will continue to specialize in TV-radio-stereo combos, which now account for 65% of its b&w sales. (2) Chicago's American Television (de Forest brand) announced "rectangular color TV" at \$299, \$400 & \$750 for combo. Tube used is regular 21-in. round with rectangular mask.

TV-RADIO PRODUCTION: EIA statistics for week ended Sept. 27 (39th week of 1963) excluding 11-in. and smaller:

	Sept. 21-27	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	180,777	151,603	159,180	5,183,592	4,864,120
Total radio	458,309	498,147	483,494	12,909,440	13,848,819
Auto radio.....	210,609	237,098	196,820	5,510,900	4,990,274

TOPICS & TRENDS

One of Motorola's color-tube problems has been solved, we were told last week by Motorola Consumer Products Pres. Edward R. Taylor. He said National Video & Motorola engineers have licked troubles of lack of adherence of dots to screen, now are working to eliminate arcing & contamination. "We hope to get these problems solved, so we can go into accelerated production in Nov. & Dec., and have a good supply of tubes the first of the year." Meanwhile, Motorola is producing 21-in. color sets "to the extent that we can get tubes from RCA."

"Zenith TV sales top million mark in just 9 months," proclaims double-truck ad in trade papers, referring to distributor-to-dealer unit sales (presumably both color & b&w). "For the 5th straight year—over a million sold," says ad, with this claim added: "Zenith is still Number One! Again with greatest share of industry ever! Even greater than record-breaking 1962!"

Trade Personals

Charles M. Heiden named gen. mgr. of GE new business development operation, which activates Nov. 1 at Schenectady, N. Y., to develop business opportunities indicated by new products & technologies.

Col. Percy G. Black, vp of GT&E International and GT&E Service Corp., retires Oct. 1 after 17 years with company; he's past pres. & currently a dir. of Armed Forces Communications & Electronics Assn.

Ralph R. Papitto elected chmn., **Glass-Tite Industries**, Providence, R.I. maker of semiconductor containers & seals, succeeded by **David Cropp** as pres.; **Paul W. Erickson** elected exec. vp and a dir.; **Philip W. Schumacher** named vp-gen. mgr. of mfg. div.

Dr. Lee L. Davenport, GT&E Labs pres., receives GT&E's Silver LaCroix Medal Award for his role in saving lives of Sylvania's Pres. Gene K. Beare & New Product Planning Dir. **David K. Elwell** in plane crash at Rochester, N. Y. July 2 (Vol. 3:27 p12).

J. Walsh, Erie Technological Products of Canada, won IEEE Low Gross Trophy in Canadian EIA-IEEE Golf Tournament with 83. Other winners: EIA Low Gross Wrigley Trophy, **T. Stevens**, Northern Radio Mfg.; Fullerton Weston Trophy, **R. Stacey**, Canadian Motorola Electronics; Lake Engineering Trophy, **Derek Reynolds**, Electronics & Communications.

Frank C. Lustig, formerly Revere-Wollensak engineering & product development mgr., named Argus product planning vp, heading new product development dept.

David J. Melamed, ComSat asst. secy & asst. treas., elected secy.

S. S. (Sy) Krinsky, ex-Telemet, forms own rep company for TV & telemetering instrumentation manufacturers, 6311 Yucca St., Hollywood (phone: Hollywood2-1133).

Lowell H. Tveten, asst. chief, promoted to chief, HF & VHF Research Section, Bureau of Standards Boulder Labs, succeeding **W.F. Utlaut**, asst. chief, Radio Systems Div.

High-end TV sales can be stimulated successfully, NARDA & Corning Glass reported after tallying results of 3-day "Step Up to Quality" pilot promotion Sept. 27-30 at Brac's Appliance Store, Des Moines. Brac's owner **Earl (Duke) Holst**, NARDA pres., said sales during period were double those of same 3 days last year, that 4 times as many consoles were sold, nearly 50% of which were combinations, and portable sales were down one-third. In addition, an estimated 40% of those entering store were classed as prospects for later sales. Corning & NARDA are compiling case history book giving details and results of promotion.

Channel Master showed new line of consumer products last week, with new emphasis on phonographs. Among items shown, all imported: 16-in. TV at \$139.95; portable stereo phonos at \$69.95, \$89.95, \$109.95 & \$149.95; transistor tape recorder at \$139.95; citizens band radios at \$119.90 a pair.

Corning is adding 80,000-sq.-ft. warehouse to its TV bulb plant in Albion, Mich., due for completion by early December.

Semiconductor licensing agreement between Fairchild Camera & Instrument and Tokyo-based Nippon Electric has been approved by Japanese govt. Pact gives Nippon Electric exclusive rights in Japan for 10 years to Fairchild's patents for planar process of semiconductor production. Fairchild's royalties will be based on percentage of sales. Nippon also is obligated to license any Japanese semiconductor manufacturer seeking the process, and, Fairchild Pres. **John Carter** said, it's anticipated that several sublicense agreements will be signed soon.

International Resistance has integrated its Control Components, Frontier Electronics and Plastic Products Divs. into new Instrumentation & Systems Div., which will produce and market electro-mechanical/electronic subsystems and associated equipment and circuitry. **O. C. Kebernick**, formerly Plastic Products mgr., becomes gen. mgr. of new division. Other appointments: **Terry Halpern**, mktg. mgr.; **Patrick Lannan**, chief engineer. Division will headquarter in Philadelphia.

ITT \$30 million expansion program in Western Europe, begun last year, will be completed by end of 1964 and provide manufacturing plants & labs in West Germany, U. K., Spain, Norway, Sweden, The Netherlands & Belgium. Pres. **Harold S. Geneen** said program would add more than 2 million sq. ft. to ITT's facilities, increase company's European employment by "several thousand new jobs" to 125,000 at close of 1964.

Russia's new Licensingorg Agency, recently established to handle licensing agreements with Western firms, has authorized a N. Y. patent brokerage concern "to seek U. S. manufacturers for several Soviet products," reported Oct. 3 "Wall St. Journal." Among them: "A method for making semiconductors from organic chemicals, said to be cheaper than semiconductors made from crystals."

British TV dealer gave away 1,250 TV sets, mostly old trade-ins, to save money on junking. "It was the easiest and cheapest way to clear a very crowded warehouse," reported dealer **Frank Middleton**. "To have dismantled them and sold them for scrap would have cost more." More than 5,000 persons responded to Middleton's give-away ad.

New anti-Quality Stabilization group has been formed by members of discount industry. "Committee for Competitive Prices," headed by **Martin Chase**, treas. of Ann & Hope Factory Outlet, Cumberland, R. I. (Vol. 3:31 p7), seeks \$100,000-125,000 from discount field to fight QS legislation. "CCP" has hired **Ruder & Finn PR** firm to map campaign.

Philco has added an Animal Div. to its Advanced Technology Lab in Blue Bell, Pa. Facility is believed to be first of its kind in electronics field, will use initially 10 monkeys to research electrical energy in muscles. Bio-Technology Lab Dir. **Walter L. Wasserman** said studies could point way to development of artificial limbs with "almost human-like muscle reaction."

N. Y. Fair Sabbath Bill has been signed into law by Mayor **Wagner** (Vol. 3:38 p10). It permits small family-operated businesses to remain open on Sun. if owner closes another day of week to observe Sabbath.

Sylvania has introduced lowboy color console at \$529.95.

GE'S 'MUSIC MODULES': Several unique products—including company's first tape recorder—were introduced by GE at week's end in preview of first public showing Oct. 11 at National Decoration & Design Show in N. Y.

Highlight was new product category, which GE calls its "series 5000 modules" and describes as "bridging the gap between consoles & components." Each module is available individually, all in matching rectangular walnut cabinets, designed for easy hookup by inexperienced amateurs. They can be installed in bookshelves, on tables, hung on walls, etc. All equipment is fully transistorized. GE promises modules will be "open stock," with no annual appearance changes, so owners can build music systems gradually.

GE's modules are: AM-FM-stereo tuner-amplifier, \$299.95; drop-down stereo tape recorder, \$299.95; drop-down changer, \$89.95; speaker systems, book-shelf size at \$99.95 per pair, larger units \$119.95. Recorder uses modified V-M deck, GE's own transistorized electronics.

Also due for introduction this week by GE is "Pillow Talk" portable stereo phono at \$74.95. In place of conventional speaker, unit has corduroy-covered foam cushion containing stereo speakers for use as headrest or conventional pillow. Phono can be used as regular stereo by placing cushion (whose surface is parabolic) in lid of changer and using higher volume.

Both tape recorder & cushion speaker are expected to show up later in other GE versions.

Using GE equipment, Designer Vladimir Kagan will display some interesting custom-made concepts at decoration show—including free-form love seat with stereo speakers built into high side wings, and coffee table into which 11-in. TV disappears when not in use (reminiscent of RCA's TV coffee table of several years ago).

DISTRIBUTOR NOTES: Sylvania appoints Wheeling Kitchen Equipment (George Bailey vp-gen. mgr.), 36th & McColloch Sts., Wheeling, W. Va., home instruments distributor for 24 northern West Virginia & 5 eastern Ohio counties. . . Olympic Radio & TV and Sony Corp. name American Wholesalers distributor in District of Columbia area. American had been a Sylvania distributor for past 2 1/2 years, was succeeded by factory branch (Vol. 3:39 p10).

Standard Japanese color tube size will be 16-in. rectangular, 90-degree deflection. Committee of Japanese EIA has recommended measurements, with goal of standardized product. Industry's immediate aim is to develop sizeable domestic color set market in time for Olympic games in fall 1964, as well as promoting exports to U. S.

First 16 2/3 rpm stereo discs have been introduced by XLP Record Corp., Lake Geneva, Wis. New records play more than 2 hours, will list at \$8.95. Company claims listening tests showed 97% of listeners couldn't tell difference between sound quality of 16 2/3 and 33 1/3 rpm discs.

"Stereo booster," indoor FM booster designed for stereo & mono FM reception, has been announced by Blonder-Tongue. With claimed power gain of 18 db, it has list price of \$21.

Legalities: Sonic Electronics, N.Y. manufacturer of phonographs & hi-fi equipment, is bankrupt (Vol. 3:21 p10), Referee Asa S. Herzog ruled. He upheld objection by V-M Corp. to proposed Chapter 11 plan, appointed Thomas E. Zoda trustee in bond of \$50,000. . . Judgment suit of \$375,000 has been filed in Chicago Federal Court against Majestic International Pres. Leonard Ashbach and 2 other employes of firm on breach-of-agreement charges by Nichimen Co. concerning transistor radios it sold to Wilcox-Gay. Plaintiff contends radios were to be warehoused under its name and that it was to retain title, but warehouse receipt was written in Majestic's name. Nichimen seeks \$125,000 actual damage, \$250,000 exemplary damage.

Audio Engineering Society convention Oct. 14-18 at N. Y.'s Barbizon Plaza Hotel will feature session on FM stereo, with papers by FCC's Harold W. Kassens, Zenith's J. Fleming Dias & Jouke Rypkema, Collins Radio's A. Prose Walker, GE's A. Csicsatka & R. Linz, GEL's B. T. Newman, others. Other papers will be on magnetic tape cartridges, disc recording, broadcast audio studio equipment, sound systems, loudspeakers, wireless microphones, Teleglobe Pay-TV System.

Muntz TV says its sales for fiscal year ended Aug. 31 probably reached about \$13 million, compared with \$11.4 million for fiscal 1962.

Reports & comments: Tektronix, prospectus, Lehman Bros., One William St., N. Y. 4. . . **Electro Instruments**, report, Leason & Co., 39 S. La Salle St., Chicago 3. . . **Varian Associates**, comments, Bache & Co., 36 Wall St., N. Y. 5. . . **Microwave Electronics**, report, Hannaford & Talbot, 519 California St., San Francisco 4. . . **International Resistance**, analysis, Hirsch & Co., 25 Broad St., N. Y. 4. . . **Dynamics Corp. of America**, study, Schwabacher & Co., 100 Montgomery St., San Francisco 4. . . **Metromedia**, comments, Ross & Hirsch, 120 Broadway, N. Y. 5. . . **Walt Disney**, study, Schwabacher & Co., 100 Montgomery St., San Francisco 4. . . **Crowell-Collier**, discussion, Carl M. Loeb, Rhoades & Co., 42 Wall St., N. Y. 5. . . **AT&T**, report, Hirsch & Co., 25 Broad St., N. Y. 4. . . **Thompson Ramo Wooldridge**, study, Burnham & Co., 60 Broad St., N. Y. 4. . . **CBS**, report, Freehling & Co., 120 S. La Salle St., Chicago, 3. . . **Crowell-Collier**, memo, Purcell, Graham & Co., 50 Broadway, N. Y. 4.

Ravenswood Corp. assets will be sold by Internal Revenue Service which seized plant (Vol. 3:39 p11) for alleged non-payment of some \$63,000 in excise and withholding taxes. IRS is now accepting sealed bids for Ravenswood's inventory of stereo sets & cabinets, speaker systems, and other components, will open bids Oct. 10, 10:30 a. m. at its Annapolis, Md. office, 253 West St.

Stewart-Warner's July-Aug. sales & earnings produced percentage gains "of similar magnitude" to first-half's 10% sales jump to \$66.4 million, 11% earnings increase to \$1.21 a share. Chmn.-Pres. Bennett Archambault reported that sales of electronic products during first 8 months topped volume in original-equipment automobile parts.

Muntz TV stock purchases, reported to American Stock Exchange: Chmn. Floyd G. Dana bought 500 common shares, holds 7,053. Secy.-Treas. Daniel J. Domin bought 630, holds 31,608 and is custodian for 30.

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 Aug. 31	\$9,343,885,000	—	\$1,441,958,000 ¹	\$5.92	243,560,000
	1962—year to Aug. 31	8,822,666,000	—	1,366,557,000	5.76	237,189,000
	1963—qtr. to Aug. 31	2,401,292,000	—	383,147,000 ¹	1.57	244,442,000
	1962—qtr. to Aug. 31	2,255,690,000	—	355,024,000	1.47	240,768,000
Avnet Electronics	1963—year to June 30	46,941,923	\$ 4,862,518	2,441,048	.80	3,068,956
	1962—year to June 30	39,695,992	5,594,775	2,774,798	.93	2,979,614
Collins Radio	1963—year to July 31 ²	250,000,000	—	3,680,000	1.65	2,230,080
	1962—year to July 31	207,775,637	—	3,477,000	1.56	2,230,062
Federal Pacific Electric	1963—year to June 30	95,010,667	—	1,745,673	.38	2,426,096
	1962—year to June 30	97,285,128	—	1,504,588	.29	2,371,127
Four Star TV	1963—year to June 29	22,076,700 ³	—	793,501 ⁴	1.25	600,000
	1962—year to June 30	19,962,980	—	734,077	1.20	600,000
Gilfillan Corp. ⁵	1963—year to May 31	33,713,187	—	786,331	.67	—
	1962—year to May 31	39,172,585	—	1,048,936	.90	—
International Rectifier	1963—year to June 30	—	—	484,865	.20	2,414,542
	1962—year to June 30	—	—	1,207,282	.50	2,414,542
Pentron Electronics	1963—year to June 30	10,330,160	105,838	(208,533) ⁶	—	2,532,644
	1962—year to June 30	10,752,544	572,218	356,911	.15	2,441,037

Notes: ¹Record. ²Preliminary. ³Includes \$500,000 tax-free insurance payment on life of late Chmn. Dick Powell. ⁴After "substantial" write-offs of development costs of several properties and pilot films. ⁵Radar pioneer & early TV set maker now being acquired by ITT (Vol. 3:39 p12). ⁶After \$338,012 in "extraordinary expenses," including \$259,065 loss on disposal of obsolete inventories.

Litton Industries & Chmn. Charles (Tex) Thornton were front-cover profiled by Oct. 4 "Time" magazine which summarized: "Since Thornton took over Litton just 10 years ago next month, when it was only a tiny microwave tube company, it has developed into one of the most remarkable growth companies of the age. In that decade, Litton has increased its sales 18,570% and its earnings 10,175%. It has never had a quarter in the red. In one of the greatest acquisition sprees of all times, it has absorbed some 40 other corporations, now has 71 plants in the U. S. and 12 other countries." Litton, nation's 100th biggest corporation, has topped half-billion-dollar in sales, "will probably reach \$750 million this fiscal year. By next year, if this growth continues, its sales should lift through the billion-dollar mark and put it among the top 50 U. S. companies." Magazine emphasized Litton's versatility, noted that its "200 products range from hulking nuclear submarines to tiny electronic tubes that can send radio & TV signals back to earth from millions of miles out in space."

Ling-Temco-Vought anticipates 1963 earnings of \$2.25-\$2.40 a share on 2,783,885 shares outstanding. This is down from 1962's \$3.03, but, Vice Chmn. & Chief Exec. Officer James J. Ling noted, 1962 earnings reflected a tax loss carry-forward. Sales this year will be "up slightly" from 1962's \$325.4 million. L-T-V's product mix now runs 15% commercial (including electronics), 35% military electronics, 50% aerospace. Company will pay its initial cash dividend—a 12 1/2¢ quarterly payout—Oct. 21 to holders of record Oct. 1.

MERGERS & ACQUISITIONS: **Tung-Sol** still regards **Purolator** a "threat" despite fact that "it is apparent that the shares acquired through the offer [Vol. 3:39 p12] fell short of its goal," Chmn. Donald A. Harper & Pres. Frank J. Ehringer wrote stockholders, adding: "From what we can learn, the amount of stock tendered was so small that Purolator was forced to make purchases in the open market." Purolator now owns 32% or 300,000 of Tung-Sol's 926,826 outstanding shares. . . **Bessemer Securities** has acquired a 30% interest in **Silicon Transistor**. Bessemer also has interests in 2 other semiconductor producers—**Crystalonics Inc.** and **Unitrode**—and **Metcom Inc.**, maker of microwave equipment. . . **Republic Corp.** has acquired for undisclosed cash **General Water Heater Co.** & **Pioneer Mfg.**, both of Los Angeles. They manufacture garbage disposal units, swimming pool heaters, other home & commercial products, will be operated as Republic subsidiaries. . . **Thompson Ramo Wooldridge** has absorbed subsidiary **Space Technology Labs** which becomes an operating group under new name **TRW Space Technology Labs**. **Ruben F. Mettler** named group pres. . . **Electronic Research Associates** is exploring acquisition of several companies, has some \$1 million in cash and marketable securities, plus treasury stock, available for purchases, according to Chmn.-Pres. Donald D. Greig.

Eitel-McCullough has been approved for trading on American Stock Exchange. Symbol and listing date will be announced later.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

OCTOBER 14, 1963

NEW SERIES VOL. 3, No. 41

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NEW CATV FOE—RECEIVING ANTENNA MAKERS—form 'TAME' to subdue growth of cable systems. Plan franchise fights, PR & lobbying program in Washington; seek help of NAB, TOA, et al. (p. 1).

SHAPE OF REVISED UHF ALLOCATIONS, as prepared for FCC consideration this week. Some 400 ETV assignments to be added, very few other changes in works. Staff dubious about uhf for airborne operations, leans toward 2,500-mc service (p. 2).

NETWORKS REPORT ON DROPOUTS vis-a-vis ratings, forwarded by FCC to House committee. Conclusions: Poor raters lose out. More analysis being prepared by Commission (p. 3).

NAB-RAB ONLY STEP AWAY ON RADIO STUDY: Decision from NAB Research Committee, favoring co-direction of methodology study, is expected momentarily, following liaison committee meeting. NAB would contribute, in stages, \$75,000 of needed \$200,000 (p. 3).

BEVILLE ASSAILS PAY TV: Says fewer than 10% of families could afford it, believes it would carry commercials anyway. Stanton urges academic community to support industry's freedom fight (p. 4).

NEW CATV FOE—RECEIVING ANTENNA MAKERS: Quite surprising new organized opposition to CATV—very well concealed heretofore—has arisen from makers of receiving antennas. Makers of more than 80% of antennas have banded into "TAME", meaning "Television Accessory Manufacturers Institute." (They decided TAME was more "euphonious" than "TAMI".)

Purpose of group is simple: Stop growth of CATV.

Not formally organized yet, group has as principal spokesmen Morton Leslie, sales mgr. of JFD Electronics Corp., and L. H. Finneburgh Jr., pres. of Finney Co. Group makes no bones about its self-interest—that CATV cuts into sales of antennas, 20% a year, according to some estimates—but it asserts that public interest is being harmed by recent developments in CATV.

We talked at some length with Leslie, and he said group will work in 3 ways: (1) "In-field effort"—opposing grants of new franchises in new communities. (2) Public relations—establishing Washington office to work for regulation of CATV. (3) Joint efforts with others—seeking cooperation of NAB, TOA, any other groups.

"For 10 years," said Leslie, "CATV has made sense, bringing TV to communities which couldn't get it. But now, they're moving into other cities, misrepresenting what they can do.

"We've been successful, individually, in opposing the granting of franchises in several cities, such as Daytona Beach & Ocala, Fla., and Brunswick, Ga. We stopped them in Fayetteville, N. C.,

Consumer Electronics

DISCOUNT 'MINUTEMEN' MAP QS FIGHT: Newly formed Committee for Competitive Prices describes itself as 'emergency group' to defeat Quality Stabilization legislation, already has received pledges for 'a good percentage' of \$125,000 war chest (p. 7).

FLAT COLOR TUBE being shipped commercially for oscilloscope use by Video Color Corp., which plans 3-color tube for home TV, less than 4-in. thick (p. 8).

COLOR TUBE CRISIS may blunt Christmas sales, as industry gasps for more tubes; no major quantities due this year from Sylvania, Rauland or National Video; no other tube makers seen entering market next year (p. 8).

TV IMPORTS ROSE again in Aug., setting record and totaling nearly 10% of domestic output; transistor radio shipments from Japan fall off 38% in first drop; Japan approves minimum TV export prices (p. 10).

RCA'S RECORD 9 MONTHS: Profits boom 29% to peak \$44.2 million on 4% sales gain to \$1.314 billion high; Sarnoff & Engstrom forecast record 1963, point to Jan.-Sept. 70% profit gain by NBC and 65% rise in distributor sales of color sets, predict color will become billion dollar industry next year (p. 11).

but I understand it came up and passed the 2nd time. We're working right now to stop it in Amsterdam, Gloversville & Johnstown, N. Y. We have a job to do in Illinois, Mississippi & Georgia. There are some 12-15 systems proposed in Georgia by the "Atlanta Constitution" [Cox Stations]—and we plan a tremendous campaign there."

NCTA Pres. Fred J. Stevenson offered this reaction: "The antenna manufacturers should turn the clock back a half century and read about the money wasted by buggy-whip manufacturers in trying to prevent the advent of the automobile. In thousands of communities throughout the U.S., the public demands CATV service because it wants clear TV reception and a wide choice of TV signals. This it gets from CATV systems. Evidently this is something the public has not been able to get from home antenn

"No amount of money spent in a public relations program will obscure those facts. It would seem to me that antenna manufacturers could make a better use of their funds in trying to develop, if this is feasible, a rooftop antenna which does not begin to deteriorate perceptibly in performance within a few months from the erosion of the elements..."

Lee Zemnick, mgr. of Jerrold Community Systems Div., said: "The public has a free choice. It can take CATV service or put up its own antennas. Proof of that is that we don't have 100% saturation. I think they should fight by improving their product. If they're going to oppose us around the country, they're going to be pretty busy."

Another ground for fighting CATV, according to Leslie: "We see a marriage of CATV & subscription TV within 5 years. There's talk of tying the systems together nationally."

TAME plans to incorporate soon, probably will have next meeting in Chicago Oct. 25. A PR firm will be hired. Leslie says he's never seen the industry so united on any other issue.

Group is no small potatoes. Combined gross is scores of million annually. If they choose to throw heavy resources into fight, which they can, they'll put up quite a battle. They may have trouble, however, recruiting solid support from such groups as NAB & TOA. Big-gun telecasters are rapidly joining CATV fold, and theater owners—somewhat more slowly—are deciding to join 'em in the CATV gold rush.

Herewith are members to date, with representative of each, in addition to JFD & Finney: Alliance Corp. (rotors), George Gemberling, sales mgr.; Antennacraft Co., Lynn Lockwood, vp; Antenna Designs Inc., Robert Weiss, pres.; Channel Master Corp., Sam Schlusel, sales mgr.; Clear Beam Antenna Corp., Robert Raynor, pres.; Cornell Dubilier, Anthony DeLisse, exec. vp; Kay-Townes Antenna Co., J. C. Kay, pres.; S & A Electronics Inc., George Saffran, vp; Spaulding Products Co., Boyd Lambert, sales mgr.; Winegard Corp., Robert Fleming, sales mgr. Hq at the moment is JFD, 1462 62nd St., Brooklyn, N. Y. (phone: DE 1-1000).

NAB group, "Future of TV in America Committee," headed by Dwight Martin, met in Washington last week, talked about CATV, pay TV, etc. Plan is to recommend to spring board meeting the position NAB should take. Member of Future of TV in America Committee said there's considerably less friction between telecasters & CATV operators because of former's accelerating entry into cable field. He also said that the hiring of Pat Weaver as president of Subscription TV Inc. was considerable help to latter because of Weaver's reputation.

NCTA continues to work with FCC toward compromise regulatory legislation, hoping to come up with decision before Jan. so that agreement may be presented jointly to Congress.

SHAPE OF REVISED UHF ALLOCATIONS: Long-awaited revision of uhf allocation plan is now before FCC, due for discussion this week. Same for airborne ETV uhf allocation. Herewith are key elements of uhf plan recommended by staff:

- (1) New table will have about 1,975 assignments, an increase of about 400, most of them ETV. This would make total of 800 ETV assignments (100 vhf, 700 uhf).
- (2) Forty communities would have 2 ETV assignments.
- (3) Since Ch. 37 is being reserved for 10 years for radio astronomy, substitute channels will be

available in most communities where Ch. 37 is now assigned—including Paterson, N. J. & Melbourne, Fla. where applications are pending.

(4) Atlantic Research Corp. is making computer study to see if more efficient allocation may be made.

(5) No channel changes are proposed for any uhf licensee or CP-holder.

(6) Most existing uhf assignments to communities remain unchanged.

(7) While this rule-making is pending: (a) Petitions for uhf channel changes will be treated as comments in the proceeding. (b) Applications for channels in present & proposed tables will be processed as usual. (c) Applications for the few channels which have been deleted from existing table will be frozen until proceeding ends.

(8) All basic technical standards—separations, power, height, "taboos," etc., are retained.

(9) No vhf changes are involved.

(10) Number of assignments per city was determined by using as a general but not rigid guide this formula: 1-2 non-ETV channels (vhf & uhf combined) for cities under 50,000; 2-5 for 50,000-250,000, 5-7 for 250,000-1 million; 7-9 for over 1 million.

* * * *

Midwest Program for Airborne TV Instruction (MPATI), now feeding schools experimentally, had asked for regular use of Ch. 72, 74, 76, 78, 80 & 82. Recommendations before FCC are quite dubious about such permanent service, believing that 2,500-mc band can do the trick. However, it's proposed that rule-making be started, comments be solicited.

Because of interference problems, FCC staff says, between 750 & 1,110 uhf ground assignments would be wiped out if MPATI's proposal were adopted nation-wide. Furthermore, it's noted, this would raise hob with Canadian & Mexican assignments.

REPORT ON DROPOUTS VIS-A-VIS RATINGS: There's not much surprising, regarding influence of ratings, in reports collected by FCC from networks, at request of House Commerce Committee ratings investigators. Commission forwarded mass of data to Congress last week, without analysis—which will come later from FCC. Examination of data shows:

(1) Programs dropped before end of season are almost certain to be in last place. (2) Programs carried whole season but not rescheduled following year are never first.

Reports covered last 3 seasons. Each network supplied list of programs dropped before end of season, with indication how each fared in ratings against competition. Reports showed that, of 45 shows dropped before end of season during the 3 years, 37 were in 3rd place in both rating services, 3 were 2nd, remaining 5 fluctuated over the months.

Second part of report—covering all programs & ratings for full season (but not competitors' ratings), will be analyzed by FCC Broadcast Bureau Asst. Chief Hy Goldin, given to House committee. We've examined reports in light of ARB national pocketpieces for 1962-63 season, found: Of 23 programs carried full season but not rescheduled, none was in first place; 2 started season in first. About half ended up in last place. Nielsen official took quick look at his figures, estimated that 60% of non-returning programs were 3rd place in their audience shares.

Exceptions to foregoing are some news shows and a limited number of entertainment programs with strong appeal to special audiences.

NAB-RAB ONLY STEP AWAY ON RADIO STUDY: It's apparently only matter of time, and not much time at that, before NAB & RAB get together on radio methodology study proposed by RAB. To be conducted by Audits & Surveys Co., study will cost some \$200,000, NAB to provide up to \$75,000.

After months of discussion, groups moved close together at special liaison committee meeting in Washington last week. Purportedly called for discussion of other matters, meeting went into man-

agement & financing of radio study. RAB Pres. Ed Bunker promptly put down on paper RAB's recommendations, and decision is expected in matter of days. One provision of proposal is that NAB contribute money in stages so that it can pull out if irreconcilable differences develop. (Liaison committee also discussed joint sponsorship of sales executive seminar, similar to Executive Development Seminars sponsored by NAB at Harvard.)

In other ratings developments, Harris Subcommittee published 2nd volume of ratings hearings transcript (Vol. 3:37 p3). It's 800 pages, contains testimony of all rating services except Nielsen which will come in 3rd volume.

Concept of reporting ratings in ranges still creates stir. Charles Howze, Harris Subcommittee chief counsel & advocate of ranges, came back from meeting with broadcast researchers in N.Y. somewhat moved by their arguments that ranges can't be applied accurately to present measurement techniques. Melvin Goldberg, NAB research vp, is preparing compromise for Howze. If acceptable, NAB Rating Council would incorporate concept into standards, apply it to all rating services.

ARB Pres. James Seiler wrote Howze explaining technical flaws in ranges plan. Seiler believes however, that objective of dramatizing ratings as estimates has merit. He suggested use of 'prominent' statements in reports calling attention to variations in estimates, along with 'prominently displayed table' showing confidence limits at different audience levels.

BEVILLE ASSAILS PAY TV: Fewer than 10% of American families would be "willing or able" to meet costs of pay TV, Hugh M. Beville Jr., NBC planning & research vp, said last week. He repeated industry's argument that with larger revenues per show, pay TV could lead to free TV's destruction by wooing away important sports & entertainment programming.

Paradoxically, Beville said, there's no guarantee pay TV wouldn't carry commercials anyway. He described these dangers at Reed College (Portland, Ore.) conference on "Television: Its Role in the Democratic Process." Among other speakers: CBS Pres. Stanton, FCC Comr. Cox, NAB Code Authority Dir. Swezey.

Stanton chided academic community for not helping in TV's battle for freedom from restrictions which won't "let us do our best or our most." TV needs criticism from all quarters, he said, but it also needs "partners in the grueling, tough, discouraging business of fighting to remove the barriers and neutralize the pressures..."

"It is a sad and discouraging fact that after the demonstrated effectiveness of the suspension... we could not prevail upon the Congress" to repeal Sec. 315 completely or to widen suspension to other offices, Stanton declared.

Comr. Cox observed that industry asks Commission to become more specific about requirements, and when it does, industry complains that FCC is trying to put it in "strait jacket." He defended FCC as doing "better than average job," among federal agencies. He also said that FCC has taken care of most of industry's "legitimate complaints" involving 315, adding that he's not sure complete repeal would help public.

NAB's Swezey called for more controversial programs & experimentation with shows of more significance but perhaps with less audience appeal. He said advertisers must re-evaluate their "tremendous stake" in public enlightenment as "substantial investors and beneficiaries of a free economy."

Beville's take-off on pay TV included assertion that if new medium ever "posed a tangible threat," NBC would have no alternative but to enter field. "And if pay TV is even half as profitable as some television promoters project, it could be a far better business for us than networking is today."

He added: "We are convinced that pay TV will not succeed [because public] will reject the idea of converting a medium operating in the public interest to one solely dedicated to private profits."

If free TV were to lose its main attractions to fee TV, Beville said, informational & cultural programming would suffer first because of reduction in revenue. Beville's final point was that when & if pay TV audience reaches million mark, major agencies fully expect to utilize it as ad medium.

"Who should control commercials?" That question was debated last week at N.Y. International Film Festival, drawing these opinions: Actress Monique Van Voren—impartial board of judges, with no TV connections, should be appointed by broadcast industry to screen all commercials, with special controls imposed on drug advertising. Adman Fred Papert—suggested possibility of appointing TV advertising "czar," attacked "lies & half-truths" in some advertising, singling out cigaret advertising as "great, howling, semi-crooked bore." TvB Pres. Norman (Pete) Cash—"The best policing of TV commercials is in the pocketbooks of the public." NAB Code Authority Mgr. Stockton Helffrich—supported NAB Code, opposed govt. influence, saying govt. could best serve industry by "active support of the self-regulatory effort."

"Dialogue" & "debate" with FCC members, instead of "negativism," is suggested for broadcasters by John L. McClay, Taft Bcstg. dir. of operations. In Oct. 4 speech to Missouri Bcstrs. Assn., he said commissioners "want to be argued with" and "the public is better off and broadcasters are better off, if these ideas can be subjected to debate before they become hard-nosed conclusions, or become votes." He suggested that each state association form committee to respond to public proposals by Commissioners, particularly those advanced in speeches. McClay said that broadcasters' replies to proposed FCC rules usually are little more than "you can't do it." "It would be a very uncommon group of men indeed," he said, "who could avoid becoming somewhat insensible to such a chorus."

ABC was pleased with first 30-market Nielsen ratings since debut of most new network shows. In top 10, ABC captured 4 places, vs. 5 for CBS, 1 for NBC. Covering week ended Oct. 6, top 10 list had only 2 new shows both of them ABC programs—"Patty Duke Show" and "The Fugitive." CBS's "Beverly Hillbillies" was No. 1, followed by Patty Duke and "Donna Reed Show"—both ABC—tied for 2nd. For all nighttime shows during week, CBS had average rating of 19.5, and 32.7 share of audience; ABC 17.1 & 28.6; NBC 16.3 & 27.3.

World-wide organization of broadcasters to serve, in part, as an information center for available live & recorded programs was suggested by NBC Chmn. Robert Sarnoff in Tokyo last week. There to sign exclusive TV deal for 1964 Summer Olympics, he said satellites will bring in 5-10 years a global audience of billions watching same program, same time. He said at least 19 separate Olympic programs covering minimum of 14 1/2 hours would be telecast in U. S. by tape.

Second "Town Meeting of the World" by CBS via Telstar II will be presented 8:30-9:30 a. m. Oct. 15, repeated via tape 7:30-8:30 p. m. Oct. 16. "The Christian Revolution" will be discussed by clergymen in Rome, London & U.S.

Aug. network billings were up 3.1% over last year, TvB reports. ABC had \$16,271,600, up 1.2%; CBS, \$26,883,700, up 7.7%; NBC, \$23,068,700, down .4%.

TvB's 9th annual membership meeting will be held Nov. 19-21 at Chicago's Sheraton-Blackstone. Theme is value of TV to advertisers "Beyond the Numbers."

TvB of Canada signs CTV Network as member.

House approved 1964 appropriations for FCC & FTC last week. It voted \$15.8 million for FCC, \$849,450 more than 1963's \$14,950,550. Commission had requested \$16.5 million. FTC was voted \$12.1 million, up \$627,500 from 1963's \$11,472,500. It asked for \$13,028,000. FCC's increase is slated for 20 new employes, 15 of which are ticketed for Common Carrier and Field Engineering. Appropriations Committee report said it expects FTC to produce "better results than in the past and action on more significant cases." It denied FTC's request of \$100,000 for general questionnaire & economic study of intercorporate relations. FCC testifies before Senate Appropriations Committee Oct. 14, is braced for quiz by Sen. Allott (R-Colo.) on commercial ceiling, fees, etc.

NAB Fall Conferences start Oct. 14-15 at Hartford's Statler Hilton. Main concern will be threats of federal intrusion into broadcasting affairs, reports NAB. There'll be separate TV-radio workshop sessions, plus joint meetings to hear: (1) Report on ratings problems by Group W's Don McGannon. (2) "Controversy on Your Station and How to Deal With It," panel moderated by Howard Bell, NAB planning & development vp. Pres. Collins will address opening of each conference, including Minneapolis, Oct. 17-18; Pittsburgh, Oct. 21-22; Miami Beach, Oct. 24-25; Nashville, Nov. 14-15; Fort Worth, Nov. 18-19; Denver, Nov. 21-22; San Francisco, Nov. 25-26.

Sen. Moss (D-Utah) assailed FCC's commercial ceiling proposal last week. "Establishing in detail the amount of time which a broadcaster may use for advertising would be an indefensible intrusion of government into the every day activity of broadcasters," he said. He called it "first step" on "road to complete economic regulation," said industry should be allowed to "remedy present deficiencies on its own" rather than have forced on it "public utility concept" regulating charges & costs. He added that House & Senate deliberations on 1927 Radio Act & 1934 Communications Act "convinces me" FCC doesn't have such authority.

Rep. Rogers (D-Tex.) addresses Texas Assn. of Bcstrs. at Dallas Oct. 21; he's Communications Subcommittee chmn., will shortly set hearing dates for his & other's bills that would prohibit FCC from setting limits on commercials. Another bill (HR-8729), similar to Rogers', was introduced by Rep. Broyhill (R-N.C.) last week.

It's not govt.'s role to anticipate tastes & cultural desires of public and then enforce its judgment, Paul Comstock, NAB govt. affairs vp, told Alabama Bcstrs. Assn. last week. He said issue has been raised by govt.'s efforts to define fairness doctrine, its attempts to place artificial limits on commercial time, its desire to change "vast wasteland" into "verdant vineyard of culture and education." "How many steps do we take along this road before we abdicate our integrity as citizens?" he asked.

ETV WNDT N. Y. has received \$25,000 from Louis Calder Foundation & \$12,500 from Rockefeller Brothers Fund, original contributor to station's acquisition by ETV group.

Pay TV in Hartford will show 2 Yale football games, Oct. 26 & Nov. 2. RKO General also plans to present pro basketball & hockey from Madison Square Garden & Boston Garden this season, to its 3,400 homes.

"A Law to Outlaw Pay-TV" is called for in ads paid for by Southern Cal. Theater Owners Assn. It asks public, in state-wide referendum, to vote pay TV down.

Personals

Newton N. Minow, former FCC chmn., now Encyclopedia Britannica exec. vp, elected to NET board.

FTC Comr. Philip Elman, Md. Republican, nominated by Pres. Kennedy for full 7-year term. **John R. Reilley**, Iowa Democrat, nominated to fill unexpired term, until Sept. 1969, of A. Leon Higginbotham, named to federal bench; Reilley is Justice Dept. attorney.

Frank Stanton, CBS pres., appointed to U.S. delegation to U.S.-Japan Conference on Cultural & Educational Interchange, in Washington Oct. 16-22. He'll deliver keynote address on ETV, originally scheduled to be given by USIA Dir. **Edward R. Murrow**, who is recuperating from operation for removal of cancerous lung.

Sen. Hartke (D-Ind.) named representative of Commerce Committee to radio allocations conference in Geneva, expects to leave Oct. 14.

Richard J. Raburn Jr., controller, & **Rocco M. Laginestra**, financial planning & budgets dir., elected NBC vp's.

Ted Rogers, former MGM-TV exec. producer and onetime producer of NBC-TV's "Wide Wide World," named asst. to Metromedia Pres.-Chmn. **John W. Kluge**, responsible for general corporate duties.

Adron M. Miller promoted to best. merchandising & west coast operations mgr., RCA Best. & Communications Products Div., headquartering in Camden, N. J., succeeding **M. A. Trainer**, now the division's International Liaison & Customer Relations Mgr.

Joseph P. Hanley, ex-Macy's, appointed public information dir., of radio WCBS N.Y.

William Dalton, ex-NCTA pres., forms Executives Consultants, 631 National Press Bldg., Washington (phone: 347-2472), providing advisory service to trade associations and groups serving associations.

George S. Dietrich, station mgr., radio WNBC N.Y., resigns, plans unannounced. . . **Richard J. Anderson**, ex-chief engineer, KOVR Sacramento-Stockton, named engineering mgr., KTTV & radio KLAC Los Angeles.

Jerome H. Stanley promoted to film programs dir., program admin., NBC-TV West Coast; **John Hinsey** promoted to film programs mgr. . . **Michael Connor**, veteran European film sales exec., named to head Screen Gems sales in Germany.

Murray Gross, ex-Metromedia advertising dir., rejoins TvB as communications dir. . .

Dan Katz, ex-WMT-FM Cedar Rapids mgr., joins TV staff of rep Katz Agency; he's son of Pres. **Eugene Katz**.

Philip D. Marella, WIIC Pittsburgh local sales mgr., promoted to asst. gen. sales mgr. . . **Donald S. Moeller** promoted to local sales mgr., WGAN-TV Portland, Me.

Raymond M. Smith, ex-sales mgr., National Advertising Co.'s Shopping Network Div., named Mutual gen. sales mgr. . . **Paul R. Fry**, ex-radio KBON Omaha, pres., & **Ernest S. Sanders**, ex-WOC-TV-AM Davenport, appointed to NAB field staff.

Robert B. Cooper Jr., ex-publisher of Horizons Publications, Oklahoma City, named exec. administrator of American Citizens Band Assn.

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Indictments for \$412, 137 fraud were handed down by N.Y. grand jury against L. Nicholas Dahlman—former head of Broadcast Planning Inc., Broadcast International Inc. & International Broadcasting Systems Inc.—and banker Benjamin S. Haggett Jr. When firms were insolvent and owed Meadow Brook National Bank \$210,000, Haggett is said to have approved loans of \$142,000 and \$60,-137 to the companies. Warrant was issued for arrest of Dahlman whose whereabouts were unknown.

Shift of murder trial out of N.Y. because of TV was ordered by State Supreme Court Appellate Div. Questioning of 2 accused 16-year-olds at police hq., by ABC reporters who filmed interview, included this exchange: "Why did you kill the woman?" "She screamed." Court said: "People are not arrested to provide news stories or telecasts. They are arrested to be brought to justice."

Purchase of WMTW-TV-FM Mt. Washington (Vol. 3:40 p5) by Jack Paar has been agreed upon. He'll pay "something under \$4 million" for 80.5%, according to John W. (Duke) Guider, who'll retain 19.5% and remain as pres.-gen. mgr. Guider reports there'll be no change in management or policy.

WWJ-TV Detroit plans modernization & expansion of facilities over 2 years, costing \$1.2 million. GE & RCA will supply most equipment. Station will have 4 color tape recorders.

Canadian satellite growth was 40 stations last year. Stations with most satellites: CFCR-TV Kamloops, B.C. (11); CHBC-TV Kelowna, B.C. (12); CHAU-TV Carleton, Que. (7).

CATV equipment sales of \$2.5 million in year ending last June are reported by Ameco, Phoenix. Firm has acquired new building for production expansion.

RCA has extended warranty on its 5820-A image orthicon camera tube to 750 hours' service from previous base of 500.

AAAA holds eastern conference Nov. 6-8 at N.Y.'s Waldorf-Astoria.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

DISCOUNT 'MINUTEMEN' MAP QS FIGHT: Influential, well-heeled, and apparently fast-moving "Committee for Competitive Prices," formed Oct. 1 (Vol. 3:40 p10) to battle pending Quality Stabilization legislation, already is at work via Ruder & Finn PR firm formulating anti-QS crash program.

War chest of \$125,000 was set as initial goal, and already "a good percentage of that has been pledged," we were told by CCP spokesman, and there's every indication that additional funds will be available if needed.

"We are not a trade association," spokesman emphasized. "We are an emergency group of the discount industry formed to develop a crash program to defeat Quality Stabilization. That's our only target. When the QS matter is settled, we will disband."

CCP organized initially with representatives of 31 discount stores, but "we're getting letters every day from companies that want to join us," we were told by Martin Chase, organizing mainspring of CCP, chmn. of its executive committee, and treas. of Ann & Hope Factory Outlet, Cumberland, R. I. (Vol. 3:31 p7). "The more the merrier," he said. "The more people we can get into this fight against QS, the more effective we'll be."

Complete CCP crash program is being funneled through Ruder & Finn, who told us: "We're inviting the entire discount industry to join us and hopefully, in the next week or so, we will represent the industry to a large degree." Membership roll already reads like Who's Who in discount field, and CCP 15-man executive committee includes such discount leaders as Spartan Pres. Stanley Maer, Arlan's Treas. Herbert Palestine, Zayre Pres. Stanley Feldberg, Gamble-Skogmo Vp Henry Fromelt, Virginia Dare Vps Abraham Jacobson & Harold Gottfried, Interstate's Frank Beckerman, dir. of Topps discount operation, Dixie Mart Pres. Harold Waller, Apex Pres. Al Tilavin, Lechemere Sales Pres. Maurice Cohen. Also represented on board is influential, California-based Allied Consumer's Council, representing closed-door discount houses, which joined CCP this week.

"We're going to get the facts to the public in every way we know how," CCP told us. "We're going to alert them to just what QS will mean to them in terms of increased prices. We have only one target—to defeat QS."

Meanwhile, 5-month-old National Assn. of Mass Merchandisers (Vol. 3:23 p8) intensified its anti-QS activities, issued call for more members and funds. In Oct. 9 letter to membership—22 companies representing 169 member stores and 596 leased depts.—exec. dir. Roger Courtland opined QS bills "will not become law during this current session of the Congress," called for budget of \$55,000 to carry on fight. He said \$55,000 "would be adequate to defeat the proposed bills," would spend \$20,000 for "lobbying activity," \$10,000 for "legislative activity in Washington," \$10,000 for promotion, including distribution of 1,000-2,500 anti-Fair Trade kits, balance for overhead. Commencing Nov. 1, Association will issue monthly NAMM Newsletter to update members on latest QS developments.

NAMM's membership roll also is impressive, includes such giant store chains and lessee organizations as GEM, GOVCO, Gamble-Skogmo, Zayre, Family Bargain Centers, Gateway Sporting Goods, Carter-Overton, Marrud.

Courtland emphasized that NAMM is a permanent trade association, told us "we have offered our complete cooperation and assistance" to new CCP group, noted that "5 of our members are on their 15-man executive board."

In another QS development, FTC Chairman Paul Rand Dixon, appearing before Oct. 9 Senate Commerce Subcommittee hearing on S-774 QS bill, reiterated FTC's opposition to the legislation, said, "if you really want to help the little man," QS legislation should include private label provision. "If a manufacturer wants to offer a product of similar make and quality to that he is price fixing," Dixon amplified, "then he has to fix a standard price on that, too, and offer it for sale to everybody."

Dixon said resale price maintenance would cost American consumers some \$5 billion a year,

added: "It has been proved that retail prices on fair-traded products are higher in states with resale price maintenance laws than in adjoining states which do not have these laws." He continued: "If the vital element of competitive pricing is removed from a significant part of our economy, what remains is not competitive, but a price-controlled system, with resale prices of branded articles set by manufacturers." Subcommittee hearings continue Oct. 14.

FIRST COMMERCIAL FLAT COLOR TUBE: Initial shipments of 2-color display tube 2-in. thick, with 4x8-in. viewing surface, are scheduled in about 4 months. Tube, which can be viewed from either front or back, is designed for civilian oscilloscope & instrumentation use—not for color TV. Nevertheless, it's significant in that it is claimed to be forerunner of 3-color thin picture tube which its promoters say will be developed in 2-3 years.

Developer of flat 2-color tube is Video Color Corp. (729 Centinela Ave., Inglewood, Cal.), which is working to combine Kaiser Industries' thin tube with color display principles of Dr. C. Willard Geer. Kaiser thin tube, developed principally by William Ross Aiken, now affiliated with Video Color, was first reported in these pages in Jan. 1955 (Vol. 11:3 p10). Dr. Geer, ex-Hoffman Electronics, is engineering vp of Video Color.

Video Color has non-exclusive license from Kaiser for development & production of thin tubes for military & industrial use, and option for license to develop home TV 3-color version, as well as ownership of Geer's color patents. Both Kaiser & Video Color have been supplying thin tubes to military.

Geer color principles were explored jointly by Technicolor & RCA in 1950 r&d program, and by Hoffman in 1953. They involve various methods of utilization of screen itself to separate the 3 primary colors. Video Color's 2-color tube has glass screen in center of bulb, with red phosphors on one side, green on other.

There are no major technical barriers to development of "Video Color Thintube" for home color TV, we were told last week by Video Color Pres. Harold W. Berger, ex-consulting engineer and former Martin Co. & Northrop Corp. executive. "We were never more certain than we are now that this approach makes much sense for color TV," he said. "We know how we can do it."

Three-color home TV Thintube would be about 3 3/4-in. thick, Berger said. Because it would require no shadow mask—"nothing between the gun and the phosphor"—he claimed it could be built with 5 times brightness and better resolution than current tubes, at competitive prices.

Video Color has no plans to produce color tubes for home TV on large-scale basis, but rather to license others while maintaining prototype capability for further development. Kaiser presumably could also manufacture & distribute similar tube, since it has been granted non-exclusive license under Geer patent by Video Color.

Although Video Color's Thintube has yet to be proven out in any home TV version—and it's just one of many proposals for new-principle color tubes—its unique shape & possibilities are arousing industry interest.

CRISIS IN COLOR PICTURE TUBES: Industry is going into Christmas selling season gasping for more color tubes—and with no prospect of relief. Shortage could last through next year. Here are simple facts:

Color TV is where the profit is. It's TV's high-end, TV's only major high-markup item (even despite recent color price cuts). There is still only one manufacturer of color tubes—RCA—and its tubes are strictly on allocation. Some major manufacturers who entered color late are understood to have been allotted as few as 12,000 color tubes for entire year of 1963.

Three other tube manufacturers are urgently trying to crank up color tube production, but their output this year—if any—will be mere drop in bucket. Sylvania has sent out samples, but realistically doesn't expect to make more than 15,000 this year. Zenith's Rauland, too, is having start-up troubles.

and can't be counted on to ease pressures this year. National Video now claims to have solved its major problems, is scheduled to go back into limited production of 23-in. rectangular tubes for Motorola Oct. 21.

There are only 3 other U.S. picture-tube makers for OEM market. These are GE, Philco (Lansdale) & Westinghouse. None has made any discernible move to enter color production. They can be counted out of market for 2 years, at least. Admiral's exploration of color tube production (Vol. 3:38 p8) couldn't possibly bear any fruit until shortage is over, even if there is any serious intent behind its investigation.

RCA says its surveys indicate there will be demand for more than 1.5 million color tubes next year, but hasn't stated how many it expects to produce. It's good bet, however, that RCA will not increase its color tube capacity substantially—in view of fact that with 3 new producers eventually entering field, RCA has no desire to create over-capacity in 1965. RCA, incidentally, has notified its customers that it will supply only 800,000 color yokes next year. With general belief that more than million color sets will be produced, set makers thus are looking for other yoke suppliers. F.W. Sickles Div. of General Instrument is now making color yokes; Advance Ross designed yoke for Motorola 23-in. color set, presumably will also make yokes for 21-in. color sets.

Added to color tube problems is coming changeover to 25-in. rectangular 90° tube—probably beginning some time next year—which will necessitate shutting down some production capacity for considerable period.

Industry today would be extremely receptive to more color tubes from any source—including Japan. Although Japan has standardized on 16-in. rectangular 90° color tube, there's little prospect of any substantial quantity becoming available for at least year or 2. Nevertheless, industry would love to get hands on good quantities of these, if prices were right. Toshiba says it has samples of its 16-in. 70° color tube in U.S. now and is "willing to sell to OEM." But it hasn't indicated how many it can make or how soon.

There aren't many dark horses in race. Sony has repudiated reports that it will begin producing Chromatron tube next spring, insists it doesn't know yet whether it will make the Paramount-developed color tube at all. Although Sony's current license precludes U.S. marketing, Paramount TV chief Paul Raibourn says his company would have no objection to licensing Sony to ship tubes or sets into U.S.

Nobody knows exactly how much worrying to do about next year's tube supply. It depends not only on RCA's capacity, but how fast RCA's 3 competitors swing into production and how high their production rate is. It's little solace for this year, but National Video Pres. Asher Cole observes, philosophically: "Never in the history of this industry has there been a bottleneck which hasn't been broken in a short time."

For present, however, it's obvious that there won't be slightest easing of logjam this year.

First concrete information on this year's color tube output came last week from Glass Tempering Assn., whose members make nearly all external and PPG-type bonded picture tube implosion plates. Assn. Pres. C. Burt Kallick said members had supplied 407,316 tempered glass panels for color TV during first 6 months of this year—including both bonded & external types. All color tubes use either one or the other.

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 4 (40th week of 1963) excluding 11-in. and smaller:

	Sept. 28-Oct. 4	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	163,090	180,777	150,513	5,346,682	5,014,602
Total radio	454,086	458,309	441,844	13,363,526	14,300,249
Auto radio.....	204,129	210,609	162,195	5,715,029	5,153,180

(Note: Figures for Sept. 7-13 week, not previously reported: black-&-white TV, 157,314; total radio, 433,400; auto radio, 193,739. TV 11-in. & smaller excluded.)

Trade Personals

Fred J. Borch, GE exec. vp of operations, former (1959-1962) vp & group exec. of consumer products group, will become pres. & chief exec. officer when **Ralph J. Cordiner** retires Dec. 21 as chmn., chief exec. officer and a dir. **Gerald L. Phillippe**, now pres., will succeed Cordiner as chmn.

S. I. Ross appointed Fairchild Camera & Instrument asst. comptroller.

Theodore S. Hoffman, Hoffman Electronics industrial relations vp, named acting gen. mgr. of Military Products Div., succeeding Chmn.-Pres. **H. Leslie Hoffman** who had been directing division's operations on temporary basis since resignation in July (Vol. 3:31 p10) of **Stanley W. Horrocks** as corporation's pres.

Rodger B. Wiltse appointed GT&E Service Corp. insurance & pensions dir.

R. G. Simpson named gen. mgr. of Montreal-based RCA Victor Co.'s reorganized Home Instrument Div. Other appointments: **D. Lloyd**, TV dept. mgr.; **E. F. Large**, radio-Victrola dept. mgr.; **W. B. Morrison**, engineering dept. mgr.; **L. Henry**, styling dir.

