

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 3, 1963

NEW SERIES VOL. 3, No. 22

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

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Broadcast

OPTION TIME—NEW FCC, NEW VIEW, bring 6-1 vote for abolition. CBS compensation plan rejected, too. Court appeals expected, postponement of Sept. 10 deadline likely (p. 1).

FINIS FOR DROP-INS, FOR NOW, as Commission 4-3 vote confirms intentions. Long-range health of uhf favored over quick improvement of ABC-TV competitive position (p. 2).

FLURRY OF RATING REFORM MOVES: Raters' reaction to NAB plan. Cost formula weighed. NAB-RAB still unresolved on radio proposals. Hooper readies out-of-home measurement (p. 2).

CANADIAN THEATER-TV HOCKEY, via Eidophors, added to cable TV in Toronto. Paramount-Maple Leaf agreement provides 11,000 seats in 9 theaters in addition to Telemeter cable homes. Broader income base designed to attract better programs (p. 4).

ATTACK ON FCC COMMERCIAL PLAN, from NAB Radio Code Board, says public would count numbers rather than over-all performance, freeze standards by 'govt. fiat' (p. 4).

HILL PROBES EDITORIALS: Rep. Rogers (D-Tex.) will hold hearings in July, will also look into equal time & general fairness doctrine (p. 5).

Consumer Electronics

COLOR AT \$399.95 probably will be shunned by most manufacturers in favor of 'halfway to gutter' approach, with \$449.95 seen as probable starting point when new leaders are introduced. Industry views summarized (p. 7).

RADICAL CHANGES IN MIX will accelerate as TV undergoes most revolutionary phase in history—due to color, personal portables & imports; average b&w factory price last year hit all-time low of \$126.61; portables & table models now approaching 70% of market (p. 8).

PARTS DISTRIBUTORS TOPPED \$1 BILLION in 1962 as sales rose 9.9% to record \$1.04 billion from 1961's \$940.3 million. Dealer-servicemen group was top customer category by wide margin, but continued to lose ground to industrial-govt. accounts & consumers (p. 9).

ZENITH'S NEW LINES feature both increases & decreases in prices compared with last year; other new-set introductions (p. 10).

'ORDERLY' TV EXPORTS sought by Japan, as govt. prepares for export controls: EIAJ business mgr. arrives in U.S. on mission to 'insure continued stability' of market for Japanese TV (p. 10).

OPTION TIME—NEW FCC, NEW VIEW: FCC ordered end of option time in 6-1 vote last week (Lee dissenting), surprising no one. It specified next Sept. 10 as end of the road for practice which networks have had since their beginnings. Court appeals are virtually certain, so postponement of effective date is probable. Commission also knocked out CBS's incentive compensation plan, as expected, and CBS is likely to challenge that, too, in courts.

What it amounts to is that composition of Commission has changed since its 4-3 Jan. 1959 vote in favor of option time—3 New Frontiersmen replacing 3 Eisenhower appointees (Doerfer, Craven, Cross), and newcomers take a tougher line toward networks. It's noteworthy that FCC specifically said it didn't rely on anti-trust angle to rule out option time. Presumably, it's on better strategic grounds relying primarily on "public interest" considerations.

In 39-page decision, FCC says essentially: Without option time stations will have better control over their programming, while non-network program sources will flourish because they'll have access to better station time, and public will benefit from increased program availability & competition. Networks, we believe, won't be hurt by loss of option time; we simply disagree with networks' predictions. But if we're wrong, we can move fast enough to rectify things before networks are damaged.

Commission insists that networks will get adequate clearances, without the guarantees provided by option time, and that "erosion" of clearances won't be serious, won't drive away advertisers in any significant amount. "Television is too much a part of national life & advertising," FCC said.

Elimination of option time will also benefit following, Commission stated: Non-network advertisers, independent stations, national spot reps. Said FCC, in summary:

"We recognize that in reaching this conclusion we are rejecting the unanimous views of the networks and their affiliate committees. But, as indicated, the showings of these parties are for the most part conjectural in nature; the tangible material in the record indicates to the contrary. We note also that these arguments have been repeatedly made before, e.g., in 1941 with respect to any limitation in radio, and again in 1958 and 1959 with respect to TV and any reduction in option hours. Yet network radio continued to flourish until TV developed, and, as noted above, there is no indication that the recent reduction in TV option hours (and other further restrictions) has had any substantial adverse effects."

Lee's dissent was one sentence—saying he stuck by his original view that option time is "reasonably necessary" for networking.

Networks and affiliate groups couldn't offer much evaluation of decision, because text was released late Fri. But one thing bothering them substantially is that FCC outlawed option time and anything else that "has the same restraining effect." This, attorneys say, leaves FCC wide-open door. (For text of amended rules, see p. 3.)

CBS has 27 affiliates operating under its compensation plan, and FCC asked network & stations to tell it "immediately of the steps taken to ensure compliance" with new ruling.

FINIS FOR DROP-INS, FOR NOW: Vhf drop-ins are dead—for the foreseeable future. FCC finally voted 4-3 to kill them, after Chmn. Minow went through tortures of the damned before again voting "no." ABC never says die, however, will ask for reconsideration, will plug away as it has for years, seeking to convert Minow's replacement, Lee Loevinger.

Now that 3rd vhf's are out of picture for number of major markets, in decision intended by FCC as a boon to uhf, Commission seeks other means of helping uhf. Along with quashing drop-ins, FCC invited networks to conference (no date yet) to see how programs not carried by vhf's may be given to uhf's in same areas.

If Minow had voted for drop-ins, he'd have put FCC on rough spot—because reconsideration would then be sought, and Minow's replacement Loevinger very likely would vote with new Chmn. Henry against drop-ins in sudden reversal.

So 3rd vhf outlet is out of picture for Charlotte, Dayton, Jacksonville, Birmingham, Knoxville, Baton Rouge, Johnstown. Moreover, though Commission had planned to let KOCO-TV Enid, Okla. move to Oklahoma City at short space, it changed mind, insisted that station can move and identify itself with the bigger city but must maintain normal spacing. It's 37 miles from Oklahoma City now, could move to 14 miles from city, FCC said—but station argues "air hazard" problem at new site.

FCC's rationale in final vote was that drop-ins would hurt long-range growth of uhf more than they'd help competitive position of ABC—from public's standpoint. Commission said it must give uhf—and all-channel-set law—every chance to work. If it doesn't work, FCC said, vhf drop-ins could again be considered.

Minow's concurring statement said decision was toughest he's faced at FCC, a 51%-49% matter. He concluded that majority's action is good for long-range goals—but that more should be done short-range to increase network competition—and he insisted that both FCC & industry try more imagination now. Comr. Cox plans dissenting statement, didn't have time to get it written last week.

FLURRY OF RATING-REFORM MOVES: After 3 months of headline-making, ratings controversy is going through house-building stage for reform program.

Major raters' reaction to NAB's reform plan shows strong endorsement, a few reservations. One told us he's concerned about "liaison" representation from AAAA-ANA (Vol. 3:21 p2), believes they should be full participants so that they can speak for ad fraternity and endorse or challenge proposals with authority. He's afraid conflict of needs will arise, squeezing research firms in middle—Rating Council endorsing one thing, agencies wanting another.

Another problem worrying researchers: What will broadcasters do if proposed new methodology would yield lower ratings? Also, what happens if a research firm develops acceptable technique with sample smaller than audit requires?

Researchers see ray of light in NAB's setting standards: Broadcasters couldn't kick, would be obliged to pay higher tariff, if their own NAB recommends more expensive methodology. Other developments:

(1) NAB is almost ready to announce members of Rating Council who will oversee audit-accreditation plan—NAB representatives, TvB-RAB presidents or other top men, liaison representatives from AAAA-ANA.

(2) Planners still don't know how much program will cost, but it'll run into 6 figures annually. Formula may look like this: Rating services would pay a regular tithe for NAB accreditation & audit, part of this cost to be passed on to "users." Stations competing for national business—the main buyers of ratings—would be expected to increase research budgets, pay raters about 1% of their national gross, instead of present approximately .5%. They would get more in terms of reliable & recognized research, even though many believe they're paying too much now. Question also being asked: Can reps continue not paying for local station research, in spite of great use they make of it in selling?

(3) NAB told RAB last week, we understand, that radio recommendations from NAB research committee will first have to be examined before NAB can determine merits of RAB radio sets-in-use methodology proposal. RAB had requested such a meeting last week. It wants NAB to put up \$75,000 of total \$200,000 for radio study (Vol. 3:21 p3). So far, groups have been headed separate ways. NAB is to take up matter at June 24 board meeting.

(4) Hooper will soon jump on bandwagon of self-improvement, announce new out-of-home measurement based on "telephone recall." Calls will be made in evening to measure each rating day's out-of-home listening; in-home Hooper ratings use "telephone coincidental."

(5) Pulse will meet with clients June 4-5 at breakfast sessions at N.Y.'s Plaza to explain changes in procedures & services.

(6) Inside ratings at ABC: Though battle of ABC Radio with Nielsen has been well-publicized, it isn't widely known that ABC-TV has strong gripes over Nielsen's permanent-sample ratings. Network believes that because sample hasn't kept pace with changing population its programming directed to young adult audience has been short-changed.

(7) About reform plan, NAB Pres. Collins told Connecticut Bcstrs. Assn.: "While it is going to be a very difficult job, we feel confident that it can be done, and further, that it will prove to be one of the most significant developments in the history of broadcasting. . .

"For entirely too long, broadcasters have allowed an outsider—the rating services—to influence strongly advertising patronage and programming policy without making any meaningful check on credentials, and all the while paying handsomely for it."

Elimination of option time (p. 1) was ordered by FCC simply through following amendment of Sec. 3.658(d) of its rules: "(d) *Station commitment of broadcast time.* No license shall be granted to a television broadcast station while having any contract, arrangement, or understanding, express or implied, with any network organization, which provides for optioning of the station's time to the network organization, or which has the same restraining effect as time optioning. As used in this section, time optioning is any contract, arrangement, or understanding, express or implied, between a station and a network organization which prevents or hinders the station from scheduling programs before the network agrees to utilize the time during which such programs are scheduled, or which requires the station to clear time already scheduled when the network organization seeks to utilize the time."

Changed station-sale rules proposed by FCC, to require owners of 7 stations (maximum) to sell one before buying another (Vol. 3:7 p6), were strongly attacked in comments filed last week. NAB, the 3 networks, many major groups, argued that FCC states no reasons for proposal, that present practice puts no burden on FCC, that Communications Act would be violated, that public & station employes would be damaged under new rules, that there are no abuses which changes would eliminate.

End of fuss over ETV WNDT N.Y. was declared by FCC last week, when it said it's satisfied that neither NBC nor any other donor is dictating station's programs (Vol. 3:18 p3, et seq.). There had been allegations reported in press to the effect that NBC gave WNDT \$100,000 on condition it concentrate on classroom programming non-competitive with commercial fare.

Canadian Theater-TV Hockey: More customers & more "product" for pay TV in its various forms is result of latest tieup in Toronto area. Maple Leaf's 35 away-from-home hockey games will be carried in 9 theaters with 11,000 seats in addition to homes which have been getting them on Telemeter cable TV.

Seven of the 9 theaters are owned by Famous Players, 51% controlled by Paramount Pictures, which operates International Telemeter cable system. Last year, one of the movie houses carried hockey and "moved from the red to a substantial profit," according to Famous Players' Pres. R. W. Bolstad. Agreement with Maple Leafs is for 4 years.

Equipment will be black-&-white Eidophors, bought from Theatre Network TV; pictures average 31x25 ft. TNT has supplied U.S. Air Force with a simultaneous color Eidophor, and Telemeter Exec. vp Leslie Winik reports that similar machines will be available for theaters. Equipment is related to, but differs from, color "Talaria" made by GE for National General Corp., which plans theater-TV chain (Vol. 3:9 p3, 3:18 p2).

Paramount Pres. Barney Balaban said agreement solves a major problem in expanding pay TV in the home—"excess cost of special & sports programming in the early stages." He said arrangement also "provides an important partial solution to the present product shortage" in theaters, may put marginal houses into black. Principals look for eventual expansion across Canada & U.S.

New CATV-microwave channel in Business Radio Service was granted by FCC to Wentronics Inc., to serve its Casper, Wyo. system, with the restrictions Commission proposes in rule-making proceeding. Grantee accepted CP with this condition: "If the CATV system operates in an area within the predicted Grade A contour of any television broadcast station in operation, or which subsequently comes into operation, the CATV system must not duplicate simultaneously or 30 days prior or subsequent thereto a program broadcast by such television broadcast station, provided the CATV operator has received at least 30 days' advance notification from the broadcast station licensee of the date of such broadcast. Further, if requested by such television station, the CATV system must carry the signal of such station without any material degradation in quality."

Add CATV owned by broadcasters (Vol. 3:17 p3, et seq.): Florence, S.C. (under construction), owned by WIS-TV Columbia, S.C.; Charlottesville, Va., by WSLSTV Roanoke, WRGM Richmond, WICO Salisbury, Md. & Washington consultant Howard Frazier; Lafayette, Ind. (under construction), by WSJV Elkhart-South Bend; Huntsville, Ala., by WBHP; Del Rio, Tex., by KDLK; Winona, Minn., by KWNO; Junction City, Kan., by KJCK.

Another CATV purchase by Cox Stations—9,500-home Harbor TV, Aberdeen, Wash., reportedly for about \$1.5 million. Harbor TV Pres. Fred Goddard will remain as mgr. Cox recently bought systems in Lewistown & Lock Haven-Tyrone, Pa. (Vol. 3:17 p3), also holds franchises for Athens, Ala., Lima, O. (latter 50-50 with WIMA-TV).

CATV technical & management training will be undertaken by new Telesystem Services Corp. div. to provide source of personnel. Classes start in fall.

Attack on FCC Commercial Plan: NAB Radio Code Board last week vigorously supported Pres. Collins' fight against FCC proposal to put Code's commercial limitations into Commission rules.

Meeting in Washington, Code directors stated that FCC move "would spell the doom of self-regulation in broadcasting." They said plan would: (1) Cause public to measure stations by number of commercials rather than over-all contributions. (2) "Freeze into govt. fiat" standards which should be readily amendable. (3) Emphasize quantity rather than quality of commercials.

Board appointed committee to study alternatives to current Code time limitations. It also asserted that Radio Code support is greater than critics claim—subscribers having increased 19% in last year, so that 37% of all radio stations subscribe. NAB reported that Code compliance ran 91.7% in spot check of 244 stations, 1,088 hours, in last 10 months.

Of efforts to weaken NAB—recent abortive attempts by some minor broadcasters—NAB Pres. Collins told Connecticut Bcstrs. Assn.: "When I first came to NAB, a few fine broadcasters cautioned that if the individual state associations should grow to be much stronger, they might well pose a threat to NAB and contribute to disunity in our ranks. But in this I did not agree, nor did our boards. In fact, since then, NAB has expended much effort to strengthen measurably our state groups . . . I am not unmindful that from some quarters these days we are getting criticism. I deeply believe in dissent and disagreement; there is room for both within the NAB house . . . Frequently, [the critic] will provide nothing more than . . . emotional appeal without suggesting alternative courses of action."

Guidelines for news media in event of crises short of war, e.g., Cuba, will be issued by Defense Dept. in about 30 days. After closed House Information Subcommittee hearings with Arthur Sylvester, Pentagon News Chief, Chmn. Moss (D-Cal.) said guides would promote coordination among newsmen & govt., help avoid confusion. Guides aren't to be confused with standby voluntary censorship code for all media in event of war, developed by Office of Emergency Planning, sent by NAB vp Howard Bell to broadcasters for consideration.

Bill to prevent FCC from charging fees (Vol. 3:19 p5) —"unless specifically permitted by law"—has been introduced by Rep. Rogers (D-Tex.). FCC's new fees, Rogers said, are based on 1951 Appropriations Act which gave Commission general authority to charge fees. Measure (HR-6697) would amend Communications Act, leaving it to Congress to spell out more precise standards.

NAB's 4th Executive Development Seminar will be held at Harvard U. July 14-26, attended by 66 TV-radio executives. Special attention will be given to: Competitive programming, personnel, budget, selling. Case method technique will be used, research materials supplied by broadcasters.

FCC's existing horse-racing broadcast policy remains in effect pending conclusion of current proceeding designed to tighten rules. Commission so informed Sen. Magnuson (D-Wash.), chairman of Commerce Committee, in response to his query.

HILL PROBES EDITORIALS: Next potentially hot Congressional probe of TV-radio may be hearing on editorializing, planned for July by Rep. Rogers (D-Tex.) and his Communications & Power Subcommittee.

"Many members of Congress," he told us, "feel that the policy of editorializing has been misused by stations." Hearings will examine political "equal time" Sec. 315 of Communications Act and "the general fairness doctrine." Rogers said he has received many complaints from Congress & public, some when Subcommittee was considering lifting equal-time provisions for 1964 Presidential & Vice Presidential campaigns (Vol. 3:21 p5). He said he wants to hear both sides—broadcasters & complainants.

Best guess is that Rogers aims for bill to establish equal-time standards for editorializing.

Hearings could become very touchy, and broadcasters who have gingerly stepped into editorializing may get shy. Incidentally, NAB shortly will issue revised editorializing guidelines.

Investigation will go beyond political candidate issues, is expected to examine reports Birch Society has been getting editorial support from stations after buying time. Subcommittee also seeks answer to: What happens when political & civic groups can't afford to buy time to answer views expressed on paid broadcasts.

Senate Freedom of Communications Subcommittee, under Chmn. Yarborough (D-Tex.), last year recommended FCC speed processing of equal-time & editorial fairness complaints, adopt ground rules for editorializing, etc. (Vol. 2:17 p3).

Kingtree, S. C. "smut" case, now in Court of Appeals after FCC denied license renewal to radio WDKD (Vol. 2:30 p3, et seq.), may be joined by American Civil Liberties Union, which believes FCC has violated freedom-of-speech. ACLU may take position Commission erred in not trying case directly on "obscenity" issue; it rested on findings of "coarse, vulgar, suggestive," etc. Courts always have difficulty defining "obscenity"—which is covered by statute—let alone "coarse," etc., which isn't. ACLU petition to intervene as *amicus curiae* is being handled by Washington attorney Harry Plotkin.

FCC Chmn. Henry's Staff: From Minow's aides, Joel Rosenbloom & John Cushman remain, former shifting from legal asst. to special asst., latter continuing as admin. asst. Coming with Henry from his old office are legal asst. Leonidas Emerson, engineering asst. Bruce Longfellow, confidential asst. Lillian Watson and secretarial staff. Longfellow succeeds Minow's William North who becomes Comr. Cox's engineering asst. Miss Watson succeeds Dorothy Counts who remains with chairman's secretarial staff. Receptionists in chairman's outer office remain: Angie Germaine & Anne Priarone.

Sale of KTTV (Ch. 11) Los Angeles to Metromedia, giving group full complement of 5 vhfs & 2 uhfs, has been approved by FCC. Price is \$10,390,000, highest yet for one TV station; radio WMGM N.Y. brought \$10.9 million—highest for any station. FCC conditioned Los Angeles sale on whatever finally happens to its efforts to find a vhf for ETV in L.A.

Communications satellite economics will be off-kilter for years, according to RCA Chmn. David Sarnoff, because of tremendous increase in undersea cable capacity through transistorization. Confidential letter from Sarnoff to Communications Satellite Corp. Chmn. Leo Welch—which press obtained—recommended that ComSat law be amended to permit it to buy all existing international communications facilities, giving organization "immediate & solid revenue base." Sarnoff said U.S. should nonetheless continue developing satellite communications for prestige and for need as it develops. According to *N.Y. Times*, ComSat officials aren't enthusiastic about Sarnoff's views, believing both cables & satellites are needed now.

Religious leaders' latest criticisms of TV: (1) National Council of Churches has resolution drafted for a major June 6-8 meeting in N.Y., calling for "strict" FCC regulation of stations, Commission control of networks, "divorcement" of advertisers from "control of program content," FCC-enforced reduction of commercial time. (2) Rabbi Maurice N. Eisendrath, pres. of Union of American Hebrew Congregations, urged a 3-faith conference, with network chiefs present, "to elevate the standards of TV." He said TV "has encouraged the American people to squander our leisure in a sodden, bleary-eyed stupor and to wallow in sticky sentimentality, sadism, callous cynicism, in violence, vileness and vice."

"Economics of Educational TV" special conference May 23-26 at Brandeis U., Waltham, Mass., underwritten by U.S. Office of Education, drew dozens of participants from education, govt. & industry. One-page digests of 17 background papers are available from Brandeis U. news bureau dir. Larry Kane. Full report will be published by Office of Education. American Academy of Arts & Sciences, a co-sponsor, will have summary in special issue of its *Daedalus*. Conference chairman was Louis Cowan (ex-CBS), dir. of University's Morse Communication Research Center; Ralph Garry, Boston U., was project dir.

Death sentence to radio KWK St. Louis—license revocation—was ordered by FCC in 3-2 vote holding licensee responsible for "willful" & "repeated" fraud & deception in treasure hunts and contests. Principals argued that station manager, an employe, was sole guilty party, but Commission said owners' inadequate supervision was fatal. Dissenters Hyde & Lee said punishment was too drastic, that \$10,000 fine would have been more justified. Comrs. Bartley & Cox didn't participate. Station was ordered off air by July 29.

Ohio State's 33rd annual Institute for Education by Radio-Television June 12-14 at Columbus includes: Howard K. Smith, ABC; Fred W. Friendly, CBS; Reuven Frank, NBC; Lawrence Laurent, *Washington Post* TV editor; Ted Conant, Ford Foundation; Melvin A. Goldberg, NAB research vp; Robert Weston, FCC Comr. Lee's engineering asst.; Seymour Siegel, WNYC-TV N.Y.; Ned Cramer, WCBS-TV N.Y.; Mike Kizziah, KNXT Los Angeles; John E. Bystrom, HEW Dept.

Cancellation of CP for WHYZ-TV (Ch. 10) Duluth was ordered by FCC—on grounds of unauthorized transfer of control and misrepresentations to Commission. FCC held that the misconduct was inexcusable—even assuming principals of grantee (WDUL TV Corp.) were "otherwise men of excellent character in their community." Vote was 4-0—Comrs. Hyde & Lee abstaining, Cox not participating.

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Phone: 965-1985. TWX: 202-965-0979

EDITORIAL

ALBERT WARREN,
Editor & Publisher
JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook
VIRGINIA SNOWDEN,
Managing Editor,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager
RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

CHARLES SINCLAIR,
Contributing Editor

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

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Personals

Rolland V. Tooke, Group W exec. vp, named exec. vp-staff & group operations; **Larry H. Israel**, TvAR pres., appointed Group W exec. vp-station operations . . . **Phil Mazur** transferred from ARB's special tabulations dept. to midwest station sales.

Russell W. McCorkle named to new post of asst. controller, Group W, Westinghouse Bcstg. Co. . . . **Morton Slakoff**, ex-WFIL & WFIL-TV Philadelphia, appointed ad & promotion mgr., Allied Artists TV.

Michael J. Roberts, ex-WBC Program Sales vp, named to newly-created post of syndicated program sales dir., Triangle Stations . . . **Stanley Levey**, ex-N.Y. Times labor reporter, named CBS News Washington correspondent for labor, economics, business.

Dick Stern, ex-vp, Fletcher Richards, Calkins & Holden, Atlanta, appointed WAIL-TV Atlanta gen. sales mgr. . . . **Lee Carlson**, ex-sales development & research dir., ABC-TV Spot Sales, Chicago, named WBKB account exec.

Richard D. Erickson, ex-Broadcasting, named TvB creative associate.

Welch, Mott & Morgan law firm is moving to Farragut Bldg., 900 17th St., N.W., Washington 6, D. C.; phone: 296-5151.

“Spot TV Advertising Cost Summary” has been issued by Katz Agency. In 33rd semi-annual edition, rep provides rate guides in 236 markets for various time classifications & time units. Formulas are provided to help estimate TV budgets. A new formula provides estimated costs for “preceding transition announcement minutes,” immediately before evening network time or prime time.

Ch. 13 Grand Rapids should go to Grand Bcstg. Co., according to FCC Examiner Forest L. McClenning whose initial decision recommended denial of West Michigan Telecasts, MKO Bcstg. Corp. & Peninsular Bcstg. Co. He concluded that Grand is superior in broadcast experience and ownership-management integration. The 4 applicants have been operating WZZM-TV on Ch. 13 on joint & interim basis pending final comparative decision. Major stockholders in Grand, with 16.883% each, are: Leonard Versluis Sr., vp, former owner of WLAV-TV Grand Rapids; Mary Jane Morris, secy., formerly secretary of FCC; John Morris, attorney, Miss Morris's brother; pres. and 6.496% owner is Donald DeGroot, asst. gen. mgr. of WWJ-TV Detroit.

Value of foreign syndication to leading film distributors can be judged by sales of 2 major firms—Independent TV Corp. (controlled by Britain's ATV) and Desilu Sales Corp. (offshoot of Hollywood film factory). ITC has grossed better than \$5 million average annually for past 5 years outside U.S., climbing rapidly from standing start. Foreign sales for ITC for fiscal year ended recently were 40% higher than previous year. Similarly, Desilu sales mgr. Richard W. Dinsmore points to \$5 million gross in foreign telefilm market last year. Other firms whose foreign sales are at least as big as those of ITC and Desilu: CBS Films, MCA, Warner Bros., and UA-TV.

P&G has been toppled from its spot as leading TV spender in cosmetics-toiletries category (although not from listing as top over-all TV client) by upstart Alberto-Culver. TvB analysis of 1962 network & spot spending showed A-C jumping to lead in cosmetic field with billings (gross time) of \$24.4 million as against 1961 level of \$12.3 million. P&G was runner-up. Combined TV spending in cosmetics industry increased by 33.1% in 1962. A-C is virtually a TV-built phenomenon; more than 99% of its budget goes to wide variety of TV buys.

Gift of \$100,000 to ETV WHYY-TV Philadelphia has been made by CBS, bringing network's ETV contributions to about \$1.3 million. Recently, Triangle Publications donated facilities of WFIL-TV, worth \$1.5 million, to WHYY-TV, after WFIL-TV moves to new site (Vol. 3:17 p5).

Brig. Gen. David Sarnoff will be intermission speaker in first program of new NBC Radio series, *Toscanini—The Man Behind the Legend*, which starts June 5. RCA chairman was responsible for bringing Toscanini back to America from semi-retirement in Italy to conduct NBC Symphony Orchestra 1937-1954.

“The Kremlin.” NBC's well-received documentary, will be repeated in unusually quick time, June 4, 7:30 p.m., only 2 weeks after original telecast. Re-run gives children chance to see hour show first aired at 9:30 p.m.

Allocation plan for Africa, providing for 7,000 TV stations, has been approved by ITU conference of African telecommunications officials, meeting in Geneva. Group agreed upon CCIR 625-line standards for Africa.

ETV's WHYY-TV Philadelphia & New Jersey's proposed Ch. 77 in Essex County are to be linked by microwave to provide live network for area.

ABC International TV has been named program & sales rep for XHTV Mexico City & its 2 repeaters—Ch. 7 Paso de Cortes, Ch. 6 El Zamorano.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY SHUNS \$399.95 COLOR: Major TV manufacturers indicated no inclination last week to go along with Admiral's move in pushing color prices down to \$399.95 for black metal table-model price leader (Vol. 3:21 p7). However, there were some signs that they would meet it halfway—say at \$449.95.

