

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

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Broadcast

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Consumer Electronics

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sylvania has introduced lowboy color console at \$529.95.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

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

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

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

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

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

OCTOBER 14, 1963

NEW SERIES VOL. 3, No. 41

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

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

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

Purpose of group is simple: Stop growth of CATV.

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) No vhf changes are involved.

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TvB of Canada signs CTV Network as member.

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

Obituaries

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

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

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

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

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

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

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

*3 or more transistors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

Notes: ¹Record. ²Voluntary price adjustments arising from sale of products involved in 1961 anti-trust cases had effect of reducing earnings by \$3.7 million (4¢ a share), sales \$7.8 million. ³Outstanding Sept. 30, 1963, reflecting conversion of 5% series A preference stock March 1963 and 2% stock dividend Dec. 1962. ⁴Before special \$3,350,000 (81¢ a share) charge for phasing out East Coast semiconductor operation (Vol. 3:10 p10). ⁵Does not include A. C. Gilbert toy company, 51% owned by Wrather.

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

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

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

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

WEEKLY **Television Digest**

with

Consumer Electronics . . .

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

OCTOBER 21, 1963

NEW SERIES VOL. 3, No. 42

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPSULES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

* * * *

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

Obituaries

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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

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

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

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

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

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

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

OCTOBER 28, 1963

NEW SERIES VOL. 3, No. 43

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

Obituaries

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

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

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

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

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

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

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

Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

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

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