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# WEEKLY **Television Digest**

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**N.Y. UHF PROJECT** in full operation, as Chairman Minow throws switch in Empire State Bldg. First FCC test results indicate generally good signal (p. 4).

### **Consumer Electronics**

**CONSUMER ELECTRONICS** dollar volume dropped in 1961 to \$2 billion at factory level from \$2.1 billion last year, EIA reports, although total electronics industry sales passed \$10 billion this year for first time (p. 7).

**100 FM-STEREO STATIONS** will be on air this winter—possibly more. Exclusive detailed lists show 43 stations now on air, give locations of 41 imminent starters, 39 "second-wave" FM-stereo starters (p. 7).

**TV-RADIO-PHONO AD CODE** approved by EIA, to be available in 2 weeks. Set makers reiterate opposition to all-channel-set legislation. 7-point import legislation program urged (p. 9).

**PHILCO MERGES WITH FORD** this week. By overwhelming vote of 3.4-million shares to 80,801, Philco stockholders approved acquisition by Ford Motor Co.; transaction will be completed by Dec. 11 (p. 10).

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**RCA PRES. ENGSTROM, ENGINEER-ADMINISTRATOR:** Rare combination of engineering and administrative brilliance is focused in 60-year-old Dr. Elmer W. Engstrom who at week's end stepped up to presidency of RCA, succeeding John L. Burns.

World's largest electronics company, by naming to its presidency one of nation's leading scientists, re-emphasizes its long-held precepts that scientific progress is key to its success. Its 2 preceding presidents—Frank M. Folsom and John L. Burns—were, respectively, a top merchandiser and a leading management specialist-engineer. Each served RCA at a time when his specialty was badly needed by the company.

But Pres. Engstrom is far more than a leading engineer. As senior exec. vp since 1955, he has had direct administrative responsibilities for such activities as space & defense business—the latter category now representing 1/3 of RCA's volume.

As a scientist, Engstrom has been accorded every major award in electronics engineering. He joined RCA in 1930 when it took over radio engineering & manufacturing activities of GE, where he was employed from 1923. He has been involved in virtually every research activity of RCA, eventually heading up all research for company before moving on to broader over-all administrative post. Affable & highly regarded by electronics engineering fraternity, administrative talent of "Shorty" Engstrom (nickname is a mystery—he's about 5-ft. 9) showed up on many intra-industry organizations, including first & 2nd NTSCs, which developed standards for black & white and color TV.

Engstrom's salary and contract terms weren't announced. It's known that he is already under contract through retirement age, with flexible provisions as to salary. His election was met by favorable initial reactions on Wall St., RCA stock advancing when news came out Dec. 1.

John L. Burns, who became RCA president in March 1957, resigned his \$200,000 a year post "for personal reasons," but will continue as an RCA employe "to serve the company on special assignments from

Chmn. Sarnoff." His 10-year contract as president still had a little over 5 years to run when he submitted his resignation. He is succeeded on RCA board by Arthur L. Malcarney, exec. vp, defense electronic products.

Although an electrical engineer and well-known metallurgist, Burns' greatest renown is as management specialist. He came to RCA from a top position in Booz, Allen & Hamilton, management consultant firm which had served RCA for 10 years. He took RCA's helm during time of its need for organization, efficiency and direction. Company's stock at that time was fluctuating sharply, and financial powers behind RCA (notably Lehman Bros.) were pressing for top "management man" to bring stability.

During Burns' tenure much of this stability was achieved. RCA broadened its base in new electronics areas—particularly in the computer and industrial fields. Its consumer products operation, which had been showing signs of slippage, was placed on more efficient consolidated basis and moved lock, stock and barrel to Indianapolis, where, infused with new blood and retaining best of old leaders, it is beginning to move forward again.

There'll be all kinds of speculation about behind-the-scenes Sarnoff-Burns relationship. Rumors of Burns' resignation had been circulating for a few weeks, but before that there was little thought that he wouldn't complete his 10-year term. Whether there were policy differences between the 2 leaders—the creative genius and the hardheaded business-organization expert—is not known. But the Sarnoff-Engstrom team bids to be a harmonious one—the man whose name is synonymous with vision in the electronics industry, and the man with the know-how to convert this vision into reality.

**MANUFACTURERS MOVING ON TV ALLOCATIONS:** You can't tell yet whether there will be conflict or accommodation or something of both, between manufacturers and telecasters, regarding future of TV allocations.

In Los Angeles last week, EIA consumer products div. again voiced opposition to all-channel-set legislation (see p. 9). On other hand, it's well known that some manufacturers would be quite pleased to see all TV moved to uhf—to leave room for other radio services in vhf and to create market for new sets. But very few set makers are willing to push vigorously for uhf and breach with telecasters. An exception is Motorola's Pres. Robert Galvin, who told IRE meeting in Minneapolis last week that:

(1) TV should be moved to 30 channels starting with vhf Ch. 7 or to 60 uhf channels.

(2) FCC should be given power to allocate whole radio spectrum, including govt. portion, or that a "super spectrum agency" be created "to arbitrate between the FCC and the Interdepartment Radio Advisory Committee." He said IRAC now controls 70% of spectrum, FCC 30%—instead of the reverse of 10 years ago.

(3) "There is reason to believe" that FCC's N.Y. uhf experiment will justify moving TV to uhf.

Either of his proposed TV spectrum shifts, Galvin said, would stimulate manufacture of all-channel sets and eliminate need for legislation to force production of such sets.

Some manufacturers are unhappy about telecasters' efforts to get all-channel-set legislation to ward off FCC's deintermixture plans. In next session of Congress, going may get rough. Meanwhile, pro-uhf petitions are expected to be filed with FCC by individual manufacturers—but such move by whole EIA is considered quite unlikely.

FCC reversed itself last week, decided to postpone deadline for filing comments on short-spaced vhf drop-ins to Feb. 5 (from Dec. 4)—the same new deadline recently given to rest of big allocations rule-making. Reversal came at request of Comr. Bartley, who argued that all major moves belong in "one package." Only Comr. Cross dissented.

**FM SEMI-FREEZE IN WORKS AT FCC:** This week, FCC is expected to put about half pending FM applications on ice until conclusion of rule-making changing rules & standards. In June (Vol. 17:27 p5), Commission proposed major change in FM allocations. It's now believed poised to grant only those applications which would be unaffected by rules changes.

Plan under consideration is understood to permit granting of 72 of 131 pending applications for new stations, 30 of 93 applications for changes in existing stations. Plan calls for continued grants in smaller towns and areas with little or no FM service. The 31 applications in hearing status, however, would be exempt from freeze. Commission is considering granting those applications which:

(1) Wouldn't receive interference, from existing or proposed stations, within their 1 mv/m (60 db/u) contours and wouldn't create interference within 1 mv/m contours of existing or proposed stations.

(2) Wouldn't provide coverage more than equivalent of a 20-kw, 500-ft. station.

(3) Wouldn't radiate more than 20 kw in any direction. Contours would be calculated using same curves as proposed in TV allocations proceeding (Doc. 13440). Applications could be amended to move them from frozen to thawed state.

**FORD PLUMPS FOR GOVT. 'HANDS OFF':** Praising & prodding broadcasters, FCC Comr. Ford in speech last week rejected all proposals which would give govt. a greater influence on programming—except his favorite concept: Make broadcasters show they've really scouted their communities. He spoke at Los Angeles seminar on "community leadership" sponsored by Southern Cal. Bcstrs. Assn. and U. of So. Cal.

If govt. has anything to do with establishing standards of public taste, he said, broadcasting would become "an instrument of despotism. It has always seemed strange to me that some people who seem to have little confidence in govt. have great confidence in the govt's ability to set an example to showmen or creative talent of how to produce better shows or to be more creative." Other Ford points:

(1) Network competition is healthy now. Networks shouldn't be licensed because that would split program responsibility between stations & networks. But networks should be regulated instead, because of "wide divergence of economic power" between networks & affiliates.

(2) If industry wants "magazine concept" it should follow its judgment, but concept shouldn't be imposed by govt.

(3) Idea of govt.-dictated allocation of time for cultural & educational programs suffers from "presumption that pre-determination in Washington" is superior to broadcasters' own judgment.

(4) Concept of requiring gift of free political time makes no more sense than requiring utility companies to donate electricity & interconnection lines for political broadcasts.

(5) "Citizens Advisory Board" to help FCC? Commission already gets plenty of advice.

Ford then urged industry to speak up with its own facilities and to editorialize: "I see no reason why the power of broadcasting should not be used to defend & explain itself . . . This country can no longer afford to have a sterile broadcasting industry from the point of view of community thought, action and controversy. You have been given a valuable govt. resource to serve all of the interests of your community and this includes political, social and economic interests as well as entertainment."

**WNTA-TV DEAL BECOMES CLIFFHANGER:** Only one thing's sure about on-again-off-again \$6.2-million ETV deal for WNTA-TV Newark-N.Y. (Vol. 17:8 p8 et seq.): Suspense. Nothing else about Ch. 13 seemed certain at our deadline following hectic week which brought:

(1) Last-minute 5-3 vote by Court of Appeals lifting order by 3-judge panel which had stayed FCC's approval of transfer of WNTA-TV to Educational TV for Metropolitan Area (ETMA). They had agreed on Nov. 27 deadline for consummating sale.

(2) Appeal by N.J. Gov. Robert B. Meyner directly to Chief Justice Earl Warren to restore stay—and thereby hold up deal at least until Court of Appeals hears scheduled Jan. 10 arguments on Meyner's protest that Commission's action illegally deprives state of its lone vhf outlet.

(3) Apparent breakdown in NTA-ETMA negotiations for payment of \$6.2-million purchase price.

Court of Appeals barely got under sale-deadline wire in voting to overrule panel of Judges Wilbur K. Miller, E. Barrett Prettyman and Walter M. Bastian. With Judge Warren E. Burger not participating and Judge Bastian absent from arguments but voting anyway, majority acted Nov. 27 after 2-hour proceedings—45 minutes of them taken up by personal plea by Meyner.

"It is our only outlet and is as important as a newspaper to a community," Meyner said in his arguments for home-state retention of Newark-based Ch. 13. "We need educational TV, but most of all we need a New Jersey station." FCC's Daniel R. Ohlbaum carried day in court, however. Defending Commission's approval of sale, he pointed out: (1) WNTA-TV has been transmitting from Empire State Bldg. to same metropolitan area which ETMA would serve. (2) NTA is N.Y.—not N.J.—corporation to start with, just like ETMA. (3) On record of ETMA programming plans, N.J. would get as good or better coverage from ETV operation.

Meyner was undeterred. Acting "personally & as Governor," he hurried to Supreme Court to protest "unprecedented nature of en banc reversal of a per curiam court order" and ask Chief Justice Warren (who has D.C. Circuit supervision) to intervene & scuttle deal. FCC, NTA and ETMA trailed Meyner to Warren's desk with pleas that nothing be done to block transaction.

NTA & ETMA lawyers promptly got together in N.Y. Nov. 28 to close sale—and agreed only to disagree, leading to another impasse and new Dec. 4 deadline for decision. NTA demanded its \$6.2 million immediately. ETMA said it couldn't fork over that much cash while still-pending litigation threatened to void deal. NTA was reported to have counter-proposed \$2-million cash down payment and 7-year installments raising ultimate price to \$9 million—or one-year extension plan costing \$8.2 million. ETMA said no soap.

Resumption of full commercial operations by WNTA-TV was then promised by NTA Pres. Leonard Davis if Dec. 4 passes without agreement. Station has been preparing for this by dickering for lucrative contract for new N.Y. Mets baseball games.

So Meyner may turn out to be winner after all over ETV, despite FCC & court reversals. In bitter editorial Nov. 30, N.Y. Times said: "It will be a tremendous loss to the citizens of all 3 states [N.Y., N.J., Conn.] if this great opportunity for creative use of TV disappears—thanks largely to Robert B. Meyner."

**TOY COMMERCIALS CHALLENGED AGAIN:** Santa Claus still is up to trickery on TV despite compact between NAB's TV Code Review Board and Toy Mfrs. of the U. S. A. Inc. (Vol. 17:23 p10).

Nearly half of 97 toy commercials evaluated by Nov. 1 by Code's N.Y. office were objectionable, Code Authority dir. Robert D. Swezey disclosed last week in reporting that all agencies producing such advertising have been asked to submit demonstration products with their TV copy.

Four toy commercials were rejected outright by N.Y. office headed by Stockton Helffrich—and 43 others among 97 strayed from "guidelines" for honest Christmas advertising as set forth in agreement with manufacturers' organization, Swezey said. These were revised after negotiations, but "total revision of some of the questionable commercials was not possible" because of exigencies of holiday advertising schedules, Swezey reported. He pointed out 59 of 97 had been produced before June 1 agreement was signed and therefore were conceived without benefit of its "letter & spirit."

"Characteristics & performance" of toys will be checked against proposed TV claims for them in future if agencies comply with Helffrich's written requests for samples for "first-hand evaluation" by Code staff in N.Y. Agencies also will be expected to prove that quoted price for toy is "going price" in area where commercial is to be televised.

Santa's TV performances haven't all been bad, however. Helffrich said he's been getting "excellent" cooperation from industry in elimination of "only" & "just" from price claims in commercials for expensive toys, and that representatives of 11 leading makers are working closely with him in efforts to prevent unethical or misleading appeals to children.

FTC has started "active investigation" of "several" toy advertisers on TV, Deceptive Practices Bureau dir. Daniel J. Murphy reported. "We have received enough complaints from the public to warrant taking a hard look at those toy sellers who would push the Christmas spirit too far," he said. "It is one thing to excite a child's imagination & desire for a toy, but quite another to build him up for a let-down when he gets it."

**N.Y. UHF PROJECT IN FULL OPERATION:** FCC Chmn. Minow pushed a button in the Empire State Bldg. transmitter room Nov. 29 and the Commission's \$2-million N.Y. uhf experiment was officially under way. The button formally turned on the juice of 1-megawatt WUHF (Ch. 31). Fact that transmitter went off the air shortly after he pushed button didn't mar spirit of occasion. The trouble was located and Minow pushed button again for photographers.

Upstairs on 86th floor, news conference was already in progress, chaired by Comr. Lee. He predicted 100,000 uhf conversions in metropolitan area within year, reported city was planning to convert master distribution systems in its apartment projects, has already appropriated funds to convert all police stations and 50% of city schools, said he hoped FCC would turn station over to city after tests. He appealed to citizens to cooperate with engineering crews at test locations.

Although station officially began operation with permanent Melpar antenna and full 1-megawatt power from 50-kw RCA transmitter last week, it has been operating with temporary antenna at 80th floor level for several weeks. FCC chief engineer Ed Allen said all data from preliminary test results hasn't been

completely analyzed, but in general they seem to indicate "a good picture along the main radiant" (temporary antenna faced North) with good results shown in certain locations up to 70 miles. Asked what he thought test would show, he replied: "I think it is going to show approximately what engineering calculations indicate—that some places will have good pictures, some places bad ones, as with vhf, but with perhaps worse problems in shadowing areas."

Also present at ceremonies were Comrs. Hyde & Cross, other notables from N.Y. & Washington. Veteran industry engineer C. M. Jansky Jr., just returned from overseas, was asked to comment on uhf in Europe. He said 3,500 uhf allocations have been made for specific locations in 45 countries there. "There is no question but in Europe a large percentage of these will be activated. They are ahead of us—way ahead of us."

Special 90-min. dedicatory TV program presented 8:30-10 p.m. same evening on WUHF was skillfully done, traced history of radio & TV, with all-star regulatory cast including Comrs. Minow, Hyde & Lee, FCC Broadcast Bureau chief Kenneth Cox, general counsel Max Paglin, and—as a sample of type of program Municipal Bcstg. Service intends to feature during non-simulcast operation of the station—a string quartet.

Part of 90-min. special was taped several weeks ago at WNEW-TV, with remainder done on dedication day at WUHF studios using Videotape recorder which was put into service day before. We had previously viewed WUHF pictures from location at 98th & Broadway and reported strong signal, when station was using temporary antenna (Vol. 1:11 p9). Viewing it again from same location after permanent antenna had been put in service at full power on Empire State Building tower, we observed considerably less ghosting, even with our jerry-built non-directional twin-lead dipole receiving antenna. Ghosting at our location was judged about same as on vhf with similar indoor antenna.

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## **CURRENT CAPSULES**

Pay-TV argument before Court of Appeals in Washington last week probably didn't change prospects—i.e., Court approval of FCC's authority to allow RKO General 3-year test over uhf WHCT Hartford. But interesting aspect was judges' curiosity about probable programs and protection of public's money. Court comprised Judges Burger, Edgerton & Bastian. Burger was particularly concerned lest pay TV show "lady wrestling" instead of "Shakespeare." FCC gen. counsel Max Paglin's answer: Viewer can order decoder out if he chooses—but this is just kind of information FCC wants from test. Furthermore, test can be stopped if project gets out of hand. Harold Cohen, for RKO, reiterated that setup is solely a test, that losses are anticipated. For anti-pay theater interests, Marcus Cohn hammered at \$15 million to be paid by public in 3 years, said Commission had given toll proponents "blank check" in programming, insisted system would "siphon" programming away from free TV. Court decision is expected in month or so.

NBC celebrates its 35th birthday this week as "America's first broadcasting network." Annual meeting of affiliates (199 TV, 189 radio) at Hollywood's Beverly Hilton Hotel Dec. 6-8 will mark anniversary of initial network radio program from N.Y. Nov. 15, 1926—and claim title to "America's No. 1 network." Advance promotion of event includes 24-page capsule history of NBC. It boasts: "The alliterative transitions from Vic & Sade to Victory at Sea, from Hopalong to Sing Along, from Kaltenmeyer's Kindergarten to Continental Classroom, from a jovial Fibber McGee to a very factual Frank McGee have all made for literal transitions from pioneering to undisputed leadership for NBC."

Curbs on CATV to prevent invasions of small-market TV station areas by signals from big-city stations are urged by WBOY-TV Clarksburg, W. Va. in FCC rule-making petition. Argument against CATV was revived formally by station, which complained that CATV operator Fortnightly Corp. brought Pittsburgh, Steubenville and Wheeling signals into its territory. Proposed rules would: (1) Forbid licensing of TV station which permits CATV to duplicate its programming in another station's territory. (2) Prevent CATV system from doing this. United Artists is suing Fortnightly for copyright infringement through its distribution of TV signals carrying UA properties.

FCC budget raise to slightly over \$13 million from this year's \$12.5 million has been approved by Budget Bureau, it's understood. Virtually all other regulatory agencies—except NASA, AEC & FAA—reportedly suffered cuts. Most of FCC's increase is earmarked for Complaints & Compliance and Renewals & Transfers Divs.

## Personals

Jacob A. Evans, ex-*American Weekly*, Sponsor, McCann-Erickson and NBC, named TvB's central div. dir.

Merrill Lindsay of radio WSOY Decatur elected a BMI dir. . . . Gar Jones named promotion mgr. of KXLY-TV & KXLY Spokane, replacing Jack Lantry, now in similar post at KIRO-TV & KIRO Seattle . . . Ted Smith of radio KUMA Pendleton elected Ore. Assn. of Bcstrs. pres., succeeding Gordon Capps of radio KSVR Ontario.

Ben B. Sanders of radio KCID Spencer, Ia. named 1961-62 NAB membership committee chmn. . . . Donald Andersson, ex-National Coal Assn. & co-author of *Radio & TV Workshop Manual*, joins Washington public relations firm of Richards & Associates . . . Gordon Walls, ex-WCAU-TV Philadelphia, heads new Blair TV sales office at Penn Center there.

Guy E. Yeldell promoted to KSD-TV St. Louis station mgr., Ray Karpowicz to sales mgr. . . . Peter Cary, Screen Gems, joins Desilu Sales as Western div. sales mgr.

Jerome Bredouw, from 20th Century-Fox, joins ABC-TV as on-air promotion dir. . . . Frank Howell promoted to national sales mgr. of WTVJ Miami . . . Bruce Henry, Hollywood & Chicago freelance writer, joins Fred A. Niles Communications Center, Chicago, as creative dir.

CBS-TV started something with "Biography of a Bookie Joint" on *CBS Reports*, secretly filmed in Boston. Expose wasn't televised there because network producers feared it might prejudice cases of persons arrested in gambling raids. But local officials were given private studio viewing. Results: (1) Suffolk County District Attorney Garrett H. Byrne announced he'd start grand jury probe of possible collusion between policemen & racketeers. (2) Boston Police Supt. Francis J. Hennessey stalked from preview, angrily refusing to answer any questions.

Sponsor's image is reflected in TV & radio programs he pays for, and he's wasting his money if he thinks quality of shows doesn't matter, NAB Pres. LeRoy Collins said in speech to joint meeting of Louisville Better Business Bureau & Ad Club. He urged advertisers to tie in with "more high-quality programming, regardless of the category," pointing out that broadcasting is unlike other media "because of the intimacy of its impact & the totality of its attraction."

Network TV billings in September rose 13.4% to \$58.2 million from \$51.4 in Sept. 1960, TvB reported. For 3 quarters this year, billings totaled \$538.6 million—up 9% from \$494.3 million in corresponding 1960 period. NBC led with \$201 million for 3 quarters, trailed by CBS (\$198.9 million) and ABC (\$138.6 million). In 9-month period, daytime billings increased 19.6%, nighttime, 4.4% above last year.

Two \$1,000 scholarships honoring memory of late NAB Pres. Harold E. Fellows will be awarded for 1962-63 college term by Assn. of Professional Bcstg. Education. Employees or children of employees of TV & radio stations and networks are eligible for scholarships for broadcasting courses.

Illinois Maximum Coverage TV Committee is new group organized by co-chairmen Secy. of State Charles F. Carpentier and State Auditor Michael J. Howlett to fight deintermixture of Rockford & Champaign.

Model 935 stereo generator of Standard Electronics has been type-accepted by FCC for use with Standard's FM transmitters, Western Electric's 503 and Gates' FM-18.

Space communication system along lines drawn by FCC's Ad Hoc Carrier Committee (Vol. 1:5 p2 et seq.) is proposed by Senate Space Committee Chmn. Kerr (D-Okla.) in bill he plans to introduce early next session. Measure would set up privately-owned \$500-million corporation as foundation for worldwide system, in which participating carriers would own minimum of 5 shares priced at \$500,000 each. FCC would determine which companies could share ownership. Commission also would set rates for services insuring fair return on companies' capital investment.

Applications for microwaves to serve CATV systems should be more fully publicized, FCC decided last week, so that TV stations which desire to file pre-grant objections on basis of "economic injury" may learn of their existence. Case involved Western TV Corp., which seeks microwave to serve CATV systems in Riverton, Wyo. area. Western holds CP for common-carrier microwave which was protested by KWRB-TV (Ch. 10) Riverton. Hearing has been held, no decision yet. Meanwhile, Western has filed for another kind of microwave for same purpose, non-common-carrier, in new private microwave service. Though application was reported in FCC notices covering safety & special radio services, Commission believes such applications may be overlooked by station operators and their counsel.

Newspapers would be missed more than TV if public were deprived of both, ANPA's Bureau of Advertising reported in releasing poll financed by Newsprint Information Committee. Survey based on 4,826 interviews indicated 49% of sampling "would feel quite lost" without newspapers, 28% without TV. Report also claimed that at least one newspaper is read every weekday in 86.4% of 54 million continental U.S. households.

TV-radio degree courses were offered to undergraduates during 1960-61 term by 97 colleges & universities—one more than in 1959-60, according to 6th research report in series by Harold Niven of School of Communications, U. of Wash., Seattle. Number of juniors & seniors majoring in broadcasting dropped 391 to 2,618, however. In 1960-61, graduate students studying for doctoral degrees in broadcasting at 15 universities totaled 121—same number as in 1959-60.

Moulder gives up: Rep. Moulder (D-Mo.), House Commerce Communications Subcommittee chmn. and first head of Legislative Oversight Subcommittee who narrowly escaped election defeat last year (Vol. 16:46 p5 et seq.), has told friends he won't try again. Under Mo. redistricting law, his district will be combined for 1962 election with that of Rep. Ichord (D), who plans to seek another term.

Tele-Cine Inc., new Washington TV-motion picture production organization developed by Dr. Paul W. Schafer, head of Army's abandoned TV center at Walter Reed Hospital (Vol. 16:52 p8 et seq.), opens for business at 1017 N.J. Ave., SE (phone: 543-6076). Staff includes technicians who worked with him in pioneering Walter Reed project.

New 26-week TV course in English language has been produced by USIA's TV Service (Vol. 1:8 p2) for distribution to stations in 54 countries. Dir. Romney Wheeler said films took 2 years to complete, were budgeted at only \$100,000.