To say set makers were disturbed is putting it mildly—they were downright hostile. Admiral's action had everyone rechecking his figures. Their conclusion: It can't be done (profitably, that is). Assumption in industry, yielding some comfort, is that margins for distributors & dealers on this leader model are extremely short—so short that many will hesitate before pushing it.

We've noted in previous issues that RCA, Philco & Zenith—only others who have introduced color lines to date—have included no low-end black metal table models, choosing instead to upgrade product and give more for money within \$495-&-up framework, possibly holding out black table model until later, after competition shows lines. Two weeks ago, we speculated that color table model leaders would come in at about \$450 (Vol. 3:20 p8). We see no reason to alter this opinion.

Admiral was silent on facts, figures & quantities. Major color lines not yet introduced (aside from Sears' Silvertone) are now narrowed down to one: GE, due next week.

TV manufacturers, almost unanimously, were reluctant to be quoted—because they hadn't yet decided what to do. But they were vociferous enough. They didn't like what was happening.

"It doesn't take any great artistry to cut prices," said one, "just a pencil. We have a good new product to sell the public on the basis of performance. This is the only industry where people like to kill a good thing before it gets started."

"This move is strictly for traffic," said another. "I think everybody else will be in at the same price to keep Admiral from getting distorted floor traffic. It really had to happen." This manufacturer added: "We're really more concerned about their remote-control models at only \$30 additional than we are about the leader color model at \$399.95."

"This industry likes to kill the goose before he lays the egg, golden or otherwise," said high officials of another company. "It's a problem for everyone—we have to face it like we've faced other competitive situations. We can't be out in left field, even if everyone gets killed. We don't have to get all the way down in the gutter, but we do have to be concerned about what our competition is doing."

This "halfway into the gutter" approach was reflected by several others, and their favorite allusion was the \$139.95 portable. RCA was silent, but was adding up figures like everyone else and obviously considered Admiral's move unrealistic.

The one man who always speaks out, Zenith Sales Corp. Pres. Leonard C. Truesdell, was unequivocal: "This is an unpractical, unbusinesslike approach," he told us. "In a business as new as color, is it advisable to squeeze your dealers & distributors to the point where they don't make a buck?"

There have been no cost economies in color, he pointed out—no "changes, no inventions which reduce the cost of color sets. We have no intention of asking our retailers and distributors to give up their profits. We will not follow that approach." He added that Zenith had no intention of introducing new lower-end color set or reducing prices of existing leader. "Dealers won't go for it any more than they went for transistor radios at \$1 markup."

While maintaining silence on specific issue of color, RCA reiterated its view that its business aims include "good profit for distributor & dealer, good value for consumer."

What does it all add up to? Everybody knows cost of producing a color set, and assumes Admiral has done a mighty job of shaving costs & margins for sake of building traffic. Feeling is that some dealers will rebel. But there's also inclination to meet Admiral halfway, offer that "missing" black metal table model at \$449.95—not immediately, perhaps in fall. Some manufacturers may even meet Admiral's price before year is out—but don't hold your breath.

RADICAL CHANGES IN TV'S MIX: Entire concept of TV is now undergoing its sharpest change in history—even more radical than "portable revolution" of 1955-56. Most important influences in this new revolution are color, "personal TV" (16-in. & smaller) and imports.

Evidence of the new revolution's first effects is provided by average price of black-&-white TV set, which slipped last year to \$126.61 at factory—an all-time low, even lower than that rock-bottom 14-in. year of 1956. Here is table showing evolution of factory price (before excise tax) of average b&w set since 1947:

1947.....\$279.34	1951.....\$177.70	1955.....\$138.20	1959.....\$141.19
1948.....\$235.90	1952.....\$172.08	1956.....\$127.06	1960.....\$144.62
1949.....\$193.33	1953.....\$170.50	1957.....\$130.14	1961.....\$135.21
1950.....\$180.88	1954.....\$140.00	1958.....\$135.75	

Portable & table models increased their percentage of distributor sales market last year to 64.1%, eclipsing 1956's all-time high. Consoles dropped to all-time low of 31.5% and combinations climbed to record of 4.4% of distributor sales. Here's breakdown of distributor-to-dealer unit sales since 1952:

Year	Table-Portable	Console	TV-Phono Comb.
1952.....	45.7%	50.4%	3.8%
1953.....	45.5%	51.5%	3.2%
1954.....	55.6%	42.9%	1.5%
1955.....	57.2%	41.2%	1.4%
1956.....	62.7%	36.2%	1.1%
1957.....	60.6%	37.8%	1.6%
1958.....	56.8%	40.7%	2.5%
1959.....	55.5%	41.3%	3.1%
1960.....	56.9%	39.3%	3.8%
1961.....	58.9%	37.2%	3.9%
1962.....	64.1%	31.5%	4.4%

With introduction of new "personal" TVs at \$99.95, with 16-in. expected to total 10% of market and gradually nestling into lower price categories, with increasing emphasis on color—trend toward lower average b&w prices and even greater proportion of portables is bound to continue. For first 15 weeks of 1963, portable-table category has captured 68-70% of total b&w unit distributor sales. Console sales are 16% behind last year's comparable figure, but combinations are 7% ahead.

These figures aren't alarming—just a fact of life. Business is excellent. Distributor sales of black-&-white TVs haven't been below 6.5 million-a-year rate any month this year. And a mere statistical quirk causes illusion that TV prices are plunging.

Fact is that these figures ignore large part of TV market. Because they're based on EIA data, they don't include color (Vol. 3:20 p13). If full spectrum of U.S. TV production & sales were included, average factory price of set in 1962 would have been at least \$140, and color unit sales would have represented about 6% of total distributor sales of 6.8 million—considerably larger portion of market than b&w TV-phono combinations.

It's only the beginning of vast changes. With color at high end and tinyvision at low end, an 8-million-set year in 1964 is conceivable—with over-all average factory price level staying around \$140.

PARTS DISTRIBUTORS TOPPED \$1 BILLION IN 1962: Nation's electronic parts distributors pushed sales volume over billion-dollar mark for the first time last year, recently completed study by National Credit Office's Market Planning Service shows. Sales rose 9.9% to record \$1,040,461,000 from 1961's \$940.3 million (Vol. 3:19 p8). Number of distributors also increased—to 1,787 from 1,770 at end of 1962's first quarter.

Dealer-servicemen continued as primary customer group in 1962, but percentage of total slipped to 51.7% (\$538.2 million) from 56.2% in 1961, 58.7% in 1960. Industrial & govt. customers accounted for 37.5% (\$390.1 million) of total sales—up from 1961's 34.3%, 1960's 32.5%. Consumers continued to account for increasing share of sales with 10.8% (\$112.2 million) of total—up from 9.5% in 1961, 8.8% in 1960.

Components, to no one's surprise, were major volume producer. They also represented only product category to show percentage improvement from 1961. Components accounted for 42.5% of 1962's total \$1.040 billion—up sharply from 38.3% in 1961. Tubes ranked 2nd in sales parade—but this category's 25.6% was down from 1961's 28.9% share of total. Other product sales percentages (vs. 1961 performance): TV accessories, 8% (8.8%); sets & devices, 14.4% (14.4%); batteries, 4.1% (4.1%); test equipment, 3.2% (3.3%); tools & manuals, 2.2% (2.2%).

Nearly 1/3 of 1962 business (32%) was done by only 3% of total 1,787 distributors. Each distributor in this 3% group had annual parts sales of more than \$2.5 million. Here's size breakdown of the 1,787 distributors & their share of 1962 business: Largest group—31% of total—embraces distributors with \$100,000 to \$249,000 volume. They did 11% of total volume. In 1961, this volume group represented 33% of total distributors, did 12% of business.

Other size-volume breakdowns, in order: Under \$100,000, 22% of distributors, 3% of business; \$250,000 to \$499,000, 22% of distributors, 14% of volume; \$500,000 to \$1 million, 13%, 17% of business; \$1 million to \$2.5 million, 9% of distributors, 23% of volume; over \$2.5 million, 3% of distributors, 32% of volume. In 1961, 9% of total distributors had annual sales of more than \$1 million, did 50% of volume. Last year, 12% were "millionaires" & represented 55% of total 1962 parts sales.

TV-RADIO PRODUCTION: EIA statistics for week ended May 24 (21st week of 1963)

	May 18-24	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	124,193	130,302	109,361	2,794,993	2,449,685
Total radio	362,941	366,198	332,149	6,927,009	7,542,572
Auto radio	141,623	155,058	125,798	3,086,347	2,642,473

Color TV servicing presents few problems, an RCA Service Co. official told International TV Symposium at Montreux, Switzerland. Consumer products service vp L. G. Borgeson recited these facts about RCA Service's color experiences: (1) 70% of company's consumer calls are for TV set service—40% b&w, 30% color. (2) During last 4 years, b&w service calls decreased 20%, color 40%. (3) Average work time on home color service calls is only 11% more than b&w; in the shop, differential is 14%. (4) Same percentage of color and b&w sets can be repaired in the home.

Exemption from all-channel-set rules—covering receivers used for in-school instruction—has been granted by FCC, as expected (Vol. 3:18 p2). Exemption affects sets made up to April 30, 1966. Commission denied all other exemptions sought for institutional users. Thus, vhf-only sets may be shipped to schools; cartons must be marked "For In-School Use Only".

Triple-play sound recording tape has been introduced by Minnesota Mining, with 3,600 ft. on 7-in. reel, 50% more than normal double-play tape. Tape was made possible by development of new ultrathin oxide coating. It's priced at \$11.95 per reel.

TV system for the blind, bypassing human eye and sending electronic impulses directly to brain, was advanced as possible future development by Dr. Allen B. Du Mont in keynote address to 3rd International TV Symposium at Montreux, Switzerland. Discussing TV "25 years from now," Dr. Du Mont forecast pocket TV receivers, home electroluminescent screens in every room connected to master receiver, 3-D TV with stereophonic sound, multi-lingual multiplexed sound for telecasts, TV tape recorders which automatically record programs when owner isn't home. Military TV will no longer exist in 1988, he predicted—"because there will no longer be military establishments." He added: "We will have either gone too far with our nuclear lunacy, or the essential problems of peace & mutual existence will have been solved."

Battery-operated vhf-uhf TV-FM receiver was shown by Lowe Opta at West Germany's Hannover fair. Set weighs 16½ lb., has 10-in. screen, can be operated on AC as well as battery. It has 31 transistors.

Sylvania's factory TV sales for first 4 months of 1963 were 15% ahead of same 1962 period, while stereo sales were up 12%, Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis announced last week.

NEW SETS—ZENITH & OTHERS: Closer look at Zenith's complete line, full details of which were released last week, confirms more-for-the-money character of lower part of its color & b&w lines (Vol. 3:21 p7). It also confirms truth of old saying that Zenith is "staying out of the bargain basement," because—mixed with the reductions—there are also some definite price increases.

Although Zenith's lines are long, there are fewer Space Command remote-control models—in fact, no remote b&w combinations—possibly in anticipation of confused remote situation with all-channel sets. (Zenith did, however, introduce new turret tuner which can accommodate 12 strips in any combination of vhf & uhf.)

Color line, which starts with grained vinyl-clad console at \$499.95 and lowboy console at \$549.95—both \$50 below last year's corresponding models—steps up to first wood veneer sets at \$599.95. This is entire new series of attractive compact consoles, apparently \$95 below first wood-cabinet (but not comparable) sets last year. Space Command begins in new line with \$699.95 version of compact set (first remote color set last year was \$649.95 metal console). Top of regular color line is \$875, Space Command color line \$1,025. There are 2 color combos—\$1,300 and \$1,775, latter with remote control. Corresponding prices in preceding line for color combos were \$1,245 & \$1,750.

Black-&-white line starts, as noted, with 16-in. at \$149.95 and \$159.95 step-up. The 19-in. portable line also begins at \$149.95, going to \$209.95 in \$10 steps (last year highest non-remote portable was \$229.95). Remote 19-in. portables are \$229.95 & \$249.95. Table model line (23 in.) beginning at \$189.95, is relatively unchanged, except for

addition of \$199.95 step-up in place of last year's \$209.95. Remote 23-in. table models start at \$249.95, \$10 lower than last year. B&w console prices are similar to last year's, except that remote consoles start at \$329.95, up \$10. B&w combos start at \$514.95 with conventional AM-FM (vs. \$499.95 last year) and at \$595 with AM-FM-stereo. Top of combo line is now \$650 (vs. \$750 for manual, \$925 for remote). Highest console with remote is now \$419.95, compared with last year's top of \$495.

Prices in phono line are virtually unchanged, Zenith apparently being in mood to consolidate last year's gains in this category.

* * * * *

Other new set introductions:

RCA Service Co. announced 2 new 19-in. hospital sets with wired remote control.

Webcor unveiled unique 11-oz. pocket tape recorder, measuring 3 x 5 x 7/8-in., operating on rechargeable batteries, playing new tiny cartridge tape (developed by Ferrodynamics) at 1-in. per sec. It will list for \$149.95.

Panasonic began sales campaign for its portable 19-transistor battery-powered AM-FM-stereo 2-piece receiver at \$175.

Hitachi 16-in. portable at \$129.95 is now in distribution by Sampson Co., Chicago.

Arvin has entered tape recorder field with 3 models at \$99.95, \$169.95 & \$229.95.

New Sony line of 7 recorders, all fair-traded, was shown last week by U.S. distributor Superscope Inc. Prices range from \$119.50 (deck only) to \$450.

Emerson TV-radio-phono & Telectro recorder lines will be shown at distributor convention June 17-19 at Miami Beach's Americana Hotel. Du Mont lines will be introduced later at regional meetings in N.Y., Chicago & Los Angeles.

'Orderly' Japan TV Exports: Japan's desire "to maintain an orderly market for TV sets in the U.S." was evident in 2 separate actions last week: (1) Japanese govt. added TV receivers to list of goods for which export licenses are required, thereby giving govt. advance notice of types, prices & quantities of shipments, and paving way for possible export controls, quality stabilization or minimum price standards. (2) Mineo Sakai, EIA of Japan business mgr., arrived in N.Y. on mission whose first priority was examination of TV market.

"A main goal for me during my visit," he told trade press on his arrival, "will be to determine what, if any, action or combination of actions our industry could take to insure continued stability of the American market for Japanese TV." He will meet with importers, manufacturers, customs officials and others.

Also on Sakai's agenda is quest for "equitable solution of the difficulties involved" in U.S. Customs' valuations of Japanese transistor radios above invoice prices for purposes of levying duties.

Sakai's announced drive to upgrade tape recorders exported to U.S. will begin this week. "Experience has shown," he said, "that low-cost [toy tape recorders] have not satisfactorily withstood the abuse to which they are often subjected in the hands of children. Therefore, effective June 1, tape recorders will be required to pass considerably toughened export inspection."

Meanwhile, last major holdout among U.S. set manufacturers against Japanese parts—Zenith—had 6-man team inspecting facilities & products of Japanese plants for possible buys in components. Zenith's decision to consider foreign parts was reported in these pages 2 months ago (Vol. 3:13 p8).

Use of TV as ad medium by TV manufacturers will be spotty again next season, although color programs may attract more set makers, according to roundup in May 27 *Sponsor*. Highlights: RCA, co-sponsor of *Walt Disney's Wonderful World of Color* on NBC, spent more than \$1 million on that show last year, and this year reportedly will earmark even more for network TV. Philco will spend \$750,000 on 4 hour-long ABC documentaries in 1963-64 season. Emerson sees "possibility" of using TV next fall. Motorola, which sponsored specials last year, has TV "under consideration." Westinghouse is out of network TV now, but also may return. Zenith will repeat its co-sponsorship of *World Series of Golf* in color on NBC this year. GE cut back network TV this season, but will be back "with a good-sized budget" for 1963-64, including colorcasts this year of *GE College Bowl* on NBC. Spot TV is on most TV manufacturers' approved list for co-op ad media.

Trade Personals

Luther M. (Sandy) Sandwick resigns July 1 as EIA consumer products staff dir. Former Pilot Radio sales vp had been in newly created post since Jan. 1962 (Vol. 1:14 p7). His future plans were not disclosed, successor has not yet been named.

George A. Bradford, ex-GE, joins Westinghouse TV & Radio Div. as mktg. mgr.

Sidney Metzger, ex-RCA satellite communications expert, named components development & systems research mgr., Communications Satellite Corp.; **S. H. Reiger**, ex-RAND Corp. senior staff member, appointed systems analysis mgr.; **Edwin J. Istvan**, ex-Air Force Office of Space Systems, named technical asst. to Pres. **Joseph Charyk**.

John W. Craig, onetime Crosley, resigns as Westinghouse vp & consumer products group special accounts gen. mgr., to join Hupp Corp. in new post of vp & assistant to pres.

C. Raymond Smith, former Western Electric vp, elected Martin Marietta vp.

Wayne Etter appointed pres. & gen. mgr. of P. R. Mallory's Mallory Capacitor Co. Div. . . . **S. Wellford Corbin**, GE industrial sales operation gen. mgr., elected a vp.

Joseph A. DeMambro, DeMambro Radio Supply, Boston, elected National Electronic Distributors Assn. chmn.; **V. N. Zachariah**, Zach Electronics, San Francisco, re-elected pres.

Giichi Hirata named vp, consumer goods, Hitachi N.Y. Ltd. . . . **Fumio Iwashita**, Toshiba pres., re-elected pres. of EIA of Japan. **Konosuke Matsushita**, chmn. of Matsushita, and **Izumi Kuboki**, Japan Radio Co. pres., elected vps; **Hiroshi Kono** re-elected managing dir.

K. G. Sumnerville, sales mgr. of Deilcraft Furniture Div. of Dominion Electrohome, elected chairman of Canadian Home Furnishings Institute . . . **Charles C. McGregor**, formerly with receiving tube operation, named industrial relations mgr., Sylvania picture tube operation, succeeding **Henry S. Prisky**, transferred to Lighting Products Div.

A. Bruce Rozet, ex-vp, Electra Megadyne's GENCOM Div., Capitol Records subsidiary, joins Stanford Research Institute as a senior staff member.

W. Rogers Hamel, **Robert E. Sonnekson**, **John G. Stobo**, **A. V. Schene** appointed Raytheon vps.

Mergers & acquisitions: Lynch Corp. shareholders have approved acquisition of Cox Instruments (Vol. 3:21 p11); merger is expected to be completed by end of June • **GPE & Radiation Inc.** have dropped their merger talks (Vol. 3:18 p11). • **Macfadden-Bartell** has purchased for more than \$2 million Fawcett Publications' *True Confessions* and *Motion Picture* magazines • **Electronic Assistance** shareholders have approved acquisition of **Ideal Brass Works** for \$2.8 million in cash & stock (Vol. 3:15 p12).

CBS is not preparing stereo starts soon in San Francisco, Los Angeles & St. Louis. CBS officials state that report of readiness is incorrect (Vol. 3:20 p10 & 11).

Gas-operated TV sets are here. Sony will offer portable gasoline generator, developed by Honda Motors, as optional power source for its Micro TV in Japan.

Controversial "Project West Ford" appears to be off to successful start. Some 400 million tiny 8,000-mc copper dipoles, weighing 50 lbs., were orbited some 2,000 miles above earth, are now spreading, will in month or so form ring around earth—with dipoles about ¼ mile apart—serving as reflectors of earth-originated transmissions. Similar Oct. 1961 effort failed when dipoles failed to disperse. Some scientists argue that dipoles will interfere with reception of outer-space-originated signals used by radio-astronomers. Dipoles are expected to be pushed into earth's atmosphere by sun rays within 5 years, burn up & disappear. Early Air Force tests were reported "successful"—with radar, radio, voice, teletype, digital data.

TelePrompter plans to sell its electronics manufacturing operations at Cherry Hill, N.J. to "private group of investors" for terms to be announced following SEC approval of transaction. Manufacturing operations, embracing Weathers hi-fi equipment, audio-visual products, magnetic tape cartridges, represent some \$2.5 million or about 40% of TelePrompter's anticipated 1963 sales. Pres. Irving B. Kahn said businesses to be sold are "doing fairly well" but "the timing is not in our favor." Noting "current profitability & growth rate" of CATV & "tremendous potential" of pay TV, Kahn said these activities "require the undiverted focus of our management." If SEC approves transaction, company will seek stockholder approval for sale at July annual meeting.

Ampex earnings in 1963 fiscal year ended April 30 climbed to "a shade over \$5 million" from \$3.2 million in fiscal 1962 on sales rise to \$93.7 million from \$84.1 million. Pres. William E. Roberts said fiscal 1964 should produce sales rise of "better than 10%" & "substantially" faster climb in profits. Ampex plans to introduce "at least another 2 dozen & hopefully 2½ to 3 dozen" new products in new fiscal year, Roberts said. Order backlog currently is \$39 million, up from \$29.8 million at close of preceding fiscal year. Foreign sales accounted for 18.5% of volume. up from 17% a year earlier. Goal this year: 20%.

Texas Instruments expects 1963 sales to set record earnings to reverse downward trend of preceding 3 years. Order backlog May 1 was up 14% from start of year, to record \$125 million from \$110 million, Pres. Patrick E. Haggerty told Chicago Investment Analysts Society. Noting that profit decline resulted from severe competition & price cutting in semiconductor field, he said that some "stabilization" has developed in recent months. Industry this year, he forecast, will produce ½ more transistors than in 1962, dollar sales will rise about 12%.

General Instrument wound up 1963 fiscal year Feb. 28 with \$2.7 million loss (see financial table) but company believes "turn-around in fortunes" is now underway. Loss year resulted largely from heavier-than-anticipated costs on military & govt. systems contracts. Chmn. Martin H. Benedek & Pres. Moses Shapiro noted that GI's entertainment electronics operations "did well and the current year should show further gains," principally because of new all-channel law. GI, they said, already is experiencing "a significant increase" in tuner business.

Rek-O-Kut, Corona, N.Y. manufacturer of hi-fi equipment now in Chapter 11 proceedings (Vol. 3:21 p10), was continued in operation without indemnity at hearing before Referee Sherman D. Warner, Jamaica, N.Y. Next hearing: June 5, 2 p.m.

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—9 mo. to Apr. 30	\$ 48,528,000	—	\$ 969,317	\$0.88	1,065,098
	1962—9 mo. to Apr. 30	39,713,000	—	1,081,340	.98	1,019,739
	1963—qtr. to Apr. 30	16,051,000 ⁴	—	330,553	.30	1,065,098
	1962—qtr. to Apr. 30	13,756,000	—	357,351	.32	1,019,739
Audio Devices	1963—qtr. to Mar. 31	1,899,050	\$ 249,880	123,480	.14	868,371
	1962 ¹	—	—	—	—	—
Emerson Radio & Phonograph	1963—26 wks. to May 4	—	1,765,082	847,282 ²	.37	2,270,497
	1962—26 wks. to May 5	—	2,142,485	1,140,910	.50	2,270,497
General Instrument	1963—year to Feb. 28	83,392,743	(5,906,978)	(2,702,281) ²	—	2,570,401
	1962—year to Feb. 28	86,541,415	1,812,147	1,043,965	.42	2,492,558
H & B American	1963—9 mo. to Apr. 30	3,317,390	—	93,184	.04	2,575,160
	1962—9 mo. Apr. 30	2,777,796	—	27,861	.01	2,575,160
Movielab	1963—qtr. to Mar. 31	1,747,468	—	83,585	.25	341,010
	1962—qtr. to Mar. 31	1,685,314	—	97,235	.29	328,034
Schlumberger (Daystrom)	1963—qtr. to Mar. 31	72,068,000	8,468,000	4,574,000	.85	5,333,587
	1962—qtr. to Mar. 31	61,090,000	8,781,000	4,956,000	.93	5,333,587
Terminal-Hudson Electronics	1963—qtr. to Mar. 31	3,611,544	—	55,989	.05	1,026,804
	1962—qtr. to Mar. 31	3,504,091	—	66,600	.06	1,026,804
Transistor Specialties	1963—6 mo. to Jan. 31	558,502	276,439	13,783	—	—
	1962—6 mo. to Jan. 31	202,719	39,620	(129,660)	—	—

Notes: ¹ Not available; quarterly reports not previously issued. ² After \$3.2 million tax credit. ³ Before "substantial" non-recurring gain from

sale of 86%-owned Emertron subsidiary to Litton Industries (Vol. 2:47 p11). ⁴ Record.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg Elec. ...	Q	\$0.20	June 28	June 14
Arvin Industries	Q	.25	June 29	June 10
Bendix	Q	.60	June 29	June 7
GE	Q	.50	July 25	June 21
Rollins Bcstg.	Q	.10	July 25	June 25
Springfield TV Bcstg...	Q	.10	June 15	June 1
Times-Mirror	Q	.12½	June 24	June 7
Trans-Lux	Q	.15	June 28	June 14
Wells-Gardner	Q	.30	June 15	June 7

Varian Associates' fiscal-1963 earnings will drop from year-ago's \$4.2 million because of industrywide decline in demand for microwave tubes, Pres. H. Myrl Stearns told San Francisco Security Analysts. "It is currently thought that the demand for microwave tubes is off 30% this year," he said. "This estimate is borne out by our order receipts." Microwave tubes account for some 65% of Varian Associates' sales.

TV-Electronics Fund net assets totaled \$379,807,557 April 30—down from \$401,094,540 a year ago. Net assets per share slipped to \$7.48 from \$7.83, capital shares declined to 50,804,824 from 51,193,461.

TV Shares Management Corp. has been re-named Supervised Investors Services Inc. to reflect long-range program to broaden operations. Company will continue as adviser & distributor for TV-Electronics Fund.

Westinghouse will pay govt. \$800,000 in out-of-court settlement of civil damage suit arising from 1961 price-fixing case involving heavy electrical equipment.

Hallcrafters expects earnings in the 9 months to May 31 to run 5-10% ahead of year-earlier's \$1.3 million. For total fiscal year ending Aug. 31, Pres. Robert F. Halligan forecast, earnings should be "up slightly" from fiscal-1962's \$2 million on sales "about the same" as year-before's \$66.7 million. Hallcrafters consumer products now account for 35-40% of total sales, he noted, and "we're very confident civilian orders will exceed last year."

Retail Dealers' Merchandising Committee has been established by manufacturer Victor Co. of Japan and importer Delmonico International to help develop new consumer electronic products for sale in U.S. The group of U.S. dealers is meeting with Victor officials in Tokyo & Yokohama.

Tung-Sol was ordered by FTC examiner to cease price discrimination in sales of automotive flasher equipment to jobbers & warehouse distributors. Subject to review by Commission, order relates to 20% discount given distributors & to rebates given competing customers for quantity purchases.

GT&E is now fully listed on Pacific Coast Stock Exchange, as well as on N.Y. Exchange. Listed were 79,524,086 shares, 75,317,841 of which are issued & held by more than 407,000 shareowners. GT&E ranks 5th among companies traded on N.Y. Exchange, topped only by AT&T, General Motors, Standard Oil of N.J., GE.

Harvey Radio sales rose 3.7% in fiscal-1964's opening quarter, ended April 30, to record \$1,778,926 from \$1,716,265 a year earlier. Earnings figures will be released in several weeks. Chmn.-Pres. Harvey E. Sampson forecast record sales & earnings for fiscal year.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 10, 1963

NEW SERIES VOL. 3, No. 23

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CATV REGULATION—A STATUS REPORT on FCC-NCTA negotiations. Commission hand strengthened by court. NCTA willing to give more ground, but FCC staff urges tough line (p. 1).