Jack Altschuler appointed national sales mgr., Sampson Co.'s OEM Div.; **Harry P. Rail** named asst. national sales mgr.

John Guyette appointed Raytheon microwave cooking dept. national sales mgr., a new post.

Obituaries

Harry F. Porter, 69, co-founder (in 1942) and vp of Magnetic Metals, Camden, N. J., died Oct. 7 at his Elkins Park, Pa. home, in suburban Philadelphia. He pioneered in development of magnetic and electrical alloys for use in communications, radar, other applications. He is survived by his widow and son.

Laurence R. Hubbard, 74, retired Western Electric engineer, died Oct. 3 of heart attack at his Westfield, N. J. home. He had been with Western Electric for 31 years, retired in 1954. He is survived by his widow, son, daughter.

Owens-Illinois is taking its socks off—that is, it's removing fiberglass sleeve, or "sock," from funnel of Kimcode picture tube, making it more competitive with Corning's Shelbond process. New Kimcode III bare-faced tube (Vol. 3:38 p9) also features improved rim-band epoxy resin, smaller high-tensile-strength tension band. Principal difference between Kimcode III & Shelbond: Former has cemented rim-band & tension band, while latter uses one-piece cemented rim-band. Owens-Illinois reports that material costs for Kimcode III are "substantially less" than for Kimcode II, that several customers have received UL approval for their own variations of Kimcode III, and others are now undergoing UL tests. RCA is known to be experimenting with "sockless" version of its Panoply tube, which uses Kimcode principles but with welded, instead of crimped, pressure band. Under consideration is possibility of adding mounting ears to Kimcode III. Shelbond has built-in mounting facilities. Bare-faced tubes have made no inroads on TV market yet, as indicated by report of Glass Tempering Assn. that its members' implosion plates were used in record 76% of all b&w sets manufactured in first 6 months of 1963.

JAPANESE TV EXPORTS CONTINUE RISE: If Japanese producers are feeling impact of U.S.-made 11-in. sets, it hasn't shown up yet in their shipments of TVs to this country, which in Aug. amounted to all-time high of nearly 10% of domestic U.S. TV production.

Transistor radio shipments fell off a walloping 38% in Aug., compared with Aug. 1962, reflecting for first time the slump being felt in domestic radio sales. All Japan-to-U.S. radio export categories were down.

Shipments of TVs continued to run about 4 times 1962 figure, both in Aug. & year-to-date. Here are latest Japan-to-U.S. export figures, in units, for Aug. & 8 months, with 1962 comparisons:

	Aug. 1963	Aug. 1962	8 mo. 1963	8 mo. 1962
TV sets.....	59,729	15,889	254,459	62,604
Transistor radios*..	452,116	725,510	4,689,267	4,502,027
Tube radios.....	121,119	158,265	720,188	1,054,018
Other radios.....	182,412	232,924	1,413,033	1,918,994

*3 or more transistors

Minimum prices of TVs for export to U.S. were approved by Japan govt. last week, effective retroactive to last Sept. 20. These are official minimum export prices: 19-in. AC sets, \$56.65 (all-channel \$64.89); 16-in. AC, \$46.35 (all-channel \$56.65); 5-6-in. transistor, \$72.10 (all-channel \$82.40); smaller than 5-in. transistor, \$66.95 (all-channel \$77.25). Sizes not included are not currently controlled.

Controls are expected to have no effect on U.S. pricing of imported TVs. Govt.'s price floors are well below prevailing export prices in many cases. When actual prices drop, govt. is expected to change its control prices or face almost universal under-the-counter deals to circumvent regulations.

Consumer electronics offers prospective engineers ample challenge & opportunity, and industry should do more to sell careers in this field, Philco Pres. Charles E. Beck declared at recent dedication of U. of S. Cal.'s Olin Hall of Engineering. Noting that military electronics has had first call on engineering talent for 2 decades, Beck said consumer electronics field now needs engineers to spark an overdue resurgence in development of new products, called upon industry to stress career opportunities available.

Major TV-radio-phonograph manufacturers are all taking hard look at tape recorder field. As reported last week (Vol. 3:40 p11), GE was latest to enter. Previously, Magnavox, Westinghouse & Symphonic brought out recorders, joining Emerson (which had acquired Telectro) and RCA. Who's next? Best guess is Zenith, which once signed contract (now expired) for use of 3M-Revere tape cartridge changer and recently was awarded 2 tape-recorder patents.

Majestic International, which lost Grundig line to manufacturer branch (Grundig-Triumph-Adler Sales Corp.), has taken over Saba line from Lone Pine Electronic Products Corp. Using tradenames "Majestic by Saba" and "Recordio by Saba," initial products will include phonos, radios, tape recorders and Saba's Telerama projection TV.

Admiral has licensed Marsland Engineering, Waterloo, Ontario, to manufacture its automatic record changers.

Negotiations by Sarkes Tarzian Inc. with Nippon Electric Co., on technical assistance agreement, have been discontinued, according to Tarzian. Commenting on report in Japan's "Daily Electronic News" that pact had been signed, Tarzian stated that he had discussed purchasing tubes from NEC and licensing the Japanese firm to produce Tarzian-designed tuners. Tarzian said his company is ready to fill all industry orders for uhf tuners "if they give us a 6-week lead time."

Sylvania will increase its \$1-million fall ad budget by 25%, with double-page color spreads in national magazines in late Nov. & Dec. Sylvania Home & Commercial Electronics Corp. Merchandising vp John T. Morgan said 1963 factory unit stereo sales were 30% ahead of 1962 and TV sales were 16% ahead, for year's first 7 months. Sylvania last week introduced new low-end HaloVision console at \$229.95.

Story of uhf, in color slides & audio tape, may be borrowed up to 30 days from FCC Office of Chief Engineer. Designed primarily for use by TV set makers & technicians, presentation gives history of TV development, tips on antenna installation. FCC encourages copying of material.

Golden Shield Corp., which provides private label consumer electronics merchandise, primarily for jewelry stores, has introduced 16-in. TV at \$139.95, 19-in. at \$199.95, 23-in. console at \$279.95, tape recorders at \$99.95 & \$149.95, stereo console with AM-FM at \$199.95, table radio at \$19.95, clock radio at \$24.95, transistor radios at \$9.95, \$19.95 & \$39.95.

Fourth U. S. entry in tinyvision race may be Setchell Carlson. The St. Paul manufacturer is understood to be planning 11-in. U. S.-made set. Others are GE, Admiral, Curtis Mathes. Other American brands, including Westinghouse & Sears, are researching prospects of mass imports of Japanese-made 12-in. sets.

Music Industry Trade Show will be held next year in Chicago's Conrad Hilton Hotel June 28-July 2. Both 1965 & 1966 shows will also be held in Chicago, probably at Hilton, bypassing N. Y. as site for 1965. In past, shows have been held for 2 years in Chicago, 3rd year in N. Y.

Radio Fall Meeting, annual technical event, will be held this year Nov. 11-13 at Manger Hotel, Rochester, N. Y. Principal speakers will be EIA Pres. Charles F. Horne & Rear Adm. B. F. Roeder. With this year's meeting, EIA ends sponsorship of RFM, which will be assumed by IEEE's Rochester section.

Westinghouse proposal for new 3-year contract (Vol. 3:39 p10) has been rejected by IUE's National Westinghouse Conference Board which advised its locals to "take whatever action may be necessary to secure an adequate and satisfactory agreement."

Sampson Co. has formed an Electronics Products Div., with Sampson vp Paul Davidson as pres., to expand business in components & end products, as well as in existing lines. Davidson said new division should add \$10 million to sales.

Sale of assets of Ravenswood Corp. for non-payment of taxes was canceled last week when Internal Revenue Service relinquished sales privileges to J. V. Morgan Jr., Washington, D.C. attorney, trustee in bankruptcy.

RCA'S RECORD 9 MONTHS: Despite 9% decline in govt. billings, everything came up roses for RCA in 1963's first 9 months as advancing commercial & industrial business pushed sales & profits to peak levels (see financial table). Profits boomed 29% to record \$44.2 million on 4% sales gain to a \$1.314 billion high. Third-quarter earnings were up 44% to record \$14.8 million on sales gain to peak \$436.7 million from \$411.6 million a year earlier.

July-Sept. earnings gain marked RCA's 10th consecutive period of profit improvement over comparable year-earlier quarter, Chmn. David Sarnoff & Pres. Elmer W. Engstrom emphasized, adding: "We anticipate that 1963 will be the best year in RCA's history for both sales and profits. Given a continuance of the present performance of the national economy, we foresee a further rise in both our earnings and our profits-to-sales ratio in the years ahead."

Contributing to record-making performance, they said, were: 70% profit gain by NBC; 6% increase in distributor sales of color sets; 35% jump in bookings of electronic data processing units; increasing sales of TV sets & picture tubes.

"We expect that our dollar volume from color TV set sales will surpass the total sales of all other RCA home instruments in 1964," Sarnoff & Engstrom said. "We anticipate that color in all its aspects will become a billion dollar industry in 1964."

Stockholder has filed suit to block sale of Adler Electronics to Litton Industries (Vol. 3:37 p12) on grounds that all necessary facts about proposed sale weren't given to stockholders. Temporary injunction is sought in N. Y. County Supreme Court. Adler Pres. Benjamin Adler noted that management controls some 70% of outstanding stock—more than enough to approve sale—and that proxies from other stockholders are running 4-to-1 in favor of sale. Litton plans to issue \$9.7 million in common stock for Adler shares. Adler principals will receive some \$11 a share for their stock, other holders \$15. Payment is in 2 parts. First payment of \$8.4 million would be based on average closing price of Litton stock in the 10 days to Oct. 8. Second payment, \$1.3 million in stock, would be based on Litton's average closing price in last 10 days of Dec. 1964.

New firms: Delcor Industries has been established in Flushing, N. Y., at 136 38th Ave., to design, produce & distribute home entertainment products. It's headed by David Libsohn, ex-Telectro, will debut with 2 tape recorder models. . . **M & M Associates** has been formed in N. Y., 480 Lexington Ave., to serve as manufacturers rep for home entertainment products & appliances. Principals: Max Zagoren, former Westinghouse Appliance sales mgr. for TV, stereo, air conditioners; Milton Geller, ex-Philco TV sales mgr.

Thompson Ramo Wooldridge is now advertising "TRW" as "our new corporate trademark," emphasizes that "from now on we'd like to be known simply as 'TRW' and we hope this shortened version of our name will become a familiar sight to all of you who do business with us."

Nippon Electric has moved to vacate service of anti-trust complaint filed against it by Symphonic (Vol. 3:29 p7). Arguments will be heard in N. Y. federal court Oct. 15.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
GE Story below	1963—9 mo. to Sept. 30	\$3,606,459,000 ¹	\$392,467,000	\$192,400,000 ¹	\$2.14	90,096,748
	1962—9 mo. to Sept. 30	3,483,153,000	370,459,000	179,495,000	2.01	89,521,886
	1963—qtr. to Sept. 30	1,209,101,000 ¹	—	66,280,000	.74	90,096,748
	1962—qtr. to Sept. 30	1,164,317,000 ²	—	59,518,000 ²	.67 ²	89,521,886
General Instrument Story below	1963—6 mo. to Aug. 31	47,121,239 ¹	861,683	508,183	.20	2,570,401
	1962—6 mo. to Aug. 31	41,194,131	477,609	355,309	.14	2,565,401
	1963—qtr. to Aug. 31	22,938,087 ¹	332,503	257,503	.10	2,570,401
	1962—qtr. to Aug. 31	20,005,693	153,259	153,259	.06	2,565,401
P. R. Mallory	1963—9 mo. to Sept. 30	73,680,668	6,261,368	2,948,475	1.81	1,621,113 ³
	1962—9 mo. to Sept. 30	73,957,409	6,587,099	3,192,401	1.96	1,621,113
	1963—qtr. to Sept. 30	23,610,621	2,164,571	1,001,893	.61	1,621,113
	1962—qtr. to Sept. 30	24,878,915	2,253,048	1,142,022	.70	1,621,113
Metromedia	1963—39 wks. to Sept. 29	45,680,000 ¹	—	2,310,000 ¹	1.28	1,746,464
	1962—39 wks. to Sept. 30	38,200,266	—	1,292,691	.72	1,707,682
	1963—13 wks. to Sept. 29	17,700,000	—	472,000	.26	1,746,464
	1962—13 wks. to Sept. 30	11,993,434	—	271,036	.14	1,707,682
RCA Story at p. 11	1963—9 mo. to Sept. 30	1,314,000,000 ¹	91,700,000	44,200,000 ¹	2.40	17,390,000
	1962—9 mo. to Sept. 30	1,265,500,000	69,900,000	34,300,000	1.88	16,947,000
	1963—qtr. to Sept. 30	436,700,000 ¹	30,800,000	14,800,000 ¹	.80	17,390,000
	1962—qtr. to Sept. 30	411,600,000	21,300,000	10,300,000	.56	16,947,000
Raytheon	1963—9 mo. to Sept. 30	364,398,000	—	4,962,000 ⁴	1.15	4,125,238
	1962—9 mo. to Sept. 30	440,884,000	—	7,819,000	1.89	4,011,326
	1963—qtr. to Sept. 30	109,573,000	—	1,303,000	.30	4,125,238
	1962—qtr. to Sept. 30	128,125,000	—	2,483,000	.60	4,011,326
Wrathor Corp.	1963—year to June 30 ⁵	13,180,000 ¹	—	899,296 ¹	.51	—
	1962—year to June 30	12,000,000	—	593,341	.34	—

Notes: ¹Record. ²Voluntary price adjustments arising from sale of products involved in 1961 anti-trust cases had effect of reducing earnings by \$3.7 million (4¢ a share), sales \$7.8 million. ³Outstanding Sept. 30, 1963, reflecting conversion of 5% series A preference stock March 1963 and 2% stock dividend Dec. 1962. ⁴Before special \$3,450,000 (81¢ a share) charge for phasing out East Coast semiconductor operation (Vol. 3:10 p10). ⁵Does not include A. C. Gilbert toy company, 51% owned by Wrathor.

GE's defense business slipped below year-earlier levels but more-than-compensating "sales strength in consumer goods, industrial equipment and international shipments" pushed 9-month sales & earnings to record levels, Chmn. Ralph J. Cordiner announced (see financial table). Earnings in first 3 quarters rose 7% to \$192.4 million on 4% sales gain to \$3.606 billion. Third-quarter earnings jumped 11% to \$66.3 million on 4% sales rise to record \$1.209 billion. Cordiner also noted a "general firming of prices in the electrical equipment and appliance market," termed it "one of the most favorable developments of 1963."

Manufacturers' excise taxes for TVs, radios, phonos, & components rose to \$184,220,000 in fiscal year ended June 30 from \$173,024,000 in preceding year. Internal Revenue Service also reported that taxes for these products in April-June period rose to \$47,305,000 from \$43,971,000. Total excise taxes increased in 1963 fiscal year to \$5,610,309,000 from fiscal-1962's \$5,132,949,000.

"Heightened rivalry throughout electronics field suggests that future profits growth will be much more difficult to achieve than sales expansion," noted "Financial World" in Oct. 9 analysis of "Electronics—Deflated Group." Emphasizing that postwar period witnessed "speculative orgies in a large number of stock groups," magazine declared: "Undoubtedly, the biggest boom and bust of them all has occurred in electronics... Although most electronics issues have lost their luster and are well deflated, few appear to be much of a bargain even at current levels."

General Instrument continued comeback from loss sustained in 1963 fiscal year ended Feb. 28 (Vol. 3:22 p12) with record sales and sharply increased earnings in fiscal-1964's first half and September quarter (see financial table). March-Sept. profit climbed to \$508,183 from \$355,309 a year earlier on 14% sales gain to \$47.1 million. Chmn. M. H. Benedek attributed improvement in part to increased shipments of uhf TV tuners to set manufacturers.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

OCTOBER 21, 1963

NEW SERIES VOL. 3, No. 42

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NEW-STATION STATUS REPORT: 12 started this year, 5 of them ETV, 4 uhf; 17 more due in next 6 months, 7 ETV, 8 uhf (p. 1).

ROGERS—FCC TOO BIG FOR ITS BRITCHES: Congressman sets Nov. 6-8 as hearing dates for bills to stop FCC's plan to limit commercials. He said some independent agencies have dangerously assumed role of 4th branch of govt. (p. 2).

GROUP W SUCCEEDS AS TV-STAGE ANGEL. 'The Advocate' hailed as fine TV fare, though stage version fails to excite. McGannon tickled, hopes to break even, at least (p. 2).

NAB SESSIONS SPOTLIGHT GOVT. PROBLEMS: Fall Conferences are concerned with commercial limitations, Codes, fairness doctrine, ratings. Audit of rating services to begin in first quarter; NAB all set to partner RAB methods study. Collins says FCC has too much power (p. 3).

FCC & FTC TOLD TO CHECK STAFF INCREASES: Sens. Magnuson & Allott voice concern over rising manpower. FCC quizzed about commercial limitations, editorializing. Comr. Lee uncommitted on commercials (p. 5).

NEW-STATION STATUS REPORT: Rate of new-station starts, modest for last few years, seems due for bit of a spurt soon—in no small part due to growth of ETV which now has federal funds in its pockets.

There were 12 new starters (4 uhf) in first 10 months of this year, 5 of them ETV, while 3 stations called it quits. In next 6 months, if projections by builders are realistic, we'll see 17 more (8 uhf), 7 of them ETV.

This year's new outlets are: WTEV (Ch. 6) New Bedford-Providence; WOOK-TV (Ch. 14) Washington; WGSF (Ch. 28 ETV) Newark, O.; KPIX (Ch. 22) Los Angeles; KAIT-TV (Ch. 8) Jonesboro, Ark.; WQAD-TV (Ch. 8) Moline, Ill.; WNBE-TV (Ch. 12) New Bern, N. C.; WHYI-TV (Ch. 12 ETV) Wilmington, Del.; WVAN-TV (Ch. 9 ETV) Savannah; WNTV (Ch. 29 ETV) Greenville, S. C.; WMEB-TV (Ch. 13 ETV) Orono, Me.; WGHP-TV (Ch. 8) High Point, N. C.

Three stations quit this year: WCCB (Ch. 32) Montgomery, Ala.; KFOY-TV (Ch. 9) Hot Springs, Ark.; KSLN-TV (Ch. 34) Salina, Kan.

Herewith are prospective new stations for next 6 months, with targets given by principals: KECC-TV (Ch. 9) El Centro, Cal., fall; WHNT-TV (Ch. 19) Huntsville, Ala., fall; WCIU (Ch. 26) Chicago, fall; KFME (Ch. 13 ETV) Fargo, N. D., Nov. 1; KNMT (Ch. 12) Walker, Minn., Nov.; KBLU-TV

Consumer Electronics

DETENT UHF TUNER to be produced by Mallory early next year, competitive with conventional tuners; more set makers step up tuner activities; manufacturers act to minimize tuner dislocations and shortages next spring (p. 7).

BEST TV SALES for any month in 7 years scored in Sept.—not including 11-in. sets; inventories at low levels; radio sales improving slightly, but still far below '62; phono sales continued good in Aug. It appears that tiny-vision didn't cut into sales of standard TVs (p. 8).

ELECTRONICS PARTS DISTRIBUTORS IN SQUEEZE: Though industry sales topped \$1 billion mark for first time last year, and trend is continuing, profit picture represents less cheerful story. Amalgamated profits of 5 largest firms dipped in first half (p. 9).

MUNTZ TV SUED ON TUBE IMPLOSION: Insurance company for retailer who lost breach-of-warranty personal injury suit arising out of 1961 set implosion now seeks to recover damages from manufacturer. Set was Muntz-made private-label Ambassador-brand model sold by Allied Stores subsidiary Cain-Sloan, Nashville, Tenn. department store (p. 10).

(Ch. 13) Yuma, Ariz., Dec. 1; KTVS (Ch. 3) Sterling, Colo., Dec.; KUSU-TV (Ch. 12 ETV) Logan, Utah, Jan. 1; WEIQ (Ch. 42 ETV) Mobile, Ala., Jan. 1; WBGU-TV (Ch. 70 ETV) Bowling Green, O., Jan. 2; WMEM (Ch. 10 ETV) Presque Isle, Me., Jan.; WSVI (Ch. 8) Christiansted, V.I., Jan.-Feb.; KCSM-TV (Ch. 14 ETV) San Mateo, Cal., Feb. 4; KCOY-TV (Ch. 12) Santa Maria, Cal., Feb.; WNJE-TV (Ch. 77 ETV) Glen Ridge, N. J., 1964; WTIU (Ch. 30 ETV) Bloomington, Ind., April-May; WNJU-TV (Ch. 47) Newark (Linden), N. J., spring.

ROGERS—FCC TOO BIG FOR ITS BRITCHES: FCC and some of its regulatory agency brethren are dangerously assuming role of 4th branch of govt., in opinion of Rep. Rogers (D-Tex.), chmn. of Communications Subcommittee. Issues involved are basic to govt., he told us, because FCC is trying to exercise legislative, administrative, judicial functions.

Rogers has strong feelings about regulatory agencies "being responsible to the duly elected representatives of the people." If trend continues, Congress will have to limit its efforts to defense, taxes & appropriations, he speculated.

He'll shortly have chance to air issue, has set Nov. 6-8 for hearings on bills to prohibit FCC from setting rules on length & frequency of commercials. He plans hearing on license fees later. (He addresses Texas Assn. of Bcstrs. Oct. 21 in Dallas.)

FCC can't write "substantive law," Rogers said, though "they prefer to call these changes procedural." He emphasizes that agencies are creatures of Congress, formed to help lawmakers do their work. "If FCC has a problem, like overcommercialization, it should come to Congress with its reasons and proposals. We assume the solutions would be in keeping with our free enterprise system."

Another thing that gripes Rogers about Commission's proposal to limit commercials is that, in his opinion, FCC is "writing criminal law." He said: "FCC is setting the standards and setting the amount of fines or forfeiture. And all this is going to be done without benefit of a public hearing."

Rogers is also concerned that FCC, by considering adoption of NAB's Codes, has delegated writing of rules to a trade assn. This he finds even more bothersome because FCC wants to promulgate something that "only about half of the stations subscribe to."

Rogers said FCC adopted its rule to set license fees also without a public hearing. Rogers repeated his view that Commission's authority for fees stems from language in 1951 appropriations act, which he thinks is far less than adequate. He's going to hold hearings on his measure to stop FCC from charging fees—unless Congress approves—after his commercial ceiling hearings are finished. At that time he also expects to conclude record on his subcommittee's editorializing hearings of last July.

GROUP W SUCCEEDS AS TV-STAGE ANGEL: "Tremendously successful" is how Group W Pres. Donald McGannon summed up his first experiment with angeling Broadway play and premiering it on group's 5 stations simultaneously.

"The Advocate," drama by Robert Noah about Sacco-Vanzetti case, didn't particularly excite theater critics, and betting was that it would fold on Broadway shortly. But TV reaction was almost uniformly enthusiastic in Group W's cities where it was telecast from tape: Boston, Baltimore, Cleveland, Pittsburgh & San Francisco.

"We'll have to analyze it for about 30 days," we were told by McGannon, a "Man for All Seasons" himself, who seems to be making major contributions to industry everywhere you turn (see p. 3). "But reaction to date bears out the contention that TV is a mass audience, theater a class audience. I think the theatergoer will see plays regardless of what's on TV. They just like to go. It means that a play may succeed on TV where it might not in the theater.

"Technically & dramatically, it was a success on TV. The conversion from the theater to tape was first class. We hope we can do more of them. There was an extraordinary response by the advertiser. We have to wait until the show closes before we can syndicate it. We've had 8 or 10 calls by stations which are eager to take it. I think we'll break even, maybe make a little money. TV can use innovations. The public wants an unusual dish."

Group W was still gathering reactions, including quotes from most TV critics who were generally thrilled with presentation. WBZ-TV Boston proudly exhibited wire from Archibald MacLeish: "My congratulations on your broadcast of 'The Advocate.' This was a really noble service to all of us." Group W put \$60,000 into stage version, \$80,000 into video taping.

NAB SESSIONS SPOTLIGHT GOVT. PROBLEMS: Big govt. developments of recent months—commercial limitations, Code practices, fairness doctrine, ratings—are setting tone of NAB Fall Conferences which started in Hartford last week, end next month in San Francisco.

Opposition to FCC moves was best articulated at Hartford by Pres. Collins, who said commissioners wear too many hats, exercise too much authority. "I don't know where else in govt. there is such heterogeneous authority as there is in the FCC," he stated. [Rep. Rogers (D-Tex.) also again expressed concern about FCC power, p. 2.]

NAB dished out other blows, had to absorb few socks itself from couple of needlers who wanted to know why NAB wasn't doing more to keep govt. off their backs. One broadcaster wondered what difference was between being regulated by govt. or by NAB with stricter Codes. Major highlights of meetings:

(1) Audit of rating services, supervised by Rating Council, will begin first quarter of 1964.

(2) NAB is "highly in favor" of partnering RAB methodology study. Its Research Committee meets Oct. 21 to pass on "more streamlined" version. NAB will commit up to \$75,000 of needed \$200,000, but will contribute money in "chapters or stages," giving it opportunity to pull out if it wants to.

(3) It's also learned that proposal calls for NAB to make initial payment of \$25,000 to match sum RAB has given to Audits & Surveys Co., which will conduct study.

(4) NAB is "cautiously optimistic" that FCC's proposed ceiling on commercials won't be adopted.

(5) Collins said broadcasting should be kept free from pay TV—"keep the great athletic events available to all the people."

(6) His stand on cigarette advertising hasn't changed. He believes smoking appeal to youth should be minimized, is awaiting Surgeon General's report due in Jan.

(7) Suggestion for program dept. within NAB was raised again. Collins said NAB should be concerned with "product" of broadcasting, said dept. would serve as information exchange.

(8) Regarding Comr. Loevinger's suggestion that industry needs its own news service, Collins said he didn't think industry felt that AP & UPI are inadequate.

NAB head urged industry to welcome criticism, to upgrade service. Referring to knotty problem of Code enforcement, he said "broadcasters haven't found an acceptable way of regulating themselves."

This is one of the things that irks NAB about FCC's proposal to adopt NAB Codes and give them force of law. Collins said time standards contained in Codes are "obsolete," that broadcasters are searching for new guides. He also urged that broadcasters confer with newspapers over FCC's proposal because of its general threat to advertising.

Special film of Congressmen concerned with communications was shown Conference. It included Sen. Pastore (D-R.I.), Reps. Harris (D-Ark.), Rogers (D-Tex.), Younger (R-Cal.), Broyhill (R-N.C.). Pastore said industry is mature enough to handle editorializing. Harris said if he had station he would editorialize, would state positions of both sides, then give his opinion. Broyhill said federal govt. is flexing muscles too much, believes "public interest" proviso is being stretched. Rogers added that, if editorializing guidelines are needed, Congress should set them. Younger was inclined against 315 suspension, said there's nothing that couldn't be handled in regular news programs.

Progress of ratings reform movement was outlined by Group W's Donald McGannon, chmn. of Research Committee & Rating Council. He said most rating services should return their methodology questionnaires within a week to 10 days. These questionnaires, coupled with Council's standards & criteria, will serve as basis of audit. McGannon confirmed that CPA or management consulting firm, such as Price Waterhouse or Ernst & Ernst, would do actual auditing. He said validation would be

similar to an audit of a corporation's books or of bank. Rating Council staff would be paid for by organizations represented on board (TvB, RAB, NAFMB, SRA, networks, plus about 5 members of NAB). In addition, NAB is urging AAAA & ANA to become members instead of their present "observer" status. McGannon said force of reform program would be limited without them.

McGannon stressed need for reform, said attitude that "this too shall pass" must be eliminated. He gave 3 reasons why industry must act: (1) To keep govt. out of advertising & out of "our business." (2) Obligation to put house in order, in light of serious questions raised at hearings about industry's basic "sales yardstick." (3) Obligation to public as licensees.

One reason McGannon favored RAB's methodology study is that it would take care of local radio phase of methodology improvement that NAB has undertaken. He said networks are working on national TV techniques (problems of small samples & non-cooperators); this could cost about \$250,000, he said. With local TV & national radio ratings to be worked on, McGannon estimated that total cost for methodology improvement would be \$750,000-\$1 million.

Rating services would pay for audit & accreditation, but McGannon emphasized that broadcasters must be prepared to pay more for research.

Proposal that industry, with NAB leading way, get Congress to re-write Communications Act, or at least to have Congress put FCC in its place by writing standards, was advanced by Sydney Byrnes, former newsman & owner of WSOR Windsor, Conn.

Paul Comstock, NAB govt. relations vp, said a lot of spadework would have to be done first. "It takes a lot of educating," he said. Vincent Wasilewski, exec. vp, questioned whether standards, even if written by Congress, would benefit industry. Collins said there's virtue in having flexibility contained in present Act. "It's tough to get rigid standards repealed," he stated.

Panel on controversial programming, conducted by Howard Bell, planning & development vp, exposed many problems small broadcasters have with interpretation of fairness doctrine. Byrnes said, on some days, he can air a few editorials which he writes & tapes after hours. He said it's impossible for him to take time & manpower to mimeograph every editorial, send them to all interested groups. He said exceptions would be in cases of personal attack. Station policy of offering rebuttal time to groups opposing his views is well-known in community and that this should suffice, he said. Gen. Counsel Douglas Anello agreed.

CAPSULES

Breakthrough in NAB Code support came at agency level, as Kenyon & Eckhardt announced it will confine TV-radio spot purchases to stations subscribing to Codes or their equivalent. Exec. Vp. Stephen Dietz said decision was reached after study of top 50 TV & top 25 radio markets to see which stations were subscribing. Agency will also shift present schedules where "economically feasible."

Metromedia Chmn.-Pres. John W. Kluge had busy week: He accepted Pulse Man of the Year Award and donated \$100,000 gift to ETV WETA-TV Washington. Company's donations to ETV now total \$660,000, in N. Y., Los Angeles, Washington. In accepting award, Kluge said "broadcasters will have to understand good media research, pay the cost of it, use it creatively to program their stations and to sell their advertising time in the manner of a mature marketer." He also said public would suffer if pay TV became reality. In presenting award, Pulse Dir. Sydney Roslow said it's "discredit" to men & women who buy TV to say they have "idoltrous devotion" to ratings only, to exclusion of other factors. He added that Pulse is working in Qualitative Personal Diary for radio, based on one-day listening.

Big success is reported for theater-TV debut of hockey in Toronto Oct. 13 (Vol. 3:22 p4). According to Paramount subsidiaries Famous Players and International Telemeter, gross in 9 theaters with 11,000 seats, at \$1.25-\$2.50 each, was \$24,000—and 2,500 people were turned away from sold-out houses. It was first of 32 away games of Toronto Maple Leafs (who were licked by Chicago Black Hawks, 4-2).

FCC & FTC TOLD TO LIMIT STAFF: Increasing manpower totals at FCC & FTC aroused concern of Senate Appropriations Subcommittee, as agencies appeared for second time on 1964 budget. "I think you have too many people," said Chmn. Magnuson (D-Wash.) to FCC witnesses. He said there's a "spiderweb" of paperwork.

House 2 weeks ago voted \$15.8 million for FCC, \$12.1 million for FTC—both less than requested but above 1963 (Vol. 3:41 p5).

Comr. Hyde, asked about commercial ceiling proposal, said "there is a division of opinion in our agency." Sen. Allott (R-Colo.) read letter from Denver broadcaster stating that station is sold out, but that it still has greatest listening audience in area. Allott used this to show that commercials aren't necessarily offensive, said it's argument against supposition of some that "our stations are supposed to operate without benefit of advertising."

But Comr. Cox said letter shows stations can operate within limits of Code and still be successful. He said it also shows that stations wouldn't suffer from proposed rules if they were finalized—which they're "a long way from being," he added. Cox agreed that advertising is essential to "support of our system."

Magnuson commented on criticism of commercials: "I think what the public is thinking about a lot of times is the character of the advertising."

Allott said FCC should give some thought to whether a station is required to use news sent out by govt. agencies. Hyde said there's no requirement, that in his view stations should be "doubly cautious" about anything submitted by govt. agency.

Hyde said FCC is considering primer on editorializing to supplement Fairness Doctrine. Cox said there's nothing under consideration that would restrict right to editorialize.

Magnuson concluded by again urging efficient utilization of manpower, suggesting that present staff work harder. "I think we have gotten the message," said Hyde. "I think we had better quit on that happy note," said Magnuson.

FTC Chmn. Dixon testified that about 20% of staff works on Saturdays. Allott wanted to know where this takes place because he might want to see for himself. "We will be glad to have you, Senator. Don't call us... just come," said Dixon.

In Detroit, RAB audience took heart from statement from Comr. Lee that he isn't committed to adoption of commercial limitations—even though he's the man who first proposed putting NAB Codes into Commission rules. However, he said, proposal had stimulated discussion of subject that needed airing. "Maybe there shouldn't be a Code at all," Lee said. "If [many stations] can't live with the Code, perhaps it's no good and the matter of commercial limits is best left to each individual station manager."

Lee also suggested that everyone plan ahead, that "things don't just happen," that "the future can be scheduled." He said FCC might benefit from locking "3 or 4 eggheads in a room to look & plan far ahead."

CATV franchise for Utica has been granted to Mohawk Valley Community TV Co., controlled by WKTV, which aims to have system operating next spring.

CBS's "Town Meeting of the World" Oct. 15, linking Rome, London & Princeton via Telestar II, drew high praise despite trouble with audio, which, ironically, was caused by land-link breakdown in Switzerland. Telstar worked fine. "The Christian Revolution" was theme, featured discussion by high churchmen in the 3 countries. "N. Y. Times" critic Jack Gould made point that such dazzling technical achievements aren't needed to achieve dissemination of ideas discussed. Said he: "The triumph of 'Town Meeting' has been to demonstrate anew that the content of ideas still remains more exciting than their mode of transport." Others argued that excitement surrounding such telecasts tends to give subject matter more attention than it would receive if transmitted by more prosaic means. CBS Pres. Frank Stanton, still thinking internationally later in week, urged U. S. - Japanese TV program exchange. Speaking before 2nd U. S. - Japanese Cultural & Educational Interchange Conference, he said: "In the history of Japanese-American relations, perhaps no other exchange will in the long run contribute as much toward bringing about the mutual understanding and respect of our peoples."

Non-network cultural entertainment specials will be presented by Esso beginning early next year in about 6 eastern cities. Each of 8 hour-long "Esso World Theatre" programs will be devoted to drama, music, poetry or dancing of one country, and produced in that country. Production is already scheduled in Greece, England, Nigeria & Japan. Greek production was scheduled to start today (Oct. 21), starring Katina Paxinou & Alexis Minotis in classical drama excerpts. English program will feature Sir Ralph Richardson. Telecasts are planned in N. Y., Washington, Boston, Philadelphia, Rochester, & New Haven—stations & times not yet announced. Production will be handled by new firm, Newmark International Inc., headed by Bert Lawrence.

Hopes for improved programming, through new means of getting programs to public, are expressed in Oct. "Atlantic" magazine by Vance Packard, author of "The Hidden Persuaders," etc. He hopes for much from pay TV, CATV, "cultural TV," home video tape recorders. Also: "The creation of a government-financed national TV network is probably a political impossibility. But there are number of intermediate possibilities that conceivably win general support. A quasi-public authority might be established that would be dedicated to serving the public imaginatively..." Packard thinks that station license fees—from \$1,000 to \$10,000—plus set-owner fees, might pay for such system.

New "Mayors' Awards" for best local programming have been established jointly by U. S. Conference of Mayors and Broadcast Pioneers. Separate awards for a TV station & a radio station will be given "to encourage other station ownership & management to place more emphasis on the needs of the community where the station is licensed to serve," according to sponsors. Entry deadline is Feb. 1.

Program themes for Group W's 5th Public Service Programming Conference in Cleveland: Nov. 11, nature of news & its innovations; Nov. 12, improved techniques for determining & meeting community needs & tastes; Nov. 13, art of TV-radio documentaries.

ABC News has signed "long-term" agreement with Robert Drew Assoc. for production of TV public affairs shows. Drew produced "Crisis: Behind a Presidential Commitment" for Oct. 21 showing.

Personals

Hulbert Taft Jr., pres. & chmn., Taft Bcstg., named chmn. & chief exec. officer; **Lawrence H. Rogers II**, exec. vp, elected pres.; **John L. McClay** elected vp in charge of operations; **David Ingalls** named vice chmn.

Wendell C. Morrison, asst. to chief defense engineer, RCA, promoted to Broadcast & Communications Products Div. chief engineer.

George H. Newl promoted to ABC sports & special program sales dir., succeeded as asst. daytime sales mgr. by **Warren Boorum**, ex-Metromedia vp... **Peter Molnar**, ex-CBS Sports, appointed NBC Sports exec. producer.

Gilbert Seldes, ex-dean, U. of Pennsylvania's Annenberg School of Communications, appointed NET program consultant... **Robert E. Thomas**, associate dir. of development, ETV WNDT N. Y., promoted to asst. to pres.

Clyde R. Spitzner, ex-WFIL Philadelphia radio sales & programs dir., named to new post of gen. sales mgr. of Triangle Publications' R-TV Div. (program syndicator).

Deane R. White, assoc. research lab dir., du Pont Photo Products Dept., & **Joseph T. Dougherty**, du Pont technical representative, re-elected SMPTE engineering vp & financial vp, respectively.

George Skinner, ex-Katz Agency programming services dir., appointed station mgr., radio WNBC N. Y. . . **Richard H. Riggs**, ex-asst. mgr., WIMA-TV-AM Lima, O., named sales mgr., WJIM-TV Lansing... **Erwin Bernstein**, ex-General Precision, appointed marketing dir. for color Eidophor, TNT Electronics.

Dick Trembath, managing editor, KYW-TV Cleveland, promoted to news dir., succeeding **Pat Trese**, who joins Huntley-Brinkley staff; **Mark Landsman** succeeds Trembath.

Bernard Ruttenberg promoted from staff to asst. to public relations vp **Phil Cowan**, Metropolitan Bcstg. TV.

Obituary

J. Frank Beatty, 62, senior editor of "Broadcasting" and one of its first employes, died Oct. 14 of cancer at home in Bethesda. He joined publication in 1934 as managing editor after working for several Pa. newspapers & for "U.S. Daily" & "U.S. News" in Washington. He is survived by wife, daughter.

Study of children's viewing, 14th annual under direction of Northwestern U. Prof. Paul Witty, is published in Oct. "Elementary English," 3203 N. Downer Ave., Milwaukee. Researchers found volume of viewing holding at about 21 hours weekly, urge teachers & parents to push for better programs, help children "to choose and evaluate TV programs with discernment."

Forum on "The Negro in Television" will be presented by National Academy of TV Arts & Sciences at N. Y.'s Americana Hotel Oct. 28, David Susskind host. Panelists include author James Baldwin & AAAA Pres. John Crichton.

Senate Commerce Committee has set Nov. 5 for hearings on nominations of FTC Comr. Philip Elman for re-appointment to full term & Justice Dept. attorney John R. Reilly for appointment to commission.

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GE's first 4-vidicon color film camera system has been shipped to WSM-TV Nashville, which ordered it when it was first displayed at last spring's NAB convention (Vol. 3:14 p3). Eleven more will be shipped this fall & early winter, according to Visual Communication Products Mgr. Harry E. Smith, who said GE still has capacity for winter delivery of 4-V cameras ordered now. These stations are due to receive the new cameras next: KMSP-TV Minneapolis-St. Paul; WAST Albany; WJXT Jacksonville; WGEM-TV Quincy, Ill.; WRGB Schenectady; WRAL-TV Raleigh; WESH-TV Daytona Beach; WFIL-TV Philadelphia; WBNF-TV Binghamton; WAGA-TV Atlanta; WWJ-TV Detroit.

Collins Radio expands broadcast equipment operations, continuing present lines and research & development in Cedar Rapids but forming new Broadcast Communications Div. in Dallas. A. Prose Walker is promoted to Div. dir., Thiel Sharpe to asst. dir. & sales mgr., Carl Rollert continuing as product line mgr. Spokesman said Collins is "stepping up its whole broadcast activity."

"**Some sort of record**" for single station is claimed by WFBM-TV Indianapolis in assigning 50 staff members last weekend to work on 2 network originations and a local special. Occasion was coverage of Butler U. "Clowes Hall for the Performing Arts." Coverage was scheduled for NBC's "Today," CBS's "Lee Phillip Show"—and station's own presentation of dedicatory program featuring Maurice Evans, et al.

Sale of KTVU San Francisco-Oakland to Cox Stations for \$12.36 million has been approved by FCC. Station had been on short-term license on grounds its performance hadn't matched promise. Commission concluded that recent performance met promise.

"**GE Stereo Drama**," presented in FM stereo on QXR Network, will return 9-10 p.m. Oct. 31 with "The Pleasure of His Company," featuring Walter Abel, Cyril Ritchard & Cornelia Otis Skinner, as first of series.

Cobbler's kids dept.: Guess which groups are slowest & sloppiest about supplying information for their free listings in our "Television Factbook"? Public relations firms & advertising agencies, naturally.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

DETENT-TYPE UHF TUNER FROM MALLORY: Although there's little prospect of any substantial increase in all-channel set demand between now and U-Day, several new sources of uhf tuners are opening in preparation for that April 30 deadline. Set makers, now convinced there'll be no change or postponement of all-channel law (Vol. 3:40 p7), have started making plans to minimize dislocations & shortages next spring.

Old-line tuner maker P.R. Mallory & Co., which pulled out of TV tuner business in 1957, has decided time is ripe to come back in market with unique product—one which many people thought was still year or two off. Due to go into production shortly after first of next year, it's a transistorized continuous tuner with detent action, claimed to be as simple to tune as vhf tuner and capable of being motorized for remote-control use.

New Mallory tuner is claimed to be competitive in price with conventional continuous tuners despite its easy-tune convenience feature. Basically, it is continuous tuner capable of full 360° rotation. However, by removing knob, consumer can adjust detents in own home to set tuner to click into position for local channels. To adjust, set is tuned to channel and screw is tightened. Uhf channels are then tuned just like vhf, by turning knob until station clicks in, then adjusting fine tuning. Present developmental models offer up to 6 detents (those not used can be removed), but Mallory says this could be increased to 10 or 12. Incidentally, Mallory has also designed transistorized vhf switch-type tuner and tube & transistor FM tuners, will offer FM tuners early next year, vhf when demand for transistor tuners increases.

* * * *

Mallory is only one of companies entering or re-entering tuner production. TRW's Electrocom Div. (parent of one-time tuner maker Radio Condenser Co.) investigated uhf tuner market year ago, concluded that "Japanese were going to take over the business"—and stayed out. Japanese are stepping up tuner export activity, although their efforts to date are confined principally to vhf. (They supply vhf tuners for all 11-in. sets.)

More set makers, too, are increasing tuner-making activities. Admiral recently started building some of own tuners, although it also buys substantial amount. GE now manufactures all of its own uhf tuners (transistorized). RCA, which builds virtually all of its vhf tuners, hopes also to be able to supply all of its own uhf tuner requirements by next year. Zenith makes high percentage of its own vhf & uhf tuners.

Those set manufacturers who build own tuners were unanimous in telling us that they expect no serious uhf tuner bottlenecks next spring, even if it's necessary to increase all-channel set production fourfold overnight between April 30 & May 1.

Others foresaw possibilities of slowdowns and were making plans to forestall or minimize them. Motorola's Ed Taylor, for example, said his company is buying uhf tuners in advance of requirements. Another major set maker also reported it's keeping about 60-day stockpile on hand.

There's one thing almost everybody is agreed on: Percentage of all-channel sets isn't going to go up substantially before next spring. Almost everybody says it's virtually impossible to push any major quantities of all-channel sets into vhf-only markets now.

Exception, of course, is Sears Roebuck, most of whose line is now available only in all-channel, and which reportedly has won its gamble in switching early to all-channel. This early switchover will forestall tuner bottlenecks next spring, too.

Survey of leading set makers finds all of them at a loss to guess whether a vhf set next year will be a hotcake or a drug on the market. There's no indication whether any manufacturers intend to pro-

duce like mad and stockpile vhf-only sets against U-Day. As one put it: "We couldn't stockpile now if we wanted to; we can sell all the sets we can possibly make right now."

* * * *

Question has been raised, again, about applicability of all-channel law to sets sold solely within state in which they're made. There's been some speculation that these are "intrastate" rather than "interstate"—thus exempt from the law. FCC Comr. Lee has given his initial view that all sets are covered by law (including, incidentally, all imports), but Commission's general counsel is studying subject, expects to give opinion in couple weeks.

Lee tells us he's discussed matter with "6 of the 8 or 9 largest set makers" and "none of them is going to cheat." Question arose during legislative discussion of bill before passage, and Commission told Congress problem is insignificant because manufacturers reported that it's impractical to make 2 kinds of sets—vhf-only and all-channel. Commission says it has no indication anyone plans to challenge constitutionality of law, that it has had no queries about it from Congress or set makers.

BEST TV SALES MONTH IN 7 YEARS: There's only one way to say it: September was a helluva month in TV.

Not counting color sets... not counting 11-in. sets... not counting imports—preliminary estimates indicate that more TV sets were sold to dealers in Sept. 1963 than in any Sept. since 1956, more than in any month at all since Dec. 1956. This means consumers are buying—since dealers this year are playing it very close to the chest, selling almost directly from distributor warehouses.

Sept. distributor-to-dealer sales are estimated to have totaled about 794,100 sets, 8.6% above the very good 731,100 registered in Sept. 1962. In EIA statistics, Sept. traditionally is best distributor-to-dealer month of year. (EIA's statistical month of Sept., on which these estimates are based, has 5 weeks, as does the final month of each quarter.)

Thus 9-month TV sales to dealers totaled about 4,749,000 sets, 7.4% above the 4,423,117 of same 1962 period. This adds more substance to our prediction a month ago that record TV sales are likely this year, when you include color, 11-in. & imports (Vol. 3:38 p11).

Sept. TV results, incidentally, appear to confirm GE's claim that 11-in. sales are principally plus business. Since the sales figures don't include tinyvision, it's safe to conclude that wee TV didn't cut into sales of standard sizes very much in Sept.

Total black-&-white TV inventories at factory & distributor levels were down 10% at end of Sept., as compared with year earlier. If good business keeps up (actually, some manufacturers report signs of leveling-off in Oct.), reserve stocks might be a little too low for comfort.

Radio business continues to lag 1962, domestic sales to dealers for Sept. totaling about 1,121,000 sets, or 10.7% lower than the 1,255,346 of Sept. 1962. For year's first 9 months, radio sales were 6,604,000, drop of 15.6% from comparable 1962 figure of 7,825,890. Radio inventories were down about 9% at end of Sept. from year-before figure.

Phono sales continued excellent in Aug., according to latest available unofficial figures. Very few in industry expected Aug. sales to exceed Aug. 1962's record-breaking total of 416,788 units sold to dealers (which was 30% above Aug. 1961 figure)—and they didn't—but at 407,000 they came within 2.5%. Phono distributor sales for the 8 months were unofficially placed at 2,466,000 or 15.3% above similar 1962 period. Phono factory sales for Aug. totaled some 426,500, down 3.4% from Aug. 1962's 441,455 and 8-month factory sales were estimated at 2,657,800, running 14.5% ahead of 1962.

ELECTRONIC PARTS DISTRIBUTORS IN SQUEEZE? Industry's 1,787 electronic parts distributors topped \$1 billion in sales last year for first time (Vol. 3:22 p9) and kept right on increasing volume through 1963's first half, according to our latest analysis.

Profit story, however, is less than cheerful. Signs of major profit squeeze, indicated in our study earlier this year (Vol. 3:19 p8), have now developed into pronounced trend, using as criteria

performance of 5 largest distributors in industry (who also do considerable retail business): Allied Radio, Arrow Electronics, Harvey Radio, Lafayette Radio Electronics, Terminal-Hudson Electronics.

Only 12% of 1,787 distributors do \$1 million annual volume, and they account for 55% of total. Cutting it even finer, only 3% do more than \$2.5 million, and they represent 32% of total. Each of our 5 bellwether companies is a "multi-millionaire."

Combined first-half (or fiscal year) sales of these 5 firms jumped solid \$16 million to \$105.9 million from \$89.9 million a year earlier. Their amalgamated profits, however, dipped \$620,833 to \$1.6 million from \$2.2 million.

Sales gains were posted by 3 of the 5. Harvey and Terminal-Hudson were down, but only somewhat—former by little more than \$125,000, latter by little less than \$150,000. Conversely, Allied boosted sales to record \$62.1 million from \$52 million, Lafayette jumped to \$31 million from \$24.9 million. Arrow inched ahead by slightly more than \$6,000.

Profits were a different and sadder story. Only Lafayette showed improvement—to \$761,264 from \$676,372. Other 4 firms were down—sharply: Allied—to \$591,000 from \$1.2 million; Arrow—by more than half to \$24,500 from \$55,000; Harvey—to \$129,396 from \$155,507; Terminal-Hudson—\$82,473 from \$135,587.

Allied Radio explained its profit drop as resulting from "unprecedented amount of merchandise returned by our customers because it was either defective or didn't otherwise measure up to their expectations" (Vol. 3:36 p11). For others, profit squeeze reflects numerous factors—including increasing competition, imports. Components represent top volume producer for parts distributors—42.5% of 1962's total \$1.040 billion. Components also represent area hard hit by imports.

Principal headache for distributors, however, is "ridiculous pricing practices on replacement parts," in opinion of H.A. (Bill) Graham, gen. mgr. of Warren Radio, Erie, Pa. Writing in Sept. "NEDA Journal," he emphasized: "For years the list prices on parts have been held at very high levels. Every segment of the industry—manufacturers, distributors, servicemen—have resisted fiercely any attempt to bring any degree of sanity into this picture. Most of the serious problems of the industry, not just of distributors alone, can be traced back to this paradox of pricing. Consider just 3: the 'drug store' tube checker, the explosive growth of the electronic retailer selling at wholesale prices, and the general decline of replacement parts volume." Graham argues that the replacement parts distributor "is not in mortal danger of his life. He is not even seriously ill. The long-term prognosis is good." However, he does need "an intelligent and reasonable re-alignment of the discount structure on parts. If this remedy is not forthcoming, the patient will suffer longer than he would have to, but the parts distributor still will enjoy relatively good health for a long time."

Here are 1963-vs.-1962 first-half (or fiscal year) performances of 5 major electronic parts distributors:

	Sales		Earnings	
	1963	1962	1963	1962
Allied Radio (year to July 31)	\$62,143,000	\$51,963,000	\$ 591,000	\$1,187,000
Arrow Electronics	2,519,700	2,513,400	24,500	55,000
Harvey Radio	3,343,485	3,468,672	129,396	155,507
Lafayette Radio Electronics (year to June 30)	30,994,518	24,936,144	761,264	676,372
Terminal-Hudson Electronics	6,915,983	7,064,323	82,473	135,587
TOTALS	\$105,916,686	\$89,945,539	\$ 1,588,633	\$ 2,209,466

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 11 (41st week of 1963) excluding 11-in. and smaller:

	Oct. 5-11	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	154,472	163,090	145,383	5,501,154	5,159,897
Total radio	502,809	454,086	475,759	13,866,335	14,786,262
Auto radio	233,799	204,129	187,932	5,948,828	5,341,936

TUBE IMPLOSION SUIT: Nebulous and nettlesome area of implied warranty got one of its infrequent flashes of limelight last week via \$7,500 suit filed against Muntz TV in Chicago Superior Court by dealer Cain-Sloan Co., Nashville, Tenn. department store subsidiary of Allied Stores.

Case is outgrowth of 1961 TV set implosion. Woman purchaser of set recently won breach-of-warranty personal injury suit and \$5,250 judgment against Cain-Sloan, and the latter's insurance company, U. S. Fidelity & Guaranty, now seeks to recoup judgment plus costs from Muntz TV.

TV was private-label Ambassador-brand model made by Muntz for Allied Stores. Tube was from National Video. "We tried to get Muntz TV and National Video to defend but they refused," we were told by William Brooks, attorney in claims department of USFG's Nashville office who investigated original claim. He noted that plaintiff suffered no direct personal injury from set, explained: "Nothing from the set touched her. The implosion frightened her and she fell off a hassock and hurt her back." Case was filed against dealer Cain-Sloan under Tennessee's Sales Act which makes retailer responsible for the "merchantability" of the product he sells—i.e., that it is safe, efficient and sold without risk to buyer. Jury found for plaintiff on grounds that set was imperfect in some fashion.

Nashville trial established that set had its original picture tube, Brooks told us. "Some service work had been done on the set," he added, "but not on the tube. Since Muntz and National Video wouldn't defend, we, as insurers for Cain-Sloan, had to defend. It's now proper procedure to proceed against the manufacturer to recoup." Suit against Muntz is being handled through USFG's Chicago office.

"We're covered by product liability insurance," Muntz TV Treas. Daniel J. Domin told us, "and we've turned the entire matter over to our insurance company. When the original case was filed, our insurance company advised us that we were not involved because the suit wasn't filed against us. We're fully protected, and I believe the insurance company would take the position that if the set had been serviced we're off the hook. Servicing should take the manufacturer off the hook, because once the back of the set is taken off, you can never know what happened to it.

"This whole area of implied warranty is vague and complicated," he emphasized, "and that's why we all pay such high rates for protection. This is now a matter for our insurance people."

GE will maintain policy of decentralization, because "the more decentralized we are, the more growth there will be," emphasized Pres.-elect Fred J. Borch (Vol. 3:41 p10) in Oct. 12 "N. Y. Times" interview. Overcapacity is prime problem facing U. S. electrical industry, he said, but believes that "because of this nation's economic growth, this is going to be a diminishing problem." He sees as GE's major challenges in immediate years ahead: (1) Meeting world competition, (2) Intensifying R&D activities, (3) Increasing efficiency, (4) Servicing customers, (5) Maintaining balanced corporate growth. Borch said he "would like to see" sales distribution continue at present ratio of 75% commercial, 25% defense.