Spécial radio exhibition will be held Dec. 13-Jan. 25 in London's Science Museum to mark 60th anniversary of first successful wireless transmission across Atlantic by Guglielmo Marconi.

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**CONSUMER ELECTRONICS DOLLAR-VOLUME DROPS:** Electronics industry's factory sales set record in 1961 by passing \$10-billion mark, but dollar volume of its consumer-products segment dropped to \$2 billion from 1960's \$2.1 billion. So said EIA Pres. L. Berkley Davis last week at the Association's winter conference in Los Angeles.

He predicted industry factory volume would rise from \$10.15 billion in 1961 to \$10.8 billion next year, with consumer products regaining their 1960 levels, as result of expected continuing uptrend of national economy and increasing consumer spendable incomes.

Here are 1961's dimensions of electronics industry, compared with 2 preceding years, together with EIA's prediction for 1962:

## FACTORY SALES BY U.S. ELECTRONICS INDUSTRY

(Add 000,000 Dollars)

	1959	1960	1961	1962
Consumer products .....	\$2,000	\$2,100	\$2,000	\$2,100
Industrial products .....	1,600	1,750	1,900	2,100
Military products .....	4,700	5,000	5,300	5,600
Replacement components .....	900	900	950	1,000
<b>INDUSTRY TOTAL .....</b>	<b>\$9,200</b>	<b>\$9,750</b>	<b>\$10,150</b>	<b>\$10,800</b>

Decline in consumer electronics dollar volume, said Davis, is due to (1) shift to lower-priced units in TV, and, earlier in the year, in phonos, and (2) lower production of auto radios. Toward latter part of year, he added, phono sales have swung toward higher quality & price level.

EIA's summation of TV factory sales for 1961 was identical to our recent prediction—although we used distributor-to-dealer sales (Vol. 1:11 p7). TV sales, Davis, said, will reach 5.8 to 5.9 million units, vs. 5.7 last year. Illustrating why dollar volume declined in TV this year, he gave this 9-month black-&-white factory-sales breakdown: Portables & table models, 61% of sales (vs. 56% during same 1960 period); consoles, 35% (vs. 40%); combinations, 4% (vs. 4%).

Total radio sales for 1961 will be slightly lower than last year's 16.9 million due to drop-off in auto radio sales. But home radio sales are due to be more than one million units higher than last year—11.6 million vs. 10.5 million. Portables now constitute 49% of all radio sales (up 8% from last year). Clock radios are down slightly from last year, and table sets are down 6%. Auto radios took big dip to 5.1 million from 6.4 million.

Phono sales will be more than 4 million, below 1960 level—but proportion of stereo-to-mono is growing. Stereo constituted 74% of factory sales first 9 months of this year vs. 68% same period last year. Sales of radios with FM are slightly ahead of 1960.

**100 FM-STEREO STATIONS THIS WINTER:** FM-stereo markets are opening up rapidly now, and our investigation shows there will be 100 to 125 stations broadcasting in stereo—covering nearly all major markets—before winter is over.

We present herewith the most complete lists ever compiled showing stations now stereocasting, stations due to start soon, and stations which have ordered stereo equipment. These lists can be valuable

in your marketing operations. Save them, or if you don't wish to cut your copy of the Digest, our Washington office can supply reprints.

There are now 43 stations on air carrying stereophonic broadcasts—and stereocasting is already available to more than half the population of the country. At least 41 more stations have received—or will receive by next week's end—the necessary generating equipment to broadcast in stereo. At least 64 more have placed orders for future delivery. This makes grand total of 148 stations either broadcasting in stereo or having purchased equipment to do so.

We have listed total of 123 stations (or locations) which are now or will soon become stereo-active. Our lists were compiled from data supplied by the 6 largest manufacturers of FM-stereo multiplex transmitter equipment, from FCC notifications and from stations themselves. The lists provide basic rock-bottom minimum. There are undoubtedly more in the works than those listed, and there probably will be some surprises—including stations which are building their own equipment, buying from smaller suppliers, those whose identity has been withheld, etc.

What stands out in these lists is that stereo is now coming to every part of the country, virtually every major market. Canada, too, is starting FM stereo, and at least 8 stereo generators have been ordered and/or delivered north of the border—2 from RCA, 3 from Canadian RCA, 2 from Gates, one from General Electronic Labs. One has even been ordered from Gates to an unidentified South American country.

Bottlenecks are rapidly being broken in FM-stereo station generating equipment and deliveries are now either well under way or about to begin by the 6 major manufacturers. Rundown of their status & comments:

RCA is now "keeping up with demand," shipping 10 a week, and will have shipped more than 35 units by Dec. 9. Standard Electronics has sold & delivered its first production run of 20 units, has taken orders for 10 of a 2nd run of 40, scheduled to begin week of Dec. 11. ITA Electronics has shipped 10 units, has backlog of orders for 10 more. GEL made initial shipments Nov. 15, has delivered 5 and is shipping "at a steady, conservative rate." Collins has shipped 2, has backlog of orders for 15 more. Gates, which just received FCC type acceptance, has 25 orders, starts shipments about Dec. 15.

Here is list of the 43 FM stations broadcasting stereo as we went to press:

### FM STATIONS NOW BROADCASTING STEREOPHONICALLY

CALIFORNIA		NEW JERSEY	
Los Angeles .....	KFMU, KMLA	Dover .....	WDHA-FM
Sacramento .....	KSFM	Long Branch .....	WRLB
San Diego .....	KPRI	NEW YORK	
San Francisco .....	KPEN	Fresh Meadows .....	WTFM
San Jose .....	KSJO-FM	Garden City .....	WLIR
Santa Barbara .....	KMUZ	New York .....	WQXR-FM
Visalia .....	KONG-FM	Schenectady .....	WGFM
DELAWARE		Syracuse .....	WSYR-FM
Wilmington .....	WJBR	OHIO	
DISTRICT OF COLUMBIA		Akron (Barberton) .....	WDBN
Washington (Bethesda, Md.) .....	WHFS	Cleveland .....	WNOB
FLORIDA		Columbus .....	WBNS-FM
Miami (Coral Gables) .....	WVCG-FM	Middletown .....	WPFB
ILLINOIS		OREGON	
Chicago .....	WEFM, WKFM	Eugene .....	KFMY
MARYLAND		Portland .....	KPFM
Baltimore .....	WAQE-FM	PENNSYLVANIA	
MASSACHUSETTS		Norristown .....	WIFI
Lynn .....	WUPY	Philadelphia .....	WFLN-FM
Waltham .....	WCRB-FM	SOUTH CAROLINA	
MICHIGAN		Spartanburg .....	WSPA-FM
Detroit .....	WDTM	TEXAS	
MINNESOTA		Dallas .....	KIXL-FM
Minneapolis .....	WAYL	Houston .....	KFMK, KODA
MISSOURI		WASHINGTON	
Kansas City .....	KCMO-FM	Seattle .....	KLSN
St. Louis .....	KCFM	WISCONSIN	
NEBRASKA		Milwaukee .....	WMKE.
Omaha .....	KQAL-FM		WTMJ-FM

Here is list of 41 "second-wave" stations, which can be expected to be included in next batch of stereo starters. Many are brand-new stations not yet on air. Note that they will open up many new markets, be 2nd or 3rd program source in some others. This list includes stations to which stereo equipment has already been shipped, or will be shipped in the next week.



## NEXT STATIONS DUE TO BROADCAST STEREOPHONICALLY

(\* indicates new stereo city)

	ARIZONA		*East Lansing .....	WSWM
*Phoenix .....		KEPI, KNIX	*Grand Rapids .....	WJEF-FM, WOOD-FM
	CALIFORNIA			
*Fresno .....		KCIB, KXQR		MINNESOTA
*Oceanside .....		KUDE-FM	Minneapolis .....	KWFM
San Diego .....		KGB-FM, KLRO		MISSOURI
*Woodland .....		KATT	St. Louis .....	KSHE, KWIX
	CONNECTICUT			NEVADA
*Newton .....		WGHF	*Las Vegas .....	KORK-FM
	FLORIDA			PENNSYLVANIA
*Miami Beach .....		WAEZ	*Johnstown .....	WJAC-FM
*Orlando .....		WHOO-FM	Philadelphia .....	WHAT, WQAL
*Sarasota .....		WYAK	*Wilkes-Barre .....	WYZZ
	GEORGIA			TEXAS
*Columbus .....		WRBL-FM	Dallas .....	KSFM
	ILLINOIS		*Wichita Falls .....	KNTD
Chicago .....		WFWT		VIRGINIA
*Rock Island .....		WHBF-FM	*Richmond .....	WFMV
	INDIANA			WASHINGTON
*Evansville .....		WIKY-FM	Seattle .....	KISW
*Indianapolis .....		WISH-FM		WISCONSIN
	KANSAS		Milwaukee .....	WFMR
*Lawrence .....		KANU		CANADA
*Wichita .....		KCMB-FM	*Toronto .....	CFRB-FM
	MICHIGAN			
Detroit .....		WGPR	Four other Canadian cities, unidentified.	

This is list of cities where additional stations have ordered stereo generating equipment, but deliveries haven't yet been made. Call letters have been withheld by manufacturers (all 6 of whom are represented) for competitive reasons. Note that these are additional stations and are not duplicated on the preceding list:

## ADDITIONAL STEREO EQUIPMENT ORDERS

Los Angeles area (3 stations)  
San Francisco  
Jacksonville, Fla.  
Orlando, Fla.  
Washington, D.C.  
Indianapolis  
Louisville, Ky. (2 stations)  
Chicago (2 stations)  
Boston (2 stations)  
Detroit  
Midland, Mich.  
Minneapolis-St. Paul (2 stations)

Long Island area, N.Y. (2 stations)  
New York City (2 stations)  
Raleigh, N.C.  
Cleveland, O. (2 stations)  
Pittsburgh  
Dallas (2 stations)  
Houston (3 stations)  
Norfolk, Va.  
Seattle (3 stations)  
Canada (3 stations)  
South America

**TV-RADIO-PHONO AD CODE APPROVED:** Long-awaited advertising practices code for consumer electronics industry was approved by EIA last week at its winter meeting in Los Angeles and will be available in about 2 weeks.

It will contain no surprises, be entirely voluntary—not "policed"—but industry hopes to persuade dealers to live up to it. Possibly most important section will be the one which deals with comparative sale price advertising; "former" price must be one at which dealer has previously sold the merchandise. Other sections deal with use of model numbers in advertising, bait advertising, product claims, etc.

Like the home laundry code after which it is patterned, consumer electronics ad code will include FTC's guides against deceptive pricing, bait advertising and deceptive advertising of guarantees. Entire TV-radio-phono ad guide has been submitted to, and approved by, the FTC.

Opposition of set makers to FCC's proposed uhf legislation—to require that all sets sold in interstate commerce be equipped with all-channel tuners—was reiterated by EIA's Consumer Products Div. at the Los Angeles meeting. In expressing its views for Congressional consumption, the division backed them up with statement that "no action could reasonably be taken pending findings of the N.Y. uhf tests" (see p. 4).

Touchy problem of imports again was major EIA topic, made more urgent by President Kennedy's plea for broadening of reciprocal trade agreements. EIA board adopted resolution calling on President & Congress to carefully consider 7 "recommended objectives" in any legislation governing American international trade.

EIA's 7 points, in brief: (1) Where tariffs are reduced or removed, make sure foreign countries also lower barriers to import of U.S. goods. (2) Insure adequate procedures to adjust tariffs or import controls

when imports of any product "threaten to undermine the stability of the domestic industry involved or an important segment of that industry." Such action should not be subject to Presidential veto. (3) Enact legislation for labeling of products completely made abroad or containing "major components" made abroad, with FTC to assure against deceptive advertising of foreign-made goods. (4) U.S. industry should be advised in advance of trade agreement negotiations exactly what products will be up for discussion. (5) Trade agreement should be adopted by Congress only after careful study of effect on U.S. industry. (6) Congress should have right to veto trade agreements by majority vote. (7) Congress should protect U.S. industry from sale of foreign products at lower prices than those prevailing in country of origin, by strengthening Anti-Dumping Act.

EIA board accepted invitation from EIA of Japan to send 4-man industry delegation to Japan to study industry there. Delegation, to be appointed soon by Pres. L. Berkley Davis, will leave early next year.

**PHILCO MERGES WITH FORD THIS WEEK:** In overwhelming numbers of more than 40 to 1, Philco stockholders last week voted to "commit the surgery that puts Philco out of business"—as one dissident shareholder expressed it. Within 65 minutes on Nov. 28, at the electronics giant's Philadelphia hq, 3,426,653 shares (opposed only by 80,801) voted to cease 69 years of autonomous action in favor of subsidiary operation under Ford management (Vol. 1:1-A p5).

By Dec. 11, Philco Pres. James M. Skinner Jr. told some 250 shareholders at special meeting, Philco will be dissolved, temporarily become Helios Corp. (its original 1892 name) for the purpose of transferring its shares to Ford, and emerge as subsidiary Philco Corp. of Delaware. Neither Skinner nor other Philco executives shed any light on future of consumer electronics operation under Ford flag.

Ford got the good news from Philadelphia only hours after it received the bad news in Detroit that the Justice Dept. had filed a monopoly-charge suit in Federal District Court to force Ford to give up Electric Autolite's sparkplug business, which it acquired for \$28 million last spring. Ford stock dropped 2¼ to 108⅞ on the Detroit news, came back 1¼ with the Philco vote. Philco's stock inched up only ⅛ to 23½. (Dec. 1 Wall St. Journal noted: "Administration insiders expect the Justice Department won't sue to break up Ford Motor Co.'s acquisition of Philco Corp. Reason: Philco's poor financial shape.")

Opposition to Philco's sale was confined to a handful of stockholders, most vocal of whom was N.Y. attorney Abraham K. Weber, representing a group of shareholders. Responding to Weber's pointed questions, Skinner made these observations: Philco is in numerous fields—"computers & appliances to mention 2"—which offer great potential but "which require a vast amount of capital" which Philco doesn't have. The Philco board approved the Ford sale because "our borrowing capacity is at peak—exhausted." Asked by Weber if Philco "would go down the drain" if the Ford deal didn't materialize, Skinner replied: "The board is apprehensive." Weber argued that the exchange rate was "niggardly," told Skinner that "too many Philco stockholders are entranced by the Ford name to realize that they're only getting one share of Ford for each 4½ of Philco."

Overruled as "out of order" or "irrelevant" on a host of questions, including whether Philco had explored merger with other companies, Weber asked Skinner: "If Philco is in such bad shape, why is Ford taking it over?" Replied Skinner: "I'll have to refer you to Ford." The exchange grew heated at one point when Weber termed Skinner's handling of his questions as "high handed," reminded him that "this is our company, not yours." Weber was still talking when Skinner, ignoring him, called for the vote.

In Detroit, Ford refused comment on the Philco vote, noted that there were still formal papers to sign before transaction is completed. "We can't make any detailed plans until then," a spokesman said, adding that completion is expected "sometime after the first of the month [Dec.]." Approval by Ford stockholders is not required.

Financially, Ford's acquisition of Philco involves more than \$100 million. As of Sept. 1, Philco had outstanding 4,104,033 shares of common, 100,000 shares of preferred. Under the agreement, 4½ shares of Philco common will be exchanged for one Ford share; preferred holders will receive for each share \$101.50 in Ford stock plus accrued & unpaid dividends.

**TV-RADIO PRODUCTION:** EIA statistics for week ending Nov. 24 (47th week of 1961):

	Nov. 18-24	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	133,303	142,227	91,627	5,603,382	5,302,877
Total radio .....	242,778	292,060	273,164	10,630,883	9,693,479
auto radio .....	139,078	151,111	98,333	4,906,846	5,911,305

## TOPICS & TRENDS

Opposition to Philco's "Instant Dividend" program (Vol. 1:8 p9) is mounting. RCA is known to take dim view of merchandising gimmick, is expected to come out strongly against it at distributors meeting in Chicago's Edgewater Beach Hotel this week.

Motorola mktg. vp S. R. (Ted) Herkes blasted dividend plans in a Nov. 28 speech before Chicago Alumni Chapter of Alpha Delta Sigma. "Plans like this," he said, "do not merchandise the values of the products, their quality, their reliability, but use the products only as premiums in a promotional plan that is certainly poor merchandising. These plans are no substitute for plain old-fashioned selling. It is our opinion that if our industry is to become the dynamic, profitable business it's capable of being, order must be restored quickly through the restoration of hard sell."

In ID-hot Pittsburgh, Electronic Service Dealers Assn. has warned: "This plan is disastrous for the local appliance dealers. If it spreads, the number of dealers going out of business will be terrific."

"Bonafide suggested retail selling prices" may be established legally by manufacturers for retailers, FTC hearing examiner Herman Tocker said in another ruling on hot issue of "list" prices in bargain advertising (Vol. 1:11 p9). Initial decision in case involving Regina Corp., Rahway, N.J. maker of household appliances, held that manufacturers must place restrictions on "deceptive" use by retailers of such prices, however. And Tocker ruled that manufacturers must not contribute to cost of retail advertising which they know is intended to mislead customers.

Crosby Electronics & subsidiary Crosby-Teletronics, both in separate Chapter X reorganization proceedings (Vol. 1:10 p11), have resumed operations under trusteeship of Ralph Edsell Jr. after agreement with govt. which had closed Crosby plants in Syosset & Westbury, N.Y. for non-payment of withholding taxes. Judge Joseph C. Zavatt, Brooklyn, set hearing for Jan. 3.

General Dynamics/Electronics has temporarily suspended production of its Stromberg-Carlson stereo phonos & radio-phonos as latest step in "inventory reduction" program (Vol. 1:9 p6). Stoppage will result in layoffs for some 350 workers, and GD/E vp Arthur J. Hatch said resumption of production will depend on developments over the next few weeks.

Hitachi Ltd. had record sales & earnings in 6 months to Sept. 30, topped all Japanese firms. Sales rose some 33% from a year earlier to more than \$387 million, profits climbed 23% to \$30.9 million. Second-highest profits were earned by Toshiba—\$23.7 million on \$261.8-million sales, a 13% gain in both sales & profits over a year ago.

## 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
Rollins Bcstg.	1961—6 mo. to Oct. 31	\$ 2,999,289	\$ 511,317	\$ 258,006	\$0.27	954,851
	1960—6 mo. to Oct. 31	1,853,391	432,216	229,463	.26	899,053
Screen Gems	1961—qtr. to Sept. 30	7,448,000	—	341,735	.13	2,538,400
	1960—qtr. to Sept. 30	6,218,000	—	152,545	.06	2,538,400
Stanley Warner	1961—year to Aug. 26	134,720,744 <sup>1</sup>	7,981,873	4,301,873 <sup>1</sup>	2.12	2,026,374
	1960—year to Aug. 26	132,153,749	7,163,803	3,513,803	1.73	2,025,374
Sterling Television	1961—6 mo. to Sept. 30	565,556	—	36,149	.08	—
	1960—6 mo. to Sept. 30	383,642	—	16,833	.04	—
TelePrompTer	1961—7 mo. to July 31	—	—	(61,970)	—	685,811
	1960—7 mo. to July 31	—	—	52,635	.09	685,811
20th Century-Fox	1961—39 wks. to Sept. 30	81,188,678	—	(11,544,007) <sup>2</sup>	—	2,495,926
	1960—39 wks. to Sept. 24	80,177,841	—	2,997,115 <sup>3</sup>	1.26	2,383,286

Notes: <sup>1</sup>Record. <sup>2</sup>After \$9.2-million write-off of theatrical & TV inventories and before gain of \$25,735,917 (\$10.31 a share) on sale of studio

properties—resulting in actual net of \$14,191,910 (\$5.69). <sup>3</sup>Before special credit of \$735,614 (31¢).

## Trade Personals

Dr. Simon Ramo, Thompson Ramo Wooldridge exec. vp, named to new post of vice chmn. . . . R. C. Loomis, formerly pres. of General Dynamics' Convair Div., joins American Electronics as pres. & chief exec. officer, succeeding Philip W. Zonne who becomes chmn.

John L. Hanigan, Corning Glass, appointed to executive committee of EIA's Tube & Semiconductor Div.; Stephen Levy, Lansdale (Philco), named chairman of the division's semiconductor section.

Seymour Schwartz, chmn.-pres. of Transistor Applications Inc., elected chmn. of subsidiary New England Transformer Co. . . . H. Herbert Harris, ex-Philco, named exec. asst. to divisional vp & gen.-mgr. of General Instrument's F. W. Sickles Div., a new post.

Gordon MacKechnie named to new post of asst. product mgr. for audio products by Ampex International Operations, absorbing some duties of product mgr. William L. Cara who resigned to become mktg. mgr. of Stancil-Hoffman Corp.

H. Wayne Bracken, GE's Atlanta district sales rep, moves into new post of TV Dept. merchandising mgr.; Jack L. Hunter appointed distribution planning mgr., Radio & TV Div.

J. Stanford Smith elected a GE vp, named head of new mktg. & PR services post; Virgil B. Day, formerly relations services vp, heads new post of management development & employe relations services.

Gene R. Marner promoted to research dir. of Collins Radio's Cedar Rapids div. . . . A. Keith Cook promoted to Oak Electronics gen. mgr. . . . Donald J. Flynn promoted to Sylvania equipment sales engineer in Midwest region.

Edward S. Gagnon named Gates Radio special projects mgr.

## Obituary

Elbert (Al) Merriam, national service manager of Symphonic Electronic Corp., and former service manager of Sylvania Home Electronics Corp., died of a heart attack last week.

Transistor factory sales rose to a 1961 monthly record in September, EIA reported last week. The September volume totaled 19,386,202 units—up markedly over previous leader June's 17,899,005. Despite record sales, however, the total dollar value of \$27,220,248 ran a poor third to March's \$29,815,291 (on 15,129,273 units) and April's \$27,388,278 (on 15,072,064). Indicative of the profit squeeze in transistors, cumulative sales rose more than 46 million units to 136,490,332 from 90,263,352 in 1960's first 9 months. Dollar value, however, increased less than \$5 million to \$227,002,035 from \$222,198,961. EIA's figures:

	1961		1960	
	Units	Dollars	Units	Dollars
January .....	12,183,931	\$22,955,167	9,606,630	\$24,714,580
February .....	13,270,428	25,699,625	9,527,662	24,831,570
March .....	15,129,273	29,815,291	12,021,506	28,700,129
April .....	15,072,064	27,388,278	9,891,236	23,198,576
May .....	15,128,181	25,113,042	9,046,237	24,714,580
June .....	17,899,005	26,148,746	10,392,412	27,341,733
July .....	11,227,388	17,506,011	7,070,884	18,083,802
August .....	17,193,860	25,155,627	9,732,993	22,739,969
September .....	19,386,202	27,220,248	12,973,792	28,442,229
<b>TOTAL .....</b>	<b>136,490,332</b>	<b>\$227,002,035</b>	<b>90,263,352</b>	<b>\$222,198,961</b>

New TV-home count: Household appliances in standard metropolitan areas are covered in new Census Bureau series of 1960 reports supplementing state-&-county statistics (Vol. 1:11 p11). First advance returns released in series, which is scheduled for completion next March, detail

housing characteristics of Phoenix & Tucson areas in Arizona and Lewiston-Auburn & Portland areas in Maine. TV counts:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Phoenix .....	191,076	146,808	19,691	24,542
Tucson .....	77,426	59,923	7,433	10,053
Lewiston-Auburn ..	21,740	17,678	2,325	1,737
Portland .....	37,901	28,868	6,182	2,851
Ga. ....	1,070,325	785,145	71,569	213,582
Hawaii .....	153,064	110,835	8,312	33,865
Ky. ....	851,867	619,953	48,397	183,458
Ia. ....	841,357	709,867	40,349	91,124
Tenn. ....	1,003,301	753,367	60,460	189,474

## Finance

Admiral expects its 4th-quarter profit to be "substantially" above the \$957,113 earned in the 3rd quarter (Vol. 1:9 p10) and sales to exceed July-Sept.'s \$49.6-million volume. In 1960's 4th quarter, Admiral lost some \$3 million on \$42.9-million sales. Pres. Ross D. Siragusa said he expected the sales & profit improvement to continue into 1962's first quarter, noted that sales are up for all Admiral consumer products divisions. "Particular strength," he said, is being shown by appliances. Conversely, Admiral's military products division is operating unprofitably, but "we're hopeful that, beginning in 1962, some earlier research & development work will bear fruit."

TV-Electronics Fund Inc. raised net assets 30.8% to record total of \$443.8 million in fiscal year ended Oct. 31 vs. \$339.4 million in fiscal 1960. Shares outstanding totaled 49.7 million vs. 45.8 million, adjusted per-share value was \$8.92 vs. \$7.41, Pres. Chester D. Tripp reported to stockholders. Principal portfolio changes were additions of Atlantic Research, Barnes Engineering, Corning Glass, CTS Corp., Milgo Electronic, Technical Material and Wyle Lab common stock, elimination of holdings in Admiral, Martin, Royal McBee, and Smith-Corona Marchant.