FCC SELF-RESTRAINT in programming area urged by new Comr. Loevinger. He puts faith in diversity of program sources, sees nothing wrong in 'fair' Omaha-type hearings (p. 2).

RATING REFORMERS NAMED, OTHER MOVES: NAB announces broadcaster-network members of Rating Council, RAB picks Audit & Surveys Co. radio plan, ARB tests radio service, Pulse sets up advisory committee (p. 3).

MINOW SAYS 'REVAMP FCC' by having single Administrator set policy, an Administrative Court handle adjudication. 'Court' concept has growing support; Congress isn't likely to buy Administrator (p. 4).

TELEMETER COST PARAMOUNT \$1,361,000 last year without any return, stockholders are told, but expenses this year are considerably lower; Paramount considering direct leasing of post-'48 movies to TV (p. 5).

HILL SPOTLIGHTS EQUAL TIME: Senate Commerce Committee to hold June 26 hearings on '315' suspension, House Commerce minority issues blast against broadcasters (p. 6).

Consumer Electronics

MORE NEW LINES stress more-for-the-money, furniture style, innovations. 'New Sylvania' shows redesigned & re-engineered sets; other new items from Admiral, GE, Olympic, Packard Bell (pp. 7 & 10).

NEW ANTI-IMPLOSION SYSTEM for picture tubes, Corning's 'Shelbond,' to be shown to tube makers this week; process uses no external safety glass, but is said to differ significantly from Kimcode process (p. 7).

FTC OPENS 'DECEPTIVE PRICING' HEARINGS TODAY, seeks industry reaction to proposed changes in guide rules & use of word 'free' in ads; Better Business group approves present rule on use of 'free' but wants offer limited in time (p. 8).

MASS MERCHANTISERS MASS for fair trade fight. Newly formed National Assn. of Mass Merchandisers, now representing discounters in 31 states, argues against S-774 Quality Stabilization Bill before Senate Commerce Subcommittee (p. 8).

COMMERCIALIZATION OF CHROMATRON color tube should be undertaken by combine including Paramount and other firms, management consultant concludes after 20-month study; negotiations reported under way (p. 11).

CATV REGULATION—A STATUS REPORT: Day of federal govt. regulation of CATV appears to be coming closer. As members of National Community TV Assn. meet in Seattle's Olympic Hotel for annual convention June 10-14, CATV industry faces an FCC with position greatly strengthened by Court of Appeals' "Carter Mountain" decision (Vol. 3:21 p4).

Effects of decision were seen last week in meeting of FCC & NCTA committees to discuss possible federal legislation giving Commission regulatory powers. Originally (Vol. 3:17 p2), NCTA was willing to accept law giving FCC power to regulate CATVs in communities with one TV station—only. In meeting with FCC June 4, NCTA representatives first offered: Let proposed law permit FCC to establish rules covering one-station markets—but let Commission regulate CATVs in markets with 2 or more stations only after case-by-case formal proceedings in which it would have to be proved that stations would be hurt.

There was discussion—but no agreement. After meeting, to FCC's surprise, NCTA group came back, giving ground. CATVs said, in effect, "OK, we'll go for rules that allow you to forbid simultaneous duplication, on our cables, of programs offered simultaneously by stations in multi-station markets." This was quite a concession.

But Commission hasn't bought it, probably won't. Staff has recommended against it, claiming FCC now has power it needs. Staff thinking (mainly by Broadcast Bureau Chief James Sheridan & Deputy General Counsel Henry Geller) is that "Carter Mountain" decision immeasurably bolstered FCC's hand. Decision held that FCC has complete authority to withhold grants of microwave systems if it believes microwaves would bring in enough out-of-town programming to jeopardize local stations.

According to NCTA, about one-third of all CATV systems in U.S. are served by microwaves, and both FCC & industry believe that future growth of CATV is heavily dependent on microwave.

Not generally known is fact that staff has suggested 3 moves to Commission, and FCC has told staff it's interested in studying them: (1) Finalize proposed Business Radio rules which would give microwaves to CATVs—if latter agree not to duplicate local-station programs 30 days before or after they're telecast locally. (2) Propose new common carrier microwave rules with same conditions. (3) Move to assert, flatly, that FCC already has complete jurisdiction over all CATV systems—under Communications Act. If FCC so decides, moves (1) & (2) above wouldn't be needed. It's possible, but not certain, that FCC majority can be mustered for the "assert-complete-jurisdiction" principle; if it is, next question is whether CATVs will fight in courts and whether they'll win.

Fact is that CATV suffered severe blow in court decision. Until it came (unanimously), there seemed to be stalemate—largely because Rep. Harris (D-Ark.), chmn. of Commerce Committee, so obviously favors CATV, meaning FCC could never get law it wants without CATV acquiescence. But Commission now has industry by its microwaves—and there it stands.

There was no acrimony in last week's meeting. Discussion was friendly. FCC's committee comprises Comrs. Bartley, Ford & Cox. NCTA's committee included Chmn. A. J. Malin, Glenn Flinn, Robert Clark, Martin Malarkey, Bruce Merrill, Gene Schneider, Archer Taylor, plus attorneys Robert L'Heureux, E. Stratford Smith & Thomas Dowd—the last a newcomer to group, representing big RKO General. NCTA committee spoke for itself, didn't represent final word of NCTA board; latter has the tough job, in Seattle this week, of deciding: "What next?"

FCC SELF-RESTRAINT URGED BY LOEVINGER: It certainly isn't easy to dope out new FCC Comr. Lee Loevinger, after his appearance before Senate Commerce Committee last week. (He was confirmed quickly by Senate, will be sworn in June 11 by Supreme Court Justice Byron White.)

When it comes to FCC actions in programming, Loevinger's watchword is "restraint." Time & again, he said Commission should "exercise restraint." On other hand, he seemed to find nothing wrong with Omaha-type hearings—"if they're conducted fairly & properly."

Here's more of his thinking: "Censorship has to do with pre-publication control. FCC has no business in that. But FCC has a public-interest duty because stations have a quasi-monopoly. It challenges the judgment & conscience of the FCC. My position is to exercise restraint rather than go too far. There's less danger in restraint than in exercising too much power." The best regulator, he said, "is to have such diversity of ownership that there's real competition . . . FCC shouldn't impose its tastes on the public—any more than someone should impose his tastes on me."

Asked whether there's too much violence on TV and whether FCC should do more "monitoring" of programs, he said: "My private solution is—don't watch them. This would be a much less attractive job if you're going to have to watch TV all day long. But we shouldn't disregard complaints of the public . . . If a man promises classical music, then gives horse racing—then FCC can question licensees."

Loevinger was asked whether stations & networks are better judges of local needs "than govt. officials." Loevinger said: "Stations are—but I have a question about networks. There are only 2 dominant networks. We need diversity of programming & control."

Vhf drop-in proponents took heart from his comments: "I feel strongly about the maintenance of competition. I notice little problem in radio. A large part of the problem in TV is that there have been only 12 channels . . . Vote was 4-3 [against drop-ins]—so I shouldn't attempt to indicate my thinking now. I should study the record." Senators Monroney (D-Okla.) & Scott (R-Pa.) were particularly unhappy about FCC's turndown of drop-ins, Monroney complaining about Commission's change of mind over the years. Herewith are Loevinger's views on other matters:

(1) Fairness in news coverage of candidates: Loevinger said he was instrumental in getting Minneapolis newspaper to accept judgment of a special board which evaluated news reports—only such board in country.

(2) Editorializing: "I believe it's working reasonably well. We should always be concerned about the workings of such a powerful medium."

(3) License fees: Hadn't studied subject—but it's "my general observation" that Congress shouldn't set precise fees because "there's too much detail involved."

(4) FCC limits on commercials: Haven't studied that.

(5) Option time: Agrees with FCC decision.

(6) Newspaper ownership: Where there are competing applications, "other things being equal, I'd favor the non-newspaper." Problem is "more serious" in community with one newspaper & one station under same ownership.

Loevinger so often said that FCC should exercise "restraint" in program field that Sen. Cotton (R-N.H.) finally said: "Your predecessor [Minow] made a lot of noise—had a good effect. I feel you may be the complete antithesis to your predecessor."

"You may be right," Loevinger responded. Then, he went on, FCC should be "more active & aggressive" in developing more sources of programs. "My whole instinct is restraint—even where FCC may have legal powers."

"You sound a little bit like a Republican," Cotton said, with some astonishment. Loevinger laughed: "That's the first time that charge has been leveled at me."

Loevinger also took Chmn. Magnuson (D-Wash.) aback at one point. Magnuson was complaining about agency appointees serving too briefly, then frequently joining the industries they had regulated. He said appointees should serve as long as President desires. "I did that in my present job," said Loevinger, who was anti-trust chief of Justice Dept. Magnuson then asked: "You mean you served as long as the President wanted you there?" When Loevinger gave an affirmative, Magnuson looked around with some disbelief, said, "no further questions on that"—a bit amazed at this candid admission that Kennedy no longer wanted him as anti-trust chief.

RATING REFORMERS NAMED, OTHER MOVES: Rating reform actions sprouting: NAB announces Rating Council members; RAB may go it alone on radio study using Audits & Surveys Co. plan; ARB may get into radio; Pulse will set up interim advisory committee; FCC Chmn. Henry appears before Harris June 20.

NAB announced 14 members—networkers & broadcasters—to serve on Council to oversee reform program, no NAB staff included. Representatives from AAAA & ANA who will serve as liaison members are not yet announced, but NAB expects they will be AAAA Pres. John Crichton & ANA Pres. Peter Allport. First meeting of Council will be held with NAB Research Committee in N.Y. June 17-18.

RAB picked Audits & Surveys Co.—over Politz's Universal Marketing subsidiary—to find new methodology to measure total AM-FM sets in use. Program will cost \$200,000, will be conducted in 3-4 markets. Field work is scheduled to begin in Sept., report due next Jan. Audits & Surveys is Nielsen's biggest competitor in marketing research.

NAB & RAB are still mile apart on co-partnership of radio study. NAB will take up matter at first Rating Council meeting. RAB has raised about half funds, plans to get remainder from stations, token agency support, extra kick-in from stations in markets where methodology study will be conducted.

Never in radio before, ARB is testing radio in 2 markets, successfully so far, ARB says. Technique uses personal listening as base unit—long considered ideal for measuring today's "personal" radio medium—as opposed to traditional household-family base unit. If ARB decides to start radio ratings, it will make plans known in about 2 months.

ARB also reached agreement with WLUK-TV Green Bay, after rater cancelled May-June market report—because station aired announcements asking viewers with ARB diaries to call station. Station agreed last week to pay for extra week of sampling for entire market; ARB will eliminate first week of 4-week study.

Pulse held N.Y. meetings with reps & agencies, explained changes in procedures—temporary elimination of weighting, strengthened field controls (Vol. 3:16 p3). Pulse also asked for volunteers to serve on interim advisory committee on changes & methodology; it will probably have 4 rep & 4 agency members.

NAB Rating Council members: Don McGannon, Group W, (he's also NAB Research Committee chmn.); Hugh Beville, NBC; Edmund Bunker, RAB; Norman Cash, TvB; Joseph Drilling, Crowell-Collier Bcstg.;

Thomas Fisher, CBS; Simon Goldman, WJTN-AM-FM Jamestown, N.Y.; Fred Houwink, WMAL-TV-AM Washington; Robert Hurleigh, Mutual; Bennett Korn, Metropolitan Bcstg. TV; Fred Paxton, WPSD-TV Paducah; Willard Schroeder, WOOD Grand Rapids; Simon Siegel, ABC; Ben Strouse, WWDC Washington.

Ratings Criteria Subcommittee will be headed by Goldman, will help develop minimum standards & criteria for rating services, along with plan for accreditation. Audit Subcommittee, headed by Houwink, will form program for professional auditing of research services. Membership of subcommittees, when announced, will include researchers—not only broadcasters as in parent Rating Council. NAB Research Committee, at work on methodology improvement phase, will include FM in local radio proposals.

MINOW—'REVAMP FCC': Ex-FCC Chmn. Minow's recommendation to President Kennedy, to revamp govt. regulation drastically, isn't likely to get far precisely as he proposes it. However, it adds another articulate push in one direction—and demand for change may snowball.

In letter to President Kennedy, Minow suggested:
 (1) A single Administrator set all communications policy.
 (2) An Administrative Court handle all adjudicatory matters.

Many others have suggested that FCC and similar agencies should quit being both prosecutor & judge—that special court be set up to take over Commission's judicial functions. But few have suggested that a single man set policy. A Federal Communications Bar Assn. committee has suggested that 5-man Commission set policy. Louis J. Hector, ex-CAB member, recommended that policy be handled by group reporting to President, a court handle litigated cases, Justice Dept. do the investigation & prosecution.

Minow would put the Administrator under President—something Congress would scarcely tolerate. As it is, every agency nominee, as he appears before Senate committee, is asked to make declaration of faith that his agency "is an arm of Congress." And he does.

Multiple-member Commission, Minow wrote President, not only has trouble agreeing on policy—it's inconsistent. He says Administrator wouldn't become a "czar"—because courts & Congress can quickly squelch him. Furthermore, said Minow, we have single administrators in govt. with "far more vital responsibilities for policy development than are involved in the communications field."

New Chmn. Henry was asked for reaction, said there's "merit" in Administrative Court idea, didn't indicate his thinking on single Administrator.

Last week wasn't first time Minow has advanced his proposal. He's suggested it in speeches & interviews, but got little attention, being lost in other material. Even *Wall St. Journal* commended Minow for seeking improvement, though it said: "Good govt. does not lie in having a 'czar' of the TV industry, or any other. The best way to simplify any regulatory agency is to regulate less."

Minow has more ideas on govt. improvement, is expected to pass them on to President. One of them: Red tape prevents govt. from advancing & using people more efficiently.

Color transmission seminars for station chief engineers & transmitter supervisors will be conducted by RCA in 6 cities. Some 600 engineers have signed for sessions at: Princeton, June 10; Chicago, June 12; Atlanta, June 14; Dallas, June 19; Los Angeles, June 21.

Harsh blast at KATV Little Rock was delivered by FCC Examiner Thomas Donahue, who recommended denial of transmitter move from Pine Bluff to Little Rock. He said station misled FCC and Pine Bluff business & civic leaders about plans, virtually abandoned community to concentrate on the larger market. Said Donahue: "KATV presents a sorry record upon which to assess a request for authority to deprive some 12,000 people of their only TV service in order to pick up a population of 150,000 . . . There is grave doubt that KATV Inc. has the requisite character qualifications to be a broadcast licensee."

Excerpts from FCC Chmn. Henry's appearance on CBS's *Portrait* June 5: (1) Govt. ownership or subsidy of a network has too great danger of "getting it involved in politics." (2) Advertiser influence on programs "is waning." (3) "I wouldn't want to see advertising divorced from free TV. This is what gives free TV to the public . . . and that's a system that we all prefer." Pay TV should "stand or fall" in the "marketplace." (4) "Broadcasters in general are a responsible group."

All-Industry TV music committee, fighting ASCAP licensing policies, has voted to take new legal step. Meeting in N.Y., group moved to ask U.S. District Court for declaratory judgment broadening stations' rights under the anti-trust consent decree governing ASCAP licenses. Committee doesn't complain about Court's operation of consent decree; rather it claims that consent decree doesn't go far enough in controlling ASCAP.

"Town Meeting of World" via Telstar, promised by CBS Pres. Frank Stanton last year (Vol. 2:44 p2), is set for July 10. Stanton said participants will be Eisenhower from Denver or Gettysburg, Anthony Eden from London, Jean Monnet from Paris or Brussels. Stanton asked Olaf Rydback, pres. of European Bcstg. Union, to suggest a 4th. Each is to speak before an audience, answer questions.

NAB asked FCC to defer deadline for comments on FCC's commercial limitations proposal (Vol. 3:20 p6) from July 1 to Nov. 1. NAB said proposal raises "basic questions of statutory and constitutional law" as well as "grave considerations of national public policy."

Rep. Harris (D-Ark.), receiving Broadcast Pioneers award at Washington luncheon for "firm and fair leadership" and devotion to idea that "broadcasting should be free," said that, in general, "industry is doing a fine job for the American people."

Control of KETV Omaha has been granted by FCC to Northwest Agencies Inc. (now 45.2% owner), which acquires remaining 54.8% for \$2,442,857.

Traditional Aug. vacation has been announced by FCC which will hold only one meeting that month, Aug. 1.

PARAMOUNT'S TELEMETER PLANS: Paramount Pictures' loss on its Telemeter pay-TV system last year amounted to \$1,361,000, but it now is running at annual rate of \$750-800,000, and recent developments should cut losses substantially this year.

So said Paramount Pres. Barney Balaban & Treas. James H. Richardson in answers to question at last week's stockholder meeting in N.Y. Balaban specifically pointed to 9-theater Eidophor closed-circuit sports network which will carry Toronto Maple Leafs' 35 away-from-home games at the same time as they are piped to Telemeter subscribers' homes in Etobicoke, Canada (Vol. 3:22 p4). This, he said in his report to stockholders, "will enable us to reduce, by approximately \$250,000 annually, the program cost in operating the home pay-TV installation." Elaborating, he added that "the sports program is now self-supporting."

Balaban stated that Paramount's 51%-owned Canadian subsidiary, Famous Players Canadian Corp. Ltd., realized cash gain from pay-TV system, since parent company assumes loss under agreement establishing system.

He reported progress by Midwest Video Corp., Telemeter franchise-holder in Southwest (Vol. 2:38 p2), in negotiating with Ark. Bell System for rate structure, and expressed hope it will serve as pattern for other wired pay-TV negotiations with local phone companies. "We're getting closer to a deal we can live with," he said.

As to Paramount's post-1948 feature film library of nearly 200 pictures—last major studio backlog as yet unreleased to TV—Balaban said company will lease these rather than sell them outright as it did its pre-1948 product. "We may form our own organization—we haven't yet decided." He said Paramount's pre-'48 films, distributed to TV by MCA subsidiary Emka, have already grossed \$62 million, a gross return of \$44 million to Paramount.

On subject of program production, he said: "We hope to have an important announcement shortly which will place us in the forefront as a producer of programs for TV."

Paramount's KTLA Los Angeles, which in 1962 "earned more than twice the profit of any other independent TV station in that market," again is headed for satisfactory year, "although we know it will not be as good as 1962."

Famous Players, Balaban said, "is investing in a substantial number of CATV systems throughout Canada." (For report on Paramount's color tube and financial outlook, see p. 11.)

—■—

Networks are having trouble selling some of new shows in fall schedules. A few key headaches: ABC-TV—no sponsors yet for *Channing*, hour-long film show scheduled to follow *Ben Casey* on Wednesdays; CBS-TV—segments of *East Side, West Side, The Great Adventure* and *Judy Garland Show* have "For Sale" tags; NBC-TV—toughest sale on network are participations in new *Espionage* series, despite strong, well-received pilot. Reason: *Espionage* faces competition on Wednesdays from *Beverly Hillbillies*, on CBS, and *Ben Casey*, on ABC. Interestingly, NBC is having no great difficulty selling slices of National Football League Championship game (for which it paid over \$900,000 for TV rights). Big sports event is almost completely sold out—at blockbuster price of \$77,500 for each commercial.

Syndication is lucrative sideline for Warner Bros., whose track record in fall network program sales has not been so hot this season but whose off-network station-level sales practically sizzle. WB averaged "more than a million dollars a month" in sale of former network shows to stations between March 15 and May 31, according to TV vp Joseph Kotler. Actual box score: 58 off-network TV shows (*Cheyenne, Hawaiian Eye, Bronco, Surfside 6, Roaring 20's*, etc.) sold during period in 35 markets for gross of \$2.6 million, with 34 of 58 shows sold to stations previously buying one or more WB syndicated shows. Defending itself against charge (largely by old-line syndicators of old-but-durable shows like *Sea Hunt*) that ratings of 60-min. syndicated adventure shows don't justify hefty price, WB pointed out that they have plenty of pulling power. In major southern market, *Maverick*—now in reruns—reaches 67% more homes than did another show on same station in same time slot a year ago.

Network TV gross time billings for Feb. were \$64,482,525 compared with Feb. 1962's \$61,242,551, up 5.3%, according to TvB. Feb. gains for each network were: ABC, from \$15,757,364 to \$17,489,935, up 11%; CBS, \$23,528,815 to \$24,082,486, 2.4%; NBC, \$21,956,372 to \$22,910,104, 4.3%. Daytime gross jumped 10.9% from \$19,836,914 to \$22,006,851. Sat.-Sun. daytime was up 43.9%. Nighttime billings rose 2.6%, from \$41,405,637 to \$42,475,674. Combined Jan.-Feb. 1963 was up 4.5%, from 1962's \$127,023,310 to \$132,732,916.

NAB's Program Study Committee gave final endorsement to Pres. Collins' plan to supply program services for members (Vol. 3:18 p5). Committee, under co-chmn. Joseph Baudino, Group W vp, & Allen Page, KGWA Enid, Okla., recommended NAB board implement plan. Service would concentrate on idea exchange & collection of reference material on techniques & trends.

NAB's concern over FCC's proposed AM-FM standards (Vol. 3:20 p7) is reflected in move to reactive Radio Development Committee—George Hatch, KALL Salt Lake City, chmn. Committee will examine AM assignment standards, relationship of AM-FM, meet in Washington June 14 to make recommendations.

Sale of KTVU Oakland-San Francisco for about \$10 million, to Cox stations, nears signing stage. Cox's present TV holdings: WHIO-TV Dayton, WSB-TV Atlanta, WSOC-TV Charlotte.

Miami-area newspapers sold by Storer Bcstg. to group headed by Knight papers' James L. Knight: *Miami Daily Sun*, weeklies *Miami Shores Journal*, *North Miami Journal*, *North Miami Beach Journal*.

Lectures on RKO's Hartford pay-TV, offered experimentally: June 9, Emily Kimbrough, writer-commentator; June 16, Ray Middleton, singer-actor; June 23, Art Buchwald, columnist.

KBLL-TV & KBLL Helena, Mont. will be transferred to Capital City TV Inc., Tex. & Mont. CATV operator, for \$260,000, approval of sale having been authorized by FCC.

Sale of KVIP-TV Redding, Cal., for \$1,280,000, to Sacramento Valley TV, has been granted by FCC. Purchasers will drop Ch. 9 Redding application.

Addition of Ch. 20 & 26 to Phoenix is proposed by FCC. First is sought by Dwight Harkins, who proposes pay-TV operation. Second is petitioned by Power TV Inc.

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EDITORIAL

ALBERT WARREN,
Editor & Publisher
JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook
VIRGINIA SNOWDEN,
Managing Editor,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager
RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

CHARLES SINCLAIR,
Contributing Editor

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

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Personals

Harold Graham Jr., ex-McCann-Erickson senior vp & TV programming mgr., named CBS-TV network program vp . . . Drew Brinckerhoff, ex-CBS salary administration dir., named gen. mgr., CBS-TV Network Operations . . . Robert J. Burton, BMI vp, elected exec. vp.

Frank Stanton, CBS Inc. pres., & Pauline Frederick, NBC News, receive Boston U. doctor of humanities and doctor of letters degrees, respectively . . . Donald H. McGannon, Group W pres., receives U. of Scranton doctor of humane letters degree.

NAB Pres. Collins awarded honorary doctor of laws degree by Millikin U. . . . William N. Cothran promoted to news & documentary programs dir., KRON-TV San Francisco.

John O. Gilbert, ex-radio WXYZ Detroit vp & gen. mgr., promoted to WABC-TV N.Y. vp & gen. mgr.; Harold L. Neal Jr., ex-radio WABC N.Y. vp & gen. mgr., elected ABC-owned radio stations pres.

C. Robert Gross, ex-KNXT Los Angeles asst. technical operations dir., appointed WCAU-TV Philadelphia engineering dir.

William W. Rogal, attorney-adviser to FTC Comr. MacIntyre, appointed attorney-in-charge of special legal assts., succeeding Sherman R. Hill, who joins legal dept., GE Houseware & Commercial Equipment Div., Bridgeport.

Obituary

Isidor S. Becker, 66, retired CBS Radio business affairs vp, died of heart attack June 2 at Lake Mahopac, N.Y. summer home. He joined CBS in 1934, was elected vp in 1952, served as consultant after retirement. Survivors are widow, son Arnold, mgr. of CBS-TV coverage research analysis, daughter.

HILL SPOTLIGHTS EQUAL TIME: With election-eering only year away, political equal time & editorializing issues are getting plenty of congressional attention.

Senate Commerce Committee, under Sen. Magnuson (D-Wash.), will hold hearings June 26, running 3-4 days, on 2 measures to lift equal time (Sec. 315, Communications Act)—S-251 for 1964 Presidential & Vice Presidential candidates, S-252 for permanent suspension for above offices, plus Senate, House, governorships.

Witnesses will include FCC, NAB, networks, probably senators, congressmen, others. FCC will supply committee with huge documentation (over 400 pp.) on how measure worked in 1960 campaign. House Communications & Power Subcommittee, headed by Rep. Rogers (D-Tex.), also will hold hearings, in July, on broadcast editorializing, equal time, fairness doctrine (Vol. 3:22 p5).

House Commerce Committee last week published report on its measure to suspend equal time for 1964 Presidential & Vice Presidential candidates (Vol. 3:21 p5). Strongly-worded minority opinion, however, had industry observers wondering. Measure is in Rules Committee; action is expected this week.

Industry is apprehensive that minority views of Reps. Bennett (R-Mich.), Williams (D-Miss.), Younger (R-Cal.), Devine (R-Ohio) may be widespread, that favorable committee vote was merely to accommodate April 1962 recommendation of President's Committee on Campaign Costs.

In recommending closer congressional examination of Sec. 315 & editorializing, minority said: "Our friends in the broadcasting industry, having been given merely a glimpse of power in the political arena, are now hungrily pursuing its ultimate; the right to hound people out of office who do not please them, the right to openly groom a successor for an official in disfavor, the right to control completely what an official or candidate may say to his audience in his own behalf, the right to use the airwaves to argue for its own political point of view, its own candidates, and with impunity. A license renewal each 3 years is no defense against the mischief possible under such conditions . . .

"Judging from the quality of editorial opinions now expressed by most stations upon subjects of community interest, there is no reason to expect a highly informed or responsible activity in the political field . . .

"The suspension of 1960 was basically for the benefit of the broadcaster and not the political parties . . . What resulted was a series of glorified news conferences. Most of the exposure . . . could have been accomplished through regularly scheduled news and public affairs programs . . .

"It is generally recognized that most political contests after the primaries . . . narrow down to two candidates and present a minimal problem in the application of the equal time requirement."

Sol Schildhause, asst. chief of FCC Rules & Standards Div., named a hearing examiner, successor not yet selected; he has served as legal asst. to late Comr. Hennock, headed Renewals Branch, Office of Opinions & Review, TV Applications Branch.

George Liebowitz, TelePrompTer controller, asst. secy., asst. treas., promoted to secy., treas., chief financial officer.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

NEW LINES—LOWER PRICES, MORE WOOD: Consumer electronics industry's new product for 1964 continues to stress more-for-the-money theme, more & better furniture, lower prices at top & bottom ends—and a few novelties & innovations.

This week's highlight introduction was by "the new Sylvania," whose lines—even down to name-plate—represent complete departure from anything offered by that company. Young new team, under Sylvania Home & Commercial Electronics Corp. Pres. Robert J. Theis, is undergoing massive image-changing operation, stressing corporate affiliation with big GT&E, electronic research, and quality.