Shortage of engineers and scientists for consumer product development may indicate that U. S. industry is not using manpower to best advantage, in opinion of GT&E Chmn. Donald C. Power. Addressing research and development management program at Battelle Memorial Institute, Columbus, O., he noted that of more than \$17.5 billion that will be spent on R&D this year, 66% will come from govt., 31% from private industry, 3% from non-profit organizations, emphasized that govt. & industrial R&D spending has increased since World War II "while industry's percentage has dropped." He said industry must strike reasonable balance in its over-all R&D activities, summed up: "If the total amount of R&D money provided by industry continues to grow at the rate of the past 10 years, let alone at the faster rate which I sincerely hope it will, the percentage of new products could well reach as high as 20% or even greater." This related to conclusion of National Industrial Conference Board that industries with a high level of research spending relative to sales derive "an estimated 10% of their sales today from products that did not exist 4 years ago."

Olympic Cabinet Corp. is new wholly owned subsidiary of Olympic, established, according to Pres. Morris Sobin, "to insure continuity of Olympic's present source of cabinets." Olympic Cabinet will lease premises & fixed equipment of Nunn Better Cabinet Corp., Marietta, Ga., anticipates no changes in operation or personnel. Sobin said move won't affect arrangements with Olympic's other cabinet suppliers. Officers of Olympic Cabinet are Sobin, pres.; Sidney Rhodes, vp; Lewis Haber, treas.; Abraham Cooper, secy.; Harvey Schuster, asst. secy.

Increase in prices of black-&-white picture tube yokes of approximately 8%, effective Nov. 4, was announced in letter to all major customers by Electronics Div. of Indiana General Corp., Keasbey, N.J. Sales mgr. Kenneth S. Talbot said company had been absorbing labor & material cost increases for 5 years, and the hikes reflect these additional costs. He emphasized that increases apply only to b&w yokes, not to other ferrite products. He added that Indiana General is now producing color yokes & color flybacks.

Emerson has signed \$4 million ad package with "Look" calling for insertions in "practically every issue" of magazine for next 3 years. Pres. Benjamin Abrams said "Look" schedule is largest magazine campaign ever conducted by Emerson, will represent company's "basic ad effort" for next 3 years. Campaign will feature complete Emerson line, includes both color and b&w inserts. Program begins with Dec. 3 issue. Ad agency: Robert Whitehill.

Things-are-tough-all-over dept.: "Prices of radio & TV sets will be reduced by Italian manufacturers," reports U. S. Commerce Dept.'s "International Commerce" magazine for Oct. 14. "This reduction is an attempt to curb the spread between list prices and those charged by discount stores."

Home entertainment showroom in N. Y. will be built by Sylvania on street level of GT&E Bldg., 3rd Ave. & 45th St. Slated for completion in mid-Nov., it will occupy 1,700 sq. ft.

Westinghouse has opened Japanese showroom on Tokyo's famous Ginza St., is displaying color TVs among other products.

Trade Personals

Charles A. Barnes promoted to P. R. Mallory operations vp; **Kenneth W. Shearer**, controller, also named vp.

Justin J. McCarthy, ex-Sylvania, joins EICO Electronic Instruments as sales mgr., a new post. . . **T. K. Decker**, ex-Philco, named International Resistance purchasing dir., a new post.

Alfred Packer, onetime Philco Home Laundry Div. mgr., recently Philco Distributors-N.Y. key accounts mgr., joins Zenith Radio of N.Y. as color sales supervisor. . . **Anthony Maiorella** appointed GE Electric Supply Co. ad & sales promotion mgr., succeeding **James E. Clarke**, who joins International GE.

L. M. Sandwick, former EIA consumer electronics staff dir., a widower, married to Mrs. Reginald Hill Marlow Sept. 28 in Rockville, Md.

Joseph Stefan appointed magnetic tape and custom products vp, RCA Victor Record Div., a new post.

Lloyd L. Kelly, pres. of Link Div. of GPE's subsidiary Simulation & Control Group, also named pres. of Group, succeeding **W. W. Wood Jr.**, resigned to become pres. of Applied Dynamics.

James J. Ling, Ling-Temco-Vought chief exec. officer, also elected chmn., succeeding **Robert McCulloch**, who continues as exec. committee chmn.

Harold M. Winton, Vernitron vp, appointed gen. mgr. of newly-acquired United Scientific Labs, which will be operated as a division.

J. J. Benavie, ex-counsel to International Div., appointed to new post of staff vp, patent licensing, RCA, with direct responsibility for all domestic patent licensing.

Obituaries

James O. Burke, 57, Standard Kollsman Industries pres., died Oct. 14 in his Melrose Park, Ill. office of apparent heart attack. With former partner Glen Swanson and \$1,000 capital, he established predecessor Standard Coil Co. in 1935 in Chicago. Merger in 1960 with Kollsman Instruments resulted in present organization. He is survived by widow, sons James (asst. to pres. of Standard Kollsman) & Thomas, 3 daughters.

Frank B. Walker, 73, onetime RCA vp & gen. mgr. of RCA Victor Record Div. and from 1945 until his retirement in 1948 a MGM vp & Record Div. gen. mgr., died Oct. 15 of heart attack at Little Neck, Queens, N.Y. home. He organized MGM's Record Div. in 1945, continued as MGM consultant after retirement. A record industry pioneer, he also served as Columbia Phonograph Records vp and Loew's Inc. vp during long career. He helped organize Record Industry Assn. of America, was onetime pres., treas. and honorary chmn. He is survived by widow, son, 2 daughters.

Edwin R. Palmer, 68, onetime Bendix vp & treas., died Oct. 13 at his Miami Beach, Fla. home. Before retirement he was controller of General Motors' Chevrolet Div.

Closed-circuit TV camera with integrated 8-in. viewfinder, power supply & controls was announced last week by Du Mont Div. of Fairchild Camera at \$2,595.

DISTRIBUTOR NOTES: **Roberts Electronics** appoints 2 additional distributors: **Pierce-Phelps**, Philadelphia, for eastern Pennsylvania & southern New Jersey, and **Radio Service Lab**, Manchester, N.H. for parts of New England. **Pierce-Phelps** succeeds **Alco Photo Supply** which continues as Roberts distributor for western Pennsylvania & New York. . . **Olympic Radio & TV** appoints **Steve Jordon Inc.** (Steve Jordon pres.), 1117 N. Santa Fe, Wichita, Kan. for central & western Kansas. . . **Andrea Radio** names **Koessler Sales Co.** of L. A. distributor for California, Arizona, Nevada and Hawaii. . . **Philco Distributing-Cleveland** appoints **John W. Miller** gen. mgr., succeeding **Inwood Smith**, resigned, and succeeded by **Sidney Arlen** as gen. sales mgr. . . **Sylvania** names **S. Richard Johnson** Chicago district mgr., a new post. . . **Andrea Radio** appoints **Hyde Electronics** (Dick Hyde Sr., pres.), 888 S. Lipan St., Denver, manufacturer's rep for Colorado, New Mexico, Utah, Montana, Wyoming & eastern Idaho. **Hyde** also maintains branches in Albuquerque, N.M. and Salt Lake City. . . **Apollo Distributing**, Newark, N.J., Zenith distributor in northern New Jersey & N.Y.'s Richmond & Rockland counties, names **Richard Slobodien** pres., succeeding **David Slobodien** who becomes chmn., a new post. . . **Electronic Wholesalers**, Washington D. C., names 4 branch mgrs. vps: **Jack C. Wise**, Washington, D. C., **Phillip Konter**, Miami, **Louis J. Crusco**, Baltimore, **Joe Austin**, Huntsville, Ala.

International Electrohome's TV & hi-fi sales in U.S. tripled in past 12 months to \$3.5 million, reported **Howard Main**, pres. of Dominion Electrohome's U.S. subsidiary (Vol. 3:30 p11). He said Canadian firm now is producing 5 color TV models for U.S. market, noted that there are now 435 dealers handling company's products in this country.

First Muntz color set, now being shipped, is TV-radio-stereo combo at about \$700, now at dealers. Two more—lowboy and another combo (Vol. 3:40 p9) are due soon.

New TV outlets: Walgreen's drug chain is displaying GE 11-in. set at \$99.95 in about 40 of its stores in Chicago area.

Hoffman is considering color TV set production, but no decision has been made, according to Vp Ray B. Cox.

International Resistance received Oct. 16 "Financial World" accolade as stock issue that "seems attractive as a 'businessman's risk.'" Analysis emphasized: "As a result of a carefully balanced program of internal research plus outside acquisitions, IRC has doubled its sales in the last 5 years and gained increased investment stature as a major supplier to the electronics industry of components, circuits, transducers and electronic systems and sub-systems. Earnings during this period also have trended upward. Despite a high growth rate, the company has been successful in maintaining a simple debt-free capital structure, with no senior securities ahead of the 1.5 million common shares." Magazine also noted that IRC "is now undergoing a transition from a modest-sized company to one of substantially larger proportions."

Meredith Publishing "has no reason to believe" that revenues and earnings in 1964 fiscal year ending next June 30 will trail fiscal-1963's \$2.1 million profit on record \$71.2 million sales. Exec. Vp Payson Hall reported all divisions operating at a profit.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Artists	1963—year to June 29	\$ 18,990,968	—	\$ (2,747,000) ¹	—	931,608
	1962—year to June 29	14,434,872	—	(1,580,000)	—	931,608
CTS Corp.	1963—9 mo. to Sept. 30	22,882,808	\$ 3,453,742	1,762,274 ²	\$1.19	1,479,508
	1962—9 mo. to Sept. 30	20,652,463	3,191,652	1,595,070	1.08	1,482,003
	1963—qtr. to Sept. 30	8,295,297	1,356,728	671,467	.45	1,479,508
	1962—qtr. to Sept. 30	6,979,142	1,106,461	560,250	.38	1,482,003
Capehart	1963—6 mo. to Sept. 30	2,447,000	—	(6,000)	—	—
	1962—6 mo. to Sept. 30	1,583,000	—	(100,400)	—	—
	1963—qtr. to Sept. 30	1,265,000	—	2,400	—	—
	1962—qtr. to Sept. 30	888,000	—	(33,600)	—	—
Collins Radio	1963—year to Aug. 2	250,092,826	7,429,950	3,682,132	1.65	2,230,080
	1962—year to Aug. 2	207,775,637	6,277,373	3,477,000	1.56	2,230,063
Columbia Pictures	1963—year to June 29	—	6,299,000	2,597,000	1.47	1,629,924
	1962—year to June 30	—	5,058,000	2,242,000 ³	1.25	1,629,924
Electro-Voice	1963—6 mo. to Aug. 31	5,542,188	101,943	56,816	.11	497,332
	1962—6 mo. to Aug. 31	5,189,047	(10,476)	(4,232) ⁴	—	497,332
Fairchild Camera & Instrument	1963—9 mo. to Sept. 30	85,384,000	—	1,881,000 ⁵	.74	2,535,583
	1962—9 mo. to Sept. 30	73,628,000	—	4,236,000 ⁶	1.67	2,535,583
	1963—qtr. to Sept. 30	28,599,000	—	1,230,000 ⁷	.48	2,535,583
	1962—qtr. to Sept. 30	24,142,000	—	1,392,000 ⁸	.55	2,535,583
Technicolor	1963—9 mo. to Sept. 30	57,495,448	—	2,444,911	.91	2,655,921
	1962—9 mo. to Sept. 30	42,689,527	—	433,850 ⁹	.16	2,633,218
Texas Instruments	1963—9 mo. to Sept. 30	196,993,000	16,844,000	8,179,000	2.04	3,952,711
	1962—9 mo. to Sept. 30	175,461,000	11,238,000	5,832,000	1.45	3,948,161
	1963—qtr. to Sept. 30	68,743,000 ¹⁰	5,735,000	2,923,000	.73	3,952,711
	1962—qtr. to Sept. 30	55,725,000	2,016,000	1,048,000	.26	3,948,161

Notes: ¹After \$1,572,000 in write-offs and year-end adjustments but before \$375,749 provision for additional 1949-1957 taxes claimed by Internal Revenue Service and contested by company. ²After \$53,640 deduction to adjust for devaluation of Canadian dollar. ³Before \$415,000 profit from sale of studios properties. ⁴After \$6,244 tax credit. ⁵After \$534,000 tax benefit from losses of Allen B. Du Mont Labs prior to merger. ⁶After \$928,000 tax benefit. ⁷After \$178,000 tax benefit. ⁸After \$478,000 tax benefit. ⁹After \$604,000 inventory write-downs & reserves against doubtful accounts. ¹⁰Record.

Waltham Precision Instrument's large-screen TV projection system is just beginning to get off the ground, Pres. Louis R. Ripley reported. He termed its sales potential excellent. Waltham's earnings in 1963's first 8 months slipped to \$531,938 from \$748,000 in Jan.-Aug. 1962, but outlook is for total 1963 earnings to match 1962's \$886,508. Sales are forecast at \$9 million, up from 1962's \$7.6 million. Ripley noted that Waltham expects to acquire an electronics company soon in a cash & stock transaction.

Eitel-McCullough expects sales this year to slip from 1962's \$29.5 million, but earnings "will exceed" year-ago's \$757,392, Chmn. Jack A. McCullough reported, adding: "Profit margins have turned up and we expect 1964 to show further earnings improvement. Next year we expect sales to rise also and help earnings along." Eitel-McCullough is "quite liquid," he said, but has no plans to issue stock dividends. "We're growing and we need the cash."

Clarostat Pres. Victor Mucher and brother Vp George J. Mucher have sold their total Clarostat stock for "personal reasons" to investment group headed by N.Y. financier Lewis M. Schott. Muchers held 9.5% or 43,447 of company's 452,945 outstanding shares. Victor Mucher sold 22,411, George 21,036. Clarostat closed at \$5 Sept. 24, the day of transfer. Mucher brothers will retain their posts. Pres. Victor said "I believe what I did to be in the best interests of the company," noted that Dover, N.H. resistor and controls manufacturer anticipates reduced sales & earnings this year. First-half report showed loss of \$23,810 on \$4.3 million sales vs. year-earlier profit of \$177,763 on \$5.2 million.

Philips Lamp expects 1963 sales to jump "at least 11%" above 1962's \$1.536 billion, push profits 5-6% ahead of year-ago's \$92.4 million. Vp W. A. de Jonge forecast 8-9% sales increase next year, noted that 1964 earnings would be affected by approximate 8% rise in wages. Some 35% of company's stock is held in U.S.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

OCTOBER 28, 1963

NEW SERIES VOL. 3, No. 43

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

OMAHA REPORT—MORE 'DIALOGUE' WANTED by FCC Chmn. Henry. He seeks more access of public to station program plans, financial condition, etc. No more local-live hearings needed at the moment, he says, suggesting examination of criteria used in picking network & syndicated programs, plus study of AM-FM (p. 1).

PRO FOOTBALL CROWDS RUNNETH OVER, and teams seek to pick up fans through theater TV. Comr. Rozelle hastens to say system would only 'supplement' free TV (p. 2).

THE UHF ETV EXPANSION PROGRAM, as proposed in FCC rule-making, provides total of 604 uhf ETV reservations, added to existing 99 vhf. Airborne uhf request also subject to rule-making which asks about feasibility of 2500-mc band (p. 3).

NO CATV COMPROMISE, FCC STAFF URGES, recommending Commission start rule-making to assume regulatory jurisdiction, without new legislation. Staff believes CATV legislative proposal too restrictive for long run, says industry has gone as far as it can without more microwave (p. 3).

OMAHA REPORT—MORE 'DIALOGUE' WANTED: FCC Chmn. Henry's report on Omaha "local live" hearing, released last week, shouldn't surprise anyone—because it embodies many of the things he's been talking about & voting for ever since he joined Commission.

Henry believes Omaha stations "make a genuine, good faith effort to determine & meet their community's needs & interests in the local sphere." Trouble is, he says, that public doesn't participate enough in showing stations what is needed. So he comes up with number of recommendations—some not new:

(1) Station program plans, as submitted to FCC in renewal applications, etc., should be available at station for public inspection. This is proposed in pending rule-making (Doc. 14864).

(2) Financial status of stations should be known to public, and such data, as filed with Commission, should be open to public at station (as proposed in Doc. 14864). In addition, FCC's annual financial statistics on TV, including combined performance of stations in market, should be available (not yet proposed by FCC, but should be, says Henry).

(3) Program forms should have "regularized framework" for reporting on irregularly scheduled local "specials"—because stations rely heavily on these to meet local needs.

(4) "Glaring deficiency" in program form is inadequate provision for showing when programs are carried. And Henry indicates he believes there isn't enough locally-produced material in prime time.

Consumer Electronics

'FORM FREEDOM' is year's most important trend in stereo; new shapes & concepts expanding market, as mass-market phono producers set sights on 'component packages;' Kalb cites 'quality revolution,' predicts price stability, component boom (p. 7).

IMPORTED TV PRICES may drop as result of U.S.-made tinyvision, some manufacturers believe, fearing dump next year; importers say American small-screen promotion is helping their sales—not hurting; more Japanese sets seen with U. S. brand label (p. 8).

HERTZ READIES NEW TV RENTAL PROGRAM: Car rental giant plans bigger bite of TV rental business, is testing program in Tampa, plans to introduce new technique in N. Y. in 3-6 months (p. 8).

MORE 9-MONTH REPORTS: Magnavox has 5% profit gain despite 13% sales decline (p. 10); Westinghouse earnings slip to \$39.6 million from \$40.1 million despite sales rise to \$1.556 billion (p. 11); Muntz TV posts record \$11.8 million sales in fiscal year (p. 11); Motorola continues rebound from first-quarter profit drop with record July-Sept. sales & earnings (p. 11).

(5) Stations should be required to list most important local issues in their program forms, thus giving FCC "a highly significant index of their performance as local institutions."

(6) Since station staff is an index to outlet's ability to program, program form should give breakdown of program dept. employes, by function, plus list of staff members available to help local groups create programs.

(7) Definition of "local live," as used by Henry in inquiry, is any program with 50% or more of time devoted to locally produced material. He suggests that program form permit stations to report local-live segments separately even if mixed with other material.

(8) Stations should announce, once every 2 weeks between 7 & 10 p. m., that they have duty to seek program needs, that applications may be inspected at station; that suggestions are welcomed. Henry provides suggested text of such announcement.

Henry then summarizes whole inquiry, says it "served a valid and important purpose." First, it gives FCC a "grass roots" insight. Second, FCC "quite properly" seeks industry's views, because "we have at least as heavy an obligation to keep in touch with the thinking of the public for whose sake the FCC was created." Third, such hearings give broadcasters "opportunity to correct, supplement & rebut statements that others may make about their efforts. . . It is difficult to believe that broadcasters would prefer that we obtain information about them secretly."

Henry emphasizes several times his belief that stations don't carry enough of regular, prime-time, local programs other than news, weather, market reports & sports.

Aspects of broadcasting other than local live also need attention, Henry says. For example, Commission should learn more about criteria stations use in choosing network & syndicated programs—and what is happening in AM & FM. So, he says, there's more pressing need to study such areas rather than to conduct more local-live hearings. "In sum," he concludes, "the Commission—no less than its broadcast licensees—can benefit from a genuine, continuing dialogue with the public it was created to serve."

Henry made report easy to study, by issuing it in 3 forms: 3-page press release, 10-page summary, 66-page full report. Copies are freely available from Commission, or we'll get them for you.

Report was issued late in week, so immediate reaction wasn't available from those most likely to react: Omaha stations, NAB, Neb. senators & congressmen—all of whom have blasted Commission vigorously before, during & after hearing.

PRO FOOTBALL CROWDS RUNNETH OVER: So successful has pro football become—in no small part due to free TV—that team owners are seeking to sop up overflow fans with theater TV.

National Football League's current 2-year \$9.3 million contract with CBS ends this season, and NFL aims to get permission to use theater TV in next contract, which will be considered in Jan. Both CBS & NBC are expected to bid (ABC has AFL). Plans call for use of theater TV only when team plays at home. Under league rules, there's 75-mile blackout when team plays in its own arena. Many, if not most, NFL teams have been playing to sold-out stadiums this season.

NFL Comr. Pete Rozelle emphasized that theater TV would supplement league's lucrative deal with free TV. Network arrangement has been profitable not only financially, but has been credited with building sport to high level of popularity at gate. Rozelle said he didn't think free TV would ever be replaced, not in foreseeable future at least. He pointed to public relations impact as one reason, not to mention govt. relations. League has been given certain exemptions from anti-trust laws.

"We want to retain the right to experiment," league spokesman explained. "There would be an overall NFL policy regarding pay TV and it would be up to each club to implement as it saw fit. There is no indication now which clubs are especially interested in theater TV at present. We have an attitude of 'watchful waiting' as far as pay TV is concerned," he said.

Asked about possible ties with pay-TV firms, he said: "We have no attachment to any firm, although we've been approached by many." It was presumed that new Subscription TV Inc. on West Coast had been in touch with Los Angeles Rams.

First experiment with theater TV may come Dec. 29. NFL championship game, under separate contract to NBC for \$926,000, contains permissive clause. It was added this year after NFL tried last year to set up large-screen TV at N. Y.'s Madison Sq. Garden when it was obvious Green Bay Packers-New York Giants were to play to overflow crowd at Yankee Stadium. But contract didn't permit it.

Unrequited appetites of football fans—no ticket, no home TV—have driven many to distant motels that can receive game from another city. This also has led to "bootleg TV" where motels in not-so-distant cities have erected large antennas to pick up games. Under swelling popularity of sport, theater TV could give NFL income lost to "motel TV" without detracting from present turn-away crowds, NFL reasons.

In another football development, broadcaster George B. Storer is negotiating to buy Philadelphia Eagles for \$4,550,000. Team spokesman said "he's one of the interested parties." Frank McNamee, Eagles pres., & Mike O'Neill, treas., have been empowered to negotiate sale. But spokesman said meeting has yet to be called to review developments. Among Storer properties is radio WIBG there.

THE UHF ETV EXPANSION PROGRAM: New commercial uhf & airborne ETV uhf allocation proposals were issued by FCC last week, almost precisely as recommended by staff and reported exclusively in these pages (Vol. 3:41 p2).

Proposal adds 411 uhf assignments, mostly ETV, to bring total uhf assignments from 1,568 to 1,979; 604 are reserved for ETV (in addition to existing 99 vhf). Commission added one procedural provision to those we reported earlier: If no opposition to an assignment is filed, and there's demand for it, it may be finalized before over-all proceeding is concluded. Comments are due Jan. 3.

Airborne uhf ETV proposal followed staff recommendations. Midwest group had sought regular operation on Ch. 72, 74, 76, 78, 80 & 82. Commission started rule-making, asked 14 broad-scale questions, including feasibility of 2500-mc band, with comments due Jan. 3. (Full texts of both proposals are expected to be released this week; we'll be pleased to send you copies.)

NO CATV COMPROMISE, FCC STAFF URGES: Subject of CATV regulation is due for FCC discussion this week—and top Commission staff members recommend that CATV industry's proposed legislation be rejected, that FCC start rule-making proceedings to assume regulation over industry—without further ado. (For story on "TAME", see p. 4.)

We've learned that Commission's top staff members have agreed on approach: General Counsel Max Paglin, Broadcast Bureau Chief James Sheridan, Common Carrier Bureau Chief John Nordberg, Safety & Special Bureau Chief James Barr. With that kind of lineup, odds are Commission will be persuaded.

We're informed that staff urges: (1) Reject industry proposals. (2) Take further regulatory action under FCC microwave-licensing powers. (3) Start rule-making action to assert regulatory jurisdiction over all CATV, regardless of whether they're served by microwave.

We understand staff proposes that CATV's be required to carry local stations on their systems and give "reasonable protection" against duplication of local stations' signals. It's proposed that stations be protected within their Grade A contours, as a general rule—with more protection, if needed, to be provided on a case-to-case basis.

For CATV's using microwave, it's suggested that duplication be prohibited 12 days before & after programs are carried by local station. For CATV's not using microwave, only simultaneous duplication would be verboten. But these provisions could be varied on case-to-case basis, too. However, no CATV would be required to delete a program if it leaves its subscribers with only one network program. Furthermore, FCC won't step into picture if CATVs & local stations work out amicable agreements. In addition, rules would provide that CATVs carry out political broadcasting equal-time laws.

Staff concludes that foregoing route should be taken because: (1) FCC can't get legislation over CATV opposition. (2) Commission won Carter Mountain microwave victory in courts. (3) Industry proposal is reasonable for short term—but FCC would be tying its hands for long pull, because it believes industry has gone about as far as it can without more microwave facilities.

TV WINS A ROUND VS. ASCAP: A substantial break for TV stations, first in long time in fight with ASCAP, came last week when U. S. Supreme Court sent case back to N. Y. Court of Appeals.

High court ordered Appeals Court to hear All-Industry TV Station Music License Committee's argument on its merits. Earlier, Judge Ryan, of N. Y. District Court, had ruled that he didn't have power, under ASCAP consent decree, to order ASCAP to give Committee what it sought—music "clearance at the source." Committee then went to Appeals Court which said it didn't have jurisdiction in case. Last week, Supreme Court disagreed, thus giving industry best opportunity so far to present its case.

Hamilton Shea, WSVA-TV Harrisonburg, Va., chmn. of All-Industry Committee, said: "We feel that our request for a music license which would result in competitive clearance at the source is fair to all concerned and is available to us under the ASCAP Consent Decree. We look forward confidently to the chance to prove this in the Circuit Court of Appeals."

NBC came back briskly in response to FCC Broadcast Bureau's recommendation that WRCV-TV Philadelphia be taken from network (Vol. 3:39 p5). Bureau had asserted that NBC employed "naked use of network power" and "bald coercion" on Westinghouse, regarding Pittsburgh affiliation, forcing latter to swap its Philadelphia station for NBC's Cleveland outlets. Last week, NBC listed host of counter-arguments, including: (1) FCC had all facts of Pittsburgh case before it when it approved swap in 1955. (2) Bureau must assume that both Westinghouse & NBC lied in 1955. (3) Westinghouse had superior bargaining power in Pittsburgh, owning the only vhf in town at the time. Further, said NBC: "Under the Bureau's view, Westinghouse's contributions can overcome the worst kind of anti-trust conduct, whereas in the case of NBC, contributions unparalleled in our nation's history must be looked at askance because they 'are not always without self-serving objectives.'"

FCC's primer on "fairness doctrine" is expected about end of year. There's some movement at Commission, meanwhile, to expand & train staff for handling increased political broadcasting problems next year. Congressional campaign committees are hearing from grass roots, getting concerned. Senate Democratic group held meeting & asked for clarification from Nicholas Zapple, Commerce Committee communications specialist. Copies of doctrine were supplied by FCC. Many letters are also being received on Hill, as Dr. Carl McIntyre & "Life Line" supporters are being aroused.

Canada's CATV association—National Community Antenna TV Assn.—tiny compared with U. S. NCTA, is turning administration over to professional management firm. Plan is to reduce dues from 4¢ to 2 3/4¢ per subscriber per month, because of savings expected. Annual budget is \$19,950.

Big activity at FCC this week—possibly—with following subjects up for discussion: network program practices, program forms, CATV, vhf drop-ins. Chmn. Henry is in from Geneva space allocation conferences, may head back there evening of Oct. 31.

RATINGS POTPOURRI: RAB & NAB seem to be almost there—in agreement on radio methodology study—after week's confabs. Differences are reportedly minor, & handshake is again considered imminent. Among other rating activities:

(1) Nielsen has replaced about 1/5 of national TV sample—about 200 homes—responding to criticism of its permanent sample, voiced at Harris hearings. Replacement of rest of sample, plus other changes—such as increasing sample and including Mountain Zone homes—await reaction from Nielsen clients.

(2) Reports of Nielsen's possible abandonment of national radio ratings are "premature," according to Nielsen. Firm has already dropped local radio.

(3) NAB Research Committee is sending final version of standards & criteria to Rating Council members. Top Census expert Morris Hansen likes them, as prepared by NAB Research Vp Melvin Goldberg.

(4) Local TV methodology study will examine problems of small samples, non-cooperators & reliability of various diary techniques.

"TAME" group of manufacturers, out to restrain CATV (Vol. 3:41 p1), met in Chicago Oct. 24-25, reported progress & enthusiasm. Acting chmn. is Morton Leslie, JFD Electronics sales mgr., who reported that all original members were represented, except that components-maker Cornell Dubilier had to withdraw because of conflicts between its divisions. TAME will incorporate in N. Y., select exec. secy. soon, has voted "substantial 5-figure" fund for fight. Promotional PR kit, being sent to distributors in "critical areas," was prepared by Nelson Stern, Cleveland ad agency. Leslie reports that Ga. Assn. of Bcstrs. has invited him to speak at Oct. 30 Atlanta meeting, that KVTV & KTIV Sioux City, Ia., are eager to join in fight against proposed CATV system for Norfolk, Neb. "Norfolk," Leslie said, "is typical of the communities we're concerned about. It has received TV for years. We're not going to fight CATV where it brings TV to people who can't get TV."

Motion picture theater can become community "communications center" of the future, Theatre Network TV Pres. Nathan L. Halpern told last week's convention of Allied States Assn. of Motion Picture Exhibitors in N. Y. He urged theater men to create merger of communications & entertainment, with big screen TV bringing to movie theaters special entertainment events, sports, business & industry meetings, political meetings and scientific & educational sessions.

Another Broadway production will be video taped for TV, only this time it'll be for RKO General's pay-TV experiment in Hartford. Show is the well-received "Spoon River" which opened on Broadway Sept. 29. Viewers will be charged about \$2. Two weeks ago, Group W performed similar feat on free TV with "The Advocate," which closed almost immediately but received praise from TV critics (Vol. 3:42 p2).

"Horse manure"—and other words to similar fetid effect—is ABC spokesman's description of rumor that McGraw-Hill might buy AB-PT.

Progress report on pay-TV in Hartford is sought by FCC in long series of questions (not made public) directed at experimenter RKO General.

CONGRESSIONAL AID & COMFORT: Rep. Rogers (D-Tex.) took his battle against recent FCC moves (Vol. 3:42 p2) to home soil last week, addressed Texas Assn. of Bcstrs. at Dallas on commercial limitations, license fees, editorializing.

His Nov. 6-8 hearings on bills to prohibit FCC from setting rules on length & frequency of commercials will hear, among others: NAB Pres. Collins; FCC Chmn. Henry; some congressmen. NBC Senior Exec. Vp David Adams is probable witness while CBS & ABC plan to send statements similar to comments filed with FCC. Collins's testimony is expected to deal with part 2 of NAB's FCC filing—covering legislative history and NAB's contention that FCC lacks authority for this move.

Another anti-limitations bill was introduced last week by Rep. Langen (R-Minn.). It's similar to those of Rogers, Purcell (D-Tex.), Broyhill (R-N. C.).

Virginia Assn. of Bcstrs. called on its congressional delegation last week—10 representatives plus Sens. Byrd & Robertson—after briefing sessions with NAB's Hollis Seavey, govt. relations mgr. Broadcasters presented printed outline of their grievances, covering commercial restrictions, editorializing, fairness doctrine. Lawmakers were understood to have offered support.

Rogers had this to say about Congress-FCC relations: "I do not criticize [broadcasters for attacking me at time of editorializing hearings] because I am satisfied that they were simply equating [Congress with FCC] and considering the 2 agencies as being completely interwoven. Let me dispel that myth here and now..."

"From some of the muscle-flexing that has taken place in recent years, it would seem that some of these agencies have decided to construe the word 'independent' literally and to consider themselves as the 4th branch of the govt..."

"The editorializing hearings... would have been a great success had they accomplished only the single purpose of awakening the industry... to the inherent dangers of permitting administrative agencies to legislate..."

"Your principal responsibility in expressing opinions on the air is to be certain you provide ample opportunity for broadcasting opinions dissenting from your own..."

Rogers commented on FCC's plan to charge license fees, authority for which Commission says is provided for in 1951 appropriations act: "Why did they wait 10 years? Was it an open defiance of the Congress, or was it the fact that they didn't think they had the power at any time? I prefer to subscribe to the latter..."

On FCC's proposal to set limits on commercials, Rogers said it was the first proposal of Federal Radio Commission or FCC, in 36 years, for "direct regulation as to the amount of advertising that could be broadcast." He urged industry to serve public "wisely," to address govt. with "unified voice."

Opposition to FCC's commercial-limitation rule-making has been expressed to Commission by 4 senators & 38 congressmen. "I'd call that 'substantial congressional interest,'" an FCC spokesman said, "but it ain't nothin' compared to the reaction before the communications satellite bill was passed. There were about 150 congressmen supporting AT&T's position." Opposition to rule-making has been filed by 29 state broadcaster associations.

COWLES—ON MEDIA GROWTH: Gardner Cowles, man of all media—broadcasting, newspapers, magazines—60 years old and going very strong, got off his views in interview by enterprising Peter Bart in Oct. 23 "N. Y. Times."

Cowles said magazine advertising is showing greater gain than TV this year—first time since TV started, and "I would be surprised if magazines & newspapers didn't do better in the next 5 years relative to the broadcast media than in the last 5 years."

As for newspapers: "Big city dailies that cover hard news well will have no great difficulties in coming years." Demise of "N. Y. Mirror"? "The 'Mirror' was essentially entertainment, and the entertainment business has moved to TV."

Bart writes: "The big news in TV during the next few years will be made by pay-TV, Mr. Cowles believes. Pay-TV, if successful, could further fragmentize the TV audience and increase the uncertainties facing TV advertisers."

Cowles said his organization now gets 1/3 of income from TV-radio & newspapers, 2/3 from magazines—but that acquisitions may change picture from time to time.

Advertising generally, Cowles said, should increase 6-10% annually during next 10 years.

FCC's commercial-ceiling proposal covers a "troublesome area," FCC Comr. Cox told Conn. Assn. of Bcstrs. Oct. 24, and he mused: "Perhaps... we should forego a rule and simply announce that as a general policy we regard the present NAB Code limits as sound for most stations, so that any broadcaster who is in compliance can be sure that we will not raise questions about the amount of time he devotes to commercials. As to those stations who do not meet the standards of the Codes, we would not close the door but would recognize that they may have perfectly valid reasons for exceeding those limits. These stations could be required to file showings as to why, in their judgment, it is necessary in their particular circumstances to devote a higher percentage of time to commercials during at least some periods. If these showings appear reasonable, the applications could then be granted despite the higher than normal commercial level."

Art Buchwald's satire on TV commercials Oct. 20 received warm praise from Sen. Smith (R-Me.): "I like it because he defends that underdog that practically all of us at one time or another have maligned or picked to pieces—the TV commercial." Titled "Commercial Addict: More Time to Drink Beer Than Anybody," Buchwald jests: "We happen to be one of those who think there aren't enough commercials on TV. After watching what the new TV season has to offer we have decided we'd rather watch commercials."

"FCC is challenging all free enterprise and all free communications," NAB Pres. Collins told Miami Beach Fall Conference, 4th of 8 regional confabs held annually by NAB. "Neither the FCC nor Congress has any business telling us what 'fairness' is and their efforts in these areas will create a jumble of difficulty for the broadcasting industry," he said. He listed 3 main problems facing NAB: Govt. encroachment, controversy over quantity & quality of commercials, broadcasters' own fear of being controversial.

Personals

NBC Chmn. Sarnoff receives Joseph E. Connor Memorial Award for excellence in communications, at Emerson College, Boston, Nov. 3.

Frank M. Headley, H-R TV chmn., re-elected to TvB board... **Todd A. Spoerl**, ex-U.S.A.F., named publicity-public relations mgr., WJZ-TV Baltimore.

Vin Dittmer, sales mgr., CTV Montreal, promoted to business mgr., Toronto... **Charles Warren**, Mutual's Washington news chief, also named bureau operations mgr.

Col. DeWolf Schatzel (USMC-ret.) joins A. Earl Culum Jr. & Assoc., Dallas consulting engineers, in charge of special projects including microwave & CATV. He retired from Marine Corps in 1961, recently served as dir. of engineering, Midwest Program on Airborne TV Instruction.

Robert A. Bernstein, ex-Group W public relations dir., recently vp of Softness Group PR firm, named national public relations dir., Triangle Stations; **John F. Corcoran** appointed publicity dir., WFIL-TV-AM-FM Philadelphia.

Clinton M. Barrick, FCC Broadcast Bureau, appointed Comr. Bartley's engineering asst., succeeding **Neal K. McNaughten**, named OEC Emergency Systems Div. chief.

Don Kellerman, CBS News producer, becomes NET cultural programming dir. Jan. 7; **William H. Kobin**, ABC News producer, becomes NET public affairs programming dir. Jan. 1.

Jack Berry, commercial mgr., WNEB-TV-FM Flint-Saginaw-Bay City, promoted to station mgr... **Austin A. Harrison**, ex-NASA consultant & broadcaster, appointed gen. mgr., WIHS-TV Boston, new Ch. 38 station licensed to Catholic TV Center.

John P. Higgins, ex-law clerk to D.C. District Court Judge Charles McLaughlin, joins Washington law firm of Lyon & Chase.

Ben Colman, ex-Screen Gems, appointed sales mgr., Westhampton Film Corp, 717 Fifth Ave., N. Y., now marketing 15 post-1960 features and planning to finance new TV & motion picture production; **Henry S. White** is Westhampton marketing vp... **Bill Dawes** promoted to community relations dir., WCPO-TV & WCPO Cincinnati.

Barry Winton, ex-ABC Films account exec., joins Hamilton-Landis & Assoc., Washington.

John J. Nordberg, chief of FCC Common Carrier Div., retires Jan. 6 after nearly 34 years in govt. He'll become vp for development at California Lutheran College, Thousand Oaks, Cal. He joined Navy Dept. in 1930; came to FCC in 1935.

Obituaries

Elliot C. Lovett, 67, veteran Washington TV-radio attorney, died Oct. 21 of apparent heart attack in Boston. A past pres. of FCBA, he's credited with establishing right to attach recording device to phone, in case of SoundScriber vs. AT&T, which led to beep tone. He is survived by wife, daughter, 2 sons.

Leslie J. Harter, 72, retired AT&T Long Lines executive, died Oct. 19 at Peter Bent Brigham Hospital, Boston. He is survived by widow, brother.

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CBS Chmn. William S. Paley urged federal intervention & federal funds to meet educational requirements of space age, in Centennial Address prepared for delivery Oct. 26 at Bates College, Lewiston, Me., where he received Honorary Doctor of Laws degree. Paley called for establishment & enforcement of national educational standards, even though it might require constitutional amendment, and for federal financial aid to educational institutions. He said that if states fail to supply necessary basic education, federal govt. should be empowered to "step in and fill the void."

President Kennedy called for generous public contributions to Radio Free Europe, at White House luncheon for 66 business, broadcasting, publishing executives who have contributed to RFE. Kennedy said need for RFE is particularly acute in Eastern Europe where "these brave people value freedom." He pledged all peaceful U.S. govt. support for "adjustments" that would make these govt.'s more responsive to their people.

Plan to spread ham radio to other countries to aid communications, particularly where Peace Corps is operating, has been discussed by: Sen. Goldwater (R-Ariz.), himself a ham operator; Peace Corps Dir. Sargent Shriver; officials of FCC, Commerce Dept., American Radio Relay League, Boy Scouts; representatives of electronic manufacturers. Albert Kahn, Electro-Voice, was named chmn. of committee to facilitate shipment abroad of ham equipment & educational electronic kits.

HEW has received 5 more applications for ETV construction grants totaling \$1,359,773: Metropolitan Pittsburgh ETV, \$111,312 to expand Ch. 13; Community TV of Southern Cal., \$528,327 to activate Ch. 28 Los Angeles; Twin City Area ETV Corp., \$126,332 to activate Ch. 17 Minneapolis-St. Paul; Kentucky State Board of Education, \$380,770 to activate Ch. 46 Lexington & \$213,032 to activate Ch. 29 Somerset. Penn State amended its application from \$239,580 to activate Ch. 69 State College, to \$200,000 to start Ch. 3 Clearfield.

Global TV Enterprises, specializing in world-wide distribution of TV programs, is formed by Sam Gang, former NTA & ITC executive. Address: 37 W. 57th St., N. Y.; phone: HA 1-2648.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

'FORM FREEDOM' EXPANDS HI-FI MARKET: This year's most important trend in stereo hi-fi business, from where we sit, is not transistorization, but new "freedom of form," which is broadening the phono market. Trend is still in infancy, should expand considerably in next few years.

Here's what we mean. In stereo's beginning there were hi-fi components made by so-called "audiophile" manufacturers. These were then joined by consoles & portables—"package" goods built by big mass manufacturers. Consumer's choice was limited by these designs and his pocketbook.

Big change—several years in making—was most evident this year. One phase of it is flexibility in package units—such "functional furniture" pieces as coffee tables, end tables, room dividers, hutches, window seats. Add to this the table-model phono—one which drops all pretense of being portable, and is gradually becoming a new breed of instrument.

Perhaps most significant is realization that decision of components-vs.-package is not matter of quality but matter of form. Thus last 18 months have seen tentative forays into "component concepts" by traditional package manufacturers. Component packages are now being offered to conventional non-audiophile buyer by V-M, Webcor, Magnavox & GE.

Other side of coin has been recognition by audiophile manufacturers that there may be market for packaged versions of their equipment. This trend really started many years ago, when these manufacturers began combining tuner & amplifier (once considered an unpardonable sin). Today both Fisher & H.H. Scott have extensive console lines, and KLH has highly successful portable phono at \$199.95.

It's all part of what was called the "quality revolution" by Vp-Gen. Mgr. Roland J. Kalb of Pilot Radio, which has long been in both component & package hi-fi fields. Discussing with newsmen his observations on swing through major markets in last 2-1/2 months, Kalb insisted last week that quality is now more important to consumer than price, submitting EIA 8-month phono sales figures to back up this view: \$300-&-up category, 26% increase over 1962; \$400-&-up, 42% increase.

By same token, Kalb sees decline of discount selling in high quality stereo field. In addition, he thinks audio components have outgrown Ma-&-Pa and "enthusiast" stores, and that they will more & more be important item for "major merchandisers," particularly dept. stores.

Although Pilot's components can be classed as "audiophile" merchandise, Kalb—by background & disposition—shies away from engineering salesmanship. Major merchandisers will handle component goods, he says, when manufacturers make it easy for them. By this he means the "component package" approach, permitting sales of matched component ensembles, which do not require extensive inventories.

With the bookshelf speaker and the exposed tuner-amplifier becoming important status symbols, it was inevitable that mass-product manufacturers would try their hands in "component ensemble" business. Traditional "phonograph" has fled confines of its rigid console-or-portable format. We think new wide choice of forms—with expansion of this trend to come in next year or 2—will do more than any other single innovation to increase sales of middle-& higher-priced phonos.

* * * *

That long-pending hi-fi definition is being "held in abeyance" for several months in hopes that more suggestions will be received, we were told last week by FTC spokesman. FTC has received proposals from EIA and several individual manufacturers, but audiophile manufacturers' principal spokesman, Institute of High Fidelity, has not yet been heard from formally. "We may eventually make a recommendation to the Commission on the basis of what's already in our file," spokesman told us. On other hand, there seemed to be slight indication that FTC might be disposed to drop entire project.

IMPORTED TV PRICES—GOING DOWN? There's feeling among American set makers—not shared by importers—that one effect of U.S.-made 11-in. sets will be to force prices of imports further down. Some American manufacturers fear possible Japanese dumping next year. But importers look at it other way around—they say American tinyvision is helping call public attention to brand new product field which is completely unsaturated, with beneficial effects on sales of small imports.

Effects of U.S. tinyvision on imports so far are disputed. One large American set manufacturer—which doesn't make tinyvision but is studying field carefully—says its retail reports indicate that "higher-priced Japanese sets are being clobbered" all of a sudden, presumably by American-made 11-in. product. He predicted Japanese response would be lower prices, but probably after Christmas.

Au contraire, say importers, promotion of "personal portable" is broadening market for wee TV. Spokesman for Sony, which claims 80% of all miniature TV sales in U.S., says there's been no slow-down in sales—in fact, "the 11-in. set is helping our sales." He explained, however, that Sony will continue to concentrate on "the quality market, the sophisticated market." While "other small sets are helping to sell ours," he said he feels Sony's battery operation and portability are biggest selling points. "Over a period of time, more than 50% of our customers buy batteries for their sets." Sony has no plans to go into the AC-only portable TV field, he added.

Sales Dir. Herman Marsen of Sharp Electronics (Hayakawa) expressed similar view on impact of U.S.-made tinyvision. "We're still in a back-order position on our battery sets," he told us. "If the GE set is cutting in, it will take us some time to find out. But I would say it's helping to increase the market for small-screen sets. GE's 16-in. set helped a great deal in making a market for our set of the same size.

"Actually, GE went into the small-set market after the Japanese had explored it. We think this will widen the sales potential. The large-screen market is saturated. It's tough and fiercely competitive. The small-screen market is a brand new one, and I think it's the best one for the dealer to explore. There's room for everybody in this new 2nd, 3rd & 4th-set market."

GE TV Receiver Marketing Mgr. Marshall Bartlett could shed little light on question. "We haven't been following the retail sales of Japanese sets," he told us, "so we really don't know."

One large TV manufacturer told us his investigation indicated "the bloom is off" the 11-in. set, that retail sales seem to be leveling off—at least temporarily—after initial surge. Asked to comment, Bartlett said: "We don't see anything in our retail figures that would alter our opinion—this is a very broad market." He also said it was too early to tell what distribution pattern is emerging on 11-in. set, with regard to sales by type of outlet, etc. As to sales mix between \$99.95 model & step-ups, he said: "Since we are still allocating sets, any figures we could derive would have little meaning." Admiral, only other current U.S. maker of 11-in. sets, is also still in back-order position.

Whether advent of U.S.-made tinyvision will result in increase or decrease of imports, there's no question that U.S. manufacturers are looking at possibility of importing small-screen sets as a means of keeping themselves covered in tinyvision market. Sears Roebuck is test-marketing its 10-in. Toshiba-built import (Vol. 3:29 p10) in selected retail outlets at \$89.95. Westinghouse is exploring possible import of 12-in. set, believed to be made by Mitsubishi. It's probable that other deals are in incubation stage.

HERTZ READIES NEW TV RENTAL PROGRAM: Bigger bite of booming product rental business, including TVs, is anticipated by Hertz Corp.'s expanding Rent-All Div. with new display-&-rent technique slated for introduction in N. Y. market within 3-6 months. Plan currently is undergoing test in Tampa market, has produced highly encouraging results.

Plan calls for establishment of network of in-store displays in all types of retail outlets throughout city. "It could be a drug store, a department store, any quality retail store." Each display is connected by direct phone to nearest Hertz Rent-All outlet, uses panel of color transparencies of products to attract traffic, is complete with 2 catalogs of products available for rent—one general product catalog, the other devoted to sick room needs. Store installing display is paid a straight percentage of the volume generated by the unit. Hertz would not reveal percentage figure, said there were no other fees for the floor space.

Hertz described program as "variation of our call-a-car stations in air & train terminals," said

it was developed jointly with its Tampa franchiser. Program has been operating in Tampa for about 6 months, "with great success," Hertz told us, adding: "The results have been so encouraging that this certainly is an area in which we are going to move." Franchiser has displays in several outlets of big Eckerd Drugs chain. Display is one ft. wide, 4 ft. long, 7 ft. high. "It should be especially effective in N. Y.," we were told, "because space here is at such a premium."

Hertz's TV rental business to date is running well ahead of year ago. For 2nd straight year, World Series demand "ran us out of TV sets here in N. Y. overnight." Baseball classic, Hertz said, vies with Christmas & summer vacation season as peak TV rental season.

Milton Cohen, Hertz vp & gen. mgr. of Rent-All Div., told us over-all TV rental volume is "not only much higher than a year ago but high enough for us to rethink our inventory and warehouse situation. We're holding discussions with TV set manufacturers right now with view to greatly increasing our inventory for next year.

Sony Micro TV set "is very hot with us here in N. Y.," Hertz noted. "We don't know why exactly unless it's the size & convenience." It can't be rental price, because rates are markedly higher on the little 5-in. set. Tinyvision TV rents for \$17 for one week, \$25 for 2, \$30 for 3, \$35 for month. Comparatively, 19-in. set rents for \$13 for one week, \$17 for 2, \$21 for 3, \$25 for month. Tinyvision battery pack is available for additional charge of \$5 for one week, \$7.50 for 2, \$9 for 3, \$12.50 for month.

Japanese 5-incher is displayed in Hertz Rent-All window, attracts considerable attention. "It's not a brand name situation," Hertz told us. "People usually come in after scanning our display window. They usually ask 'what does that little one rent for?' They rarely ask for sets by brand name."

Hertz entered Rent-All business some 3 years ago (Vol. 16:40 p15), has grown to 21 outlets in 15 cities—up from 18 in 13 at end of 1962 (Vol. 2:53 p8). Company operates 5 of the stores—3 in Chicago, one in N. Y., one in Highland Park, N. J. Franchised outlets are in Cincinnati (2); Columbus; Dayton; Huntington, L. I.; Lewiston, Me.; Louisville; Norfolk; St. Louis (4); South Bend; Spokane; Tampa; West Hartford, Conn.

Rental firm is continuing push into leased departments in department stores. Via franchisers, it now has rent-all departments in Shillito, Cincinnati, and main store and 2 branches of Stix, Baer & Fuller, St. Louis. "We are moving further into the department store field," Hertz told us, "and currently are dickering with Stern Bros. in N. Y., among others."

Hertz's TV rental business still is restricted to b&w sets. "There is some demand for color," we were told, "but we have not responded because of the service problems. However, it is inevitable that we'll get into color—but we've set no timetable yet."

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 18 (42nd week of 1963) excluding 11-in. and smaller:

	Oct. 12-18	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	158,670	154,472	137,618	5,659,824	5,297,522
Total radio	523,810	502,809	461,783	14,390,145	15,259,041
Auto radio.....	254,989	233,799	172,799	6,203,817	5,515,493

TOPICS & TRENDS

Photo finish between Zenith & RCA for title of No. 1 TV producer seems likely this year. RCA Sales Corp. said last week that it had passed million-mark in factory TV sales in Sept.—3 months ahead of its millionth set last year. Zenith announced earlier that its distributor-to-dealer sales topped million mark in 9 months of 1963 (Vol. 3:40 p9). Best guess is that Zenith will be No. 1 in unit TV sales this year, RCA No. 1 in TV dollar volume.

Cinerama hopes to hold demonstrations of Telcan home video tape recorder (Vol. 3:36 p7) in N. Y. & London within 6 weeks, company spokesman told us last week.

Can Japanese firms doing business with U. S. interests be held accountable under American laws? This is basic question in pre-trial maneuvering in anti-trust and breach of contract suit by Symphonic against Nippon Electric and group of other firms in N. Y. Federal District Court (Vol. 3:29 p7). Defendants have moved to vacate charge on grounds that principal Japanese firms named in suit (Nippon Electric, New Nippon Electric) don't do business in U. S. Memorandum filed with court last week by Symphonic attorneys charges that companies have actually conducted business in U. S. themselves, and that NEC N. Y. Inc. and Sumitomo Shoji N. Y. Inc. are actually parts of parent companies, rather than independent corporations. Principal document filed by Symphonic last week was lengthy affidavit by Pres. Max J. Zimmer recounting details of NEC's TV sales negotiations with his company and subsequent events. Argument on motion to vacate is scheduled for Nov. 26.

Imported transistor radios will capture about 72% of U. S. market this year, Sen. Saltonstall (R-Mass.) said last week in floor speech urging companies & workers in industries plagued by import competition to seek administrative relief through Tariff Commission. Quoting EIA estimates, he said imports last year accounted for 68% of transistor radio sales, Japanese-made sets alone comprising 63% of total sales. Figures used by senator presumably covered all types of transistor radios, including those with fewer than 3 transistors, which Japanese call "toys."

Realtone Electronics, which manufactures radios in Japan and sells them here, reports net sales of \$4 million for first 6 months of 1963, increase of 35% over last year's period's \$2.987 million. Pres. Ely E. Ashkenazi said "Realtone trademark appears on one out of every 8 imported radios sold in U. S." He added that Realtone has now reached status of 3rd largest factor in Japanese radio output, although its production is geared mainly to U. S., not to domestic or other world markets.

Electronic components business, which hit \$2 billion level in 1953, will climb to \$3.930 billion this year, reach \$4.6 billion in 1965, \$6 billion in 1970, in opinion of International Resistance Pres. Walter W. Slocum. Total electronics sales volume in 1970 is projected at \$20.5 billion. Replacement parts, tubes & semiconductors, which accounted for \$305 million a decade ago, will do \$675 million this year, he said, and climb to \$750 million in 1965, \$950 million in 1970.

Leased department for hi-fi equipment, electron tubes & batteries has been opened in Macy's Herald Square, N. Y. store by Terminal-Hudson Electronics, which shortly will open similar departments in 3 other Macy N. Y. -area stores. Terminal-Hudson has been operating leased departments in 4 of Macy's Bamberger stores since last year.

Department store inventory of TVs, radios & phonos at end of Aug. was valued at 14% higher than year ago, Federal Reserve Board reported. Their Aug. sales of home entertainment products rose 12% above Aug.-1962 level, pushed Jan.-Aug. volume 6% ahead of same 1962 period.

A. R. Bernard Corp., import and merchandising consultant firm for cameras & tape recorders, has been formed in Chicago by Al Bernard, ex-Argus exec. vp.

Magnavox consumer products sales in 1963's first 9 months rose 33% and pushed profits 5% ahead of year ago to \$7.2 million despite 13% sales decline to \$118.5 million (see financial table). Sept.-quarter consumer volume boomed 60%, partially offset "sharp drop" in govt. business, and hoisted earnings 8% to \$2.8 million. Sales, however, dropped 17% to \$40.6 million. Pres. Frank Freimann reported record sales of TVs, stereo hi-fi & related products in 3rd quarter, said momentum is expected to continue throughout balance of year. Magnavox closed 3rd quarter with \$75 million backlog of unshipped govt. orders, up sharply from \$40 million a year earlier.

New computer caused imaginary slump in Japanese radio exports to U. S. for Aug., according to "Electrical Merchandising Week's" Tokyo bureau. Shipments of radios with 6 or more transistors actually increased 18% to 855,879 from the 725,510 of Aug. 1962. Shipments for 8 months totaled 5,092,930, up 13.1% from 4,502,029 in same 1962 period. Total of 452,116 originally reported (Vol. 3:41 p10) was derived by Japanese govt. by old computer, with additional amount obtained from new computer appended to released figures, "EM Week" said.