Webcor foresees earnings of \$2 million (\$2 a share) on \$29-million sales in the 6 months to Nov. 30, compared with the \$91,000 profit (10¢) on \$16.7-million sales reported in the year-earlier period. (The 1960 figures include only one month of subsidiary Dormeyer Corp., acquired Nov. 1960.) Pres. James E. Archambault reported also that Webcor will enter the institutional equipment field in the spring with a multichannel recorder designed to anesthetize patients by using both voice & music, a line of phonographs for elementary grades, and a language lab system that can give instruction in different languages & learning levels simultaneously to 30-40 pupils.

Zenith increased its quarterly dividend last week and voted an extra payment of 36 2/3¢ a share. The new quarterly dividend is 20¢ a share, payable Dec. 29 to holders of record Dec. 8. It is equivalent to 60¢ a share, up from 50¢, on Zenith's stock prior to the 3-for-1 split Nov. 20. Extra dividend carries the same record & payment dates.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg Elec. ...	Q	\$0.35	Dec. 29	Dec. 15
Bendix .....	Q	.60	Dec. 28	Dec. 8
Clarostat Mfg. ....	Stk.	3%	Dec. 29	Dec. 18
Heli-Coil .....	SA	.30	Dec. 15	Dec. 8
Intl. Resistance .....	Ex.	.15	Dec. 28	Dec. 14
RCA .....	Q	.25	Jan. 22	Dec. 15
RCA .....	Stk.	2%	Jan. 29	Dec. 15
Rollins Bestg. ....	Q	.08	Jan. 25	Dec. 26
Warner Bros .....	Q	.30	Feb. 5	Jan. 12
Wells-Gardner .....	Q	.30	Dec. 15	Dec. 8
Zenith .....	Q	.20	Dec. 29	Dec. 8
Zenith .....	Ex.	.36 2/3%	Dec. 29	Dec. 8

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

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

**CBS & NBC UNLEASH ATTACK ON 'WASTELAND' CHARGE**, Stanton & Sarnoff seeing attempts at govt. program dictation. Sarnoff also concerned with "imbalance" between network & station profits (p. 1).

**RE-RUN OF OPTION TIME DEBATE** heard by FCC in oral argument. Decision not expected until end of network program hearing (p. 3).

**3-YEAR 'TRAFFICKING' RULE ON TAP**, FCC to consider restrictions on station sales, including staff recommendations to tighten original proposal (p. 4).

**TIGHT LID ON SHORT-SPACED VHFS** maintained by FCC which declines to drop in more (p. 4).

**UPBEAT FINALE TO WNTA-TV SAGA**—sale to educators okayed when Gov. Meyner gets assurances N.J. will get adequate attention on station (p. 4).

**Consumer Electronics**

**SKINNER QUILTS PHILCO** as Ford takes over, president resigning to "open way to appointment of new chief." Ford's Charles E.

Beck mentioned as possible successor (p. 7).

**RCA COLOR DOLLARS** exceeded b&w in Nov., Saxon tells distributors at Chicago meeting. Figure includes chassis & components (except picture tube) made for RCA Victor & other original equipment manufacturers (p. 7).

**'ID' ALSO SIGNIFIES** "irate dealers" as supermarket-tape programs spread; NARDA holds emergency meeting in N.Y. to develop program to combat promotion; dealers alarmed (p. 7).

**EIA EXPANDING ACTIVITY** in consumer product field, naming full-time staff director for TV-radio-phono. Starts study of AM-stereo proposals (p. 9).

**JAPANESE TV-RADIO-PHONO** exports to U.S. rose only 8.5% in year, totaling \$52.9 million for first 9 months of 1961. Tube & toy radio exports rise, while transistor radios drop. Prices decline in all radio categories (p. 10).

**WINTER DROP-IN TIME** arrives, RCA showing new black-&-white and color lines, Zenith adding stereo consoles & combos, Du Mont premiering 3 color consoles (p. 11).

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**CBS & NBC UNLEASH ATTACK ON 'WASTELAND' CHARGE:** After months of silent seething, 2 network leaders—CBS Pres. Frank Stanton and NBC Chmn. Robert Sarnoff—struck back strongly at govt. critics led by FCC Chmn. Newton Minow.

On same day, Dec. 7, both delivered speeches bitterly lashing "the government"—plainly focusing on Minow—charging attempted program dictation.

Minow's reaction: "I think it's very desirable for industry spokesmen to express their points of view. One of my main purposes is to encourage discussion of industry responsibilities. I plan to go into this in my speech before the Commonwealth Club in San Francisco Dec. 22."

The 2 attacks were immediately interpreted in Washington as opening guns, on eve of FCC's network program hearing (postponed from Jan. 9 to Jan. 23), to counter FCC's tightening regulatory activities—particularly before Congress. There's anticipation, in fact, of introduction of legislation designed to rip every vestige of program evaluation from Commission's hands.

Both men found same quote to epitomize their speeches, Justice Brandeis': "Experience should teach us to be most on our guard to protect liberty where the government's purposes are beneficent."

Herewith are highlights of Stanton's address, the Benjamin Franklin Lecture at U. of Pennsylvania:

"The public verdict is, I have no doubt, the safest and surest, the most valid and most enduring, one. But it has its price. It is less swift and less efficient, but it shares such limitations with all other procedural aspects of the democratic life."

Stanton quoted from Minow's NAB speech, in which the FCC chairman said "a vast wasteland" was to be observed if one spent an entire day with "eyes glued to that set until the station signs off." Said Stanton:

"The danger of this kind of sensationalized and oversimplified approach, with its broad brush conclusions, is not only that it grotesquely distorts the situation as it is, a clear perception of which is necessary to improvement, but also that it invites impulsive measures directed at making fundamental changes on the ground that any change is a change for the better. Actually, the only change that I have seen suggested is that the government supervise programming by use of its licensing power and by regulating a major program source, the networks.

"How much improvement can either of these really bring about? If government authority sets standards, qualitative or quantitative, for TV programming, whose standards are they going to be? The chairman of a commission? A majority of a commission? A Congressional committee?

"You would have authoritative standards that would stifle creativity. You would have a rigidity that would discourage experimentation. You would have the subjective judgment of a small group impose on the many. And you would have the constant danger of the misuse of the medium for political purposes."

Stanton also attacked recent statement of Wall St. Journal Pres. Bernard Kilgore, who said freedom of the press shouldn't be confused with freedom problems of a licensed medium (Vol. 1:9 p1). Said Stanton:

"I am not in sympathy with the soft inclination to turn the content of any medium over to government control on the grounds that to insist on the rights of a new medium will obscure the rights of the older. Whether it is apparent on the surface or not, the freedoms of all media are interlocked. . . . Basic freedoms are not divisible, to be rationed out discriminately."

Stanton went to great pains to show that TV does serve minorities, with culture, information, news and other non-entertainment fare. Listing cross-section of such programs, he said:

"TV does, in fact, have a variety of programs that are, while directed hopefully at the majority, seeking to meet standards of excellence in substance or in manner acceptable to the most demanding minority . . .

"A decade from now, if the public verdict prevails, TV will be unrecognizable from what we have today. The medium will change because there is a constant, slow but inevitable upward movement in the standards and interests and capacities of a free people . . .

"In a pluralistic society like ours there are a great many additional built-in safeguards against persistent excesses. These are far more effective over the long haul than paternal authority."

In Beverly Hills, meanwhile, NBC's Sarnoff offered 35th convention of affiliates (to which Minow sent greetings "as one 35-year-old to another") a speech hailed as "the answer to Minow." Sarnoff also voiced another major concern: network profits are down while station earnings are up.

TV thrives on criticism, he said. However: "When criticism comes—pointedly & suggestively—from the voice of governmental authority, speaking softly but carrying a big hint, at what point does criticism become coercion—where does freedom leave off and interference begin? . . . Some would interfere with no more than a lifted eyebrow, using it as a kind of semaphore to wag this program type off the air and signal more time for that one. I believe this is a dangerous, mistaken and illiberal doctrine . . .

"Any doctrine of coercion is dangerous because even if it could be administered with impeccable intentions and flawless wisdom, it creates a precedent that could be disastrous in the hands of some future authority who might be unwise, ill-intentioned or both."

Sarnoff also dug at some broadcasters: "Freedom is not a rallying cry to be raised as a smokescreen for opportunistic self-seeking. Broadcasters who use it that way pervert the meaning of freedom; all they really want is freedom from their obligations to the public."

Disparity between network and station profits is "a striking & growing economic imbalance," the NBC chairman asserted. He noted that combined pre-tax earnings of the 3 TV networks dropped 22% in 5 years ending in 1960, while station profits rose 44%.

Unrecovered costs of news, information and entertainment rose to \$118 million last year for TV networks—up 80% in 5 years, in NBC's case—Sarnoff noted. He listed NBC's objectives for years ahead:

(1) Keep pushing color. (2) "We intend to be first in global TV." (3) "Maintaining the front-running position in popular entertainment; and we do not expect to apologize for it." (4) With "more programming of cultural substance, we intend to keep leading the audience, but we have no intention of getting so far out ahead that we leave it behind." (5) Push ahead with expansion of news and informational programs. (6) More

children's programming of the highest possible standard." (7) "We intend to hew to the ideal of a balanced program schedule."

His wrapup: "After 35 years of serving the public, we do not intend to be panicked now, and neither should you."

NAB Pres. Collins offered this reaction to the speeches: "Dr. Stanton made the very sound observation that governmental control of broadcast programming is no way to improve programming, and in this every thoughtful American will concur. Mr. Sarnoff has given one of the most responsible & enlightened commentaries I have yet seen on (1) the responsibilities of broadcasters to provide an ever-increasing quality of public service and (2) the recognition by conscientious broadcasters that this is the surest defense against any improper governmental intervention in the freedom of broadcasting."

**RE-RUN OF OPTION TIME DEBATE:** Final decision on option time, after full-day oral argument before FCC last week, isn't expected until conclusion of network hearing. Scheduled to start Jan. 23 (postponed from Jan. 9), hearing on network programming practices is believed by Commission to be so closely related to option time that the 2 should be considered together.

Eleven attorneys, closely questioned by Commissioners, went over much of ground explored time & again by FCC. Networks & affiliates again argued that option time gives networks ability to assure advertisers proper coverage, thus placing economic foundation under whole system of networking and supporting most valuable aspect of TV programming. They urged FCC not to tinker with system in hopes of giving non-network program sources access to prime time—with objective of increasing competition. They argued that they need economic support flowing from option time in order to present "comprehensive" service including public affairs programs which syndicators don't offer.

They insisted that FCC shouldn't change its mind simply because there's change in its membership. Original vote was 4-3 to preserve option time—ex-Comr. King voting with majority. KTTV Los Angeles appealed to courts. After Minow joined Commission, FCC asked court to remand case back to it to see whether option time should now be abolished. They argued, also, that "rationing" amount of network programming accepted by stations would come dangerously near censorship. Counsel for NBC affiliates suggested that if Commission abolishes option time it set up procedures whereby it could quickly reinstate practice if experience with non-option doesn't work out.

Option time opponents repeated their assertions that networks will still get all clearances they need, that limitations on network hours will stimulate great growth of non-network program suppliers. They argued, again, that option time is an anti-trust violation even if Commission believes practice is in public interest.

Westinghouse Bcstg. Co. takes interesting position. Despite fact it has 2 CBS affiliates, 2 NBC, one ABC, it plumped for giving networks 3 option time hours in each segment of day—but allowing stations to take no network programs outside option time. Goal is to increase access to station by regional & local accounts.

Comr. Ford may be a key figure in final vote. He voted against option time originally, indicating belief competition would be fostered, stations would have greater freedom of program choice and other types of adequate clearance systems would develop. However, when FCC recently frowned on CBS's incentive compensation plan (Vol. 1:7 p3), he abstained from voting. During oral argument last week, he said that CBS plan was sort of thing he had in mind—but that plan is being attacked on anti-trust basis, too. So, he concluded, no one will know what's legal or illegal until it's finally fought out in courts.

CBS and 40 of its affiliates, meanwhile, answered FCC's charge that CBS "incentive compensation plan" violates rules, penalizes affiliates if they carry programs of other networks (Vol. 1:7 p3).

CBS insisted that no existing rule prohibits its plan, gave examples of plan in use to show that affiliates still clear as they did before. Contrary to FCC's assertions, CBS said, there has been increase in non-network programming among affiliates using plan. FCC's action, CBS asserted, is "part of a campaign to reduce, by governmental fiat, the incentive to clear network programs, whatever the means used to seek such clearances."

All 40 affiliate incentive-plan users, with exception of KPIX, San Francisco, backed up CBS, asserted that they're not penalized, not excluded from carrying other network fare. KPIX disagreed, said it had signed with CBS under protest.

**3-YEAR 'TRAFFICKING' RULE ON TAP:** FCC is scheduled to discuss this week the "anti-trafficking" station-sale rule it proposed year ago (Vol. 16:50 p1)—and it's understood that staff recommends it go through with it, make it tighter.

Original proposal calls for a hearing when any station owned for less than 3 years is to be sold, with these exceptions:

(1) Inadequacy of operating capital. (2) Death or disability of station principals or key management personnel. (3) "Other changed circumstances affecting the licensee or permittee occurring subsequent to the acquisition of the license or permit." FCC staff makes these current recommendations:

(1) Drop the "inadequacy of operating capital" exception because it's too difficult to pin down. Substitute for it a proviso that seller can't get more for station than he paid, plus operating losses.

(2) Drop the exception regarding death or disability of "key management personnel"—because they can be replaced.

(3) Reject proposed exceptions based on "human factors" such as unhappiness with community, dislike of broadcast business, desire to enter larger markets.

(4) Allow exception when sale is required by divorce settlement, when transfer is gift to owner's children and when station involved is uhf.

(5) When multiple owners are involved, deep inquiry should be made even if station has been held more than 3 years.

There's no telling whether Commission will buy foregoing recommendations—but staff usually carries considerable weight.

**TIGHT LID ON SHORT-SPACED VHFS:** FCC went to substantial pains last week to let it be known it really wants to keep strong control of vhf standards, that it doesn't intend to break down the service by chipping at coverage, that it looks to uhf for expansion.

Commission turned down petitions for reconsideration to add short-spaced vhfs to Columbia, S.C.; Akron, O.; Portland, Me.; Milwaukee, Wis.; Toledo, O.; Saginaw-Flint-Bay City, Mich.; Jackson, Miss.; Worcester, Mass.; Orlando, Fla.

In its decision, Commission stated: "While we are prepared to make substandard spacings [in 8 major markets], a strict limitation upon the number of such assignments must be maintained. Otherwise the danger of a mass proliferation of short-spaced assignments would threaten—without concomitant benefit—the wide range of existing service and severely hamper our long range program to improve TV service by increased use of the uhf band. Without derogating from the merit of bringing additional vhf service to other suggested cities—some of which have substantial populations—the Commission is convinced that the solution to the present shortage of spectrum space in these areas must depend upon utilization of the uhf band." No dissents.

FCC Chmn. Minow met with President Kennedy last week to discuss concept of civilian control—through a commission or an administrator—of whole spectrum, both govt. & non-govt. Nothing conclusive.

**UPBEAT FINALE TO WNTA-TV SAGA:** It's over—almost—N.Y. educators' \$6.2 million acquisition of WNTA-TV (Ch. 13). N.J. Gov. Meyner dropped his litigation to block sale, accepting assurances that N.J. would get adequate innings on station—after wearying wee-hours negotiations at his mansion in Princeton Dec. 4, the day that sales contract was to expire.

National Telefilm Associates, assured that payment it would get for station wouldn't be jeopardized by litigation, was happy to go through with deal. Transfer was to be consummated Dec. 8 but "complex legal details" delayed finale until Dec. 13. But parties visualize no new last-minute hitch. Broker is Howard Stark.

Meyner was given these guarantees to take care of N.J. programming needs: (1) He'll be member of N.J. association formed to advise station on state's interests. (2) He and 2 other prominent N.J. citizens will become members of station's board of trustees. (3) Station will carry daily N.J. newscast. (4) Meyner's weekly telecast will be continued.

FCC played substantial role in negotiations—details not yet disclosed—Chmn. Minow's administrative asst. Tedson J. Meyers sitting in on talks. Said an FCC spokesman: "It's an excellent example of how government can take a creative, helpful role." Station is to go dark until ETV forces can recruit staff.



## **CURRENT CAPSULES**

Big national advertisers have edge in buying time on affiliated TV stations but few small businessmen are complaining. That was consensus of testimony at 2-day House Small Business subcommittee hearing last week to probe local advertising opportunities on TV. Panel comprises Chmn. Rep. Alford (D-Ark.) and Rep. Avery (R-Kan.).

FCC Broadcast Bureau Chief Kenneth A. Cox testified to "relatively few complaints" from the country's 4 million small business concerns "as to lack of access to TV or radio."

It's a matter of economics, he said, because radio is better geared to local advertising through its vast number of independent stations. RAB Pres. Kevin B. Sweeney agreed, urging small businessmen to use radio.

TvB Pres. Norman E. Cash said that, contrary to complaints, small firms don't yet realize full potential of TV. He noted that 2,958 small advertisers used spot TV last year.

Several small businessmen told of difficulty in buying prime time at rates they could afford. They said small businesses were declining because network demands prevented local advertisers from waging local campaigns.

"It's just like somebody coming into your home, taking over your own bedroom and sending you out into the back lot," said Chris E. Finkbeiner, pres. of Little Rock Packing.

Cox said network dominance over programming was "a matter of serious concern and requires constant regulatory vigilance," but that FCC lacked legal power to tell stations to whom to sell time. He said one solution was expansion of uhf, and urged passage of all-channels-set legislation to stimulate its growth.

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A public defender at FCC hearings to look after viewers' interests was urged last week by the Continuing Conference on Communications and the Public Interest. Released by Chmn. Gilbert Seldes, Dean of the Annenberg School of Communications, U. of Pa., report said broadcasters always have counsel at hearings but no FCC staffer has job of getting viewers' opinions. Report said FCC should consider charging fees up to \$100 for licenses to become self-supporting and hire adequate staff. Reservation of channels for FM educational stations and local hearings on applications for new licenses were also urged by group. Conference's exec. committee consists of Seldes; Syracuse U. vp Kenneth Bartlett; Charles Siepmann, chmn. of NYU communications & education dept.; and Dallas Smythe, U. of Ill. communications research professor.

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FM semi-freeze—granting only those applications complying with certain technical criteria—was imposed by Commission last week as forecast in our previous issue (Vol. 1:12 p2). FCC made one change from initial proposal: It decided that applications in hearing status would also be frozen if they failed to comply with new criteria. Educational FM applications are exempt from freeze. Purpose of delay is to maintain status quo pending consideration of standards revision. Last week, FCC granted extension from Dec. 11 to Jan. 10, the deadline for filing reply comments in the proceeding (Doc. 14185 & RM-94).

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Station owners who want protection from competition are paving way for stringent, utility-type government regulation, FCC Comr. Hyde warned Colorado Bcstrs. Assn. last week. TV must be "an unimpeded and unsubservient communications service," he said, stating that attacks on current programming are a challenge to a free industry to improve itself.

## **Personals**

William R. McAndrew, NBC News exec. vp, becomes an NBC director. Ellis O. Moore promoted to NBC press and publicity vp; Alexander S. Rylander, promotional services vp; Grant A. Tinker, general program exec. vp.

Alvin H. Perlmutter, program mgr. of WNBC-TV N.Y., joins Spectrum Associates as exec. producer and program supervisor . . . John Panagos, vp of United Bestg. Co., Washington, promoted to exec. vp.

Lawrence D. Huntsman, District of Columbia asst. corporation counsel, joins Washington law firm of Welch, Mott & Morgan . . . George Dessart promoted to public affairs director of WCAU-TV Philadelphia.

Maurice E. McMurray, ex-Storer Bestg., joins Broadcasters Advertisers Reports as sales vp . . . George Andros promoted to TelePrompTer national broadcast sales mgr. . . . Lee O'Brien, ex-BBDO, joins WOR N.Y. as research dir.

Dr. Charles Lee, vice-dean of Annenberg School of Communications, U of Pa., cited by Poor Richard Club of Philadelphia for 25 years' service in communications . . . Robert N. Brumfield Jr. promoted to news director of WKRC-TV & WKRC Cincinnati.

Don Menchel promoted to vp of TV Stations Inc., 8-year-old film buying organization of more than 100 stations. Formerly with ABC, Menchel has been with TV Stations 5 years, is elevated from mgr. of Buying Div.

"Biography of a Bookie Joint" is causing a furor among Massachusetts political & religious leaders (Vol. 1:12 p6). Reform GOP Gov. John A. Volpe planned to view a private screening of the Nov. 30 secretly filmed *CBS Reports*. Richard Cardinal Cushing said producers of film, which showed 10 Boston policemen entering & leaving a gambling house, "owed an apology" to city. He said he had not seen film. Mass. House Speaker John F. Thompson, a Democrat, called for FCC probe. Dwight Strong, exec. secy. of New England Citizens Crime Commission, and Rev. Myron Fowell, leading Congregationalist clergyman, praised CBS.

KGMB-TV (Ch.9) & KGMB, with *Honolulu Star-Bulletin* and satellites KHBC-TV Hilo & KMAU-TV Wailuku, have been sold for \$11,130,000 by trustees of Farrington estate to Hawaiian group headed by J. Ballard Atherton, pres. of Hawaiian Telephone Co., and Chinn Ho, pres. of Capital Investment Co. Broker: Vincent Manno, newspaper specialist associated with TV-radio broker Howard Stark.

FCC allocations actions: (1) Proposed to shift WTTV's Ch. 4 from Bloomington to Indianapolis and to consider whether one of area's vhf's should be given to ETV. (2) Proposed to give ETV 12 more uhfs in Fla., in addition to its 5 vhf & 4 uhf ETV assignments: Ch. 28, Bradenton; 15, Ocala; 17, Marianna; 17, Palatka; 26, Leesburg; 33, Lake City; 25, Boca Raton; 18, New Smyrna Beach; 14, Cocoa; 21, Madison; 31, Ft. Pierce; 16, Ft. Myers.

Spot TV billings for third quarter were up 2% to \$127,644,000 from \$125,012,000 for the same period 1960. TvB reports food and grocery products accounted for \$29,163,000; Proctor & Gamble was again the largest single advertiser with \$13,680,700.

MCA is buying Columbia Savings & Loan Assn., Denver, in further diversification move. The \$12-15 million deal will give talent agency control of \$52 million in deposits and ownership of a 14-story office building in Denver.

FCC decreed \$8,000 forfeiture against radio WCUY (FM) Cleveland Heights in latest Harris-Pastore Act ruling (Vol. 1:11 p3). Ruling cited station for testing new transmitter without notification and broadcasting on new frequency without authorization.

Three ad agencies have been selected by Commerce Dept. to handle overseas promotion of U.S. Travel Service. BBDO will handle program in U.S. & Italy; Ogilvy, Benson & Mather is designated for Great Britain, France & Germany; Communications Affiliates Inc. was assigned to all international public relations activities.

TV is good for eyes, Dr. Morris Kaplan of U. of Colo. told American Medical Assn. clinical meeting in Denver. He said many doctors have wrong idea that patients with faulty vision should "save" eyes. They ought to be exercised instead by watching TV & movies, Dr. Kaplan reported.

NAB Engineering Award winner for 1962 will be nominated by engineering conference subcommittee headed by NAB engineering mgr. George W. Bartlett. Other members named at Washington meeting of committee: Jack Petrik (KETV Omaha), William S. Duttera (NBC), William B. Honeycutt (KRLD-TV & KRLD Dallas).

Status of ETV today is reviewed by NET's Washington office (1619 Massachusetts Ave., NW) in new brochure, *Current Developments in Educational TV*.

WCCA-TV (Ch. 25) Columbia, S.C. & WCCB-TV (Ch. 32) Montgomery, Ala. name Weed as national rep. Weed has moved N.Y. hq from 579 to 535 Fifth Ave.

Anti-payola consent judgments issued by the FTC before passage of criminal legislation in 1960 will stand, the commission decided 4-1 last week. Five record companies had appealed, citing FTC's decision to dismiss payola complaints still pending when the Communications Act was amended last year to make payola a crime. Companies said it was unfair to let some off free with judgments on record against others. FTC said it couldn't justify reopening the cases. Comr. Elman dissented. Losers were Bernard Lowe Enterprises, Atlantic Recording, Vee-Jay Records, Am-Par Record, Carlton Record.