Transformation of Sylvania image was accompanied by complete transformation of its product, in what was clearly heavy bid for prestige image. Even its full-feature 19-in. portable at \$129.95 (which Theis said would be withdrawn when competitive conditions warrant) isn't most newsworthy item in line. Biggest news is redesign. TV line features 3 new horizontal chassis, virtually all new high-style furniture, and one unique 19-in. set (\$159.95) with optional plug-in clock & timer. Even more impressive is Sylvania's big push in console stereo with 13 models whose selling point will be "component quality." Line starts with wood-veneer cocktail table at \$149.95.

Admiral's 23-in. TV line extends to black-&white its program of "remote control on any set for \$30." Leader is \$169.95 "portable" 23-in. set. Admiral phono line, like Magnavox & Zenith, takes transistorized approach on its 4 top-end consoles (all open list)—with electronic components warranted for 5 years. Full stereo line has 19 consoles beginning at \$129.95, features new adjustable-pressure tone arm.

GE's portable phono line boasts reductions of up to \$20 in some models, "professional" tone arm, stereo headphone jacks. Its radio line has wood cabinets in models beginning at \$64.95, FM-AM clock radio at \$39.95.

Olympic's TV-phono combination line now starts with 23-in. AM-FM at \$299.95. Its portable TVs, many imported, begin with 16-in. at new low of \$114.95, with open-list 19-in. leader followed by \$129.95 step-up. All of Olympic's 23-in. sets now use same new 23,000-volt chassis.

Packard Bell's new sets show more effort in lower price ranges, plus such unusual furniture pieces as wall-mounted 19-in. TV with tambour doors, hanging cordless radio, marble-top color console. Company's remote-control options now include 4 different units, including 2 wired systems containing chairside speakers at \$39.95 & \$49.95 (latter including color controls), wireless remotes \$50 & \$80. Longer color line now starts at \$499.95, and "speakerless stereo" system is available to convert color set into TV-AM-FM-stereo combo.

(For more highlights of last week's new lines, see p. 10.)

CORNING'S NEW ANTI-IMPLOSION SYSTEM: Still another implosion-protection system will be demonstrated to picture tube manufacturers this Thu., June 13 by Corning Glass Works.

Corning's new "Shelbond" process, like Owens-Illinois' Kimcode, requires no external or bonded safety shield, presumably depending on strengthened glass and enclosure of funnel to minimize & contain any possible implosion. Corning's invitation to tube makers stated that it would demonstrate "fail-safe system for implosion protection of tubes at lower costs than any known system."

Corning officials declined to give any information. Asked if Shelbond was designed as answer to Kimcode, one official replied: "It's not the answer to anything except how to save money." New process seems similar enough in principle to Kimcode—particularly the integral implosion protection concept—to prompt one tube industry figure to refer to it as "Corncode". However, another leading tube manufacturer stated that Shelbond isn't "answer" to Kimcode, but "the result of an evolutionary development of which Kimcode was one step."

On basis of preliminary information, it's understood that Shelbond has significant differences from Kimcode. It's believed to lack Kimcode's steel tension band around rim of faceplate as well as Kimcode's Fiberglass sleeve cemented around funnel. In place of latter, Shelbond is believed to use thick layer of resin.

Shelbond is understood to have been tested by UL and to have received preliminary okay. It's expected to see first use some time next year.

Kimcode itself still hasn't shown up in any of the new 1964 lines. Curtis Mathes, however, is using it in all of its 19- & 23-in. TVs, reportedly with satisfactory results. It's still probable that Kimcode will appear in a TV line in next week or so, and that further use of it will be made in later drop-ins.

All picture tube manufacturers are set up to make it. RCA, in fact, has developed its own special (and secret) process for making Kimcode-type tubes; one difference from standard Kimcode is believed to be use of welded, rather than crimped, rim band. No Kimcode-equipped sets appear in RCA Victor's new line.

Effect of Corning's Shelbond process on various manufacturers' plans for use of Kimcode will be unknown, of course, until Shelbond is fully evaluated.

On the color front in picture tube industry, meanwhile, here are latest developments: (1) National Video started production of 23-in. rectangular color tubes June 3, Pres. Asher Cole told us last week. Motorola, however, still hasn't made final decision whether to use tube in its forthcoming line. (2) Zenith's Rauland Corp., which begins regular color tube production in its main plant this month, says it is already supplying some color tubes to Zenith for use in production TV sets. (3) Corning says it's proceeding on schedule in its development program for rectangular 25- & 19-in. color bulbs, and it hopes by middle of summer "to prove that our design assumptions are correct." (4) Owens-Illinois (Kimble) plans to be in production of conventional 21-in. round 70-degree color bulbs next fall.

FTC OPENS 'DECEPTIVE PRICING' HEARINGS: Proposed draft of new book which is sure bet to become overnight best seller will be previewed by industry this week when FTC opens public hearings June 10 on its "Guide to Deceptive Pricing," last issued in 1958 (Vol. 2:35 p10). More than 200,000 copies of 1958 edition were distributed. New draft incorporates changes stemming from since-1958 litigations & FTC decisions.

In addition to seeking industry reaction to proposed rules revisions & new interpretations, FTC wants opinions on use of term "free" in retail advertising. Until about a decade ago, FTC had insisted that offer be completely & unqualifiedly "free", with no strings attached. However, some 10 years ago, Commission relented, agreed item could be offered "free" with purchase of another product—so long as: (1) this condition was clearly stated at outset of ad; (2) price & quality of product remained unchanged. FTC is now seeking recommendations about retaining new interpretation or reverting to traditional stand.

Assn. of Better Business Bureaus, trade association for all BBBs, will appear at June 10 hearings and, among other recommendations, will call for retention of present concept, we were told by Hugh R. Jackson, pres. of Metropolitan N.Y. BBB & member of ABBB's Board of Governors.

"We will urge one additional condition, however," he told us. "It is our contention that the public is not deceived by an offer of something 'free' with the purchase of another product. However, to the conditions that this proposition be clearly stated at the outset of the ad and that price & quality remain unchanged, we will recommend that the 'free' offer be for a limited time. Otherwise, the offer becomes deceptive in fact, and with the passage of time the manufacturer in reality is offering two items for the stated price."

MASS MERCHANTISERS MASS FOR FAIR TRADE FIGHT: Newly formed & rapidly growing National Assn. of Mass Merchandisers (Vol. 3:16 p9), which says it speaks for discounters serving 15 million customers in 31 states, spoke up loud & clear against stabilization legislation last week as Senate Commerce Subcommittee opened hearings on S-774 bill.

Warning that "this type of legal price fixing" may skyrocket cost of living as high as 32% in some localities, NAMM exec. dir. Roger Courtland told Senate group: "Mass merchandising has brought the cost of living down in those areas where legitimate discount business establishments have developed. The fact that sales in these stores have increased & are increasing weekly indicates that the American public approves of this form of lowering the cost of the merchandise they need, want and seek to purchase."

Courtland called on govt. to focus its attention "upon the benefit to the consumer public resulting from the advent of mass merchandising" instead of "hindering or passing legislation that is harmful to this new industry."

He later told us that NAMM, which was organized in April, now represents 136 discount stores plus lessee organizations that operate a total of 247 leased departments in discount stores throughout the country. Sights are set on vastly larger organization, however.

NAMM has scheduled 3rd recruitment meeting July 12 at N.Y.'s Savoy-Hilton Hotel. In "open letter of invitation to mass merchandising industry," Irving Mills, pres. of Indianapolis-based Gov-Co discount operation, and chmn. of NAMM's steering committee, warned discounters at large: "If a national, so-called 'Fair Trade' law is passed, the damage it would do to you & your business is obvious. Individually, each of us can do very little to combat anti-discount legislation on the national level. A strong, effective & articulate organization can make its collective voice heard with great impact, great dignity & great force."



"Discount stores, contrary to their stereotype, are exerting at least as strong a pull for upper & middle income groups as for those in more modest circumstances," concluded Opinion Research Corp. after investigation of consumer behavior patterns in metropolitan areas. Finding: "3 homemakers in 10 in the \$3-5,000, \$5-10,000 & over \$10,000 income groups had shopped in a discount store in the preceding month, compared with 15% of homemakers in the under \$3,000 grouping."

Other findings: retail outlets most frequently visited by homemakers are supermarkets, drug stores, department stores, in that order. In period studied, "twice as many homemakers visited department stores as visited discount stores," but 43% said they were visiting discount stores more frequently than in past years. Statistical findings: 66% of surveyed homemakers had visited department store in preceding months, 29% discount store, only 9% appliance store.

TV-RADIO PRODUCTION: EIA statistics for week ended May 31 (22nd week of 1963)

	<u>May 25-31</u>	<u>Preceding wk.</u>	<u>1962 wk.</u>	<u>'63 cumulative</u>	<u>'62 cumulative</u>
Black & white TV	107,719	124,193	107,335	2,902,712	2,781,477
Total radio	317,902	362,941	289,390	7,244,911	7,835,495
Auto radio	147,563	141,623	34,391	3,233,909	2,735,339

Market for remote-control sets won't be "greatly affected" by next year's shift to all-channel set production, in opinion of Zenith Sales Corp. Pres. Leonard C. Truesdell. "Zenith will continue to offer a full line of Space Command-equipped sets in black-&-white and color," he said, pointing out that Zenith's new sets can accommodate any combination of 12 uhf & vhf channel strips (Vol. 3:21 p9). He foresaw continued use of strip approach for remote control, with continuous tuners for manual uhf station selection. All-channel law provides that sets made after April 30, 1964 must be able to tune to all 70 uhf channels.

Stereo pace has quickened suddenly, FCC reporting 9 new starters last week: WKBV-FM Richmond, Ind.; WDVR Philadelphia, Pa.; WBFM-FM Detroit, Mich.; WWOS-FM Palm Beach, Fla.; WYZZ-FM Wilkes-Barre, Pa.; WLBH-FM Mattoon, Ill.; KWBB-FM Wichita, Kan.; WCOS-FM Columbia, S.C.; WSOY-FM Decatur, Ill.

Canadian FM-stereo stations CFPL-FM London, Ont.; CJOB-FM Winnipeg, Man.; CFMO-FM (formerly CFRA-FM) Ottawa; CKFM (formerly CFRB-FM) Toronto. CKY-FM Winnipeg has not yet started stereocasts. Our last list of stations broadcasting in stereo (Vol. 3:20 pp 11-12) should be changed accordingly.

Japanese TV exports to U.S. for first 4 months of 1963 totaled 102,135 sets, or about 4½% of U.S. black-&-white TV production for same period, and more than 6 times higher than the 16,544 exported during same 1962 period. Breakdown for 1963 period: Transistorized TV, 38,976; conventional sets, 21-in. & larger, 5,267; smaller than 21-in., 57,992. Japanese exports to U.S. of radios with 3 or more transistors showed substantial increase during period—2,209,919 sets vs. 1,824,363 last year. Tube radios declined to 324,283 from 468,482, and other radios (mostly 1- & 2-transistor "toys") dropped to 755,139 from 1,113,013.

Philco orders for b&w TV at recently concluded Florida convention (Vol. 3:20 p8) jumped 73% from year ago. Radio orders boomed 130%, console hi-fi sets 60%, portable phonos 8%. "Color TV orders were more than 2,000% ahead of 1962 convention orders," noted gen. mktg. mgr. Armin E. Allen. He termed convention "most successful this company has had in years," emphasized "we have been working toward this order position since the Ford acquisition 18 months ago . . . obviously, they [Philco's distributors] believe that we're on our way up."

Admiral has licensed Westinghouse under its wireless TV remote control system, Admiral announced last week.

HIGHLIGHTS OF NEW LINES: There were no obvious new color surprises in the 3 lines introduced last week (see p. 7). Sylvania, still buying chassis from RCA, showed 8 sets (including 3 carryovers), starting with black metal table at \$495 and topped by \$725 lowboy. Packard Bell's redesigned line boasts 18 models, now starting at \$499.95 in wood table model, with high-end at \$925 and 2 color combos at \$995.50 & \$1,195. Olympic's 7 sets were all open-list—from grained metal console to 2 "highly competitive" combos.

Sylvania's stereo console line has high-styled wood veneer cabinets from top (\$795) to bottom (\$149.95). All units have Garrard changers. "Component quality" claim is backed up in high end with Pickering magnetic cartridge, Jensen exponential horns, completely sealed & baffled speaker systems. Consoles with FM stereo begin at \$229.95.

In TV, Sylvania steps up from \$129.95 portable to \$139.95 set originally dropped in March at \$144.95. New "Skylark" series (\$159.95 & \$169.95) has optional \$10 clock which sits, Predicta-like, on pedestal protruding from top of set. First 23-in. table model (metal) is \$169.95. One lowboy unit has "Grecian green" finish. Halovision sets start at \$249.95 (vs. \$289 last year). Combos—3 models—are \$399.95-\$649.95.

First Sylvania imported radios—each made by a different manufacturer: 7-transistor miniature at \$14.95 and 8-transistor miniature at \$19.95, both gift-packed & Japan-made; 9-transistor AM-FM at \$79.95 & 10-transistor AM-FM-SW at \$99.95, both German. Short line of Sylvania-built table & clock radios had no FM or AM-FM sets.

Olympic: 13 portables, mostly open list; 23-in. sets from \$179.95 (table model) to \$349.95; combos start with 23-in. unit with AM radio (open list), stepping up to \$299.95 with AM-FM, multiplex units at \$379.95 (\$20 less than last year), and top of line is \$615 (vs. \$800 year ago). Long hi-fi console line starts at \$119.95, first FM stereo unit at \$219.95, \$10 below last year. Top of line is \$359 (vs. \$429 last year).

Admiral: TV console line is long, with many open-list items. There are 6 basic combos, starting at \$399.95. Stereo line features "Vari-gram" tone arm, whose pressure can be adjusted from 0 to 5 grams. Top-end transistorized units have maximum peak power output of 250 watts.

Packard Bell: Portables now start at \$139.77 (vs. \$148.88 in 1962), wall-mounted 19-in. set at \$199.95-\$219.95, first 23-in. table model down to \$189.95 from last year's \$229.95. B&w combos are \$499.95-\$775, down from last year's top of \$875.

Zenith reported record orders for its new products were placed by distributors at its sales convention for 3rd consecutive year. Zenith Sales Corp. Pres. Leonard C. Truesdell said orders were "substantially" ahead of last year and more than 28% higher than same 1961 period. B&w orders set all-time high, he added, and Zenith's entire production of color TV is sold out through Aug. "We are required to revise our initial production schedules and increase them substantially through Sept.," he said.

Mergers & acquisitions: Dage Div. of Thompson Ramo Wooldridge will sell its closed-circuit TV business for cash to Harvey-Wells Corp., Framingham, Mass. electronics manufacturer, if latter's shareholders approve at special June 24 meeting • Hickok Electrical Instrument, Cleveland-based maker of electronic test & control equipment, has acquired for undisclosed cash Stark Electronics Instruments Ltd., major Canadian manufacturer of electronic service instruments & equipment • Bendix has purchased for cash Motorola's aviation products business, which produced annual sales of about \$1 million.

Texas Instruments has developed new process for manufacturing high-quality silicon crystals. Process is called Lopex, for low oxygen pulled crystal, and TI says it yields a crystal that enables transistors to gain more amplification than with other silicon crystals. Lopex crystals will account for "½ or more" of TI's crystal output by year's end.

Admiral has formed new distributors' advisory council of 10 distributors & branches. Meetings will be held thrice yearly, with first scheduled for July. Admiral also has created annual awards for distributor & branch with highest over-all share of market on all products, separate awards for distributor & branch with greatest improvement over preceding year.

Collins Radio has declared first cash dividend since 35¢ payout in 1957, a 20¢ payment July 1 to holders of record June 24. Chmn.-Pres. Arthur A. Collins said board will consider dividend action again in Dec., added: "Resumption of cash dividends at this time is a reflection of the board's confidence in the continuation of the company's improved operations."

Admiral's \$399.95 color set has adequate profit margins, a company spokesman declared last week in response to industry comment (Vol. 3:22 p7). He conceded that margins on the leader set were lower than others in the line, but added that margins on the other 15 sets "are substantially higher than a year ago."

Reports & comments: Walt Disney Productions, analysis, 40 Wall St., N.Y. 5 • GPE, comments, J. W. Sparks & Co., 120 Broadway, N.Y. 5 • Bendix, review, Weingarten & Co., 551 Fifth Ave., N.Y. 17 • Magnavox & Zenith, discussions, Amott, Baker & Co., 150 Broadway, N.Y. 38.

Standard Kollsman Industries' 1963 sales & earnings are expected to fall below 1962's \$4.3 million earned on \$90 million sales. Pres. James O. Burke told annual meeting that company is going through transition to increase production of space system components while demand for similar components for manned aircraft declines.

Distributors' Advisory Council is being formed by Admiral, to be composed of 10 distributors & branches, Pres. Vincent Barreca announced. It will discuss planning, marketing problems and policies and serve as clearing-house for suggestions & recommendations.

Heathkits will soon be marketed in West Germany, Pres. John Montgomery of Daystrom Inc. told N.Y. Society of Security Analysts. Daystrom, subsidiary of Schlumberger Ltd., is parent of Heath Co.

GE's "lifetime guarantee" on etched circuit boards, announced with introduction of 11-in. set (Vol. 3:20 p8), has been extended to all TV sets in GE line.

Trade Personals

New officers, Armed Forces Communications & Electronics Assn.: Pres., **Walter Pagenkopf**, Western Electric Indianapolis Works mgr.; vp, **Dr. Herbert Trotter Jr.**, GT&E Labs chmn. Re-elected vps: **Adm. Bernard Roeder**, asst. chief of Naval operations-Naval communications dir.; **Brig. Gen. J. Francis Taylor Jr.**, Air Force command & control communications dir.; **Maj. Gen. Earle Cook**, Army chief signal officer; **Lt. Gen. Alfred Starbird**, Army Defense Communications Agency dir.; **Peter Schenk**, Peter J. Schenk & Co., managing partner. **John O'Brien**, Hoffman Electronics govt. relations vp, re-elected treas.

Dr. James Hillier, RCA Princeton Labs vp, in Japan for 6-week study of industry, guest of **Dr. Martin C. Steele**, RCA Tokyo Labs research dir.

Frank B. Sobieralski appointed CBS Labs administration & business development vp.

Robert L. Werner, RCA exec. vp & general attorney, elected to RCA board.

Asher J. Cole, pres. of National Video and its Puerto Rican affiliates Rico Electronics and Caribbean Electronics, honored by Puerto Rican govt. with plaque for his "contributions to the social & economic development of the Commonwealth of Puerto Rico."

James Schwartz, ex-RCA, named National Video chief color engineer; **Bert Squier**, ex-Raytheon & Hewlett-Packard, appointed chief of color production engineering.

Anthony J. Froio, in charge of Sylvania Home & Commercial Electronics account, formerly with Allen B. Du Mont Labs, elected a vp of Kudner Agency.

Bureau of Standards appointments: **Robert S. Kirby** to asst. div. chief for research & development, troposphere & space telecommunications div., Central Radio Propagation Lab.; **Bradford R. Bean**, consultant to div. chief for lower atmospheric physics; **Raymond E. McGavin**, acting chief, lower atmospheric physics; **Albrecht P. Barsis**, chief, spectrum utilization research.

Albert C. Embrechts elected GT&E International vp & head of new telecommunications mktg. group; **Robert W. McMichael**, GT&E International vp, also appointed to new telecommunications group, will coordinate marketing activities from N.Y. hq.

Leonard S. Bass named Admiral builder-sales mgr. . . . **Donald R. Welsh** appointed Sylvania Tube Div. renewal sales merchandising coordinator, a new post; **John E. Murray** named mktg. cost mgr. . . . **Donald G. McKelvey** named diodes product mktg. mgr., Sylvania Semiconductor Div.

Donald E. Smith, ex-Sylvania, joins International Resistance as mktg. mgr. of semiconductor device division, North American Electronics; **Kenneth C. Dreusicke** named mktg. mgr., Burlington (Iowa) Div.

Otis C. Ferrell, formerly Pa. State U. Institute of Science & Engineering, appointed planning vp, Lab for Electronics' Electronics Div.

John P. Sohn appointed engineering dir. of Arvin Industries' Consumer Products Div.

Richard D. Hershey appointed technical training mgr., Philco parts & service dept., a new post . . . **James T. Smith** named operations dir. of Magnavox's Urbana, Ill. lab.

CHROMATRON INC. IN WORKS? Paramount Pictures' long effort to commercialize its Chromatron color tube has borne few results—but there was talk last week of establishing a special enterprise, including Paramount and others, to try to accomplish the job.

Paramount Pres. **Barney Balaban** touched on subject at stockholder meeting in N.Y. last week (see also p. 5). He reported on 20-month analysis of Chromatron potential by industrial consultant **Arthur D. Little Inc.**, which concluded that color TV's future is good, that Chromatron offers potential for lower-cost color TV, and that it may require "some years before significant income is realized."

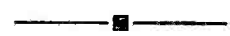
"The full implementation of Chromatron cannot be done by Paramount alone," Little's report stated, "but will require the cooperative effort of others as well. For the past several months . . . Paramount and we have been establishing the proper group to commercialize Chromatron. It would be premature and cause great harm to disclose at this time any details of this progress." Said Balaban: "We're being encouraged by outside companies of substance."

Paramount's only licensee for the tube to date is Sony of Japan, which holds rights for non-U.S. markets only. "We're very much encouraged," said Balaban, referring to Sony's progress with tube. In annual report, he had stated that Sony "is now doing production development work on 16-, 12- & 9-in. Chromatron color TV sets."

In answer to question from stockholder, Balaban said Paramount is currently spending "at the rate of \$400,000 a year" on development of Chromatron, about half of last year's rate. About half of this amount is represented by salaries, the balance legal & patent fees, etc.—including \$30,000 a year to group holding patent on Chromatron (Lawrence tube). This royalty arrangement has "few more years to run," said Balaban.

In other developments, Balaban said Paramount had sold all of its Fairchild Camera & Instrument stock, received in exchange for its Allen B. Du Mont Labs stock, and disposed of two-thirds of the Ampex stock it had received when it sold a Telemeter subsidiary.

Financially, he said Paramount's first-half showing will not be very good, but 1963 will be "much better" than last year, when company suffered net loss of \$3,410,000—its first in 25 years.



Common Stock Dividends

<i>Corporation</i>	<i>Period</i>	<i>Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Collins Radio		\$0.20	July 1	June 24
Corning Glass	Q	.37½	June 28	June 17
Hawley Products	Q	.05	June 28	June 14
Newark Electronics	Q	.06¼	June 28	June 14
RCA	Q	.35	July 29	June 17
Republic	Q	.15	Aug. 15	July 23
Howard W. Sams	Q	.15	July 25	July 10
Schlumberger	Q	.25	Sept. 3	Aug. 15

Conrae Div. of Giannini Controls Corp. has acquired assets & business of Jet Electronics Corp., Azusa, Cal., maker of cathode ray tubes & TV camera deflection components, for undisclosed cash sum.

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—9 mo. to May 3	\$ 177,356,000	\$ 5,015,000	\$ 2,408,000	\$1.08	2,230,050
	1962—9 mo. to May 3	144,607,000	4,192,000	2,012,000	.90	2,230,062
Columbia Pictures	1963—9 mo. to Mar. 30	—	2,390,000	1,160,000	.62 ¹	1,617,757
	1962—9 mo. to Mar. 30	—	2,127,000	1,689,000 ²	.95 ¹	1,535,027
Consolidated Electronic Industries	1963—qtr. to Mar. 31	37,998,168	1,833,193	1,049,083	.33	3,176,908
	1962—qtr. to Mar. 31	38,160,107	2,095,132	1,033,041	.33	3,171,377
Hawley Products	1963—qtr. to Mar. 31	1,736,283	—	50,911	.18	260,000
	1962—qtr. to Mar. 31	1,716,994	—	101,332	.36	238,450
Hewlett-Packard	1963—6 mo. to Apr. 30	54,777,000	—	3,522,000	.30 ¹	11,162,314
	1962—6 mo. to Apr. 30	52,884,000	—	3,446,000	.30 ¹	10,992,267
Lynch Corp. (Symphonic)	1963—qtr. to Mar. 31	5,593,259	(80,998)	(95,814)	—	963,926
	1962—qtr. to Mar. 31	3,625,180	(182,108)	(234,386)	—	963,926
Republic Corp.	1963—6 mo. to Apr. 27	23,010,579	—	1,146,585	.39 ¹	2,443,448
	1962—6 mo. to Apr. 27	21,899,523	—	974,328	.32 ¹	2,443,448
Taft Bcstg.	1963—yr. to Mar. 31	12,485,942	—	2,310,425	1.45	1,589,485
	1962—yr. to Mar. 31	10,936,237	—	1,887,929	1.19	1,589,485
TV Industries	1962—yr. to Dec. 31	884,232	—	99,805	.10	1,015,700
	1961—yr. to Dec. 31	1,365,237	—	(4,125,799) ³	—	1,015,700

Notes: ¹ After preferred dividends. ² Before profit of \$413,000 (25¢ a share) from sale of land. ³ After non-recurring charges of \$4.3 million—

including \$2.6 million provision for loss on film & film rights.

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

Avnet Electronics. Joseph Cornoni bought 200, held 500. Morton Weiner bought 200, held 831.

Chris-Craft Industries. John Banister sold 2,000, held 2,025. Morris Leahy sold 500, held 350.

Clevite. A. L. W. Williams sold 2,500, held 36,934.

Collins Radio. J. G. Flynn sold 500, held 545.

Corning Glass. Amory Houghton Jr. bought 3,000, held 3,400.

Federal Pacific Electric. Clifford Harris sold 1,600 in March, held 28,400. Harold Vorzimer sold 8,900 in March, held 52,244.

Gabriel. Maremont Corp. bought 286,389, held 665,729.

GE. Fred J. Borch sold 1,400, held 9,706. C. W. LaPierre sold 1,202, held 10,980. Gerald L. Phillippe sold 2,000, held 12,000.

Giannini Controls. W. I. Shevell bought 500, held 1,000. Dwight Whiting bought 1,000, held 3,000 plus 1,000 in trust.

Hewlett-Packard. Robert M. Brown bought 300, held 1,350.

ITT. Henri Busignies bought 666, held 6,297.

Macfadden-Bartell. Gerald A. Bartell bought 1,000 in March, held 222,072. Lee B. Bartell bought 200 in March, held 221,272.

Magnavox. Richard A. O'Connor sold 4,100, held 115,601. Stanley Sondles sold 200, held 19,000.

Metromedia. Robert Dreyer bought 2,000, held 2,000. Benedict Gimbel Jr. sold 2,000, held 11,000. Joseph Madden bought 250, held 250.

Microwave Associates. Thomas McMains bought 200, held 200. J. Z. Miller bought 1,200, held 2,200.

Muntz TV. Daniel Domin bought 4,000, held 31,008. Jack Simberg bought 2,000, held 32,500.

National Co. Louis Lerner bought 400, held 158,055.

Outlet Co. George O. Griffith bought 400, held 800.

Oxford Electric. Adolph Dresner bought 700, held 8,059. Leon Sadacca bought 2,700 in March, held 16,061.

Pacific Industries. F. L. Anderson sold 1,390 in March, held 85,000.

Packard Bell Electronics. C. A. Duffy sold 1,000, held 122.