RCA's record 9-month pace (Vol. 3:41 p11) "is being maintained as we near the end of Oct.," Pres. Elmer W. Engstrom told Investment Analysts Society of Chicago last week, predicting sales & profit records for 4th quarter & full year. He said consumer & industrial products will represent 44% of RCA's business this year, up from 38% in 1961, while govt. business has declined from 38% to 32%. Relative contribution to RCA profits from govt. sales has been cut approximately in half since 1960, he added.

Professional Products Div., concentrating on electronic components for TV-radio broadcasting, commercial recording, TV & motion picture film production, and special sound applications, has been formed by Shure Bros., Evanston, Ill. components manufacturer. Robert W. Carr, formerly development engineering mgr., appointed division mgr.

Commerce Dept. publications now available: (1) "Technology of the Production of Radio-Electronic Equipment," English translation of 1961 Soviet textbook (334 pages); \$5 from Office of Technical Services, Commerce Dept., Washington 20230 (Order 63-31826). (2) "Estimated Shipments of Selected Electronic Components, First Quarter 1963," available from Electronics Div., Business & Defense Services Administration, Commerce Dept.

"Colorcast indicator"—light which indicates whether station being tuned is broadcasting in color—is now included at no extra cost on all Magnavox color sets retailing at \$595 & higher. Only other U. S. set with color indicator is Motorola.

New sets: Two contemporary 21-in. consoles, from Andrea, at \$850 (remote control) and \$750. . . Magnavox introduces walnut-finish wood cabinet AM-FM table radio at \$69.90.

DISTRIBUTOR NOTES: Minnesota Mining's Revere-Wollensak Div. appoints N. G. (Scotty) Lyall audio-visual markets supervisor, names 3 consumer products sales supervisors: B. R. Boatman, Western area; D. B. Ubel, Eastern; R. C. Merryman, Midwest.

Trade Personals

Leon J. Knize, formerly Ravenswood pres. & one-time Stromberg-Carlson consumer products mktg. mgr., joins Fisher Radio as mktg. vp.

John T. Morgan, ex-Philco, promoted from merchandising vp to sales & merchandising vp, Sylvania Home & Commercial Electronics Corp... **Brock P. Hayes**, ex-Texas Instruments & CBS Electronics, named General Instrument national distributor sales mgr. for Semiconductor Products.

Harold Travis named Silicon Transistor financial vp, a new post, and secy.-treas... **Donald J. Fingleton** elected Globe-Union finance vp, succeeding **R. W. Conway**, resigned.

R. W. Lee named pres. of General Precision's information systems group, succeeding **W.E. Bratton**, resigned.

J. Walter English, formerly Fairchild Camera & Instrument controller, appointed finance vp of Simmonds Precision Products.

Paul Thayer named Ling-Temco-Vought senior vp in reorganization; **J. O. Weldon** becomes corporate vp & gen. mgr. of new Continental Electronics Div., **W. R. Kiefer** corporate vp & gen. mgr. of new LTV Michigan Div.

Frank J. Healy, Sylvania senior vp, awarded National Electrical Mfrs. Assn.'s James H. McGraw Medal for Cooperation, cited as "developer of scores of important new products and markets, and the creator of thousands of jobs in electrical and allied industries."

Alfred S. Gussin, former Karastan Rug Mills ad, sales promotion & store planning dir., joins Magnavox as mktg. svc. vp.

Franklin S. Riley Jr. appointed asst. mgr., Westinghouse's N. Y. PR office.

CBS is in "active negotiations right now" to acquire new companies, according to CBS Inc. Pres. Frank Stanton. Acquisitions will not be TV or radio properties, and "our next move will definitely not be in equipment," he said. Further gains for CBS Inc. for year's first 3 quarters were summarized by Stanton in address last week to Los Angeles Society of Financial Analysts: CBS-TV network sales, daytime & nighttime, were "substantially higher" than first 9 months of last year. Sales by CBS's o-&o TV stations were "well above" last year's same period. CBS radio sales were "well ahead" of 1963, while compensation to radio affiliates was "more than double the amount we forecast at this time a year ago."

Movielab foresees record 1963 sales of about \$7 million, up from 1962's \$6.5 million, and earnings a "little better" than year-ago's \$292,278. Pres. Saul Jeffee said expansion spending, including \$750,000 investment in firm's N. Y. film processing lab, has held earnings down. He forecast higher sales & earnings in 1964, noted without further detail that Movielab is negotiating to process ABC-TV's news film.

EICO Electronic Instrument has moved into larger, 100,000-sq.-ft. hq plant at 131-01 39th Ave., Flushing, Queens, N. Y.

Muntz TV pre-tax earnings in 1963 fiscal year ended Aug. 31 slipped slightly to \$1,023,799 from year earlier \$1,047,841 (see financial table). Taxes whittled net earnings to approximately \$632,000. No Federal income taxes were required in fiscal 1962 because of tax-loss carry-forward credits. Sales rose 3.3% to record \$11.8 million from \$11.4 million. Chmn. Floyd Dana & Pres. Wallace Keil forecast sales rise to \$16 million in 1964 fiscal year, estimated that Muntz TV's current market share of about 1.5% of TV industry total would rise to some 3% by 1965. Company plans to put about 20% (or some 20,000 units) of fiscal-1964 TV production into color sets, said current TV sales run approximately 70% combinations (vs. 60% last year), consoles 10% (vs. 20%), tables & portables 10% (10%), lowboys 10% (10%). Slated for introduction by year's end is Japanese-made 16-in. set. Keil said Muntz has no present plans to add tinyvision sets. He forecast 1964 industry sales of some 6.5 million TVs, including 1.25 million color sets.

Motorola, which opened 1963 with 45% profit slide in first quarter (Vol. 3:19 p12), continued to rebound with record sales & earnings in 3rd quarter (see financial table). July-Sept. surge pushed 9-month sales to record \$270.3 million from year-earlier \$244.7 million, closed profit gap to \$9 million vs. \$9.1 million. Sept.-quarter sales rose 15% to \$98.2 million. Profits were up 20% to \$4.1 million. Pres. Robert W. Galvin said each of Motorola's 6 domestic divisions contributed additional sales and/or earnings to the improved results, noted that international revenues also increased. He predicted favorable 4th-quarter performance, with both sales & earnings exceeding those of 1962's final period, added: "This will result in record sales for 1963 and total profits higher than last year." Motorola in 1962 earned \$12.2 million on record \$346.9 million sales.

Westinghouse losses in electric utility & marine group operations, coupled with unusually heavy expenses in 3rd-quarter introduction of new consumer products, resulted in July-Sept. profit dip to \$13 million from year-earlier \$14.6 million, despite 14% sales rise to \$536.1 million (see financial table). Nine-month earnings slipped to \$39.6 million from \$40.1 million, although sales were up to \$1.556 billion from \$1.428 billion. Pres. Donald C. Burnham said all product groups contributed to increased volume. New orders & backlog of unfilled orders continue to run well ahead of year ago, and Westinghouse expects total 1963 sales to top record \$2.009 billion set in 1957.

Chapter 11 plans of 25% each have been filed by Wilcox-Gay & wholly-owned subsidiary Majestic International (Vol. 3:28 p12) with Referee Louis J. Castellano, N. Y.- Wilcox-Gay proposes 2-1/2% cash payment on confirmation, 9 payments of 2-1/2% each at 6-month intervals. Majestic would pay 50% of annual net profit until creditors receive 25% of their claims. Hearings on both plans are scheduled for Oct. 30. Meanwhile, Wilcox-Gay has been authorized, with referee's approval, as exclusive sales agent for German-made SABA line of TVs, radios, phonos, tape recorders.

IBM's largest stockholder is Fairchild Camera & Instrument Chmn. Sherman M. Fairchild, with 150,000 shares. Next largest: IBM Chmn. Thomas J. Watson & family, 117,000 shares.

Muntz TV stock purchase of 17,000 shares by vp Jack Simberg boosts his direct holdings to 51,500 shares.

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
Amphenol-Borg Electronics	1963-9 mo. to Sept. 30	\$ 62,425,918	—	\$ 1,705,137	\$ 1.23	1,387,677
	1962-9 mo. to Sept. 30	65,914,230	—	1,593,164	1.15	1,387,677
Capital Cities Bcstg.	1963-9 mo. to Sept. 30	12,068,594	\$ 2,815,165 ⁷	1,321,796	1.06	1,184,411
	1962-9 mo. to Sept. 30	10,946,957	1,995,445	939,197	.75	1,184,411
Corning Glass	1963-40 wks. to Oct. 6	218,051,969	\$ 43,776,127	23,289,127	3.40	6,791,885
	1962-40 wks. to Oct. 7	198,625,161	39,412,732	21,332,732	3.12	6,789,000
Electronic Specialty	1963-9 mo. to Sept. 30	51,843,251	—	2,061,525	1.40	1,467,752
	1962-9 mo. to Sept. 30	48,356,297	—	1,953,994	1.39	1,407,685
Erle Technological Products	1963-9 mo. to Sept. 29	22,081,000	—	444,000	.45	798,806
	1962-9 mo. to Sept. 29	20,656,000	—	816,000	.90	798,806
	1963-qtr. to Sept. 29	7,615,000	—	174,000	.18	798,806
	1962-qtr. to Sept. 29	6,355,000	—	215,000	.23	798,806
GT&E	1963-9 mo. to Sept. 30	1,047,787,000 ¹	—	71,523,000 ¹	.94	75,498,000
	1962-9 mo. to Sept. 30	970,770,000	—	59,276,000	.79	74,224,000
	1963-qtr. to Sept. 30	363,312,000 ¹	—	25,237,000 ¹	.33	75,803,000
	1962-qtr. to Sept. 30	321,432,000	—	20,889,000	.27	75,019,000
Goodwill Stations	1963-9 mo. to Sept. 30	6,166,845	—	548,502	.79	631,903
	1962-9 mo. to Sept. 30	5,669,172	—	456,146	.66	632,143
Hazeltine	1963-9 mo. to Sept. 30	31,264,000	2,361,000	1,125,000	.72	1,568,363
	1962-9 mo. to Sept. 30	35,220,000	3,063,000	1,428,000	.91	1,568,363
Littelfuse	1963-9 mo. to Sept. 30	4,656,679	—	214,061	.63	341,237
	1962-9 mo. to Sept. 30	4,759,335	—	237,879	.70	341,237
	1963-qtr. to Sept. 30	1,520,000	—	68,467	.20	341,237
	1962-qtr. to Sept. 30	1,405,000	—	55,229	.16	341,237
Magnavox Story on p. 10	1963-9 mo. to Sept. 30	118,500,000	14,176,000	7,200,000	.98	7,359,795
	1962-9 mo. to Sept. 30	136,500,000	14,040,000	6,850,000	.94	7,324,786
	1963-qtr. to Sept. 30	40,600,000	5,608,000	2,800,000	.38	7,359,795
	1962-qtr. to Sept. 30	49,000,000	5,140,000	2,600,000	.35	7,324,786
Motorola Story on p. 11	1963-9 mo. to Sept. 30	270,329,305 ¹	19,192,276 ²	9,030,259	2.24	4,026,872
	1962-9 mo. to Sept. 30	244,700,845	19,396,488 ²	9,098,080	2.26	4,026,872
	1963-qtr. to Sept. 30	98,163,075 ¹	8,706,223	4,117,165 ¹	1.02	4,026,872
	1962-qtr. to Sept. 30	85,051,498	7,272,937	3,412,104	.85	4,026,872
Muntz TV Story on p. 11	1963-year to Aug. 31	11,762,672 ¹	1,023,799	632,799	.44	1,437,482
	1962-year to Aug. 31	11,391,265	1,047,841 ³	1,047,841	.73	1,409,982
Outlet Co. (WJAR-TV Providence)	1963-6 mo. to July 27	7,978,183 ⁴	321,831	177,331	.36	497,100
	1962-6 mo. to July 28	8,142,373 ⁵	702,012	336,347	.68	497,100
Howard W. Sams	1963-qtr. to Sept. 30	—	—	271,009	.50	537,111
	1962-qtr. to Sept. 30	—	—	201,621	.37	535,718
Taft Bcstg.	1963-6 mo. to Sept. 30	5,894,764	1,989,827	913,813	.58	1,589,485
	1962-6 mo. to Sept. 30	5,729,398	2,128,018	964,036	.60	1,589,485
Westinghouse Story on p. 11	1963-9 mo. to Sept. 30	1,555,602,000	73,688,000	39,588,000	1.07	36,012,136
	1962-9 mo. to Sept. 30	1,427,749,000	71,829,000	40,129,000	1.09	35,622,369
	1963-qtr. to Sept. 30	536,056,000	24,199,000	12,999,000	.35	36,012,136
	1962-qtr. to Sept. 30	470,777,000	26,015,000	14,615,000	.40	35,622,369

Notes: ¹Record. ²Before \$1 million (25¢ a share) capital gain from sale of Motorola Finance Corp. (Vol. 2:25 p10).
³Federal income tax not required because of loss carry-forward credits. ⁴Includes \$726,575 from broadcasting.
⁵Includes \$1,111,063 from broadcasting. ⁶After \$116,496 in special charges.

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

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

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NAB LIBRARY SUMMARY-INDEX OF WEEK'S NEWS
NOV 4 1963

Broadcast

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

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

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

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

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

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

(1) Vhf drop-ins & CATV rules weren't considered, probably won't get action this week either. Apparently, Commission doesn't consider speed mandatory.

(2) Network program ownership practices were discussed Oct. 28, with upshot that Commission decided to ask networks for more data on their revenues & profits from program sales & syndication.

(3) Adoption of new program form for radio was given high priority, and it's expected quite soon. Also, stations will be required to file renewal applications more than present 90 days before expiration, to give FCC staff time to process; 5-6 months are expected.

(4) Deferred renewals for Md., D. C., Va. & W. Va. were discussed, and Commission agreed with staff that more data on virtually all is needed. Most had non-program problems—technical, incomplete applications, etc. Of 77 deferred AMS, 9 have program problems, 7 have program & other problems. All 14 FMs have non-program angles. All 10 TVs are being questioned on "local-live" issue.

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Includes imports

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Raytheon. Stanley Lovell bought 500, held 706.

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

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

Screen Gems. Lloyd Burns sold 400, held 443.

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

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

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

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

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

United Artists. Eugene Picker bought 100, held 100.

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

WEEKLY

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Television Digest

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Consumer Electronics . . .

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

NOVEMBER 11, 1963

NEW SERIES VOL. 3, No. 45

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Broadcast

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

Obituaries

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

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

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

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

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

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

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

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

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

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

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

(Continued from page 12)

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

(Continued on page 11)

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

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

NOVEMBER 18, 1963

NEW SERIES VOL. 3, No. 46

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

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

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

HARRIS SCORES FAIRNESS DOCTRINE, says sending

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

Personals

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

Edward A. Montanus, ex-MGM-TV central sales mgr., appointed ABC-TV central div. sales mgr.; **Jack Reilly**, asst. sales mgr., adds job as senior account exec. . .

Donald F. Keck, ex-ABC-TV Spot Sales, N. Y., named gen. sales mgr.. WXYZ-TV Detroit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obituaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PHONO DISTRIBUTOR SALES

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

PHONO FACTORY SALES

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

Television Digest

with

Consumer Electronics . . .

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

NOVEMBER 25, 1963

NEW SERIES VOL. 3, No. 47

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

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

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

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

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

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

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Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TV-RADIO DISTRIBUTOR SALES

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

BLACK-&WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
June	665,004	620,653	107,500	50,283
July	394,291	336,409	75,589	28,359
August	565,198	500,693	90,457	44,862
September	779,405	731,517	133,265	70,299
TOTAL	5,188,815	4,864,120	732,850	418,966

RADIO PRODUCTION

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

DECEMBER 2, 1963

NEW SERIES VOL. 3, No. 48

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

JOHNSON ADMINISTRATION, AND THE INDUSTRY: Speculation leans toward less-tough FCC, gradual drift of Kennedy appointees, such as Chmn. Henry from govt. Mrs. Johnson puts station holdings in trusteeship. Old New Dealers prominent among Johnson advisers (p. 1).

THE INDUSTRY ACHIEVEMENT in coverage of assassination & aftermath reaps nation's appreciation. Costs estimated as high as \$100 million. World reached via satellite & recordings (p. 2).

BELL'S OUTLOOK FOR CODES: New Code Authority dir. will unveil recommendations at TV & radio Code Board meetings in Jan. Urges broadcaster & advertiser cooperation, more research. Sees threat of civil suits in proposal for joint agency Code support (p. 3).

ARB EXPANDS MEDIA RESEARCH ACTIVITY: Forms new 'Committee on Improving the Measurement of Advertising Media,' has ticketed Detroit methodology study sponsored by ARB & RKO-General as "Experimental Study #1". Project expanded to cover all media (p. 4).

FCC HITS METROMEDIA WITH OWNERSHIP QUIRK— mutual fund owning more than 1% of its stock and that of Taft—thus violating rules. Purchase of Baltimore radio stations conditioned on compliance (p. 4).

COLLINS ATTACKS LUCKIES COMMERCIAL: NAB head calls it 'brazen' & 'cynical' in appeal to youth. Urges churchmen to take complaints to broadcasters (p. 5).

Consumer Electronics

ECONOMY STRONG, business climate good, consumer electronics leaders agree; some see temporary buying slowdown, but predict Johnson administration will be favorable to business (pp. 7 & 10).

ALL-CHANNEL PRICE HIKES next year will be ingeniously hidden, manufacturers agree, facing problem of taking water out of already-dehydrated sets; price leaders seen starting at same point as today; mad scramble on for foreign parts; across-line average boost as low as \$15 (p. 7).

COLOR SET STATISTICS on production & sale to be urged at EIA meeting this week, in all-out push to restore integrity of market data; immediate decision not anticipated (p. 8).

JAPANESE EXPORT PRICES continue drop, as 9-month figures show increased shipments; average TV price dropped from \$59.34 to \$53.71 in Sept. 1963; transistor radio 9-month average price is \$7.89 (p. 9). Table of Japan-to-U.S. shipments (p. 10).

JOHNSON ADMINISTRATION, AND THE INDUSTRY: You can get complete spectrum of speculation in Washington, but virtually no information, on what Johnson Administration may mean to TV-radio industry. (For roundup of opinion on consumer electronics industry, see p. 7.)

Mrs. Johnson moved promptly last week to disassociate President from financial connections with industry, by filing application with FCC to put control of her broadcast interests in hands of trustees A.W. Moursand & J.W. Bullion, Johnson City, Tex. Stock is to be held in trust for Johnsons' 2 daughters. Mrs. Johnson will resign as chmn., have no voice in management. President Johnson is said to have had nothing to do with running stations. Johnsons have no holdings in other federally-regulated industries.

Mrs. Johnson holds 52.8% of LBJ Co., licensee of KTBC-TV Austin, plus minority holdings in KWTX-TV Waco, KBTX Bryan, radio KNAL Victoria (all Tex.), KVII Ardmore, Okla. Moursand & Bullion now own 30.9% of LBJ Co., will also control Mrs. Johnson's 52.8%.

Common assumption here is that FCC's tough regulatory stance would rub President Johnson wrong way. If this is true, it would mean that FCC Chmn. Henry will be leaving before very long. This is because Presidents get results they wish primarily by appointing men who think as they do—

not by telling regulatory agencies what to do. There's recurrent talk, of course, that Attorney General Kennedy will resign, after "decent interval," and that many Kennedy appointees will follow suit.

Henry has "placed myself at the President's disposal"—customary practice of Presidential appointees when new chief executive takes over. Meanwhile, Henry says: "It's business as usual here—as usual as it can be after such a tragedy."

Because of his long & influential role in Congress, Johnson has extraordinarily broad & deep acquaintanceship with leaders in all industries and in govt.—in addition to his relationships with world leaders as Vice President. So, heads of networks, groups, individual stations, plus newsmen, are well known to him.

Many of Johnson's most-trusted advisers are names out of the New Deal—Benjamin Cohen, Dean Acheson, Abe Fortas. His long-time top administrative aide is Walter Jenkins. Senators close to him include: Magnuson (D-Wash.), Pastore (D-R.I.), Fulbright (D-Ark.), McCarthy (D-Minn.), Dodd (D-Conn.). Others in govt. close to him are: Cyrus Vance, Secretary of the Army; Harry McPherson, a Vance deputy; William Moyers, Peace Corps deputy. Among Washington TV-radio figures, some who have worked with Johnson are: Frank Russell, retired NBC vp; Leonard Marks, who was treasurer of Johnson's campaign committee; John Hayes, of Post-Newsweek stations, who helped in use of TV-radio during campaign.

You can weave plausible-sounding speculation about all kinds of "ifs." If Henry leaves, will incumbent FCC Democrat be elevated to chmn.—Bartley, Cox or Loevinger? Most guessers predict there'd be a new man, because there's probably more political advantage in such move. Republican Comr. Ford, whose term is due to end next July 1, presumably has excellent chance of reappointment if he wants it. Heretofore, there was talk that Kennedy Administration would replace him with a Republican of its own choice.

THE INDUSTRY ACHIEVEMENT: A nation's gratitude & recognition, beyond anything it has ever known, has been accorded the TV-radio industry. Networks & stations poured unceasingly of their superb people & equipment to give the nation what it needed. Aside from fullness of coverage, industry by its whole tone provided a base of stability to the national mood—grief rather than anger, then hope rather than panic. The industry's contribution is a perfect subject for a book by an able historian. A selection of tributes is well worth listing:

(1) President Johnson himself, on night of Nov. 25 called the patriarch of news commentators, H. V. Kaltenborn, to thank him for his comments on NBC-TV's "LBJ Report No. 1."

(2) Presidential news secretary Salinger relayed to TV-radio & press the appreciation of Mrs. Kennedy, Kennedy family and those closest to them "for the very dignified manner in which they covered the death of the President and the events which followed it."

(3) FCC Chmn. Henry on behalf of Commission: "Americans are deeply indebted to the broadcasting industry for its comprehensive, dignified coverage of the tragic & solemn events surrounding the death of President Kennedy... In this hour of tragedy, broadcasting achieved greatness."

(4) Sen. Magnuson (D-Wash.), chmn. of Commerce Committee: "The remarkable coverage during this period of shock, bewilderment & confusion attests to the skill & maturity of electronic journalism... I would estimate [the cost] runs into the millions of dollars... I must state for the record that the excellent performance of recent days brings to them the highest commendations that I can make."

(5) Rep. Harris (D-Ark.), chmn. of Commerce Committee: "The performance... tends to offset much of the criticism leveled against the industry... Having been a frequent critic of particular aspects of the broadcasting industry, I am particularly gratified that I can say to the industry today thanks for a job well done. We can say truthfully today that we Americans have felt fused together as one people largely because of the outstanding contribution made by the broadcasting industry."

(6) Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee: "Skillful, respectful, detailed & tasteful coverage... Superb performance—electronic journalism at its best and public service programming in the true meaning of the phrase..."

(7) Sen. Gore (D-Tenn.): "Deep appreciation for the sensitive & magnificent coverage... I do this,

first, out of deep gratitude; and second, because heretofore I have been a critic of the programming & commercialism of TV & radio."

(8) Sen. Proxmire (D-Wis.), also a frequent critic: "The intelligence & sensitivity of the commentary and the continuously expressed dedication to this country's strength & solidity in its hour of terrible grief was superb."

(9) Rep. Sisk (D-Cal.): "We all recall charges against this industry and statements with reference to the 'vast wastelands,' many of which I have agreed with in the past, but I am proud to say... That this great industry has finally grown to adulthood and has contributed an outstanding service to America and to the world."

* * * * *

Network duties were staggering. Many hundreds of people worked under enormous tension, many around the clock. Individual groups & stations gave all they had.

Costs were enormous. Estimates run up to \$100 million for whole industry—most of it irretrievable. Industry gave unstintingly. (We know of only one blatant note—an ad more than 1/4 page, taken in Washington papers by local radio broadcaster who asked: "I wonder how many realize the tremendous losses in revenue incurred by these stations? I wonder if the above will be overlooked along with some newspapers that were filled with advertisements...")

Hundreds of millions of people in rest of world got coverage live, filmed or taped—via satellite or jet—and kudos poured in from virtually entire world.

In Washington, pervasiveness of radio was astonishing. As one stood on cortege routes, thousands of transistor radios made it sound as if subdued public address speakers were strung along streets. Demand for batteries taxed supply.

Print media have done well in national crises & tragedies. Radio brought events even closer. TV, now, makes the public involvement complete. More than ever, public & govt. leaders will look to TV & radio to keep them together in the critical aftermath.

BELL'S OUTLOOK FOR CODES: Howard Bell takes over as Code Authority dir. today (Dec. 2). Though he's done his homework, he says his real education is just beginning, and "stakes are high."

Bell is collecting ideas & recommendations to carry Code program "forward." These he will unveil at separate TV & radio Code board meetings sometime in Jan. before semi-annual gathering of full NAB board.

Bell is an optimist with an open mind on Code problems. But he's sure of at least 2 things: (1) If Code is going to work, it will need full cooperation of all elements of business. (2) Entire Code approach needs basic research to suggest fresh ways—or possibly, to confirm merits of old ways. He's not entirely convinced, for example, that quantitative "time" standards can't be made to work.

One of Bell's major concerns is relationships among broadcasters, agencies & advertisers. His view: "We should know their problems and concerns, but in the final analysis, it is the broadcaster who has to establish the ground rules for use of his facilities."

Advertising fraternity will support industry's self-regulatory efforts, Bell believes: "Government encroachment would hurt everybody. The press is aware of its involvement, too, and has generally supported the industry in its current battle over government restrictions."

Ad agencies probably will have to make individual judgments in supporting Code, Bell said. He points out that even if Justice Dept. were to clear any joint agency move to back Code, this would erase only the threat of criminal anti-trust action. There would still exist threat of other legal action—where non-Code station claiming injury because of alleged conspiracy could pursue civil suit, which can yield treble damages. "This wouldn't help the Code very much," Bell said.

Biggest help Code must get is greater support from industry itself. "We've got to find ways to increase its acceptance and implementation," Bell repeatedly asserted. He believes stronger Code

may be part of answer: "The Code will have most respect when it means what it says," meaning "sanctions," too.

If Codes are to have new look, research will lead way. NAB has contracted with Columbia U. for analysis of certain raw data on commercials that were part of psychologist Gary Steiner's research, but not included in his report—"The People Look at Television." It's hoped this will be ready in Jan. Bell feels strongly that qualitative standards, especially, will have to be guided by research because these criteria are "extremely subjective."

* * * * *

FCC's legal memorandum, to support authority to set limits on commercials, has been approved by Commission, will be delivered this week to Rep. Rogers (D-Tex.), chmn. of Communications Subcommittee. At hearings, FCC said its authority comes from public interest mandate, its powers to classify & prescribe nature of broadcast services, plus Supreme Court decisions stating if issues can be dealt with on case-by-case basis, they can be handled by over-all rule. FCC oral argument is set for Dec. 9.

ARF EXPANDS MEDIA RESEARCH ACTIVITY: Responding to cries from some admen that it take stronger hand in research reform, Advertising Research Foundation has formed new "Committee on Improving the Measurement of Advertising Media," simultaneously expanding its interest in Detroit methodology study sponsored by ARB & RKO-General.

Originally retained as consultant, ARF has ticketed Detroit project as Committee's "Experimental Study #1". It's estimated that cost of study to ARB & RKO-General is about \$70,000. Project was designed primarily to test ARB's experimental individual diary—as opposed to family diary—in measuring today's radio listening. But it has been expanded now, under ARF scrutiny, to examine new diary's ability to measure all media.

Field work, to take 4 weeks, will probably begin in Jan. First results won't be known until late in March. Base of project has been expanded to determine: (1) Value of 7-day individual diary in measuring total radio. (2) Value for simultaneous measurement of all media. (3) Possibility of converting individual TV-radio exposure into family units. (4) Whether individual diary can provide depth of exposure to print media, i. e. what proportion of pages are looked at. (5) Whether media exposure can be related to sales by determining degree of cooperation among housewives in keeping product purchase diary following their participation in multi-media diary sample.

In other rating developments: (1) Plans are expected to be finalized this week for incorporation of NAB's Rating Council—held up in hope that AAAA & ANA would become full members of board. Chances now are that they will have "associate" status. (2) RAB & NAB have expanded their steering committee, to implement joint \$200,000 radio methodology study, from 5 members each to 7. It's understood action was taken to expand geographical representation. First meeting is scheduled Dec. 6.

FCC HITS METROMEDIA WITH OWNERSHIP QUIRK: New problem for multiple owners with public stock outstanding has been raised by FCC. It came to head last week in Commission consideration of Metromedia's purchase of radio WCBM & WCBM-FM Baltimore for \$2 million. FCC found that a mutual fund owns more than 1% each of Metromedia & Taft; rules provide that no one can own more than 1% in more than 7 stations. So—FCC granted approval on condition Metromedia "demonstrate compliance with" rules.

Metromedia now must get the mutual fund (unidentified) to sell off enough stock in either company to bring holdings below 1%. Will fund demand outrageous ransom? Metromedia is worried—for it has no control over fund.

If Metromedia runs into trouble, many other similar groups—including networks—may be in for trouble, unless Commission relents. In case of publicly held mutual funds, their holdings can be determined readily because they're published. But what if an individual stockholder is the "violation"? Broadcaster knows his stockholders, but not others', thus may be in violation without knowing it. It's up to FCC, apparently, to gather the data, compare lists of holders. Some at Commission were reluctant to sock Metromedia with "condition" now, plumped for unconditional grant to be followed by Commission study of whole problem. But majority of 6 commissioners present (Hyde absent), concluded condition had to be imposed. Comr. Bartley abstained; Loevinger dissented.

COLLINS ATTACKS LUCKIES COMMERCIAL: NAB Pres. Collins assailed current Lucky Strike commercial as "brazen, cynical flouting of the concern of millions of American parents about their children starting the smoking habit."

"Lucky Strikes separate the men from the boys, but not from the girls," he said, is just like saying: "If you will smoke Luckies you will acquire the virtues or the manners of manhood." In address to Assembly of United Churchmen, National Council of Churches, Collins said tobacco firms generally have taken steps to minimize their appeal to youth, in response to plea he made previously.

He observed once more that "specific action" by broadcasters on tobacco commercials awaits Surgeon General's report, due out in Jan.

Alluding to Council pronouncement of last June calling for increased govt. control over TV, Collins said the way to improve TV is not by "the morally-indignant but spiritually-lazy: 'There ought to be a law.'" He urged gathering to take its complaints about broadcasting to broadcasters. He said if FCC must become involved, "tell the FCC to consider your charges on the issue of whether or not the offending station should or should not be licensed. But do not demand that the FCC tell the station how it must meet its program responsibilities."

Screen Gems earnings in fiscal 1964's opening quarter ended Sept. 30 topped record \$467,717 posted a year earlier and "give us a fine start" for the new year, Jerome Hyams, exec. vp & gen. mgr. told annual meeting. Figures are not yet available. Leo Jaffe, SG first vp and exec. vp of parent Columbia Pictures, which owns 89% of the subsidiary, said "we have every reason to believe our growth will continue unabated." Though SG's prime evening TV network programming is down to 4 hours from 6 last season, and its "Redigo" show "has not proven a success and will leave the air Dec. 31," it has about doubled its network re-run programming to 3 hours, has sold 2 new 30-min. cartoon programs (one debuts in Jan., other in Aug.) and is producing pilots for 4 other TV shows which haven't been sold. It's also producing 26-installment series narrated by former President Truman, "HST: The Decisive Years," which has not yet been offered for TV sale.

Filmways profit in fiscal 1963 ended Aug. 31 topped \$120,000 vs. year-earlier loss of \$125,860. Revenue, however, slipped to about \$11 million from \$12.8 million. Chmn. Martin Ransohoff attributed profit to reduced expenses, consolidation of operations and termination of unprofitable TV-commercial production in N. Y. Withdrawal of N. Y. production resulted in fiscal-1963's revenue decline. He said that earnings in fiscal-1964's opening quarter, ended Nov. 30, would be at least as good as year earlier's \$44,880.

NAB has named special committee of 12 broadcasters to join Pres. Collins & staff when they meet with National Council of Churches in N. Y. Dec. 9. Meeting was prompted by anti-TV pronouncement of NCC last June. Campbell Arnoux, WTAR-TV Norfolk, is chmn.

Broadcast scholarship has been established by Assn. of Broadcast Executives of Texas. First award of \$500 will be for term starting next Sept. Recipient must have completed one year of college in Texas with TV-radio as career objective.

New Starter: WHNT-TV (Ch. 19) Huntsville, Ala. got program test authorization Nov. 26 for Thanksgiving Day debut as CBS-TV outlet. It's year's 14th new station, brings operating total to 648 (116 uhf). It has 25-kw RCA transmitter and 254-ft. used Blaw-Knox tower. Charles Grisham, ex-WAPI-TV Birmingham, is pres., 25% owner, gen. & sales mgr.; Bob Jones is operations mgr.; V. Bankowski, chief engineer. Base hour is \$300. Rep is Venard, Torbet & McConnell.

CBS-TV's nighttime lead over NBC-TV has risen to 13%, from 10% last year at this time, Pres. Frank Stanton told annual meeting of CBS 20-Year Club. Network's after-dark lead over ABC-TV is 25%, he said. Basing figures on Nielsen ratings, Stanton stated: (1) CBS has largest audiences on 6 of 7 nights, is 2nd on remaining night. (2) Network has 9 of 10 most popular shows, night & day. (3) Daytime audience is 49% greater than NBC's, 98% greater than ABC's.

Network TV's gross time billings jumped 5.7% for first 9 months of 1963—to \$612,054,600, compared with \$580,137,700 for similar 1962 period, TvB reports. Sept. billings were up 6.5%—to \$67,988,700 from \$63,869,000. Each network's billings for first 9 months: ABC, up 6.3% to \$158,482,200; CBS, up 5.8% to \$239,272,000; NBC, up 4.5% to \$214,300,400.

Hotel TV is sizeable bonus to advertisers, survey by WJXT Jacksonville shows: Of 1,084 hotels-motels responding to survey in 49-county area, 950—87.5%—reported having TV in rooms, amounting to 21,447 rooms, about 76% of total for responding establishments. Another 93 hotels-motels—8.5%—had sets available in either lobby or office. Only 42—4%—had no TV service available.

KUAM-TV-AM (Ch. 8) Agana, Guam, has been sold for \$650,000 by Phil Berg to Pacific Bcstg. Corp. (H. Scott Killgore, pres.). Killgore is pres. of Tele-Bcstrs. Inc., owner of radios KALI Los Angeles (San Gabriel), KOFY San Francisco (San Mateo) & KUDL Kansas City. Broker: Blackburn & Co.

American Federation of Musicians and its New Orleans local have again petitioned FCC to deny or designate for hearing renewal of WWL-TV. AFM claims it failed to fulfill pledges on local live public service programs. Union made similar complaint in 1961. Union claims station has done nothing to improve local live shows or to ascertain local needs.

NAB will support court battle of 4 Minneapolis TV stations refusing to pay \$500 each to FCC which held they "willfully" & "repeatedly" failed to identify sponsor. Stations had carried taped program supporting Sunday closing ordinance, but failed to announce that it was sponsored by merchants assn. Douglas Anello, NAB gen. counsel, praised stations for making test case of issue, costs of which will far exceed FCC fine.

NBC-TV affiliates convention, scheduled for Dec. 1-4 at Hollywood's Beverly Hilton Hotel, was postponed because of the period of national mourning. It will be rescheduled, probably in Feb. or March.

Pay-TV start in Denver was extended 2 months by FCC, to give experimenters time to equip for picture scrambling (Vol. 3:47 p1). Eight months had been requested.

Personals

Steve Weston, NBC-TV business affairs mgr. for programs, promoted to dir. of Tele-Sales & unit managers. . . **Ronald S. Friedwald**, ex-media dir., Mogul, Williams & Saylor, named NBC ratings mgr.

David N. Lewis, advertising & sales promotion mgr., KDKA-TV Pittsburgh, promoted to similar post for parent Group W, succeeding **David Partridge**, named to new executive duties in Special Projects, Creative Services.

Asher H. Ende, FCC examiner, promoted to assoc. chief, Common Carrier Bureau, and chief of Office of Satellite Communications, succeeding **Bernard Strassburg**, now Bureau chief.

Hendrik (Hank) Booraem, ex-Lennen & Newell, named vp in charge of programs, WPIX N. Y.

Obituaries

Richard A. Mack, 54, former FCC commissioner, key figure in 1958 "influence" scandals, was found dead Nov. 27 near Miami's skid row, on sheetless bed—with 40¢. Death was believed due to natural causes. He was last remaining principal of Ch. 10 case, following deaths of main figures of 4 original applicants and suicide of his benefactor, attorney Thurman Whiteside. An alcoholic even before being forced off FCC, Mack subsequently was divorced by wife on grounds of desertion, underwent psychiatric treatment, drifted out of public sight.

Frederick J. Molchin, 32, chief engineer of WTTV Indianapolis-Bloomington & of the Sarkes Tarzian stations, died 2 weeks ago after being shocked while working on transmitter of WPTA Ft. Wayne. He'd been with company since 1957.

"FM Magazine" will debut next month in N. Y., Chicago, other markets. Eventually, according to editor-publisher Robert J. Wattoff, it will have editions in nation's top 10 FM markets. Publication will feature national feature section & local program listings, will begin with guarantee of 75,000 copies monthly. Wattoff is former publisher of "FM Listener's Guide," whose 6 editions ceased publication early this year. Serving as FM industry consultant to new publication is David Lachenbruch, editorial director of "Television Digest." Publisher is Cadmus Corp., 270 Madison Ave., N. Y. 10016.

Triangle Stations Pres. Walter H. Annenberg will pay remaining \$12,217 mortgage on home of J. D. Tippit, policeman slain attempting to arrest President Kennedy's accused assassin. TV personality Jack Paar sent Tippit family \$1,000.

USIA has assigned TV writer Stirling Silliphant to write first of new TV series, "The Continuing Revolution," to be distributed to all Free World countries. Series will consist of six 30-min. programs on subjects ranging from civil rights to American economy.

"Study Guide on Broadcasting" has been prepared by NAB for General Federation of Women's Clubs. It's 22 pages, contains background material and suggested discussion & study topics on TV-radio.

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Theater Network TV demonstrated new Norelco color Plumbicon camera, used with its color Eidophor large-screen closed-circuit TV system at Pentagon last week. TNT claims Plumbicon is only about 1/3 size of image orthicon color camera, requires only 5 minutes of "warm-up," can operate with 2/3 less light. In addition, TNT claims Plumbicon, now in production, has uniform color, presents no "image lag" or "burn-in." For Eidophor, TNT claims 4,000 lumens, contrast ratio of 100:1, resolution of 700 lines, distortion of less than 1%.

"People really don't care very much what they see [on TV]," concludes Dr. William Stephenson, British-born psychologist, now U. of Missouri Distinguished Research Professor of Advertising. In study of what people remember from exposure to mass media, Stephenson said: TV poses special problem because "constant interruption of commercials" kills any real chance of "viewer absorption."

New camera tube developments: GE has extended warranties up to 60% on 4 types of image orthicons. RCA has introduced new 1-in. high-resolution vidicon, which, it says, "promises the possibility of new camera designs for commercial broadcast service." Resolution capability is 1,000 lines (700 at corner).

Huge marketing report on Mexico is available from J. Walter Thompson, N. Y. & Mexico City, for \$20. It terms country "young, dynamic, fast growing," says it tripled gross national product during 1950s.

Case studies of 13 video tape commercials have been published by 3M Co. in 36-page booklet, "Advertising with Video Tape." It explains techniques and costs that range from \$300 to \$12,000 each.

3M Co.'s stereo tape cartridge line will duplicate & distribute, under new licensing agreement, music of ABC-Paramount & its subsidiary Westminster.

Ampex's closed-circuit Videotape recorder is now sold in N. Y. by ITV Inc., 342 W. 40th St., and in New England by Lake Service Corp., 75 N. Beacon St., Watertown, Mass.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

ECONOMY STRONG, BUSINESS CLIMATE GOOD: Leaders of consumer electronics industry last week were inclined to agree with other business spokesmen that long-term prospects are unchanged, that economy is resilient, that outlook for business is good.

There was some feeling that tax bill now has better chance for early passage because of emotional support by Congress and traditional "honeymoon period" of new President with legislature. In survey of consumer electronics leaders, we found optimism that Johnson administration would be friendly toward business. Stock market rally and President's request that Congress pass tax bill "without delay" added to general confidence.

Some manufacturers anticipate dampener on Christmas buying during period of national mourning, but, as Motorola's Ed Taylor expressed it, were not anxious to "put a dollar sign on tragedy." While most commented on general economic outlook, we think there is one point which should be mentioned in connection with future of our own specific industry:

TV & radio have demonstrated as never before how vital they are as unifying communication force among American people. In national crisis, electronic mass communication has been elevated to stature of a necessity second only to food & shelter. TV & radio have matured far beyond the antique designation of "home entertainment." This new awareness of importance of electronic enlightenment in the home, we believe, will be most significant lasting result of Nov. 22 tragedy upon our industry.

For digests of industry leaders comments, see p. 10.

WHAT \$20-\$30 UHF PRICE DIFFERENTIAL? Almost to a man, set manufacturers are betting that highly-touted \$20-30 price increase on TV sets in next year's all-channel models won't show up—at least, not so anyone could recognize it.

Prices will go up, on the average—particularly at middle & high ends of line. But increases will be so ingeniously hidden & camouflaged as to make comparisons with current models virtually impossible. In many cases it will appear—repeat, appear—that industry is giving away uhf tuners for free.

This is consensus of large number of TV manufacturing topkicks—all of whom were promised anonymity, since next year's plans are already under way. They're all praying, of course, that Congress will eliminate 10% excise tax—which could wipe out cost differential between today's vhf & tomorrow's all-channel sets—but, being realistic, they concede that this isn't likely, and they're planning accordingly.

Real problem is that there's no water in today's sets, and neither manufacturer, distributor nor dealer can eat the price increase. Any cheapening will have to come out of set's performance. And there will be some of that. Magnitude of problem was summed up nicely by one manufacturer: "When you take \$2 out of a set, you're eating into performance pretty badly." Yet all-channel costs manufacturer nearly \$10 more than vhf-only.

Nevertheless, there's agreement that leader prices won't go up much, if at all. There's general belief that 11-in. all-channel sets will still start at \$99.95 ("How can you sell 'em at any other price?" asks one manufacturer), that 19-in. will generally start at \$139.95 list if not below. Nobody is saying just how he's going to do this, of course—but we don't doubt for minute there are plans.

There's one obvious way to cut costs just a little more—foreign parts. Everybody has his purchasing agents & engineers in Japan right now, and mad scramble for low-cost, good-quality parts is intense.

Nobody denies for minute that there will be price increases. But some will be partially offset by new corner-cutting methods. It's possible that low-end chassis will be carried higher up in line, that hardboard & other wood substitutes will be used for more low- & medium-price consoles, etc. With mass production & heavy competition, tuner prices are expected to continue their decline.

How will new prices affect consumer? There are 2 main schools of thought. As expressed by one top sales mgr.: "The public won't resist the price. The average consumer has no idea of TV prices until he's in the market for one and goes into the first store. It's the dealer who establishes price, not the public."

Other view, stated in various ways by several, is this one: As public hears about uhf and prospective increases, they'll start buying more. Thus, June-Aug. sales may well be higher than usual, with plenty advance buying to beat price jump. When pipelines are drained of vhf sets, there'll be slump for while. This will be ended by pre-Christmas buying, when people who postponed purchases in fall may decide to make up for lost time.

All manufacturers saw real effect of hidden price increases—if any—hitting some time after Labor Day. None predicted extra heavy stockpiling of vhf sets. If good business continues, some said they couldn't stockpile if they wanted to—and they're not sure they want to.

Set makers obviously will heed recent warning of FCC Comr. Robert E. Lee, who said in Toledo speech that stockpiling of vhf sets would indicate "lack of faith and could well leave a lasting impression, one that might be recalled in any future discussions with industry on measures it deemed too binding & restrictive." He also plugged up what he called "seeming escape hatch" in all-channel law—production of sets for shipment within state—giving Commission's opinion: "If the manufacturer is still producing all-channel sets for shipment outside the state where made, the law is binding on all receivers produced."

Here's what it all means to us, summing up: Plans already in works for biggest model change in TV's history... costly... would affect profits if business weren't so good otherwise. Most leader prices probably won't appear changed. (Nobody said it, but it stands to reason margins might be even shorter and leaders harder for public to buy.) Throughout entire line, increases will average something less than \$20—perhaps getting down to \$15—but most of them will be difficult to pin down because of impossibility of directly comparing 1965 models with ones currently on market.

EIA TO PUSH FOR COLOR SET DATA: Set manufacturers will make another attempt to add color TV production & sales to official industry statistics when they meet this week at Los Angeles' Statler-Hilton for EIA quarterly conference.

Spearheading attempt to break statistical blockade will be EIA's Consumer Products Executive Committee, headed by Olympic Pres. Morris Sobin. Key to problem is RCA, which has been withholding its color statistics, presumably on grounds it produces more than 50% of all color sets. At meeting last March, it appeared that RCA had agreed to contribute its figures, but this turned out to be false alarm (Vol. 3:12 p7).

EIA officials & market data specialists are concerned about recent trend of manufacturers to withhold data—as manifested by RCA's refusal to submit color figures and GE's more recent decision to hold up statistics on 11-in. TV (Vol. 3:40 p8). Although manufacturers are under no compulsion to give data to EIA, rules provide that EIA is to collect all data and to black out figures for any product in which one manufacturer has more than 50% of market, at request of manufacturer. Unilateral decisions by manufacturers to withhold information threaten integrity of entire marketing data program, some EIA officials believe.

EIA officials aren't optimistic that they'll get pledge this week from RCA for submission of color data, but they feel that strong stand may pave way for possible consent beginning in Jan. GE has informally stated it will give EIA its 11-in. figures next year, including retroactive figures for 1962—but there still seems to be concern about whether this actually will happen.

Consumer Products Executive Committee will also discuss a couple of old chestnuts: (1) EIA's role in spreading information about uhf & all-channel law. (2) FTC request for more help in arriving at definition of "high fidelity."

JAPANESE EXPORT PRICES FALLING: Perhaps most significant news in Japan-to-U.S. export figures (see table, p. 10) is continuing drop in average prices.

Although most categories of exports to U.S. appear to be leveling off in quantity—with obvious exception of TV—shipments do continue to show increase in units, if not in dollar volume.

TV shipments to U.S. totaled 317,089 units for 9-month period, as we reported last week (Vol. 3:47 p7). While average TV export price had been increasing throughout year as result of heavier percentage of transistor sets, Sept. saw decrease as compared with Sept. 1962—the \$59.34 average unit price dropping to \$53.71. For full 9-month period, unit price was slightly higher than last year—\$56.47 vs. \$55.37.

Average transistor radio price (3 or more transistors) dipped sharply in 1963 to \$7.89 from last year's \$9.51, and while total shipments were up 4.6%, dollar volume was down 6.5%. Tube radios bucked trend—shipments were off more than 30% while dollar volume was down only 10%, and per-unit price rose to \$8.05 from \$6.85, presumably because of greater percentage of FM sets.

Tape recorder shipments for 9-month period more than doubled 1962 figure, while average unit price fell to \$11.53 from last year's \$13.66. Radio-phono shipments went up by 18.4% and prices inched upward to \$39.31 from \$39.20.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 22 (47th week of 1963) excluding 11-in. and smaller:

	Nov. 16-22	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	150,992	152,288	109,260	6,440,550	5,951,361
Total radio	456,538	450,019	358,880	16,677,632	17,420,007
Auto radio.....	198,196	204,651	180,686	7,233,755	6,395,141

TOPICS & TRENDS

Temporary restraining order barring Industrial Electronic Hardware Corp. and 2 employes from using or disclosing any General Instrument trade secrets (Vol. 3:47 p7) was continued in N. Y. State Supreme Court last week pending decision on GI's request for preliminary injunction. GI alleges piracy in connection with IEHC's hiring of 2 of its key TV tuner experts preceding IEHC's announcement of entry into uhf tuner business. In another legal case, N. Y. Federal Court heard arguments on motion by Nippon Electric and other defendants to vacate charges in anti-trust and breach of contract suit brought by Symphonic (Vol. 3:29 p7, 43 p10).

Contract for 1,500 TV sets has been received by Admiral International from U. S. Govt. for use in Colombia under Peace Corps supervision. Peace Corps volunteers will use TV relay network covering Bogota and remote mountain areas in drive to reduce illiteracy. First 400 of the special 23-in. table models were due for shipment by air from Miami to Bogota last week, with remainder to be delivered early next year.

Singer is increasing TV activity. Sewing machine manufacturer now is importing 6-in. transistor TV from Japan, is selling it under Singer tradename at \$175 in 1,000 stores. Before Christmas it will be offered in about 1,200 of Singer's 1,600 retail outlets—all of its stores in non-uhf areas (set is vhf-only). Singer also is broadening its test of Magnavox line, which formerly had been handled only in Eastern stores. Test is apparently going well, since selected stores in Midwest and on West Coast are now getting Magnavox line, with Houston area stores adding it within next couple of weeks. Singer spokesman said company had no plans to add non-transistorized Japanese sets under its own label, although it did sell some 8-in. "Singer" sets several months ago, as well as liquidation of Westar TV inventory.

INDUSTRY LEADERS' VIEWS: Here are representative comments by leaders of consumer electronics industry on immediate & long-term outlook (see p. 7).

Admiral Chmn. Ross D. Siragusa Sr. "I don't believe these tragic events will have any significant effect on business... I am convinced that under President Johnson this country and the world will unite and carry forward."

EIA Exec. Vp James D. Secrest. "The outlook is reasonably good. Johnson is no novice to govt., and can carry out what was started under the Kennedy administration. We can expect a stable transition. The climate could actually be very good, since Johnson is expected to offer support to business."

Emerson Pres. Benjamin Abrams. "We may even see an improvement in the business climate. I feel Johnson will get a break from Congress, particularly with respect to the tax bill. He has experience, and the confidence of Congress. I'm optimistic from the economic standpoint of business in general, and our business in particular."

Magnavox Finance Vp Robert H. Platt. "Continuing, and perhaps increasing, prosperity for consumer electronics business is foreseen under the administration of President Johnson. The President's quick & effective assumption of Presidential power, his vow to continue programs of the Kennedy administration and the general high level of the economy today bode well for the future... The President has long been recognized as conservative in his approach to business. [He] is determined to re-establish confidence in the nation and the economy. This confidence is expected to translate into a sound period of economic activity."

Motorola Consumer Products Inc. Pres. Edward R. Taylor. "The economic climate positively will be warmer under President Johnson. That's what the stock market is telling us. I believe that the force of the economy and the momentum developed will carry through. We've lost some valuable days, of course, but you certainly can't put a dollar sign on tragedy."

Muntz TV Pres. Wallace Keil. "We'll feel the impact for a week or 10 days, but after that I believe shoppers will return to their buying mood—particularly after viewing a few commercials on TV... We don't anticipate any long-range effects of the change in administration. We expect more business in the long range, but not because of the govt.—we're just setting our sights on more business and going out for it."

Olympic Pres. Morris Sobin (Chmn., EIA Consumer Products Div.). "The long-term outlook is still very favorable. There may be an unsettled period because of uncertainty & shock. I don't think Johnson's policies will create any abrupt change in the economic climate."

RCA Chmn. David Sarnoff. "The people of the United States are fortunate in having in President Johnson a statesman with a long record of distinguished public service, proven ability and intimate knowledge of the difficult problems which face our nation and the world today."

Symphonic Pres. Max J. Zimmer. "The events of the last few days since Lyndon Johnson took over the Presidency clearly indicate that he will follow the Kennedy program and vigorously push for its passage, which should

not affect our economy adversely. If anything, the general situation should go forward at full speed."

Wells-Gardner Electronics Pres. Grant Gardner: "Except for a brief dip in business, not lasting more than a week, I see no change in the economy resulting from the tragic events. I believe that possibly the business climate may become a little warmer under President Johnson and business conditions may become easier, but we really foresee very little change."

JAPAN-TO-U. S. EXPORTS: Japan was shipping more consumer electronics equipment to U. S. at lower prices during first 9 months of this year as compared with 1962 period (see story, p. 9). Here are summary tables of 9-month & Sept. shipments, with 1962 comparisons (data courtesy of Electrical Merchandising Week):

JAPAN-TO-U. S. EXPORTS, JAN.-SEPT.

	1963		1962	
	Units	Value	Units	Value
TV sets	317,089	\$17,904,480	86,899	\$4,811,975
Transistor radios	5,996,458	47,332,656	5,323,239	50,623,000
Toy tr. radios	1,524,027	2,489,745	2,109,520	4,756,678
Tube radios	838,872	6,752,559	1,202,389	8,240,706
Radio-phonos	80,367	3,160,636	67,868	2,655,550
Tape recorders	1,513,813	17,457,615	748,640	10,233,205

SEPTEMBER

TV sets	62,630	\$3,362,294	24,295	\$1,441,852
Transistor radios	903,528	7,812,950	821,210	7,469,283
Toy tr. radios	110,944	146,664	190,535	365,852
Tube radios	118,684	1,208,150	148,371	902,970
Radio-phonos	11,684	478,733	10,657	463,125
Tape recorders	236,570	2,476,487	135,379	1,629,600

Waltham brand name will go on line of imported & domestic consumer electronic products under agreement between Sampson Co. & Waltham Watch Co. First items will be 12 Japanese-made radios & tape recorders, to be marketed in Jan. through jewelry & TV-radio-appliance stores in U. S., Canada & Mexico. They will be followed by TV & phono lines, either domestic or imported.

UHF converter promotion, featuring price reductions, special dealer discounts and ad program, has been announced by Blonder-Tongue. Its top-selling converter has been reduced from \$28.95 to \$26.95.