Viewers will get "just what they deserve" if they don't complain about poor programs, FCC Chmm. Minow told Washington PTA meeting last week. NAB vp Howard Bell said TV broadcasters knew they had a duty to appeal to "high rather than low denominators". Minow said that TV producers don't deliberately air bad programs, but that they tend to underrate the public's taste, knowledge and understanding. He said he'd rather see poor TV than interfere with free speech, but asserted that broadcasters should be held to their promises.

TV in Communist Poland is much like that in capitalist U.S.—at least when it comes to beefs, reports Ignacy Waniewicz, Warsaw's educational & instructional program editor-in-chief. Ending TV inspection tour here, he said: "We get telephone calls from the public. And critics! There are more TV critics than viewers. Each newspaper has a critic and many are not too well qualified." Poland's 9 stations now cover only half of country, but Waniewicz predicted all but about 2% of nation will be blanketed within 2 years.

Ameco, Phoenix manufacturer of CATV equipment, has been established as separate corporation from parent Antennavision Inc. Ameco crews or equipment helped set up CATV systems in Yuma and Yuma Test Station, Ariz.; Van Buren, Ark.; Holtville, Imperial, El Centro, Calexico and Brawley, Cal.; Yates Center, Kan.; Waynesville, Mo.; Artesia, N.M.; Oxford, N.Y.; Buffalo and LaVerne, Okla.; Mill Hall and Huntingdon, Pa.; Alpine, Colorado City and Irran, Tex.; Moab, Utah; Monterey, Mexico.

Patron saint of ETV & radio chosen last week by Pope John XXIII: St. Ambrose, 4th century Roman bishop. The Pope told 250 delegates from 68 countries in Rome, at first World ETV and Radio Congress, that ETV has mission to help "eliminate the scourge of illiteracy" and educate those with little formal schooling.

Revised AP radio-TV style book goes out this week to member stations. Book was prepared by AP radio-TV news editor John A. Aspinwall and committee headed by Jack Krueger of radio WTMJ Milwaukee.

USIA's 16th semi-annual report, describing agency's operations during first half of 1961, now available from U.S. Information Agency, Washington 25, D.C.

Protest against CATV microwave grantee by KWRB-TV Riverton, Wyo. involved Carter Mountain Transmission Corp., not Western TV Corp. as was inadvertently reported in Vol. 1:12 p6. Western is a CATV operator, not a microwave grantee.

Scrambled police lineups and medical instruction will be transmitted over FCC's experimental WUHF by City of New York. Transmissions will take place when propagation measurements aren't being made.

Telestima Mexicano has bought first outside-U.S. Videotape cruiser from Ampex.

New Station on air last week: KDCD (Ch. 18) Midland, Tex.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**SKINNER QUILTS PHILCO AS FORD TAKES OVER:** First of the big changes at Philco will be at the very top. When Ford formally takes over today (Mon., Dec. 11), its first act will be to accept resignation of Pres. James M. Skinner Jr., who said he had informed Ford that "at this point the interest of Philco, under its new ownership, would be best served by opening the way to the appointment of a new chief executive officer."

Skinner's was 2nd major resignation at Philco since sale to Ford was announced—consumer products marketing vp Robert G. Urban having quit 3 weeks ago to become president of American Safety Razor Co. (Vol. 1:11 p11). Skinner, now 47, joined Philco in 1934 as a factory expeditor, became vp of the TV div. before being elected president in April 1956, succeeding James Carmine. A year later he also succeeded Chairman William Balderston as chief executive officer. Philco has been without a chairman since Balderston's retirement in 1957. Skinner's father was president of Philco from 1929 to 1939.

Skinner will be available as consultant to Ford "for a period of months," he said in an official statement, "at the request of the Ford Motor Co."

Mentioned prominently as successor to Skinner as Philco chief executive—at least on temporary basis—is 40-year-old Charles E. Beck, now Ford assistant treasurer and director of business planning. A specialist in corporate finance, he joined Ford in 1949, later became mgr. of the company's investment analysis dept.

More details about Ford's plans for operation of Philco as a division should come this week when motor giant formally absorbs the electronics-appliance manufacturer. Ford has slated a Dec. 11 news conference to introduce executives who will head up new Philco subsidiary.

**RCA COLOR DOLLARS EXCEEDED B&W IN NOV.:** RCA reached a color milestone in November, when color became more important than b&w in dollar volume for the month.

RCA distributors, meeting in Chicago last week, were told by RCA Sales Corp. merchandising vp Raymond W. Saxon that dollar volume of company's factory shipments of color receiving equipment exceeded b&w by 10.4% last month. And, he added, this has not been at the expense of a poor b&w month, since RCA's b&w shipments were 13.4% above last year. Color shipments for month were more than double RCA's Nov.-1960 figure.

Included in Saxon's comparison were all RCA color & b&w chassis and chassis components & subassemblies (except picture tube) made for RCA Victor and other original equipment manufacturers. RCA makes color chassis and/or major color parts & subassemblies for Admiral, Emerson-Du Mont, GE, Magnavox, Olympic, Packard Bell, Philco, Sylvania and Silvertone (Warwick)—every U.S.-made color TV brand except Zenith.

RCA replaced its entire low-end color set line with new group of 11 basic models, showing them at distributor meeting for first time. All sets except \$495 table model now use Pittsburgh-type bonded safety glass with no-glare surface, and have been upgraded into "Mark" series, a designation heretofore reserved for top-of-the-line. Distributors gave most applause to new "compact consolette" furniture model at \$595. Basic color set pricing is unchanged. (For new RCA b&w line, see p. 11).

**'ID' ALSO SIGNIFIES 'IRATE DEALERS':** Philco's "Instant Dividend" scheme for super-marketing TVs, radios & appliances (Vol. 1:8 p9) is proving an instant success wherever it's tried. It's also a smash success in frightening & alienating dealers—to a degree that many gimmick-scarred industryites believe that harm & ill-will it is engendering will plague industry long after "ID" is just another forgotten promotion.

What may shape up as important test of legality of claims made for supermarket-tape plans broke at week's end when RCA's Pittsburgh distributor Hamburg Bros. reportedly filed documented complaint with

FTC. Agency's principal power is that of policing ad claims for misrepresentation, and Hamburg Bros.' complaint could well influence direction & duration of fast-spreading promotion. Also taking positive action was National Appliance Radio-TV Dealers Assn. Moving fast to stem tide, NARDA called for better promotions to counter "ID" & similar merchandising gimmicks, was shaping up counter-promotion for use by individual dealers to cope with such competition in their localities.

That "ID" will fall of its own weight is opinion (or wishful thinking) of leading manufacturers & dealers with whom we spoke last week. At same time, however, there's real alarm that (1) rapidly-spreading "ID" will mushroom throughout country, (2) other TV & appliance manufacturers will hop on bandwagon with their "ID" variations, (3) supermarkets will eventually bypass dealers completely and retail their own TVs & appliances bought direct from manufacturers (dealers really aren't essential or necessary to operation of plan), (4) tape-register plan will spread to large & medium-size corner grocers, drug stores, meat market, and what have you.

Storm warnings are clearly flying throughout industry, as indicated by rush gathering in N.Y. last week of NARDA's board for emergency meeting with dealers along Eastern Seaboard. Exec. vp Jules Steinberg set stage with opening remarks that "every retailer in the country has his eyes on this room today" to see what can & will be done "to meet an apparent threat to appliance dealers." Meeting was called to exchange & gather facts & ideas for guidance of an emergency NARDA committee which meets in Chicago this week and—as Steinberg put it—"will remain in session until they arrive at a solution to this problem."

There was no mistaking alarm & anger of most dealers at NARDA meeting. There were several expressions of interest in, and even favor, for supermarket tape plans, to be sure, but virtually all dealers with whom we spoke, and those who spoke at the meeting, said they attended to get facts about ID and guidance for combating it.

Mechanics of supermarket tape plans are quite simple. Customer signs instalment lease at participating supermarket for Philco TV or appliance of her choice, payment to be made at rate of \$10 per month for a term of 12-to-36 months depending on total price, plus financing at 12%, of product. Credit approval is obtained in 24-48 hours, delivery of product follows immediately. Each month, supermarket allows customer a credit of 5.5% of her total tape purchases against \$10 due. If customer spends \$182 in given month, supermarket credit of 5.5% would liquidate \$10 instalment due on appliance. If purchases total, say, \$100, credit is \$5.50 and customer pays \$4.50 cash for that month's instalment.

Still a well-guarded secret is "inner arithmetic" involving market, dealer and finance company—but NARDA meeting did shed some light in this area, and dispel hopes that program might become too costly for supermarkets. Admiral's Robert Shaw suggested as "possible arithmetic" that supermarket pays nothing if customer's shopping bills stay under \$120 a month. Above that, market's share is figured on a sliding scale up to 3%, up to \$280. "On that basis," Shaw noted, "this program wouldn't cost supermarket much, and they could keep it up all day long."

NARDA Chmn. Mort Farr emphasized that most tape-register sales involve low-end, low-profit appliances & instruments, that housewife has to buy some \$6,000 worth of groceries to buy for \$280 a portable TV she can get in her dealer's store for \$179 without tying herself to a supermarket and a contract for 3 years. He noted that "this is one promotion where the supermarket gets part of the profit that normally goes to the dealer, but the more food customers buy, the more the promotion costs the supermarket."

Another dealer at NARDA meeting had this insight on pricing: On TV that costs him \$125, participating dealer sells it for \$209, including financing, under ID program. Dealer grosses 17%. Difference between 17% and price to consumer, less financing, goes to supermarket to help defray costs. Market also gets rebate of 5% of carrying charges from finance company.

Although these various "educated guesses" varied as to percentages, it's clear they're all in same target area. Clearly one indication that program is not costly to low-margin supermarkets is that many of them—notably big Food Fair—are continuing giveaway of stamps, which cost them up to 2.5% of gross.

NARDA meeting also unearthed these facts: (1) Survey by NARDA in Pittsburgh found one supermarket offering last year's Sylvania products at higher than list prices. (2) There's no evidence of increased food prices at markets selling appliances. (3) NARDA has been meeting with various manufacturers who are watching developments and who likely will join tape-register parade if they start feeling sales pinch.

In ID-hot Pittsburgh, where promotion really took off, rumblings of discontent developed in another quarter. Better Business Bureau urged consumers to study tape-register plans carefully before committing

themselves, noted, in part: "The BBB made test shoppings which revealed in many cases that the appliances were being offered in supermarkets at prices substantially higher than regular retail going prices of identical items."

BBB found, for example, asst. gen. mgr. J. K. Orr told us, participating dealer selling TV set in supermarket at \$270, and in his own shop he offered same model for \$169 cash, \$190 with 18-month financing. Orr also told us that BBB is now receiving queries from non-participating supermarket customers who want to know why they, too, aren't entitled to 5.5% discount on their food purchases.

TV manufacturers are pretty much on record as opposing tape-register plans. Motorola's mktg. vp S. R. Herkes already has blasted promotion (Vol. 1:12 p11), Westinghouse consumer products vp Chris J. Witting has noted his opposition. We spoke with several other leaders last week, came up with these comments:

Zenith Sales Corp. Pres. Leonard C. Truesdell pulled no punches: "We don't like tape-register plans. We think it's degrading. We think it's unfair to the retailers who built this industry. It will cause a lot of commotion before it dies of its own weight. It won't be long before the public realizes that it is paying full list prices at high interest rates for merchandise they can get from dealers without committing themselves to these long-term food buying deals. We've seen these promotions come and go—and this one will go, too, but, unfortunately, not before causing a lot of confusion."

Sylvania Home Electronics Div. vp-gen. mgr. Robert E. Kenoyer told us that Sylvania TVs "at the present time are being offered through the cash-register tape program in the Pittsburgh area only. It is not a factory program. Our Pittsburgh distributor, Graybar Electric, made the arrangements locally with their dealers and the supermarket. In other areas where tape programs are operating, there has been no noticeable effect to date on our normal sales pattern. We consider this type of program to be local in nature and do not intend to sponsor it on a national factory basis."

GE told us that sales executives of its Major Appliance Div. "are familiar with details of the plan as it has been carried out in Pittsburgh. We have not been able to detect any specific effect on sales of GE major appliances. We have no plans as a division for developing such a program."

Admiral would not comment one way or another regarding its opinion of tape-register plans, their effect on Admiral sales, its own plans for entering or abstaining from such promotions.

Raymond Saxon, RCA Sales Corp. merchandising vp, told distributors last week: "RCA is firmly convinced that the best method of distribution for our products is through the cooperation of and association with independent distributors and their total dealer organizations. We now feel even stronger about maintaining that policy in the light of such developments as the Instant Dividend plan. We have no intention of taking away from you the right to devise merchandising plans that would sell more RCA Victor products in your market area. In addition, we do not want to, or intend to, do anything that would bypass any of your dealers. We do not believe that the Instant Dividend plan and/or a similar approach through the supermarket fits our way of business or, for that matter, your way of business. No matter how you look at it, with trick mirrors or not, the consumer is getting the short end of the deal with these tape plans. Once she realizes there are less expensive ways of buying a home entertainment product the supermarket may once again return to the business of selling food."

"It's like a chain letter," summed up NARDA Chmn. Farr, voicing opinion that the faster supermarket-tapes succeed, the sooner they'll fail. "This promotion may be good for the instant," he said, "but if all the stores and all the dealers go into it it'll burst like a bubble. It's only a promotion, after all, and the novelty won't last." Although there can be no organized boycott, Farr pointed out meaningfully that dealers can buy from whom they want, noted that "some manufacturers may be hurt" by time tape plans run their course.

**EIA EXPANDING CONSUMER PRODUCT ACTIVITY:** Heavier activity in behalf of consumer electronics manufacturers—together with stepped-up membership recruiting drive—is foreshadowed by decision of EIA's Consumer Products Div. to employ full-time staff director. Smallest of EIA's divisions in terms of number of members, it nonetheless might be called EIA's "original" division, since the manufacturer group was organized in 1924 (as Radio Mfrs. Assn.) by group of makers of home radios.

Although EIA's reorganization plan (Vol. 17:21 p20) is still under study, presumably the naming of a staffer solely in charge of consumer electronics activities is completely compatible with this plan. Preliminary

versions of the plan envision EIA as virtually a group of manufacturers' associations, each with considerable autonomy and independence.

It's understood new staff director has been tentatively decided upon, will be announced in week or so after approval of all division members. Division is headed by Motorola's Edward R. Taylor as chairman.

Other actions taken by EIA Consumer Products Div. executive committee at recent Los Angeles meeting, in addition to those reported last week (Vol. 1:12 p9), revolved around stereo radio. Committee approved a proposal that EIA Engineering Dept. study AM stereo proposals to determine whether it should make any recommendations to FCC. Commission recently indicated it has no intention of entertaining proposals for AM-stereo service in near future.

The EIA committee was asked to backtrack on its decision to authorize the term "FM stereo" and discourage use of word "multiplex" as confusing to consumers. Committee listened to report by officials of San Francisco's highly successful stereo station KPEN, who suggested that use of "multiplex" in advertising & sales promotion might be "more meaningful to the consumer" than "FM stereo." Suggestion was referred to EIA's radio section.

**JAPANESE CONSUMER EXPORTS UP SLIGHTLY:** Dollar volume of Japanese TV-radio-phono exports to U.S. appears to be leveling off. On basis of Japanese govt. figures for first 9 months of 1961, exports of these categories increased only about 8.5% over the same 1960 period—\$52,858,000 vs. \$48,767,000.

This doesn't necessarily mean total Japanese electronic exports to U.S. aren't up at higher rate. Figures obtained thus far include only TV-radio-phono categories, don't contain such fast-growing items as tape recorders, nor do they cover parts, transistors & tubes.

The end-product figures received so far do show sharp change in mix of exported items, and some shifts in pricing. Only major category to show drop from 1960 period is radios with 3 or more transistors, which dipped 2% in units, 18% in dollar volume. This was due at least partly to Japan's export quotas, partly to more vigorous competition from U.S.-made sets. It was more than counterbalanced by large increases in exports of tube radios and so-called "toy" radios (less than 3 transistors), up 175% & 89% in unit shipments, respectively.

TV exports increased from 2,600 in 1960 to 12,300 this year—mostly TV chassis shipped from Japan Victor to Delmonico. This was sizeable gain, but 1961 volume so far has been lower than anticipated.

Prices of radios exported from Japan have fallen sharply in the last year. During first 3 quarters of 1961, radios with 3 or more transistors averaged \$11.09 each at factory, down from \$13.25 during the same period of 1960. Toy radios dropped to \$2.60 from \$2.88, tube radios to average of \$6.50 from \$7.25. Price of average TV set went up even more sharply—probably due in part to start of imports of transistor TV sets and more deluxe 110-volt TV sets (including combinations) this year.

Here are the 9-month Japan-to-U.S. exports in major TV-radio-phono categories for 1961 vs. 1960:

Product	Jan.-Sept. 1961		Jan.-Sept. 1960	
	Units	Value	Units	Value
Total radios .....	7,684,000	\$50,173,000	5,247,000	\$47,987,000
3 or more transistors .....	2,879,000	31,913,000	2,944,000	39,001,000
toy type .....	3,331,000	8,608,000	1,767,000	5,090,000
tube type .....	1,475,000	9,562,000	536,000	3,896,000
Radio-phono combos .....	50,000	1,731,000	21,000	648,000
TV receivers .....	12,300	953,000	2,600	132,000
TOTAL VALUE .....		<u>\$52,858,000</u>		<u>\$48,767,000</u>

**TV-RADIO PRODUCTION:** EIA statistics for week ending Dec. 1 (48th week of 1961):

	Nov. 25-Dec. 1	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	114,724	133,303	91,649	5,718,106	5,392,767
Total radio .....	393,981	242,778	400,179	15,931,710	16,003,231
auto radio .....	141,748	139,078	117,134	5,048,594	6,027,007

## TOPICS & TRENDS

Winter drop-in time is here, with new models introduced last week by RCA, Zenith & Du Mont.

Zenith dropped in 2 basic stereo consoles in walnut, without radio at \$199.95 & \$209.95, with AM-FM & stereo-FM radio at \$319.95 & \$329.95, and 4 TV-radio-phono consoles with stereo FM at \$650-\$895.

Du Mont has added 3 color consoles with bonded tube to its "Custom Collector" series at \$795.

RCA showed distributors 11 new 23-in. black-&-white sets, all using bonded tubes. Special group is new "compact consolette" line with wooden cabinets at \$259.95. Other new 23-in. sets vary from metal table model at \$199.95 to 2 lowboys at \$329.95. (For RCA's new color line, see p. 7).

Zenith Pres. Joseph S. Wright forecasts 5% increase in 1962 sales of b&w TVs. He expects 3 factors to produce sales gain: replacement demand, higher consumer income, increasing number of new families.

60% of TVs sold in Russia this year failed within 6 months, Communications Minister Nikolai Psurtsev told Supreme Soviet last week.

Giant Japanese manufacturer Toshiba proposes U.S. public offering of 30 million of its common shares. Offering is expected early next year and would have gross market value of some \$9 million, based on recent prices on Tokyo Exchange. Smith, Barney & Co. and Nomura Securities Co. Ltd. head underwriters. Stock will be offered in form of American depository shares, each ADS representing 50 shares.

Electronics Investment Corp. reported net assets of \$39,239,303 in fiscal 1962's first half ended Oct. 31, up sharply from \$32,377,675 a year ago. Net assets per share increased to \$7.16 from \$6.70; capital shares rose to 5,480,497 from 4,632,960.

IBM Chmn. Thomas J. Watson anticipates record sales & earnings this year, noted that use of data-processing machines & systems is "continuing to expand at a far greater rate than most companies in this industry could have possibly anticipated 5 years ago—and I don't see any slowing down of the growth rate."

For lovers of hot music, Roger Mark Co., Chicago, now offers music system which literally "pipes" music through the house—via the hot-air ducts. Priced at \$49.95, device is hooked up to furnace and to the hi-fi amplifier, radio or TV, sending sweet music up through the hot-air registers. By using 2 units, one for hot-air ducts and the other on cold air return vents, you can get "a stereophonic effect."

Stromberg-Carlson Pagemaster citizen's band personal radio system has been purchased from General Dynamics by Siegler's Bogen-Presto Division. Acquisition includes capital assets, patents, inventories and distribution network of Pagemaster paging system.

Amphenol-Borg Electronics will set up manufacturing operations in Japan, Brazil and Australia. Japanese facility is expected to become operative before end of 1962. International Operations vp William H. Rous said Amphenol-Borg has not yet decided whether new foreign operations would be wholly or jointly owned, or under licensee arrangement, but noted that "we tend to prefer as much ownership as possible."

New Components: GE has a new variable reluctance stereo cartridge, the "Orthonetic," which features "a unique" suspension & damping system, has frequency response of from 20 to 20,000 cycles. It's available in 2 models—with .5 mil diamond stylus at \$29.95; .7 mil version, \$24.95 • Motorola has announced a remote speaker kit for portable radios which retails for \$5.95. Unit has 4-in. speaker in finished box, a 5-ft. cord, is available with 2 sizes of jacks to fit Motorola's full line of portables.

## Trade Personals

F. W. Godsey Jr., retired Electronic Communications pres. and ex-Westinghouse vp, joins NASA as consultant.

S. George Lawson appointed vp-gen. mgr. Sylvania Semiconductor Div., succeeding Dr. William J. Pietenpol who is joining IBM as components development mgr. . . . Frank J. Skwarek named corporate vp of Polarad Elec-

tronics' new Electronic Systems Div. . . . Paul G. Hansel appointed Electronic Communications engineering vp.

Hoyt P. Steele named mgr., GE anti-trust settlement & litigation operation, a new function established to handle cases arising out of electrical price-fixing conspiracy (Vol. 17:25 p21).

William F. O'Boyle, ex-Symphonic Radio & Electronic, appointed Sonic Electronics sales & mktg. vp . . . Edward

J. Gerrity Jr. advanced by ITT to PR dir., proposed for election as vp.

Frank Nichol named Houston Fearless exec. vp & chief exec. officer, succeeding Barry J. Shillito, resigned . . . Daniel T. O'Connell appointed Consumer Products Div. sales mgr., Jerrold's Taco subsidiary.

Sidney R. Curtis named to new post of plans & programs vp in realignment of General Dynamics/Electronics management. Other appointments: Dr. Nisson A. Finkelstein, research & engineering vp; Arthur J. Hatch Jr., commercial products vp; Roy W. Jones, operations dir.; Robert D. Gray, quality control dir.

### Obituary

James Gordon Tufts, 66, senior vp of Dominion Electrohome Industries, died Dec. 5 at his Toronto home. He had been with the Canadian electronics & home-instrument manufacturer for 34 years. He is survived by his wife and daughter.

IRE's Medal of Honor for 1962 will be awarded to Vice Chancellor Dr. Edward V. Appleton of U. of Edinburgh for pioneer work in investigating ionosphere. Other recipients of IRE prizes at N.Y. convention next March 28 will be: Victor H. Rumsey, U. of Cal., Morris N. Liebmman Award. Henri B. Smets, European Nuclear Energy Agency, Paris, Browder J. Thompson Award. William Culshaw, National Bureau of Standards, Harry Diamond Award. George A.

Morton, RCA, Vladimir K. Zworykin Award. Marvin Chodorow & Toew Wessel-Berg, Stanford U., W.R.G. Baker Award. IRE also has tapped 78 radio engineers & scientists in U.S. & abroad for designation as Fellows—highest IRE membership grade.

Distinguished Service Award of President's Committee on Employment of Physically Handicapped has been won by H. H. Scott Co., Maynard, Mass. maker of stereo equipment. Company was cited for providing plant assembly jobs for mental patients at nearby Bedford Veterans Administration Hospital and rehabilitating them for release from institution at rate of 50-100 per year.

Securities Act violations have been charged by SEC against Siltronics Inc., Pittsburgh manufacturer of electronic & communications equipment, and 8 brokerage houses in connection with sale of 150,000 common stock shares. SEC said Siltronics' offering circular was "false & misleading" because it failed to identify 5 underwriters whose stock distribution plan may have pushed up price of issue, which reached \$5 bid June 29. Stock was first offered 3 days earlier at \$2 per share.