Paramount Pictures. Paul Raibourn bought 900, held 1,900.

Pentron Electronics. Osborn Andreas bought 2,000, held 250,034. R. L. Moxley bought 2,000, held 192,380. A. L. Thompson bought 2,000, held 22,126.

RCA. Kenneth Bilby sold 166, held 4,280. Rodolfo Correa bought 648, held 966.

Raytheon. Charles F. Adams bought 3,200, held 41,253.

Republic Corp. Victor M. Carter bought 300, held 74,600.

Standard Kollsman Industries. James O. Burke bought 2,000, held 362,682.

Stewart-Warner. Wilfred Reetz sold 200, held 4,600.

Storer Bcstg. George B. Storer sold 439,700 Class B, held 418,490 plus 182,750 in trusts.

Taft Bcstg. Donald Chapin sold 500 in March, held 755.

Texas Instruments. Lloyd Berkner bought 100, held 400. Jay R. Reese bought 1,000, held 3,405. E. O. Vetter bought 300, held 3,452.

20th Century-Fox. Arnold M. Grant sold 200, held none.

Webcor. Paul W. Roth bought 100 in March, held 300.

Zenith. Edwin M. Schroeder sold 150, held 620.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JUNE 17, 1963

NEW SERIES VOL. 3, No. 24

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

SUMMARY-INDEX OF WEEK'S NEWS**Broadcast**

NETWORK 'MOVIE PREMIERES' planned by MCA (which owns Universal Pictures) and NBC-TV (which has 2 network movie showcases). NBC tested idea in 1955, now plans to have modest-budget features on air in 1964 before U.S. theatrical run. Exhibitors pan idea (p. 1).

NEW COMMERCIAL CODE IN THE WORKS: NAB TV Code Review Board's new resolution backs percentage limitations as standard instead of fixed time specifications; it asks for staff study of new guidelines covering content, placement, production (p. 2).

FTC-FCC TO EXAMINE USE OF RATINGS: FTC launches field investigation into practices of broadcasters, agencies, advertisers. FCC to crack down on stations using faulty ratings or manipulating figures (p. 3).

CATV—PROSPERITY & GROWING PAINS: NCTA Seattle convention welcomes broadcasters to fold, voices concern over 'Carter Mountain' decision, hears Research Council projections (p. 3).

EQUAL TIME & POLITICS: Pastore's Subcommittee will hear from top industry executives, others; House debates its equal time measure Jun 19; NAB editorializing committee to meet with FCC (p. 5).

PROGRAM CONTROL CONTROVERSY: Washington lawyers Pierson & Plotkin debate FCC right to influence programming (p. 6).

Consumer Electronics

'YOUTHFUL GIANT' is image sought by 'new Sylvania,' keying ads to GT&E tie and young operating team; This gives views on portables, uhf, color, distribution (pp. 7 & 10).

SHELBOND PICTURE-TUBE anti-implosion process, unveiled by Corning, uses metal shell around rim, but no safety glass, pressure band or Fiberglass. Tube makers impressed by simplicity & promise of low cost (p. 7).

COLOR PRICES DROP in GE line, which starts at \$449.95 with set which 'can be sold at \$399.95,' Magnavox color combo at \$795. GE shows 11-in. clock-TV-radio at \$149.95, reprices 16-in. & 19-in. leaders at \$129.95; Magnavox 16-in. now \$119.90. Kimcode tube used in all GE 23-in. sets (pp. 8 & 9).

TV DISTRIBUTOR SALES show biggest 1962-to-1963 gain in April, while radio sales show biggest decline. B&W sales pass 2-million mark in first 4 months (p. 9).

TV IMPORT STEP-UP due for rest of year, with declining prices; Real-tone offers 12-in. below \$100 and 9-in. all-channel at \$79.95, predicts price decline to \$59.95 with supermarket & drugstore distribution; other makes due on U.S. market (p. 11).

NBC AS 'MOVIE EXHIBITOR': Nearly a decade ago, NBC-TV uncorked radical TV concept: network telecasts of feature movies before U.S. theaters showed them (Vol. 11:23 p1). Trial run was "The Constant Husband," an Alexander Korda comedy starring Rex Harrison and Margaret Leighton, televised Nov. 6, 1955. Since then, NBC has pulled same stunt at least twice more, with network showings of British-made "Richard III" (1956) and "Macbeth," filmed special for Hallmark (1960) seen in theaters after telecast.

NBC's brainchild is back again, as story broke last week of handshake deal between Lew Wasserman and Bob Kintner, presidents respectively of MCA and NBC, whereby MCA-owned Universal will make season's worth of features for NBC-TV scheduling in 1964. Project stirred up storm of interest both in TV field (agencymen swamped NBC sales dept. with calls) and in movie field.

Particularly interested in project are such agencies as J. Walter Thompson (where Liggett & Myers is biggest buyer, currently, of participation in network movie shows), Young & Rubicam (where Lipton, Beech-Nut & Bristol-Myers are heavy TV movie buyers) and N. W. Ayer (Corning Glass, U.S. Rubber).

Network movie participations are usually bought by advertisers seeking, simply, wide reach at efficient price. NBC's "Monday Night at the Movies," which shows recent (but not pre-theater) Hollywood product, has going price of about \$36,000 per spot in fall moviecasts and relatively low cost-per-m track record. Such figures, however, dictate to some extent what sort of movies TV audiences and NBC affiliates can expect from Wasserman-Kintner deal.

There won't be any "Cleopatras" in such a project. Even if NBC premiered a movie which cost \$2 million and tried to recoup only half on first run (figuring rest would come from foreign market and theatri-

cal reruns), NBC would have to price participations around \$80,000 each—a tab likely to be too rich for most advertisers' diets.

Outlook is therefore in realm of modestly-budgeted "A" pictures of under-\$1 million, turned out by Universal on assembly-line basis with few likely to contain "big" (i.e., Cary Grant or William Holden) star names or made by "big" producers (Billy Wilder, Stanley Kramer, et al.). In other words, a fancy, feature-length TV anthology series.

Veteran movie exhibitors have mixed feelings & fears about the NBC-MCA movie project. Source at Trans-Lux (which operates N.Y.-area movie houses and is in TV program field as well) told us: "NBC's deal isn't really likely to remove feature product from the market so much as it is creating a new TV series on film. We might, or might not, book such films in theaters, depending on how well they might draw after TV exposure." An official of a leading movie exhibitor trade organization added: "Sure, TV competes with theaters for reruns of some recent Hollywood pictures, and the deal may not do Universal any good with theater men. NBC may find it tough to develop domestic feature revenue from its pictures, because who wants to pay to see entertainment you can see for free?"

Other TV networks aren't likely to develop similar plans soon. CBS, which officially denies it has even given a thought to network moviecasts, this spring considered such a show but turned down idea on orders from Chmn. William S. Paley, who prefers that TV create its own fare. ABC, with its link to Paramount Theatres, isn't opposed to moviecasts, but doesn't want to make program movies which will hurt movie box office.

NEW COMMERCIAL CODE IN THE WORKS: Asserting FCC lacks realism in its proposal to put NAB commercial Code into govt. rules, NAB TV Code Review Board last week proposed change in Code to use percentage of time—instead of number of minutes—as ceiling for commercials. Board instructed staff to draft recommendations, by next fall's Board meeting, on new guidelines for evaluation of commercials for content, production techniques, placement.

Resolution adopted by Board at 2-day N.Y. meeting—to be voted on at June 24 TV Board session—is designed to give stations more flexibility. NAB says it's particularly concerned about stations in small markets.

No more than 17.2% of any hour during 3 continuous prime evening hours can be devoted to non-program material (commercials, billboards, public service spots, promotion announcements), according to resolution. Other hours it can be as high as 30%, but commercial time cannot exceed 20% of broadcast day.

New prime time percentage standard is almost equal to present numerical limitations in those hours, NAB says—4 minutes of commercial time, plus one minute & 10 seconds of station break announcements in 30-minute period. In non-prime time, 6 commercial minutes are allowed, plus same station break standards. NAB stated that new measure would reduce average permissible non-prime commercial time by 13.5%.

NAB measure criticized FCC for its proposal to adopt commercial limitations rule by incorporating "time" standards of Code (Vol. 3:20 p6)—which NAB now wants to disown. "Such action, even if legally sustainable, would be fraught with rigidity and [would be] unresponsive to changing needs . . . would not deal realistically with the most important criteria of content and placement of commercial messages," Code Board said.

An FCC official said NAB's changes would have to be studied and that Commission might still go ahead with rule if it doesn't like NAB's new standards—but this isn't considered too likely if TV Board adopts Code resolution.

In developing new standards for commercials, Code Authority staff will consider criteria such as frequency of interruption, quality of commercials, how they blend into programming. It will also evaluate placement.

Interview with FCC Chmn. Henry, by Linton Wells, Storer Bcstg., elicited this comment: "Certainly, whatever we do, it's my very definite opinion that it will not put anyone out of business or be an undue economic burden on anyone."

FTC-FCC TO EXAMINE USE OF RATINGS: FTC & FCC, in partnership, jumped into ratings controversy last week. FTC Chmn. Dixon announced investigation to uncover violations in use of ratings by broadcasters, agencies, advertisers. FCC announced it will hold stations responsible for using "valid" ratings and for legitimate use of results in promotion & selling.

FTC will launch full field investigation from Washington, ask rating services how surveys are supposed to be used, before talking to users. Substantial part of investigation will examine some of situations forwarded to FTC by Harris Subcommittee. FTC isn't sure how long study will take, will either issue an interim report or a case-by-case accounting. It's the 2nd ratings investigation for FTC. First one led to Nielsen, ARB & Pulse consent decrees last Dec., prohibiting misrepresentation of accuracy & reliability of surveys.

Joint concern of FTC & FCC lies in this example offered by Dixon: If a broadcaster claims he has a certain audience percentage, based on a survey, and claim is proved to be false & deceptive, "Commission will take vigorous action to prohibit the claim." FTC official told us, however, that Commission isn't quite certain what kind of abuses it's looking for at advertiser-agency level.

Although FCC is partner on TV-radio questions, FTC has primary jurisdiction. Here's how it will work: An alleged impropriety will be investigated by FTC. If it confirms wrongdoing, FTC will issue complaint order. If all parties agree, cease & desist order will be issued. FCC will be kept informed.

In cases of violations reflecting on character & operation of station, FCC can catch station at renewal time. FTC has first crack, under laws governing unfair methods of competition and false & misleading practices.

FCC made clear that it doesn't intend to "discourage valid audience research or its proper use by broadcast licensees in their selling campaigns." It says licensee must take "reasonable precautions" to determine if survey is "properly conceived, reasonably free from bias, has an adequate sample;" also, licensee should act responsibly in the "use he makes of the survey."

FCC Chmn. Henry goes before Harris Subcommittee June 20, will undoubtedly take position that the FTC-FCC action was most effective measure govt. can take. It's believed FCC thinks that any govt. regulation of ratings—or the supplying of ratings, e.g., by Census Bureau—will have net effect of having govt. endorse ratings & assume responsibility for them. This, FCC doesn't want. FCC's thinking, it's understood, is that NAB's plan is sound solution.

But Commission believes that ratings are only one part of problem—that stations have responsibility, as described in program policy statement of July 1960, to seek out & meet needs of community, regardless of high or low ratings. FCC is hopeful that pending new program reporting form will clarify programming responsibilities.

FCC believes that FTC-FCC pressure will induce caution in users of ratings, that they'll be slow to buy ratings until their ills are cured—thus pressuring rating services & rest of industry into faster reform.

CATV—PROSPERITY & GROWING PAINS: The relatively carefree days of community antenna industry's youth are about over. At convention of National Community TV Assn. in Seattle last week, it was more apparent than ever that maturity, prosperity & problems seemed to go hand in hand.

Delegates seem resigned to prospects of eventual govt. regulation, but they're primed for vigorous fight for best terms. They've upped dues (from 5 to 5¾ cents per subscriber per month per member) to pay for litigation, PR, etc. They gave warm welcome to growing number of broadcasters in field, elected to board Cox Stations' J. Leonard Reinsch—TV-radio adviser to President Kennedy. Among other broadcasters on hand were WGN-TV Chicago's engineering vp Carl Meyers and its auditor & controller John Herklotz. A careful observer was Harvey Struthers, CBS station services vp.

With heavy growth of CATV admittedly dependent on use of microwave, CATV operators acknowledged that recent Court of Appeals' "Carter Mountain" decision is rough—giving FCC great power to withhold microwaves when it thinks stations may be hurt. They're anxiously waiting for FCC action on their compromise proposal for legislation (Vol. 3:23 p1). Commission is studying it, and there's no certain

indication what it will do. If FCC doesn't accept it, NCTA is thinking of going to Congress, seeking legislation without Commission's assistance, fighting FCC if necessary.

Carter Mountain decision is "engraved invitation" to stations to object to microwave grants, according to NCTA special counsel Jack Cole. He termed decision "a dramatic departure from precedent—making all radio services subservient to broadcasting." He said "logical extension" is to have FCC controlling CATV through operators' use of long-distance phone. NCTA Pres. William Dalton blasted the "dedicated effort of govt. to regulate." NCTA gen. counsel Robert L'Heureux called decision "creeping socialism."

NCTA is unhappy about multiple-system operator H & B American's pull-out from membership. It represented about 50,000 subscribers out of the 700,000 served by NCTA members—a loss of \$35,000-\$40,000 dues. However, RKO General's acquisition of substantial share of H & B's stock (see p. 12) raised hopes latter may be brought back to NCTA. RKO is also a major multiple-system owner.

Olympic Hotel was awash with wheeling, dealing & rumors. Brokers were racing around, following tips, negotiating. As for rumors, a persistent one, unconfirmed, was that someone had retained big N.Y. PR firm to fight CATV.

NCTA elected as chairman Fred Stevenson, Rogers, Ark., who was warmly congratulated by Rep. Harris (D-Ark.), who jealously protects CATV. (For other officers & directors, see p. 6.)

One of biggest developments at convention was disclosure of work of NCTA Research Council. Some remarkable work in ETV has been done—tying schools together via cable, feeding ETV stations to homes, etc. As Lawrence DeGeorge, of Times Wire & Cable put it: "Do it soon—or someone else will do it." Tele-Prompter's Irving Kahn told who: "AT&T is a big competitor." CATV's strong suit is that it can underbid phone company by up to 66%.

Other major Research Council report covered "information services"—weather, news, background music, FM stereo, civil defense messages, etc.—via vidicon pickup. Alfred Stern, ex-NBC vp, now head of Televents group, urged operators to stress local expression—asserting that most communities can't afford TV station to provide it. Local origination, with \$3,000 slide system, he said, can offer messages from community officials, public service announcements, time, etc. "We need to become a more active service in our communities," he said. Members were hopeful FCC would take note, since its whole concern is that CATV might kill local stations or preclude their establishment—thus constricting local expression. One system in distressed area feeds "employment service"—a situation-wanted offering for people who can't afford classified ads.

For future, there's thinking of pay TV, fire alarm service, utility meter reading, audience-response measurements (ratings?), merchandising.

Supporting foregoing, exhibitors featured more & more all-band equipment, to enable operators to feed up to 12 TV channels plus FM. Aluminum-shielded cable has big vogue—being light and having low radiation, allowing pumping of more power over longer distances with fewer amplifiers.

Canadian CATV operators have their share of problems, too. Kenneth Easton, secy. of National Community Antenna TV Assn., reported that govt. already regulates systems, held hearing June 4 to consider tighter restrictions. He said he's optimistic about outcome. Canadian CATVs can't get microwave if they're within Grade B contour of stations. In British Columbia, CATVs were declared by provincial govt. to be public utilities. NCATA has obtained temporary moratorium on regulation pending appeal to courts in fall. Easton said country has 250,000 CATV subscribers, 5% of population, compared with 2% in U.S.

NCTA now has 532 system members, 36 associate members (mostly manufacturers), had net gain of 50,000 subscribers last year despite loss of H & B's. Convention had 550 registrants, including 34 Canadians, 96 exhibitors' staff members.

Seems as if everyone is scouring country, seeking sites for new systems. There's report, for example, that WKTV Utica is due for franchise this week. Some far-ranging operators have been to Europe recently, coming back with gleam in eyes. Financing doesn't seem difficult to find for "right" situations. James Ackerman, vp of Economy Finance Corp., Indianapolis, reports making loans to about 80 systems—typically \$100,000-\$200,000.

EQUAL TIME & POLITICS: Top-drawer & varied witnesses are tentatively set to testify, starting June 26, at Senate hearings on 2 measures (Vol. 3:23 p6) to suspend equal time (Sec. 315, Communications Act).

Communications Subcommittee, headed by Sen. Pastore (D-R.I.), plans to hear: FCC Chmn. Henry, NAB Pres. Collins, CBS Pres. Stanton. Also, Walter Thayer, Whitney Communications, for President's Committee on Campaign Costs; a Socialist Labor Party representative; Senators & Congressmen, names not yet confirmed. ABC will probably send statement from Pres. Goldenson.

House Rules Committee has set June 19 for one-hour debate on measure (H.J. Res. 247) to lift equal time for 1964 legally-qualified Presidential & Vice Presidential candidates (Vol. 3:21 p5).

Sen. Hartke (D-Ind.) last week introduced bill (S-1696) to eliminate equal time for candidates. "It is time that we recognized the maturity of the broadcasting industry and, by repealing this provision, give it a vote of confidence," he said. Suspension worked well in 1960, he stated, and equal time should be repealed rather than suspended election by election.

FCC is gathering material for House hearings on editorializing, equal time & general fairness doctrine that Rep. Rogers (D-Tex.) plans to hold next month (Vol. 3:22 p5).

NAB's editorializing committee meets June 20 in Washington to pass on new editorializing guidelines which are being expanded to cover editorials on candidates. Next day, committee will meet with FCC Comrs. Henry, Ford, Bartley & staff.

After Yarborough report last year (Vol. 2:17 p3), NAB took initiative in establishing liaison with FCC on editorializing problems. Yarborough suggestion that FCC adopt rules was attacked by NAB on grounds that these would impinge on broadcaster's freedom & responsibility.

NAB hopes its new guidelines will forestall formal FCC or Congressional action on editorializing standards.

FCC sent Senate Communications Subcommittee a report on 1963 political campaigning on TV-radio, stating that \$20 million was spent for time for those off-year elections. Showing growing importance of TV-radio electioneering, that figure was more than \$1 million above 1960 campaigning and nearly double 1956, another presidential year.

In 1962, about \$12 million came from Democrats, \$7.5 million from Republicans, \$700,000 from other candidates. TV received about \$12.5 million, radio \$7.5 million.

First ETV-fund applications have been received by HEW Dept., which has \$1.5 million available out of \$32 million authorized for next 5 years. Applicants: Pennsylvania State U., \$240,000, seeking Ch. 69 from FCC; N.J. Educational TV Corp., \$340,000, Ch. 77; WTTW Chicago, \$270,000, now operating Ch. 11, seeking to add Ch. 20 outlet.

Clinton, Okla. CATV system has been bought for \$200,000-plus by Okla. Video Corp., headed by Robert Strom, Del Ray Beach Fla., former owner of Strom Steel Ball Co., Chicago. System has 1,200 connections. Broker: Daniels & Assoc.

Personals

Edgar J. Scherick, ex-TV network sales vp, appointed ABC TV programming vp.

Harold E. (Hap) Anderson, consultant to NBC International, named NBC Enterprises mgr., special projects.

Hathaway Watson, RKO General pres., appointed chmn., American Heart Assn.'s Heart Committee of the Bestg. Industry, Local Div. . . . Harry Smart, Blair TV sales mgr., Chicago, elected SRA local chapter pres.

Robert Wogan, NBC Radio programs dir., elected vp . . . Robert M. McGredy, TvAR exec. vp, promoted to managing dir.

Ben F. Waple, FCC acting secy., appointed secy. Position used to be a political plum—but it has been reclassified to regular career civil service position.

Oliver T. (Ollie) Trittler, Blair TV salesman, St. Louis, promoted to Los Angeles mgr., succeeded by William D. McKinstry, ex-Avery-Knodel.

Martin S. Fliesler, vp-adv. & sales development dir., WOR-TV N.Y., appointed radio KHJ Los Angeles vp & gen. mgr. . . . Howard Stalnaker, ex-KPHO-TV Phoenix station mgr., named gen. mgr., WOW-TV-AM-FM Omaha, succeeded by Gene Spry, radio KPHO station mgr.

Sydney A. Grayson, ex-pres. & gen. mgr. KYSD-TV-AM Wichita Falls, appointed KOVR Stockton gen. mgr. . . . Jim Suggs promoted to KROD-TV El Paso national sales mgr.

Philip Sterling, ex-CBS Radio press, joins CBS-TV network press information dept. . . . John R. Mulligan, ex-Fawcett Publications, joins Group W PR dept.

John X. Ward, WTOP-TV Washington merchandising dir., promoted to local sales mgr., succeeded by Harry F. Langford, ex-Walter Leaman Co., food brokers.

Obituary

Jack Van Volkenburg, 59, former pres. of CBS-TV network, died in his sleep June 11 at Merrifield, Minn. home. He joined CBS's KMOX St. Louis in 1932, worked up CBS executive ladder, serving as TV network president from 1951 to his retirement in 1956. In 1960, he became pres. of McCann-Erickson subsidiary M-E Productions, left following year. He also was pres. of Bay Area Telecasting Corp., applicant for Ch. 10 Tampa-St. Petersburg. Survivors are wife, son, daughter.

FCC Comr. Lee Loevinger on June 11 took oath administered by Supreme Court Justice Byron White, went to work immediately, sitting in on June 12 Commission meeting. It's understood that the former Justice Dept. anti-trust chief, a critic of AT&T, showed in the session he intends to pursue the phone company. At swearing-in ceremony, Chmn. Henry said that Loevinger had already earned title of "honorable" through legal experience, that after "dissection by the trade press," he is well known. In unusual action, following Presidential directive, Attorney General Kennedy appointed Loevinger a Special Asst. to Attorney General in matters covering restrictive business practices in international trade; Loevinger will continue as vice chmn. of Restrictive Business Practices Committee of the Organization for Economic Cooperation & Development.

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EDITORIAL

ALBERT WARREN,
Editor & Publisher

JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager

RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

CHARLES SINCLAIR,
Contributing Editor

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

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'PROGRAM CONTROL': Debate over FCC's authority & capacity to influence program content—involving Sec. 326 of Communications Act on censorship—produced these eloquent rejoinders at Federal Communications Bar Assn. luncheon last week:

W. Theodore Pierson, of Pierson, Ball & Dowd—"There is no counter-balancing benefit to the public from govt. interference with mass communicators; only illusions of benefits that never arrive."

Harry Plotkin, of Arent, Fox, Kintner, Plotkin & Kahn—"Public interest must mean what comes out of the receiver—not just the purity and sharpness of the emission, but what the public hears and sees. Govt. supervision is necessary to make sure that objective is met."

Conceding that judicial decisions & FCC practice weigh in favor of Commission's right in such matters, Pierson said there is just as much reason to "reappraise" as there is to "accept" such thinking. Said he:

"In our free, competitive and diversified system, concentration of communication control is a corrupting rodent, regardless of its name . . . Control by a central authority such as the FCC (or NAB) cannot but pollute the very essence of our hope for the future . . ."

"The basic issue is not and can not be whether we must have selectors or moderators—but shall we have many or one? One centralized authority, presumably all-knowing and without competition, or many competing moderators among whom authority is dispersed . . ."

"It is beyond the capacity of any man or group of men to understand the complex needs and desires of our pluralistic society sufficiently to evaluate the performance of 5,000 stations in 1,500 communities who each broadcast

from 10 to 24 hours every day. No mere mortal is that smart."

Arguing on behalf of the Commission's "authority to prescribe standards of quality," Plotkin said: "The profit system is geared to make profits. There is nothing wrong with profits, but public service and profits are not necessarily the same. For example, the profit motive might dictate that dull and boring political campaigning be eschewed. Yet the vigor of our democratic system demands that broadcasting be an essential part of the electoral process."

"A good deal of self-restraint on the part of the Commission is called for," Plotkin emphasized. "A great deal of latitude must be given to licensees to devise their own particular methods of meeting . . . standards." Rather than argue "ad nauseam" on whether Commission has authority, he said, FCBA should help FCC exercise self-restraint "to make sure that in its administration of existing power, a deadening effect on free speech is not created."

This effect is produced when Commission is slow to process program complaints, he said, offering this plan:

(1) If Commission feels no prima facie case is established, it should so advise complainant & station, shouldn't force station into expense of filing comments and guessing what Commission's attitude will be.

(2) If it believes prima facie case is strongly established, Commission should send complaint to station for comments, indicating areas of concern.

(3) All complaints, replies, FCC letters should be open so that public will know about substantial complaints against station and also will see whether Commission is going too far in attempting to impose its will.

(4) FCC should act quickly on all complaints, for fear stations will anticipate Commission objections and prematurely suspend questioned program practice. He said Commission has acted quickly in cases of network controversies, should do same for small stations.

NCTA officers elected: Fred Stevenson, Rogers, Ark., chmn.; Archer Taylor, Kalispell, Mont., vice chmn.; Jack Crosby, Del Rio, Tex., secy.; R. Lee Stoner, La Grande, Ore., treas. New board members: George Barco, Meadville, Pa.; Benjamin Conroy, Uvalde, Tex.; Douglas Danser, Naples, Fla.; Bruce Merrill, Phoenix; J. Leonard Reinsch, Atlanta; Franklin Valentine, Dallas; Ralph Weir, Junction City, Kan.; Harrold Harkins, Webster Springs, W. Va.; Charles W. Fibley, Corning, N.Y.; William Maginnis, Yreka, Cal.

FCC is trying to guide programming largely through procedural devices, according to Comr. Hyde. Speaking at meeting of Ga. Assn. of Bestrs., he said: "You might find that procedural legal devices can subordinate basic substantive policy, particularly if an adequate alert is not maintained." Strongest opponent of Commission action affecting programming, among FCC members, Hyde listed these methods used by FCC: public notices, "lifted eyebrow," speeches, inspections, community hearings, record-keeping requirements, letters of inquiry, withholding action on applications, unnecessary hearings, procedural freezes, exacting application forms requiring minute detail. He asserted that FCC can "encourage the larger & more effective use of radio" by "encouraging, not restricting, individuality."

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

'NEW SYLVANIA' IMAGE—YOUTHFUL GIANT: That self-applied description, "The New Sylvania," could have been used several times in recent past to describe that company's consumer electronics operation in its various do-or-die phases. But from our own observation at recent sales convention in Chicago, what is really new at Sylvania—more even than faces or product—is entire corporate personality.

Product lines, as we reported last week (Vol. 3:23 p7) have been completely revamped in crash program, and now show remarkable sheen of beauty & quality. At same time, Sylvania Home & Commercial Electronics Corp., headed by Pres. Robert J. Theis (formerly of Philco), is stressing youth of its new team (average age of executives, 39; of engineers, 36; of product planners, 34).

Sylvania has discovered another asset in its own backyard—or, more literally, in house itself. Nearly 5 years after merger with GT&E, it has decided to make parent company part of its image by calling attention of public to fact that Ford, RCA, GE & Westinghouse aren't only American industrial leaders who make TV & stereo. Sylvania's new consumer electronics trademark features telephone headset and eye, its ads will speak of "telephone quality," its cartons will bear the slogan, "inspired by the telephone people."