DISTRIBUTOR NOTES: Olympic Radio & TV opens Minneapolis sales branch, Olympic TV North Central Inc., at 4906 W. 35th St. **Daniel R. McKinnon** is mgr.. **Gerald Larson** credit mgr.; **Jack Izenstark**, ex-Columbia Phonograph Dept., named Olympic of Chicago mgr., succeeding **Austin White**, resigned... **Sylvania** is now selling direct in Cleveland market, succeeding distributor **G. M. Nutter Co.** which has discontinued operations... **Westinghouse** appoints **Paul L. Brown** south Texas district mgr., succeeding **A. N. Dargan**, retiring after 40 years with company... **RCA** appoints **Raybro Electric Supplies** (Milton O. Hollis exec. vp & gen. mgr.), 907 Ella Mae, Tampa, Fla., home entertainment equipment distributor, replacing **Electric Supply Co.**, Tampa... **Ampex Consumer Products Div.** names **John C. Dews** midwestern regional mgr.

COLOR'S WORLD FAIR: Though color TV will mark 10th birthday as regular TV service next month, and though color set sales are now rolling at healthy clip—N. Y. World's Fair may well mark true beginning of color TV era.

It's expected, at least, to provide greatest exposure to date of Americans to color TV, through RCA's strategically located exhibit (right at most used entrance) and 250-300 color sets which will be located throughout grounds.

RCA's whole exhibit will be geared entirely to color, and its closed-circuit color system is Fair's "official" communication system. Principal feature of exhibit will be glass-enclosed color TV studio, where there will always be "behind-the-scenes" activities for visitors to watch—rehearsals, set-up, actual shows.

To James M. Toney, RCA Fair exhibit dir., falls task of developing more than 2,000 hours of color programming to feed Fair's color sets, keep RCA exhibit's studios constant hub of activity. Programs fed to closed-circuit network 12 hours daily, 7 days a week will be live, film & tape—but always Fair-oriented, Toney told us—always in color. All programs, he said, will be keyed to color values, calculated to show off color TV at its finest. No off-air or network programs will be put on Fair circuit, although some network shows may originate at RCA's World's Fair studios, which will be able to handle 3 programs simultaneously.

Studio will be completely equipped with latest color origination equipment, but it will all be regular production studio gear—no experimental or developmental equipment. Included will be 3 live color cameras (with 4th available), 4 RCA color TV tape recorders (among first of new TVR-22 solid-state units), 3 complete color film-slide chains, one mobile remote color TV truck, one mobile TV tape truck.

Mobile unit, scheduled to be on continuous duty, will cover entire Fair, which will be equipped with 28 AT&T-installed pods for power & coaxial connection to studio. Generally, taping of remote events will be done in studio, but tape truck will be used in locations where there are no power-coax connections.

Another new electronic medium will get exposure at Fair. WTFM, Friendly Frost Stores' 24-hour-a-day FM stereo station at nearby Fresh Meadows, N. Y., will broadcast at least 6 hours programming daily from Fair's Better Living building. WTFM Dir. David H. Polinger says station will originate stereo programming from Fair for network of stereo stations in Boston, Philadelphia & Washington, hopes to send FM stereocasts to Europe via space satellite.

Special color-TV issue of "Radio-Electronics" magazine for Dec. features comparison of circuits of 11 different brands of color sets (Admiral, Curtis Mathes, GE, Heath, Magnavox, Motorola, Packard Bell, Philco, RCA, Toshiba, Zenith), listing of color TV test equipment, advice on color antennas & boosters.

"**Tape Recorder Directory**," giving descriptions & specs of 200 tape recorders, is being supplied free to Audiotape distributors by Audio Devices Inc. Individual copies are available for 25¢ from Audio Devices, 444 Madison Ave., N. Y. 10022.

Trade Personals

Dr. Lloyd P. Smith, Philco Aeronutronic Div. research dir., elected a Philco vp & placed in charge also of company's Philadelphia-area research activities. Hq continues at Newport Beach, Cal.

Edwin H. Seim, formerly gen. mgr. of Micarta Div., elected Westinghouse Mfg. vp, succeeding **Roy V. Gavert**, retiring Dec. 31.

Russell W. McFall, formerly Litton Industries vp & Radcom Div. gen. mgr., elected Western Union exec. vp, a new post.

Lee D. Webster, Electro-Science Investor pres., elected Tamar Electronics chmn.

Francis R. Flood, ex-GE, joins Raytheon Semiconductor Div. as mktg. mgr., headquartering in Mountain View, Cal.

Chester D. May appointed Hoffman Electronics controller... **Gerald L. Moran**, Sylvania vp, elected to Argus board... **Jerry Balash** appointed Blonder-Tongue Labs home products mgr., a new post.

New permanent date for Music Show has been established as last week in June, as result of poll of NAMM members. Next year's show will be held June 28-July 2 at Chicago's Conrad Hilton Hotel.

Electro-Voice will build 30,000 sq.-ft. plant at Newport, Tenn. to consolidate production of phonograph cartridges now carried on in 3 separate factories.

Mergers & acquisitions: **Telex Corp.**, Tulsa, Okla. maker of phonographs, tape recorders, electronic components and devices, has acquired for stock and cash **Astrocom Inc.**, Monrovia, Cal. manufacturer of subminiature electric motors and related equipment, and certain assets of **Portable Electric Tool's Precision Motor Div.**, Geneva, Ill... **ITT's** proposed acquisition of **Cannon Electric** has been approved by shareholders of Los Angeles electrical connector manufacturer (Vol. 3:29 p11)... **Tele-Tronics**, Ambler, Pa. test equipment manufacturer operating under Chapter 10 Federal court trusteeship, has been acquired by **Winslow Electronics**, Asbury Park, N. J. electronic test instrument maker, and reorganized into new company, **Winslow Tele-Tronics Inc.** Latter will exchange one share of common for each five Tele-Tronics shares... **ITT** acquisition of Philadelphia-based heating, ventilating and air-conditioning equipment manufacturer **John J. Nesbitt Inc.** has been approved by latter's shareholders. **ITT** will exchange 3/10 share of common & 4/100 share of its 4% cumulative convertible Series B preferred for each of Nesbitt's 994,075 outstanding common shares. Acquisition is expected to be effected in Dec.

Dividend news: **Zenith** has increased quarterly cash dividend on common stock to 30¢ a share from 25¢, and declared 30¢ year-end extra, both payable Dec. 27 to holders of record Dec. 6. Action increases total 1963 dividends to \$1.35 vs. \$1.20 in 1962, which included 35¢ year-end extra... **20th Century-Fox** declared 4% stock dividend on its common shares, payable Dec. 31 to holders of record Dec. 9.

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
Filmways	1963—year to Aug. 31	\$ 10,763,767	\$ 272,408	\$ 122,408	\$0.21	595,445
	1962—year to Aug. 31	12,829,849	(275,860) ¹	(125,860)	—	584,004
Microwave Associates	1963—year to Sept. 30	10,543,600	—	69,100 ²	.07 ²	1,026,600
	1962—year to Sept. 30	12,802,192	—	639,906 ³	.63 ³	1,912,700
Rollins Bcatg.	1963—6 mo. to Oct. 31	4,252,750	—	486,385	.51	957,244
	1962—6 mo. to Oct. 31	3,948,919	—	323,200	.34	955,475
Sangamo Electric	1963—9 mo. to Sept. 30	38,354,000	(711,000)	(401,000) ⁴	—	1,637,617
	1962—9 mo. to Sept. 30	36,165,000	(1,166,000)	(528,000) ⁴	—	1,637,161
20th Century-Fox	1963—9 mo. to Sept. 30	79,954,000	—	6,841,000	2.69	2,546,000
	1962—9 mo. to Sept. 30	76,555,000	—	(16,816,000)	—	2,545,845
	1963—qtr. to Sept. 30	30,761,000	—	2,081,000	.82	2,546,000
	1962—qtr. to Sept. 30	26,239,000	—	(4,360,000)	—	2,545,845

Notes: ¹Before \$150,000 tax credit. ²After special \$29,100 (3¢ a share) charge. ³After special \$80,683 (8¢) charge. ⁴After tax credit.

Japan's major electronics-appliances-electrical firms generally were down in sales & pre-tax earnings in the 6 months to Sept. 30, according to report by Yamaichi Securities Co. of N. Y. Of 7 firms studied, 6 declined in pre-tax earnings, 3 were off year-earlier sales pace. Nippon Electric was only company with improved sales & earnings. Sales rose to \$77.3 million from \$73.7 million, earnings improved to \$6.5 million from \$6.2 million. Hitachi sales slipped to \$412.8 million from \$445.5 million, profits dipped to \$33.2 million from \$35.4 million. Toshiba increased sales to \$330.5 million from \$320.1 million, but earnings dropped to \$22.9 million from \$26.7 million. Mitsubishi Electric showed sales gain to \$208.3 million from \$206.5 million, profit decline to \$10.9 million from \$14.9 million. Fuji Electric sales dropped to \$75.5 million from \$86.7 million, earnings declined to \$3.2 million from \$5.6 million. Oki Electric sales slipped to \$28.9 million from \$29.3 million, earnings slipped slightly to \$2.3 million from \$2.4 million. Ricoh sales jumped to \$18.1 million from \$15.8 million, earnings dropped to \$1.6 million from \$1.7 million. All earnings are pre-tax. Meanwhile, big Matsushita reported sales in current 12-month period up to \$556 million from year-ago \$472 million. Approximately 10% of sales represent export volume, and some 30% of export volume are U. S. sales.

Allied Radio has "deliberately accepted some reduction in potential sales in order to cut our delinquency rate on installment receivables," Pres. A. D. Davis told annual meeting. "The quality of credit business now being accepted has been raised significantly, in keeping with our decision to be much more selective in the choice of credit fund customers." Davis said operating costs in first fiscal quarter ended Oct. 31 were about same as year ago despite increased expenses for development of improved quality and procedure systems, emphasized that return of merchandise by customers has been reduced (Vol. 3:36 p11).

Muntz TV "conservatively expects to earn between 44¢ & 50¢ a share" in fiscal 1964 ending next Aug. 31 vs. 44¢ in fiscal 1963 (Vol. 3:43 p12). Sales are expected to rise 15% from fiscal-1963's \$11.8 million, according to Secy.-Treas. Daniel Domin. In new fiscal year's opening quarter, ended Nov. 30, sales are expected to climb 15% from year-earlier's \$3.3 million, but earnings should dip slightly from 1962's \$331,235 Sept.-Nov. profit because of full provision for federal income taxes and continuing start-up costs for color sets. Muntz will increase color production after first of year, expects to sell 20,000 sets in 1964. Pres. Wallace A. Keil noted: "We're making about 1,000 a month and keeping up with demand. We haven't had our dealers push color yet because we're more or less on a test-run basis." Muntz also expects to increase total TV sales in 1964 to more than 100,000 (including 70,000-80,000 combinations) from 1963's 85,000 (55,000 combinations). Prior to Dec. 21 annual meeting, Keil also noted, board will consider declaring company's first dividend in 12 years. Last dividend came in 1951 with declaration of 15¢ a share and 10% in stock.

Packard Bell Electronics consumer products sales rose 31% in fiscal year ended Sept. 30 to record level approximating \$24 million from year-ago's just-under \$19 million. Home Products Div. Vp Kenneth R. Johnson forecast 30% increase in consumer products sales in current fiscal year. Over-all, company earned \$1.2 million on \$49.4 million sales vs. fiscal-1962's \$1.4 million loss on \$49.6 million sales. Net working capital increased to \$4.4 million, highest since March 1962.

Ling-Temco-Vought will redeem Dec. 27 \$27,029,880 in long-term debt, leaving balance of \$34,807,060. Called for redemption are L-T-V's 4-3/4% subordinated convertible debentures due Sept. 1976, 5-1/4% convertible subordinated debentures due Oct. 1971, 6-1/4% senior notes due Dec. 1974 and 5-1/2% first mortgage bonds due Aug. 1970.

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

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

DECEMBER 9, 1963

NEW SERIES VOL. 3, No. 49

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PRESIDENT BRIEFS AGENCY HEADS, rejects resignations, opposes 'complacent & static regulation', asks for 'new areas of cooperation' instead of 'control' (p. 1).

FICTION, 'FAIRNESS' & FCC: Ruling on CBS-TV's 'Smash-Up' expected soon, Commission likely to say 'fairness doctrine' applies to drama but that techniques are up to broadcasters' common sense (p. 2).

LOEVINGER SEEKS PROGRAM-FORM CONSENSUS for AM-FM. Details of proposal for special Jan. meeting (p. 2).

COMMERCIAL-LIMITS SHOWDOWN in FCC oral argument, House Committee consideration of bill to block Commission. FCC submits legal memo to House (p. 3).

McLENDON AIMS FOR 34,400 CATV SUBSCRIBERS in 13 communities, starts construction in Jan., to charge \$10 installation, \$5 monthly, giving 8 TV stations, 2 FM, one local weather-time TV channel (p. 3).

MOBILE SHARING OF Ch. 7-13 should be explored, according to FCC staff as it seeks relief for congestion in land mobile service, says TV needs all uhf (p. 4).

RATING COUNCIL QUICKENS: Seven firms, vying for job of auditing raters, briefed by 5 rating services (p. 4).

RECOUPING LOSSES DURING CRISIS, TV industry hopes for 75-80% of network business, 50% of spot & local (p. 5).

2 STATIONS CHARGED WITH DOUBLE BILLING: Renewals of WFHA-FM Red Bank, N. J. & WILD Boston

are at stake. WFHA-FM charged with sending agency bill 10 times its spot rate (p. 5).

Consumer Electronics

COLOR TV STATISTICS to go into EIA's market data hopper in 1964, but actual figures may be combined with b&w if RCA asserts security privilege; tape recorder statistics due early next year (p. 7).

NEW INDUSTRY RECORDS seen in 1963 & 1964 by EIA Pres. Horne, who predicts electronics factory volume of \$16.3 billion next year; consumer products increase of \$100 million is forecast (p. 8).

COLOR TUBE CAPACITY could reach 1.5 million next year, barring new problems; Sylvania shipping color tubes to Warwick; talk of possible Sony color tube plant in U. S. (p. 8).

BATTLE OF LOUISVILLE: Conventional retailers invoke 162-year-old no-work law, win injunction to force discount houses to close on Sunday (p. 10).

WINTER DROP-INS BEGIN with biggest RCA midyear line featuring remote control color at \$550, complete portable series (p. 10).

NEW DIRECTION FOR MAGNAVOX is possible if private-label negotiations with Montgomery Ward bear fruit; company has capacity in new plant (p. 11).

RCA DOES IT—spreading Christmas cheer to stockholders with proposed 3-for-1 stock split and another dividend hike (p. 12).

PRESIDENT BRIEFS AGENCY HEADS: No resignations accepted, President Johnson told chairmen of regulatory commissions in special meeting last week—squelching for present speculation that he might welcome changes. In relatively brief statement, he told agency chiefs that he needs their help and that he intends to continue President Kennedy's work in their fields.

Text of his statement is being interpreted variously, naturally. Key quotes: "President Kennedy did not speak from weariness of the long battles to protect the public interest. The public interest never had a more fearless or a more tireless champion; but for himself and for his generation and for his time, President Kennedy expressed the weariness that Americans feel for another battle—the battle against substitution of government's interest for the public interest. . .

"A moving & progressive society finds oppressive, distracting, irritating and ultimately intolerable the heavy hand of complacent & static regulation. . .

"We are challenged. . .to concern ourselves with new areas of cooperation before we concern ourselves with new areas of control. . .

"I know the pressures that you feel and the duties you must discharge. When those pressures are honorable, respect them; when they are not, reject them."

FICTION, 'FAIRNESS' & FCC: Application of FCC "fairness doctrine" to broadcast dramatic works comes before Commission soon again. Subject was before FCC in Sept., involving CBS-TV show "Smash-Up" on Armstrong Circle Theater (Vol. 3:36 p3). Now both "Smash-Up" and Oct. 3 "Good Samaritan" episode of NBC-TV's "Dr. Kildare" are up for consideration.

Indications are that Commission is still prepared to rule: (1) It has no authority to tell to anyone what to broadcast or not to broadcast. (2) "Fairness doctrine" applies to drama, too, but it's up to licensee's judgment to determine how to achieve fairness—by another dramatic work, public affairs documentary, panel, or what have you.

Complaints come from National Assn. of Claimant's Counsel of America (NACCA), through Pres. Jacob D. Fuchsberg. He argued that "Smash-Up" pictured claimant attorneys as ambulance-chasers pushing fraudulent claims, that show was instigated by insurance industry.

It's expected that Commission will tell Fuchsberg it found nothing to substantiate "instigation" claim, that it will not rule whether program was "controversial"—but will tell CBS that "fairness doctrine" applies to all programming. In FCC's first consideration of case in Sept., some argued that Commission should decide program was controversial—but that seems to be out now.

Fuchsberg wrote NBC Pres. Kintner before Oct. 3 "Dr. Kildare" show, said he understood it was about malpractice, said he was worried though he hadn't seen show but trusted NBC to be fair—and he enclosed copy of our Sept. 9 story about "Smash-Up." NBC's Robert Kasmire answered, assured him "NBC aspires to the highest standards of integrity... and I am certain our conscientious efforts in this respect will be evident to you."

But Fuchsberg was unhappy about show, in which jury ruled against doctor in malpractice case involving emergency treatment. He argued that doctor & his attorney were pictured sympathetically, plaintiff & attorney unfavorably; that amount awarded was "grossly excessive as to tend to shock"; that show propagandized against contingent fees; that "the very jury system itself was indicted." Commission apparently hasn't had chance to discuss this case yet.

LOEVINGER SEEKS PROGRAM-FORM CONSENSUS: New proposed AM-FM program form, intended to be consensus of views of FCC commissioners & Broadcast Bureau, has been submitted to colleagues by Comr. Loevinger. It's due for special Jan. 6 meeting, and Loevinger urges acceptance—saying continued attempt to approach perfection is blocking decision. We've learned that Loevinger proposal would request data of operators essentially as follows:

(1) You may use any 7-day period as a representative week—or you can use FCC's conventional "composite week." Copy of logs for the 7 days are to be filed. (2) Applicants for new stations & buyers of stations submit data on proposed programs. Sellers file only regarding past operations. (3) Tell how needs of community are determined. Who did you talk to? Who do they represent? What do they want? What do you think of their ideas? Specify each program broadcast to meet such needs.

(4) Give total daily & weekly operating hours, including sign-on & sign-off time. (5) How many hours of news do you carry weekly? Describe them & staff used in their production. How much time given to local & regional news? What's your minimum scheduled plan for news, in hours & as percentage of total.

(6) How much time (in hours & percentage) do you give to public affairs programs? Are they scheduled regularly or otherwise? Give description of typical public affairs program. What's staff involved in such shows? How much time will you devote to them each week? What's your policy on selection of time, subjects & people for public affairs discussions? (7) What's your specialty format, if any, & how do you determine that it meets community needs? (8) Do you duplicate AM-FM? How much?

(9) How much time (in hours & percentage) do you give to commercials? What's maximum you propose in future? What's your policy on commercials—how many, when, what kind? (10) Which stations compete with you, & what are their program formats, in general? And how does your output differ from theirs? (11) Tell us anything else you wish regarding your method of serving public. (12) If your output differs from plans you outlined to us previously, tell us why.

COMMERCIAL-LIMITS SHOWDOWN: Though FCC enthusiasm has cooled, Commission goes ahead nonetheless with oral argument this week, Dec. 9-10, on proposal to limit commercials by regulation. It's clear that Commission can't muster enough votes for any tough set of restrictions, but it would be foolhardy to assume FCC will forget whole thing. It's also clear that while a lot of congressional sentiment opposes Commission proposal, that though House could even conceivably pass a bill to block FCC (unlikely, however), Senate just won't go along. At this stage, it looks as if main effect of whole to-do will have been to publicize fact that FCC is worried about over-commercialization & that it welcomes complaints.

More than 40 people have filed appearances for the hearing—including NAB, networks, groups, single stations, state associations, Washington attorneys. There'll be 2 congressmen, including Rep. Langen (R-Minn.) who introduced a bill to head FCC off. Some parties will support FCC League Against Obnoxious TV Commercials, National Assn. for Better Radio & TV. Networks & others are filming & taping for TV-radio coverage.

Ironically, while oral skirmish goes on, full House Commerce Committee meets Dec. 10 to act on HR-8316—bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting commercial limits. Measure has already passed Communications Subcommittee, is expected to pass parent body with perhaps only one dissent—that of Rep. Moss (D-Cal.).

On eve of oral argument, Commission last week sent to Rogers legal memorandum asserting its authority to set commercial limits. It cautions that it has reached no conclusions on merits of proposal, that memorandum is only to support power to act. NAB Gen. Counsel Douglas Anello will devote his argument to countering FCC's legal brief. Here's core of Commission's position:

(1) Advertising practices are a factor in determining if station is fulfilling public interest standard—to be examined at renewal time or in new applicant proposal (Sec. 307a, 307d, 309a). To think otherwise is to ignore impact of advertising on public interest. If over-commercialization is consideration in individual cases, then it can be subject of a rule, provided regulation is not inconsistent with Act (Supreme Court interpretations, plus Sec. 303r & 4i).

(2) Commission says it "could rest our entire case at this point"—that to dispute its position opponents would have to prove that Commission would be powerless to act even if applicant specified 50% of time for commercials. But FCC has more to say:

(3) It has right to classify & prescribe nature of services (303a & b)—bestowing on it "broad grant of authority" that encompasses the "nature" of "commercial broadcast service." This involves questions, too, of whether "valuable spectrum space" is being properly used. To arguments that it has no "explicit authority" on commercials, FCC says Supreme Court made clear that subject matter of rules need not be specifically spelled out in Act, that "broad powers" are adequate.

(4) Non-censorship provision of Act (Sec. 326) isn't being violated because FCC has powers "not limited" to technical aspects & courts have ruled that denial of license on matters related to public interest is "neither censorship nor an abridgment of the right of free speech." FCC argues that commercial limitations would not lead to rate regulation (violating Sec. 3h because broadcasting isn't common carrier). Contrary to industry arguments, FCC says, legislative history is on its side, that framers of 1927 & 1934 Acts considered FCC to have authority.

McLENDON AIMS FOR 34,400 CATV SUBSCRIBERS: Last April, multiple-radio-station operator John McLendon announced plans to get into CATV in substantial way (Vol. 3:15 p5)—but he wasn't ready to say where. Now, his plans have firmed up, and he's ready to start building in 13 communities, with total potential of 34,400 subscribers, first to get underway Jan. 6. Each will have capacity to provide 8 TV stations, 2 FM, one local weather-time TV channel. Each will have \$10 installation fee, \$5 monthly charge. Herewith are communities, dates for construction start, estimated potential subscribers:

Jan. 6—Brookhaven, Miss., 1,800; Alexander City, Ala., 3,400. Feb. 6—Magnolia, Ark., 1,500. March 6—El Dorado, Ark., 4,000; Madisonville, Ky., 3,000; Sebring-Avon Park, Fla., 1,000; Talladega, Ala., 3,500. May 1—Arkadelphia, Ark., 1,800; Ozark, Ala., 3,000. June 1—Cennett, Mo., 1,800; Union City, Tenn., 1,800; Murray, Ky., 1,800; Middlesboro, Ky., 3,000.

MOBILE SHARING OF Ch. 7-13? FCC's marathon proceeding on allocations in 25-890-mc band, started in April 1957, is near end of one phase—and next phase may include proposal that mobile radio users get congestion relief through sharing of TV's Ch. 7 to 13.

We have learned that FCC staff has prepared its recommendations, and special Commission meeting for its consideration is reportedly scheduled for Jan. 10. Proposal was submitted by all bureau chiefs, plus chief engineer & general counsel.

Staff suggests that industry's Joint Technical Advisory Committee be asked for technical help, including exploration of sharing Ch. 7-13. Staff's view is that: (1) TV needs all of uhf for expansion, particularly for ETV. (2) "Sporadic E" interference in lower spectrum precludes sharing of Ch. 2-6. (3) Vhf band is stable—in terms of station assignments—as compared with uhf, so sharing appears more feasible in vhf.

Staff proposes at same time that an Industry Advisory Committee for the Land Mobile Service be created—with membership limited to land mobile licensees and makers of their equipment. Job of committee would be to gather data on: (1) Usage of land mobile channels. (2) Interference in the service. (3) Technical & operational means for reducing interference. (4) New communications techniques. (5) Future needs. (6) Possible value of spectrum over 890 mc. (7) Sharing of spectrum among different services. (8) Possible improvements in FCC administrative & procedural operations to ease crowding.

Staff recommends termination of current proceeding (Doc. 11997), denying all petitions seeking chunk of uhf for TV spectrum non-broadcast service—including EIA mobile equipment makers' request that Ch. 14 & 15 be turned over to land mobile.

Something of a dissenter is James Barr, chief of Safety & Special Bureau, who believes that relative lack of use of uhf should be stressed & that Commission should warn that it will re-examine uhf-TV allocations if usage grows too slowly.

FCC Comr. Ford strongly supported fairness doctrine, contained in Commission's 1949 report, as sound in concept and requiring no sanctions or penalties. Most broadcasters know their obligations to encourage presentation of opposing views, he said in speech to Arizona Bestrs. Assn. However, he questioned certain provisions in FCC's July 26 "clarification" of doctrine. He said that statement erred when it generalized on how stations should handle such problems as segregation. He favors case-by-case approach, believes it "essential to the proper development of the doctrine." He said there are relevant cases pending before Commission and that it would have been better to await decisions on them.

RCA Chmn. Sarnoff predicts that satellites within 2 decades will allow a billion people to watch same TV program simultaneously. In speech at dinner on behalf of Hebrew University of Jerusalem, Sarnoff said it's possible that automatic language translator would provide instant comprehension of program's content.

Trusteeship for station holdings of Mrs. Johnson, President's wife (Vol. 3:48 p1), was approved promptly by FCC at staff level, no decision by commissioners considered necessary.

RATING COUNCIL QUICKENS: Decision is expected in few weeks on choice of firm to conduct audit of rating services under Rating Council supervision. Audit Subcommittee met last week in N. Y. with representatives of 7 CPA & management consulting firms who are in running for assignment.

They were briefed on task by 5 rating services: Nielsen, ARB, Pulse, Hooper, Sindlinger. Council also has been interviewing prospective heads of RC, selection expected in few weeks. Other developments:

(1) FCC Comr. Cox & Asst. Broadcast Bureau Chief Hy Goldin met with NAB Research Vp Melvin Goldberg, for progress report on reform program.

(2) NAB is expected to release this week details of minimum standards & criteria for rating service performance. Copies were sent last week to raters.

(3) Prominent among standards is requirement for adequate & full disclosure of rating methods & techniques. Standards will back use of single estimates with incorporation of ranges, or confidence limits, in front of ratings report. They will state that ranges shouldn't be used alone. When ranges are used, statement also will be required to make clear they're limited because they're not derived from true probability samples. We understand that Harris Subcommittee is considering similar recommendation on ranges.

(4) Advertising Research Foundation "clarified" its position on ranges. It also backs NAB idea that ranges shouldn't be used alone, that single figure is still "best estimate." ARF Technical Committee also voted in favor of including in all media research reports a full description of sampling & non-sampling errors. This will be similar to NAB's standards, too.

(5) NAB-RAB steering committee on joint radio methodology study put off first meeting to Dec. 12.

Complicated Terre Haute Ch. 10 & 2 situation came to FCC decision last week: (1) WTHI-TV, now operating on Ch. 10, was favored over competitor Livesay Bcstg. (2) New hearing for Ch. 2 was ordered, pursuant to court decision. WTHI-TV, which sought shift to Ch. 2, is permitted to refile, as are other prospective applicants, including Illiana Telecasting, which had been competing with WTHI-TV. Chmn. Henry & Comr. Loevinger dissented, would have ordered a lumped hearing for both channels, the 2 winners to take whichever channel FCC allotted. Comr. Bartley preferred Livesay over WTHI-TV.

Budget differences over FCC & FTC 1964 appropriations were split last week by Senate-House conferees: FCC got \$15.6 million, \$200,000 more than Senate voted, that much less than House approved. FTC was voted \$12,214,750—\$114,750 less than Senate passed, that much more than House okayed.

Warner Bros., always a TV bridesmaid but never a licensee, is dipping toe again—filing for Ch. 38 Chicago & Ch. 20 Ft. Worth, and expected to file for uhf elsewhere, too. Warner's was a pre-freeze TV hopeful, later dropped out.

ABC-TV affiliation in Portland switches from KPTV to KATU, sister station of KOMO-TV Seattle, also ABC-TV.

RECOUPING LOSSES DURING CRISIS: Hopes increased last week that industry would salvage substantial portion of business lost during 4-day coverage of assassination. Network executives estimated that 75-80% of TV revenues would be recouped through rescheduled participations & renegotiation & extensions of program-sponsorship contracts—"make-goods."

TvB Pres. Norman (Pete) Cash looked for a 50% recovery of spot & local business through make-goods. He sent wire to top advertisers, urging them to reschedule spots instead of asking for credit for commercials skipped during crisis. He said response has been "excellent." Though he didn't identify advertisers accepting make-goods, following are reportedly included: American Home Products, Pepsi-Cola, Pan Am, Lever Bros. Pan Am, for one, didn't even ask for make-good—said it wanted to give a "small salute" to the industry for its coverage.

House Commerce Committee meets Dec. 10 to consider Senate amendments to House-passed equal-time suspension for 1964 Presidential & Vice Presidential campaigns. It also will consider bill to prevent FCC from setting limits on commercials (see p. 3). In addition, Communications Subcommittee headed by Rep. Rogers (D-Tex.) meets Dec. 9 to consider action on editorializing. Problem of license fees, which go into effect Jan. 1 but which Rogers opposes, also will be weighed. Then there's bill by Rep. Younger (R-Cal.) providing that stations don't have to give free "fair time" to balance against sponsored programs with controversial issues. He has promised hearings, probably will get Subcommittee attention. Sens. Monroney (D-Okla.) & Dominick (R-Colo.) introduced bill to block license fees, but it's aimed at aviation & boating problems, would forbid fees where govt. requires radios to be installed.

Stock dividends: Macfadden-Bartell declared initial common stock dividend since 1962 merger, a 5% stock distribution payable Jan. 2 to stock of record Dec. 19. Chmn. Gerald A. Bartell attributed declaration to sharp improvement in operations this year. . . **Universal Pictures** spiced regular 25¢ quarterly cash dividend by declaring extra 25¢ cash payment, both payable Dec. 27 to holders of record Dec. 17.

"That Was the Week That Was," much-acclaimed satirical show, will start life as regular NBC-TV series Jan. 10, 9:30-10 p.m., after considerable cliff-hanging (Vol. 3:46 p4). Patterned after British show of same name & theme, "TW3" had been ticketed for next fall, but "overwhelming acceptance" of Nov. 10 special moved date up.

End to racial injustice and new opportunities through adequate education for all was called for last week by NAB Pres. Collins in speech to Greater Columbia (S. C.) Chamber of Commerce. He proposed a National Minimum Foundation Plan to assure universal education & "full development" of every child's talents.

Expanded billboard holdings have been acquired by Rollins Bestg., purchasing for \$5 million plants & real estate properties, in Washington & Philadelphia, of General Outdoor Advertising Co. Earlier, Rollins bought firm's Mexican holdings.

2 STATIONS CHARGED WITH DOUBLE BILLING: FCC moved against 2 radio stations last week on charges of double billing, first such since its order of March 1962 warning industry against "fraudulent practice."

Stations are WFHA-FM Red Bank, N. J., & WILD Boston. It's learned that more stations, especially in northeast & northwest, will also be called for accounting when renewals come up.

WFHA-FM acknowledged that it had sent bills to ad agency that were 10 times rate agency was paying to station (\$20 versus \$2 per spot). WFHA-FM said it didn't think that was double billing because it was only sending one bill. Commission advised it otherwise, asked for full accounting before renewal—held up since June—could be acted on.

Agency involved is Mark Mitchell Advertising, N. Y. (& predecessor Beston Advertising). This agency reportedly has similar arrangements with other stations in N. Y. area. FCC called station's attention to fact that standard agency commission is 15%, not 90%.

WILD has been operating on deferred basis since Aug. 1962, following one-year short term renewal. It was charged with 3 instances of double billing plus other transgressions: Broadcast of lottery advertising, failure to withhold Federal income tax & Social Security deductions, false & misleading financial reports. In addition, station has been charged for not properly identifying record company sponsors. Application for sale of station as well as renewal are held up.

NEW & UPCOMING STATIONS: KBLU-TV (Ch. 13) Yuma, Ariz. began programming Dec. 4 as CBS-TV affiliate. New starter raises operating total to 649 (116 uhf). It's using 2-kw Dynair transmitter with Jampro antenna on 200-ft. Blaw-Knox tower. Robert W. Crites, 25% owner, is gen. mgr.; Carl Langewisch, sales mgr.; James Sears, program dir. Rep is Grant Webb. Base hour, \$175.

* * * * *

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

WBGU-TV (Ch. 70 ETV) Bowling Green, O. is now installing 1-kw RCA transmitter on top floor of Bowling Green State U.'s new administration building. It expects to meet Jan. 13 programming target, writes Dr. Duane E. Tucker, gen. mgr. & dir. of broadcasting. On Dec. 4, it started installing RCA antenna.

WNJE-TV (Ch. 77 ETV) Glen Ridge, N. J. hasn't ordered transmitter, but still hopes to start in "early 1964," according to Robert Pellet, project dir. for N. J. Educational TV Corp. It will share tower & transmitter house of radio WJRZ, W. Orange, paying only maintenance costs.

WHHS-TV (Ch. 38) Boston is keeping to Sept. 1, 1964 programming target, reports Austin A. Harrison, gen. mgr. for grantee Catholic TV Centre. RCA 25-kw transmitter is scheduled for April delivery; antenna is to be mounted on roof of Prudential Tower.

Sale of KTVE (Ch. 10) El Dorado, Ark.-Monroe, La. to Fuqua Industries Inc. by Veterans Bestg. Co. & Wm. H. Simons for \$650,000 was approved by FCC. John B. Fuqua also owns WJBF(TV) Augusta, Ga.

Personals

AB-PT Pres. Goldenson receives Poor Richard Club of Philadelphia's 1964 Gold Medal of Achievement, on Jan. 17... **David Schoenbrun**, ex-CBS, joins Metromedia as world affairs correspondent.

Donald H. McGannon, Group W pres., named chmn. of 1964 broadcasting fund drive for Radio Free Europe.

Wells Church, CBS, elected chmn., Radio & TV Correspondents Assn., Washington; others: **Stephen McCormick**, MBS, vice chmn.; **John (Bill) Roberts**, Time-Life Broadcast, secy.; **John Rolfson**, ABC, treas.

Robert J. McGeehan elected exec. vp of Entron, CATV mfr... **Malcolm M. Ferguson** rejoins Jerrold Electronics as chief engineer, Community Operations Div.

H. Needham Smith promoted to WKRC-TV Cincinnati gen. sales mgr., succeeded as local sales mgr. by **Carl Flickinger**, account exec.; **George H. Rogers Jr.**, national sales mgr., adds duties as midwest regional sales mgr.

Fred Vance, ex-gen. mgr. of KVOA-TV Tucson & KOAT-TV Albuquerque, assumes management of own station radio KHOS Tucson... **Ed Hardison**, ex-N.W. Ayer timebuyer, appointed Metro TV Sales Philadelphia mgr.

D. W. G. (Don) Martz promoted from gen. sales mgr. to mgr., CFCF-TV Montreal... **S. B. (Bud) Hayward**, ex-mgr., radio CFCF Montreal, named Canadian Marconi Broadcast Div. mgr.

Peter Thornton, KDKA-TV Pittsburgh publicity dir., promoted to advertising & sales promotion dir... **Gerald M. Goldberg**, public relations dir., radio WINS N. Y., adds duties as special projects dir.

Frank G. King, vp in charge of sales, KTVU San Francisco-Oakland, returns to work after emergency appendectomy... **LeRoy V. Bertin**, ex-vp, Bernard Schnitzer agency, San Francisco, appointed sales mgr., WNBC-TV Binghamton.

John Quigley, production mgr., KMBC-TV Kansas City, promoted to operations mgr... **Carl Rochelle** promoted to news dir., WITN Washington, N. C.

TV-radio students at U. S. colleges & universities number 2,994, according to NAB study prepared by Dr. Harold Niven, asst. to vp for planning & development. Another 595 are studying for master's degrees, 132 for doctorates. Number of undergraduate students is increase of 89 over last year.

Farewell luncheon for Robert Swezey, outgoing Code Authority dir., was held by NAB at Mayflower Hotel, Washington. Pres. Collins was among 2 dozen executives & staffers who attended. Swezey's plans aren't yet known; he's residing at his Virginia farm.

New reps: WTRF-TV Wheeling, from George P. Hollingbery to Edward Petry; KEZI-TV Eugene, from Meeker to Venard, Torbet & McConnell; KROD-TV El Paso & KOSA-TV Odessa, both ex-Bolling, to Advertising Time Sales; KNOX-TV Grand Forks & KEND-TV Fargo, ex-Meeker, to Blair's BTA Div.

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MGM, despite profitable TV operations, suffered \$17.5 million loss in 1963 fiscal year ended Aug. 31 compared with year-earlier \$2.6 million profit (see financial table). Gross revenues slipped to \$136.2 million from \$137 million. TV income also slipped slightly, to \$20, -962,706 from \$21,174,495. TV profits, however, were wiped out by \$39.1 million pre-tax loss in film production & distribution. Pres. Robert H. O'Brien said sag in TV revenue resulted "because some of the original license deals for the pre-1949 films were approaching expiration," noted that group of 40 post-1948 films is now in preparation for syndication. He forecast return to profitable operations in current fiscal year, said results of first fiscal quarter ended Nov. 30 confirm this expectation.

Outlet Co. expects earnings in fiscal 1964, ending Jan. 31, to "come close" to year-earlier's \$945,007 (\$1.90 a share) despite fact that first-half profit was down sharply (Vol. 3:43 p12). Pres. Joseph S. Sinclair said lower earnings "were anticipated" this year because company's WJAR-TV Providence has additional competition from new station. He said Outlet's broadcasting revenues & earnings will be aided by acquisition last summer of WDBO-TV Orlando. In fiscal 1963 (Vol. 3:15 p12), company's broadcasting operation earned \$900,259 on record \$2,227,212 revenues.

Ampex expects earnings in its 1964 fiscal year ending April 30 to rise 10% above fiscal-1963's \$5 million, despite slip to \$1.272 million in 2nd quarter ended Oct. 31 from year-earlier's \$1.291 million (see financial table). First-half sales and earnings records were set, \$48.2 million (vs. \$43.1 million a year ago) and \$2.2 million (\$2.169 million) respectively. Midyear backlog rose to \$37 million from \$35.5 million, incoming orders totaled \$50.2 million vs. \$49.9 million at end of fiscal-1963's first half.

CBS, which sold movie rights to "My Fair Lady" to Warner Bros. for \$5.5 million, will share in revenues of film which is being produced for \$17 million and is expected to gross more than \$100 million. Break-even point: \$34 million. CBS's take: 47% of Warner's gross income over \$20 million, under 7-year license agreement.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

EIA TO GET COLOR TV STATISTICS IN '64: Rosy-fingered dawn of new era in TV marketing data was discernable at last week's EIA quarterly meeting in Los Angeles when all members of its Consumer Products Div.—including RCA, including GE—agreed to throw all their production & sales figures for color and b&w TV into EIA's statistical pot, beginning Jan. 1.

Thus, for first time in 10 years, EIA's TV data will be complete. RCA has always withheld color figures, and, more recently, GE held up data on its 11-in. sets, but had agreed last Oct. to report them beginning at first of year (Vol. 3:40 p8).

Vote does not necessarily mean that EIA will report color or tinyvision output & sales as separate categories. Neither RCA nor GE is understood to have waived its "security" privilege. Since RCA currently makes more than 50% of total U. S. color sets, and GE more than 50% of all 11-in., each company will have right to invoke security—which would mean that there would be no breakdown showing color or 11-in. sets. If RCA chooses to invoke security, color & b&w sets would be lumped together. In case of 11-in. sets, EIA would probably have to revise its screen-size breakdown system to lump them in category of "16-in. & under" or "19-in. & under."

Decision does not carry any implication of release of retroactive figures, although GE has already stated it would give EIA its 1963 figures on 11-in. next year when it starts reporting 1964 figures. RCA has made no such commitment in regard to color. Admiral, Emerson & Zenith, not EIA members, participate in its market data program.

More California sunshine than smog crept into extremely harmonious 3-1/4-hour Consumer Product Exec. Committee meeting chaired by Olympic Pres. Morris Sobin. Group heard of another marketing data victory—long step toward goal of reliable tape recorder statistics. Members were told that EIA had received assurances from all major manufacturers of tape recorders—with one exception—that they will participate in statistical program. Committee was optimistic that lone holdout will reconsider and is shooting for Jan. 1 start of recorder data.

In move to obtain more import information, Committee agreed to explore what statistical data could be obtained from Japan on regular basis, and voted to consider exchange of information with other countries if it's found beneficial to U. S. manufacturers. Other actions by EIA Consumer Products Exec. Committee:

(1) It approved booklet explaining uhf & all-channel law, prepared jointly by Better Business Bureau & EIA, and voted to finance initial publication. Self-liquidating booklet will be distributed through EIA to manufacturers, dealers, service technicians, stations & consumers, will go into distribution as soon as it can be printed, to be sold in bulk by EIA. Final draft was written by consumer products staff dir. Norman Jack Wayman—who was named last week as chmn. of consumer information committee of industry-govt. Committee for Full Development of All-Channel Bcstg.

(2) It agreed to ask all manufacturers of FM stereo receivers to monitor stereo broadcasts to assure that performance standards are being met. It was told that EIA engineering dept. is studying current FM broadcast standards and investigating need for new ones.

(3) It opposed FCC ruling permitting uhf stations to transmit audio at one-tenth the power of their video signals, requesting consideration of 5-to-1 ratio instead. It also endorsed engineering committee recommendation that FCC delay proposed reduction in permissible radiation limits for uhf receivers (Vol. 3:46 p9).

(4) It reiterated its proposed definition of high fidelity, supplied to FTC, and declined to endorse hi-fi quality rating system proposed by Lincoln Walsh. It consolidated its radio, phono & new products sections into single section, whose first meeting next March will be chaired by Arvin vp Orphie R. Bridges.

Adding to sweetness-&-light atmosphere was presence at meeting of Packard Bell Pres. Robert S. Bell, 14-year EIA board member who pulled his company out of EIA last spring, partly in protest against dues structure (Vol. 3:25 p10). Although there was no indication Packard Bell intended to rejoin, Bell's presence at meeting in his company's home territory helped create old-home-week atmosphere for EIA veterans.

NEW INDUSTRY RECORDS SEEN IN '63, '64: U. S. electronics industry's factory volume will reach new all-time high of \$15,325,000,000 this year, then move up nearly billion dollars more for another record—of \$16.3 billion—in 1964.

This is opinion of EIA's marketing analysts, as detailed to the manufacturer association by its Pres. Charles F. Horne at last week's winter conference in Los Angeles. Here are EIA's factory sales projections for 1963-64, compared with 1962 figures (add 000):

Product Category	1962	1963	1964
Consumer products	\$ 2,407,000	\$ 2,550,000	\$ 2,650,000
Govt. products.	8,348,000	9,400,000	9,900,000
Industrial products.	2,450,000	2,700,000	3,000,000
Replacement components.	620,000	675,000	750,000
TOTAL	\$13,825,000	\$15,325,000	\$16,300,000

EIA's projected rate of increase next year represents slowdown as compared with \$1.5-billion growth from 1962 to 1963. Much of this leveling-off is attributed to impact of imports. As Horne pointed out, "although the U. S. still enjoys a favorable balance of trade in the international exchange of all electronic products, a very unbalanced situation has arisen in consumer products & components. Only military-industrial exports maintain our over-all advantage."

In consumer products, color TV sales increase is expected to make difference between anticipated dollar-volume increase (modest \$100 million) and potential decrease in face of import competition. "Only a sharp decline in monochrome set sales after the all-channel law becomes operative" could reverse trend to increase, Horne added.

Summing up 1963, he cited "renewed vigor" of consumer products, sparked by color TV, tiny-vision, FM stereo & AM-FM auto radios. Latter 2 categories, he added, have resulted in increased average dollar volume for all radios. Although public in 1963 probably will have bought more than 30 million radios of all types, imports are expected to represent some 14 million of this number. He credited phono business with sales of 5.6 million instruments at \$460 million this year—a figure which many phono manufacturers seem unwilling to accept in view of recent evidence of winter sales slowdown.

"The dollar volume of domestically produced monochrome TV sets has declined as imports have risen sharply," said Horne. "The year 1964 may see a decline not only in monochrome TV dollars but also in units as imports increasingly penetrate the domestic market." TV imports for 1963 are estimated by EIA as approximately 450,000 sets.

Effect of component imports is underscored in EIA's revelation that 12% of the content of domestically produced TV sets was represented by imports during first half of year. Adding imported complete sets to this figure (156,000), Horne concluded that 16% of domestic market for TV receiver components was taken over by foreign producers. Imports comprised 18% of domestic tube market—or 50 million through Sept., compared with 52 million for all of 1962.

Uncertainties which "cast clouds over this optimistic forecast" were listed by Horne as: (1) Possible decline in TV sales as result of all-channel law. (2) Potential lowering of tariffs on electronics imports by as much as 50% at 1964 GATT international trade conference.

COLOR TUBE CAPACITY COULD REACH 1.5 MILLION: As Sylvania & Rauland begin phasing into production, and RCA continues to blast away on 3-shift basis, it appears possible that industry may have capacity to turn out 1.5 million color tubes next year. This is number of tubes cited to us last

Sept. by RCA Group Exec. Vp W. Walter Watts as estimated minimum number industry will require in 1964 (Vol. 3:37 p8).

There's no assurance industry will reach 1.5 million tubes, of course—but this number might be good educated guess, if no more unforeseen snags develop.

Sylvania says it's now beyond pilot production phase, is shipping color tubes, and sticks to earlier forecasts that it will turn out 15-20,000 balance of this year. (Most industry observers see results closer to low figure.) Sylvania's principal customer is understood to be Warwick.

Zenith's Rauland Corp. isn't in big production yet, but is now optimistic. One report is that its Nov. color tube output was double that of Oct., and is expected to redouble in Dec.—for whatever that's worth. It's understood Rauland has decided to order supplementary production equipment to double its present capacity. This is taken to mean that company is confident its production problems are on way to being licked, and that it expects good demand. National Video is still plugging away with small-scale output, and isn't expected to have any sizeable production this year.

As to 1964, guessing game puts Sylvania's color tube production capacity at about 190,000, Rauland's at perhaps 250,000, RCA's at whopping 1 million. For longer-term future, it's believed Rauland's new plant can turn out about 400,000 annually, and that RCA can convert sufficient facilities to make 2 million a year.

Also on longer-term basis, there's some spicy speculation going around about new contract negotiations between Paramount Pictures & Japan's Sony Corp. Principals are silent, but there are reports that deal would provide for Sony to manufacture Paramount Chromatron color tube in Japan in small sizes for domestic use and export to U. S., and later perhaps for Sony to participate in setting up color tube plant in U. S. Sony already has license from Paramount to develop Chromatron for domestic use, and officials have said practical producible tube is at least 2 years off—so speculation about Sony's plans is in terms of late 1960's... not near-future.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 29 (48th week of 1963) excluding 11-in. and smaller:

	Nov. 23-29	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	114,976	150,992	98,551	6,555,526	6,047,292
Total radio	327,898	456,538	412,185	17,006,859	17,825,961
Auto radio.....	167,475	198,196	196,427	7,400,061	6,583,305

TOPICS & TRENDS

Third U. S.-made 11-in. set is now being shipped to dealers by Curtis Mathes. As reported in these pages last Sept., new entry in tinyvision race is first set to feature Shelbond bare-faced picture tube. CM is offering 4 basic models, leader set bearing list of \$99.95, as does GE's & Admiral's, with step up at \$109.95, all-channel models \$20 extra. Set weighs 13 lb. (about same as GE's), has steel-frame chassis, horizontal plastic cabinet which resembles GE's more than Admiral's. Dimensions are 14-3/4-in. wide, 9-1/4-in. high, 10-1/4-in. deep.

GE will emphasize all-channel sets when it drops in 2 more 11-inchers next month, featuring uhf versions on spec sheets, mentioning vhf-only sets in smaller type. New sets will be one in desert sand color at \$119.95, ebony & chrome \$134.95 (vhf-only \$20 less).

First book-length biography of Gen. David Sarnoff was published last week by Encyclopaedia Britannica Press as part of its "Great Lives" book series for young adults. "Putting Electrons to Work—David Sarnoff," by John Tebbel, head of NYU journalism dept., contains hitherto unpublished anecdotes about the RCA chairman, as well as plea to young scientists to learn more about man himself. "Though man has understood the complexities of the atom, he has largely failed to understand his fellow man," Sarnoff is quoted. "He has learned to see & hear electronically to the outer reaches of space, yet his mind has been unable to cross the narrow boundaries of prejudice."

BATTLE OF LOUISVILLE: Old-line retailers have won first skirmish in interesting battle to force Louisville discount houses to comply with Kentucky's 162-year-old Sunday anti-work law. In decision which could have national ramifications if upheld by state's Court of Appeals, slated to review case Dec. 6, Chancery Court issued injunction barring Sunday opening against 9 discounters, effective Dec. 2.

Injunction suit, believed first action of its kind by conventional retailers against discounters, was filed by The Retail Merchants Assn. of Louisville. It was aimed at some pretty big discount chains. Among them: Arlan's, GES, Zayre. "We went to court because in this state, as in many others, the Sunday closing law was not enforced," we were told by RMAL Pres. Harold S. Johnson, pres. of J. Bacon & Sons Department Stores. "It had been enforced for a while but only nominal fines were imposed, and they began to open again on Sundays."

Action was viewed by GES Pres. Alvin Einbender as part of "concerted effort by some conventional retailers to seek enforcement against large retailers, mainly discount firms. They're feeling the competition. The law has been enforced only against a small number of retailers."

Nub of controversy is Kentucky's ancient anti-work law which, if enforced, "would make it unlawful for you to even mow your lawn on Sunday," in opinion of James Thornberry, attorney for the discount defendants. "This is a nuisance law and it could be enforced against anything that moves on Sunday. You don't even have to get paid for the work to be in violation." He noted that law was revised "several years ago by old-line merchants to combat the discount stores," emphasized that "our law is stronger than similar ones in most states because it's a no-work statute, not an anti-selling law." Fines for violation range from \$2 to \$50.

"I think we have a good chance to upset the injunction before the Court of Appeals," Kentucky's highest court, Thornberry told us. "If we don't, I'll have to advise my clients to close on Sunday. It's one thing to take a chance on a misdemeanor. It's something else again to risk contempt of court."

His optimism about upsetting injunction stems in part from his conviction that plaintiffs can't prove irreparable damage resulting from discounters' Sunday business. "An injunction is for extraordinary relief," he noted, "and those asking for it must show irreparable damage. Obviously, stores that remain closed Sundays can't prove that they're losing business because they can't prove that the people who bought from discounters on Sunday would have bought from them on Monday if the discounters also were closed on Sunday."

Administration's anti-Quality Stabilization stand is expected to remain unchanged under President Johnson, in opinion of discount industry's 2 major anti-QS groups. "President Johnson has promised to carry on the programs of the Kennedy Administration and the latter was 100% opposed to any form of price fixing," we were told by Roger Courtland, exec. secy. of National Assn. of Mass Merchandisers. Committee for Competitive Prices (Vol. 3:41 p7) told us: "Our hasty calls and checks indicate that President Johnson is firmly opposed to price fixing. Also, he comes from a non-Fair Trade state."

FIRST WINTER DROP-INS: No radical changes showed up at first major new-set showings of winter, at distributor meetings of RCA & Zenith in New Orleans & Chicago, respectively.

Zenith showed its traditional complete new line, but withheld details pending distributor showings. It's understood, however, that there were no startling innovations either in set design or pricing.

In its largest midyear TV line in history, RCA dropped in 24 new TVs, including 10 color sets. New portable line, usually shown in Feb. or March, was pushed up to Dec.—obviously because all-channel law will require another complete new line next summer. Color sets begin with new low-end ebony table model at \$449.95, now available with remote control at \$549.95. Other new color sets are metal-cabinet console at \$499.95, variety of consoles & consolettes at \$549.95, \$599.95 & \$650.

Portable line is led off with new version of 16-in. at \$129.95, with \$139.95 step-up, followed by open-list 19-in., other 19s at \$149.95, \$159.95 & \$179.95. Seven-set line is 2 models shorter than last year's. RCA also introduced 7 new 23-in. table models & consoles starting at \$189.95. Color line now has 22 sets, New Vista b&w line 24.

Olympic has added 4 new color consoles in decorator cabinets, unpriced, to bring color line to 13 models in 17 versions.

Philco will debut new portable TV series and additions to its console TV & stereo lines at Dec. 15-17 distributor meeting at Ford hq in Dearborn, Mich. Packard Bell will show portable line in mid-Jan.

Authority to decide matters of warranty & customer service has been given to Philco branch distributor service managers. Heretofore, service district representatives were responsible for final approval. Authorizing branch service managers to "make these decisions on their own authority without waiting for a service district representative to act," emphasized Philco Parts & Service Operation Mgr. Ray Nugent, "means faster decisions which, in turn, means faster handling of customer problems." Philco also realigned its field service organization, named A. J. Tagnon field service mgr.

Temporary injunction was won last week by General Instrument in its "piracy" case against Industrial Electronic Hardware Corp. and 2 former GI employes who are heading IEHC's upcoming uhf tuner production activity (Vol. 3:47 p7). N. Y. Supreme Court Judge Sidney A. Fine granted temporary injunction with proviso that GI accede to IEHC's request that suit be filed promptly. GI is expected to charge that former employes intend to use its uhf tuner trade secrets.

Oak Mfg. plans to double tuner production in 1964 to about 3 million from 1963's estimated 1.5 million. To accommodate increased production, Oak is expanding Elkhorn, Wis. factory 35%, will add 300-400 employes early next year.

U. S. debut of Sony's 9-in. transistor portable is scheduled next month at Chicago's furnitures & Housewares shows. The 12-lb. battery & AC set is still unpriced, measures 9-5/8-in. high, 8-5/8-in. wide, 7-5/8-in. deep.