Lynch Corp. stockholders have approved plan to absorb Peninsular Metal Products Corp. on a stock exchange basis—one share of Lynch common and one 5-year warrant to purchase another share for each share of Peninsular common. Lynch is parent company of Symphonic Electronic Corp.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Automatic Radio Mfg.	1961—year to Sept. 30	\$15,308,354	—	\$1,629,231	\$0.60	1,960,015
	1960—year to Sept. 30	15,075,687	—	1,766,152	.90	1,960,015
Columbia Pictures	1961—13 wks. to Sept. 30	—	—	1,242,000	.80 <sup>1</sup>	1,493,895
	1960—13 wks. to Sept. 30	—	—	(1,107,000) <sup>2</sup>	—	1,319,287
Hallicrafters	1961—qtr. to Nov. 30 <sup>3</sup>	18,000,000	—	460,000	.21	1,005,000
	1960—qtr. to Nov. 30	11,683,000	—	356,000	.16	1,005,000
Lafayette Radio Electronics	1961—qtr. to Sept. 30	5,034,818	—	150,657	.14	1,045,750
	1960—qtr. to Sept. 30	4,326,920	—	144,923	.14	1,025,000
Microwave Associates	1961—year to Sept. 30	10,709,500	—	756,000	.76	999,200
	1960—year to Sept. 30	8,691,500	—	593,000	.60	986,700
Warner Bros.	1961—year to Aug. 31	83,514,000	—	7,209,000 <sup>1</sup>	5.97 <sup>4</sup>	1,207,513
	1960—year to Aug. 31	87,163,000	—	7,102,000	4.64	1,527,900
United Artists	1961—9 mo. to Sept. 30	85,310,000	—	3,014,000	1.74	1,729,373
	1960—9 mo. to Sept. 30	80,595,000	—	2,987,000	1.73 <sup>5</sup>	1,664,218

Notes: <sup>1</sup>After preferred dividends. <sup>2</sup>Before \$1.6-million profit on sale of land, which produced actual net of \$510,000 (30¢ a share). <sup>3</sup>Estimate.

<sup>4</sup>Before special dividend of \$4,511,000 (\$3.73) on stock of Associated British Pictures Corp. <sup>5</sup>Based on shares outstanding Sept. 30, 1961.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Automatic Radio . . . . .	Stk.	4%	Dec. 29	Dec. 13
Axe Science & Elec. . . . .	—	\$0.50	Jan. 12	Dec. 15
Clevite . . . . .	Q	.35	Dec. 28	Dec. 15
Corning Glass . . . . .	Q	.37½	Dec. 27	Dec. 15
Corning Glass . . . . .	Ex.	.50	Dec. 27	Dec. 15
Decca Records . . . . .	Q	.30	Dec. 29	Dec. 18
Meredith Publishing . . . . .	Q	.35	Dec. 13	Dec. 4
Newark Electronics "A" . . . . .	Q	.06¼	Dec. 29	Dec. 15
Times-Mirror . . . . .	Q	.12½	Dec. 21	Dec. 6
Times-Mirror . . . . .	Stk.	2%	Jan. 15	Dec. 14
Trans-Lux . . . . .	Q	.10	Dec. 29	Dec. 15
United Artists . . . . .	Q	.40	Dec. 29	Dec. 15

GE's profit margin is widening as result of sales increases and cost-control measures, Chmn. Ralph J. Cordiner reported. He noted that GE's earnings trend this year "has been steady improvement by quarters." Earnings in first 9 months were down 11% from a year ago, but 3rd-quarter net rose to 5.4% of sales from 4.7% in 2nd quarter, 4.3% in first.

General Tire & Rubber will propose to April 3 stockholders meeting a 3-for-1 split of common stock. The board also intends to increase the common dividend to a quarterly rate of 10¢ a share on the new shares in 1962. This would be equivalent to 30¢ a share on the present common, which now pays a quarterly dividend of 25¢.



DEC 1 1961

# WEEKLY **Television Digest**

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

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**HARRIS SEEKS RATINGS-INCOME CORRELATION**, asks radio stations to furnish month-by-month breakdown of national & regional ad income, 1957-61 (p. 1).

**LOOK TO L.A. FOR NEXT ETV MOVES**, FCC likely to play match-maker, help local business-civic-ETV interests promote purchase of vhf (p. 1).

**LICENSE DENIAL URGED IN OBSCENITY CASE**, Examiner Donahue would prefer fine & probation for WDKD Kingstree, S.C. but finds way barred by legalities (p. 2).

**PRIME-TIME PROGRAM** venture unveiled by Katz Agency & Ziv-UA (p. 2).

**EIDOPHOR THEATER TV** impresses admen as TNT shows production model of projector unit capable of movie quality (p. 3).

**FCC REVERSAL ON CATV MICROWAVES**, in Riverton, Wyo. case, means rejection of "censorship" charge when impact of common carrier on station's livelihood is weighed (p. 3).

### **Consumer Electronics**

**50 FM-STEREO STATIONS** due by Christmas; 4 new markets open. Kaye predicts \$350 million retail FM sales next year (p. 7).

**SANDWICK NAMED DIRECTOR** of EIA consumer product activity on full-time basis; begins Jan. 15 (p. 7).

**COATESVILLE, PA.**—an "ID" case history. We find Food Fair test there of Philco merchandising plan a rousing success; participating dealer reports he's done 6-month volume in 2 weeks (p. 7).

**TRENDS IN DROP-IN** lines: Compact 23-in. sets, more 27-in., transistor remote chassis, bonded-tube color sets. Motorola breaks \$139 set (p. 9).

**AD PRACTICES CODE** for consumer electronics released by EIA as voluntary standards of honesty (p. 10).

**PHILCO'S FUTURE UNCHARTED** in Ford galaxy; new Pres, Charles E. Beck tells us task of "evaluating Philco's products & operating procedures is only about 20% completed" (p. 10).

**HARRIS SEEKS RATINGS-INCOME CORRELATION:** Rep. Harris (D-Ark.) moved another step in his probe of ratings last week by asking cross-section of radio stations to reveal income data during 1957-61 so that it may be compared with rating trends.

It's part of study which in March produced "Madow Report" for Harris—analysis of rating services by expert committee chaired by Stanford Research Institute's William G. Madow. Group concluded rating services' output had "potentials" for abuses & errors "but on the average . . . were doing a pretty good job" (Vol. 17:13 p3).

Letter from chief counsel Charles Howze of Special Subcommittee on Regulatory Agencies told broadcasters that group is conducting follow-up inquiry of "uses to which broadcast ratings are put by licensees, advertisers and others." Howze said that following questions are being addressed to "quite a few" stations:

"Please describe any program format changes, ownership changes, increases in power, changes in your national or regional radio rates between Oct. 1957 & April 1961." In addition, letter seeks:

Month-by-month breakdown of both national and regional advertising income station received during Dec. 1, 1957-April 1, 1961.

This demand for confidential financial data is irking recipients, to say the least. Howze tells us that no hearings on subject are planned yet but that he hopes there will be, that TV isn't included in inquiry yet but may be later.

**LOOK TO L.A. FOR NEXT ETV MOVES:** Though sale of WNTA-TV N.Y. to educators is still bollixed up, rumbling has started regarding purchase of a Los Angeles vhf by educators there. Nothing specific yet. No station mentioned. But top educators in area are bestirring themselves, seeking support of business-

civic leaders of caliber that pushed N.Y. project. Reports are that at least one station in L.A. has left impression it's interested in right price.

FCC had put its weight behind vhf for ETV for L.A., as well as N.Y., you'll recall—when it started "formal inquiry" inviting ideas on ways & means for converting commercial vhfs in those cities to ETV (Vol. 17:14 p2). After playing matchmaker in N.Y., it's presumably prepared to do same in L.A.

N.Y. educators offered \$6.2 million to NTA last week, ready to close. NTA said it couldn't take it—now. Educators said they're prepared to start legal action to force sale. WNTA-TV's creditors are jockeying, each seeking best possible slice of pie that can't quite go around. Deal is still expected to go through, if participants' nerves hold. Networks talked meanwhile, about their promised contributions to the purchase. ABC gave \$250,000. NBC gave \$250,000, cut from the \$500,000 it promised—because, it said, ABC contributed \$250,000. It's understood NBC has to get board approval to go to \$500,000. CBS has given its \$500,000, WNEW-TV & WOR-TV \$250,000 each. ABC said it gave Educational TV for the Metropolitan Area \$250,000 "which ETMA asked AB-PT for."

**LICENSE DENIAL URGED IN OBSCENITY CASE:** Famed "Charlie Walker" case of radio WDKD Kingstree, S.C. (Vol. 17:23 p5, et seq.) advanced another stage last week when examiner Thomas H. Donahue recommended station be taken away from owner E. G. Robinson Jr.

Donahue indicated he'd prefer to see Robinson fined, up to \$10,000, under new forfeiture law, and put on year's probation, rather than see his license lifted. However, he said forfeiture can't be used because of legal technicalities, namely that Commission hadn't gone through the particular "notification" to the accused required by Communications Act.

Examiner found that disc jockey Charlie Walker was plenty obscene—his 53-page decision had choice examples—and that Robinson showed "execrable judgment" letting Walker carry on for years despite public complaints. He also found that FCC had power to weigh obscene broadcasts against a licensee, contrary to claim of Robinson's counsel that only courts may adjudicate obscenity charges.

But Donahue found Robinson sorry about what happened, not "a venal man of evil purpose" or "a congenital liar." He also said that WDKD's performance—aside from Walkerisms—"little better or little worse" than most other stations in same general situation, including "a horrendous number" of commercial spots (up to 475 daily on the daytimer).

Donahue considers Robinson "typical of a type of modern American businessman. With financial success as the goal, he is in a hurry to get on with the job and more interested in results than means or methods . . . The Commission is not in the business of reforming the morals of the American businessman . . . A chastened malefactor is sometimes a better bet" than someone who hasn't been disciplined.

Govt. is also to blame, said Donahue. Early in the game, he asserted, someone from Justice Dept. or FCC should have warned Robinson of risk he ran. Also in Robinson's favor, he said, is this:

"The determination that will be ultimately made of this matter may also be interpreted by the industry and the public as one of a series of events signaling abandonment by the Commission of a laissez faire policy of regulation in the field of programming and indicative of a rebirth of interest and concern by the Commission in that area of station operation. In the complex of broadcasting in the U.S., WDKD is not a large operation. If such an interpretation as that suggested is correct, it would be regrettable that the significance of the pronouncement be watered down by any conflicting interpretation to the effect that a small station is being harshly used merely as a whipping boy in a regulatory gesture."

But he could find no legal alternative to denial of license renewal.

**KATZ & ZIV-UA PLAN PROGRAM TIE-IN:** Experiment in nationwide prime-time non-network programming will be attempted next season by Ziv-United Artists and Katz Agency, which represents 40 TV stations. Tie-in could set precedent for other station reps & syndicators, opening up new non-network program buys for sponsors and program sources for stations.

Plan works this way: Representative committee from Katz-repped stations will meet with Ziv-UA, review all shows under consideration by that film producer for 1962-63 syndication. They will select 2. Katz-repped stations will get first crack at these first-run shows. One of them will be specified for prime-time slotting and sale to national (or regional) advertiser. The other can be used as spot carrier.

If enough stations sign up, Katz will try to sell the prime-time show to national sponsor. Advantage to advertiser is that he will be guaranteed prime time in all markets he signs for. Advantage to station is that it will have top-quality first-run non-network vehicle to sell. If sufficient Katz stations sign up for the experimental 1962-63 shows, plan is virtually certain to be expanded in following years.

Katz officials pointed out last week that first-run station programming has dwindled from 29 programs in 1958 to 7 this year. They & Ziv-UA hope their plan will be shot-in-arm for non-network programming—and, incidentally, national spot TV business. They're not unmindful, either, that FCC could curtail or eliminate network option time, opening up more opportunities for non-network programming in prime time.

Eventually the plan could lead to programming innovations and lower prices for first-run shows due to pooled purchasing power of stations, Katz & Ziv-UA spokesmen said. But for first season, they're anxious to get plan off ground with 2 shows—guaranteed to be cream of Ziv-UA's crop. Plan still requires acceptance by substantial number of Katz-repped stations. Programs would be available to non-Katz stations in other markets or areas where Katz outlets had turned show down.

Significance of plan is that it is first move by station rep to create new-program hookup, alternate program source with guaranteed time clearance for advertiser. It follows recent moves and announcements by some group-owned stations (Westinghouse, Time, others) towards expanded non-network programming for their owned and other stations.

**EIDOPHOR THEATER TV IMPRESSES ADMEN:** Perfected Eidophor theater-TV projection system was demonstrated to admen & newsmen last week by its U.S. distributor, Theatre Network TV (TNT), and results were impressive.

Occasion was formal opening of TNT's closed-circuit Technical Center at Woodside, Long Island. What guests saw was demonstration on theater screen of black-&-white Eidophor system, which overcomes most of theater TV's previous shortcomings—brightness 15 times greater than average Schmidt optical system used with ordinary TV projectors, contrast 5 times greater, twice the resolution.

TNT officials said they now have more than 30 Eidophor projectors available for closed-circuit customers; TNT is also U.S. sales agent for Swiss-made system developed by Ciba Ltd.

Eidophor picture was so bright & detailed that it made 525-line U.S. TV standards appear inadequate for theater projection. TNT engineers told us they had experimentally increased Eidophor resolution to 1,100 lines with good results. When TNT Pres. Nathan L. Halpern predicted that Eidophor some day would be medium for projection of movies in theaters (eliminating distribution of film), there seemed to be no reason to doubt statement on basis of progress to date in improving theater TV—provided that special high-definition microwave system could be set up to accommodate 35-mm film's greater detail as compared with U.S. TV standards.

Color Eidophor wasn't demonstrated, although Ciba has color unit for special medical TV uses. TNT doesn't use Eidophor for inter-city color programs, because Eidophor's color is field-sequential (441 lines, like old CBS color system) and network lines aren't equipped for it. However, TNT is establishing closed-circuit color network, is now receiving new 3-barrel Norelco color projectors (using conventional Schmidt optical system) from Philips of Netherlands.

Including the Eidophor units, which have been made as portable as many conventional closed-circuit projectors, TNT now owns 145 closed-circuit units, covers entire nation for CCTV business & sales meetings.

Eidophor may lead to revival of idea of entertainment by theater TV, which caused great stir in TV's early days but never was highly successful. Halpern broached subject, said new projectors "rekindle the possibility of large-scale pay-TV entertainment in theaters."

**FCC REVERSAL ON CATV MICROWAVES:** In key case involving KWRB-TV (Ch. 10) Riverton, Wyo., FCC last week instructed staff to reverse examiner's recommendation and draft final decision denying grant of microwave to feed 2 more distant signals to CATV systems in area (Vol. 17:22 p11).

This looks like solid final view of Commission. Though it wasn't announced, vote was 5-1 (Bartley absent), thus most unlikely to change.

FCC's action Dec. 14, after hearing oral argument, means this: It believes that it has authority to weigh what a common carrier carries—in terms of possibility of reducing TV service to public.

Commission rejected view of its own Common Carrier Bureau, which with microwave grantee Carter Mountain Transmission Corp. had argued that denial of the microwave grants was "censorship." It's understood that even Comr. Craven, the most "censorship" shy of commissioners, voted against this argument.

KWRB-TV had argued that 2 more out-of-town signals fed to CATV subscribers within its coverage area might so reduce its appeal & income that it would go under—thus eliminating service to rural viewers not reached by CATV. FCC concluded that its fears were justified.

Upshot of all this: Very likely negotiation between KWRB-TV and CATV operator to make certain cable systems will carry KWRB-TV's signal, with good quality, and won't feed subscribers programs duplicating KWRB-TV's. This is basis of CATV-station settlements in many areas.

FCC analysts don't visualize stations using new FCC policy to try to kill CATV's by asking Commission to revoke all microwaves bringing in big-city signals. FCC policy is to acknowledge value of multiple signals provided by CATV but not to the point where existence of local station is jeopardized.

## **CURRENT CAPSULES**

NAB's Freedom of Information Committee, seeking meeting with President Kennedy, was surprised & delighted when he invited it to 1½-hour lunch last week. Kennedy was made aware, evidently, that broadcasters have felt left out while he has been conducting tete-a-tetes with newspaper publishers. Committee Chmn. Frank Fogarty, Meredith stations, said that group plumped for greater access to govt. information, that more live broadcasts of presidential news conferences was urged and "we got no promises"—Kennedy leaving impression he's concerned about "over-exposure." Group also pushed for repeal of political equal-time Sec. 315 of Communications Act, asked for more advance notice on JFK's speeches outside D.C.

NAB Radio Code Board held the line last week, retaining standards covering commercial time practices, hard-liquor ban, personal products. Meeting in Washington under chairmanship of Cliff Gill, KEZY Anaheim, Cal., Board: (1) Kept rule of 18-min. maximum commercials per hour or 5 min. per 15-min. segment, provided weekly average isn't more than 14 min. per hour. (2) Reaffirmed flat ban on hard-liquor commercials or advertising of anything else which "could in their presentation induce the use of hard liquor." (3) Retained prohibition against commercials for "intimately personal products" which "might offend & embarrass."

NAB Radio Code Dir. Charles M. Stone reported Code subscribers total record 1,460, up 14% since July 1. Under new monitoring system, he noted, 66 stations in 34 markets have been covered for 397 hours, with 91.2% of commercial time found to comply with Code time standards. Luncheon guests of Board, from FTC: Edward Downs, senior staff attorney; Sam Stowe, information dir.

A "Public Affairs Editorializing Conference" in Washington March 1-2 was scheduled by NAB's Editorializing Committee, meeting in Washington last week under Chmn. Daniel Kops, WAVZ New Haven & WTRY Troy. Purposes: (1) Advise novices on "techniques, responsibility and legal problems." (2) Give examples of successful efforts to alert public on local problems. (3) Have govt. leaders give broadcasters background on national problems. Group lunched with FCC Chmn. Minow.

Short-spaced vhf drop-ins will be sought by educators as part of big plan providing long look ahead on ETV allocations, to be submitted to FCC. ETV's vhf aspirations are in addition to expected claim on large portion of uhf spectrum. FCC Chmn. Minow also likes ETV drop-in idea. He recently dissented when Commission declined to add drop-ins beyond the 8 it had proposed (Vol. 1:13 p4), saying he'd consider slipping Ch. 11 into Orlando, with coverage to include burgeoning Cape Canaveral area, which has "urgent needs" for ETV.

FCC's decision on option time, too early to predict so soon after big oral argument (Vol. 1:13 p3), is nonetheless headed in following direction currently, decision not likely before late Jan.: cut out option time for year or so, see what happens, reinstate it if year's experience bears out fears of networks & affiliates.

A Dept. of Consumers, as proposed in S-1688, shouldn't invade FCC's jurisdiction. That's gist of what Commission is considering commenting in report to Congress. FCC takes position that it has legal responsibility for weighing consumer complaints about phone & telegraph service and rates.

## Personals

Robert A. Lang, former CBS News vp, joins ABC News as associate to news vp James Hagerty . . . Harry E. Smith appointed marketing mgr., GE Technical Products, including manufacture of broadcast equipment . . . Irwin Segelstein named Benton & Bowles TV-radio programming mgr. and advanced to vp.

Ronald F. Goodsmann of Rediffusion (West Indies) named gen. mgr., Trinidad & Tobago TV, part-owned by CBS, scheduled to start in Nov.

Thomas W. Sarnoff, NBC West Coast administration vp, promoted to West Coast vp, succeeding John K. West, named RCA staff vp, Western Distributor & Commercial Relations . . . David E. Schoumacher promoted to news director, KTIV Sioux City.

Ira Wolff, NBC TV sales promotion mgr., becomes NBC Films sales planning mgr. . . . Robert C. Chase, former advertising executive and TV producer, sets up Robert C. Chase & Associates, visual advertising consultants, Paul Brown Bldg., St. Louis.

Arthur A. Gladstone, legal asst. to FCC Comr. Lee, and Chester F. Naumowicz Jr., attorney in FCC Office of Opinions & Review, appointed hearing examiners, bringing Commission total to 17.

Dr. F. S. Rivers, Ont. Education Dept. chief education director, becomes chairman of CBC National Advisory Council on School Bestg.

B. A. Olerich promoted to gen. mgr., Ampex, and pres. of overseas subsidiary Ampex International S.A.

Marvin L. Shapiro promoted to TvAR eastern sales mgr. . . . Herschel Harris, Independent TV Corp. of Canada sales mgr., promoted to gen. mgr. . . . Ben Strouse, pres. of WWDC-FM Washington, named chmn. of NAB 1961-62 FM committee.

William P. Keeney, from Lavenson Bureau of Advertising, joins WRCV-TV & WRCV Philadelphia as business mgr., succeeding Arthur A. Watson, named WRCV-TV station mgr.

Dick Compton, news editor, KVTV Sioux City, promoted to news director.

White House telecast starring First Lady will be taped by CBS for showing in early 1962. In pioneer TV appearance by a President's wife, Mrs. Kennedy will show off new decorations and furnishings. Program will be similar to 1952 TV tour former President Truman gave public through newly remodeled Executive Mansion.

Educational foundation to encourage arts & scholarship has been established by A. J. Fletcher, pres. of WRAL-TV Raleigh. Fund will be used to encourage mass media to improve distribution of culture & information, to help finance English-language opera in small towns and for scholarships & prizes. WRAL-TV has long had its own "grass roots" opera company.

Radio-TV Correspondents Assn. elects: Robert H. Fleming, ABC, pres. for 1962, succeeding Ann M. Corrick, Westinghouse; vp, Bill Monroe, NBC; secy., Wells Church, CBS; treas., Stephen J. McCormick, MBS. John W. Roberts, Time-Life-Fortune Bestrs.; Arthur F. Barriault, NBC; Leslie W. Higby, McCaffrey Reports, named delegates-at-large.

North Carolina Assn. of Bestrs. expands Jan. 1, naming Ed Rankin, John Hardin PR firm's Raleigh mgr., full-time exec. secy., assisted by David Murray, ex-WTVD Durham. New quarters established at 302 Superior Bldg.

"Mr. Minow is Right" titles Dec. 12 *N.Y. Times* editorial which said that "too many TV programs fit Mr. Minow's unflattering [wasteland] description; and the admitted merits of the public service presentations do not begin to cancel out the wasted hours of tawdry, witless stuff, presented so much of the rest of the time." Editorial was prompted by Stanton-Sarnoff attacks on Minow (Vol. 1:13 p1). *Times* acknowledged that "networks heads do raise a serious question in suggesting that govt. concern over programming content is tantamount to improper control." However, it concluded that because of channel scarcity, "govt. must regulate entry into the business and try to insure the best and most diverse broadcasting." Interestingly, Minow nowadays is remarking about improvement in programming but says he doubts that he or Commission contributed to it.

FCC and Treasury agents are entering Boston police controversy set off by *CBS Reports* telecast, "Biography of a Bookie Joint" (Vol. 1:13 p6). FCC is expected to ask CBS for report on Nov. 30 documentary after Mass. House Speaker John F. Thompson complained to Chmn. Minow. Veteran agent George Wilson was sent by Treasury Dept. to Boston to probe police corruption. Gov. John A. Volpe asked Boston Police Commissioner Leo Sullivan to resign and started removal proceedings when the police head refused, while Richard Cardinal Cushing charged CBS had used police state tactics in secretly filming policemen entering and leaving gambling hall.

"United States Hearing Highlights" is new tape & film service started by veteran telecaster G. Bennett Larson (most recently mgr. of KCPX-TV Salt Lake City) to cover Congressional and administrative agency hearings. First project of new Washington D.C. TV-Radio Programs Inc., Jefferson Hotel, 1200 16th St. NW, is coverage of FCC's network program hearing starting Jan. 23. Plan is to offer stations weekly one-hour condensation of hearings. FCC's hearing is to be covered also by Metromedia stations and by radio WNYC N.Y.

"Teaser" ad cost radio KDAY Santa Monica apparent \$5,000 forfeiture in latest FCC Harris-Pastore Act ruling (Vol. 1:13 p6). Commission said spots consisting only of sentence "Remember June 25" violated Communications Act by failing to identify sponsor or product. Comr. Cross voted for \$1,000 penalty.

Highest-price radio purchase in history was approved by FCC last week: \$10,950,000 sale of WMGM N.Y. by Loew's to Storer. FCC also approved Storer's sale—made necessary by WMGM purchase—of WWVA & WWVA-FM Wheeling to WWVA Inc. (Ira Herbert) for \$1.3 million.

Sale of KCSJ-TV & KCSJ Pueblo, Colo. by Star Bestg. to Metropolitan TV for \$1,250,000 has been approved by FCC, along with Metropolitan's resale of KCSJ to Sangre De Cristo Bestg. for \$210,000.

Cascade Bestg. Co. has been purchased by Haltom Corp., 100% owned by Cascade Pres. Tom Bostic, who had owned 20% of Cascade. Cascade operates KIMA-TV & KIMA Yakima, KEPR-TV & KEPR Pasco, KLEW-TV Lewiston, Ida. Price hasn't yet been disclosed.

Scripps-Howard purchase of WPTV (Ch. 5) W. Palm Beach from John H. Phipps for \$2 million was approved last week by FCC.

ETV for American Samoa is under consideration by authorities there who called on NAEB for advice. NAEB consultant Vernon Bronson flew out immediately.