Bigness-begets-progress theme was carried through at convention even to featured dinner speaker, Dr. Lee Davenport, head of GT&E's General Systems Labs, who explained that only a large corporation can support big lab facilities, attract best scientists, etc.—and proceeded to illustrate how such telephone-inspired research as microminiaturization would work its way into consumer products within next 5-10 years.

Sylvania has new product, new operating team, new distribution pattern. Next comes the new image. For some views & actions of Sylvania Home & Commercial Electronics' chief image-maker, see p. 10.

CORNING UNVEILS SHELBOND PROCESS: Look, ma—no safety glass! No pressure band. No Fiberglass either. And cheap. And easy to make. And UL-approved in 16-, 19- & 23-in. sizes.

This was pitch by Corning Glass in introducing its new Shelbond process to 50 representatives of picture-tube makers (Vol. 3:23 p7). Manufacturers we talked with were strongly impressed with possibilities.

Shelbond uses 3 components plus tube: Lightweight metal shell, 1 to 1½-in. wide, which fits like rim around edge of tube faceplate (and which can be decorated to blend with tube mask); strip of putty-like gasket material; alcohol-base resin. Processing is simple, fast & inexpensive, according to Corning.

System is similar to Kimcode only in that it requires no safety glass or plastic—either bonded or external. Unlike Kimcode, it uses neither pressure band nor Fiberglass funnel sleeve. No pressure is applied to tube in manufacture. Shelbond uses principal of "dynamic compression," according to Corning engineers, who say rigid shell around rim of tube, in effect, "locks" glass together. If a crack starts, it has no place to go. For split second, crack lets air into tube, equalizing pressure. Result: no implosion, no flying glass.

Bulb used for Shelbond is same type used for Kimcode—standard heavy bulb but with tinted faceplate to compensate for lack of tinted external safety glass. Corning will supply both bulb & .03-in. thick steel shell, at price reported to be very little more than that of standard heavyweight bulb (bulb itself is same price as standard bulb used with external glass). Metal shell contains tube-mounting lugs, thereby saving set maker cost of brackets. Tube makers' manufacturing process is claimed to be extremely simple, and there are indications even further simplifications & economies are on way.

Using same rigid tests as it used on Kimcode, UL has given approval of system in 23-in. 92-degree, and 16- & 19-in. 114-degree types. Tube makers' sampling of set manufacturers will start soon. Bulbs probably will be available in production quantities in early fall.

What will this system do to Corning's own twin-panel bonding process? Corning points out that it's designed principally for "low-cost multi-purpose sets," can't economically be made with reflection-free (Vel-

vetone) surface available on bonded tubes, and doesn't have strength of bonded tube's face assembly (although it is as safe). There seems little doubt, however, that if Shelbond meets general acceptance, it will cut sharply into use of bonded tube.

It certainly competes directly with Owens-Illinois' Kimcode process—but, since it uses exactly same bulb, it shouldn't affect O-I's business one way or other. Kimcode undoubtedly helped pave way for proper psychological climate for Shelbond, by conditioning industry to think in terms of bare-faced tube.

On same day as Corning's Shelbond showing, incidentally, GE announced its full line of new 23-in. sets, all of which use Kimcode tubes (see below). RCA will give details of its own version of Kimcode at this week's IEEE Chicago Spring Conference on Broadcast & TV Receivers.

Shelbond or Kimcode—they both add up to further savings in manufacture, with absolute implosion protection. Manufacturers will be checking, in near future, whether new system—as Corning claims—provides least expensive approach yet.

MORE LOWER-PRICED COLOR & PORTABLES: In a double-whammy, top product news came this week from GE & Magnavox—in color, black-&white and stereo.

Color: New price leader in GE's line is ebony table model bearing suggested retail tag of \$449.95. GE officials, however, said that it could be sold at \$399.95, if retailers chose to do so, on same basis as Admiral's \$399.95-list color leader. As TV receiver marketing mgr. Marshall Bartlett put it: "We know of no technical breakthrough that makes [Admiral's] new price possible, unless manufacturer, distributor & dealer have sacrificed profit. If this is the case . . . GE is prepared to be competitive." GE showed 5 new color models.

Magnavox's color line, 15 sets long, features combo at surprising \$795—lowest of majors so far for one-piece color combo. It starts at \$495 with hardboard console, including—as do all Magnavox color sets—90-day service warranty. Top of color line is now \$1,250 combo with solid-state audio components.

Portables: GE's 11-in. tinyvision line has been extended (from original \$99.95 & \$109.95) to wood-grained square-cornered table set at \$119.95 and unique bedside clock-TV-radio (AM) at \$149.95. In 16-in. merchandise, GE took another \$10 chop out of its prices, which now stand at \$129.95 & \$139.95. Its 19-in. line also begins at \$129.95 (for promotional ebony no-handle model), meeting Sylvania's starting price in 19-in. category (Vol. 3:23 p7).

Magnavox quietly dropped price of its good-looking Japanese-made 16-in. portable another notch to \$119.90 in choice of 2 colors. Its 19-in. sets begin at \$149.90. "Videomatic" sets with electric eye automatic contrast-brightness now begin at \$179.90 (formerly \$229.50).

Other black-&white sets: GE became first major line to feature Kimcode bare-faced tube—putting it in all 23-in. sets. Drawing on well-known tradename of its lamp div., GE has christened it the "Sealed Beam tube." First 23-in. lowboy now cuts in at \$199.95, compared with \$239.95 last year and 23-in. combos start at \$399.95 (vs. \$650 starter in old line), with step-up at \$499.95. Remote control now adds \$40 to GE retail price.

Magnavox concentrates heavy attention on middle end, with stepped-up values. Top-end 27-in. consoles are now \$349.50. New 24-in. consoles with doors covering screen, controls & speakers, are \$319.50. Low-end 23-in. Videomatic is \$198. Remote control now adds \$35-\$50 to Magnavox price.

Stereo: Magnavox's Astro-Sonic solid-state radio & sound system is now featured in sets starting at \$398—\$100 below last year. Stereo coffee tables start at \$169.50 with transistorized amplifier. Among other new Magnavox models is table-model all-transistor phono in walnut case with drop-down changer at \$139.95. Entering hi-fi component field, Magnavox showed combination changer & solid-state amplifier with separate speaker cabinets at \$139.90 (with FM-AM \$179.90).

GE showed coffee tables galore, as well as new long-low designs in high-end stereo with solid-state amplifiers. Also in high end, GE joined Sylvania in new trend of providing individual acoustical enclosures for speakers. Last year's wireless home music distribution system has been renamed "Porta-Fi" and made an option on 70% of console stereo line at lower prices (\$69.95 for speaker & transmitter, \$39.95 for additional speakers).

(For other new-line news, see p. 9.)

TV-RADIO PRODUCTION: EIA statistics for week ending June 7 (23rd week of 1963)

	June 1-7	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	112,241	107,719	116,694	3,014,953	2,897,009
Total radio	321,962	317,902	358,716	7,566,837	8,195,231
Auto radio	132,711	147,563	150,091	3,366,620	2,883,005

NEW SETS (cont'd): It didn't take Admiral long to respond to lower price movement of its competitors in portable field (see p. 8). Admiral Sales Corp., N.Y., introducing line to dealers, showed 19-in. portable with minimum resale price of \$129.88 for N.Y. area, and revived 17-in. set with \$118.88 price.

Vogue of "functional stereo furniture" took new turn, meanwhile, when Symphonic introduced all-purpose decorator series at \$99.95 suggested list. Available in 5 styles & 6 furniture finishes with drop-down changer & swivel speakers, units are shipped with 2 sets of legs—5-in. & 10-in. Symphonic suggests that these can be used as "regular console, room divider, coffee table, cocktail table, TV stand, bric-a-brac stand, planter bench, etc."

Symphonic also announced prices on its new line of tape recorders: \$89.95, \$119.95, \$159.95 & \$219.95.

GE's recently introduced radio line has some interesting features, including 5-transistor miniature line-cord clock radio at \$39.95, transistor FM portable at \$69.95. Also introduced were GE's first portable multi-band radios, American-made, at \$29.95 (broadcast & marine) and \$49.95 (including SW band). GE says this category now accounts for 8% of national radio dollar volume.

Second annual "TV Set Buyers' Guide" will be published by *TV Guide* as special supplement to its Sept. 7 issue. This year's guide will be 40 pages, with 20 pages of advertising—compared with last year's 32-pp. supplement including 12 pages of ads. Expected to exceed 9 million circulation, *Guide* will contain descriptions & photos of sets from all major 1964 TV lines, "how-to-buy" information, styling & decoration hints, special feature on home entertainment centers. Advertisers in "Buyer's Guide" will be GE, RCA, Sylvania, Westinghouse, Philco, Sears Roebuck & Zenith, according to ad dir. Eric G. Larson. Packard Bell will advertise in 11 West Coast regional editions. Regional editions will feature dealer & distributor advertising.

TV accounted for 30.4% or lion's share of sales dollars garnered by TV-appliance dealers in 1962, NARDA's 16th "Cost of Doing Business" survey established. Runners-up: refrigerators, 15.7%, washers, 13.5%, radios & phonos, 13.1%. Total sales, including revenue from servicing, climbed 7.5%. Service revenue improved to 15.5% of total from 15% in 1961. Merchandise sales slipped fractionally to 84.5% from 85%. Merchandise-service firms increased net operating profit ratio to 1.14% on net sales from year earlier's 0.4%. Total gross margins increased to 28.06% from 27.25% in 1961.

GT&E has received FCC authorization to purchase stock in Communications Satellite Corp.

TV SALES STILL GOOD: Distributor-to-dealer black-&-white TV sales registered their greatest 1963-over-1962 gain in April, while radio sales showed their biggest decline in the same month. TV sales passed 2-million mark for the year during month, and were 8% higher than April 1962, while 4-month period represented 5% increase over same 1962 period.

With coming of spring, radio's 1963 sales slump worsened, with distributor-to-dealer sales down 21% on April-to-April comparison and 15% for year-to-date, as compared with 1962. Radio's bright spots were auto radio, up substantially from last year due to boom in new-car sales, and FM (excluding auto FM), whose production was up 62% in April and 20% for year-to-date.

April TV production figures showed that 13% of total output for month was all-channel as it left factory, up from 10% in April 1962. For year to date, all-channel TV production was running 45% ahead of 1962. Here are official TV-radio sales & production figures, as released last week by EIA:

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
TOTAL	2,036,783	1,932,729	2,525,337	2,987,497

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
TOTAL	2,287,418	2,200,201	268,631	185,754

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
TOTAL	5,547,309	6,098,498	2,526,708	2,137,627	366,333	301,929

Guy Hobbs Inc., Dallastown, Pa. TV stand & cabinet manufacturer, is entering phono field with 7 portables & 4 consoles under "Music Master" brand name. Electronics for the units will be made by Sonic Electronics, now under Chapter XI proceedings. Sonic's reorganization has resulted in the naming of Guy T. Hobbs as pres., Charles T. Baxter (onetime RCA Victor TV div. gen. mgr.) as vp-gen. mgr. Former Sonic Pres. Ray Clevens continues as head of sales.

TV IMAGE-MAKER: "There's a lot of telephone in Sylvania TV" says new advertising slogan (see p. 7). There's also a lot of energy in its new team, and much of it is concentrated in Sylvania Home & Commercial Electronics Corp.'s Robert J. Theis, who, in his year at helm, has rejuggled Sylvania's distribution system, brought in new men at virtually all levels of operation and directed crash program to design & produce new line in half the time it should have taken.

Theis likes to hammer home his point that Sylvania is now "a profit line, not a promotional line." Most radical departure in his regime is perhaps the overhaul of distribution—direct factory-to-franchised dealer in large markets, through independent distributors in smaller ones. Currently, he says, 38-40% of company's volume goes to about 900 dealers in direct distribution, the remainder to 3,500 dealers through independent distributors.

Here are some of Theis's views as expressed at recent Sylvania convention:

On costs: "There's very little water left. The battle will be won in 3-4 years from now on the basis of distribution costs, purchasing costs and what's now in the labs. Our whole approach is to have the best distribution base this industry has ever seen."

On portables: "The 19-in. size will account for the bulk of the business for some time to come. In one year, U.S.-made 16-in. portable prices have been eroding from \$170 to \$130. Japanese equipment must ride lower in the market than American equipment—by \$25-\$30. An American 16-in. TV receiver would be fantastic at \$99.95, but who can get there? The manufacturing cost difference between a 16-in. and a 19-in. is perhaps \$2—or closer to \$1.50—at the most. To be a substantial factor, 16-in. American-made portables should be priced \$8-\$9 an inch below the 'go' prices of 19-in. merchandise. With so many manufacturers swimming in the same shallow pool, we question if there's enough 16-in. business to go around."

"Tinyvision—below 16-in.—is a specialty class. It will sample well but sell in limited quantities. We will build our \$129.95 16-in. portable at 25% of our portable mix the next 3 months. When the [competitive] need passes, we will withdraw the model."

On color: "There's tremendous interest. The public no longer has fears. 700,000 sets this year is within the realm of possibility. We plan no change in our [\$495 & up] color prices." Sylvania begins production of own color sets in Aug.

On all-channel law: Theis takes strong stand that it is "basically good," urges industry to adhere to spirit of law, and makes this pledge: "We will make only all-channel receivers for sale for the home entertainment market after the law becomes effective. We will not stockpile [vhf] receivers in advance, nor will we knowingly help any dealer stockpile in advance. We will not assemble or manufacture vhf sets in any of our Sylvania plants across the country for intrastate shipment. We will not co-op on any TV advertising that might mislead the public on the subject of uhf-vhf reception, equipment or price."

As to future problems for TV industry, Theis sees as one of most serious "the tremendous competition from big soft goods chains—such as J. C. Penney—now going into TV."

One of incentive innovations announced by Sylvania's consumer products operation at convention was borrowed from its tube div.: Company will give distributors & dealers Green Stamps with their purchases of merchandise.

RCA has realigned Electron Tube Div. and Semiconductor & Materials Div. into new organization of 5 operating units under direction of electronic components & devices vp Douglas Y. Smith. New units & their executives: Commercial Receiving Tube & Semiconductor Div., William H. Painter, division vp & gen. mgr.; Industrial Tube & Semiconductor Div., C. E. (Tex) Burnett, division vp & gen. mgr.; TV Picture Tube Div., John B. Farese, division vp & gen. mgr.; Special Electronic Components Div., Lloyd R. Day, gen. mgr.; Distributor Products, Harold F. Bersche, division vp. Dr. Allan M. Glover, previously vp & gen. mgr. of RCA's Semiconductor & Materials Div., has been named division vp for technical programs.

Campaign to repeal excise tax on all-channel TV sets, approved by EIA board last March, will be discussed by Consumer Products Div. executive committee and Legislative Policy & Tax Committees at EIA's annual convention this week at Chicago's Pick-Congress Hotel. Radio & phono sections will weigh proposals aimed at giving U.S.-made consumer products equal access to overseas military post exchanges. GE vp L. Berkley Davis, 2-term past pres. of EIA, will receive association's Medal of Honor. New association & division officers will be elected.

Monthly transistor sales figure releases have been discontinued by EIA at the request of majority of firms contributing their figures. EIA is continuing to compile statistics on production & sales of transistors and other semiconductors, but now releases them only on annual basis. We've been asked by several subscribers why we've discontinued printing these monthly statistics. It's because they're no longer available.

Ad plans: Admiral will use newspapers in 165 cities as well as national magazines in \$1.8 million summer-fall campaign principally featuring TV & stereo . . . Sylvania steps up advertising in 3-month \$1 million fall schedule keyed to national magazines, newspapers & spot radio . . . Philco re-enters network TV sponsorship with 4 hour-long documentaries on ABC-TV this fall, under title of *Philco Presents the World Over*.

Two indoor TV antennas have been introduced by Gallo Electronics. Color Master, designed for both TV & FM, contains transistorized amplifier; "Twin" antenna, without amplification, has separate units for low- & high-band reception. Both are housed in 7x9-in. rectangular cabinets.

Recorded tape cartridges for 3M's stereo tape cartridge system will be marketed under Command label by Grand Award Record Co. within 60 days. Making available 10 albums initially, Grand Award is 3rd record firm to offer music for use with 3M-Revere system.

Westinghouse is furloughing 100 production employees at its Bath, N.Y. tube plant because increasing Japanese imports have whittled anticipated sales, reported plant mgr. Walter Fleck. He said, however, that many would be recalled at end of annual plant-wide vacation July 27.

Trade Personals

Howard B. Saltzman, Alpha Wire pres., elected pres. of Assn. of Electronics Mfrs., newly formed from merger of Producers of Associated Components for Electronics (PACE) & Assn. of Electronic Parts & Equipment Mfrs. (EP&EM). Other officers: Vp, **Robert Svoboda**, Amphenol-Borg Electronics; secy., **Thomas B. Ure**, Hardwick, Hindle Co.; treas., **Wilfred Larson**, Switchcraft.

Donald C. Power, GT&E chmn., receives American Heart Assn.'s "Heart & Torch" award for "outstanding leadership and distinguished service."

Robert H. Tucker elected Minnesota Mining & Mfg. vp & secy. . . **F. Philip Hunt** elected Corning Glass vp & industrial relations dir.

George H. Fezell, onetime (1956-61) Magnavox vp & gen. merch. mgr., and for past 2 years with Montgomery Ward, rejoins Magnavox as TV-Radio Div. sales mgr., with N.Y. hq; **Harold Lembke**, ex-Hammond Organ, named Electronic Organ Div. mktg. dir. Fezell & Lembke also will become Magnavox corporate vps. **Richard Kelly & Dale Kelly** appointed Consumer Products Div. eastern sales mgr. & western sales mgr., respectively.

Robert M. Morris, formerly RCA International Ltd. vp in Rome, elected pres., National Foreign Trade Council.

Eugene M. Kinner, Zenith vp & dir., appointed pres. of newly formed Zenith Hearing Aid Sales Corp., a wholly-owned subsidiary.

Tucker P. Madawick, RCA Sales Corp. mgr. of industrial design, has been named Industrial Designers Institute exec. vp in charge of its 13th Annual Design Awards Program, to be held in Rochester Oct. 3-5.

Lewis C. Meyer, ex-deputy for financial analysis to Air Force Asst. Secy. for financial management, named Communications Satellite Corp. financial coordinator.

Victor Muscat, chmn. of B. S. F. Co., also elected TelePrompTer vice chmn. & a dir. (p. 12).

George Liebowitz elected TelePrompTer secy., treas. & chief financial officer.

Daniel O'Connell named mktg. administrator, Jerrold Electronics' Distributor Sales Div., a new post.

Ira James, ex-Polarad Electronics, named Pilot Radio administrative coordinator, a new post.

Joseph Burns appointed mgr. of newly established Advanced Research Lab of Du Mont Labs' Electronic Tube Div.; **Howard W. Grossbohlen**, ex-RCA, rejoins Du Mont Labs as product development mgr.

P. O. Willett, mgr. of Warren Radio, Kalamazoo, Mich., elected a vp of National Electronic Distributors Assn.

Obituary

Edward T. Lockwood, 59, asst. vp of AT&T, died June 7 in Bridgeport, Conn. hospital. He is survived by his widow & 3 daughters.

Distributor Notes: Admiral appoints **John A. Kenney** regional sales mgr. for distributors in Atlanta, Birmingham, Knoxville, Nashville, succeeding **R. F. Mewburne**, resigned • Zenith's Atlanta distributor, **Graybar Electric**, appoints drug wholesaler **John B. Daniel Inc.** associate distributor for Zenith radios only.

TV Import Step-up: Rapid acceleration of imports of small TVs can be anticipated for rest of year, accompanied by declining prices.

Latest to announce entry into TV is big Realtone Electronics Corp., which claims title [disputed by Channel Master] of largest U.S. radio importer. Its own plant in Japan, which produces for export only, will have shipped one million radios to U.S. this year, according to Realtone Pres. **Ely E. Ashkenazi**.

Realtone at week's end demonstrated 12-in. plug-in portable, weighing less than 20 lb., designed to retail below \$100 "with full dealer markup," and announced promotional 9-in. all-channel plug-in set for "profitable" sale at \$79.95 for spring 1964 delivery. Both sets have 110-degree square-corner tubes. Ashkenazi said he hopes mass production will permit reduction of 9-in. to \$59.95 or \$69.95 within few years.

Also announced by Realtone: 6-in. all-channel battery portable, unpriced, for delivery between spring & fall 1964.

Ashkenazi believes tinyvision sets will create new market, as did miniature radios, and eventually expand TV sales to 15-20 million units a year. Realtone plant itself is geared to turn out 10,000 plug-in TVs a month. He said Realtone will aim at chain store market, hoping to break into drugstore & supermarket trade, which he sees as ideal showcases for "impulse items" like tinyvision. "We feel," he said, "we belong in the small-screen market," while American manufacturers are perfectly capable of satisfying 16-, 19- & 23-in. demand.

In addition to TV, Realtone is diversifying into personal & professional telecommunications equipment, movie cameras & projectors, tape recorders.

In other TV import developments last week: (1) Delmonico began deliveries of its 4½-in. battery TV (\$149.95 plus \$24.95 battery), announced 9-in. plug-in TV at \$99.95, and 14- & 17- in. color sets (\$369.95 & \$399.95) for delivery next month. (2) Channel Master accelerated deliveries of its 8-in. battery TV (\$239.95, battery \$19.95), saying it was substantially back-ordered, and was planning to introduce 16-in. this summer. (3) Germany's Loewe Opta promised U.S. deliveries in Aug. on unpriced 10-in. battery all-channel set.

EIA will publish next June a revision of its 2-volume guidebook to servicing of home entertainment electronic equipment, "Advanced TV Servicing Techniques" & "Advanced Servicing Techniques." Updated version will include color TV servicing data. More than 42,000 copies of original guidebook have been purchased since its publication in 1954.

All-channel TV seminar will be sponsored by EIA July 22 at Music Show in Chicago's Palmer House. FCC Comr. **Robert E. Lee** will give keynote address. Panel, moderated by Dir. **Seymour Siegel** of WNYC-TV N.Y., will consist of engineers **Harris O. Wood**, Philco; **Robert G. Weston**, FCC; **Jack D. Beever**, Jerrold.

Magnavox has moved some of its executive offices from Fort Wayne to N.Y., on 15th floor of Union Carbide Bldg. Involved in transfer are treasurer's office, credit dept. and sales, ad & PR executives.

Electronic Specialty Co. will be listed for trading on N.Y. Stock Exchange July 1. Symbol: ELS.

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
Electro-Voice	1963—year to Feb. 28	\$ 11,490,507	\$ 180,024	\$ 104,895	\$0.21	497,332
	1962—year to Feb. 28	12,150,667	779,818	392,908	.79	497,332
Harvey Radio	1963—qtr. to Apr. 30	1,773,084	—	84,799	.11	770,000
	1962—qtr. to Apr. 30	1,716,100	—	81,602	.11	770,000
Seven Arts Productions	1963—year to Jan. 31	19,407,905	—	1,705,793	1.08	—
	1962—year to Jan. 31	15,990,874	—	1,100,555	.85	—
TV Shares Management	1963—6 mo. to Apr. 30	955,002	295,674	149,174	.15	1,018,500
	1962—6 mo. to Apr. 30	1,366,648	748,097	367,258	.36	1,018,500
United Artists	1963—qtr. to Mar. 30	26,994,000	1,084,000	578,000	.32 ¹	1,803,542
	1962—qtr. to Mar. 30	32,065,000	1,757,000	916,000	.51 ¹	1,729,473

Notes: ¹Based on 1,803,542 shares outstanding March 30, 1963.

TelePrompter Pres.-Chmn. Irving B. Kahn is selling 40,000 of his 55,000 shares to B. S. F. Co., a holding company, for \$240,000. The stock block represents 5.3% of TelePrompter's total 762,000 outstanding shares. Three B. S. F. executives were elected to TelePrompter's 9-man board: Chmn. Victor Muscat, Pres. Robert L. Huffines, exec. & finance committees chmn. Edward Krock. Muscat also was named TelePrompter vice chmn. "This is not a takeover," Kahn emphasized, adding that he plans to buy back the stock later under an option of the transaction. The repurchase option becomes effective at \$6.50 a share 6 months after sale is completed. Thereafter, price will increase 50¢ a share every 6 months, up to \$10 a share. Stock is being sold and B. S. F. officers are joining TelePrompter's board, he said, "to make available considerable" B. S. F. capital for TelePrompter financing & expansion.

Supervised Investors Services, re-named from TV Shares Management (Vol. 3:21 p12), will reduce its fees for investment & other management services to TV-Electronics Fund under proposed new rates subject to approval of latter's shareholders. In lieu of present charge of 0.5% on Fund's total assets, the advisory firm proposes a sliding scale of charges ranging from 0.5% on the Fund's first \$215 million to 0.25% on assets in excess of \$800 million. Supervised Investors Services Pres. John Hawkinson estimates new fee schedule will save Fund shareholders \$205,000 annually.

United Artists' sales & earnings dropped in 1963's opening quarter (see financial table) & Pres. Arthur B. Krim told annual meeting that 2nd-quarter figures would drop in a "relatively similar manner" from year earlier. However, he forecast that year would total out as "satisfactory," that 1964 would be "tremendous." Factor in future improvement is UA's increasing TV business. UA TV shows, he said, will occupy 4½ hours weekly of network time next fall vs. one hour last fall, and income from new TV shows will be reflected in 1964.

RCA Victor Co., Montreal, has sold \$8 million of 5¾%, 20-year promissory notes to institutional investors through Lehman Brothers, Lazard Freres & Co. and Greenshields Inc. Proceeds will be used to reduce bank loans & general corporate purposes.

GT&E's 2nd-quarter earnings are some 10% ahead of a year ago & revenues and sales are running about 5% ahead, Chmn. Donald C. Power told Milwaukee Investment Analysts. "I would expect net income for the 2nd quarter to be about 30¢ a share against 27¢ a year ago," he said. For total year, "we are currently estimating something over \$1.25 a share [vs. \$1.15 in 1962] and in view of our first-quarter results [Vol. 3:16 p12] and our estimates for the 2nd quarter, I would say this is not unduly optimistic. In fact, it is reasonably conservative."

Hewlett-Packard expects sales in its 1963 fiscal year ending Oct. 31 to climb to about \$120 million from \$109.1 million in fiscal 1962. (For first-half report, see Vol. 3:23 p12.) Pres. David Packard foresees earnings topping year-ago's \$7.1 million or 62¢ a share. Current expansion plans, he noted, include new \$2 million oscilloscope facility in Colorado Springs, Colo., addition to plant in Stuttgart, West Germany.

Video Independent Theatres has increased its holdings of H & B American common stock to 343,855 shares—or 13.3% of total 2,575,192 outstanding. Video Independent Theatres, subsidiary of General Tire & Rubber's subsidiary RKO General, also owns \$1.2 million of H & B's total \$2 million 6% convertible debentures, which are convertible into common stock at rate of \$4 per share.