Trade Personals

Charles F. Horne, pres. of EIA & General Dynamics/Pomona, selected to receive EIA Medal of Honor, manufacturer association's highest award, for "outstanding contribution to electronics industry" at EIA quarterly conference in March at Washington.

Clarence B. Flinn promoted from Admiral gen. sales mgr. to independent distributors vp, a new post.

Stanley L. Abrams, asst. to Emerson Pres. **Benjamin Abrams**, elected a dir.

Jim Turner named Packard Bell Home Products Div. value analysis & engineering coordinator, a new post. . .

Bruce Bradway appointed Philco Consumer Products Div. merchandising specialist, a new post.

Herman Flalkov, General Instrument vp & group vp of company's Semiconductor Products Group, appointed chmn. of EIA's newly formed Microelectronics Section of Semiconductor Div.

Ronald I. Friedman appointed General Instrument national distributor sales mgr. for capacitor products.

Mel Levine named Monarch Electronics International sales vp, succeeding **Herbert Levy**, appointed exec. vp of the L. A. radio-phono-recorder firm.

Roger B. Neighborgall, ex-General Precision & ITT Federal Labs, appointed asst. vp of General Instrument's Defense & Engineering Products Group with hq in Washington.

Andrew M. Kennedy Jr., Westinghouse purchases & traffic vp, named mgr. of Micarta Materials Mfg. Div. & Industrial Ceramics Div.

Joseph W. Barron elected administration & planning vp, **Robert J. Campbell** mktg. vp, GPE's Link Div.

John A. Johnson, ex-NASA gen. counsel, appointed ComSat international arrangements dir.

John B. Montgomery, Daystrom pres., elected a vp & a dir. of parent Schlumberger Ltd.

Shapp's Senatorial ambitions: Jerrold Chmn.-Pres. Milton J. Shapp is giving "serious consideration" to seeking Democratic nomination for U. S. Senator in Pennsylvania's primaries next year, expects "to have an announcement shortly after Jan. 1." If he fails to win organizational support for Senatorial nomination, noted Dec. 1 "Philadelphia Inquirer," Shapp, "it was disclosed by a reliable party source, has served notice on Pennsylvania's party leaders that he is prepared to wage an independent campaign."

Motorola's b&w TV sales at distributor level set new unit record in Nov., Motorola Consumer Products Inc. mktg. vp S. R. (Ted) Herkes announced. He said sales were 40% higher than Nov. 1962. Stereo phono sales were up, too—more than two-thirds of distributors showing "substantial unit sales increases."

Symphonic Electronic's anti-trust suit against Nippon Electric and others (Vol. 3:43 p10) was not vacated by Federal District Court, as requested by defendants. Judge Edward C. McLean reserved decision on motion.

MAGNAVOX—NEW DIRECTIONS? Magnavox's reported deal to make private-label TV & stereo for Montgomery Ward lacks confirmation at all levels, and there's industry speculation that it's at the negotiation—rather than contract—level. Nevertheless, move into large-scale private-labeling—if it comes off—seems to be logical move for Magnavox.

To some, it appears only way to achieve Pres. Frank Freimann's stated goal of 10% of industry TV sales. Magnavox, of course, is self-limited in its growth potential by its franchise system, although in recent months its extension of franchise to Singer Stores, Friendly Frost & Sol Polk (Vol. 3:48 p9) has broadened its direct-to-dealer horizons.

With its new modern plant in Greenville, Tenn., Magnavox has far greater production capacity than it's now using. Magnavox, which acquired Spartan & Sentinel TV brands in 1956 (Vol. 12:6 p6), has been in & out of private-label business, but never was in firmly with both feet. It has made phonos for Columbia, TV & phonos for several dept. store labels.

Principal suppliers of Ward's Airline brand are currently Wells-Gardner, Westinghouse (portable TV) & Travler. There's no question private-label field is growing—some estimate it as encompassing 20-25% of TV market next year—and there are few set makers who wouldn't listen to interesting private-label proposition.

Sept. factory sales of TV picture tubes declined both in units & dollars from Sept. 1962. Receiving tubes increased in unit sales but declined in dollar value. Nine-month results: picture & receiving tube unit & dollar sales continued to trail year-ago pace by sizable margins. Sept. picture tube sales slipped in units to 847,174 from 866,512, in dollars to \$15.8 million from \$16.5 million. For first 3 quarters, unit sales trailed 6.7 million to 6.8 million, dollar sales \$124.7 million vs. \$130 million. Sept. receiving tube sales rose to 31.8 million units from 31.6 million, slipped in dollar value however to \$24.6 million from \$25.3 million. Cumulatively, Jan.-Sept. unit sales trailed 252.2 million vs. 274 million. Dollar value sagged by more than \$22 million to \$206.2 million from \$228.5 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
August	767,529	14,473,647	31,569,000	25,785,000
September	847,174	15,828,272	31,780,000	24,594,000
Jan.-Sept. 1963	6,687,494	\$124,728,710	252,224,000	\$206,235,000
Jan.-Sept. 1962	6,782,798	\$129,970,298	273,911,000	\$228,501,000

N. Y. fair-trade prices of GE color sets have been reduced \$40-\$80, low-end model (formerly \$449) now being fair-traded at \$398. Other sets are fair-traded in N. Y. at \$418, \$468, \$515, \$555 & \$565. At time of color leader's introduction last spring, GE spokesman said \$449.95 price leader could be sold at \$399 on same basis as Admiral's low-end set and "GE is prepared to be competitive" (Vol. 3:24 p7).

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 Story on p. 6	1963—6 mo. to Oct. 31	\$ 48,217,000 ¹	—	\$ 2,205,000 ¹	\$.28	7,827,434
	1962—6 mo. to Oct. 31	43,120,000	—	2,169,000	.28	7,799,407
	1963—qtr. to Oct. 31	24,804,000	—	1,272,000	.16	7,827,434
	1962—qtr. to Oct. 31	21,607,000	—	1,291,000	.17	7,799,407
Harvey Radio	1963—9 mo. to Oct. 31	5,215,533	\$ 442,198	219,619	.27	808,413
	1962—9 mo. to Oct. 31	5,275,938	536,149	261,173	.32	808,413
MGM Story on p. 6	1963—year to Aug. 31	136,219,445	(31,778,965)	(17,478,965) ²	—	2,574,629
	1962—year to Aug. 31	136,999,002	5,289,269	2,589,269	1.01	2,569,229
Screen Gems	1963—qtr. to Sept. 28	—	1,009,000	515,000 ¹	.20	2,538,400
	1962—qtr. to Sept. 28	—	958,000	468,000	.18	2,538,400
Warner Bros.	1963—year to Aug. 31 ³	87,129,000	—	5,699,000	1.17	4,850,052
	1962—year to Aug. 31	79,864,000	—	7,566,000	1.56	4,830,052
Webcor	1963—year to May 31 ⁴	42,466,285	—	(5,049,168) ⁵	—	987,774
	1962—year to May 31	49,375,681	—	276,323	.28	987,774

Notes: ¹Record. ²After \$14.3 million tax credit. ³Preliminary. ⁴From SEC report. ⁵Before gains from sale of assets reduced net loss to \$4,474,925.

RCA DOES IT: It finally happened at week's end—but the melon RCA cut was even juicier than some financial observers had anticipated. It was cut 3 ways—not 2—and dividend was increased again.

Three-way stock split was proposed by board of directors Dec. 6, to be voted at special meeting Jan. 29 of shareholders of record Dec. 16. Quarterly dividend on present stock was hiked from 35¢ to 45¢, payable Jan. 27 to holders of Dec. 16. On last March 1, dividend went up from 25¢ to 35¢. Board also announced intention of declaring quarterly dividend of 15¢ per share on new stock March 1.

Stock split proposal & dividend increase, said RCA Chmn. David Sarnoff, reflect "RCA's growth record of the past and its confidence in the future. We expect by the end of this year to register our 11th consecutive quarter of profit improvement over the comparable quarter of the year earlier."

RCA's onrushing common stock, which had a 1963 low of 56 and closed at 70 Oct. 1, broke 100 last week and hit record 102-3/4 on rumors of impending stock split. Stock's last split came in 1929 when it was divided 5 for 1 and a 1924-created Class A issue was called.

TelePrompter's sale of its Weathers, Conley Electronics & Audio Visual divisions to Defiance Industries (Vol. 3:46 p11) has run into snags. Former's Chmn.-Pres. Irving Kahn charges that Defiance failed to appear by Nov. 15 deadline to close sale, claims breach of contract, is seeking other buyer. Defiance retorted sale couldn't be completed without SEC approval, filed suit in N. Y. County Supreme Court for declaration that contract still is in full force & to restrain TelePrompter from disposing of properties to another buyer.

Ford-Philco merger so far has cost Philadelphia area "more than it has gained," noted Dec. 2 "Philadelphia Inquirer," adding, "Philco employment in the Delaware Valley was 15,000 in 1961. It fell to a low of 10,000 last April but is now back to 11,200. It may, however, drop again for a period during the reorientation of Philco's Lansdale Div. from the production of transistors to micro-electronic devices." Newspaper also noted that Philco's "principal banking needs are now handled by Ford in Detroit [and] its auditing is now centered in Detroit." At time of merger, paper continued, 4 of Philco's 6 divisions "were operating in the red. Today, according to sources close to the company, only the Consumer Products Div. is still in the red and this division is making 'real progress toward profits.'" Paper quoted Pres. Charles E. Beck: "The very fact that we have such a small part of the appliance field indicates the opportunities for growth." Over-all, Beck was quoted, "Business is up across the board. Substantially so. Philco has a bright future." Although Philco ended 1963's first 9 months still in the red (Vol. 3:45 p10), "Inquirer" summed up: Merger "may turn out to be one of the best things that ever happened to the Delaware Valley economy. Philco was in trouble in 1961."

ITT has completed acquisition of L. A. electrical connector manufacturer Cannon Electric (Vol. 3:48 p11) via a new subsidiary, ITT Cannon Electric. New operation will headquarter in L. A., employ some 4,000 persons, principally in the U. S. Cannon's 1962 sales topped \$50 million.

I. I. T. Research Institute (formerly Armour Research foundation of Ill. Institute of Technology) reported research volume in 1963 fiscal year ended Aug. 31 jumped 16% to \$23.5 million from \$20.3 million a year earlier. During year, it undertook 716 research programs.

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Consumer Electronics . . .

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

DECEMBER 16, 1963

NEW SERIES VOL. 3, No. 50

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DETAILS OF 'OVER-COMMERCIALIZATION' DECISION disclosed, with final action due this week. Automatic approval for station not exceeding NAB-Code-like limits; those with more to go to Commission for case-by-case consideration (p. 1).

THE PERVASIVE CATV INDUSTRY: President Johnson drawn into Austin case; FCC proposed new CATV micro-wave rules; 'TAME' fighting new CATVs throughout country, including Dayton, Galveston, Reading; Canadian govt. worried about controls; British gives cabled pay-TV test go-ahead (p. 2).

TELCAN TV RECORDER PREVIEWED by Cinerama for stockholders; production of home video unit promised in 4-6 months, along with \$150 TV camera (p. 3).

HOUSE UNITS ACT ON COMMERCIALS, EDITORIALS: Commerce Committee approves bill to prohibit limits on commercials, Moss preparing dissent. Communications Subcommittee plans bill requiring stations to broadcast they have obligation to present contrasting views. Hearing sought on fairness doctrine (p. 4).

KINTNER WARNS ON RATINGS DECEPTION: Former FTC chmn. says misuse of figures in ads or in sales pres-

entations will bring govt. sanctions, states 'hyping' is illegal. RAB-NAB steering committee meets (p. 4).

Consumer Electronics

INDUSTRY'S TV PREDICTIONS for '64, based on our special survey: Total TV sales of 7.5 million sets—including at least 1 million color; tinyvision sales to increase, while b&w console sales continue slide; all-channel law to have some effect on sales; imports to rise to 800,000 (p. 7). Digest of individual manufacturer replies (p. 10).

MOTOROLA 23-IN. COLOR prospects are better, says Galvin, but "we still don't know for sure;" Sylvania's Connor sees 1.5-1.6 million factory color sales in '64; RCA hails best color & b&w year (p. 8). Motorola's financial prospects (p. 11).

WINTER DROP-INS from Admiral, GE, Motorola, Sylvania fill gaps in lines, reflect trend to more-for-money (p. 11).

BATTLE OF LOUISVILLE—CONT'D: Court of Appeals refuses to disallow temporary injunction requiring 9 discounters to obey state law and remain closed on Sun. If they win case, discounters plan to seek damages for business lost (p. 11).

DETAILS OF 'OVER-COMMERCIALIZATION' DECISION: FCC's decision on commercial ceiling is due this week—and we've learned what it is. In meeting Dec. 12, following Dec. 9-10 oral argument, Commission told staff to work up draft for final action this week. In a word, FCC will neither throw out its proposal completely nor revert entirely to status quo. Here are the details:

(1) A certain level of commercials (for TV & radio) will be established. These figures will be similar to limits in NAB Codes.

(2) Stations with commercial levels below the established & published figures will be approved automatically at FCC staff level. Those going over the levels will be referred to commissioners for case-by-case action, each to be judged on its special circumstances.

(3) Commission will reassert, of course, that it is satisfied it has statutory authority to do foregoing. It will also say that it's concerned about "over-commercialization."

(4) New TV program form will be issued simultaneously—as a proposal subject to oral argument before full Commission, probably in Feb.

(5) Procedures above are interim, pending finalization of new program forms. Commission will incorporate in new forms what it learns under interim procedure.

(6) AM-FM program form will be discussed in special Jan. 6 meeting (Vol. 3:49 p2).

Guessing at FCC is that foregoing will be finalized this week with 6-1 or 7-0 vote.

We understand that one commissioner, in discussion last week, was violently urging that Com-

mission throw out entire proposal & forget it. There were enough votes there to do it—but another member, who, though he also opposed proposal, urged that such action would be much too drastic.

Procedure sounds similar to long-time FCC practice. But here's basic difference: Licensee never knew what level of commercials guaranteed automatic approval; Commission would change figures from time to time, telling staff which cases commissioners themselves wanted to weigh.

Earlier in week, full House Commerce Committee told Commission to keep hands off specifics. At same time oral argument was going on, Committee approved bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting limits on length & frequency of commercials (see p. 4). Here's sampling of comments at oral argument:

Clara Logan of National Assn. for Better Radio & TV supported FCC, said it was "shameful" that Commission's efforts have been attacked as govt. interference with private enterprise. She said "flagrant excesses" exist, that one TV station monitored by NAFBRAT was "very careful not to interrupt its commercials with an over-abundance of entertainment." Among many monitoring examples cited, she said one Los Angeles network station telecast 14 spots in 14-1/2 min. news & sports show.

Steven Finz, 20-year-old law student, testified for League Against Obnoxious TV Commercials—group "fighting overly aggressive, downright insulting TV commercial messages." He said League in one year has grown to "6,300 active, balloting, boycotting members."

Richard Nicodemus, sociologist for National Recreation Assn., provided psycho-sociological treatment. He said "OC" (over-commercialization) is an expression of public's immaturity, said standards are necessary in "our organizational society." He referred to "repetition syndrome" as "echolalia"—the habit of repeating. Comr. Loevinger, who likes to read, inquired in kind: Why do viewers insist on this "masochistic exercise" when there are so many other things to do?

Attorney James McKenna appeared for ABC, said he knows FCC isn't going to abandon field of over-commercialization completely, offered this proposal: Ask station on renewal application if it complies with NAB Code; if it doesn't, request its commercial policy—then weigh policy as part of station's over-all performance. He said there are many valid reasons why stations don't subscribe to Code, said it's more suitable to large market vhfs than to smaller-market stations.

Judge Samuel L. Rosenman appeared for CBS, said he opposes plan because: (1) It would take responsibility for determining public interest away from broadcasters. (2) It's first time FCC proposed direct action on the industry income which helps provide "great public service programming."

Attorney Howard Monderer of NBC said public interest can't be equated with mathematical formula, noted that NBC has had its own commercial standards for more than 30 years, that Codes are good accommodation of varying situations. He urged FCC not to act because it has no hard facts on which to base rule. To this, Chmn. Henry repeated his assertion: "We have no information because [the industry has] seen fit not to give it to us."

NAB General Counsel Douglas Anello was on stand 2 hours, challenged FCC's legal memorandum (Vol. 3:49 p3). He said it's "fallacious" to think that because FCC considers over-commercialization on case-by-case basis, it can therefore write over-all rule. He said that this would determine standards "in advance," that commercials should be considered part of over-all programming in determining public interest. Re legislative history: "At best Congress didn't give FCC the power."

Arthur Tatham of Tatham-Laird, Chicago agency, and chmn. of AAAA, opposed FCC plan because it doesn't come to grips with problem, said "clutter" is caused by non-program messages (public service announcements, show credits, etc.), stated broadcasters will—and must—solve problem.

THE PERVASIVE CATV INDUSTRY: CATV continues to penetrate into more & more areas—even into high-level politics. Items: (1) KTBC-TV Austin, Tex., just put into trusteeship by President Johnson's wife, was involved in local CATV conflict decided by FCC last week. (2) FCC issued proposed rules governing CATV use of microwave. (3) "TAME" organization of receiving antenna makers, et al., reports progress in fight to block CATV growth. (4) British govt. decided to allow 3-year test of cabled pay-TV in London. (5) In Canada, Secy. of State Pickersgill urged Parliament to impose

greater controls on CATV while reports circulated that new firm, Canadian Home & Theatre Vision Ltd., backed by British & U.S. capital, planned massive entry into CATV.

Austin situation involves 2 competing CATV systems. TV Cable of Austin Inc. uses microwave to gather distant signals; Capital Cable Co. doesn't, having instead receiving antenna atop KTBC-TV's tower. TV Cable got microwave grant by agreeing not to duplicate KTBC-TV's programs 30 days before or after telecast. It complained to FCC that Capital Cable gets unfair advantage by carrying shows simultaneously with station, asked for waiver of 30-day rule. Last week, FCC turned down request, as it has all similar pleas by CATV microwaves elsewhere.

What heated up the situation was prompt demand by Rep. Gross (R-Iowa) that Congress investigate FCC action—because KTBC-TV has option to acquire 50% of Capital Cable and had been controlled by Mrs. Johnson. He urged ban on TV-radio ownership by govt. officials, including congressmen.

Commissioners are irked by charges, asserting that obviously no skulduggery is involved—because FCC applied its uniform policy. However, politics being what they are, attempts to embarrass President Johnson will be made as long as his family has any connection with stations.

Meanwhile, FCC's proposal on CATV regulation follows general outlines of staff recommendation we disclosed (Vol. 3:43 p3)—except that, for present, it limited its action to microwaves, hasn't moved toward trying to regulate entire CATV industry.

There are 2 basic factors to FCC plan: (1) Duplication of station programs by CATVs in station's Grade A contours would be prohibited for 15 days before & after station telecasts. (2) CATVs would be permitted to carry at least 2 network programs in any situation.

If stations & CATVs arrive at satisfactory arrangements differing from foregoing, it's OK with FCC. If station wants protection out to Grade B, these will be weighed on case-by-case basis. Existing microwaves, abiding by current 30-day protection, will change to 15-day protection after Jan. 13—unless opposed by stations. New applicants agreeing to proposed rules can get grants now.

FCC decision is in form of proposed rule-making in Business Radio & Common Carrier services. Comments are due Jan. 22, reply comments Feb. 12. It's 12 pages—we'll be happy to get you copy.

TAME organization fighting CATV reports it's working at grass roots level in following places now: Georgia, where big meeting is set for Jan. 20 in Atlanta; Connecticut, where Public Service Commission is setting up CATV standards following go-ahead by Legislature; New York, where TAME men are battling against proposed CATVs in Johnstown, Gloversville, Amsterdam, Utica, Glens Falls; Texas, where Galveston system is proposed; Ohio, where CATVs are planned for Dayton & Lima; Iowa, where fight centers on Sioux City & Ottumwa; Pennsylvania, where Reading system is sought by operator of Hazleton CATV.

TAME expects support soon from big National Electronic Distributors Assn.; Carolina chapter has asked for national endorsement of TAME objectives in Jan. 18 New Orleans meeting.

British cable pay-TV test will be in 3 London areas, by 5 firms: Choiceview Ltd. (Rank & Rediffusion); Telemeter Programs Ltd. (Paramount Pictures, "Manchester Guardian," British Lion Films); Tolvision Ltd. (Sir Isaac Wolfson, Hambro's Bank); Pay-TV Ltd. (British Relay Network); Caledonia TV (Scottish group).

SNEAK PREVIEW OF TELCAN TV RECORDER: Cinerama Inc. held first U.S. demonstration of British-developed Telcan home video tape recorder Dec. 13 at its stockholders meeting in N. Y.

No U.S. TV manufacturers, no outside technical people, have yet seen Cinerama's U.S.-standards version of Telcan—nobody, in fact, except Cinerama stockholders, security analysts and "Wall St. Journal" (present at stockholder meeting). Industry, therefore, is champing at bit to see for itself, judge performance. Firm announced last Sept. that it intended to manufacture & market recorder itself.

Home TV recorder will be marketed in 4-6 months, Cinerama Pres. Nicholas Reisini told stockholders, at price "slightly higher" than its proposed British tag of \$160. He said company would also sell miniature home TV camera for about \$150. Stockholders' pictures were recorded & played back at demonstration, Dow-Jones news wire ("Wall St. Journal") reported.

HOUSE UNITS ACT ON COMMERCIALS, EDITORIALS: House put in heavy week as parent Commerce Committee & Communications Subcommittee held wide-ranging closed meetings on commercials, equal time, editorializing, fairness doctrine. Commerce Committee actions:

(1) Approved bill by Rep. Rogers (D-Tex.) to prohibit FCC from setting limits on length & frequency of commercials (for FCC moves see p. 1). If bill gets to House floor, it won't be until next year. Rep. Moss (D-Cal.) criticized move, is preparing dissent, expects others on Committee to join him. "I was the only one to vote against the bill when the Subcommittee considered it, but not when the Committee passed on it," he told us. He said it would be a mistake to deny FCC authority, stated some broadcasters have gone "hog wild." (For N.Y. meeting on commercial practices, see p. 5.)

(2) Discussed Senate amendments to H. J. Res. 247 which would lift equal time requirements for 1964 Presidential & Vice Presidential candidates, but took no action, made no recommendations. It's understood that inclination of Committee is to wait until President Johnson has chance to consider measure.

Communications Subcommittee, chaired by Rogers, reviewed testimony of its editorializing hearings of last July & Sept. It concluded that on-air advocacy is "one of several methods" by which stations can serve their communities and should be considered in the public interest, if conducted fairly.

Subcommittee cautioned, however, that decision to editorialize "should rest entirely with the individual licensee" and "under no circumstances" should decision not to editorialize be considered "adverse factor" by FCC. In letter to Commerce Committee Chmn. Harris (D-Ark.), Rogers outlined these steps Subcommittee thinks should be taken:

(1) Broadcasters should be required to carry statement at time of editorial explaining that they're obligated to "afford reasonable opportunity for the discussion of viewpoints in contrast with those expressed in . . . editorials." Subcommittee plans to introduce bill to that effect next session of Congress.

(2) Hearings will be held on issues dealing with fairness doctrine—both of which Rogers considers "very controversial": (1) Problem of candidate who is attacked in editorial but is required to have "spokesman" answer editorial, for fear of setting off chain reaction of rebuttals by all candidates. Moss introduced bill requiring that "equal time" apply to editorials for or against candidates. (2) Obligation of broadcasters to permit free presentation of views to answer paid controversial program. Rep. Younger (R-Cal.) introduced bill to relieve broadcasters of obligation to give free answer to paid viewpoint.

KINTNER WARNS ON RATINGS DECEPTION: Misuse of ratings in either station ads or in sales presentations constitutes unfair competition subject to "severe sanctions" of FTC & FCC, so warned former FTC Chmn. Earl W. Kintner, now practicing Washington attorney. He also reminded that "hy-poing" is illegal.

Kintner told International Radio & TV Society in N. Y.: "Radio and TV stations must take 'reasonable precautions' to insure that the rating surveys which they employ are valid. Assuming that [they are], stations and their representatives must present survey results in an accurate and truthful manner." To do otherwise makes purchasers of advertising time "victims of misrepresentation, and competitor stations . . . victims of an unfair method of competition," he stated.

Broadcasters should keep complete file of correspondence when raters answer inquiries on inconsistent or aberrational rating results, he suggested. Practice of hypoing—using special promotions, contests or programming to distort ratings during ratings week—"must be avoided. . . because [it's] an unfair method of competition and a deceptive practice within the meaning of the FTC Act and . . . because the practice is detrimental to the best interests of a great industry," Kintner stated.

In other developments, RAB-NAB steering committee held first meeting to implement joint radio methodology study. George B. Storer Jr., pres. of Storer Bcstg., was named chmn. of 14-man group. Committee announced plans for series of smaller pilot studies, leading to major study that would provide one or more "valid methods" to measure full audience. Technical subcommittee meets this week

N. Y. meeting on commercial practices will be held Dec. 18 for candid exchange by NAB & Code executives with agencies, advertisers, networks. About 2 dozen will attend. Networks are expected to send representatives, though they rebuffed NAB Pres. Collins when he first proposed similar meeting few months ago. Among those attending: Collins, Code Authority Dir. Howard Bell, NAB Board Chmn. William Quarton, TV Code Board member Robert Ferguson, Clair McCollough, Donald McGannon who will also give progress report on rating reform. Top agency & advertiser personnel are being rounded up by AAAA Pres. John Crichton & ANA Pres. Peter Allport. Sen. Pastore (D-R.I.) has requested report on outcome of meeting, invited networks to attend. In related move, NAB topkicks were annoyed at report in trade publication that NAB has "secret deal" with stations telling them not to worry about Code standards during Christmas season. They're concerned over reflection on industry efforts to regulate itself. Collins & Bell said rumor is "completely without foundation."

Local-live programming and meeting community needs were issues raised last week as FCC Comrs. Ford & Cox dissented from majority opinion renewing WCSC-TV Charleston, WFBC-TV Greenville, WSOC-TV Charlotte. Cox said Commission had no information on which to judge stations' adherence to criteria. On contrary, he stated, information at hand indicated heavy dominance of network & other non-local programming, especially 6-11 p.m. He said FCC should have asked for more data, that perhaps then he would have been able to vote for renewal.

Glare of lights for film at FCC oral argument on commercials last week didn't advance cause of broadcast access to courtroom coverage. With Comr. Loevinger wearing sun glasses, Comr. Bartley shielding eyes, one Commissioner commented to us: "The industry's case against Canon 35 [of American Bar Assn.] was lost right here as far as I'm concerned. How can coverage be unobtrusive with those lights." Some observers pointed out that live TV cameras would require less light.

License fees are effective Jan. 1, per schedule, FCC announced. Rep. Rogers (D-Tex.), who has sought to delay action, tells us he plans no further moves until Jan. In Chicago, 10 organizations joined in Dec. 6 petition to Court of Appeals there to review Commission decision, will seek injunction to block fees meanwhile; all are in aviation field.

President Johnson's statement to heads of regulatory agencies (Vol. 3:49 p1) is interpreted by newspaper columnist Charles Bartlett as warning not to regulate too much. He concludes: "A sharp struggle looms ahead between the passivists and the activists on the basic issue of regulation. Much will depend on the further manifestations of Mr. Johnson's viewpoint."

Interest in TV-radio was expressed by Curtis Publishing ("Saturday Evening Post", et al.) Pres. Matthew J. (Joe) Culligan in meeting with press last week. He said firm has open mind re acquisition of stations, CATV, pay TV.

WBFM (FM) N. Y. has been sold to WPIX (TV) for \$400,000 by Muzak. WPIX is owned by "Daily News," has no AM affiliation.

Split between telecasters & TV set makers was fairly clearcut in their comments on FCC's proposal to make vhf stations' visual-aural power ratio same as uhf's—aural to range between 10% & 70% of visual. ABC favored FCC plan, as did most of half dozen stations commenting individually. WRDW-TV Augusta, Ga. asked for 30-50% range. Telecasters cited prospective savings in aural transmitter costs, tube & power outlays. Set makers were very concerned. RCA urged straight 20% for both vhf & uhf, said there'd be little saving in transmitter costs because of need to make & stock so many variations. Admiral & Motorola urged delay until more tests are made. Emerson said move would sacrifice set performance and/or increase cost. Philco urged 20-30% range—with 30% maximum in any event. Zenith called for retention of 50-70% for vhf, recommended uhf change back to same. Virtually all manufacturers were concerned about loss of service in fringe areas, increased cost of set production to cover ratio variations. Engineering firm of A. Earl Cullum plumped for fixed ratio, perhaps 10%—but said more experience is needed; firm doubts FCC proposal will produce cheaper transmitters because of manufacturers' need to build many variations, stock wide range of components.

FCC has no business moving against stations on "double billing" charges. So said Washington communications attorney Thomas H. Wall, in N. Y. forum on govt. in broadcasting last week, sponsored by International Radio & TV Society. "In my opinion, FCC has been looking for a good case and apparently thinks it has one now," he said, referring to Commission's moves against 2 radio stations (Vol. 3:49 p5). "The FCC hopes to make some new law here. It doesn't belong in this." Other participants in panel commented on regulatory outlook under Johnson administration. Former FTC Chmn. Earl Kintner, now a Washington attorney: "Basically Johnson believes in private enterprise and competition in the marketplace [but] a deeply-rooted attitude has grown up that govt. regulation is a way of life. The best way to combat this is with industry self-regulatory programs." NAB Exec. Vp Vincent Wasilewski: "Before any change is noticeable it will be a while, and when it comes it will be by osmosis rather than by direct action."

Liston-Clay championship fight Feb. 25 will be "biggest attraction in closed-circuit history," TNT Pres. Nathan L. Halpern predicted at week's end after his firm walked away with closed-circuit rights to bout from Miami Beach. Halpern said goal was to present bout to paying theater audience of record one million spectators. Eidophor projection equipment will be used extensively for first time to present a prize fight. Financial arrangements for closed-circuit rights weren't disclosed.

While U. S. pro football clubs are debating pros & cons of showing games on closed-circuit TV (Vol. 3:43 p2), Montreal Alouettes football club has purchased its own Eidophor projection system from TNT and installed it in Montreal's new Place Des Arts to televise games to paying audience.

CP for uhf WONE-TV (Ch. 22) Dayton (off air) transfers to WWLP (Ch. 22) Springfield, Mass., approved by FCC.

Rep changes: WFTV Orlando, from Adam Young to Blair BTA Div.; KKTU Colorado Springs, from Venard, Torbet & McConnell to Avery-Knodel.

Personals

Sam J. Slate, ex-vp & gen. mgr., radio WCBS N. Y., appointed exec. vp, RKO General Bcstg., succeeded by **Ralph W. Goshen**, sales mgr. . . **Michael Joseph**, radio program consultant, elected NBC Owned Radio Stations vp.

Thomas S. Murphy, Capital Cities Bcstg. exec. vp, elected chmn., CBS-TV Affiliate Assn.; **Carl Lee**, WKZO-TV Kalamazoo vp & gen. mgr., elected secy.

John MacVane, ABC News UN correspondent, elected UN Correspondents Assn. pres. . . **Richard D. Dudley**, radio WSAU Wausau, elected to NAB Radio Board, succeeding late **George T. Frechette**, WFHR Wisconsin Rapids.

Homer Lane, KOOL-TV-AM Phoenix, elected pres., Arizona Bcstrs. Assn. . . **Edward Carroll**, ex-Ted Bates film production dept., appointed gen. mgr., KCTO-TV Denver.

Henry P. Hayes, ex-NBC Recording Div., elected TvB asst. secy. -treas. . . **Morris J. Levin**, ex-staff counsel, Senate Commerce Committee, joins Roberts & McInnis, Washington law firm.

Louis B. Ames, ex-cultural programming dir., N. Y. World's Fair, named programs mgr., RCA's Fair operations, to develop color shows. . . **Harry Moses**, ex-advertising & promotion dir., WTTG Washington, named station promotion & services dir., Metro TV Sales, N. Y.

Jacques Biraben, radio WOR N. Y. vp of sales, promoted to vp & sales dir., WOR-TV-AM, succeeding **Burt Lambert**, appointed vp & sales planning dir. . . **David E. Henderson**, ex-TvAR senior account exec., named asst. sales mgr., WBZ-TV Boston, succeeding **Chet Zaneski**, who joins TvAR Chicago office. . . **Bruce Hayward** promoted to public affairs dir., KTVI St. Louis.

Dorman D. Israel, Emerson exec. vp, elected chmn. of Committee No. 1 (technical) of FCC-sponsored CAB (uhf development group), succeeding Adler Electronics' **Ben Adler**, who begged off because of heavy commitments following sale to Litton.

Encyclopaedia Britannica presented Peace Corps with \$75,000 worth of educational film strips for overseas teaching, presentation made in Washington by former FCC Chmn. Newton Minow, EB exec. vp. In addition, EB will publish this spring "Tribute to John F. Kennedy," edited by Presidential press secretary Pierre Salinger & NBC White House correspondent Sander Vanocur.

Audlok system designed to perfect synchronization of remote TV originations has been developed by NBC, used on "Huntley-Brinkley Report" since Sept. 9. NBC says system can control timing of remote pictures to arrive at originating city in same time phase and can be switched to or dissolved to without roll-over or tear.

Procedures for applications for towers which might be air hazards—pending possible FAA & FCC changes—are outlined by FCC in public notice, Mimeo. 44605, available from Commission, or we'll get you copy.

Revised FCC rules & regulations for TV-radio, published in Dec. 14 issue of "Federal Register", available for 30¢ from Govt. Printing Office, Washington.

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When color era comes to CBS, its o&o stations will be ready with plenty of color feature films in their libraries. Latest acquisition is 7-year deal for 215 post-1950 Universal features from 7 Arts Productions, of which 109 are available in color. Under terms of agreement, understood to involve about \$15 million, color rights are included—meaning stations can book color prints of these films any time they choose. Involved in CBS purchase are WCBS-TV N. Y., WBBM-TV Chicago, WCAU-TV Philadelphia & KMOX-TV St. Louis. One industry source speculated that WCBS-TV now has about 3,000 features available, of which probably 1,000 can be shown in color.

HEW approved 5 matching-fund ETV construction grants, totaling \$693,342: Duluth-Superior Area ETV Corp., \$212,625 to activate Ch. 8; Delta College District, \$183,920 to start Ch. 19 Bay City, Mich.; U. of Georgia, \$136,109 to expand Ch. 8 Athens; School District of Kansas City, \$102,000 to expand Ch. 19; School District No. 1, Denver, \$58,688 to expand Ch. 6. So far, HEW has made 10 grants totalling \$1,552,294. Two new applications have been received: Board of Public Instruction, Dade County, Fla., \$71,606 to expand Ch. 2 & 17 Miami; Eastern New Mexico U., \$279,266 to start Ch. 3 Portales.

Three new TV tape machines, including playback-only & "transportable" unit, were announced at week's end by RCA. First playback-only machine is compact (22 x 22-in. square, 68-in. high), is compatible with all broadcast recorders. Transportable recorder can be carried in station wagon; third unit is "compact" recorder. Prices & availability dates weren't announced.

National & regional spot TV increased in 3rd quarter 23.1% over last year's period—\$185,330,000 compared with \$151,922,000. Tobacco products & supplies increased 73% to \$8,644,000 from \$4,990,000. Automotive was up 41% to \$7,583,000 from \$5,375,000.

"**Sponsor**" magazine has been bought by Ojibway Press, publisher of trade magazines outside TV-radio field, principal stockholder Norman Glenn to remain. Ojibway has hq in Duluth; Marshall Reinig is pres.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY'S OWN TV PREDICTIONS FOR '64: TV set manufacturers believe 1964 will see increase of perhaps 35% in color sales, decline of 8-10% in b&w, 60% rise in TV imports. They feel b&w mix will continue trend toward portables & table models and away from consoles, that tinyvision business will increase, and that all-channel law will affect sales next fall—but not too sharply.

These are results of our survey of 19 TV manufacturers on outlook for 1964. Questionnaire replies were received from 11, and forecasts are surprisingly optimistic, considering uncertainties of all-channel law and other unknowns facing industry in 1964. Optimism, in fact, is higher than in our similar survey last year, when even most optimistic prediction for total 1963 TV sales turned out to be far short of actual sales results for this year (Vol. 2:46 p8).

Here are highlights of results of TV survey (radio-phono results will be reported next week):

Total distributor-to-dealer TV sales: Median estimate for '64 was 7.5 million sets (compared with anticipated 7.6-7.9 million for 1963). Although estimates varied from 6.8 to 8.5 million, most were quite close to 7.5-million figure, 7 of the 11 forecasts falling between 7.25 & 7.7 million. Last year's median forecast was 6.7 million; highest was 7.2 million.

Color TV sales: Median forecast for 1964 was just slightly on high side of 1 million sets. Near-unanimity was striking—9 of the 11 manufacturers forecast color sales of 1 million or more. Forecasts ranged from low of 900,000 to high of 2.5 million. These forecasts represent interesting raising-of-sights from predictions of just few months ago. Last year's median color sales forecast for 1963 was 550,000.

Black-&-white TV sales: Median prediction was 6.5 million sets for 1964, although this category showed widest variations—ranging from 4.5 to 7.4 million. However, 5 of the 11 manufacturers placed their forecasts between 6.4 & 6.8 million. Last year's median forecast of b&w sales for 1963 turned out to be way low—6.1 million.

Changes in b&w TV mix: Feeling that portables & table models will continue to increase share of b&w market was almost unanimous—but not quite. Nine manufacturers felt this trend would be maintained or accelerate; 2 thought proportions would level off at present mix. It should be noted here that some manufacturers included tinyvision in portable category and others didn't. Some expressed opinion that combinations' share of market would begin decline in '64.

Where does tinyvision go from here? Most manufacturers were cautious in their comments—not wanting to tip their hands on their own plans—but it was clear that there's feeling this market is here to stay and will grow next year. Those who did give estimates of wee-TV sales placed them in 500,000-660,000 range.

All-channel law: Although slight majority said they thought new legislation would affect sales, none expressed opinion that effect would be sharp, severe or devastating. Six respondents indicated it would have "some" or "little" effect, 2 felt it wouldn't affect market and 3 didn't comment either way. Those commenting on price increases generally thought uhf tuners would add 15-20% to list prices. Several expressed hope that Congress would repeal excise tax on all-channel sets.

TV set imports: At time we mailed questionnaire, we thought TV imports would reach 500,000 this year, and made this assumption in our letter. Now it appears they will be somewhat lower (see 10-month figures on p. 9). We don't know how this assumption affected replies—but of 10 manufacturers commenting on situation, only one thought TV imports would decrease next year. Of those predicting increases, median figure given was 800,000. Estimates ranged from 535,000 to 850,000, and 4 respondents chose 800,000 figure.

Replies to TV section of our questionnaire are digested on p. 10. Deletions have been made in all cases where portions of individual replies were marked confidential.

STRAIGHT TALK FROM BOB GALVIN: Prospects for Motorola's 23-in. rectangular color tube are better, but "I cannot say we have it made... We still don't know whether we have a consistently reproducible tube."

This was Motorola Pres. Robert W. Galvin's frank comment on Topic A last week in his talk to N. Y. Society of Security Analysts. Large part of his off-the-cuff speech, and question period later, centered around prospects for new color tube, being developed at National Video plant under Motorola auspices. Here are highlights:

"We have re-established our production line, and are now running a considerable number of tubes. The yield has been substantially improved. If all goes well, we will have a 23-in. color set on the market in the first & 2nd quarter of next year. The tube is either going to be a success or a failure—there's no half way. We hope to be delivering by tens of thousands next year. Otherwise, we'll have none at all." Rectangular-tube color sets are now being built, but for testing only.

He shed some light on Motorola's relationship with National Video. "We just agreed to agree," he said. "They invested hundreds of thousands in the program, and we have spent some millions." Its tube investment will be returned to Motorola out of price of color tubes sold by National Video to Motorola and to other set manufacturers.

In comments after his talk, Galvin conceded that failure to deliver 23-in. color set on time had "hurt our over-all TV business with dealers." However, he added, "the consequences have not been serious. We had a good black-&-white year." Profit margins on b&w sets were good in portable, table & console models—"and we see them continuing good." He said Motorola had been able to maintain prices reasonably well.

He voiced long-standing Motorola color-tube complaint that it's not getting as many 21-in. tubes as it feels it should. In answer to question, he said: "We received less 21-in. tubes as a function of the fact that we were developing our own tube. The preference was given to others who don't have another source. The same reason is being given to other manufacturers who have alternate sources of [color tube] supply."

He predicted 1964 color sales of 1 million (but later said it could be anywhere from 900,000 to 1.3 million), b&w 6.6 million—vs. 600,000 color & 7.3 million b&w this year. He saw radio sales declining to 9.5 million in '64 from this year's 10,080,000.

He was pessimistic about stereo's immediate future. "Stereo is qualitatively in trouble," he said. "Inventories are under control, but the market has not responded." He predicted no growth next year, adding that the market may have reached saturation point, with only "slow growth & replacement" in prospect for future. From an estimated 4,880,000 phono sales this year, he projected decline to 4,780,000 in 1964.

For Galvin's comments & predictions on Motorola's financial results, see p. 11.

* * * *

Another consumer electronics executive spoke out on color & stereo last week. Sylvania Home & Commercial Electronics Div. Sr. Vp-Gen. Mgr. George C. Connor predicted factory sales of 1.5-1.6 million color sets in 1964, although he declined to estimate dealer sales. He made his comments at informal news conference after official opening of Sylvania's N. Y. showroom (3rd Ave. & 45th St.).

Color's biggest need, he said, is greater brightness—but he held out little hope for this improvement in near future. He forecast that color tube shortage would continue at least another year, with further bottleneck coming in 1965 during period of changeover to 25-in. rectangular tube.

As to tinyvision—"I think the 11-in. is here to stay, but we have no immediate plans to bring one out." He said he couldn't predict effect of all-channel law on set sales, but saw price differential declining from nearly \$20 to about \$15 as tuner costs go down. Turning to stereo, he called transistorization "electronically the equivalent of putting more chrome on a car." Sylvania, he said, is going slow on transistorization until it has more data on reliability."

* * * *

RCA likes to have last word on color—and at week's end it put out statement detailing happy prosperity of its consumer products operation in 1963. Year-end wrap-up by RCA Sales Corp. Pres. Raymond W. Saxon made these points:

RCA's TV dollar volume was highest in history in both dollar & unit sales, both color & b&w. Color distributor unit sales are running 59% ahead, b&w sales 10% ahead of year ago. Dollar volume for all RCA Victor home entertainment products in year's first 11 months is already more than 15% above previous full-year record, set in 1962. Saxon observed that TV is now beginning to follow radio's trend to "a set-for-every-room business."

RCA's radio-Victrola products were up 36.3% in dollar sales in Oct. from year-before pace, Saxon said. "The lower price direction of the radio industry has been compensated by a strong improvement in or toward higher-priced console phonograph sales."

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 6 (49th week of 1963) excluding 11-in. and smaller:

	Nov. 30-Dec. 6	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	114,333	114,976	121,141	6,668,276	6,165,400
Total radio	388,950	327,898	380,100	17,395,809	18,200,965
Auto radio.....	174,022	167,475	178,182	7,574,083	6,753,992

TOPICS & TRENDS

Japanese TV exports to U.S. for first 10 months of 1963 totaled 366,285 sets, more than 3-1/2 times the 103,474 shipped during same 1962 period, and slightly more than 6% of domestic U.S. b&w set production during same period. Shipments in Oct. totaled 49,196, about triple Oct. 1962's 16,575, but indicating some tapering-off from the record 62,630 shipped in Sept. 1963.

Shipments of transistor radios (3 or more transistors) from Japan to U.S. for first 10 months of this year totaled 7,101,697, up from 6,321,616 in same 1962 period, with 1,105,139 shipped in Oct., compared to 989,379 in Oct. 1962. Other radio categories were down from 1962 in Oct. & year-to-date: Tube radios, 120,609 in Oct. (vs. 162,325 in Oct. 1962), and 959,481 for 10-month period (vs. 1,364,714); "toy" radios, 154,320 in Oct. (vs. 217,363) and 1,678,347 in 10 months (vs. 2,326,892).

Raytheon will close N. Windham, Mass. tube plant, cut production & employment at Quincy, Mass. plant. "Operating losses from the company's receiving tube business have been substantial," Pres. Charles F. Adams explained, "and without the consolidation would become increasingly so. Under the circumstances the necessity of the move is clearly indicated even though the costs involved will be substantial." He estimated consolidation will reduce annual net income by some \$2.8 million (70¢ a share) after tax credits. Raytheon earnings dropped below \$5 million from \$7.8 million in 1963's first 9 months as sales fell to \$364.4 million from \$440.9 million (Vol. 3:41 p12). Production of tubes for home electronics and commercial use will be transferred to Raytheon's Newton, Mass. plant. Quincy will continue production of storage tubes, cathode ray tubes & circuit modules. Decision to consolidate tube production, Adams emphasized, resulted from industry's overcapacity, rising imports, and resultant price reductions.

Two questions were answered by Philco last week: (1) How long will it be before the Ford subsidiary re-enters car radio business? (2) What will it do with excess capacity in its Lansdale plant, which recently discontinued transistor radio manufacture? Company announced it will produce auto radios there to supply undisclosed portion of Ford's 1965-model year requirements. Lansdale Div. Vp-Gen. Mgr. Michael W. Newell said Philco's new car radio design is being offered to other auto makers.

GE will become sole supplier of receiving tubes to Astrex Inc., which operates self-service tube-checking & sales machines, Astrex announced last week. Agreement provides for 5 million tubes yearly at cost of about \$5 million (retail value about \$15 million). Astrex formerly bought tubes from several manufacturers, once was distributor for Du Mont-branded tubes.

INDUSTRY'S TV FORECASTS: Here's what individual manufacturers think 1964 holds in store for TV market. These are digests of replies to our survey (see summary on p. 7), from which confidential portions have been deleted. Sales quoted are distributor-to-dealer.

Admiral Vp Ross D. Siragusa Jr.: B&w TV sales of 7.4 million (including more than 500,000 sets 11-in. & smaller), color 1-1.1 million. Portable-table model movement may increase somewhat, consoles slipping slightly, combinations holding about same. All-channel should add about \$15-\$20 at retail. TV imports may reach 800,000.

Emerson Pres. Benjamin Abrams: B&w sales 6.5 million, color about 1.2 million, with this b&w breakdown: 500,000 tinyvision (11-in. & smaller), 4 million portable & table model, 2 million console & combo. All-channel law will add \$20 per unit to retail prices but "will have no material effect on sales." TV imports may be lower than in 1963.

GE: All-channel law will result in \$20-per-set price differential and will depress sales somewhat. Radio & TV Div. Vp-Gen. Mgr. Hershner Cross said in separate statement that business this year was "excellent," and "we look forward to a continuation of good business generally on a par with, or slightly above, this year."

Motorola: Pres. Robert W. Galvin estimates sales of 7.6 million sets, including nearly 1 million (or 13% of total) color sets. Motorola Consumer Products Inc. Pres. Edward R. Taylor estimates consoles will shrink slightly to possibly 21% of b&w market or about 1.4 million sets; portable & table model sales running about 4.9 million or nearly 75% of total; combinations slipping to about 300,000 or 4.5%. The 19-in. size will possibly represent little less than 50% of total b&w sales, due to rise in under-19-in. category. He believes "b&w sales will stumble somewhat due to the all-channel law & higher prices."

Packard Bell Pres. Robert S. Bell: B&w sales more than 6 million, color 1.25-1.6 million, only limit being availability of picture tubes. B&w product mix "will change considerably in that tinyvision will be approximately 11% of the market, up from its current 8% position, portable & table-model TV will go to 69% from an estimated current 61%, console & combinations will represent approximately 20%, down from their current 31% position." All-channel law will increase prices from "at least 9% on the lowest-priced models to a significant increase at the high end." He's "somewhat hopeful" that excise tax law will be amended. Imports will probably be in 750,000 range.

Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde: B&w sales 6.4 million, color 915,000. Anticipates consoles & combinations will decline from present 30.3% of product mix to 26%, portables increasing from 61.7% in 1963 to 68% in 1964, table models dropping from 8% to 6%. Breakdown of portable category (in terms of percentage of total b&w sets): 11-in. & under going from present 3.5% to 10%, 16-in. dropping from 7.5% to 6%, and 19-in. rising from 50.7% to 52%. All-channel law will bring "slight increase in price and a somewhat slower 3rd quarter in sales." Imports will rise from 425,000 sets this year to 550,000 next year.

RCA Sales Corp. Pres. Raymond W. Saxon: B&w sales 6.15 million, "color conservatively accounting for

1.2 million sets"—higher if enough picture tubes are available. Portables will increase their share of b&w market—to approximately 72%—but "RCA will increase its console & combination sales over our 1963 total." Public will establish "more of an 'either-or' preference"—either buying a lower-priced portable or a furniture-styled console or combination. "It's still too early to speak knowledgeably about the effect of the all-channel law... Definitely higher prices." Imports of about 800,000 units.

Setchell-Carlson Pres. B. T. Setchell: B&w TV sales 4.5 million, color 2.5 million. Projects 15% increase in sales of tinyvision, 10% in 19-in. portables & table models, with consoles & combos declining about 18%. "We believe the all-channel law will slow sales of TV receivers [for] 3 months, and then regain strength by Sept." If excise tax is eliminated on all-channel sets, "we expect a marked increase in sales during June & July." TV imports may be expected to increase 7% "due to the increasing popularity of small TV receivers and more realistic pricing."

Sylvania Home & Commercial Electronics Pres. Robert J. Theis: B&w sales 6.8 million (including 500,000 tinyvision, up from 250,000 this year), color 1.2 million (up from 800,000). B&w mix will shift from this year's 68% portable-table & 32% console to 72% portable-table, 28% console, fall-off of about 400,000 consoles due to increased interest in color. "B&w combinations will be under pressure, [but] don't count them out, particularly under \$550." All-channel law will cause dealer hesitancy to purchase large quantities, and search "for the least uhf penalty cost in the early stages of the game." But no sizeable reduction in cost is probable in near future. Small savings are possible with heavy production. Dealer "jockeying" in early fall will cause "short-range problem," but eventually dealers will "move on to promote this new feature to the public." Imports will be 800,000 units, figure being held down because more U. S. manufacturers will have U. S. models.

Wells-Gardner Vp-Sales Mgr. Allan Gardner: B&w sales 5.8 million, color 1 million. Expects b&w consoles to decrease 5%, tinyvision rising 5%, portable, table & combinations holding steady. All-channel law "will add \$15 or less to TV price, but will not materially affect sales." Imports will total 800,000 units.

Zenith Vp-Operations Mgr. Clifford J. Hunt: B&w sales 6.5 million, color 1 million. No change in b&w mix, which should level off at present going rates for each category. All-channel law will "retard sales in vhf markets." Imports will rise to 850,000 sets.

Expanding picture-tube lines, Westinghouse last week announced it can now supply PPG-type bonded tubes. Earlier, it had announced availability of complete line of 16-in. 114⁰ tubes in any combination of heater ratings, high or low drive, in "heavy" version or Kimcode or PPG type.

Emerson's 22 millionth home instrument—a 16-in. portable TV—has rolled off line. Set & commemorative plaque were presented to Pres. Benjamin Abrams by personnel of Jersey City, N. J. plant.

In Canada, too: One 11-in. set is sold in Canada "every minute of each working hour," according to Canadian Admiral Pres. Stuart D. Brownlee.

MORE WINTER DROP-INS: New sets unveiled last week by Admiral, GE, Motorola & Sylvania showed usual winter tendency to fill gaps in lines, and to concentrate on more value, with some slightly lower prices. In alphabetical order:

Admiral showed 4 new color sets, including complete combo at \$795—\$100 below previous low color combo. Other new color sets are \$499.95, \$509.95, \$559.95. New Admiral b&w TVs are four 19-in. portables beginning at \$139.95, with high end (open list) featuring 10-hour timer. Eleven new 23-in. sets start with "portable" at \$169.95, grained consoles starting at \$199.95, topped by open-list combo. Most color sets & b&w consoles are available with wireless remote for \$30 extra.

Admiral also introduced 3 solid-state stereo consoles (open list), 3 conventional consoles starting at \$179.95 & 3 stereo portables, beginning with tilt-out at \$69.95—\$10 less than previous tilt-out stereo leader. Also new is compact thin portable phono with changer & AM radio at \$59.95.

GE's 11-in. drop-ins, reported last week (Vol. 3:49 p9), are listed as \$119.95 & \$134.95 with "vhf-only versions \$20 lower." New 19-in. portables including roll-around stands are \$149.95 & \$159.95 (uhf \$25 extra); 23-in. console is \$199.95 (uhf \$25 extra).

Motorola has changed some chassis, introduced new styling, adding 2 portables, 4 "compact," three 23-in. table models, 4 consoles. Leader 19-in. portable is un-

changed at \$139.88, but has more deluxe cabinet features. Compact 19-in. line starts at \$159.95, with redesigned chassis & cabinet in 3 step-ups at \$169.95-\$189.95. Latter set has wood-grained vinyl-clad cabinet. New 23-in. tables start at \$169.95, and step-ups include swivel & caster models.

New Motorola radios offer more choices at low prices (starting at \$14.95), in some cases feature-price reduction. Lowest-priced wood-cabinet FM-AM is now \$64.95 vs. \$79.95 starting-point last summer; leader FM-AM clock radio is \$10 below previous starter, at \$59.95. Clock radios, starting at \$19.95, all have full-feature clocks.

Motorola also introduced line of FM-AM auto radios at \$139.95, continuing previous FM-only & FM-tuner models. Company predicts 42% gain in FM car radio sales in 1964 on top of 133% increase this year.

Sylvania introduced 8 new TVs, including portable at \$139.95 & new version of its portable which accommodates accessory clock (\$9.95 extra) at \$149.95—\$10 below similar set introduced last June. Two 23-in. table models were introduced at \$169.95 & \$179.95, along with series of metal consolettes at \$189.95-\$209.95, 3 consoles at \$199.95 & \$249.95, including popular white finish. French Provincial stereo was added at \$329.95-\$369.95.

Added to RCA introductions reported last week are new lower-priced tilt-down mono portable phono at \$24.95 and 4 stereos with FM stereo at \$299.95-\$350.