Canadian FM households total 314,000, 7% of nation's 4,489,000 homes, reports Dominion Bureau of Statistics.

Pitching for uhf, Eitel-McCullough, maker of uhf transmitter klystron tubes, said it's ready to quote klystrons up to 250 kw. It now offers 12½ to 50 kw units. Said Pres. W. W. Eitel & Chmn. J. A. McCullough: "The 70-channel uhf band, now grossly under-employed, is in our opinion, and apparently in the Commission's opinion, the best avenue of solution to the general problem . . . Pursuing a policy of expanded deintermixture, progressively eliminating local mixed situations, while also urging the more general manufacture of all-channel receivers, seems to us a sane & sound program." Ten-page brochure, "Uhf-TV Facts You Need," is available from company, 301 Industrial Way, San Carlos, Cal.

Teleglobe civil defense warning system, using phone lines and battery operated speakers in homes and public offices (Vol. 1:9 p5), was "unqualified success" in Dec. 7 Johnstown, N.Y. test, according to State Civil Defense Dir. Lt. Gen. F. W. Farrell. Teleglobe's Jack Poppele said system is outgrowth of organization's pay-TV work but has nothing to do with toll system. Speakers are activated from civil defense hq and are independent of regular AC power supply. Poppele reports that authorities have asked for plans to equip 4-5 N.Y. counties. Costs haven't been firmed up yet.

Add foreign stations: Singapore govt., planning first station in early 1962, has ordered transmitting equipment from Marconi. Costa Rica has authorized 2nd station, Tic Tac Television (Ch. 9). U.S. Embassy in Costa Rica reports imports of \$844,765 worth of U.S. sets in 1960, \$199,905 in first 9 months of 1961.

FCC allocations actions: (1) Finalized shift of Ch. 12 from Brainerd to Walker, Minn. (2) Finalized substitution of Ch. 34 for 56 in Binghamton, modifying CP of WBJA-TV to Ch. 34. (3) Proposed shifting Ch. 17 from Ft. Lauderdale to Miami, reserving it for ETV—in addition to ETV WTHS-TV (Ch. 2).

Paramount's pay TV technical-test application for uhf Ch. 83 received FCC approval last week, Commission making clear that "public participation shall not be solicited." Call: KM2XOG.

"Report on ETV Legislation," 12-page brochure, is available from Joint Council on Educational Bestg., 1619 Massachusetts Ave., NW, Washington 6.

A 30-lb., one cu. ft. video tape recorder for satellite use has been developed by Ampex for NASA's Goddard Space Flight Center. Goddard reports that it can record 4 mc of TV or equivalent information for half hour—then transmit it, erase, repeat cycle. Said Goddard: "Although the recorder was not designed for any specific spacecraft, it is expected to play a prominent role in a number of large 'second generation' satellites currently under development at Goddard." Spokesman tells us: "I understand it can be reduced further—putting all the circuitry inside the 8-in. reels." Device uses 2-in. video tape.

Statewide ETV for Va. has been recommended by Commission on Public Education. Report to Gov. Almond asks survey to determine if 5 allotted uhf channels are adequate to cover state. Northern Va. picks up WETA (Ch. 26) Washington and 2 commercial stations telecast public school programs, but much of state has no access to ETV, report said. Closed-circuit TV for state teachers colleges was also proposed.

Four new CATV systems in British Columbia, built for Fred Welsh Antenna Systems Ltd.: Cowichan Valley Television, Duncan, potential of 1,800 homes; Castle Cablevision, Vancouver, 6,000; Quadra Cablevision, Vancouver, 4,000; Merritt Cablevision, Merritt, 800. Cable Vision has bought Richmond Telecable, Victoria, changed name to Victoria Cablevision, plans to expand to 24,000 within 2 years.

"Anti-trafficking" station-sales proposal, scheduled to be considered by FCC last week (Vol. 1:13 p4), was put off for discussion at later date.

Latest starter: KAIL-TV (Ch. 53) Fresno, granted FCC authority to begin last week.

#### Television Digest Staff Appointments

Two veteran staff members of *Television Digest* have been promoted: David Lachenbruch, to managing editor, headquartering at 625 Madison Ave., New York 22, N.Y. (Plaza 2-0195); Harold Rusten, to associate editor, with offices at 111 Beverly Rd., Overbrook Hills, Philadelphia 51, Pa. (Midway 2-6411).

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Ampex	1961—6 mo. to Oct. 31	\$36,480,000	—	\$ 492,000	\$0.06	7,758,182
	1960—6 mo. to Oct. 31	35,701,000	—	459,000	.06	7,278,230
	1961—qtr. to Oct. 31	19,125,000 <sup>1</sup>	—	421,000	.05	7,758,182
	1960—qtr. to Oct. 31	17,817,000	—	93,000	.01	7,278,230
Desilu Productions	1961—26 wks. to Oct. 28	7,405,791	\$ 130,295	130,295	.11	1,155,940
	1960—26 wks. to Oct. 28	8,462,495	242,917	120,917	.10	1,155,940
	1961—13 wks. to Oct. 28	4,299,521	—	260,933	.22	1,155,940
	1960—13 wks. to Oct. 28	5,903,717	—	322,314	.28	1,155,940
Times-Mirror	1961—40 wks. to Oct. 8	93,352,567	—	3,610,729	.86	4,199,358
	1960—40 wks. to Oct. 8	83,927,188	—	3,533,933	.85 <sup>2</sup>	4,179,397 <sup>2</sup>
Trav-Ler Radio	1961—6 mo. to Oct. 31	12,851,000	—	360,000	.37 <sup>3</sup>	962,845
	1960—6 mo. to Oct. 31	10,996,000	—	230,000	.24 <sup>3</sup>	865,765
	1961—qtr. to Oct. 31	8,644,000	—	325,000	.34 <sup>3</sup>	962,845
	1960—qtr. to Oct. 31	6,212,000	—	125,000	.13 <sup>3</sup>	865,765

Notes: <sup>1</sup>Record. <sup>2</sup>Adjusted for Jan.-1961 4% stock dividend. <sup>3</sup>Based on 962,845 shares outstanding Oct. 31, 1961.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**50 FM-STEREO STATIONS BY CHRISTMAS:** At least 4 new FM-stereo markets have opened in last 2 weeks, and it's probable that more than 50 stations will be providing stereo music on the night before Christmas.

Updating our list of stereo stations printed 2 weeks ago (Vol. 1:12 p7), we now have total of 48 known to be on air or due to start in next few days, as of presstime. The 4 new stereo markets are Phoenix, Ariz. (KEPI); Orlando, Fla. (WHOO-FM); Rock Island, Ill. (WHBF-FM); Providence, R.I. (WPFM). In addition, St. Louis now has its 2nd FM-stereo outlet (KSHE). These new stations may be added to list of 43 stations we printed 2 weeks ago.

Four additional stations are reported by EIA to have begun stereo, but have not been checked by us. They are WOOD-FM Grand Rapids, KHGM Houston (which would be that city's 3rd stereo outlet), WYZZ Wilkes-Barre (said to be testing), CHFI-FM Toronto.

FM stereo will spark record \$350 million retail sales of home FM receiving equipment next year, Friendly Frost Chairman Gerald O. Kaye predicted last week. He placed 1961 FM sales at \$300 million and forecast that FM stereo & FM car radio will push FM sets-in-use from today's 15 million to 50 million in 5 years.

**SANDWICK NAMED EIA STAFF DIRECTOR:** A long-time working specialist in consumer electronics has been named to new post of full-time staff director of EIA's Consumer Products Div. He's Luther Martin (Sandy) Sandwick, who resigns as Pilot Radio sales vp end of this month to take over at EIA's Washington hq Jan. 15.

A 32-year veteran in industry sales & management, Sandwick most recently was active in EIA as chairman of its phono section, in which post he was a prime mover behind promotion of FM stereo. A Phi Beta Kappa (U. of Chicago), he has held posts as sales mgr. of Magnavox Electro-Acoustic Products Div., vp of Wilcox-Gay and headed his own wartime firm which made phonos & audio-visual aids for armed forces.

His appointment, approved unanimously by EIA Consumer Products Div. headed by Motorola's Edward R. Taylor, should be extremely popular one with industry, and signal intensified activity by the Association in consumer product field. Sandwick's philosophy with regard to the challenge of his new post: "The industry should get a larger share of the consumer dollar by fighting in the store instead of in the streets."

Note: Sale of Pilot Radio is being negotiated by estate of founder-Pres. Isidor Goldberg, who died Nov. 23 (Vol. 1:11 p11). Executors are his widow Jean Goldberg (now Pilot's sole owner) and N.Y. attorney Leon A. Mnuchin. They were directed under terms of Goldberg's will to sell or liquidate business within 6 months. However, time extension can be granted by court.

"We expect that the business will be continued," attorney Mnuchin told us last week. "Negotiations are going on with many people. It is a fine business and the company is in excellent financial shape." A pioneer in radio and in TV, Pilot Radio now is a leading manufacturer of hi-fi components and component consoles. Spurred by FM stereo, firm's component shipments are said to be running about 23% ahead of last year, console sales on par with last year.

**COATESVILLE, PA.—AN 'ID' CASE HISTORY:** For first-hand look at "Instant Dividend" in action, we spent some time last week in Coatesville, Pa. (pop. 12,971) where giant Food Fair (456 stores) is testing controversial Philco-conceived merchandising program (Vol. 1:13 p7). Supermarket chain actually is testing "ID" in total of 10 stores in 3 cities (Harrisburg & Lansdale, Pa. are other 2), will expand if "further study indicates that 'ID' increases our volume sufficiently to cover basic costs," spokesman told us.

Those "basic costs," we learned, range from zero to 4%. If shopper's monthly food bill is under \$50, cost to Food Fair is zero. In fact, we understand, store actually makes money because of rebate it gets on

financing charges from Philco Finance Corp. Above \$50, Food Fair's share of "ID" is calculated on sliding scale up to 4%. At \$120, for example, market pays 3% of 5.5% credit it gives shopper; Philco pays 2.5%.

"ID" is rousing success in Coatesville, at this early stage of game, for participating Philco dealer and Philco Finance Corp. William McKeown, Food Fair's Coatesville manager, told us "this is the greatest promotion I've seen," but it's still too early to know its true influence on sales. Test has been underway some 2 weeks. "It's really bringing them in," McKeown said, "and they are buying more of everything." Studies are being initiated this week to determine if "ID" is bringing in new customers.

Participating dealer is 65-year-old Lipkin Furniture, owned by Ben Bernstein. "We've done a 6-month volume in 2 weeks," he told us. "We're selling 10 times as many TVs and appliances as we did before 'ID' and we're moving the big, plush appliances in quantity." Last year, he pointed out, "we sold maybe 6 of the large freezers. I've tripled that in just the past 2 weeks." Product mix is across board, Bernstein said. "We're moving everything—washers, dryers, freezers, hi-fi, TVs."

Lipkin Furniture is big, modern store some 5 blocks down main street from Food Fair. Store has only small TV display, and nothing to indicate tie-in with gala "ID" promotion at supermarket. There, Bernstein has representative product display and sales girl (salary & commission) who explains "ID," signs customers to instalment lease. Although he expects to get around to a tie-in display in his store, he's really in no hurry. "Surprising thing," he said, "is that this 'ID' is turning out to be plus business. There's been virtually no drop-off of our usual in-store business."

Bernstein charges suggested list prices for Philco products both in store and in Food Fair. "There's no price difference," he said, "except that financing under 'ID' can run up to 36 months. In the store we usually run to about 18 months." He told us that his margin on 'ID' sales is "about 5% lower" than his regular margin. He also rebates 1% to the food market for advertising, "and I believe Philco does also."

Under mechanics of "ID" program, Bernstein obtains credit check of applicants within 24-48 hours through his regular sources, makes delivery of product immediately thereafter. Paper is financed through Philco Finance Corp., which pays him in full when deal goes through. Bernstein is on paper, of course, and will be saddled with any defaults and repossessions which develop. However, "we don't expect any problems along those lines," Bernstein said. "We're careful in our credit approvals and, after all, the whole program is hinged on people buying not luxuries but the necessities of life. This is a sound promotion, not a gimmick, and it's here to stay."

Other Coatesville TV-appliance dealers we spoke with reported no sales effect, so far, from "ID" promotion, several were unfamiliar with promotion, none reported comments from customers. S. A. Warne, manager of Sears Roebuck's Coatesville store, told us TV-appliance sales were rolling according to pattern, and "I don't think Food Fair is going to put us out of business." Irving Fink, who handles Emerson line in his Allied Home Equipment Co., said none of his customers has mentioned "ID" promotion and there's been no drop in sales.

Things may change this week when Philco opens ad campaign in Coatesville featuring photos of Coatesville-area folks who have purchased TVs & appliances under "ID" plan at Food Fair.

Philco's working up a system to enable all its dealers to participate in "ID" program, consumer products vp-gen. mgr. Henry E. Bowes told us last week. "The only reason we're not yet in the larger cities like Philadelphia & N.Y. is that we're still working out details which will enable all of our dealers to benefit from it." The "details" involve rotation of duty days & hours by area dealers in nearest participating supermarket, ("ID" is now in operation in more than 200 stores from coast to coast).

Queried about Philco reaction to increasing alarm among nation's TV-appliance dealers, Bowes told us: "That's what happens when you're first with a good idea." In Philco's first official explanation of "ID," Bowes declared: "From our test results, we have every reason to believe that our new marketing program may revitalize appliance & electronic goods sales in the U.S." He said that experience to-date "indicated that electronic sales account for about 52% of 'ID' business; household appliances make up the remaining 48%." He pooh poohed dealer fears that supermarkets may eventually bypass dealers and deal directly with the factory. "They have enough of their own problems in their own field to want any part of ours," he said.

Other "ID" developments last week:

Admiral "is not particularly enthusiastic about tape-register plans and prefers to merchandise



through regular channels," electronics div. vp Ross D. Siragusa Jr. commented last week. However, although there is little chance that Admiral will enter any such program nationally, he said the company is keeping its eye on developments.

Electronic Service Dealers Assn. of Western Pa. has petitioned FTC to investigate "what we feel to be an unfair attempt to eliminate free competition." Association secy. Joseph E. Doyle said Pittsburgh's 3 largest department stores—Gimbel Bros., Joseph Horne Co., and Kaufmann's—were among 158 dealers who signed petition.

**TRENDS IN NEW DROP-IN LINES:** Traditional midwinter introduction of new consumer electronic merchandise so far sees these trends beginning to shape up:

In TV, there's slightly more emphasis on compact 23-in. merchandise as sell-up from 19-in. portables & table models. Manifestations are RCA's "Compact Console" series with furniture styling (Vol. 1:13 p11), redesign of some Motorola consoles to achieve "longer lower look," and added 23-in. table models from virtually everybody. Other trends: Full-feature Motorola 19-in. set at \$139.88 is certain to have impact on industry. And Motorola also announced it's adding 27-in. models, thereby joining Admiral, Magnavox, Du Mont & Packard Bell in that field.

The "always-on" remote control for TV is gaining new adherents. Introduced by Admiral last year, use of transistorized remote receiver chassis in set permits consumer to leave this part of set on all the time (it costs only a few cents a year in power), so that remote unit in effect can turn set both on & off. Drop-in lines by Motorola & Zenith both feature this type of transistorized receiver. In color sets, trend this year probably will be toward use of Pittsburgh-type bonded picture tubes in all sets except table models, as already incorporated in RCA's new color line.

In stereo, trend continues toward lower-priced, more compact consoles. With spread of FM stereo (see p. 7), multiplex feature is being priced inboard in more high-end models, and there's more tendency to push built-in FM-AM tuners in stereo consoles. In radio, trend toward transistorization of non-battery home sets may be foreshadowed by Trav-Ler announcement that all its sets except clock radios will soon be tubeless.

Last week's new-product introductions included complete new 45-set black-&-white line from Zenith, with 19-in. portables starting at \$169.95 and topped by \$600 tambour-door remote 23-in. console.

Motorola's drop-ins made news at Chicago distributor convention, particularly these 2 TV items: The 19-in. set at \$139.88 (step-up at \$149.95) with 4 frame-grid tubes, monopole antenna. New 27-in. models at \$369.95 & \$389.95. Motorola's new always-on remote is featured in 19-in. sets at \$229.95 & \$249.95.

In car-radio field, Motorola announced FM tuner at \$69.95, designed to play through any AM auto radio, brought out as result of success of its \$125 FM auto radio. New low-priced car-radio line features hybrid tube-transistor set at \$29.95, all-transistor sets beginning at \$39.95, plus line of original equipment-type sets for GM cars. Also announced was merchandising tie-in with Montgomery Ward, the big retailer handling Motorola car sets through its 520 retail & catalog outlets.

Additional emphasis on FM radio was supplied by RCA's addition of FM-AM tuner to its "compact cabinet" low-end stereo line, so that AM-FM-phono consoles now start at \$229.95 (\$159.95 without radio). RCA also added FM-stereo feature to 2 more of its "Hutch" models without increasing price (\$595), making total of 5 stereo combos (from \$399.95) with FM stereo inboard.

Note: Optimistic view of 1962 business was painted for Motorola at distributor meeting by consumer products mktg. vp S. R. (Ted) Herkes. He said he expects company's TV unit sales to rise 50% over this year's volume. Upturn has started already, he said, with Motorola unit sales up 15% in October, 23% in November and currently running 25% ahead in December, compared with 1960 levels. "For 6 months of 1961," he said, "consumers milled around at the marketplace but with their money tucked away in the bank. The past few months they have decided to take a recess from their worries and get on with living. They are shopping now."

A 14-year peak in domestic home radio sales was predicted for next year by RCA Sales Corp. marketing vp Raymond W. Saxon last week. He forecast sales of 12 million units, up from an expected 11.6 million this year and 10.7 million in 1960. This would be biggest single year in unit sales since postwar peak years of 1947 & 1948, which saw 17.4 & 13 million sets sold. For next year, he predicted 50% of domestic sets sold will be transistor radios.

**EIA ISSUES AD PRACTICES CODE:** "Recommended Advertising Practices for the Home Entertainment Electronics Industry" was released last week by EIA—culmination of year of preparation & legal wrangling.

The 15-page booklet is available on request from EIA, 1721 De Sales St. N.W., Washington, or we'll be happy to send you one if you contact our Washington office. EIA's own ad code is brief, occupies only 3 pages of booklet, which also includes FTC guides against deceptive pricing, bait advertising and advertising of guarantees.

Code had been held up by lawyers' arguments over possible anti-trust implications. This was finally settled by deciding to make code completely toothless—merely a guide to "basic standards for honesty in advertising which [EIA believes] are in the best interests of the public and [the] industry." In foreword, EIA notes that it is "advised by counsel that it would not be appropriate for it or its Consumer Products Div. to attempt to enforce these standards in any way, to entertain any complaints regarding practices in contravention of these standards, or to interpret recommended practices in their application to any particular circumstances."

Standards were published, said EIA, "in the hope that they will be voluntarily observed by all members of the industry who recognize that the best way to avoid excessive governmental regulation of advertising is for each advertiser to deal fairly with the consuming public." Code is divided into 4 sections. Here is summary:

Comparative price advertising: When price reduction is stated or implied, advertiser himself should have recently made regular sales at the higher price. References to "established retail price" should apply to price normally charged by advertiser himself or others in area. The term "sale" should be used only in case of legitimate price reduction. Items should not be "pre-ticketed" with higher than normal selling prices.

Other price ad practices: Ads where price is given should refer to specific model number. Demonstrators & floor samples should be identified as such. When price quoted is "with trade," all conditions should be stated. If price doesn't include delivery, installation, service or warranty, this should be mentioned. Terms of instalment payments should be spelled out. If "free" offers have strings attached, the conditions "should be clearly & conspicuously disclosed at the outset of the advertisement (and not merely by a footnote)."

Bait advertising: Products advertised should be available for prompt delivery and willingly sold. Where quantities are limited, this should be stated in ad. Advertiser shouldn't disparage "by acts or words" the product advertised, nor should he show or demonstrate an advertised product which is defective or unsuitable for the purpose stated in the ad.

Product claims: Advertiser should be prepared to support all claims or illustrate with demonstrations or statistical data. Comparisons between competitive products, in ads or on sales floor, should be "bona fide factual." If warranties apply only to certain parts, this fact should be stated. Money-back offers should refer to return of full purchase price, unless otherwise specified. Advertisers must be prepared to promptly fulfill advertised warranty obligations.

**PHILCO'S FUTURE UNCHARTED IN FORD GALAXY:** "We have no immediate plans for any changes in Philco's operation for the simple reason that our task of evaluating Philco's products and operating procedures in only about 20% completed." So we were told last week by purposeful but affable Charles E. Beck after Dec. 11 news conference which officially introduced the 40-year-old Ford Motor Co. executive as new president & chief executive officer of reconstituted Philco Corporation—now a Delaware-incorporated Ford subsidiary (Vol. 1:12 p10).

"It's just too early to know what steps will be taken" to rectify Philco's disastrous financial performance last year and this, Beck told us. "We shall certainly analyze that performance and retain the best of it. We have every intention of doing our best to make every aspect of Philco's operation profitable."

Although conference shed no light on future of specific Philco consumer products, Beck noted that half of Philco's \$250 million assets are in consumer product operations, stated categorically "we have every intention in the foreseeable future of continuing in the consumer products business."

Irving A. Duffy, Ford director and general-products vp, and newly elected chairman of Philco subsidiary, commented: "Philco's reputation is one of the many assets that drew us to it. We like the range of Philco products, its research and its ideas. It has excellent consumer products, computers and allied

products, and products & services to support our govt. defense & space requirements. We firmly believe there is a sales growth ahead for each of them." Philco will be operated as part of Ford's general products group, which also includes Aeronutronic, Hardware & Accessories and Autolite divisions and Ford's tractor operations.

These key points were emphasized by Beck & Duffy in their comments to press:

(1) New management is squarely behind controversial "Instant Dividend" merchandising program (Vol. 1:13 p7). Beck called it an "excellent" promotion, one that "needs to be fully understood to be appreciated." He said "it has our full support." (For more on "ID" program, see p. 7).

(2) New company will get double-barreled trademark impact by using Ford symbol in all Philco ad & sales promotion efforts, and by promoting Philco as a Ford subsidiary.

(3) Philco will continue its fight to regain possession of Ch. 3 Philadelphia and will press its various lawsuits now pending, including color TV battle with RCA.

(4) Ford's Aeronutronic Div. will not be merged with Philco's govt. operations. Duffy termed the activities "complementary."

(5) Despite financial drag of Philco's computer operations, Ford will intensify efforts for new business. "Electronic computers offer a tremendous opportunity," Beck said, "and we intend to get our share of the market."

Beck, who joined Ford in 1949 as a financial analyst, succeeds James M. Skinner Jr., who recently resigned as Philco president (Vol. 1:13 p7) but who will remain available as consultant to Ford "for a period of months."

Three days prior to Dec. 11 signing of Ford-Philco acquisition Ford Chmn. Henry Ford II resigned as director of GE. Earlier, Ford director Ernest R. Breech resigned from board of Whirlpool Corp.

New Philco board is made up of Ford executives exclusively. They are Ford Chmn. Henry Ford II, Pres. John Dykstra, finance vp Arjay R. Miller, vp-gen. counsel William T. Gossett, Duffy and Beck, who has been director of Ford's business planning office since May 1960.

In view of Philco's poor financial showing (Vol. 1:8 p11) which led up to Ford sale, it's not surprising that key financial posts on new management staff went to Ford executives. Financial vp is Gene McCormick, formerly controller of Ford's Hardware & Accessories Div. Controller is Paul J. Miller, previously associate dir., Ford business planning office. William R. Wilson, former Philco finance vp & treasurer, was elected treasurer. Former Philco controller Ernest E. Bareuther becomes assistant controller. Henry R. Nolte, formerly Ford associate general counsel, is vp-secy.-gen. counsel.

Other Philco executives fared well generally in realignment of new subsidiary. Henry F. Argento becomes govt. product planning & mktg. vp (from former Philco post of Govt. & Industrial Group vp); Henry E. Bowes continues as vp-gen. mgr., Consumer Products Div.; Robert F. Herr continues as TechRep Div. vp; Robert M. Jones is industrial relations vp (was personnel vp); David B. Smith is engineering & research vp (was technical affairs vp).

Other changes of interest: Philco Research Div. becomes Philco Scientific Lab; former vp Donald G. Fink appointed director. Larry F. Hardy, previously Philco PR vp and onetime longtime consumer products vp, is now PR dir. Former operations vp Joseph H. Gillies named assistant to Beck. Harvey Williams, formerly Philco International president, now International Div. gen. mgr.