Hitachi, one of Japan's largest electrical & electronic equipment manufacturers, has filed SEC registration for 75 million common shares to be offered publicly around July 10 through underwriting group headed by Dillon, Read & Co. and Yamaichi Securities Co., N.Y. Offer will be in form of 937,500 American Depositary shares.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Axe Science & Elec.	—	\$0.08	July 19	June 28
Clevite	Q	.35	June 28	June 17
Columbia Pictures	Stk	2½%	Aug. 15	June 28
Decca Records	Q	.30	June 28	June 17
Eico Elect. Instr.	Q	(omitted)	—	—
ITT	Q	.25	July 15	June 21
Universal Pictures	Q	.25	June 27	June 17
Western Electric	Q	.90	July 1	June 20

with

Consumer Electronics . . . (starts page 7)

JUNE 24, 1963

NEW SERIES VOL. 3, No. 25

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CLIMAX ON EQUAL TIME, EDITORIALS: House passes 1964 equal-time suspension, Senate starts its hearings this week, Rogers sets date for House editorializing hearings, NAB warns against any govt. editorial standards (p. 1).

FCC'S PRE-RECESS AGENDA includes heavy load of major matters Commission hopes to finalize or move big step forward (p. 2).

RATINGS—NAB PROGRESS, FCC VIEW: First Rating Council meeting in N.Y. looks at RAB's Audits & Surveys radio proposal, appoints new executive committee; FCC Chmn. Henry appears before Harris; Harris appears at N.Y. meeting (p. 2).

THE 'FORD POSITION' ON LOCAL-LIVE, likely to prevail over the years, insists stations must show FCC they've really canvassed community & plan to program accordingly (p. 3).

FCC SEEKS \$16.5 MILLION: Commission appears before Senate Subcommittee on fiscal 1964 budget, is quizzed on local live, translator backlog, relationship of programming to number of stations (p. 5).

Consumer Electronics

16-IN. TV AT \$99.95 climaxes season of price-cutting, as Emerson chops \$30 from list price of U.S.-made set. Pres. Abrams says it will be sold 'without restriction' and without tie-ins. Industry studies move, withholds comment (p. 7). More price cuts in Emerson's line (p. 10).

EIA CRUSADES FOR ALL-CHANNEL TAX REPEAL: Moves to have legislation introduced in House Ways & Means Committee next month. As expected, push will be for repeal of tax on all-channel sets only (p. 7). Other news on EIA convention (p. 10).

SHELBOND PICTURE TUBE is launched with a bang, but tube manufacturers still find its cost-reduction potential attractive, despite incident at demonstration; bonded tubes reach new popularity (p. 8).

JAPANESE TV SETS NEARING UL APPROVAL? Several makes now undergoing investigation and 'a couple are coming close to approval, but are not there yet,' we are told (p. 9).

RCA'S ANTI-IMPLOSION rim-band TV tube is Kimcode variation that uses welded band instead of crimped seal. New Pan-O-Ply tube goes into production late this summer; cost will be near Kimcode's (p. 11).

CLIMAX ON EQUAL TIME, EDITORIALS: Since everyone in Washington seems to want a finger in the equal time & editorializing pie, it may be helpful to put current developments in one-two-three order:

(1) House passed H. J. Res. 247 last week, 263 to 126, to suspend equal time (Sec. 315, Communications Act) from Aug. 20 through Nov. 2, 1964 for candidates for President & Vice President only.

(2) Sen. Pastore (D-R.I.) starts hearings June 26 on 3 measures (Vol. 3:24 p5, Vol. 3:23 p6) to either suspend or repeal equal time for 1964. He'll hear: FCC Chmn. Henry, Sen. Hartke (D-Ind.), NBC Chmn. Sarnoff, CBS Pres. Stanton, statement from ABC Pres. Goldenson, attorney Paul Porter for President's Committee on Campaign Costs, probably NAB Exec. vp Wasilewski, a Socialist Labor Party rep, radio WQXI Atlanta Exec. vp Barry Sherman, possibly statements from Democratic & GOP National Committee chairmen. Pastore also invited nation's 50 governors to testify or send statements because one bill exempts their campaigns.

(3) Rep. Rogers (D-Tex.) set July 15 for hearings on editorializing. He told us he's mostly concerned with fairness doctrine.

(4) Rep. Moss (D-Cal.) introduced HR-7072 last week "to assure fairness in editorializing;" it would make Sec. 315 equal opportunities apply to editorials for or against political candidates, not only to time given nominees. It would also ban editorials 2 days before any election.

(5) NAB's Editorializing Committee met in Washington last week, said it was "unalterably opposed" to measures such as Moss's. NAB's 2nd edition of "Editorializing on the Air," expanded to include guidelines on political issues & candidates (Vol. 3:24 p5), will be shown this week to NAB Board. It was also major discussion point between NAB Pres. Collins & staff and FCC commissioners & staff last week.

Meeting was closed to newsmen, but word was that FCC representatives indicated they sympathize with NAB view that restrictive rules shouldn't be promulgated. An NAB spokesman said he thought Com-

mission showed that it would oppose any Congressional attempt to impose govt. standards. NAB will conduct 2-part survey: (1) Postcard poll to determine extent of editorializing. (2) Depth study of editorial case histories from stations which editorialize heavily.

Rogers hearings on editorializing will examine "whether or not fairness prevails." "We're on a fishing expedition," he told us. "We want to find out if editorials are influencing the people without telling all the facts." He said he's concerned with local matters as well as political issues.

Format, content, time involved in editorials will be scrutinized. Rogers states he isn't trying to frighten broadcasters away from on-air stands, but "we're trying to establish a policy by which broadcasters will know their responsibilities on equal time and by which the public will know where it stands."

House debate on 1964 equal time suspension underscored mounting Congressional concern over TV's influence at election time. Echoing minority view as contained in Commerce Committee report (Vol. 3:23 p6), Rep. Williams (D-Miss.) said: "Who is to make the determination of who is a major candidate?" He answered with names of the 3 network heads.

Rep. Harris (D-Ark.), referring to those particularly in the South who feared national time wouldn't be given to 3rd parties, stated: "I am confident that the networks, out of fairness, will offer time to a 3rd party." Rogers said: "Don't nominate anyone who doesn't make a good TV appearance because he is going to be on it whether he likes it or not."

House killed amendment by Rep. Ryan (D-N.Y.) that would have limited suspension to joint appearances by candidates, as in the 1960 debates. Rep. Widnall (R-N.J.) called for conferences by FCC, Congressional committees & industry to set up "rule of thumb" on TV-radio appearances by incumbent Presidents during election years. Problem, he stated, is differentiation between partisan talks & crisis situations.

FCC'S PRE-RECESS AGENDA: FCC will try to move a number of major matters before traditional Aug. recess, may well consider the following in the mere 5-plus weeks remaining—a mighty big chunk to chew:

- (1) Clear way for conferences with networks on giving uhfs programs not carried by vhf affiliates.
- (2) Get ready for en banc hearing on radio programming, probably getting field studies lined up.
- (3) Get near-final agreement on TV program form.
- (4) Issue Chmn. Henry's Omaha local-live hearing report.
- (5) Promulgate final FM allocation plan.
- (6) Issue final report on AM pre-sunrise proposal.
- (7) Take final action on proposal to require stations to keep applications on hand for public inspection.
- (8) Finalize proposal to open network affiliation contracts to public at FCC hq.
- (9) Finalize automatic logging & operator rules.
- (10) Issue proposed "saturated" uhf allocation plan.
- (11) Propose rules for airborne ETV operations.

RATINGS—NAB PROGRESS, FCC VIEW: NAB's Rating Council met for first time in N.Y. last week: (1) Named executive committee to keep pressure on reform actions. (2) Started work on methods questionnaire for rating services. (3) Formulated letter to be sent this week to all rating services outlining program & asking for final support. (4) Took a look at Audits & Surveys Co. proposal for new radio methodology study as advocated by RAB.

In other developments, FCC Chmn. Henry testified before Harris Subcommittee. As we forecast (Vol. 3:24 p3), he said recent FTC & FCC measures should not only discourage improper use of ratings by broadcasters, but should shorten time taken by raters to improve.

Rep. Harris (D-Ark.) told Sales Executives Club in N.Y. that "last resort" possibility of legislation could take form of requiring full disclosure by rating services of their methods & limitations on accuracy.

NAB is pulling out all stops to push its program across. It's not generally known that NAB Pres. Collins & Research vp Goldberg met 2 weeks ago with top Bureau of Census men—Conrad Taeuber & Morris Hansen—on their views & possible help on methodology.

New executive committee of Rating Council is composed of N.Y. executives who can gather quickly to expedite reform moves: Group W, McGannon; CBS, Fisher; NBC, Beville; ABC, Segal; TvB, Cash; RAB, Bunker; plus NAB's Goldberg who serves ex officio on all Council committees. Beville also heads subcommittee to develop methods questionnaire to serve as basis for accreditation. It's expected questionnaire will go out in 30-60 days. Also in this group are TvB's Arons, RAB's David, plus possible AAAA representative.

Membership was filled in on Criteria & Standards Subcommittee, headed by WJTN Jamestown, N.Y.'s Goldman, & Audit Subcommittee, headed by WMAL-TV Washington's Houwink.

After meeting with RAB and Audits & Surveys, NAB unanimously passed motion stating that A&S project (Vol. 3:23 p3) has "considerable merit." More conferences are planned—"looking for the time when specific recommendations [to NAB Board] and affirmative action can be taken." NAB still hasn't committed itself to co-partnership with RAB in the A&S study.

NAB has respect for A&S methods but believes plan is still too embryonic to base commitment. RAB was encouraged by NAB stand, said it's closest they've been to "merger of efforts." A&S plan also indicated that study will be of some help to TV—in checking problem of diary fulfillment errors & homes that won't cooperate. Study would evaluate comparative costs of various types of research.

Representing AAAA at NAB meetings were Robert Sorenson & Edward Marshall. William Kistler was there for ANA. NAB would like these 2 groups to have more than present "liaison" status, but so far they've not indicated such desire. As to requests that Advertising Research Foundation participate, here's NAB view: It's willing to consult with any recognized group or individual on any aspect of reform program. However, NAB doesn't think ARF could be part of Rating Council because it's already a tri-partite committee.

In his testimony, FCC Chmn. Henry criticized "overzealous use and blind adherence to ratings," said responsibility for programming belongs to broadcasters—not to networks, agencies or rating services. He said that new program reporting form—due before year end—will clarify licensee responsibilities to meet needs of community, regardless of ratings, no matter how accurate.

Under questioning by Charles Howze, Subcommittee chief counsel, Henry said he would undertake to document cancellations of network programs brought about by ratings. He also said that move by FTC & FCC means broadcasters will have to exercise caution & restraint in use of ratings in trade press & newspaper ads—possibly even stating sample size. At hearings, Harris renewed suggestion networks do a documentary on ratings to keep public informed. He said he wouldn't want to be in it, however.

THE 'FORD POSITION' ON LOCAL-LIVE: Republican FCC Comr. Fred Ford has at times found ex-Chmn. Minow & Chmn. Henry moving for more industry regulation than he can take—but he remains fiercely determined in one particular area. He intends to see that his brain-child when he was chairman—the 1960 Program Policy Statement—brought to fruition. It states that stations must show FCC that they've made a genuine effort to learn what their communities need and how they intend to meet these needs. (For full text of Statement, see Special Supplement, Aug. 1, 1960.)

Last week, Ford strongly repeated his beliefs, in speech titled "Local Live Programming in Prime Time," before Va. Assn. of Bcstrs. He traced history of subject, said Congress, courts & Commission have always held that FCC has right to expect stations to program for local needs. We think Ford's views are pretty close to what will prevail most of time in coming years, though pendulum will swing back & forth through his position, from one administration to another. So quotes from his conclusions are well worth noting:

"It is not, in my opinion, proper for the Commission to speculate or second-guess licensees on what they should or should not broadcast, the content of their programs, and the time they are scheduled, aside from certain limitations on profanity, fraud and so on, but it is our responsibility to see to it that licensees seek out the needs of the public, evaluate those needs and serve them. How they do it is their responsibility, but the fact that they do it is our responsibility.

"Over the years you have heard a lot I am sure about censorship by the Commission and 'regulation by lifted eye-brow.' I am satisfied that no one can successfully maintain that the Commission has ever

engaged in a policy of censorship. The Congress, the Courts and the Executive Branch—through Attorney General Rogers' 1959 Program Report to President Eisenhower—all support the proposition that the vigorous enforcement by the Commission of its statutory obligations constitutes neither censorship nor an improper abridgement on the right of freedom of speech. As a matter of fact, aside from the Constitution and Section 326 limitations on the Commission, I have never heard of a bill even being introduced in the Congress to prohibit, as a matter of policy, the Commission's consideration of programming as a part of its licensing function.

"We have had perhaps not quite so much success in refuting the charge of regulation by lifted eyebrow. Consequently, in closing, I say to you that if you have preserved the evidence of your efforts to seek out the needs of the area you serve; if you have evaluated the needs of your area for local live programming and determined in good faith the amount, type, content and time of local live programming to meet the needs of your area balanced against their needs for national programming, and have broadcast programs substantially in accordance with that determination, then you have the facts, the evidence and the law on your side which all of our collective eyebrows cannot change.

"The Commission in the past has pointed to the need for local programs 'during the best listening hours,' but this in my opinion calls for a judgment that the licensee is particularly qualified to make, taking into account such things as the listening and viewing habits of his audience and the programming of other stations that will be competing for their attention. I have found nowhere at anytime a requirement that stations broadcast local live programming in prime time. Perhaps they should, but only based on the evidence which the local station acquires can the 'best listening hours' for local live programming be determined. Each broadcaster must rely on the evidence in his area before making that determination.

"In this country broadcasters are free and the Commission's Report and Statement of Policy of 1960 is a reaffirmation of that freedom."

"Arm-twisting" of TV-radio stations by Agricultural Dept., on wheat referendum, was charged by syndicated newspaper columnist Richard Wilson last week. He quoted from memo sent by Dept.'s Ray Fitzgerald to field man, including: "As you know, interests representing one point of view in the referendum are blanketing radio & TV stations with material in heavy quantities. It is not expected that we can match the flood of material from this group, which is also in a position to buy time. But it is essential that we act aggressively to make use of public service time . . ." Wilson said field men were told to remind stations that their renewals might depend on their carrying "public service" programs such as sought by Dept. FCC Chmn. Henry was queried about matter during his testimony on ratings before Harris subcommittee, didn't know about it, said: "Broadcasting is our responsibility." FCC will give subcommittee a report. Said one Commission source: "Taken as a whole, the memo isn't as horrendous as indicated. But some of it is as injudicious as hell—and if Agriculture had asked our advice we'd have said so."

Communications Satellite Corp. purchase of all international communications facilities, proposed by RCA Chmn. David Sarnoff (Vol. 3:22 p5), was attacked by ITT Pres. Harold S. Geneen as move to "abandon" competition instead of strengthening it. Geneen suggested, instead, that Congress allow merger of "record" (non-voice) carriers and that ComSat be a "carrier's carrier." Merger of record carriers would involve divisions of ITT, RCA & Western Union. Sarnoff plans response to Geneen proposal.

New affiliates: WHNT-TV (Ch. 19) Huntsville, Ala., CBS-TV, EMP, Sept. 1; KECC-TV (Ch. 9) El Centro, Cal., ABC-TV, primary, Sept. 1.

FCC option time ruling (Vol. 3:22 p1) is expected to be subject of petitions for reconsideration by ABC & CBS; it seems fairly certain NBC won't challenge ruling. Networks' affiliate associations, ABC's particularly, are likely to seek reversal or amelioration, too. No one expects FCC to reverse itself and reinstitute option time—but filing petition with Commission gives appellants better base to argue from in later court appeals. It's also expected FCC will be asked to permit fulfillment of affiliation contracts extending beyond Commission's Sept. 10 deadline. One danger in going to courts now: Original appeal by KTTV Los Angeles argued that option time was an anti-trust violation. FCC didn't rule on that—but if court held against networks on anti-trust basis, they'd risk treble-damage penalties.

New Mexico law governing advertising by optometrist over radio station doesn't conflict with Federal law and FCC powers, U.S. Supreme Court has ruled. Radio KHOB and a newspaper had carried ads of a Texas optometrist, and State of N.M. had declared ads violated state law. KHOB appealed, stating that Communications Act preempted control of such interstate commerce and gave overriding power to FCC. Commission & Justice Dept. agreed with KHOB, but Supreme Court said that Constitution "never intended to cut the States off from legislating on all subjects relating to the health, life, and safety of their citizens" even if interstate commerce may be involved. Net effect: Status quo re FCC powers.

U.S. space & radio astronomy allocations proposals, to be advanced at Oct. 7 Geneva conference, have been issued through FCC. Text of 86-page document will be printed in *Federal Register*, may be inspected at Commission offices until available in *Register*.

FCC SEEKS \$16.5 MILLION: Asking Congress for \$16.5 million—\$1.5 million more than last year—FCC last week told Senate Appropriations Subcommittee increased applications & processing rather than new legislation causes stepped-up workload. Sen. Allott (R-Colo.) couldn't see need for more stations, said increase was leading to program deterioration.

Increase in programming choice is only way to improve quality of programming, said Henry. Allott questioned that: "I think the overall quality under the dynamic leadership of your predecessor has completely torn the insides out of good programming."

Subcommittee members asked about delays in processing translator applications. There's only one man doing the job and he's now Comr. Cox's legal asst. Cox said Commission has extended license terms so that they don't come up for renewal too often, said that one of the big problems is unfamiliarity by operators with govt. regulations. Broadcast Bureau Chief James Sheridan seemed to satisfy senators by noting that translator starts are seldom delayed; renewals may be slow sometimes, he said, but translators keep going. Sheridan also noted declining rate in translator applications from 2,000 in 1962 to probable 1,500 in 1963 & anticipated 1,400 in 1964.

On license fees, Henry said Commission expects to recoup 20% of FCC operating costs but stated FCC needs \$75,000 to get fee-collecting program going. Sen. Magnuson (D-Wash.) didn't think that money was necessary—"to bundle the checks up and take them to the Treasury?"

Proposal to limit commercialization would incorporate spot checks, Henry said, adding that no one would rather stay out of this area more than the Commission, but that broadcasters haven't taken care of problem themselves.

Local live hearings in Chicago & Omaha produced some hot comment. Sen. Hruska (R-Neb.) probed cost & preparation involved. Chicago took 9 days, Omaha 10; cost for both was estimated at \$5,000, excluding salaries.

Hruska asked Henry: "You mean your time is worth nothing, so you did not put in anything for the time?" He added: "It was sure a painful way to do it," referring to Omaha. "If there are any additional hearings like that, I would like to be informed of it," he said.

"Kenyon & Eckhardt Market Guide" is new compilation showing markets "fundamentally in terms of U.S. TV coverage" because "the TV area is the market" to many advertisers. Framework of market areas is 27 Nielsen Food & Drug Index areas, using series of maps. Data includes total households, TV homes, food-drug-income figures, originating channels' share of audience, radio & print information, key supermarket & drug chains, etc. Also included are marketing & media factors for 217 TV coverage areas, according to rank, using ARB material. Project is under Stephens Dietz, K&E senior vp & mktg. services dir., who believes book will be particularly useful to those selecting test markets for new products. Volume is offered at \$15 from K&E, 200 Park Ave., N.Y.

SMPTE moves its N.Y. hq office July 1 to 9 E. 41 St., N.Y. 17. Phone: TN 7-5410.

Increased network rates for CBS and NBC will face advertisers by year's end. CBS-TV mailed Rate Card No. 16 to clients last week. Among changes: for lineup of 192 U.S. stations, CBS basic Class A hour rate is \$142,490 (although this will go to \$144,180 on basis of listed increases by end of year); Class D (marginal time) segments are now merged with Class C and Morning Plan (although advertisers currently on D rate will have 6-month protection from June 15); rate, discount & sales policy information are printed on inside of folder, with rate revisions available in form of drop-in sheets. NBC-TV is putting final touches on new rate data. Among changes: Class A hour rate will be \$143,995 for lineup of 203 stations (although due to rise to \$146,550 by end of year for similar lineup). ABC-TV does not plan rate revision in near future, we're told.

Eloquent NAB Pres. Collins is delighting broadcasters with strong language against FCC's proposed imposition of commercial ceiling based on NAB Codes—as much as he upset industry's "schlock operators" by his early attacks on them. Said Collins in Jacksonville speech: "We will take our case not only to the Commission but, if necessary, to the Congress, to the people—and even to the courts. If we lose this battle the cause of free broadcasting will be irreparably crippled. The whole cause of broadcast self-regulation may be lost . . . [The FCC] may well be seeking to impose on the broadcaster a suffocating blanket of obsolescence."

Move of Ch. 6, Providence from Martha's Vineyard to Tiverton, R.I. has been upheld by Court of Appeals. Main claim of Rhode Island TV Corp., challenging FCC action, was that move should have been done through rule-making and that it should have had crack at applying for channel held by WTEV. Commission had ruled that move wasn't a channel reassignment, that station was still assigned to New Bedford—and Judges Bazelon, Washington & Burger agreed.

Portable video-tape recorder developed by Machtronics Inc. and weighing 60 lb. (Vol. 3:13 p6) will be used by ABC-TV news team covering President Kennedy's trip to Europe this month. One machine will be located at Idlewild Airport to cover President's departure & arrival; another will travel with newsmen covering trip. ABC will also use machine in 1964 Winter Olympics' coverage. According to ABC Engineers Pres. Frank Marx, it "will open a whole new field of electronic reporting."

Backlog of color commercials is being stockpiled by Bell Telephone of Pennsylvania, which believes color eventually will be available on virtually all major stations. Pennsylvania Bell is currently filming all commercials used in regional 9-station programs (newscasts, etc.) via Gray & Rogers in color, although only 2 stations are actually airing them this way. Colorcasting stations are WFIL-TV Philadelphia & WGAL-TV Lancaster, with WTAE Pittsburgh to be added shortly.

Network TV gross time billings for first quarter totaled \$204,254,218 compared with \$194,618,376 for same 1962 period, a gain of 5%, TvB reported. By network: ABC-TV, \$55,074,175 vs. \$50,194,007, up 9.7%; CBS-TV, \$76,726,549 vs. \$74,788,854, up 2.6%; NBC-TV, \$72,453,494 vs. \$69,635,517, up 4%. Biggest first-quarter percentage gain was in daytime weekend billings up 32.9% to \$14,557,566 from \$10,952,918.

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EDITORIAL

ALBERT WARREN,
Editor & Publisher

JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager

RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

CHARLES SINCLAIR,
Contributing Editor

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

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Personals

James E. Duffy, ABC Radio exec. vp & national sales dir., appointed vp in charge of TV network sales; **Theodore M. Douglas Jr.**, ABC Radio eastern sales mgr., elected vp & national sales dir., succeeded by **Herb Granath**, account exec.; **Edward G. Bishoff**, ABC Radio central div. sales mgr., elected vp & div. sales dir.; **Gary Kay** named asst. program mgr., ABC International TV.

Leslie Winik, International Telemeter exec. vp, elected pres., succeeding **Howard Minsky**, resigned. . . **Martin J. Brown**, ex-WOR-TV N.Y. sales service dir., named to sales staff, rep **Roger O'Connor Inc.**

Richard Stern, ex-Fletcher Richards, Calkins & Holden, appointed gen. sales mgr., WAIH-TV Atlanta. . . **Royal E. Blakeman**, of Red Wing Productions, elected N.Y. Chapter pres. of Academy of TV Arts & Sciences.

John F. Crohan, WCOP-AM-FM Boston vp & gen. mgr., elected Boston Executives Club pres. . . **Julius Edelman**, ex-Ted Bates, appointed exec. vp & producer-dir., **Mickey Schwartz Productions.**

Martin G. Waldman, ex-Young & Rubicam TV-radio dept., forms Communications Planners Inc., PR, 185 Madison Ave., N.Y. (MU 3-3675) . . . **Robert F. Klein**, ex-Blair TV mgr., Los Angeles, appointed exec. vp, **John Cohan Stations.**

Harry Frey promoted to WTHI-TV Terre Haute news dir. . . **Martin Colby**, ex-Triangle TV-radio div. eastern TV sales mgr., named sales specialist, **Blair BTA div.**

Stanley R. Jaffe promoted to exec. asst. to **Thomas D. Tannenbaum**, Seven Arts vp in charge of TV production & packaging. . . **Murray Oken**, Trans-Lux TV eastern div. mgr., promoted to national sales mgr.

Forfeiture of \$3,500, reduced from proposed \$6,500, has been levied by FCC against radio **WCHI Chillicothe**, **WCHO Washington Court House** & **WCOV Wellston**, all Ohio, for failure to have full-time first-class operator and for **WCHI** over-modulation. Stations had pleaded difficulty of finding such operators for small-town stations, impressing Commission somewhat. Fine of \$250 was ordered for **KVOB Bastrop, La.**, for illegal "teaser" announcements (no sponsor identification), a cut from proposed \$1,000. Forfeiture of \$3,500 was proposed for **WVAR Richwood, W. Va.**, for failing to have first-class operator.

Request for FCC inquiry into "lack of color TV programming" in Cleveland is subject of unusual resolution introduced in City Council following testimony by TV dealer who said he was selling 10 color sets for every b&w console and that his customers have been let down by local stations' scarcity of colorcasts. Resolution also would urge FCC "to recommend that further stations licensed to the city of Cleveland be granted to local interests who propose to serve a local audience with local color in the public interest."

Speakers' bureau directory, containing names of 472 broadcasters available to address local & national groups on TV-radio, has been published by NAB for 2nd time. Booklet "If You Want a Speaker" is available to professional, charitable, civic groups. More than 50,000 copies of last year's edition were distributed, according to **John Couric**, NAB public relations dir.

TV glimpses of Soviet cosmonaut in flight & of **Moscow throngs lining up for newspapers** were seen here via **Telstar II** as result of ambitious global TV link. Scenes were recorded in Russia, put on Soviet bloc **Intervision**, relayed to **Eurovision**, taped in London, sent to **Goonhilly Down** for satellite pickup.

Pay TV will eventually reach 15 million TV homes, produce \$2 billion annually, **Gerald Bartell**, **Macfadden Teleglobe pres.**, told Cincinnati Rotary Club luncheon last week. He predicted that "large motion picture palaces" wouldn't be hurt and neither would commercial TV, "although certainly some alterations will be indicated for competitive reasons."

Station sales approved by FCC: (1) 50% of **WNBE-TV (Ch. 12) New Bern, N.C.**, from 100% owner **Nathan Frank** to **Thomsland Inc. (Harold & Meredith Thoms)** for \$60,000. (2) **KAVE-TV (Ch. 6) & KAVE Carlsbad, N.M.**, from **Lucile R. Talbott, et al.** to **KAVE Inc. (John Deme, WINF Manchester, Conn.)** for \$168,000.

FCC staff appointments: **Wallace Johnson**, asst. chief for engineering, Broadcast Bureau; **H. H. Goldin**, asst. chief for policy & planning, Broadcast Bureau (new post); **Thomas Fitzpatrick**, chief, Hearing Div.; **Louis Stephens**, asst. chief, Renewal & Transfer Div.; **John Bass**, asst. chief, Rules & Standards Div.

Financial crisis of ETV WNDT N.Y. has so eased that it's only \$60,000 short of 1962-63 \$3 million budget. But trustee **Charles G. Stradella** said more support will be needed from public & industry as foundations gradually reduce contributions.

Better CATV-broadcaster relations were urged by **NCTA Pres. William Dalton** in speech to Va. Assn. of Bestrs. He said he's delighted to see more broadcasters entering CATV: "This makes sense, and lots of it."

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

EMERSON'S U.S.-MADE 16-IN. AT \$99.95: Price competition in TV industry reached something of a climax last week when Emerson slashed \$30 from its 16-in. American-made set, bringing it down to \$99.95—lower than many imports.