BATTLE OF LOUISVILLE—CONT'D.: Louisville retailers have won 2nd & more significant victory in their fight to force discount competition to obey state law & remain closed on Sun. (Vol. 3:49 p10). Court of Appeals, Kentucky's highest court, on Dec. 6 refused to disallow temporary injunction against 9 discount stores granted a week earlier by Chancery Court. Case will now be tried to determine if permanent injunction should be imposed.

"Whatever happens next, these old-line retailers have gained their initial objective and have won the short-range victory," James Thornberry, attorney for discount defendants, told us. "The Court will be unable to hear the case before the end of the year, and probably not before early February. This means that we have lost the Christmas business. We may yet win the final battle but we've lost the war for Christmas."

He noted that many other types of stores continue to "remain open all over Louisville on Sunday," said "this latest court decision could lead to other suits by other groups against other stores."

Defendants last week initiated action to have bond posted by Retail Merchants Assn. of Louisville boosted to \$100,000 from \$5,000. Bond was posted by order of Chancery Court to provide funds to reimburse discounters for losses sustained by closing Sun.—in event temporary injunction was disallowed or permanent injunction is refused by higher court.

Since state law decrees no work on Sun., we asked Thornberry how discounters could expect to collect damages for lost business if their being open for business Sun. violates law. "This is a civil case, not a criminal case," he explained. "If we do win it eventually, I believe my clients have a good chance to collect damages for lost business. There are many stores that continue doing

business in Louisville on Sunday despite the state law."

* * * *

Court permission to open Sun. despite closing law in St. Paul, Minn. has been obtained by Shoppers World, discount subsidiary of Aldens Inc., Chicago. Discounter got restraining order to bar city temporarily from enforcing its Sun. closing ordinance, instituted Feb. 1962. Court set Jan. 8, 1964 date for hearing on Shoppers World request for temporary injunction. Restraining order will enable discounter to open Sundays to that date.

MOTOROLA'S PROSPECTS: Although Motorola's financial results for 1963 have been hindered by substantial costs in color TV & semiconductors, next year should see higher sales & "important improvement" in earnings. So said Pres. Robert W. Galvin last week in talk to N. Y. Society of Security Analysts (see also p. 8).

For 4th quarter of this year, he said, sales were up more than 5%, for full year more than 8%, with some increase in earnings during both periods. Next year's first quarter should see substantial earnings improvement.

Motorola "is not on the march for diversification," he added, "Our responsibility is to digest what we have." Ticking off company's various operations, he gave this picture: Consumer products—1963 sales about same as last year; earnings good, but far below expectations; increases in both categories next year. Automotive products—volume & earnings excellent, prospects "fine" for 1964. Semiconductor—earned well in '63, but can do better in '64. Communications—good growth this year, more due in 1964. Military—was held to 15% of total sales this year, and will be next year; profitable both years. Solid state systems—probably won't show profit till 1965.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Collins Radio	1963—qtr. to Nov. 1	\$ 66,356,000	—	\$ 888,000	\$0.40	2,230,080
	1962—qtr. to Oct. 31	55,628,000	—	883,000 ¹	.40 ¹	2,230,064
Lynch Corp. (Symphonic)	1963—9 mo. to Sept. 30	21,691,043	\$ (158,299)	(108,317)	—	1,175,837
	1962—9 mo. to Sept. 30 ²	23,035,721	453,673	176,179	.15	1,175,873
Newark Electronics	1963—year to Aug. 31	22,462,388	—	135,261	.17	—
	1962—year to Aug. 31	22,384,646	—	77,809	.10	—
Transistor Electronics	1963—6 mo. to Oct. 31	1,754,593	—	218,254	1.12	—
	1962—6 mo. to Oct. 31	859,906	—	75,830	.65	—
United Artists	1963—9 mo. to Oct. 31	81,870,000	—	1,610,000	.87	—
	1962—9 mo. to Oct. 31	91,502,000	—	3,103,000	1.68	—
	1963—qtr. to Oct. 31	31,899,000	—	808,000	.43	—
	1962—qtr. to Oct. 31	29,436,000	—	1,100,000	.53	—

Notes: ¹Restated to reflect 1963 depreciation changes. ²Restated to include Cox Instruments Corp., merged in 1963.

Trade Personals

Harold B. Avery, ex-GE Supply Co. Philadelphia radio-housewares district mgr., ex-Hotpoint & Capehart-Farnsworth, appointed radio & portable phono sales mgr., Philco Corp. Consumer Products Div., succeeding **Bruce Lambert**, now gen. mgr. of PDI-Philadelphia... **Fred W. Rombach** retires Feb. 1 after 25 years as mgr. of Philco's Watertown (Pa.) cabinet plant; he's succeeded by **Robert R. Austin**, mgr. of Philco's Fairfield (Ia.) wringer washer plant; **J. N. McDowell**, mgr. of Philadelphia electronics plant, succeeds Austin in Fairfield.

Louis G. Pacent, Emerson vp in charge of mfg. subsidiaries & former engineering-mfg. vp of radio-TV div., elected exec. vp of Emerson's Quiet Kool Div.

Robert Kadets, ex-Sylvania & CBS Electronics, resigns as gen. mgr. of Admiral Sales Co.'s Philadelphia Div.

Benjamin Adler, Adler Electronics pres., elected a vp of parent Litton Industries.

Leonard Carduner, Avnet Electronics dir. since 1960, named vice chmn.; **Morton D. Welner**, formerly assistant to pres., appointed a vp.

D. L. MacDonald, formerly Westinghouse Appliance Sales major appliances merchandise mgr., named to corporate general ad dept. to supervise merchandising plans for TV shows... **William A. Douglass** named WAS sales mgr., succeeded by **R. Frank Spangler** as Major Appliance Div. commercial products mgr.

Saul Decker, ex-Symphonic, Magnavox & Telechrome, appointed section head in CBS Labs' military & industrial systems dept.

John H. Trux, ex-Sales Communications Inc., joins Ampex Consumer & Educational Products Div. as mktg. mgr., a new post.

Obituaries

Arthur F. Vinson, 56, GE vp & group exec. of Industrial Group (including component products & industrial electronics), died Dec. 6 of heart ailment in New York's Waldorf-Astoria Hotel, prior to presiding at annual Congress of American Industry luncheon meeting. He lived at Scarsdale, N. Y., is survived by widow, son, daughter.

Howel H. Barnes Jr., 87, retired (1941) GE commercial vp, died Dec. 7 in New York Hospital after short illness. He joined GE in 1902, became commercial vp in 1931. No immediate survivors.

George Ehret Burghard, 68, radio industry pioneer, died Dec. 8 in New York's Lenox Hill Hospital of heart attack. He organized & was 1920-34 pres. of Continental Radio Corp., RCA distributor in N. Y., was 1921-25 pres. of Radio Club of America, participated in 1921 in one of earliest transatlantic short-wave broadcasts. Burghard was a founder and pres. since 1935 of Armstrong Memorial Research Foundation, named for friend & associate Edwin H. Armstrong. He is survived by stepdaughter, 2 brothers.

Litton Industries' board has approved plan to allow common share holders to exchange up to 4% of their holdings for new convertible preferred shares, on a share-for-share basis. Preferred shares will pay annual \$3 cash dividend each, will be convertible to common at holder's option. In other action, board approved Litton's acquisition of Clifton Precision Products, Clifton Heights, Pa. electronics manufacturer. Pres. Roy L. Ash forecast sales & earnings in 2nd fiscal quarter ending Jan. 31 "will exceed first quarter results" of \$6.5 million earned on \$154 million sales (Vol. 3:47 p12). This will result in sharp gain over year-earlier's first-half results of \$10.9 million earned on \$261 million sales. Litton around Jan. 1 will begin moving into new corporate hq in Beverly Hills, Cal., in 2-story building once occupied & still owned by MCA.

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

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

DECEMBER 23, 1963

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

THE COLLINS STORY: 'Intense' desire to serve broadcasting; 'absolutely no plans' to run for office, but resents being asked to 'paint myself into a corner' (p. 1).

RATING COUNCIL PICKS DIR., INCORPORATES: It's understood former NAB research dir., Kenneth Baker, will head Council. Group incorporates following AAAA decision to join board. Top CPA-management firms await decision for audit job (p. 2).

SPORTS TOLLS WORRISOME BELL FOR TV: Industry watching NBC pay record rights of \$13 million for NCAA games for 2 years; theater TV set for Chicago pro football; Subscription TV Inc. West Coast moves (p. 2).

CHANGES IN COMMERCIAL PRACTICES? NAB holds N. Y. meeting with networks, agencies, advertisers, describes it as 'fruitful.' Feb. meeting also planned. House Commerce Committee issues report on commercial bill; 8 dissenters favor FCC (p. 3).

NETWORK-FCC UHF CONFAB—no blockbusters uncovered. ABC asks share-the-wealth in 18 2-vhf markets—each network to get 12 vhf, 6 uhf (p. 4).

THE GOV. COLLINS STORY: Efforts to force NAB Pres. Collins out of job are mounting again, as board meeting in Jan. approaches. Those who consider him too individualistic to run a trade association are redoubling drive to oust him by any means—to get him to run for senator or governor of native Fla., appointed ambassador, cabinet member, dogcatcher, anything.

Gov. Collins is unusual combination of sensitivity & thick hide. He says he has "intense interest in broadcasting" and wishes to continue to serve it. At same time, he resents being asked if he would ever consider running for office. "I have absolutely no such plans," he says, "but I don't think anyone should ever be required to paint himself into a corner." Recently, he made speech in Columbia, S. C., devoting it to civil rights, asking Southerners to urge "the bloody-shirt waver to climb down off the buckboards of bigotry." Said he last week: "Some people say my speech means I'm running for office. Such a speech is scarcely the strategy for running for office in the South. It was something I felt deeply and believed I should say. I am not on the phone urging my friends to build up a campaign for me."

Collins was amused about reports that special "emergency" meeting of NAB exec. committee had been called for Jan. 6 to consider what to do about him. He said that he had set meeting date himself some time ago, that such a meeting is normal precedent to board meeting.

Foregoing doesn't diminish in slightest, however, fact that influential & sincere NAB members—regardless of their admiration of or revulsion against Collins as a citizen—believe that an NAB president's job is to insist that the industry is always right.

Consumer Electronics

TELCAN DEMONSTRATION raises questions about acceptability of recorded picture, speed & volume of tape; developers say they plan U. S. distribution by summer at around \$150, with U. S. set maker as licensee, but have made no licensing agreement yet; home TV camera also planned at \$150 (p. 7).

TOUGHER PHILCO FLEXES MUSCLES FOR '64 PUSH: Sets sights on 50% increase in consumer products sales in next two years, moves aggressively to develop more complete product lines & to find more dealers to sell them. Ad budget up 50% to \$7 million (pp. 8, 11).

RADIO-PHONO '64: Our industry survey shows no unanimity among manufacturers—predictions of increases exactly balanced by predictions of decreases; general agreement that tapering-off point in radio imports is near (p. 9). Digests of individual replies (p. 10).

3M TAPE CARTRIDGE recorder now in 600 retail outlets; future steps include lower-priced models, OEM version for 'packaged component' makers (p. 11).

NEW SETS include \$399.95 color console by Emerson, 19-in. furniture-finish line by Philco, whose 16-in. TV is cut to \$119.95 (p. 12).

RATING COUNCIL PICKS DIR., INCORPORATES: Rating Council is hurrying to meet commitment it made Harris Subcommittee—that it would be ready to roll by first of year:

(1) It's understood Council has picked Kenneth Baker, former NAB research dir., 1946-51, as exec. dir.; announcement may come this week. Baker was with TV stations on West Coast, recently showed up at Council & audit subcommittee meetings.

(2) Council filed papers of incorporation in Wilmington last week—AAAA finally agreeing to serve as full board member. Board will have 15 members: NAB, 5; AAAA, 2; one each from 4 networks; SKA, TvB, RAB, NAFMB. Assn. of National Advertisers wouldn't change mind, won't join board, will have associate status. RCI meeting is planned for Jan. 8.

(3) Standards covering minimum criteria & performance were received by raters last week. Standard that has created most interest is on ranges. Council states that single rating is best estimate, that a couple of pages in ratings report should be devoted to explaining "standard of error" using examples expressed in ranges. Other standards are pretty general—complete disclosure of methods, sample sizes, deviations; proper procedures for tabulating, editing, etc. One rating service said they're similar to FTC requirements.

(4) One thing Council won't have ready by Jan. is auditing firm in field. But here are the firms in running, we've learned: Price, Waterhouse; Ernst & Ernst; Arthur Young & Co.; Booz, Allen & Hamilton; Alexander Grant & Co.; Cresap, McCormick & Paget; Peat, Marwick, Mitchell & Co.; Arthur Anderson & Co.

In related development, RAB-NAB technical subcommittee met last week on upcoming radio methodology study. Meeting established "good working relationship," next session set for early Jan.

SPORTS TOLLS WORRISOME BELL FOR TV: TV's involvement with sports—and vice versa—has industry concerned over: (1) What it must pay for game rights and (2) Threats from pay TV, in its many forms. Items:

(1) NBC paid record \$13,044,000 for 1964-65 rights to NCAA games, \$2,844,000 more than CBS shelled out 2 years ago. Almost immediately, NBC announced sellout for first year—Gillette, Chrysler, General Cigar, Texaco will each sponsor a quarter. Most games in color. Those close to industry bidding insist profit can't be turned because rights came so high. It's tremendous testimony to power of sports as audience & prestige builder.

(2) Theater TV entered football picture for first time. National Football League will allow Dec. 29 championship game in Chicago to be theater telecast there same time NBC is carrying game on network, as we indicated (Vol. 3:43 p3). Chicago, of course, will be blacked out from free TV for 75 miles under NFL rules. NFL wished to do this last year in N. Y., but network contract didn't permit.

Theater Network TV will handle arrangements, prices will vary \$4-\$7.50, with potential audience of 25,500 in 3 locations. NFL Comr. Pete Rozelle said it would represent only minor part of gross. NBC has paid \$926,000 for championship rights; CBS has telecast regular-season NFL games, paying \$9.3 million for past 2 years. New contracts are up for grabs next month. Ante is expected to rise substantially—one reason being NCAA deal because NFL games show much higher ratings. NFL also will seek closed-circuit TV clause for regular games (theater and/or home TV) on individual team basis when home games are blacked out.

(3) Theater TV is set for Feb. 25 Liston-Clay championship fight, also with arrangements by TNT. No free TV here. As in past, theaters will be set up across country. New large-screen Eido-phor will be used by TNT for both football & fight. About a million theater seats are planned, average price \$5. If potential is realized, it will dwarf receipts for any fight in history.

(4) Subscription TV Inc., with some promise of becoming first pay-TV giant, ordered from RCA \$1,233,000 in studio equipment for Los Angeles & San Francisco. RCA says delivery begins in 4 weeks, is largest equipment order ever from pay-TV firm. STV plans to pay-televisize games of L. A. Dodgers & S. F. Giants next year over cables, equipment developed by Lear-Siegler, billing handled by Reuben Donnelly. Minimum audience of 20,000 is expected in each city at \$1.50 per game.

Though company hasn't changed timetable for games, needed coaxial cables have yet to be strung.

Vp Robert F. MacLeod told us engineering studies are progressing but that plans have been disrupted because of General Telephone strike. Company will use electronic "interrogator" to send coded signal from set to hqs., telling when set is on. Equipment presently can handle 700,000 homes in 6 minutes, STV claims.

STV also is expected to negotiate with NFL & American Football League for individual pay-TV arrangements (Vol. 3:43 p2), as are other pay firms.

STV brought \$117 million damage suit in Los Angeles district court against 5 motion picture theater assn.'s, 12 exhibiting chains, 3 individuals. It seeks triple damages, alleges that parties sought to deter public stock sale through ads & publicity, that they conspired to prevent STV from securing programming material.

California Crusade for Free TV, San Francisco, said suit is "without legal merit," plans petition to put question of pay TV to voter referendum next Nov.

Sports columnist Red Smith, commenting on theater TV phenomenon, said its potential is governed by the Gainford Law: When George Gainford, mgr. of Sugar Ray Robinson, was told of money-making possibilities of medium several years back, with hundreds of thousands of seats available, he commented—"Yeh? How many behinds gonna be in them seats?"

COMMERCIAL PRACTICES CHANGES IN WIND? NAB succeeded last week in bringing together networks, agencies, advertisers, for frank discussion of pressing commercial practices problems—determined that if self-regulation is to work both industry & ad community will have to yield a bit. NAB officials were quite pleased with tone of N.Y. meeting, described it as "very fruitful;" another is planned for Feb. Meanwhile, Pres. Collins will report to Sen. Pastore (D-R.I.), who says he's watching developments.

Problems explored: Multiple announcements. Clutter. Non-commercial announcements—show credits, billboards, IDs. Piggybacks. Content of commercials. In addition, Group W Pres. Donald McGannon, chmn. of NAB Research Committee, described progress in ratings picture.

Major area of concern, as seen by those close to Code, is multiple announcements—using 3-4 commercials in minute. As it now stands, even though practice isn't per se violation of Code, it contributes "to feeling of over-commercialization" by public. "Something has to be done," we're told, suggesting possibility of change in Code or new interpretation of standards. Another sore spot is "integrated" announcements of, say, two 30's back to back, used by one company to promote 2 separate products but considered as one announcement.

Among 2 dozen who attended: Collins, Bell, McGannon, Wasilewski, Helffrich, Quarton, Ferguson, Couric, McCollough, NAB; Alfred Schneider, ABC; Ernest Jahncke, NBC; Joseph Ream, CBS; John Crichton, AAAA; Peter Allport, ANA; Richard Pinkham, Ted Bates; Arthur Tatham, Tatham-Laird & AAAA chmn.; E.P. Genock, Eastman-Kodak; John Burgard, Brown & Williamson.

House Commerce Committee released report following approval of bill to prevent FCC from setting limits on length & frequency of commercials (Vol. 3:50 p4). As we indicated, Rep. Moss (D-Cal.) wasn't only member to vote against measure—there were 7 others.

Majority view is that FCC lacks authority, that never in 36 years has Commission seen fit to move into area. It quoted from 1932 Federal Radio Commission stand that additional legislation would be required for it to set such rules. Majority also cites 1940 Supreme Court decision (FCC v. Sanders) stating that broadcasters are not common carriers, that broadcasting is field of "free competition."

Majority states, surprisingly echoing Omaha report, that remedy lies in bringing about greater awareness by viewers & listeners of their rights, as well as improved communication between them & licensees. However, it adds that Commission judgment shouldn't be substituted for community opinion.

Minority believes Commission has authority "to adopt reasonable rules" on over-commercialization, for same reasons mentioned by FCC in legal memorandum (Vol. 3:49 p3). Dissenters also state that bill would create vacuum, by precluding FCC completely from setting rules without suggesting Congressional guidance. They also observed a "trend toward more & more commercialization."

Minority also criticized industry for its attacks without waiting to see what Commission decision was. At same time, it criticized FCC for not bringing together all facts and proposing rules tailored to those facts.

FCC plans for over-commercialization decision, disclosed exclusively in these pages (Vol. 3:50 p1), were deferred last week, will be taken up for action within next few weeks.

NETWORK-FCC UHF CONFAB—NO BLOCKBUSTERS: "How to help uhf" meeting called by FCC, drawing network spokesmen to Washington last week, produced just about what you'd expect.

Comrs. Lee & Cox headed FCC contingent, while ABC produced Julius Barnathan, CBS William Lodge, NBC David Adams—plus aides—highly qualified representatives all.

Commission wanted to know what could be done about getting more network programs to uhfs. Affiliate-shy ABC came up with proposal: In 18 major markets where it doesn't have full-time vhf affiliates, vhfs should be shared—each network getting 12 vhfs & 6 uhfs. FCC people talked about "time-sharing," too, but said they recognize problems involved.

Commission was brought up to date on industry practices, and staff members said they were pleased to learn that advertisers find it less expensive nowadays to extend lineups to more & more small stations.

FCC spokesmen ended up by saying they'd be asking for more information. All in all, nothing startling came of confab.

* * * *

Talk on uhf by rep Adam Young to PR men of United Jewish Appeal in recent N. Y. meeting visualized 1,000 new stations in 6 years. Young said: "I consider the major magazines comparable to the major vhf TV stations and new uhf stations comparable to the specialty magazines." Young is vice chmn. of FCC-sponsored "CAB" uhf development group.

CAPSULES

"Meet the Networks" program of President Johnson last week—in which top men of each TV network lunched at White House on 3 successive days—reportedly was confined to discussion of national problems & news. No industry-govt. matters were brought up. NBC contingent, headed by Pres. Kintner, arrived Dec. 18; CBS, with Chmn. Paley & Pres. Stanton, Dec. 19; ABC, with Pres. Goldenson, Dec. 20. News chiefs of each, N. Y. & Washington, were on hand—Washington govt. relations vp's not in picture.

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President Johnson hasn't made up mind on TV debates next year, told reporters: "I will make those decisions at the time I am the nominee and in the light of the circumstances existing then." He's been meeting informally with reporters, apparently hasn't decided on continuing live TV coverage of news conferences, initiated by President Kennedy: "We will do what comes naturally. Maybe it will be a meeting of this kind today; maybe a televised meeting tomorrow, with maybe a coffee session the next day. We don't want to be too rigid. We always want to be flexible."

— ■ —

"Carter Mountain" CATV case stands—U. S. Supreme Court refusing last week to review lower court's affirmation of FCC decision. Commission had ruled that it could deny microwave facilities designed to serve CATVs, if such service would endanger livelihood of TV stations (Vol. 3:21 p4).

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Final decision rejecting vhf drop-ins, affirming recent vote (Vol. 3:46 p1), was adopted by FCC—text to be issued shortly. It's understood that Comr. Loevinger, who was crucial swing man in 4-3 decision, says in concurring decision that he would have voted for drop-ins if he had been in on original vote, that decision was very close one—but that he voted for status quo now to keep Commission from troublesome vacillation.

UPCOMING STATIONS: **KTVS (Ch. 3) Sterling, Colo.**, planned as satellite by KFBC-TV Cheyenne, Wyo. has Jan. 1 programming target, reports William C. Grove, KFBC-TV gen. mgr. It will use RCA transmitter, 600-ft. Stainless tower. Resident mgr. & engineer haven't been appointed.

WMEM (Ch. 10 ETV) Presque Isle, Me. has changed programming target to Jan. 25, tests to Jan. 5, writes John W. Dunlop, gen. mgr. of WMEM & WMEB-TV Orono, Me., both U. of Maine stations. RCA Traveling Wave antenna has been installed on 55-ft. Stainless tower; RCA 25-kw transmitter arrived week of Dec. 2. WMEB-TV staff will also handle WMEM.

WITV (Ch. 7 ETV) Charleston, S. C. has changed targets to Jan. 15 for tests, Feb. 1 for programming, according to Charles S. Morris, technical dir. RCA 5-kw transmitter is scheduled for delivery before Jan. 1. Programs will originate in Columbia, duplicating most of those sent to S. C. ETV Commission's other station, WNTV Greenville.

KCOY-TV (Ch. 12) Santa Maria, Cal. still hopes to meet Feb. programming target, says James H. Ranger, gen. mgr. Work on transmitter house began week of Dec. 2, when GE 10-kw transmitter was delivered. GE antenna has been ordered for 146-ft. tower. Bob Williams, ex-KBAK-TV Bakersfield, will be operations mgr.; Ray Walker, ex-KERO-TV Bakersfield, chief engineer. Rep will be Venard, Torbet & McConnell. Base hour not set.

Transfer of 50.215% of KIRO-TV Seattle to Wasatch Radio & TV Co. (Mormon Church) from Saul Haas for \$5,095,500 has been approved by FCC. This raises Wasatch holdings in KIRO-TV-AM-FM to 90.5%. Mormon Church also owns control of KSL-TV & KSL Salt Lake City, operates ETV KBYU-TV Provo, Utah, has minority interest in 2 Ida. TV-AM stations.

CATV prospects in Canada remain vague, with report that new Canadian Home & Theatre Vision Ltd. plans 200 systems, backed by \$12 million in U. S. & British capital (Vol. 3:50 p3). We spoke to Leslie A. Allen, pres. of Atlas Telefilms Ltd., Toronto, whose name was attributed to announcement. He said: "We have a lot of competition" and therefore wouldn't comment.

ETV program tapes compatible with Ampex Video-tape recorder are available for ETV stations & closed circuit systems from Midwest Program for Airborne TV Instruction, West Lafayette, Ind., & Great Plains Regional Instructional TV Library, Lincoln, Neb.

NAB's "Future of TV" committee, under Dwight Martin, meets in New Orleans Jan. 6 to discuss latest pay-TV, CATV, theater-TV and related developments—some of which are mushrooming to worrisome proportions.

Comments on FCC uhf plan will be accepted until Feb. 3, extended from Jan. 3 at request of National Assn. of Educational Bcstrs. which submitted alternative plan, claiming it's more efficient (Vol. 3:45 p4).

High vs. low vhf field strength measurements are subject of FCC research report (R-6305) now available from FCC Research Div.

FTC charged 3 toy companies with deceptive TV advertising: (1) American Doll & Toy Corp. for Dick Tracy 2-Way Wrist Radio, which FTC says won't receive ham, distress or ship-to-shore signals. (2) Rainbow Crafts Inc. for Forge Press package which, says FTC, doesn't contain everything claimed. (3) Emenee Industries Inc. for Electronic Rifle Range, charged with not having "adjustable telescope-like sight."

Radio KRLA Pasadena, Cal., 50-kw outlet ordered off air by FCC for misrepresentations, etc., has been given until Jan. 27 to submit unusual application. Owners propose to transfer station to ETV group so that profits can support proposed uhf ETV station—if principals get some \$300,000 owed them by station & if new owners lease quarters from them for some \$90,000 a year. Station reportedly earns about \$300,000 a year.

Columnist Art Buchwald heard about League Against Obnoxious TV Commercials, decided to form "counter-group" called League For Obnoxious TV Commercials: "Our forefathers, when they wrote the Constitution, certainly had commercials in mind in writing that everyone was entitled to life, liberty and the pursuit of happiness. If it weren't for TV commercials, no one in this country would know how to achieve these goals."

CBS was honored by N. Y.'s Avenue of the Americas Assn. for "a sense of civic pride and responsibility" in making construction of its new skyscraper less burdensome to public—keeping construction shanties off streets, use of new heavy tower crane, plus attractive photo display at sidewalk fence.

Attempt to block FCC license fees, which are due to start Jan. 1, filed in U. S. 7th Circuit Court of Appeals in Chicago (Vol. 3:50 p5), has been joined by NAB in petition to intervene. Next move is court action on petition to stay Commission action pending final decision on merits.

Five-year probation was sentence handed disc jockey Charlie Walker, after being found guilty of obscenity in famous WDKD Kingstree, S. C. case, in which FCC decided to deny license renewal. Walker conviction was first such in history of U. S. broadcasting.

FCC's proposed TV program form has been issued as anticipated (Vol. 3:20 p5), subject to oral conference Feb. 13. Full text of proposal is Public Notice 63-1163 available from Commission, or we'll be pleased to send you copy.

No TV for Jack Ruby trial in Dallas, Judge Joe B. Brown ruled. He also excluded radio and still photos. "Due process... and decorum will be maintained," he said.

Hartford's pay-TV operation taped performance of new off-Broadway musical "The Streets of New York" for showing this month, said to be first musical on pay TV, cost to subscribers about \$2.

FCC & FTC 1964 appropriations were approved by President Johnson last week: \$15.6 million for FCC; \$12,214,750 for FTC.

"Open Mind" NBC-TV interview has been taped by FCC Chmn. Henry, date of telecast not yet indicated.

Personals

Fred L. Nettore appointed ABC-TV Spot Sales gen. sales mgr. . . **Robert L. Hosking** named radio WCBS N. Y. gen. sales mgr.

Arthur H. McCoy, Blair Radio pres., elected pres. of John Blair & Co., succeeding **John Blair**, chmn. & chief exec. officer; **Tom Harrison**, vp in charge, Blair Radio, Chicago, succeeds McCoy; **Stuart Cochran** replaces Harrison, was his asst.

Robert J. Burton elected BMI pres., succeeding **Carl Haverlin**, retiring. . . **Jerry Madden**, dir. of NBC TeleSales & Unit Managers, promoted to special news projects dir.

FCC Comrs. Cox & Loevinger will take part in Georgia Assn. of Bcstrs.' annual Radio-TV Institute, Jan. 21-23.

John F. Meagher, NAB radio vp, resigns after almost 10 years of service to become consultant, Pres. Collins commending him for many contributions, successor not yet indicated.

James S. Gates, KTTV Los Angeles exec. producer, promoted to program dir. . . **Richard Norsworthy**, ex-WBAL-TV Baltimore, named promotion & advertising dir., WTTG Washington. . . **Inez Pedroza**, actress & writer, appointed public affairs coordinator, KMEX-TV Los Angeles.

John C. Butler, radio mgr., Peters, Griffin, Woodward, Dallas, promoted to eastern sales mgr., N. Y., succeeded by **Allen VanHorn Hundley**, ex-John E. Pearson Co. mgr. in Dallas.

Arthur J. DeCoster promoted from account exec. to sales mgr., ABC-TV Spot Sales, Chicago.

Obituary

Kenneth M. Fickett, 60, CBS Radio associate dir., died Dec. 14. He'd been with network almost continuously since 1941, was uncle of actress Mary Fickett.

Fines of \$1,000 & \$1,500, respectively, have been ordered by FCC against radio WOL-FM Washington & KVOC Casper, Wyo. for operating rules violations. Commission rejected stations' pleas of mitigating circumstances.

Revocation of WELF-FM Glen Ellyn & WELG-FM Elgin, Ill. has been ordered by FCC which says stations have been off air without permission since Oct. 1, equipment repossessed, studios vacant, licensee whereabouts unknown.

Handbook designed to help stations plan & promote birthday celebrations & special observances has been distributed by NAB to member outlets. It's called "Congratulations on Your. . .", is 20 pages.

Broadcasters were asked by NAB Pres. Collins to contribute any on-air material of late President for John F. Kennedy Memorial Library, Cambridge.

AM radio membership of NAB has reached all-time high of 2,005, gain of 7.5% over last year.

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Desilu Productions rebounded from \$655,387 loss in 1963 fiscal year ended last April 27, with \$400,005 profit in current fiscal's first half (see financial table), expects profit-comeback to continue. "With all of Desilu's anticipated extraordinary cost adjustments having been effected as of the preceding fiscal year," Pres. Lucille Ball noted: "We believe that Desilu's currently profitable operations will continue and will be reflected favorably at the close of the current fiscal year."

Columbia Pictures' stockholders voted increase in authorized shares to 3 million from 2 million. Secy. Charles Schwartz said increased shares would be available for acquisition & future stock dividends. Queried by stockholder if Columbia wasn't being "carried" by subsidiary Screen Gems, S. H. Malamad, vp & treas., agreed that TV film maker is delivering large share of Columbia's profit.

United Artists will finance at least 15 stage plays at rate of 3 a year over next 5 years, will invest initially \$150,000 in 3 plays slated for tryout in out-of-town theaters next summer.

ABC Films announces sales of 25 hours of public affairs specials in Australia & at least 8 hours of similar programming in Japan, following recent Far Eastern tour. Among programs involved are "Saga of Western Man," "Expedition."

Metromedia is making its programs available to educational & govt. stations. In last 2 years, company has donated more than \$600,000 to ETV in N. Y., Los Angeles, Washington.

Katz Agency's semi-annual "Spot TV Advertising Cost Summary" now is available. It's 34th edition, provides market-by-market cost estimates of various announcement lengths, etc.

TV-radio industry received March of Dimes' Distinguished Service Award, presented to NAB Pres. Collins by House Speaker McCormack (D-Mass.).

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TELKAN DEMONSTRATION RAISES QUESTIONS: We viewed demonstration of British-developed Telcan home video tape recorder (now called Cinerama-Telcan) last week, and what we saw & heard raised more questions than it answered.

Recorder was demonstrated in basement lounge ("Babyrama Room") of Loew's Cinerama Theater in N. Y. by youthful & enthusiastic officials of British group that developed it (Rutherford Engineering Partnership, affiliated with picture tube rebuilder Nottingham Electronic Valve Co.) and Louis Dolivet, official of Cinerama-Worldwide Inc.

Four video recorders were on display—2 using British 405-line standards & hooked to studio vidicon TV camera & British (Baird) TV sets, and 2 modified for U. S. 525-line standards & attached to U. S. standard sets (one 11-in. GE, one 525-line Baird set). Pictures were taped from air (525 lines) & from vidicon camera (405 lines), played back immediately.

It is difficult to make accurate appraisal of playback quality, since original pictures on 525-line receivers were of poor quality—ghosty & snowy—and closed-circuit live pictures were just barely acceptable. Playback tape pictures showed definite degradation—coarseness, low resolution, poor detail; signal-to-noise ratio appeared adequate. We would place them at or below level of old-fashioned poor kinescope recording. Whether or not this is satisfactory picture for home viewing is matter of personal judgment, to be counterbalanced by such other factors as price, convenience, desire for home video recording, etc.

There's no detracting from fact that Telcan is remarkable development. Unit is about size of home audio tape recorder, contains 3 circuit boards (one for video record, one video playback, one sound record-playback), 28-32 transistors (depending on quality of audio reproduction desired). It has video record head, audio record head, erase head, records at 120 ips on 1/4-in. audio tape. One of secrets is in mechanical construction of low-cost, high-resolution video head (which must be replaced every 100 hours).

Several aspects of what we saw & heard disturbed us, however. Co-developers Norman Rutherford & Brian North told us that bandwidth of recorded signal is 2 mc—quite a development in itself—but that resolving powers were not susceptible to improvement without losing in signal-to-noise ratio. In short, Telcan was presented as essentially finished device—not a machine in early stages of development.

Tape speed is another troublesome matter. Machine gobbles up tape at 120 inches per second—7 miles per hour. Used for demonstration was big 11-1/2-in. reel of .4-mil polyester (triple-play) tape. This big reel was able to store 11 min. of recorded material; could be turned over & another 11 min. recorded, for total of 22 min. on 2 sides. Tape has 4 tracks, one video & one audio in each direction. It was explained that machine could be modified for color by eliminating one set of audio & video tracks & substituting color difference signal. This, however, would cut playing time down to 11 min. for 11-1/2-in. reel by eliminating reverse track.

Marketing plans for Telcan system tended to arouse skepticism of observers. Cinerama officials said production model home recorder (more deluxe than the one shown) would sell in U. S. for about \$150 (vs. \$160 in Britian), & that companion miniature home TV camera would be offered for \$150 additional.

Cinerama says it is negotiating with "major U. S. TV manufacturer" to produce recorder for sale in U. S., perhaps elsewhere, says it will discuss licensing to more than one manufacturer, but concedes there will be no serious talks until next month. Nevertheless, officials say shipments should be on way to dealers next June or July for marketing in summer-fall season. Moreover, they say they're aiming at same marketing target date in France, Germany, Sweden, Italy, South Africa & Australia.

British group says it already has booked orders for 100,000 recorders in England, where it will be manufactured under contract by un-named manufacturers (retail target date, Apr.-May). Although officials said they were now showing recorder to TV manufacturers, we know of at least 2 major ones which had not been contacted by week's end. Alvin Barshop, sales dir. of Emerson's tape recorder-phono div. (Telectro recorders), was observer at demonstration when we were there.

New Cinerama-Telcan Co., owned 51% by Cinerama, 49% by British Rutherford group, has U.S.-Canada marketing rights; Cinerama has 40% interest in group exploiting device for U.K. sales, and it has 51% interest for sale in rest of world.

Telcan demonstration proved to us that age of home video tape recording is close at hand. We feel, however, that Telcan, as it now exists, is unlikely to be mass-market product. We believe, too, that stated target dates & prices may be quite over-optimistic—particularly in view of fact that no U.S. electronics mass-manufacturer has signed to produce it.

There will be other demonstrations of home video recording systems in near future. Fairchild Camera plans to show its version to set manufacturers next month. At least 10 U.S. companies—possibly 3 or 4 times that many—are working on problem. Thus we see Telcan as healthy start—instrumental in spurring others to step up research—but not necessarily the answer.

TOUGHER PHILCO FLEXES MUSCLES FOR '64 PUSH: Any doubts that Ford dynamism had rid Philco of its pre-merger sluggishness were impressively dispelled in Detroit last week. Philco distributors attending first national convention in parent company's hq city witnessed ample evidence that onetime consumer products giant is on move again—and moving sure-footedly with aggressive & long-range product & merchandising plans.

Decision to convene distributors in Detroit was purposeful one. Impressively massive & modern Ford complex, coupled with encouraging analysis of Philco's future by Henry Ford II in banquet address, emphasized that they're teamed with parent organization that's a doer, that's accustomed to success, that will not spare management talent, effort or expense to speed Philco on road to dominance in entire consumer products field.

Despite fact that Philco closed 3rd quarter still in red, Ford's putting more money into fight, has okayed Philco-requested hike in budget for 1964 to expand dealer organization & intensify merchandising. "We gave them the go-ahead," Ford Pres. Arjay Miller said. "We feel we have now developed a better product and need a larger and better sales organization."

Philco is still maintaining its "no comment" policy on financial progress. But Pres. Charles E. Beck did reveal that sales today are ahead of the \$421 million posted in 1961, Philco's final year before Ford takeover.

Philco has set sights on 50% increase in consumer product sales in next 2 years. Major elements in big drive will be sharp expansion of dealer organization, 50% boost in ad spending next year to \$7 million, beefing up of product lines, concentration of ad emphasis in local markets.

"Our conclusion is that there is a considerable opportunity for Philco as a full-line manufacturer," said Larry H. Hyde, consumer products div. vp-gen. mgr., in noting that Philco had already placed major emphasis on re-design of refrigerator line. "Success lies in increasing the number of dealers handling Philco as their prime line and improving our customer exposure."

Beck views market for Philco products as worldwide, emphasized that "the Common Market in the next decade will be the most lucrative consumer products market anywhere." He said that Philco's Italian affiliate, which produces full line of white & brown goods, is undergoing major expansion program.

Beck's news conference also revealed that Philco has something cooking in color field. We asked him if Philco planned to produce color tubes at its Lansdale Div. He declined to reply directly but added: "We're doing some advanced research there; this is in the field of technology." Corridor talk indicated that announcement of significance relating to color may be forthcoming shortly after first of year.

For more on Philco distributor convention, see p. 11. For highlights of new sets, see p. 12.

RADIO-PHONO '64—OUR INDUSTRY SURVEY: What will next year bring in radio & phono sales? There's no unanimity among American manufacturers. For every one who sees increase in the wind, another predicts decrease.

This is most notable trend in our survey of manufacturers on prospects for radios & phonos—in marked contrast to our TV survey, reported last week (Vol. 3:50 p7), in which rose-colored glasses were order of the day.

Disagreement & confusion as to 1964 prospects is understandable, in view of 1963 pattern which saw lackluster sales of domestic radio through most of year, with some pickup toward year's end, while phono sales soared most of year only to slow down in home stretch. Here are highlights of our phono-radio survey, to which 13 manufacturers responded:

Radio sales: Of 10 manufacturers venturing predictions, 5 thought sales of domestic radios (to dealers) would be higher next year than in 1963, and 5 thought they'd be lower. Median prediction was 10.5 million, just about same as anticipated 1963 radio sales. Between highest & lowest forecast there was swing of 3.5 million sets. Those who thought sales would decline forecast distributor sales of 8.5 to 9.5 million; those foreseeing rise predicted 10.5 to 12 million.

Phono sales forecasts were just as mixed as radio predictions. Assuming this year's distributor-dealer sales will total about 5.1 million, 6 manufacturers saw more sales next year, 6 saw less. This put median in about same range as this year's sales—5-5.2 million. Lowest prediction was 4.5 million (by 2 manufacturers), highest 5.5 (also by 2).

There was general agreement that phono mix next year would be substantially unchanged. But some manufacturers saw somewhat greater demand for high-quality and/or solid-state units.

We've digested individual replies to our radio-phono survey questionnaire on p. 10. Next week, we'll present final installment of survey results—some interesting views on consumer electronics' most pressing problems for 1964.

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 13 (50th week of 1963) excluding 11-in. and smaller:

	Dec. 7-13	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	136,090	114,333	130,260	6,804,366	6,292,526
Total radio	397,929	388,950	388,973	17,793,738	18,584,411
Auto radio.....	192,206	174,022	190,607	7,766,289	6,936,582

TOPICS & TRENDS

Magnavox has reduced dealer prices on "considerable portion" of its TV & phono lines in anticipation of its 6-week annual sale, which starts Feb. 10. Innovation permits Magnavox dealers to buy merchandise now at reduced prices, sell at regular prices until sale begins. Company said discounts are designed to help dealers have more profitable Jan. and to stock up on sale merchandise.

Sylvania has formed govt. systems marketing board "to explore and respond to new business opportunities in the changing electronic defense market." Lawrence J. Straw, military mktg. vp of Sylvania Electronic Systems Div., is chmn. Henry Lehne, a corporate senior vp & the division's gen. mgr., is vice chmn.

Westinghouse's patent infringement suit against International Rectifier, involving 2 semiconductor patents relating to power rectifier devices, has been settled. IRC has taken a license under the 2 patents, will pay back royalties for "past infringements," Westinghouse reported. Suit was filed Jan. 1963.

RADIO-PHONO '64: Here's company-by-company digest of responses to our radio-phono survey (see p. 9 for summary), to which have been added comments from some year-end statements. Some figures have been withheld at request of respondents and used only in computing trends. Sales estimates quoted are domestic-product distributor-to-dealer.

Admiral: Chmn. Ross D. Siragusa predicts increased popularity of stereo, with "solid-state models achieving a large share of the market," radio sales rising slightly to 10.5 million. Vp Ross D. Siragusa Jr. sees stereo phono sales at 3,950,000 units, with radio imports probably unchanged from 1963.

Emerson Pres. Benjamin Abrams: Phono sales 4.5 million, no major changes in mix. Radio sales about 12 million, radio imports decreasing by approximately 30%.

Motorola: Pres. Robert W. Galvin sees phono sales declining to 4,780,000, radio sales dipping to about 9.5 million. Motorola Consumer Products Pres. Edward R. Taylor foresees phono mix remaining at about two-thirds portable, one-third console. FM-AM radio sales should rise from 1.2 million in 1963 to 1.6 million next year, with FM-stereo-equipped phonos increasing from 1 to 1.3 million. He anticipates possible slackening off of imports if radio business continues at low ebb.

Olympic Pres. Morris Sobin: Phono sales 4.6 million, no change in mix. Radio sales 11.8 million, imports remaining "about the same in units, while dollar volume decreases as result of lower prices."

Packard Bell Pres. Robert S. Bell: Phono sales 5.2 million (including imports), no major changes in mix. Radio sales 11.7 million, no significant change in imports.

Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde: Phono sales 5.15-5.3 million, with increased sales of units below \$269.95 and more strength in higher-priced goods over \$400. Radio sales 11 million, with 2% decline in radio imports.

RCA Sales Corp. Pres. Raymond W. Saxon: Phono sales relatively unchanged at 5.2 million, no major changes in mix. Radio sales about 9.4 million, with imports increasing very slightly.

Setchell-Carlson Pres. B. T. Setchell: Radio sales 15 million, with "about a 5% increase in radio imports due to added price-cutting." No major change in phono mix.

Sylvania Home & Commercial Electronics Pres. Robert J. Theis: Phono sales for 1963 were about 5.2 million (1.8 million consoles, 3.4 million portables); next year they will increase to 5.5 million (1.9 million consoles, 3.6 million portables). Mix will hold at about same level, but in console category "the better & higher-priced models will continue to increase." Bench models "will fall off seriously—as the shallow market has been filled." Trend to "component-specification" portables will continue; swing toward transistorization "will not be as fast as some would lead you to believe." Sees "a tremendous stereo market ahead—a resurgence as dynamic as the early talking-machine days." Radio sales to decline to 9 million from 10 million this year, imports to "level off & decline slightly."

Symphonic Pres. Max J. Zimmer: Phono sales showed 5% increase from 1962 (4.84 million) to 1963 (5.1 million). "We conservatively estimate a further

increase of 5% in 1964, to 5.35 million." No major changes in phono mix, but increase in portable sales will continue at faster rate than in consoles. Use of transistor amplifiers will accelerate this trend.

Wells-Gardner Sales Mgr. Allan Gardner: Phono sales 4.5 million, no significant changes in mix. Radio sales 8.5-9 million, imports increasing 15-20%.

* * * *

Received too late for inclusion in last week's TV forecast roundup (Vol. 3:50 p10) was reply of Olympic Pres. Morris Sobin, who predicts b&w sales of 6.7 million, color 850,000. He sees small-screen sales increasing "as plus business to present portable volume—hence an increase in total portables." B&w table models & consoles will decline, with combinations maintaining present level. "Significant increase in color consoles, modest rise in color combinations." All-channel law will cause price increases, but "some models may be revamped to cover up the price rise." Sales will suffer during summer after vhf stocks are sold out, but by Oct. or Nov. sales will pick up again as Christmas buying begins." TV imports will rise by about 25% above 1963 level.

Trade Personals

Hershner Cross, ex-gen. mgr. of GE Radio & TV Div., promoted to vp & group executive in charge of GE's Industrial Group, succeeding **Arthur F. Vinson**, who died Dec. 6. New gen. mgr. of Radio & TV Div. is **Robert C. Wilson**, former radio receiver dept. gen. mgr.

David Westerman elected pres. & a director of Hazeltine Research Inc., succeeding the late **Wilfred M. McFarland**; he also continues as vp-gen. counsel of parent Hazeltine Corp.

Dr. Elmer W. Engstrom, RCA pres., appointed to U. S. Industrial Payroll Savings Committee for U. S. Savings Bonds, representing electronics industry, succeeding ITT Pres. **Harold S. Geneen**, who continues as member-at-large.

Frank S. Mysterly promoted from RCA patent services mgr. to staff vp for patent operations.

H. I. Romnes elected AT&T vice chmn. & a dir., succeeding **William C. Bolentus** who retires Dec. 31, succeeded as Western Electric pres. by **Paul A. Gorman**.

Herbert F. Lello named GT&E exec. vp for mfg., succeeded by **Darwin H. Deaver** as pres. of subsidiary Automatic Electric... **Charles Hummel**, Bendix controller & member of administration committee, elected a vp.

Lewis J. Cox elected electronic specialty group vp for Industrial-Consumer Products... **Philip C. Shirkey Jr.** appointed GE instrument dept. mktg. mgr.

Obituary

George G. Barker, 55, Raytheon Technical News Section mgr., died recently after a brief illness. He had been with Raytheon for 21 years. He is survived by his widow and daughter.

Stepped-up semiconductor research is planned by Fairchild Camera & Instrument. Semiconductor Div. will double its research facilities by building \$2 million, 100,000 sq. ft. addition to its Palo Alto, Cal. operation.

PHILCO MAPS EXPANSION PROGRAM: Development of more complete product lines and a market-by-market program to find more dealers to sell them aggressively represent Philco's primary aims & efforts for 1964.

"One of our greatest deficiencies is not enough dealers who regard Philco as their prime line," consumer products div. Vp-Gen. Mgr. Larry H. Hyde emphasized at last week's national distributor meeting in Detroit (see p. 8). Company hopes to rectify situation with ambitious Market Acceleration Program that embraces:

- (1) A 50% increase in ad spending to \$7 million (not including co-op), some 60% to go into local newspaper ads. Intensive market study established "direct correlation between position in the market and local advertising in that market," Hyde said.
- (2) Five retail promotions "oriented to seasonal buying patterns and designed to create store traffic."
- (3) Expanded field force to reinforce distributor sales efforts, combined with three-fold expansion of sales training program.
- (4) Market-by-market analysis, including survey of thousands of dealers, for use in planning city-by-city campaigns. Special effort will be made to increase sales in non-metropolitan areas, which in past have been particular Philco strongholds. "In the next 2 weeks," said Hyde, "we will review the analysis with all distributor principals & sales managers and form individual plans to build the dealer structure."

Major thrust in Philco's 1964 push will be devoted to developing "balanced offensive in white as well as brown goods," Hyde said. "Our emphasis will be on outstanding middle-of-the line merchandise with enough unique high-end merchandise & low-end attention-getters to stimulate consumer preference."

Although major attention is being given to revitalization of Philco's white goods lines, Hyde indicated that stereo products would be stressed more than previously, and that important re-design of radios & portable phonos would be evident next spring. TV drop-ins shown in Detroit emphasized "furniture-look" portables & table models (see p. 12).

Hyde indicated that brown goods hadn't yet received their major Ford overhaul. He pointed out that Philco had stronger position in consumer electronics than in appliances. "The consumer electronics business is holding even generally," he said, and "our objective now" is to develop full-line strength. "In appliances, we have made the largest gain in market share of any manufacturer."

Other comments by Hyde: "Enough color tubes will be available by next spring to satisfy all requirements... We are not now in the private-label business nor are we seeking it... We do not engage in large sales of appliances at special prices to builders."

Eitel-McCullough announced 2 international licensing agreements, described as "most significant" in company history: British firms English Electric Valve Co., Chelmsford, and IT&T subsidiary Standard Telephones & Cables Ltd., London, will manufacture E-M's uhf klystron tubes. Move follows BBC award of \$3.5 million for construction of transmitters for new uhf service. Company says other European licensing agreements are pending.

3M CARTRIDGE PLANS: Minnesota Mining is satisfied with progress of its cartridge tape system after first year of distribution, and is now beginning plans to broaden unit's appeal through more new models and OEM versions.

Darrell H. Boyd, Revere-Wollensak Div. mktg. mgr., told us that cartridge changers are now being handled in nearly 600 retail outlets in more than 70 markets, that field performance has been good, that "minor bugs" which developed were handled through modifications which could be made at warranty stations.

As for 1964—year will start with first nationwide TV advertising of cartridge changer, through sponsorship of Bing Crosby Golf Tournament. Phono manufacturers have been sampled with 3M-Revere tape decks, and Boyd believes "packaged component" manufacturers—rather than mass producers—are likely to be first to incorporate changer in their consoles because of its relatively high cost.

Boyd made it clear that 3M doesn't look at today's cartridge units as its complete line. It currently has 4 models, from complete self-contained stereo recorder-player at \$399 (formerly \$450) down to player deck at \$269. "Our marketing approach has been to get acceptance of quality music at this speed and in the cartridge concept," Boyd told us. "We know we must broaden the line. After we research our results, we know we must break the \$200 barrier, and then come close to the \$100 barrier." Auto, boat & battery portable recorders are also possibility.

3M is attacking another barrier first—the cartridge-tape barrier. It has gone into pre-recorded tape distribution business, licensed to make & distribute cartridge versions of ABC-Paramount & Westminster labels, as well as one Warner Bros. Bing Crosby Christmas album. Columbia & Musictapes are also distributing pre-recorded 3M tape cartridges—but all tapes for cartridge changer are duplicated & assembled in 3M plant. 3M says it hopes to sign up other labels soon to help provide more blades for its razor.

As to tape recorder business in general, Boyd sees big shakeout coming, as soon as mass-producing TV-radio-phono manufacturers get into market in earnest. "Our attitude," he said, "has to assume that the major brown goods manufacturers are going to be in this market, and we must be prepared to compete toe-to-toe with them."

Shake-up in Motorola sales dept. has resulted in abolition of posts of national TV, stereo & radio sales mgr. Field sales activities have been enlarged, with emphasis on contact with dealers, & reduced attention to distributors. Mktg. Vp S. R. (Ted) Herkes said newly expanded regional sales manager force will spend about 80% of its time with dealers. Number of field territories has been expanded from 15 to 20. Among personnel changes: Chuck Lloyd, ex-national TV sales mgr., has been named Chicago regional sales mgr.; William Laswell, ex-national stereo sales mgr.; has resigned; C. J. (Red) Gentry, ex-national home radio sales mgr., is now car radio sales mgr.; Edward C. Caliguri, ex-TV-stereo sales promotion mgr., named head of sales planning, taking over sales promotion duties of Bob Farris, formerly national ad & sales promotion mgr., who has taken over direction of local as well as national advertising.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Columbia Pictures	1963—13 wks. to Sept. 28	—	\$ 1,591,000	\$ 791,000	\$.44 ¹	1,671,652
	1962—13 wks. to Sept. 28	—	1,705,000	577,000	.32 ¹	1,671,652
Desilu Productions	1963—6 mo. to Oct. 26	\$ 11,195,935	—	400,005	.33	1,233,631
	1962—6 mo. to Oct. 26	9,089,236	—	361,661	.31	1,155,940
	1963—qtr. to Oct. 26	6,318,576	—	315,130	.26	1,233,631
	1962—qtr. to Oct. 26	5,311,391	—	347,356	.30	1,155,940
Famous Players Canadian	1963—9 mo. to Sept. 28	—	—	1,447,508 ²	.83	1,737,072
	1962—9 mo. to Sept. 28	—	—	1,349,847 ³	.78	1,737,072
H&B American	1963—year to July 31	4,472,213	171,294 ⁴	171,294	.07	—
	1962—year to July 31	3,890,485	88,621 ⁴	88,621	.03	—
	1963—qtr. to Oct. 31	1,139,887	79,757 ⁴	79,757	—	—
	1962—qtr. to Oct. 31	1,101,414	27,520 ⁴	27,520	—	—
Hallicrafters	1963—qtr. to Nov. 30	8,607,000	(571,000)	(274,000) ⁵	—	2,545,879 ⁶
	1962—qtr. to Nov. 30	17,145,000	1,003,000	507,000	.20 ⁶	2,535,433 ⁶
National Video	1963—6 mo. to Nov. 30	9,988,902	—	448,962	.36	1,233,334
	1962—6 mo. to Nov. 30	8,814,993	—	178,908	.15	1,233,334
	1963—qtr. to Nov. 30	5,288,704	—	343,387	.27	1,233,334
	1962—qtr. to Nov. 30	4,895,335	—	92,218	.08	1,233,334
Servel	1963—year to Oct. 31 ⁷	20,842,000	—	1,092,000 ⁸	.49 ¹	1,928,845
	1962—year to Oct. 31	22,920,000	—	2,637,000	1.29 ¹	1,928,345
Silicon Transistor	1963—9 mo. to Sept. 30	3,343,000	750,000	301,000	.53	566,250
	1962—9 mo. to Sept. 30	1,957,000	292,000	131,000	.25	523,230
TraVler Industries	1963—6 mo. to Oct. 31	12,507,581	166,049	83,049	.08 ⁹	1,063,858
	1962—6 mo. to Oct. 31	13,964,590	441,942	225,942	.21	1,013,842
	1963—qtr. to Oct. 31	8,777,558	316,086	167,586	.16 ⁹	1,063,858
	1962—qtr. to Oct. 31	8,750,460	282,379	143,379	.14	1,013,842

Notes: ¹After preferred dividends. ²Before \$83,384 profit on sales of fixed assets. ³Before \$872,659 profit on sale of fixed assets. ⁴No provision for federal taxes because of operating-loss carry-forward. ⁵After \$297,000 tax credit. ⁶Adjusted for June-1963 3% stock dividend. ⁷Preliminary. ⁸Includes \$188,000 proportionate share of earnings of 54%-owned Sonotone. ⁹Adjusted for Sept.-1963 5% stock dividend.