Reconstituted Philco Corp. is organized by staff & operating functions. Staff functions include finance, legal, engineering & research, govt. product planning & mktg., industrial relations, PR, and organization & executive personnel planning. There are 9 operating divisions, reporting to Beck: Consumer Products (Henry E. Bowes gen. mgr.); TechRep (Robert F. Herr); International (Harvey Williams); Lansdale (William J. Peltz); Computer (Clarence E. Burke); Communications & Weapons (Frank E. Stehlik); Communications Systems (Maj. Gen. Elmer B. Garland); Western Development Lab (Oscar T. Simpson); Sierra Electronics (former vp Willard Feldscher). Philco's former Govt. & Industrial Group has been reorganized into other operations. Former G&I executives who will continue on staff of new govt. product planning & mktg. vp, Henry Argento, are Joseph M. Hertzberg, John B. Hunt and Harold E. Rice, all ex-vps, and A. P. Hill. James E. Leeper, formerly Washington vp on corporate staff and now Washington Office mgr., also will report to Argento.

Consumer Products operation under Bowes will continue with many of former personnel in same posts, but with new titles. Major product group managers are Armin Allen, home electronic products; R. Jack

Cherry, refrigeration, freezers and air conditioners; Jack Rischel Jr., laundry products. All formally were vps in charge of same product groups.

Philco showed its new TV line to distributors last week at closed meetings in Chicago and Philadelphia. Also introduced was a stereo unit. Distributors also were given details of expanded ad & sales promotion campaign which teams Ford-Philco logos.

**TV-RADIO PRODUCTION:** EIA statistics for week ending Dec. 8 (49th week of 1961):

	Dec. 2-8	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	128,306	114,724	110,386	5,846,412	5,500,703
Total radio .....	396,584	393,981	384,279	16,328,294	16,385,694
auto radio .....	123,882	141,748	112,297	5,172,476	6,137,931

## Trade Personals

E. V. Huggins, formerly Westinghouse vp & exec. committee chmn., named to new post of exec. vp of associated activities, supervising Westinghouse International and other foreign interests; Pres. Mark W. Cresap Jr. absorbs chairmanship of exec. committee. George L. Wilcox, previously vp & assistant to Cresap, appointed to new office of vp & deputy to exec. vp John K. Hodnette, who takes over Defense Products Group heretofore supervised by Huggins.

John K. West, NBC West Coast vp, appointed RCA staff vp, Western distributor & commercial relations, headquartered in Los Angeles. He succeeds Harold R. Maag who assumes new post of RCA staff vp, Southwestern distributor & commercial relations, Dallas hq. West is succeeded in his NBC post by Thomas W. Sarnoff.

John J. Graham, former division vp & gen. mgr. of RCA's communications & controls div., joins ITT as exec. asst. to pres., elected vp.

Frederick Shuh, General Instrument-F. W. Sickles of Canada Ltd. gen. mgr., elected vp . . . Alexander (Duke) Wellington appointed Symphonic Radio & Electronic national sales mgr., replacing William F. O'Boyle, now with Sonic Electronics (Vol. 1:13 p11).

Frank W. Mansfield, Sylvania mktg. research dir. and EIA mktg. data dept. dir., elected Advertising Research Foundation chmn., succeeding CBS Radio Pres. Arthur Hull Hayes.

Leonard F. Cramer has been relieved of his duties as pres. of Standard Kollsman's Casco Products div., presumably will be reassigned to post with parent company. Onetime Magnavox vp-gen. mgr. and Crosley vp & TV-radio gen. mgr. joined Casco in Aug. 1960 (Vol. 16:31 p19).

Gordon K. Greenfield, America Corp. pres., elected Republic Corp. pres., succeeding Victor M. Carter who continues as chmn.; William Zeckendorf, Webb & Knapp pres. & America dir., elected chmn. of Republic's exec. board. Proposed merger of America & Republic has been approved by boards of both companies, but is blocked by anti-trust suit filed by Justice Dept.

George Found named Avnet Electronics mktg. vp, a new post . . . John Reine elected Graybar Electric exec. vp, a new post . . . Dr. Leon S. Nergaard appointed microwave research lab dir., RCA Labs, Princeton.

Arthur C. Omberg elected Bendix Corp. vp . . . H. Tyler Marcy advanced by IBM to general products div. vp from development lab mgr. . . . James W. Harpel, formerly controller, elected Seeburg finance vp.

Marion F. Chetty appointed foreign mfg. operations mgr., Sylvania International, succeeding David K. Elwell,

named Sylvania purchases & transportation dir. . . Leland G. Shaffer appointed northwest district mktg. mgr., Sylvania Electronic Systems . . . Peter Kolsinki & Edward Dietrich named Sylvania Home Electronics district service mgrs.

Earl B. Dunckel has been named GE corporate PR rep in Washington.

## Obituary

Ernest Searing, 84, retired International Resistance pres.-chmn., died Dec. 6 in a Philadelphia hospital. He retired from IRC in 1959 after 30 years' service. During World War II, Searing was appointed to the War Production Board, served on the radio replacement parts industry committee.

Harold M. Winters, 57, formerly RCA East Central regional sales mgr., died Dec. 9 at his Kansas City home. He had been with RCA for 35 years, resigned last June because of ill health. He was at onetime distribution director (appointed 1947) for the former RCA Victor Div. and held various sales executive posts in RCA's consumer products operation. Winters is survived by his wife & daughter.

## Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Capitol Records .....	Q	\$0.50	Dec. 29	Dec. 15
CTS Corp. ....	Q	.12½	Jan. 20	Dec. 31
ITT .....	Q	.25	Jan. 15	Dec. 21
Motorola .....	Q	.25	Jan. 15	Dec. 29
Muter .....	Stk.	5%	Jan. 20	Dec. 30
Howard W. Sams .....	Q	.15	Jan. 25	Jan. 10
Sangamo Electric .....	Q	.18¾	Jan. 10	Dec. 23
Universal Pictures ....	Q	.25	Dec. 28	Dec. 18
Universal Pictures ....	Ex.	.25	Dec. 28	Dec. 18
Western Electric .....	Q	.90	Dec. 29	Dec. 20
Western Union .....	Q	.35	Jan. 15	Dec. 22

Automation is coming to Japan, to reduce labor costs, Snyder Mfg. Pres. Ben Snyder said on his return to Philadelphia. He spent 6 weeks in Orient establishing outlets for firm's TV & auto radio antennas: Shriro Trade of Tokyo & Hong Kong, for Far East; Javit Enterprises, Honolulu, for Hawaii; Alaska Brokerage, Anchorage, for Alaska. Snyder said rising labor costs have made Japan ripe for American-made goods.

Foreign buyers & agents interested in U.S. electronic equipment can be reached through lists available at Commerce Dept. field offices or in Washington. Price is \$1 a country, with separate lists for home and industrial equipment.

Adler Electronics has expanded its Pelham, N.Y. production plant by 45,000 square feet.

# WEEKLY **Television Digest**

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

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**EDUCATORS BLOCK OUT TV SPECTRUM NEEDS**, say ETV will need more than 1,000 assignments within 10-15 years, including 66 more vhf's, some obtainable via short-spaced drop-ins (p. 1).

**MINOW ATTACKS 'FALSE ALARMS' RE CENSORSHIP**, says he'll continue to speak up, asks for examples of FCC interference with freedom of speech (p. 1).

**FINALLY—EDUCATORS GET WNTA-TV**. Acting gen. mgr. Richard Heffner can't quote exact target for resumption, would hope to start within 3 months (p. 2).

**AM LICENSE REVOKED FOR 'BLOCKING.'** FCC maintaining tough policy on "misrepresentations" in Tawas City, Mich. case (p. 2).

**N.Y. HOME UHF TESTS SLOW MOVING**, housewives reluctant to cooperate. Comr. Lee thinks gift may help, also considering asking city govt. for help in persuading (p. 3).

### **Consumer Electronics**

**1961 TV SALES UP 3%** to about 5.8 million, radio sales up 8% to nearly 11.4 million, on basis of 11-month projection (p. 6).

**THE \$140 PORTABLE** seems to be new launching point for TV lines, Admiral joining Motorola with low-priced "full-feature" set (p. 7).

**NEW TV PRODUCTS** from Japan are mostly specialty items: 8,000 transistor TVs imported in 1961; 10-in. set planned; 14-in. color to debut. Delmonico now boasts TV line (p. 7).

**'ID' FOES COUNTERATTACKING** on many fronts; American Stores confirms it was offered Philco promotion but decided against it because of unknown factors (p. 8).

**RCA CONSUMER PRODUCT** profits highest since 1955, color a \$200 million business, says Sarnoff. Zenith aims at 100,000 color sets in 1962, passed million-set mark in b&w again in 1961 (p. 9).

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**EDUCATORS BLOCK OUT TV SPECTRUM NEEDS:** ETV will need more than 1,000 TV assignments within next 10-15 years—compared with the 275 channels reserved today—according to report prepared by an ETV task force.

It's understood that report has been circulated within Dept. of Health, Education & Welfare. Vernon Bronson, consultant to National Assn. of Educational Broadcasters, headed study made by 7-man advisory board of educators aided by 13 ETV field consultants.

Total of 97 vhf channels is needed, educators said, compared with the 48 now reserved. Of the 48, they said, only 31 are where they're needed. Thus, 66 more vhf's are sought, and report states that some should be obtained via short-spaced drop-ins.

Educators expressed fear that spectrum, including uhf, will have been preempted by commercial users before ETV can move—thus reservation of channels is vital. They stated that most states & communities plan to use ETV within next 10 years.

**MINOW ATTACKS 'FALSE ALARMS' RE CENSORSHIP:** FCC Chmn. Minow will continue to "speak out . . . nudge . . . exhort . . . urge" industry to improve programming, he told San Francisco's Commonwealth Club Dec. 22. Such prodding, he asserted, isn't "censorship." "The broadcasters will no more censor the FCC," he said, "than the FCC will censor broadcasting."

Minow thus showed continued disagreement with recent speeches of CBS Pres. Frank Stanton and NBC Chmn. Robert Sarnoff, who pointed to dangers implicit in any declaration of program preferences by an FCC chairman (Vol. 1:13 p1). Minow asked for examples of "censorship":

"To those broadcasters genuinely concerned about govt. interference with freedom of expression, I respectfully issue a challenge. Be specific. Be precise. Give an example in which the govt. has interfered or is interfering with the fullest freedom of expression.

"It is curiously ironic that these attacks on the FCC come in this season when broadcasting is doing a better job than ever before in discussing public issues, public affairs, controversial problems . . .

"Where is the intrusion on free expression? If there are no examples to document charges of censorship, I suggest that broadcasters stop defending against an enemy who is not there. Instead of spending strength on windmills, it would be better to spend creative talents and voices building programs of vision the people can enjoy and admire.

"What some broadcasters want is for the FCC to stand mute and be alert enough only to rubber stamp license renewals every 3 years. They would like us to see no evil, hear no evil, and speak no evil. But those of us at the FCC have a right to freedom of expression too."

To illustrate his no-censorship contention, Minow told what happened after he suggested networks get together on special children's programs. "Some broadcasting executives," he said, "asked for my views about certain types of cooperative plans. I said that I had no blueprint, that I don't produce TV shows, and that my purpose was to call public attention to an important problem in the hope that the industry would solve it in any manner it saw fit—or in no manner.

"The networks met, did not agree on a joint effort, and dropped the subject. I am sorry they dropped it, for I still think children's programs could be improved. But it is not the govt.'s business to improve them—it is the broadcasters'! What we at the FCC can do is suggest need for improvement, and I intend to continue to make suggestions—and I hope you will too . . .

"There is improvement—much improvement—going on in TV. This is because the broadcasters are taking their own do-it-yourself program to heart."

"Nothing in this country," Minow stated, "is more important than freedom of expression. Freedom of speech, the freedom to think what you please and to say what you think, is the rock-bottom underpinning of every other freedom Americans enjoy. It is the bedrock beneath the American cathedral, and if it is ever cracked, the cathedral will totter. But freedom of speech should not be confused with freedom to make promises in order to secure a TV license and then freedom to break those promises in order to exploit that license . . . Freedom of speech does not mean freedom to fool the people."

Turning to "the promised land"—2nd decade of nationwide TV—as compared with "the wasteland," Minow looked for:

(1) "Live, instantaneous TV around-the-world" via satellites.

(2) Nationwide ETV network.

(3) Doubling of stations within 10 years, including use of uhf. "In this nation, growing at the rate of 3 million people a year, we will inevitably have either more channels or more regulation. My own vote is for more channels."

(4) "An explosion of scientific technology in all forms of communications, not only TV . . . to deepen our understanding and lengthen our vision."

**FINALLY—EDUCATORS GET WNTA-TV:** Checks changed hands Dec. 22 and Educational TV for the Metropolitan Area acquired WNTA-TV (Ch. 13) Newark-N.Y. for \$6.2 million—after some of the most hectic negotiations & litigation in broadcast history.

NTA's last telecast came Dec. 21. Richard Heffner, acting gen. mgr. for the new ETV station, said he couldn't pinpoint resumption date. "We originally spoke of 3 months," he said, "and I'd like to think in those terms. However, we want to make certain we start with quality production. It would be a great mistake to do less." He now starts hiring staff, had none to announce last week.

Heffner was CBS-TV dir. of special projects before joining ETV forces, and prior to that was dir. of public affairs for WNBC-TV N.Y. He said new call letters haven't been selected yet, won't be WMET, despite reports to contrary.

**AM LICENSE REVOKED FOR 'BLOCKING':** FCC doesn't fool around much when it finds licensees guilty of out-&-out misrepresentations. Last week, it ordered revocation of Roger S. Underhill's license for radio WIOS Tawas City, Mich. Vote was 6-1, Hyde dissenting.

What happened was this: Underhill had been pres. & 35% owner of Capitol Bcstg. Co., 730-kc applicant for E. Lansing. W. A. Poméroy, a principal of WILS Lansing, had application for 730-kc in Tawas City.

The 2 applications were therefore competitive. Underhill then obtained grant of WIOS on 1480-kc in Tawas City. Based on Underhill's testimony in the 730-kc hearing, FCC concluded that he didn't file for WIOS in good faith. Rather, Commission said, he wanted station in Tawas City so that Pomeroy would lose an advantage he had in competition with Capitol Bcstg.—namely, Tawas City had no local station while Lansing area had several.

Commission held that Underhill failed to disclose that Capitol was backing his WIOS and that his real purpose was to undercut Pomeroy's chances in Tawas City. FCC stated that this was "part of a scheme to abuse our processes."

Underhill waived revocation hearing, said he had relied on advice of counsel, asked for permission to sell WIOS. FCC refused, ordered it revoked. It will allow 90 days for new applicants to file for 1480. Underhill can sell plant to new grantee. Commission wants to make certain that service is continued.

Pomeroy's application for Tawas City was denied some time ago, because of engineering problems. Capitol's bid for E. Lansing was turned down because of the misrepresentations.

**N.Y. HOME UHF TESTS SLOW MOVING:** Home-installation phase of FCC's N.Y. uhf project is moving slowly, according to Comr. Lee, who spent some time with crews this week. Many housewives, he said, don't want technicians cluttering up the place. Only 200 out of goal of 5,000 measurements have been completed, and information is too sketchy to draw any conclusions yet, he said. One problem is that Census Bureau picks homes to use for proper sample, won't deviate slightest bit—insists not only on picking addresses but also on designating specific apartments.

Lee said he'll have lawyers check into legality of giving home-owner cash (perhaps \$5) or gift as inducement. He's thinking of asking city govt. to talk to householders, believes it would be effective. He's also considering putting receivers in public places such as Grand Central Terminal—where passers-by might give their impressions on questionnaire. These wouldn't be used as part of engineering evaluation. "I think it would be good to have these reactions," said Lee.

## **CURRENT CAPSULES**

Interim "trusteeship" operation in Syracuse, Rochester and Grand Rapids, for newly added vhf channels, isn't in cards yet—though discussions among the many competing applicants continue. FCC has encouraged applicants to get together on plans to start stations quickly, pending conclusion of competitive hearing processes which usually last several years. ABC is also urging applicants to settle differences, eagerly seeking full-time affiliates in the markets. Applicants' attorneys disagree on prospects for meeting of minds—some hopeful, some pessimistic.

FCC's network program hearing will start Jan. 22 instead of Jan. 23, the previous target. Commission is prepared to sit straight through Jan. 22-26 and Jan. 29-31.

Authority to start operating has been granted by FCC to following: KDAS (Ch. 21) Hanford, Cal.; KCHU (Ch. 18) San Bernardino, Cal.; KICU-TV (Ch. 43) Visalia, Cal.; KVLV-TV (Ch. 12) Alpine, Tex.

Anti-trust fight of radio WEOL Elyria, O. against *Lorain Journal*, a 12-year-old battle, produced victory in 6th Circuit Court of Appeals last week. Court held that District Court judge was "clearly erroneous" in ruling that station failed to show damages; it sent case back to District Court. Station seeks treble damages under Sec. 4 of Clayton Act. *Journal* had told its advertisers it would refuse to carry their ads if they bought WEOL time. Appeals Court relied strongly on figures submitted by WEOL showing that its Lorain income jumped from \$20,076 in 1950 to \$54,425 in 1951, when court enjoined *Journal* practice.

Northwestern U. seminar on "Freedom and Responsibility in Broadcasting" (Vol. 17:32 p1) is now available in book form under that title from Northwestern U. Press, Evanston, Ill. (252 pp, \$5).

Move of WMUR-TV (Ch. 9) Manchester transmitter closer to Boston should be denied, FCC examiner Charles J. Frederick recommended in initial decision. Station proposed to shift from 7 miles west of Manchester to 17 miles south-southwest of city. Frederick said that 304,560 people will lose WMUR-TV Grade B coverage, compared with 88,516 gain—concluded that shift therefore couldn't be justified.

Barstow, Cal. CATV system, 3,000 subscribers, has been sold by Dean DeVoe for \$580,000 to Frontier Vision Inc., headed by H. J. Griffith, Dallas-based theater owner. Broker was Daniels & Associates, whose subsidiary Systems Management Co. will operate system.

Latest stereo starters, according to notifications filed with FCC: KANU Lawrence, Kan. (first stereo educational station); WHOO-FM Orlando; WGPR-FM Detroit.

## Personals

John C. Reddy Jr. elected CBS asst. controller . . . Arthur Wolter Jr., ex-FTC trial lawyer, joins Ted Bates legal staff . . . Douglas Elleson, KRON-TV San Francisco program mgr., joins KCPX-TV & KCPX Salt Lake City as general mgr. Robert Glassburn promoted to KRON-TV program mgr.

Dr. Keith M. Engar, U. of Utah dir. of radio-TV services (KUED-TV & KUED-FM), joins FCC's new Educational Bcstg. Branch; he's past secy. of NAEB, is now chmn. of National Educational TV & Radio Center affiliates' committee.

John C. Moler, radio WIBG Philadelphia vp & general mgr., goes to WMGM N.Y. as gen. mgr. Both are Storer outlets.

Katz Agency promotions in N.Y., Chicago, L.A.: Michael Membrado becomes sales mgr. for eastern TV stations in N.Y., Frank McCann moving up to replace him as asst. sales mgr. for eastern stations. Oliver Blackwell, asst. sales mgr., takes new director of audience development post. In Chicago, Robert Rohde is promoted to asst. TV sales mgr. for western stations, Joseph Hogan to asst. TV sales mgr. for eastern stations. Richard Hasbrook, San Francisco TV sales office, named L.A. office mgr.

## Obituary

Frederick W. Wile Jr., 53, managing director of National Advertising Council's Hollywood office since 1960 and 1949-56 NBC programming vp in N.Y. & Los Angeles, died of a heart attack Dec. 17. He is survived by widow, 2 sons, a daughter.

John H. Mitchell, 53, recently retired ABC vp (1953-61) and 1931-53 Balaban & Katz executive, died Dec. 19 of pneumonia. At time of death he was an ABC consultant. Surviving is his widow.

Full-scale Boston police probe by governor and grand jury is in works as result of *CBS Reports* telecast, "Biography of a Bookie Joint" (Vol. 1:14 p5). Gov. John A. Volpe hired attorney James D. St. Clair, assistant Army counsel in 1954 Army-McCarthy hearings, to prepare ouster proceedings against Boston police commissioner Leo J. Sullivan. State Attorney General Edward J. McCormick said grand jury would take "appropriate action" on information given it by local district attorney, but that "police probe hysteria" would make fair trials of indicted gamblers impossible. FCC has responded to complaint from Mass. House Speaker John F. Thompson. It asked: (1) Did you request TV time from CBS to present your side—under provisions of Communications Act requiring opportunity for presentation of opposing views on controversial issues? (2) If you consider program distorted & unfair, please be specific. Thompson had told Commission that program included an attack on the Mass. House and unfair picture of gambling in Boston.

Waiver of sponsor-identification rules was granted by FCC last week in novel case of toy manufacturer who wanted to donate TV spots to American Cancer Society but didn't want to be credited with gift in the spots. Henry Orenstein, refugee who became wealthy toy maker in 14 years, wanted to give Cancer Society 608 ten-sec. spots he had bought on 15 stations for his Deluxe Reading Corp., Newark, but ran into snag when he learned that Commission rules require purchaser of time to be identified. When questioned, Commission was happy to waive rules.

CBS Pres. Frank Stanton took issue with *N.Y. Times* editorial "Mr. Minow is Right" (Vol. 1:14 p5), particularly its position that govt. must assume strong regulatory role because TV channels are limited in number. In letter to the editor in Dec. 14 *Times*, Stanton wrote: "It is true that present technical realities limit the number of vhf channels available for use in a given location. Nevertheless, there are 124 cities in the U.S. that have 2 or more TV stations competitively owned, as opposed to only 58 cities that have 2 or more daily newspapers competitively owned. . . . Does this mean that the govt. should do something about 'improving' the contents of newspapers where there is no competition? . . . I do not know, as your editorial implies, that anyone has claimed that the doctrine of govt. supervision of broadcasting was 'invented' by Karl Marx. It seems to me that the relationship of the govt. to any educational, cultural, informational or entertainment institution is a perfectly appropriate subject for discussion . . . What we have more to be watchful about in a free society is the establishment, for wholly plausible motives, of precedents that may, by extension, come back to haunt us."

Recent vhf translator conversions to FCC approved equipment: San Miguel Power Assn., Nucla, Colo. (5 channels); Big Flat TV Assn., Turner, Mont.; Mizpah TV Club, Olive, Mont.; Trout Creek Improvement Assn., Trout Creek, Mont.; Harold Volkman, Clay Center, Kan.; Pondoda TV Club, Medical Springs, Ore.; Monument TV Inc., Monument TV Inc., Monument, Ore.; Wasatch County Commissioners, Heber, Utah; Hanna-Elmo TV Assn., Hanna, Wyo.

FCC should be limited to technical management of frequencies, according to Sol Taishoff, editor & publisher of *Broadcasting Magazine*. In speech before Federal Communications Bar Assn. in Washington last week, he said that Commission has distorted Communications Act and invaded programming—something not intended by Congress. He urged FCBA to help get Act amended to prohibit any FCC consideration of programming. Station should be granted licenses in perpetuity, revocable only on criminal conviction, he said.

Cable TV Ltd., Montreal, terms itself "the world's largest integrated community antenna system" with the purchase of Master TV Ltd. and its 5,500 subscribers. Cable TV reports it now serves more than 25,000 homes. Firm feeds its subscribers the U.S. networks plus a closed-circuit channel of its own which offers away games of Canadiens hockey team and events such as recent boxing championship fight. When extra channel isn't used for TV, CKVL-FM is carried.

Pan-Video Productions, 200 W. 57th St., N.Y., has filed a registration statement with SEC (File 2-19465), planning to offer 100,000 shares at \$3 through underwriter R. J. Curylo Co. Proceeds will be used for bowling, physical exercise and health film TV series. Guy LeBow is pres., Elliott Mandl exec. vp.

Viewers' views on TV are sought in new WCBS-TV program, "We Ask You." Monthly half-hour man-in-the-street filmed series was scheduled to start Dec. 23, 3 p.m. People are asked what they like & dislike about TV, what they'd do if they ran a network, what they think of govt.'s regulatory role, etc.

Rep Venard, Rintoul & McConnell opens office in Dallas Federal Savings & Loan Bldg. with Al Hazelwood, former KSWO-TV Wichita Falls mgr., as office mgr.

WBRE-TV Wilkes-Barre appoints Katz as rep.