Set is same model introduced last Jan. at \$129.95 (Vol. 3:1 p8), even to earphone jack—normally regarded as step-up feature. Leader is grey, step-ups (in color) are \$109.95 & \$119.95 (sleep switch); all-channel version is \$129.95, a \$30 hike. All-channel versions of other Emerson sets add \$20 to list price. Emerson's leader 19-in., which sold for \$149.95 year ago, is now \$129.95.

"We will produce it to the extent there is a market for it," Emerson Pres. Benjamin Abrams told us at week's end, referring to \$99.95 set. "We will sell it without any restrictions—but only through Emerson dealers, of course. We will sell it without tie-ins with other merchandise." He said set does not depend on foreign parts for its low price. It's understood Emerson has switched to single chassis for both 16- & 19-in. sets, but competitors were dubious that this action could absorb even minor fraction of price reduction.

Sparked by the price-leader, Emerson chalked up more orders at last week's convention than at any time in its 48-year existence, Abrams said. Distributors ordered "all we can give them" of the \$99.95 set. Orders for remainder of line, he said, will take all of factory's production for rest of year, even with output at higher rate than first 6 months—which is 50% ahead of 1962's same period.

It seems unlikely that other manufacturers will come down to \$99.95 at this point. But, mindful of another \$99.95 set which shook the industry—GE's 14-in. portable back in 1955 (Vol. 11:21 p13)—they're watching & surveying, figuring costs & margins. Some price cuts could come with drop-in models later.

Remainder of Emerson's lines—longest in several years and with new emphasis on stereo—is summarized on p. 10.

EIA CRUSADES FOR ALL-CHANNEL TAX REPEAL: Undaunted EIA will have another go at its particular windmill—federal excise tax. Among major developments of 39th annual convention in Chicago last week: Tax Committee & other support groups lined up for Board's March-approved go-ahead for another tilt (Vol. 3:12 p7), and EIA now expects to have tax-repeal legislation introduced in House Ways & Means Committee next month.

As anticipated, sole target will be all-channel sets. Instead of leveling attack against taxes on all consumer products, EIA hopes to pump some hope into its forlorn campaign by calling for repeal only of 10% excise tax on all-channel TVs.

"It's the best chance we've ever had of making a chink in the armor" after failures with 5 successive Congresses, summed up re-elected Consumer Products Div. Chmn. Morris Sobin, Olympic Radio & TV pres. Because all-channel law is expected to add some \$20-\$30 to price of TV sets, he said, "the govt. should feel an obligation to the public."

Despite Sobin's hope that "a different situation exists with all-channel sets," corridor conclusion is that windmill will win again, in a breeze. Other highlights of EIA convention:

(1) Warning that electronics industry is in for "some pretty rough times unless we stick together" was sounded by re-elected EIA Pres. Charles F. Horne, pres. of General Dynamics/Pomona. He called for "constant vigilance" over legislative & administrative developments that affect electronics industry, emphasized that "our greatest threat" is possibility that "we may be fragmented by our diversities of interests & products." He added: "Unless we find a mutually acceptable modus operandi for uniting the electronic in-

dustries & working together toward common goals we may well disintegrate into a heterogeneous assembly of manufacturing groups whose identities are absorbed in our many customer industries."

(2) All-channel set production's current rate is 11.5% of all b&w sets, up from 1962's 9.2%, Sobin reported. He said indications are that 20% of all b&w TVs produced this year will have both uhf & vhf receiving capability.

(3) Electronics volume this year is expected to rise 9% to \$15.075 billion from 1962's \$13.825 billion factory sales, Horne noted in annual report. Consumer products volume will rise to \$2.5 billion from \$2.407 billion; industrial products, \$2.7 billion from \$2.450 billion; govt. products, \$9.2 billion from \$8.348 billion; replacement components, \$675 million from \$620 million.

(4) Challenge, now being heard with increasing frequency, that industry invent new & compelling home product was put to EIA membership by GE vp L. Berkley Davis, who was awarded EIA's Medal of Honor. Calling for "something as entertaining, as educational or as useful as radio & TV," Davis added: "I don't know what it is, but I challenge you to find it. Electronics can provide the means for again raising our standard of living. Electronics can & must develop a new device to make home life easier & more pleasant." (For more on EIA, see p. 10.)

INDUSTRY APPRAISES SHELBOND PICTURE TUBE: Corning's Shelbond implosion-protection process (Vol. 3:24 p7) was talk of picture-tube industry this week—for a couple of reasons.

Corning launched Shelbond with a bang—a rather embarrassing bang at that—when it set out to demonstrate its implosion resistance to tube manufacturers assembled at Corning's plant. During tough 15-ft.-lb. high-energy object impact test on scored (weakened) tube, sample devacuated violently with loud report. It was humbling evidence that there's no such thing as implosion-proof tube.

In repeated later demonstrations, no violent implosion was produced—and Corning said that some 300 tubes had successfully been put through implosion tests. Actually, said Corning spokesman, even the violent implosion at the demonstration would have passed UL requirements. Consensus of observers was that one piece of glass was expelled 3-4 ft. by implosion. Corning explained that pendulum-supported weight hadn't been dropped straight during demonstration.

We found tube manufacturers impressed, by & large, with possibilities of Shelbond, despite psychological stigma imposed by violence of demonstration test. Said one tube maker official, who witnessed demonstration: "We will aggressively go out and sell this thing." Two others said that its promise of savings may well guarantee its adoption by industry.

Preliminary cost estimates given to tube makers by Corning indicated that, excluding overhead but including 4% shrinkage, 19-in. Shelbond tube should cost 76¢ more to make (in materials plus \$2-an-hour labor) than standard heavy tube. Materials alone (steel shell, gasket, resin) will cost about 50¢ for 19-in. tube, 45¢ for 16-in., 65¢ for 23-in., according to Corning estimates. Corning will supply steel shells for tube, making them available independent of bulbs.

Corning revealed that new system is based on French Solidex tube, developed by Corning affiliate in France, but is simpler in several respects, including lack of "sock" around funnel. As Corning explained reasons for system, it said it was addressing itself to "severe cost squeeze on black-&-white sets" due to imports and competitive conditions, particularly "in the small set area, where cost is paramount." Corning will make shells for 11-in. tubes if demand is great enough.

Further improvements to Kimcode may be on way, too, according to developer Owens-Illinois Glass Co., which says even greater cost reductions are possible. O-I Industrial & Electronics Div. vp-gen. mgr. John P. Kearney made this statement to us about Shelbond: "Owens-Illinois has not had any samples of Corning's Shelbond version of an integrally safe tube to test and therefore cannot comment on the details of the system or how it measures up to the claims made by the innovator.

"If Shelbond performs as the sponsor claims, and the costs have been reduced as indicated," said Kearney, "we feel that this is a further refinement of an integrally safe system made possible by the successful pioneering efforts of Kimcode and should be considered a step in the right direction. The ultimate in cost reduction has undoubtedly not yet been reached, and as new approaches and materials emerge, additional improvements to the basic concept introduced by Kimcode will become available for the benefit of the in-

dustry and the public." Kimcode tubes are now being used by Curtis Mathes and in all of GE's new 23-in. sets. Remainder of sets use external implosion protection or bonded tubes.

Bonded tubes, in fact, have achieved unparalleled acceptance this year—both Corning's & Pittsburgh Plate Glass's approaches. All OEM picture tube manufacturers now make both types—last holdout against PPG laminating process, Westinghouse, having recently added it.

Timing of Corning's introduction was considered by tube makers to be perfect for preparation for next spring's set introductions. Although incident at demonstration will undoubtedly be discussed & mulled for some time, tube makers who favor the approach point to UL's acceptance of system and predict use of new process in about a year.

RCA finally unveiled its modifications of Kimcode approach. For details, and UL's comments on picture-tube implosion tests, see story on p. 11.

JAPANESE TV SETS NEARING UL APPROVAL? Although no Japanese TV set yet has received coveted safety seal of approval of Underwriters' Labs (Vol. 3:8 p8), Nippon TV makers are making steady progress to correct this situation.

Several Japanese TV sets are now under investigation at UL's N.Y., Chicago & Santa Clara, Cal. labs, we were told by Leonard Horn of UL's Chicago facility. "A couple are coming close to approval," he said, "but are not there yet."

Communication is major roadblock to UL approval of Japanese sets, he told us. "We have great difficulty transmitting information back and forth. Japanese manufacturers use lots of plastic materials in their TV sets. It is difficult for us to learn what types and families of plastics are being used."

Horn told us that the Japanese have solved the onetime-major deterrent to UL approval. "Their big problem used to be in hook-up wires & cords," he said. "That's been corrected and they now have labeled wires & cords. The big problem today is one of communication."

TV-RADIO PRODUCTION: ELA statistics for week ending June 14 (24th week of 1963)

	June 8-14	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV	146,771	112,241	132,617	3,161,724	3,028,599
Total radio	338,147	321,962	335,453	7,905,020	8,532,169
Auto radio	135,681	132,711	122,609	3,502,301	3,003,633

Merger of Wilcox Gay Corp. and American Television Corp., 2 old-time TV industry names, is under negotiation and would result in new consumer electronics firm. Wilcox Gay Pres. Leonard Ashbach would head merchandising & sales, ATC Pres. U. A. Sanabria manufacturing & engineering, under proposed merger, which would result in firm selling equipment under De Forest and Majestic brand names. Meanwhile, there were reports that Wilcox Gay subsidiary Majestic International would be replaced as U.S. distributor of Grundig products by new Grundig subsidiary Grundig-Triumph-Adler Sales Corp., 845 Third Ave., N.Y., now headed by Gen. Mgr. John P. Ryan, ex-Magnavox sales vp.

Philco has established new branch distributor in Pittsburgh, taking over assets and retaining most personnel of its former independent distributor J. E. Miller Co. George B. Strotmeyer, ex-Philco District rep in Pittsburgh, is new gen. mgr. of branch.

Ford Motor Co.'s Aeronutronic Div., employing 2,500 at Newport Beach, Cal., will become a div. of Philco. Gen. mgr. John B. Lawson has been elected a Philco vp.

May TV sales were up nearly 20% over May 1962, at distributor-to-dealer level, according to preliminary unofficial figures, while radio sales plunged 25% below their year-ago level. Black-&-white TV sales estimate for May: 372,000 vs. 311,000 in May 1962; for 1963's first 5 months they were 2,409,000, up nearly 8% from 2,244,000 in same 1962 period. Radio sales for May: 596,000 vs. 772,000; for 5 months, 3,121,000, down 17% from 3,760,000 in 1962 period. TV inventories at manufacturer & distributor level were down 11% from 1962 at end of May, despite sales increase. Radio inventories were down less than 14%, although sales dipped 17%.

Admiral distributor orders for consumer products for June-Aug. are 12% higher than last year's shipments, according to Sales vp Ross D. Siragusa Jr. B&w orders are up 21%; color TV lines will be kept operating during July 1-15 vacation shutdown to meet schedules. Admiral's employment reached record 2,700 in June.

Warwick Electronics Inc. is new name of Warwick Mfg. Corp., Niles, Ill. consumer electronics manufacturer controlled by Sears Roebuck.

EIA CONVENTION: "Govt. has a primary responsibility to do everything possible to increase the number of uhf stations," otherwise "many purchasers of all-channel sets will be paying for a uhf tuner which they may never have an opportunity to use." So said Morris Sobin, Olympic pres. & EIA Consumer Products Div. chmn., in annual report at 39th annual EIA convention (p. 7).

Picking up theme of excise tax repeal, he continued: Congress could "alleviate the penalty" on set owners in non-uhf areas by removing 10% tax. "Removal of this tax would reduce the retail price of all-channel TV sets to the approximate price of a vhf receiver . . . We recognize the chicken-&-egg relationship between broadcasters & set owners in this situation." Among Consumer Products Div. actions at convention:

(1) Voted increase for EIA's International Dept. to gather information on overseas purchases of consumer products by military PX's. "When we get this data," Sobin said, "we'll present it to the Pentagon to see if we can get a fairer shake on this business."

(2) Stood pat on its hi-fi definition submitted to FTC despite latter's request for reconsideration in view of objections from other groups.

(3) Decided to issue yearly reports on new FM stereo stations instead of quarterly.

Sales forecasts: 1963 sales of b&w TVs this year are expected to slip slightly from 1962 to 6.5 million units & \$810 million, Sobin said. Radio sales, including auto—19.1 million units & \$385 million. Phonos—5.2 million units & \$408 million. EIA also estimated that 52% of total factory sales of 1.4 million radio-phono combos will have FM stereo; 46% of 280,000 TV-radio-phono combos.

Failure rate of electronic firms rose to record 88 manufacturers & 39 distributors in year ended March 31, Credit Committee Chmn, John S. Reesor reported. No TV makers were among failures. "Lack of adequate management was most important contributing factor" to failures, he said. In preceding year, failures included 56 manufacturers & 37 distributors.

Distributor Products Div. has been established by EIA, as outgrowth of Distributor Relations Committee, to improve relationship between manufacturers & their distributors. Although membership could include consumer products manufacturers, it's expected that group will comprise manufacturers who sell to tubes & parts distributors. New division will meet before Sept. EIA meeting to organize & elect officers.

EIA elections: Consumer Products Div.—Morris Sobin reelected chmn. Elected dirs.: Orphie R. Bridges, Arvin Industries Consumer Products vp-gen. mgr.; Grant Gardner, Wells-Gardner pres.; Gen. George F. Smith, Magnavox Govt. & Industrial Products Div. vp-gen. mgr. One vacancy exists on board. Replaced on board were Robert Alexander, formerly Wells-Gardner; Robert S. Bell, Packard Bell; Martin J. Caserio, Delco Radio Div.; Frank Freimann, Magnavox. Parts Div.—J. A. Milling, pres., Sams Div. of Howard W. Sams, elected chmn. **Tube Div.**—Frank Randall, Ampere pres., elected chmn.

Added to EIA Board: Merle W. Kremer, Sylvania, representing Tube Div., succeeding George W. Keown, Tung-Sol. Bell's vacancy for Consumer Products remains.

Emerson's New Lines: Emerson showed distributors its longest lines in years at Miami Beach last week (see p. 7). Top of 19-in. line continues to be remote-control model which listed last year at \$199.95 and now carries open list. Its 23-in. sets begin with \$169.95 "portable," and consoles are priced \$199.95-\$279.95. One 27-in. console is held over (open list).

Emerson has 3 color sets, all open list, beginning with genuine-wood cabinet console designed to sell around \$499, with top of line at about \$699. Long phono line has some unique features, including swing-down mono unit with tone control at \$24.95, portable with AM radio at \$34.95, manual stereo unit at \$34.95, portable phono with AM & FM stereo at \$149.95.

Phono consoles begin at \$79.95, first FM-stereo console at \$169.95. Radio prices showed some declines, with 8-transistor miniature now \$14.95, high-end 9-transistor pocket set at \$39.95. Telectro tape recorder line has 10 models, \$79.95-\$399.95, features furniture styling. Unique mono unit at \$179.95 has built-in FM tuner for direct recording of radio.

Only major lines yet to be introduced are Westinghouse (next month at Music Show); Motorola, which will make announcement concerning its line this week at simultaneous press luncheons in N.Y. & Chicago; Du Mont, which will be shown in distributor meetings in N.Y. (June 25-27), Chicago (July 9-10) & Los Angeles (July 17-19).

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Packard Bell has quit EIA—"In sorrow, not in anger," according to Pres.-Chmn. Robert S. Bell, who was EIA Senior vp and served on board for 14 years. Resignation in part was due to Packard Bell's long-standing dissatisfaction with association's dues structure, which, Bell maintains, places "too heavy a burden on the medium-sized company." In addition, Packard Bell felt manufacturer association should have "better participation of industry" (Zenith, Admiral & Emerson are not members). He praised EIA's recent promotional campaign on FM stereo and expressed regret that Consumer Products Div. declined to sponsor recently proposed educational drive to explain all-channel law and similar activities. He told us he hopes resignation will serve as "catalyst" to help form EIA into stronger & more equitable organization, and that Packard Bell is willing to rejoin when aims are achieved. It will continue in EIA market data pool.

"Simpler approach to all-channel reception" is most imminent need of consumer electronics industry, Admiral Chmn. Ross D. Siragusa told engineers in luncheon address last week at IEEE Chicago Spring Conference on Broadcast & TV Receivers. Management is not as concerned about public reaction to higher set prices necessitated by all-channel law, he said, "as it is about the passive attitude displayed by tuner engineers looking for solutions to mutual problems." Siragusa also made these points: (1) "CBS affiliates and the network are not fulfilling their obligation to the public and are contributing to a major color TV blackout that is not in the public interest." (2) New consumer applications must be found for TV which will sharply increase number of multi-set homes. (3) Technical staffs must become more consumer-oriented in their approach to product planning. (4) Too few engineers are taking advantage of opportunities—such as Admiral's tuition aid program—to keep abreast of newest developments in their own fields.

RCA'S ANTI-IMPLOSION TUBE: Improved rim-band, Kimcode-type TV picture tube that will "reduce spontaneous implosions to the vanishing point" was described & displayed by RCA at IEEE's 4th Chicago Spring Conference on Broadcast & TV Receivers.

Instead of Kimcode's crimped pressure-band, RCA's version, named Pan-O-Ply, uses welded rim band. C. T. Lattimer of RCA's Marion, Ind. tube plant, in technical paper before conference, said new tube has greater reliability than Kimcode, that single-thickness metal weld is as strong as surrounding material, that weld provides markedly greater strap strength & protection from breakdown under implosion than Kimcode's crimping. Weld also permits cutback of band, exposing more viewing area on tube face.

RCA will commence production of Pan-O-Ply tube by late summer and, we were told, welded innovation should have no effect on production cost, either up or down, compared with Kimcode.

We asked D. Y. Smith, RCA electronic components & devices vp-gen. mgr., if advent of Corning Shelbond tube (story p. 9) would affect RCA production plans. "We just heard about the Shelbond tube," he said, "and we're ready to move on the Pan-O-Ply. However, I can tell you this: If Shelbond does the job and is cheaper, we'll move into it."

RCA has obtained verbal UL approval of its new rim-band tube, but Leonard Horn, of UL's Chicago facility, would make no comment on Lattimer's claim that new tube would eliminate spontaneous implosions.

Horn, who delivered technical paper on UL's activities before conference, later told us: "We're obviously more worried about these unprotected picture tubes. Although some manufacturers think we're too stringent, I would not say that we're tougher on Kimcode tubes. Our philosophy is that anything is fair in producing an implosion—and we try anything. Until they're made of cast iron, picture tubes are going to implode—and we want to know how and why."

UL hits rim-band tubes harder, with heavier object and in different ways to produce implosion. Standard tube test calls for 2-in. steel ball bearing weighing 1.8 pounds to be applied to tube face with 5-ft.-lb. wallop. Kimcode tubes are belted with 5-pound missile applied with 15-ft.-lb. force. "And they implode," Horn said. "We feel obligated to do more to test these tubes because there's no protecting shield between the tube face and the public. Testing such tubes by hitting them with the handle of a vacuum cleaner is not the answer, because most implosions are spontaneous and occur at night, when the set is off & the family sleeping.

Lattimer, in his paper, said RCA had conducted "drastic" tests with 200 19-in. rim-band tubes. Some 10-20% imploded with loud noise, he said, but none failed UL tests.

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Uhf, tuners, transistors, and all-transistor RCA TV set were main topics of conversation at Chicago Spring Conference.

Admiral Pres. Ross D. Siragusa's appeal (story p. 10) for industry to come up with improved & simplified all-channel tuner underscored fact that tuner makers already

are at work on problem—but consensus is that answer is still 2-3 years away.

"It will be at least 2 years before industry can come up with a single tuner for uhf & vhf," we were told by one tuner engineer, "and it will cost more than the price of 2 single tuners. We could build today a continuous all-channel tuner with 3 transistors—but it would be more costly than 2 piggy-back tuners, and couldn't match their performance."

TV engineering manager of major set maker told us, however: "I see no reason why we shouldn't have an all-channel tuner by 1965 at the latest; it will cost only 10-20% more than a single tuner."

Charles R. Gray, commercial engineering mgr. at Philco's Lansdale Div., forecast in address to conference that TV sets will be next mass-produced electronic product to run on transistors. RCA went one step further by describing development of a working 19-in., line-operated, 114-degree all-transistor TV set—and demonstrating it in its private suite.

RCA set is purely experimental, and purpose, we were told by RCA engineer C. F. Wheatley, was to see if circuit & design-techniques could be developed to reduce cost of all-transistor set without impairing quality. Although RCA would say only that the exercise had reduced cost from "very high to not so high," we got more precise estimate from another source. Executive of set maker whose engineers had witnessed demonstration of set told us that they costed it out to \$6.15 more than comparable tube TV set. RCA set uses 23 transistors, 14 diodes & high voltage rectifier.

Sylvania color tube engineering samples are now being shipped to receiver makers for evaluation, Vp-Gen. Mgr. Walter A. Weiss announced last week. Sylvania is expected to begin production of 21-in. 70-degree round color tubes this fall.

Trade Personals

Robert L. Shaw, former pres. of Sylvania Home Electronics Corp. and ex-vp of Admiral & Du Mont Emerson, named pres. of Hupp Caribbean Corp., new distributing firm formed by Hupp Corp. in Puerto Rico (Sylvania, Gibson, Perfection, Easy products).

James J. Shallow, onetime vp-gen. mgr. of Columbia Phonographs, June 29 completes 2-year assignment as Magnavox marketing coordinator, returning to management & marketing consulting with hq at 125 Farwood Rd., Philadelphia 51.

Hajime Kurose, former heavy apparatus sales mgr., named Tokyo Shibaura Electric Co. (Toshiba) gen. mgr. for U.S. & Canada, hq at 530 Fifth Ave., N.Y. 36.

Martin Codel, consultant on international TV-radio manufacturing & broadcasting, back in Washington after 4½-month study of 13 Asian countries.

F. J. Dunleavy elected exec. vp, ITT-Europe, succeeding **Charles G. Sherwood**, who returns for ITT assignment in U.S. . . . **John H. Miller**, RCA Communications vp, elected Brown U. trustee . . . **Meyer Leifer**, ex-Ampex, returns to Sylvania as dir. of Systems Engineering & Management Operation, Waltham, Mass. . . . **Dr. William E. Shoupp**, Westinghouse Research Labs vp-gen. mgr., installed as vp, American Nuclear Society.

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
Avco	1963—6 mo. to May 31	\$ 246,280,713 ¹	\$ 23,181,776	\$ 11,156,776 ¹	\$1.00	11,195,514
	1962—6 mo. to May 31	185,698,585	17,473,125	8,373,125	.77	10,886,109
Hallicrafters	1963—9 mo. to May 31	49,204,000	3,101,000	1,529,000	.60	550,000
	1962—9 mo. to May 31	51,417,000	2,871,000	1,384,000	.55	542,000
Lab for Electronics	1963—year to Apr. 28	60,901,000	—	(340,000) ²	—	1,298,087
	1962—year to Apr. 28	61,482,000	—	102,000	.08	1,298,087

Notes: ¹ Record. ² After \$329,000 tax credit.

Philco has taken over John M. Otter Companies, its former independent distributors in Philadelphia, N.Y. & Newark, after negotiations which started in early spring (Vol. 3:14 p14). The companies will be operated as Philco Distributors Inc. branches, with Bruce Lambert, ex-Philco national radio sales mgr., heading Philadelphia branch, Wallace W. Myers & Robert Furlong continuing as managers of N.Y. & Newark branches, respectively. Answering frequently-asked question, Philco said Otter firms' fair-trade minimum pricing would be maintained by the new branches.

A&P stores in N.Y. area are test-marketing 6-transistor Realtone radios at \$7.95. Realtone, entering TV market, feels that supermarkets & drugstores are ideal outlets for tinyvision and other consumer electronic "impulse" items (Vol. 3:24 p11).

Scars Roebuck's new catalog lists 7 color TV sets at \$499.95-\$579.95, although its retail store prices, in many cases, are lower. During debut of Admiral's \$399.95 color set in Buffalo market, local Sears stores advertised color at \$369.95.

Taft Bestg. executives' salaries & stock holdings, as listed in proxy statement for July 9 stockholders meeting: Chmn.-Pres. Hulbert Taft Jr., \$52,819 & 119,735 shares of common; exec. vp Lawrence H. Rogers II, \$42,391 & 3,510 shares; vp Kenneth W. Church, \$57,222 (annual salary of \$30,000 plus commissions on national ad sales). Salaries are for fiscal year ended March 31; stock ownership is as of April 19.

TelePrompTer reported first-quarter loss of \$80,687 on gross revenues of \$1,242,995. Company said loss reflects expenses & production decreases while relocating 3 divisions at Cherry Hill, N.J. March operations were in the black. No comparable 1962 figures are available.

Mitsubishi Electric has placed privately with U.S. investors \$13.5 million of 6½% convertible debentures due 1978. Financing, first for Japanese firm in U.S., was arranged via Kidder, Peabody & Co.

Republic Corp. earnings in 1963 fiscal year ending Oct. 27 should rise to 80-85¢ a share from 56¢ a year earlier on sales gain to about \$47 million from \$43.3 million, Chmn.-Pres. Victor M. Carter told N.Y. Society of Security Analysts. For fiscal 1964, he forecast earnings of more than \$1 a share on sales in excess of \$50 million. Carter said Republic's appliances-manufacturing Gaffers & Sattler Div. accounts for about half of company's sales & "a significant share of profits," noted also that the Consolidated Film Industries Div. is major factor in gains.

Trav-Ler Industries' sales in fiscal 1963 ended April 30 dropped 10% from year-earlier's record \$25.1 million, and earnings lagged behind fiscal-1962's \$639,499. Pres. Joe Friedman expects about-face in fiscal 1964, forecasts record sales & earnings. Factor in decline was nonrecurring costs of introducing color TV. He said some 90% of this year's scheduled production color sets has been sold and color TVs contribute \$3.5-5 million to Trav-Ler's total TV set volume this year.

Reports & comments: Avco, research study, McDonnell & Co., 120 Broadway, N.Y. 5; review, Purcell, Graham & Co., 50 Broadway, N.Y. 4 • Disney Productions, review, Courts & Co., 11 Marietta St., N.W., Atlanta 1 • Crowell-Collier, discussion, Hayden, Stone & Co., 25 Broad St., N.Y. 4 • CBS, report, McDonnell & Co., 120 Broadway, N.Y. 5 • GT&E, analysis, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5 • Warner Bros. Pictures, discussion, Pennington, Colket & Co., 70 Pine St., N.Y. 5.

Capital Cities Bestg. 2nd offering of 250,000 shares of common stock (Vol. 3:20 p15), at \$22.75 each, has been placed on market by group headed by White, Weld & Co. Proceeds will accrue to selling stockholders. Among them: Lowell Thomas, selling 64,000 shares & holding 52,764; Chase Fund of Boston, selling its complete holding of 50,000 shares.

Sterling TV has been merged into Walter Reade/Sterling following approval of stockholders of both companies. Walter Reade/Sterling had acquired 94.6% ownership of Sterling TV last August through a stock exchange. Chmn. Walter Reade Jr. told special stockholders meeting that company would earn "minimum" 25¢ per share this year.

Globe-Union has placed privately \$5 million of 20-year, 4½% promissory notes. Financing, negotiated by Goldman, Sachs & Co., will be used to retire existing debt & for general corporate purposes.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
CTS Corp.	Q	\$0.12½	July 19	June 28
Motorola	Q	.25	July 15	June 28