NEW SETS, LOWER PRICES: A \$399.95 color consolette from Emerson, a furniture-styled 19-in. line and some lower prices from Philco made this week's TV drop-in news.

At its distributor convention in Detroit (see p. 8), Philco showed 25 new sets, with emphasis on furniture-styled table models—both 19- & 23-in. At same time it cut \$10 from list price of its 16-in., bringing list price down to \$119.95. (Philco's first 16-in. set, introduced in Sept. 1962, bore \$159.95 tag.) New low-end 19-in. portable now lists at \$129.95.

Most interesting new sets are in Woodstock portable series—19-in. sets with furniture design & details, including drawer-pulls, scalloped molding around picture-tube mask, etc. Matching wood bases are available. New series is priced at \$179.95, a \$10 step-up from top of newly revamped Starlite portable line, priced at \$139.95-\$169.95 (remote, add \$22.95). New 23-in. table models, with matching bases & slip-in cabinets available,

begin at \$189.95, with new consoles starting at \$219.95.

Emerson introduced 15 new sets highlighted by color consolette with grained wood finish at \$399.95, and color consoles at \$449.95 & \$559.95. Five new b&w combos are \$379.95-\$479.95. New 23-in. console is \$179.95. Emerson also dropped in step-up 16-in. portable at \$109.95 (\$99.95 leader continues in line), transformer-chassis 19-in. portable at \$149.95, and French Provincial stereo with FM stereo-AM at \$299.95.

Electronic components forecast for '64 by GE Components Div. Vp-Gen. Mgr. L. Berkley Davis: Transistors—unit shipments rising from 1963's 291 million to 325-335 million, with dollar volume falling 4-7% from this year's \$301 million. Receiving tubes—spurred by healthy TV production, 1963 factory sales dropped only 12% from 1962 to \$267 million, could hit \$240 million in 1964; import pressure will increase, but at reduced rate from 1963's 30% rise.

Television Digest

with

Consumer Electronics . . .

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

DECEMBER 30, 1963

NEW SERIES VOL. 3, No. 52

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

SHAPE OF 1964: Television Digest editors' traditional soothsaying feature—on Congress, FCC, NAB, ratings, codes, FTC, CATV, pay TV, ETV, allocations, station growth, etc. (p. 1).

CAPSULES: Examiner would shift Ch. 10 Miami from L. B. Wilson to South Fla. TV; Court of Appeals puzzles lawyers with Boston Ch. 5 order; FCC says Metro-media purchase OK if mutual funds agree not to vote stock; Commission skirts 'fiction fairness' issue in 'Smash-Up' decision; Chmn. Henry's year-end statement; FCC issues NAEB uhf plan, invites comments (p. 4).

MERITS OF AIRBORNE ETV SYSTEM claimed by Westinghouse in detailed FCC filing. Costs, coverage, dependability, spectrum conservation, among advantages asserted. Would use Ch. 75-83 for 3-program system, Ch. 66-83 for 6 program (p. 5).

STANDARDS NEEDED FOR MULTI-PRODUCT SPOTS, says Scott Donahue, Katz Agency TV sales vp. Urges differences between piggybacks & truly integrated spots must be established (p. 5).

REPORTS ON UPCOMING STATIONS: Progress reported by 3 commercial stations, one ETV—all planning 1964 starts (p. 6).

THE SHAPE OF 1964: Many aspects of TV-radio industry will be influenced by fact that 1964 will be an election year. Politicians will be sensitive to anything that means gain or loss of votes, and broadcasting, with its impact at powerful peak, will be on firing line all year.

It's good to keep foregoing continuously in mind as you attempt to judge trends for the year. We found the factor popping up constantly as we compiled our traditional annual crystal-gazing feature. Herewith are trends for the new year in selected areas of major interest (predictions for consumer electronics will be reported next week):

Congress: Nearly all broadcast actions will be handled first 6 months because of short congressional year—Republican convention in July, Democratic in Aug.

There'll be handful of hearings, some legislation—but plenty of pressures, speeches, lifted eyebrows. House Communications Subcommittee, chaired by Rep. Rogers (D-Tex.), will hold hearings on fairness doctrine, political editorializing, license fees. Bill by Rep. Younger (R-Cal.) would relieve broadcasters of obligation to give free "fair" time to answer paid viewpoint. Even if this passes Committee & House, chances are it won't get by Senate. Sen. Pastore (D-R.I.) opposes. Rep. Celler (D-N. Y.) hasn't finished hearings on concentration of ownership in news media, won't resume until civil rights is out of way.

Senate may find time for hearings on pending bills—more authority for FCC in evaluating prospective purchasers of stations, daytime radio, others. There's chance for hearings on CATV. Sen.

Consumer Electronics

1964's BIGGEST PROBLEMS, as cited by consumer electronics manufacturers in survey: Transition to all-channel TV, maintenance of fair profit structure, impact of imports (p. 7).

ALL-CHANNEL LAW INTERPRETATIONS on cut-off date and use of uhf adapters appear to give Japanese manufacturers advantage in U.S. market; but this may be canceled by uhf confusion in Japan; latest Japan-to-U.S. export report (p. 8).

DISCOUNTERS FACE RISING COSTS IN '64: Cost of doing business going up as low-margin retailers turn to more selling services, advertising, promotion, better merchandise. Fewer new stores in 1964; many discounters trending to small cities (p. 9).

NEW ZENITH LINE features 9 color consoles available only in all-channel versions, lower-priced color & b&w combos, unique 'drop-up' phono, portable phono with AM-FM-stereo (p. 11).

UPBEAT '64 FORESEEN: Year-end statements by major electronics firms indicate solid sales and earnings gains in 1963 and continuation of good business into 1964. Consumer products volume is on rise, several note, and is expected to compensate for sag in military electronics sales (p. 11).

Dodd (D-Conn.) plans more hearings soon on effect of TV violence on juvenile delinquency, based on new staff monitoring, no dates set. He still hasn't issued report from previous hearings.

One new bill with good chance of adoption is being written now by House staff. It'll require broadcasters, at time of editorials, to state they have obligation to provide contrasting viewpoints. Bill to prohibit FCC from setting limits on commercials may go as far as passing House but is unlikely to get Senate approval.

Suspension of equal time for 1964—passed by Senate & House—awaits President Johnson's views, is expected to go through. Even if new President isn't as enthusiastic about TV debates as JFK, he'll likely accede to minimum number.

Federal Communications Commission: Some of the "strong-regulation" steam will dissipate. Congress will continue to pressure Commission against increasing controls over industry. And President Johnson is hardly expected to encourage tougher regulation.

Among major actions expected during year: "Fairness" problems during election campaigns will be more numerous than ever—but Commission will handle them without serious repercussions. "Over-commercialization" rules, watered down, will be promulgated. License fees will go into effect, but Congress will make FCC uncomfortable about them. Closed-circuit TV & pay-TV will take more & more of Commission's time as it weighs impact of Subscription TV Inc. pay-cable plans, CATV regulation, petitions to make telecast toll TV permanent, theater TV, etc. New program forms will be adopted, and FCC will have huge burden of studying station responses & determining what to do with them. Commission's batting average in courts will remain high, but probably not quite as good as during last few years.

Efforts to reorganize Commission, pull some of its teeth, will continue at accelerated pace in Congress—but no final new law is likely next year. Though relatively few new laws will emerge, Commission will have record year in witness chair on Hill.

National Assn. of Broadcasters: There's fair possibility Pres. Collins will leave to run for senator or governor in Fla., to head educational or philanthropic institution, to accept major ambassadorship—or take other similar position in public eye. If he leaves, a "safe" successor will be selected.

Co-operation with state associations will increase sharply, stimulated by success of grass-roots appeals to congressmen on FCC's proposed rules on commercial limitations. In an election year, members of Congress will be more than ever receptive to requests for aid from broadcasters. (For NAB's role in specific areas, see individual subjects.)

Ratings: All rating services will be audited by independent CPA or management company, under supervision of Rating Council Inc., headed by newly-appointed Kenneth Baker, former NAB research dir., with assistance from small hq staff.

Govt. will keep pressure on, but lightly if Council fulfills promise. Harris Subcommittee will be patient with implementation of audit & standards program—which will start soon but take about 2 years to smooth out. Agency support, as expressed by AAAA, is most encouraging.

Financing of audit not yet worked out. Member organizations on board will contribute; raters are expected to pay fee for audit, will pass on part of cost to users. All segments of industry will be paying more for research—and liking it—as investment in own business.

NAB Research Committee will speed up methodological research to find improved techniques for national & local TV. Joint RAB-NAB study is expected to take charge of radio improvements, should have something definite by mid-year.

Nielsen will be out of radio completely, will soon announce dropping of network radio, has already given up local. Chance for ARB, Sindlinger to fill vacuum.

Look for rating services to continue self-improvement steps. Nielsen will have replaced almost all its national TV sample by end of 1964; at present about 1/4 of homes have been turned over.

Trend to watch is increase of inter-media comparisons. That's next ratings plateau. ARB is testing in Detroit, Nielsen has system, so has Sindlinger. More marketing services will be offered by raters—finer breakdowns on who is watching & listening, more product usage data.

Look for changes in selling practices by stations & reps, especially. They'll be more careful in making ratings claims. Newcomers in ratings field aren't expected to make major inroads in 1964.

TV-Radio Codes: There'll be changes, but not radical. Codes will stick basically to "time" standards, work toward gradual incorporation of "qualitative" criteria.

All-out appeal to industry for financial support will come. If funds are sufficient, expect new departure in Code approach—appeal for public acceptance. It would be broad effort to make Code seal significant to viewers & listeners, an attempt to give subscribing stations a competitive edge.

Major traditional Code problem will remain—economic impossibility of some stations to comply with all standards. Ways & means will be explored to find fair way of getting more of these under Code tent.

Multiple announcements, which give "appearance" of over-commercialization but don't violate Code standards, will be target of all segments of industry.

Research will be much in news, starting with study, nearing completion at Columbia, U., analyzing raw data on commercials gathered by psychologist Gary Steiner.

Big trouble spot ahead: Standards for cigarette commercials, assuming Surgeon General's Jan. report is adverse.

Community Antenna Systems: Continued greater penetration into larger markets, offering more & more channels. More big broadcasters staking claim in field. More national hookups for special events. More efforts to impose federal controls. Operators will seek congressional help to tone down FCC's regulatory moves. Tougher & tougher battles for franchises. Greater & greater capital required. NCTA playing crucial role, much of its effectiveness depending on choice of president; he'll be man of substantial stature. NAB will find its job increasingly touchy as more & more of its influential members go into CATV while more & more members worry about potential CATV competition.

Federal Trade Commission: Will make presence felt more firmly in: (1) Commercials, (2) Ratings. It's already anticipating that Surgeon General's report will conclude there's adverse effect on public's health from cigarettes, smoking in general. Has staff exploring steps to be taken. Will set up standards for labeling, get tough on commercials, expect full co-operation from tobacco & advertising industries. Over-all surveillance of all commercial claims will be stepped up.

FTC's hand in rating reform—to see there's no deception in station & rep selling, promotions, advertising—will come to light shortly. Small staff of investigators has been in field, looking into charges of ratings misuse.

Pay-TV: Subscription TV Inc. cable system in San Francisco & Los Angeles, equipped with money & showmanship, will begin, producing growing uneasiness among telecasters until success or failure is clearly foreshadowed. RKO General will assert that Hartford experiment justifies making pay TV a permanent service, seek to persuade FCC to take wraps off. But Commission & Congress will insist on meticulous & time-consuming study before final decision.

New 1964 TV Stations: Probably no more than 25-30 new outlets—about half of them uhf, and at least half of them ETV. Rate of uhf applications will accelerate, most of them resulting in hearings in major markets. Many of applicants well-heeled, shooting for full complement of stations, financially prepared to sweat out long adolescence.

Educational TV: Infusion of federal funds will continue as pump primer, encouraging serious & substantial state & local expenditures. Use of 2,000-mc band will begin to make itself felt, linking schools in ever-growing webs. With all-channel law taking effect, commercial & ETV stations will complement each other in promoting use of receivers' uhf tuners.

TV Allocations: Expansion in vhf has reached practical limits—barring some far-out technical development, such as splitting channels in half while retaining compatibility with existing receivers. Uhf assignment table will be filled out, substantially as proposed by FCC, but incorporating some features of NAEB's alternate plan.

CAPSULES

Ownership of Ch. 10 Miami should shift from L. B. Wilson Inc. to South Fla. TV Corp., according to surprising initial decision issued by FCC Examiner H. Gifford Irion. Wilson, you'll recall, won 4-month license on July 14, 1960, when FCC decided that its 3 original opponents were tarred with brush of attempting to influence decision off-the-record. Normally, FCC is loath to take facility away from any operator who does decent job. Of course, Commission may not follow Irion's recommendation.

Examiner preferred South Fla. because of civic activity of 80% stockholder William B. MacDonald Jr. and broadcast experience & local familiarity of 3 former WSPT-TV employes—Walter M. Koessler, Eleanor L. May & William R. Needs, each a minor stockholder. MacDonald has holdings in real estate, insurance, Tropical Park racetrack, is president of Tampa Tarpons Baseball Club. Also, examiner notes: "He plays golf several afternoons a week but declared he would sacrifice this recreation if obligations at the TV station required." Irion found that other 2 applicants—Civic TV and Miami TV—had good local ownership but little experience.

There was action in another "influence" case last week, but lawyers are puzzled over its meaning. FCC has hearing going on among 4 applicants for Boston Ch. 5, including operator WHDH-TV, which had been charged with off-record influence attempts. Case is also before D. C. Court of Appeals. Last week, Court issued brief order asking that each party, within 10 days, show cause why WHDH-TV's 4-month license shouldn't be set aside, why WHDH-TV shouldn't be given a special temporary authority to operate instead, and why the current FCC comparative hearing shouldn't be treated as an original comparative case rather than a renewal proceeding.

Year-end statement by FCC Chmn. Henry stresses: (1) Advances toward use of communications satellites were "most significant development of the year." (2) "We note with particular pleasure the stepped-up activity in educational TV. Over 80 educational TV stations were on the air at the year's end and, aided by the federal grant-in-aid program and the all-channel-receiver legislation, we anticipate continuing and substantial growth in this service in the year ahead." (3) "During the year the Commission has also examined the question of the amount of time devoted to commercials, has moved to clarify broadcasters' responsibilities to their local communities in the fair treatment of controversial topics of public importance, has imposed a modest filing fee on most applications to offset, in part, the regulatory expenses of the agency, and has continued its efforts to foster and promote the use of all 82 TV channels." (4) "The magnitude of non-broadcast radio operations in this country is manifested by the fact that the FCC now has more than 1.2 million radio station licensees who operate over 4 million transmitters."

Computer-built uhf plan, proposed by National Assn. of Educational Bcstrs. (Vol. 3:45 p4), has been issued by FCC which invited industry comments on it—extending filing date from Jan. 3 to Feb. 3. Commission couldn't help indicating it rather prefers its own plan, at least in some features. It said that NAEB plan "provides somewhat less flexibility in the choice of transmitter sites" and has "assignments in many areas of very low population density raising the question whether demand will materialize..."

Metromedia's problem in acquiring radio WCBM-AM-FM Baltimore (Vol. 3:48 p4) was given a temporary solution last week. Two mutual funds, Keystone & Fidelity Trend, own more than 1% each in Metromedia and Taft Bcstg., thus violating FCC multiple-ownership rules. FCC now says that it will let Metromedia acquire the stations—if the funds agree not to vote stock or try to influence policies, pending forthcoming Commission investigation or rule-making on whole problem.

Simple answer on "fairness in fiction" case—CBS-TV's "Smash-Up" program (Vol. 3:49 p2)—was given by FCC last week. It decided case without ruling on "fairness" issue. National Assn. of Claimant's Counsel of America had complained that program was instigated by insurance companies, asked FCC to prohibit further such programs. Last week, Commission told NACCA that: (1) It finds no basis for concluding that insurance industry was behind program. (2) FCC has no authority to prohibit any programs. Commission informed CBS of what it had told NACCA—period. Evidently, FCC concluded there's no need to rule on "fairness" in this case.

MERITS OF AIRBORNE ETV: Dependable system of ETV using airborne signals requires lower investment & operating costs, compared with ground or closed-circuit systems, can free TV channels for other purposes, Westinghouse's Aerospace Div. said last week in report filed with FCC.

Report is based on experience of Midwest Program on Airborne TV Instruction, now in 3rd year.

Airborne system would require 9 uhf channels for 3-channel service, 18 for 6-channel, for nation, Westinghouse said. It would require capital investment of \$163 million compared with \$392 million for ground system. Airborne operating costs would be \$72 million annually, for 42 million students, or 55 cents per student per channel, compared with \$114 million for ground, or \$1.53 per student per channel. Closed-circuit system was said to be even higher in costs than ground, though no national estimates were given.

Report proposes permanent 6-channel airborne ETV system. It stated efforts are no longer experimental, that MPATI has broadcast pre-recorded lessons simultaneously to an estimated 1,200 schools, with more than 1 million students, in parts of Ind., Ill., Mich., Wis., Ohio, Ky. Group stated that not once in 2-1/2 years did it fail to transmit over its 2 channels, even during blizzards last winter.

Westinghouse says that 33 planes in air could cover entire U.S. in ideal triangular-lattice pattern. It suggests that Ch. 75-83 would provide a 3-program service, Ch. 66-83 a 6-program service. It recognizes that such allocation would preclude use of those channels for ground stations, would also require reallocation of uhf translators which now use Ch. 70-83.

Westinghouse has long knocked on FCC's door to no avail, having pioneered "Stratovision" since 1945. It tried to get idea across during 1948-52 TV freeze, but Commission couldn't see it. Now, with MPATI experience and the educational tieup, FCC may give it better consideration—if satisfied system wouldn't eat up too many channels needed for conventional ground-based operations.

New CATV group, American Cable System, has bought Tupelo (Miss.) Community Antenna Inc., also has assumed franchise for West Point, Miss., & installation of system in Laurel, Miss. for Lancaster Corp. ACS is composed of Philadelphia investors, Ralph Roberts pres. Frank G. Haley will continue to manage Tupelo system, is named ACS vp, will also supervise other systems.

CATV plans of TV Microwave Inc., Elko, Nev. to bring 4 Los Angeles & Oakland signals into Reno, have been opposed by KCRL(TV) Reno. Station said new system would make total of 8 signals available on CATV, causing it serious "competitive difficulties," stated its signal is excluded from local CATV, which also causes degradation of service.

Add broadcasters entering CATV: W. E. Hussman of Palmer Media Group (KTAL-TV Shreveport, etc.) is pres. & 45% owner of Cam-Tel Inc. system in Camden, Ark., due to begin service in Feb., estimating potential at 4,000 homes.

Storer Bcstg. files registration with SEC for 120,000 shares, to be offered officers & key employes under option plan.

STANDARDS FOR MULTI-PRODUCT SPOTS: Industry needs new standards to meet mounting problem of multi-product announcements, Scott Donahue, TV sales vp of Katz Agency, said in memo to rep's stations, stated appropriate differentiations have to be made between piggybacks & integrated commercials.

Donahue said these decisions can no longer be made from account to account, stated agencies & advertisers are beginning to make their own rules. Recently, one agency asked for credit because one of its single-product spots appeared adjacent to multi-product announcement that had been approved by Code as single announcement. Agency called sequence triple-spotting.

Howard Bell, Code dir., told us problem is already receiving top priority, that issue is of "great concern," will be dealt with shortly either through an amendment to rules or through re-interpretation. He recently met with SRA & reps on matter. Bell also had additional concern not mentioned in Donahue memo: Code is troubled because multiple spots contribute to public's impression of over-commercialization. Donahue suggests these definitions:

- (1) Truly integrated announcements: Clearly give appearance of single commercial to average viewer.
- (2) Integrated piggybacks: Average viewer would regard as 2 commercials, but are bridged in such manner as to qualify for Code approval as single announcement.
- (3) Piggybacks: Obviously separate product messages.

Move of WNHC-TV (Ch. 8) New Haven should be granted, according to initial decision by FCC Examiner Walther W. Guenther. Hearing was held on station's application to move from 8.8 miles NNE of New Haven to 19.8 miles NNE, increase height from 720 to 780 ft., install DA. Guenther concluded that move would bring service to more people, wouldn't hurt uhfs which had opposed move—WWLP (Ch. 22) Springfield & WHNB-TV (Ch. 30) New Britain.

FTC's order preventing Carter Products, for Rise shaving cream, from "false disparagement of competing products and deceptive demonstrations" has been modified in line with court ruling that original order was too broad. FTC now states that demonstrations of superiority must be an "accurate" comparison, rather than "genuine or accurate."

Televised boxing, a mainstay in TV's early days, will be dropped by ABC-TV next fall. Low ratings, sponsor disinterest, sport's bad reputation, are reasons given. Boxing at one time was on all networks, but number of homes reached remained static over years.

France's 2nd TV channel has started experimental programming, will officially begin April 18. Govt.-owned system will offer programs contrasting with those of first channel, "less cultural," no commercials.

CBS stockholders approved proposed 2-for-1 stock split, effective Feb. 15 for holders of record Jan. 17. CBS plans to pay 25¢ cash dividend on the split shares in March, representing boost to 50¢ from 45¢ on present stock.

License fees for group applications may be paid with one remittance but should be accompanied by list itemizing amounts to be credited to each application—FCC announced.

Personals

William Dozier resigns as Screen Gems senior vp in charge of production, will reactivate Greenway Productions, which has non-exclusive agreement with SG. . . **Ken Croes**, sales mgr., KERO-TV Bakersfield, promoted to acting mgr., succeeding **Art Mortenson**, resigned.

Lewis M. Marcy, ex-McCann-Erickson vp, named Subscription TV Inc. vp at N. Y. hq, 60 E. 56th St. . . **Alvin A. Dann**, ex-ANA, joins Infoplan (PR service) as account dir. with responsibilities for Infoplan's parent McCann-Erickson Inc.

Warren L. Braun, asst. gen. mgr., WSVA-TV-AM-FM Harrisonburg, promoted to gen. mgr., post relinquished by Pres. Hamilton Shea, who continues as chief exec. officer; **Robert Lee**, program & operations mgr., succeeds Braun.

Krieger & Jorgensen, Washington law firm, moves to 1926 Eye St. NW. . . **John Griffin** promoted from account exec. to national sales mgr., Roger O'Connor Inc.

Ed Reis, ex-consultant, named special TV representative, Precision Instrument Co., for use of firm's portable TV recorder in closed-circuit & educational TV; **C. Robert Paulson**, ex-national sales mgr., Ampex Professional Products Div., appointed special TV sales representative.

Marion (Hank) Tribley, operations mgr. & asst. gen. mgr., WNCT Greenville, promoted to acting gen. mgr.; **John G. Clark Jr.**, sales mgr., to gen. sales mgr.; **A. Hartwell Campbell**, vp & gen. mgr., resigns to develop own broadcast interests, awaits FCC approval to purchase of radio WGTM Wilson, N. C.

Gene O'Dell promoted to production mgr., WTVN-TV Columbus, **Roger Johnson** to commercial operations dir. . . **Don Whiteley**, ex-promotion dir., KTAL Shreveport, named asst. promotion mgr., KTVI St. Louis.

HEW has received 6 new applications, totalling \$1,110,859, for ETV construction grants: Rhode Island State Board of Education, \$172,397 to activate Ch. 36 Providence; Alabama ETV Commission, \$295,661 to activate Ch. 44 Huntsville & \$220,918 to start Ch. 42 Mobile; U. of Washington, \$231,770 to expand KCTS-TV Seattle; Yakima School District No. 7, \$79,277 to expand KYVE-TV; Tacoma Public Schools, \$110,836 to expand KTPS-TV. So far, 10 grants have been approved, totalling \$1,552,294. Total of 38 applications, including above 6, remain, requesting \$7,072,780.

"**Debate**" between broadcasters and FCC Comrs. Cox & Loevinger, at 19th annual Georgia Radio-TV Institute, adds Washington attorney W. Theodore Pierson. Institute takes place at Athens Jan. 21-23, co-sponsored by Georgia Assn. of Bcstrs. & U. of Georgia's Henry Grady School of Journalism.

Former FCC Chmn. Newton Minow, exec. vp of Encyclopaedia Britannica, discussing "The Law and Lee Oswald" with Harvard Law School professor Paul Freund, was scheduled for Dec. 29 on CBS-TV.

"**Super-power**" petition of radio WWL New Orleans, to permit certain stations to go above 50 kw, was opposed last week by Assn. on Bcstg. Standards; it charged that power boost would adversely affect present radio service.

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UPCOMING STATIONS: KFME (Ch. 13 ETV) Fargo, N. D. plans first broadcast Jan. 5, with school programming to start Jan. 27, reports Dr. Clair R. Tettemer, gen. mgr. RCA 10-kw transmitter is ready, & RCA Super Turnstile antenna was placed on 426-ft. Blaw-Knox self-supporting tower in Oct.

Ch. 13 grantee in LaGrande, Ore. doesn't have call letters, but owner KTVB Boise, Ida. plans to start operating it as satellite in fall of 1964, according to Mrs. Georgia M. Davidson, pres. & gen. mgr. RCA transmitter has been ordered & it will use 90-ft. tower on Mt. Fanny. KTVB rep is Avery-Knodel.

WRSJ-TV (Ch. 18) San Juan, P. R. hopes to start March 1, writes Clement L. Littauer, vp & gen. mgr. of Antilles Bcstg. Corp., which also holds CPs for Ch. 16 Mayaguez & Ch. 14 Ponce. Network affiliation hasn't been signed yet, & Littauer states it can't place equipment orders until network negotiations are completed. Julio Morales will be technical supervisor. It doesn't plan to use sales rep "since most of the well-known national agencies either have branch offices here, or work in association with a local agency."

WNJU-TV (Ch. 47) Linden, N. J., with request to move transmitter & antenna to Empire State Bldg. held up by protests, has changed target to fall of 1964, according to Pres. Edwin Cooperstein. Programming will be aimed primarily at Spanish-speaking & Negro population, will include other ethnic groups. Rep will be National Time Sales.

KBAK-TV (Ch. 29) Bakersfield, Cal. CBS affiliate, has been sold by Reeves Bcstg. for sum reported to be "in excess of \$1.5 million." Purchaser is Harriscope Inc. (Burt I. Harris), Beverly Hills, owner of KFBB-TV Great Falls, Mont. & 60% of KTWO-TV Casper, Wyo., and with interests in 3 independent AM's. Reeves Pres. J. Drayton Hastie said his company "will continue its policy of seeking out new opportunities for investment in TV broadcasting & related fields." Reeves also owns WUSN-TV Charleston, S. C. & WHTN-TV Huntington, W. Va.

KGGM-TV-AM Albuquerque & radio KVSF Santa Fe sold for \$2.75 million to James Gilmore, owner of KODE-TV-AM Joplin, Mo. Blackburn & Co. represented buyer.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1964'S BIGGEST PROBLEMS—UHF, PROFITS, IMPORTS: Asked to name most pressing problem for 1964, most industry leaders cite transition to all-channel TV—but only by narrow margin. Close runners-up are maintenance of fair profit structure for dealers and/or manufacturers, and impact of imports.

In our recent survey of industry's topkicks, we asked them what was biggest problem for new year. All-channel law was cited 5 times, fair profits 4 times, imports 3. In addition, effect of tinyvision on prices, & consumer education on need for high color TV prices (as compared with b&w) were cited once each. Here's rundown on some specific comments:

Citing all-channel problems, Admiral sales vp Ross D. Siragusa Jr. says there probably will be "period of confusion" before public & dealers are completely educated to significance of change. Packard Bell Pres. Robert S. Bell expresses apprehension that "certain segments of industry might build a large vhf inventory prior to April 30 and thereby cause a chaotic market condition." In addition, he says consumer doesn't understand "the virtue of having a uhf tuner in his set which he cannot use in most areas. The usual result in past industry history, when the customers were confused, was that sales have dropped temporarily." Bell proposes "a vigorous campaign by the broadcasting industry—which was largely responsible [for] permitting this law to be passed." Manufacturers can't do it alone, he adds, "without the benefit of a huge war chest." Others who see all-channel change-over as one of industry's biggest problems were Motorola Consumer Products Pres. Edward R. Taylor and Zenith Operations Vp Clifford J. Hunt.

"The biggest problem in 1964," writes Emerson Pres. Benjamin Abrams, "will be the maintenance of a pricing structure to make possible a fair margin of profit at all levels." Olympic Pres. Morris Sobin puts challenge of '64 this way: "Making a profit in the face of severe competition among members of industry, coupled with trying to hold price line in face of higher costs due to uhf, labor & material increases."

"Dealer's profit problem" is called "most serious underlying problem in the industry" by Sylvania Home & Commercial Electronics Pres. Robert J. Theis. He attributes this largely to overfranchising, and suggests that while "action & leadership" must come from industry leaders, dealers can help in 2 ways: (1) Concentrate on fewer lines "to avoid this overcrowding which creates too much same-brand competition." (2) State their intentions to suppliers "as to what they can expect in the way of volume & cooperation. . . They should be ready to back up their intentions by proving (at the end of the year) that they did the kind of a job they said they would do for their suppliers." Wells-Gardner Sales Vp Allan Gardner listed "deriving profit from domestic-manufactured items" as one of 2 major problems. "Tinyvision and its effect on TV prices in general" is biggest problem, as seen by Philco Consumer Products Div. Vp-Gen. Mgr. Larry H. Hyde.

Imports represent biggest challenge, in view of RCA Sales Corp. Pres. Raymond W. Saxon. Pointing out that radio imports have now reached same rate as domestic production, he adds: "In TV, imports have begun to seriously establish themselves in the lower-priced portable areas. It remains to be seen whether domestic TV manufacturers can profitably compete with imported products in this particular category without the benefit of technological breakthroughs in the TV product itself. Phonographs are another area that could see increased foreign competition in 1964, particularly in the lower-priced portable field."

Motorola's Ed Taylor says "major task" for industry in '64 will be "holding its own against imports in TV, so that imports do not rock the TV boat as they have in radio." Wells-Gardner's Allan Gardner defines "meeting competition from foreign manufacturers" as one of 2 major problems. Setchell-Carlson Pres. B. T. Setchell thinks pressing issue will be "educating the consumers that color TV is not and cannot be in the same category with b&w TV."

JAPANESE ADVANTAGE IN ALL-CHANNEL LAW? Two recent interpretations of all-channel law appear to give Japanese manufacturers advantage over U.S. set makers after U-Day rolls around. However, it's our impression that there's so much confusion in Japanese TV industry that it won't necessarily work out that way.

Here are aspects of rulings which could work to benefit of manufacturers & importers of foreign-made TV sets:

(1) Imported vhf-only sets could be selling in U.S. after domestic stocks are exhausted. This is because of longer shipping lead-time involved in foreign sets—usually 30-45 days. All-channel law establishes April 30 cut-off date for manufacture of imported vhf-only sets as well as domestic ones. Thus, all sets being shipped by U.S. manufacturers theoretically will be all-channel shortly after May 1—barring stockpiling. But because of shipping time, importers probably won't have to begin shipping compulsory all-channel sets until June 1-15, simply because sets received before that time will have been built before law went into effect.

(2) FCC recently ruled, in response to query from EIA of Japan, that vhf set sold with uhf adapter would meet requirements of all-channel law, "providing that removal of adapter would disable set." While this ruling is of little significance to U.S. manufacturers, it's of top importance to Japanese makers of tiny transistor TV. In effect, it eliminates necessity for expensive retooling.

There's no room for additional uhf tuners in current Japanese micro TV sets. Addition of adapter (with some sort of interlock to disable set if adapter is removed) solves problem very neatly. (Sony, however, has already tooled slightly larger version of its 5-in. set including internal uhf tuner.) It also makes it possible for Japanese manufacturers to continue producing virtually same set for U.S. & domestic market. Only difference currently is slight variation between U.S. & Japanese vhf channels (meaning different vhf tuners); thus, same tooling could still be used for both domestic (vhf-only) & U.S. export (vhf set plus adapter) models.

It's very possible that Japanese TV industry will dissipate these built-in advantages, however. Reports from Tokyo indicate Japan is even less prepared for switch to all-channel than U.S. industry. It's said that TV manufacturers there are having difficulty getting firm commitments from their uhf tuner suppliers. Some producers are still placing stock in rumors—"hot from Washington"—that U-Day will be postponed for year. Despite heavy information program by EIAJ, it's understood that much of Japanese TV industry is fuzzy on meaning of law and is failing to prepare itself.

* * * *

Some indication of slowdown in TV set shipments shows up in Nov. Japan-to-U.S. export figures. As reported by "Home Furnishings Daily," they show only 5% increase from Nov. 1962—by far the smallest 1963-over-1962 rise for any month. In Nov., 36,079 sets were shipped, bringing 11-month total to 402,364 (equivalent to 6% of U.S. b&w production for same period), up from 137,872 for first 11 months of 1962.

Shipments of transistor & tube radios (excluding toys) from Japan to U.S. reached whopping total of 9,219,691 for first 11 months. This compares with U.S. domestic output of 9,606,798 during same period. Nov. Japan-to-U.S. shipments of transistor radios rose big 53% over Nov. 1962 figure to reach 1,053,758. Tube radio shipments were down 16% to 104,755; toys (fewer than 3 transistors) dropped by 60% to 78,499.

DISCOUNTERS FACE RISING COSTS IN '64: Cost of doing business is rising in low-margin retail field & can be expected to put new pressure on profits in forthcoming year, our survey of some 2 dozen top discount chains indicates.

Several new trends, and intensification of previous ones, presage tougher going in 1964 for discount houses. More capital will be invested than ever before to transform discount image from "shlock" to quality. There will be decreasing emphasis on junk merchandise, more on upgraded product lines. Store personnel will be more qualified, better trained—and more costly. Then, too, rise in union activities which became pronounced this year can be expected to become more intensive & widespread—and to boost costs.

In 1964, too, discounters in increasing numbers will continue to look less & less like discounters as they enlist traditional—and cost increasing—merchandising, promotion & selling techniques to stimulate business. There will be increasing use of on-floor selling service, free delivery, credit, mail-&-phone ordering service, advertising. Some discounters will introduce new services—store-to-car delivery of purchases, parking lot attendants, trading stamps, expanded-menu snack bars and full-service restaurants.

However, lest TV-radio-appliance dealers take too much solace from these cost-increasing trends, there are others in wind for 1964 to intensify competition from discounters. Three have particular significance for TV retailers.

(1) Big shake out which hit discount industry in 1962-63 is now virtually shook out. Out of wreckage have emerged the "pros"—astute, experienced, qualified retailers who know what they're doing. These chains tell us 1964 will be year of consolidation & cautious expansion, devoted to tightening operations, beefing sales personnel, sharpening management team. Competition from chains that weathered the shake out figures to be more intensive & effective in 1964.

(2) More discount stores in 1964 will introduce repair service or improve present facilities, for TVs and other warranty home instruments & appliances. This move is part of general trend to embellish quality image & emphasize discounters' one-stop-shopping attraction.

(3) There will be pronounced trend to smaller cities next year. Prime markets are largely overcrowded now, some have passed saturation point. Discounters, therefore, are now scouting smaller towns. "Next year you'll find discount houses opening in towns you never heard of," one discount executive told us. This trend means that TV retailers in many areas who heretofore only read about discount competition likely will be in thick of fight in next 12 months. Here are other observations culled from our survey of discounters:

There's general confidence that 1964's business tone is sound for discounters. With almost no exceptions, discounters we contacted forecast rising sales in upcoming year. Many expect big jumps, stemming largely from new stores opened this year.

There will be markedly fewer new discount stores in 1964. Expansion will proceed cautiously, & some discounters are now more partial to acquisition than to new construction. However, this doesn't mean blackout on new stores. Kresge's K-Mart operation, for example, which opened 35 new discount stores this year for total of 53, plans another 30 in 1964. Korvette has 10 additional stores blueprinted for next 18 months, for total of 40 by July 1965. Interstate and King's are planning in terms of 10 new stores each next year. Just about all chains we surveyed plan some new openings next year, though most will be down from 1963's expansion rate.

Discount attrition will decrease. Shake out, coupled with decline in 1964 expansion plans, has resulted in tapering off of intra-industry competition which ran riot in discount industry in 1962 and through 1963's first half.

Sum-up: TV retailers in 1964 can expect little cheer or gain from discount industry's 1963 attrition. The new discounter image that emerged during last half of 1963 is one of tough, shrewd, knowledgeable retailer. Opportunistic discounters with little experience largely have been driven from field. Survivors, however, although facing problems of rising costs and overcrowded prime markets, are capable & experienced, and they'll continue to give traditional TV retailer a bruising run for consumer dollar.

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 20 (51st week of 1963) excluding 11-in. and smaller:

	Dec. 14-20	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	129,189	136,090	125,405	6,933,555	6,414,930
Total radio	351,315	397,929	380,877	18,145,053	18,959,969
Auto radio.....	171,790	192,206	179,453	7,938,079	7,108,486

TV, RADIO SALES UP: TV sales showed strongest increase over 1962 for any month so far in Oct., while phonos registered biggest decline and radio indicated slight improvement. This is mixed picture shown by official EIA sales & production figures for Oct. and first 10 months of 1962.

TV business continued to zoom toward all-time record, as black-&-white sales to dealers in Oct. came out more than 14% ahead of Oct. 1962, bringing 10-month total to nearly 8% above comparable year-ago period. Actual increase is greater than figures indicate, since tinyvision is not included in EIA figures this year. All-channel set production in Oct. 1963 was 16% of total, compared with 11% in Oct. 1962. For 10 months, all-channel sets constituted 14% of total TV output.

Radio sales to dealers showed slight increase over comparable 1962 month in Oct. for 3rd month in row—up about 1.8% for the month—but for first 10 months of year radio sales were lagging 1962 by more than 13%. FM sets constituted 13% of total radio output (except auto) in Oct., with FM output up 10.5% from Oct. 1962 and up 30% for 10-month period. Car radio production in Oct. soared 32% above Oct. 1962.

Phono sales, subject of concern in industry, dipped in Oct. by 7% at distributor-to-dealer level and by 12% at factory level, as compared with Oct. 1962. Year-to-date distributor sales were 8% ahead of 1962, factory sales 9% ahead. Here are EIA 10-month figures:

TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
March	601,797	580,876	818,510	917,236
April	395,166	364,742	637,443	809,499
May	378,215	310,799	598,410	772,479
June	541,810	480,510	811,923	1,040,598
July	448,441	449,528	698,043	921,089
August	549,421	518,451	849,274	848,881
September	803,521	731,100	1,133,464	1,255,346
October	699,840	611,763	1,081,663	1,063,014
TOTAL	5,428,031	5,034,880	7,698,114	8,888,904

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
August	565,198	500,693	90,457	44,862
September	779,405	731,517	133,265	70,299
October	630,091	569,966	100,987	66,059
TOTAL	5,818,906	5,434,086	833,637	485,025

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	594,505	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
April	1,359,769	1,472,654	596,899	519,296	102,208	63,193
May	1,384,063	1,444,074	555,812	504,846	119,756	62,292
June	1,653,866	1,721,873	670,106	629,004	154,818	92,287
July	990,605	1,134,250	331,816	403,946	120,825	68,037
August	1,252,878	1,253,753	489,327	427,747	119,963	98,609
September	2,103,447	2,196,371	952,129	887,104	176,260	165,433
October	1,962,124	1,835,914	894,604	675,680	165,188	149,554
TOTAL	14,894,292	15,684,733	6,420,501	5,665,954	1,223,143	941,141

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	204,073	112,452	316,525	115,998	103,730	219,728
February	192,858	137,114	329,792	130,104	109,316	239,420
March	211,745	134,407	346,152	173,056	126,201	299,257
April	169,478	77,252	246,730	129,175	72,017	201,192
May	129,535	75,513	205,208	136,405	59,159	195,564
June	215,036	100,007	315,043	203,670	70,856	274,526
July	211,645	87,336	298,981	214,007	78,293	292,300
August	283,061	124,287	407,348	281,762	135,026	416,788
September	413,003	178,691	591,694	413,727	182,286	596,013
October	412,174	153,136	565,310	432,776	176,439	609,215
TOTAL	2,442,608	1,180,195	3,622,803	2,230,680	1,113,323	3,344,403

PHONO FACTORY SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	205,955	135,741	341,696	137,090	122,469	259,559
February	190,352	149,923	340,275	130,495	124,917	255,412
March	200,571	129,142	329,713	166,408	132,075	298,483
April	165,016	76,190	241,206	120,793	62,309	183,102
May	123,486	62,723	186,209	132,749	54,543	187,292
June	305,946	149,253	455,199	247,932	135,605	383,537
July	230,282	106,766	337,048	220,196	90,197	310,393
August	300,661	125,779	426,440	293,225	148,230	441,455
September	490,319	212,372	702,691	486,459	201,895	688,354
October	493,547	173,418	666,965	508,130	180,954	689,084
TOTAL	2,706,135	1,321,307	4,027,442	2,443,477	1,253,194	3,696,671

RCA has no plans to pull out of Camden, N. J. area, Pres. Elmer W. Engstrom & Group Exec. Vp Arthur L. Malcarney told meeting of state's U. S. legislators, including Sens. Case (R) & Williams (D). Persistent reports that company will move from Camden are without foundation, they said. Reports mount in wake of layoffs caused by sag in defense business. Legislators & RCA executives agreed to intensify efforts to get more defense business for Camden area.

Nov. was not great month for sales of either b&w TV or radio. Preliminary figures indicate TV sales to dealers only slightly higher than Nov. 1962, while radio sales were 28% below those of corresponding 1962 month. Effect of national mourning for Pres. Kennedy was not reflected in figures, since EIA's statistical month of Nov. ended Nov. 22, day of assassination (for official Oct. figures, see above).

Hitachi Ltd., Japan's largest electrical-electronics manufacturer, has asked Japanese govt. to approve U. S. consumer products sales subsidiary, Hitachi Sales Corp., in Los Angeles, to be capitalized initially at \$500,000. New firm would work through regional distributors, including Sampson Co., Chicago, which has been exclusive U. S. importer & distributor for Hitachi consumer electronics lines.

Color tinyvision is promised for 1964 by Mitsubishi, whose simple announcement of 6-in. color set to sell in Japan at about \$225 has aroused interest among U. S. manufacturers. In Tokyo, Mitsubishi said set is in pilot production stage, may be exported to U. S. by late 1964. Company said marketing would start next May, but revealed no other details.

GE has settled 3 anti-trust damage suits with total \$10.7 million payments to Consolidated Edison (\$5.8 million), Middle South Utilities (\$2.6 million), Niagara Mohawk Power (\$2.3 million). Suits were aftermath of electrical price-fixing conspiracy case.

UPBEAT '64 FORESEEN: Cheery, indeed, is outlook for 1964, if tenor of year-end reports by major electronics companies is criterion. Here are capsule summations of their views:

RCA reported record sales & profits for 1963 (see financial table). Chmn. David Sarnoff saw 1964 as "year of economic advance & heightened business activity." He predicted color set sales at 1.2-1.5 million, depending largely on picture-tube output. "In all its aspects, from manufacturing to broadcasting to servicing," he said, "color at the retail level promises to become a billion-dollar industry in 1964." RCA, he added, expects to achieve record business & profits in 1964 for 3rd consecutive year.

Reviewing 1963 operations, Gen. Sarnoff picked 3 segments of RCA's business as providing "decisive impetus to growth": (1) Color—"profits from the sale of color apparatus & related color services increased by 70% over the previous year." (2) Broadcasting—"NBC earned substantially greater profits than its previous record earnings year of 1962." (3) Data processing—sales & lease increased by more than 50% in 1963.

GE has hopes of record \$5 billion sales in 1963 and "over-all, it looks good for 1964," in opinion of retiring Chmn. Ralph J. Cordiner. He said gross national product would expand in 1964 by 5-6%, declared "we expect to do better than that." He credited Consumer Goods Div. with "doing a terrific job," said sales strength of consumer goods, industrial equipment & international shipments will more than compensate for softening in defense & utility sales. GE is still plagued by anti-trust damage suits arising from 1961 electrical conspiracy case, but Cordiner said firm will soon settle some 2/3 of the claims for about \$75 million.

Westinghouse expects 1963's sales to top 1957's record \$2.009 billion and foresees volume rise in 1964. Pres. Donald C. Burnham forecast total 1964 sales of more than \$27 billion for electrical manufacturing industry, up from 1963's projected \$26.6 billion, said "Westinghouse expects its sales to parallel the experience of the industry." He noted that company "will enter 1964 with the largest backlog of orders since the 1953 Korean war period," said all product groups should contribute to anticipated 1964 improvement.

Motorola is confident its 1964 business will "exceed 1963 in both sales and earnings," looks for "continued high level plateau of national prosperity in 1964," Pres. Robert W. Galvin reported. "Our greatest concern," he continued, "is whether the prospective tax cut in 1964 will be accompanied by the necessary concurrent reduction in the costs of govt." For Galvin's forecasts of Motorola's 1964 sales of TV, radios, hi-fi, other products, see Vol. 3:50 p8.

Arvin Industries sales & earnings are at, or close to, record levels, and Pres. Eldo H. Stonecipher anticipates continuation of "good" business during 1964's initial months. Outlook for 1963 is 10% earnings rise on 5% sales gain from 1962.

Philco's future is bright, in opinion of Ford Chmn. Henry Ford II. "The American market for TV, radio, hi-fi & household appliances is far from saturated," he told Philco distributors at recent Detroit convention (Vol. 3:51 p8). "The market is not saturated when fewer than 1/4 of American homes have air conditioners, freezers

& clothes dryers. The market for TV will not even approach saturation until color TV is as much a fixture in the American living room as black-&-white TV is now. And, even then, there will still be plenty of demand left to satisfy... As family income goes up, I think you can look forward to continued growth in the number of families owning two or more of the many products you sell."

Packard Bell Electronics expects earnings in fiscal-1964's opening quarter, ending Dec. 31, to more than double to more than \$1.35 a share from 61¢ a year earlier. Included will be 80¢ a share in capital gains, compared with 5¢ in 1962's Oct.-Dec. period. Sales should match year-earlier's \$14.3 million. Chmn.-Pres. Robert S. Bell forecast for total fiscal year "an improvement" over fiscal-1963's \$1.1 million earnings on about same sales volume, \$49.4 million.

ZENITH'S ALL-CHANNEL COLOR: New Zenith line, now being shown to dealers at distributor open houses, features more color sets (23 in all), slightly fewer b&w than previous series. Nine color consoles are available only in all-channel, some of them featuring unique radio-type slide-rule dial with 2-speed tuning. All-channel color consoles run from \$750 to \$950 (including 6 remote models), about same prices as their predecessor vhf-only models of last spring. Also new to color line is \$995 color combo (previous combos at \$1,300 & \$1,775 remain in line). Color sets still begin with ebony table model at \$449.95.

Two 16-in. models continue to lead off b&w line (picture power stepped up to 17,500 volts), but they're open list this time (formerly \$149.95-\$159.95). New 23-in. b&w combo with AM-FM is \$449.95 (vs. \$519.95 for former lowest-priced combo), or \$499.95 with FM stereo. Top of line b&w combo is \$629.95 (vs. \$650 top 6 months ago).

Two all-new stereo portables lead off phono line. One is upside-down version of drop-down phono—it flips up, instead, using new changer only 7-1/2-in. wide, which sets on top of wing-speaker cabinet when top is flipped over. This 4-speaker unit is \$129.95. Also new is portable tilt-down phono with AM-FM & FM stereo radio at \$229.95. Solid-state amplifiers are used in 8 stereo consoles & some TV combos.

Columbia Records introduced 10 additions to its Masterwork line, including 2 transistorized 3-piece "packaged component systems" in walnut cabinets—\$225 for phono, amplifier & speakers, or \$325 including AM-FM-stereo tuner. Portable phonos are \$24.95 to \$139.95, latter being transistorized unit. AM-FM table radio at \$39.95 and AM-FM personal portable at \$49.95 were also introduced.

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Some Zenith TVs will be fair-traded in N. Y. for first time, under new policy of Zenith Radio Corp. of N. Y., factory-branch distributor. It's understood that all color consoles, two 19-in. portables & two 23-in. consoles are involved. Fair trade prices have also been set by Zenith's N. J. distributor, Appolo Distributing Co.

Motorola is test-marketing several hundred 23-in. rectangular color sets in Chicago. Production of the tube has been stepped up at National Video, and Motorola is tentatively planning on shipments of 23-in. color sets in significant quantities in 1964's 2nd quarter.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1963—qtr. to Oct. 31	\$ 13,173,000	—	\$ 34,000	\$0.03	1,065,098
	1962—qtr. to Oct. 31	13,636,000	—	122,000	.11	1,019,739
Muntz TV	1963—qtr. to Nov. 30	3,627,875	\$ 315,563	156,970 ¹	.11	1,437,482
	1962—qtr. to Nov. 30	3,322,068	392,381	331,235	.23	1,437,482
RCA Story on p. 11	1963—year to Dec. 31 ²	1,780,000,000 ³	135,000,000	65,000,000 ³	3.55	17,390,000
	1962—year to Dec. 31	1,751,646,000	107,935,000	51,535,000 ⁴	2.84	17,023,000
	1963—qtr. to Dec. 31 ⁵	466,000,000	—	20,800,000 ³	—	17,390,000
	1962—qtr. to Dec. 31	486,173,000	38,057,000	17,257,000 ⁴	.96	17,023,000

Notes: ¹After full Federal income taxes; previous tax-loss carry-forward credits expired in fiscal 1963. ²Preliminary record. ³Record. ⁴Before net capital gain of \$6,960,000 (41¢ a share) from sale of 991,816 Whirlpool common shares. ⁵Indicated.

Trade Personals

Dr. Elmer W. Engstrom, RCA pres., appointed to National Bureau of Standards' Statutory Visiting Committee.

William L. Davis, ex-RCA Service Co., appointed Admiral national service mgr. for distributing branches, a new post, headquartering in Chicago.

Robert W. Sanders, Magnavox chief TV engineer, promoted to Consumer Products Div. engineering mgr., headquartering in Ft. Wayne.

Walter Kissinger promoted from Harman-Kardon acting gen. mgr. to vp & gen. mgr. . . **Joseph M. Silver**, ex-Martel Electronics, joins Majestic International Sales Corp. as gen sales mgr. and asst. to Pres. Leonard Ashbach, a new post.

J. Penn Rutherford, formerly International Resistance exec. vp, appointed exec. vp of Penn Controls, Goshen, Ind.

Charles L. Alden appointed Minnesota Mining and Mfg. Magnetic Products Div. merchandising mgr.; **Carl J. Andrews** named ad mgr.

Jack Simberg and **Daniel J. Domin**, Muntz TV vp and secy.-treas., respectively, elected dirs.

Aniello A. DiGiacomo promoted to r&d vp, General Instrument Capacitor Div.; he's succeeded as engineering vp by **Dr. Archie Broodo**, ex-GE.

Obituary

Fred Bonar Wright, 79, retired Western Electric PR dir. (1922-1949), died Dec. 21 in New Rochelle Hospital, N. Y., after short illness. He is survived by his widow and 2 sons.

Jointly owned electronics firm is planned by Thompson Ramo Wooldridge & Martin Marietta Corp. "to engage in applications of electronics to modern industry." Directors of both companies have approved plan in principle, details will be worked out over next month or so.

Muntz TV, which posted \$3.6 million sales in fiscal-1964's opening quarter (see financial table), anticipates total-year volume of \$15 million, up from \$11.8 million in 1963 fiscal ended last Aug. 31 (Vol. 3:43 p12). Pres. Wallace A. Keil expects sales of 20,000 color sets for \$8 million color volume, compared with 2,000 color sets in preceding year. B&w sales are projected at 80,000 units. The 100,000-set forecast approximates fiscal-1963's unit sales, Keil pointed out, but dollar value will be higher. Color & combinations will produce some 70% of Muntz volume this year, he said. Muntz also reported that it will introduce 16-in. TV in Jan., has terminated its private-label business, has 10,000 color tube allocation from RCA for 1964.

P. R. Mallory anticipates 1963 sales & profit slippage stemming largely from "phasing out" of subcontract for electronic assemblies used in Army radios & softening prices in various product lines. Earnings are expected to slip to about \$3 a share on current shares from 1962's \$3.15, sales to \$93 million from \$99.1 million. Pres. G. Barron Mallory said price situation is "still bad" for capacitors, semiconductors & other items. Over-all, however, prospects for 1964 appear "good at least through the first 6 months," & 1964 sales are projected at more than \$100 million.

Seeking lift of 10% excise tax on TV receivers, FCC Comr. Lee & staff recently met with Treasury Asst. Secy Stanley S. Surrey, urging that situation is unique because Congress placed special burden on industry through all-channel law. Lee also warned that increased price of all-channel sets may deter sales, reduce excise collections. Commission has told Budget Bureau that excise tax removal is high on its list of legislative priorities. It's expected several congressmen will introduce bills to remove tax.

Ampex has registered 1,511,230 capital shares with SEC for exchange for 80% or more of Mandrel Industries capital stock. Houston-based Mandrel provides operating services in geophysical exploration. Stock exchange, on basis of 9 shares of Ampex for each 10 of Mandrel, seeks to effect a "pooling of interests," to team Ampex equipment and Mandrel service to develop means for studying earth & oceans.