More TV-home figures: Census Bureau has released household appliance statistics for Birmingham, Gadsden, Huntsville, Mobile, Montgomery, Tuscaloosa, Ala.; Columbus, Ga.; Fargo-Moorhead, N.D.; and Sioux Falls, S.D. standard metropolitan areas. In addition, figures for following states were issued: Alabama, Arizona, Arkansas, Massachusetts, Minnesota, Mississippi, Nebraska, South Carolina, Wisconsin. TV counts:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Birmingham	181,774	141,256	16,097	24,421
Columbus	55,674	41,514	4,634	9,526
Fargo-Moorhead	30,029	25,055	2,655	2,319
Gadsden	27,503	22,238	1,104	4,132
Huntsville	30,897	22,563	1,371	6,950
Mobile	83,174	63,555	7,795	11,824
Montgomery	46,050	33,338	3,325	9,378
Sioux Falls	25,119	21,663	1,996	1,490
Tuscaloosa	27,646	20,317	695	6,634
Alabama	884,116	632,887	43,710	207,481
Arizona	366,630	268,364	30,362	67,852
Arkansas	523,552	374,030	17,261	132,232
Massachusetts	1,534,985	1,219,013	200,219	115,727
Minnesota	991,981	788,295	74,757	128,929
Mississippi	568,070	359,947	17,551	190,572
Nebraska	433,488	358,161	20,947	54,266
South Carolina	603,551	438,231	29,513	135,783
Wisconsin	1,146,342	941,599	104,572	100,131

Revocation hearing against radio KWK St. Louis—on charges of treasure-hunt-program misrepresentations, etc.—will go ahead as planned, FCC ruled last week. Station hasn't yet presented its case, asked FCC to rule now whether Broadcast Bureau has proved its case and to conduct balance of hearing in Washington rather than in St. Louis, where first part was conducted. Said Commission: "While we recognize that the proposed procedure might serve to relieve the petitioner of the burden of presenting its case, we do not think that the public interest is served by a procedure which, though possibly advantageous to the petitioner, might require the Commission to consider the matter on 2 occasions instead of one." FCC also ordered balance of hearing to be held in St. Louis.

AFA's 4th mid-winter conference, scheduled for Feb. 7 in Washington at Statler Hilton, will include as speakers and panel members: Commerce Secy. Hodges, FCC Chmn. Minow, FTC Chmn. Dixon. Burton Hotvedt, Brady Co., Milwaukee, will preside over FTC panel discussion; W. W. Watts, RCA, over economics of advertising panel; Donald McGannon, Westinghouse Bestg. Co., over FCC panel. Theme of conference: "Advertising: Its Key Roles in the Free World."

"Anti-trafficking" rules (Vol. 1:13 p4) will be considered by FCC in special meeting Jan. 4. Commission is weighing plan to require hearings when licensee proposes to sell station owned less than 3 years except under exceptional circumstances.

"Mass Customers for Mass Merchandisers" titles TvB brochure promoting time sales among discount houses. It includes reports on 13 discount-house TV users. TvB terms discounters "the most aggressive local users of TV."

Screen Gems subsidiary WAPA-TV Bestg. Corp. has bought WAPA-TV San Juan from Ponce De Leon Bestg. for \$1.8 million and one-third interest in WOLE-TV Aguadilla, P.R. through brokers R. C. Crisler & Co.

FTC consent order prohibits Harwald Co., Evanston film inspection machine manufacturer, from disparaging competitors and making false claims of exclusive features in its ads.

WJPB-TV Weston, W. Va. transfer-of-control case—in which FCC conducted hearing into charges of misrepresentation, concealed ownership, etc., as charged by protestant WBOY-TV Clarksburg (Vol. 16:16 p6)—brought an FCC final decision turning down protest. Commission said WJPB-TV had adequate arguments "in mitigation" of rules violations. However, FCC said: "In taking this action we do not detract from the gravity of the matters raised. . . . On the contrary, the performance of the station under its new ownership will be closely scrutinized. (The matter of a possible short term renewal is not before this proceeding but will be considered in connection with the station's presently pending application for license.) Any substantial departure from the standards expected of broadcast licensees, taken together with the matters of record in this proceeding, would raise most serious questions as to the basic qualifications of the station's owners." Through sale of stock, control passed from J. P. Beacom to Thomas P. Johnson & George W. Eby.

Much-litigated site-move case of WSPA-TV (Ch. 7) Spartanburg, S.C., which has been sent back to FCC by courts 3 times (Vol. 14:21 p13), received another initial decision from chief examiner James Cunningham. He said station's principals weren't guilty of *ex parte* representations, as charged by protestant WAIM-TV (Ch. 40) Anderson, S.C. WSPA-TV Pres. Walter Brown, after one court reversal, talked to former FCC Chmn. George McConnaughey in effort to get Commission cooperation in seeking appeal to U.S. Supreme Court. Cunningham held that didn't violate Commission processes because conversation took place when case was under Court of Appeals' jurisdiction. He also found that WSPA-TV principals weren't responsible for letter sent by Sen. Thurmond (D-S.C.) to McConnaughey, urging favorable consideration.

More funds for USIA were called for in Dec. 18 *Washington Post* editorial, which quoted similar plea by Advertising Council Pres. T. S. Repplier who noted that USIA's \$140 million budget to broadcast to 90 countries over VOA is \$20 million less than the annual ad budget of a major U.S. automobile company. USIA "has no powerful lobby supporting its efforts," editorial said, with the result that "in the war of words VOA is frequently reduced to a whisper because USIA lacks resources to make itself effectively heard."

IBM will move its corporate hq from N.Y.C. to suburban Armonk, N.Y. during 1963's 2nd quarter. A new office building is under construction there on 443-acre site owned by IBM. After 50 years in N.Y.C., IBM this fall conducted test to determine if its operations could be conducted successfully from a suburban location.

New transmitting equipment including 35-kw amplifier & 5-kw driver is being installed for KONO-TV San Antonio by GE under \$500,000 contract. Installation also calls for 5-kw standby transmitter, 1,500-ft. tower, 3-section helical antenna.

"Customer emergency service" around-clock has been started by Collins Radio at Cedar Rapids center with direct phone (EMpire 5-3600) and standby staff of technicians ready for "immediate action" to solve commercial & military product problems.

CTV Television Network Ltd., Canada, opens U.S. offices at 535 Fifth Ave., N.Y., with Kenneth M. Flower, ex-CBS Films, sales mgr.

Color-slide presentation on programming, 25 min., now available from TIO, 666 Fifth Ave., N.Y. 19.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**1961 SALES—TV UP 3% , RADIO UP 8% :** Reports of good pre-Christmas business in both TV & radio, added to preliminary 11-month sales figures, give this picture for 1961: TV distributor sales to dealers, probably slightly under 5.8 million, or about 3% better than last year's 5.65 million. Distributor sales of domestic radios (excluding auto sets) will be highest since 1948, between 11.2 & 11.4 million, around 8% above last year's 10.5 million.

TV set production is likely to exceed 6.1 million, radio production 12 million. At end of November, distributor inventories of both TV & radio were somewhat above last year's levels, but well within safety zone.

Distributor sales of TV sets in November were 8% higher than Nov. 1960, following an October which saw an increase of 5%. December sales to date, while not spectacular, are understood to be maintaining pace. Radio sales were down 5% in October, 8% in November from last year's very good levels, but trade has noted good December pickup.

Here are preliminary November & 11-month production, sales & inventory figures, with 1960 comparisons (figures rounded):

## TELEVISION

	Nov. 1961	Nov. 1960	11 Months 1961	11 Months 1960
Production .....	704,000	525,000	5,718,000	5,393,000
Factory sales .....	648,000	528,000	5,457,000	5,210,000
Distributor sales .....	679,000	627,000	5,313,000	5,218,000
Factory inventory .....	434,000	456,000	—	—
Distributor inventory .....	785,000	740,000	—	—

## RADIO (excluding auto)

Production .....	1,406,000	1,246,000	10,883,000	9,976,000
Factory sales .....	1,450,000	1,372,000	10,575,000	9,536,000
Distributor sales .....	1,415,000	1,545,000	9,959,000	9,185,000
Factory inventory .....	950,000	868,000	—	—
Distributor inventory .....	1,715,000	1,597,000	—	—

TV-radio output in October was ahead of a year ago, TV markedly so, EIA reported last week. October was 2nd-highest production month for each category, topped only by September output. Here are EIA's official figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January .....	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February .....	444,418	503,453	24,514	43,537	1,115,029	1,442,368	307,973	596,872	41,357	56,515
March .....	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	33,127
April .....	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May .....	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June .....	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July .....	383,378	268,854	23,233	14,621	1,030,399	890,359	320,128	328,009	48,114	49,707
August .....	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
September .....	694,580	678,937	41,253	46,161	2,048,698	1,945,092	591,493	788,961	110,174	111,745
October .....	620,815	499,999	43,198	38,999	1,796,391	1,727,560	576,529	639,357	95,318	88,596
<b>TOTAL</b> .....	<b>5,014,583</b>	<b>4,873,120</b>	<b>289,462</b>	<b>371,457</b>	<b>13,797,879</b>	<b>14,135,937</b>	<b>4,321,315</b>	<b>5,420,279</b>	<b>679,291</b>	<b>766,006</b>

**NOW IT'S THE \$140 PORTABLE:** Just about a year ago, at Chicago winter Home Furnishings Market, talk of the industry was GE's 10-in. transformer-powered portable at \$159.95 (Vol. 17:1-2). This year there's a new "floor" for the so-called "full-feature" 19-in. set—\$140.

While industry was still digesting news of Motorola's 19-in. at \$139.88 (Vol. 1:14 p9), Admiral reacted quickly—pricing its new 19-in. portable (with carrying handle & monopole antenna) at \$139.95. Admiral's set has standard chassis and its pricing obviously was direct reply to Motorola move. It seems almost certain that some other manufacturers will come along—however reluctantly—with competitive models. Pricing move was regarded by some as particularly serious in view of portables' increasing share of market.

Admiral, which had appeared to be sitting on fence with regard to supermarket tape plans (Vol. 1:14 p9), introduced its new price leader with blast at Philco's "ID." Admiral Sales Corp. sales vp Ross D. Siragusa Jr. called new set "answer to the tape plan." He added that ID stood for "instant destruction," and said: "We believe the consumer will think twice before he signs a \$225 contract (for a TV portable), when he can get one for \$140 without becoming a long-term captive of a meat market."



Admiral's drop-in line, introduced to distributors at week's end, underscores success of that company's 27-in. TVs and trend toward inboard pricing of FM stereo in high-end phono consoles. New 27-in. merchandise consists of 3 consoles, 2 combinations. In 23-in category, line begins with table at \$199.95, includes lowboy console with suggested list in \$199-209 range, 4 new combos, 3 of which use single unified chassis for TV-FM-AM-phono and include FM stereo with automatic stereo beacon light.

More than half of Admiral's 12 new stereo consoles include FM stereo inboard. Stereo line begins with 3 promotional consoles which can be marketed as low as \$139, at \$179 with AM-FM, and \$199 with new beacon FM stereo.

**NEW TV PRODUCTS FROM JAPAN:** "You gotta have a gimmick" seems to be the cry of most importers, as far as Japanese TV is concerned. With one notable exception, most TV import plans revolve around specialty goods which don't compete directly with U.S.-made models.

Sony's transistor TV is good example. Sony says it will have sent 8,000 of them to U.S. by year's end, is turning out more than 4,000 a month, about 50% going to this country. Other importers are expected to introduce their own battery-operated sets in 1962. Delmonico is now test-marketing transistor TV at price close to Sony's \$250-\$280 range (including battery), is planning more extensive campaign in 1962.

Following Delmonico's introduction of 8-in. line-cord TV (list \$119.95), others may be expected to get into small-screen act. Transistor World is understood to be preparing 10-in. Toshiba entry at around \$100 for mid-1962. Another specialty item to be demonstrated soon in U.S. is Toshiba 14-in. color set, due to be unveiled at special N.Y. showing Jan. 4. Although Toshiba's importer, Transistor World, denies it has any plans to import the set, there seems to be no reason to show the set unless there will be attempt to sound out opinion on small-screen color in U.S.

Delmonico claims it is exception to "gimmick" school of TV importing. "We now have a full TV line," says Pres. Albert Friedman. Line includes 8-in., several 19-in. portables, 23-in. stereo combo, color combo. In most models—including 8- & 19-in.—"we can't bring in enough to meet the demand; our problem is trying to keep some inventory." Next TV model from Delmonico will be 23-in. console.

Color combos are beginning to come in from Japan Victor, he told us, and Delmonico's first color-set ads will break during first 10 days in January. The \$595 TV-stereo unit has RCA 21-in. color tube, inserted in this country.

In non-TV field, Delmonico is most excited about AM-FM-stereo phono console with built-in 4-track tape recorder, to list at \$299.95. First deliveries from Japan are beginning, full-scale shipments due in 6 weeks.

Note: Sony exec. vp Akio Morita told N.Y. Society of Security Analysts that his company is now at work on developing relatively low-cost video-tape recorder for home use. And you can expect flow of FM-stereo radios from Japan soon, since Japanese govt. has authorized stereo broadcasts using U.S. system. With domestic FM-stereo market to serve, you can be sure Japanese will develop—and export—ingenious designs.

**'ID' FOES COUNTERATTACKING ON MANY FRONTS:** Opposition to Philco's "Instant Dividend" program and similar tape-register plans (Vol. 1:8 p9 et seq.) continued to mount last week amid rumors of disenchantment already setting in for some participating supermarkets. Among countermoves:

(1) National Appliance Radio-TV Dealers Assn. told us it was shifting its attack to what it now considers to be "ID's" weakest point—its inflationary effect on consumers' pocketbooks. Explained NARDA exec. vp Jules Steinberg: "Because tape plans tend to make the customer a captive of a given market she is no longer able to shop and take advantage of bargains offered by competing markets. While this loss in shopping dollars may amount to only \$2-4 a week, over a 30-month 'ID' contract period it could mount up to \$300-500—more than the list price of the TV or appliance the shopper thought she was getting free." Steinberg told us NARDA is jelling plans to attack tape plans on this front.

(2) Non-participating TV manufacturers are striking back. Admiral last week introduced a bargain-buy 19-in. portable at \$139.95, following hard on heels of Motorola's introduction of a \$139.88 19-in. set (Vol. 1:14 p9). These under-\$140 portables are expected to be particularly attractive when compared with ID-priced TVs. For more on \$140 portables, see p. 7.

(3) Competing supermarket chains are readying counter promotions to combat "ID" competition. Executive of giant Philadelphia-based American Stores Co. told us: "While it's true that these tape plans lock the customer in, they also lock in the store. These plans can cost the supermarket up to more than 4%. When you tack on the 2% cost for stamps—and the market can't drop them—you're giving away a sizable percentage for a business that nets only 1-1.5%. When competing markets open up with price-bargain counterpromotions, the tape-plan markets will have little or no flexibility to meet the price competition. That's when things will really begin to get interesting." He also confirmed to us that American Stores had been offered Philco ID promotion early in game but decided there were too many unknown factors in program. Competitor Philadelphia-based Food Fair is now testing plan in 10 stores in 3 cities (Vol. 1:14 p7).

(4) Petition to FTC to investigate tape plans has been filed by Electronic Service Dealers Assn. of W. Pa; exec. secy. Joseph E. Doyle told us last week that FTC investigators already are on scene in ID-hot Pittsburgh. Petition charges, in part: "We believe that violations have been committed or are on a very flimsy fringe area of legality or violation that warrants careful & concise investigation under the Sherman anti-trust laws, the Clayton Act and either or both laws & acts . . . It is a fact that the same appliance can be financed through any bank at far less than the Philco Finance Corp.'s plan which runs around 18% . . . We feel that this whole program is detrimental to free enterprise, in that it sets up exclusive buying arrangements with tying contracts . . . It borders on monopoly and price fixing . . . It is discriminatory in many aspects."

(5) "If they're going to give appliances, we're going to give food." So said McKees Rocks, Pa. TV-appliance retailer Michael Uram, manager of Thriftee Hardware & Home Supply Co., last week as he set up a reverse "instant-dividend" plan. Purchaser of a TV or appliance at Thriftee is offered check for approximately 10% of purchase price, made out to grocer of purchaser's choice. Uram was striking back at supermarkets for "carrying items that should be rightly handled by independent tradesmen."

American Stores, we learned, decided against involvement in tape plans for host of reasons. Among them: Cost, concern about long-range obligations and goodwill of participating as well as non-participating customers, concern about future flexibility to meet pure bargain counterpromotions of competing stores.

Cost to participating supermarket, we now know, is \$7.50 per month per participating customer—less customer's cash payment. For example, if customer buys \$120 in food for month, she gets 5.5% or \$6.60 credit on \$10 installment due on TV or appliance of her choice. She pays \$3.40 difference in cash. Supermarket, in turn, pays Philco Finance Corp. difference between customer's \$3.40 cash payment and its \$7.50 obligation—or \$4.10. If customer buys \$180 in given month, 5.5% credit liquidates \$10 instalment. Supermarket pays \$7.50 to finance company, or 4.18% of \$180 food purchase.

Because tape-plan supermarket is adding sizable overhead expense, we were told last week by knowledgeable supermarket executive, it is not enough that regular customers purchase more. In that event, market is giving regular customers costly bonus to buy more low-margin products. It's estimated that 12-14% increase in volume is required to wash out 2% cost of stamps, double that to liquidate tape-giveaway plan. He also pointed out tape-plans' hidden costs to retailers: labor & expense of serving as collection agency for finance company; use of costly floor space in market for TV-appliance displays. "Unless supermarket is able to attract totally new customers to provide that needed increase in volume," he said, "it's just giving gains back to its regular customers."

**TOPICS & TRENDS**

For first year since its merger with GT&E, Sylvania "has not carried its share of the load," GT&E Chmn. Donald C. Power noted last week. Addressing meeting of security analysts in N.Y., Powers said that merger with Sylvania was based on latter's 1958 earnings of \$8.4 million. Sylvania's earnings were \$14 million in 1959 and \$13 million in 1960, but are expected to drop to about \$6.5 million this year. "However," he pointed out, "over the 3-year period Sylvania has contributed earnings in excess of its dividend requirements."

Magnavox expects 4th-quarter sales to jump to about \$50 million from \$45 million a year ago, total 1961 sales to top \$140 million vs. 1960's \$124.9 million. Earnings in final quarter should total more than \$4.8 million (vs. nearly \$3 million a year earlier); 1961 profit should rise to \$9.2 million from \$6.5 in 1960. Pres. Frank Freimann said Magnavox sales of TVs, phonos and related consumer products are running 30% ahead of a year ago, noted a 60% increase in stereo phonos. Freimann also reported that 4th-quarter sales of higher-priced stereo radio-phonos are up 150% from year ago—"a trend which we believe will continue through 1962."

Stromberg-Carlson auto radio operation has been sold by General Dynamics to Tenna Mfg., Cleveland, paring S-C Div.'s consumer business down to hi-fi products. Earlier this month, S-C's Pagemaster personal radio business was sold (Vol. 1:13 pll), to Siegler's Bogen-Presto Div.

**REVIEWS & FORECASTS:** RCA consumer products in 1961 "had their most profitable year since 1955." So said Chairman Brig. Gen. David Sarnoff in his year-end statement detailing his company's "conspicuous success" this year and its confidence for 1962 and the future.

RCA's profits for 1961 will be about the same as 1960, he said, primarily because of the costs of launching its data processing business—but these costs reached a peak in 1961, and 1962 losses in data processing are expected to be about half of what they were in 1961.

He predicted that color TV will attain "an over-all industry rate of approximately \$200 million" (sales, servicing, parts, colorcasting) in 1962. RCA's reorganized Home Instruments Div. increased its share of the black-&-white TV market and made "significant gains" in radios, phonos & tape recorders.

As to other RCA operations: NBC "achieved the highest profit in its 35-year history, establishing a record for advertiser use of NBC-TV, while NBC radio network increased its earnings, and owned stations showed a record profit. Total of 140 advertisers used color on NBC-TV in 1961, when its colorcasting hours totaled 1,670. RCA's Semiconductor & Materials Div. moved into the black, and Tube Div. earnings exceeded those of 1960.

Looking to 1962, Gen. Sarnoff saw no "boom," but forecast new records by American industry in sales of goods & services, in consumer income & consumer expenditures, with electronics holding its position as fastest growing major industry.

Zenith Sales Corp. Pres. Leonard C. Truesdell, whose reputation for accurate forecasting is one of best in industry, believes that total black-&-white TV sales will increase about 5% in 1962—which would bring it to around the 6-million-set mark. In an interview in *Home Furnishings Daily*, he is quoted as making these points:

Zenith is aiming at color-TV sales of 100,000 sets in 1962, and already is oversold on its production capacity for January & February. For the 3rd consecutive year, his company's b-&-w sales have exceeded a million units. Despite the recent trend toward lower-priced portable sets (p. 7), he sees the possibility of price increases by mid-1962 because of higher costs all along the line. He predicts good increases in stereo, and higher dollar volume per unit, because of the attraction of FM stereo.

Factory sales of TV picture tubes rose sharply to 912,281 units valued at \$18,000,957 in October from 771,324 at \$15,478,435 in Oct. 1960, EIA reported last week. Receiving tubes, however, slipped to 32,480,000 units at \$26,155,000 from 33,506,000 at \$27,628,000 in Oct. 1960. For year to date, TV picture tubes ran slightly ahead in units, slightly behind in dollar value, compared with 1960's 10-month totals. Receiving tubes trailed Jan.-1960 both in units & dollars. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	707,833	\$14,430,602	26,843,000	\$22,227,000
February .....	728,989	14,395,981	25,803,000	21,865,000
March .....	936,098	18,725,011	36,635,000	30,719,000
April .....	722,110	14,293,375	28,687,000	24,392,000
May .....	673,315	13,238,774	29,823,000	25,308,000
June .....	806,852	15,887,776	31,463,000	25,989,000
July .....	457,181	9,364,364	27,566,000	20,979,000
August .....	870,578	17,239,228	36,907,000	31,347,000
September .....	946,405	18,981,210	37,611,000	30,472,000
October .....	912,281	18,000,957	32,480,000	26,155,000
Jan.-Oct. 1961 .....	7,761,642	\$154,557,278	313,318,000	\$259,453,000
Jan.-Oct. 1960 .....	7,749,565	155,164,340	336,965,000	282,544,000

Factory sales of both mono & stereo phonos set 1961 monthly highs in October, EIA reported last week, but stereo dropped more than 40,000 units off Oct.-1960's pace. Mono sales climbed 8,000 units ahead. For year to date, both categories continued to trail 1960 sales. Mono sales in October totaled 151,580 units, up from 143,160 a year ago. Stereo sales dropped to 350,254 from 391,821 in Oct. 1960. Here are EIA's figures:

Month	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January .....	80,366	211,383	291,749	118,400	341,329	459,729
February .....	50,710	204,638	255,348	92,648	324,666	417,315
March .....	62,396	227,469	289,865	63,264	242,523	305,787
April .....	53,074	152,974	206,048	30,962	142,409	173,371
May .....	53,887	142,450	196,337	36,793	146,176	182,962
June .....	61,533	197,170	258,703	69,293	198,407	267,700
July .....	70,681	171,331	242,012	70,992	222,559	293,551
August .....	106,157	242,164	348,321	109,321	307,517	410,838
September .....	124,142	328,045	452,187	146,997	384,289	531,286
October .....	151,580	350,254	501,834	143,160	391,821	534,981
TOTAL .....	814,526	2,227,878	3,042,404	881,831	2,701,696	3,583,527

Directory of 2,800 small research & development firms has been issued by Small Business Administration, available for inspection at all SBA offices.

CFRB-FM Toronto reports stereocasting 12 hours daily since Sept. 4. Our recent stereo roundup (Vol. 1:12 p9) listed it as due to start soon.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1961—qtr. to Oct. 31	\$11,098,291	—	\$ 255,140	\$0.24	1,065,098
	1960—qtr. to Oct. 31	8,814,157	—	203,090	.19	1,019,739
Collins Radio	1961—qtr. to Oct. 31	44,961,118	\$ 416,627	201,627	.09	2,212,881
	1960—qtr. to Oct. 31	53,341,464	3,374,100	1,484,958	.68	2,163,628
Emerson Radio & Phonograph	1961—year to Oct. 31	70,903,466	—	1,851,684	.84	2,211,492
	1960—year to Oct. 31	63,776,658	—	1,686,568	.76	2,119,685
Hallicrafters	1961—qtr. to Nov. 30	19,283,000 <sup>2</sup>	945,000	459,000 <sup>2</sup>	.21	2,228,100
	1960—qtr. to Nov. 30	11,683,000	730,000	356,000	.16	2,211,600
Lab for Electronics	1961—6 mo. to Oct. 27	29,678,000	—	516,000	.51	1,136,636
	1960 <sup>1</sup>	—	—	—	—	—
Muntz TV	1961—qtr. to Nov. 30	3,412,716	—	336,340	.23	1,175,876
	1960—qtr. to Nov. 30	2,966,582	—	298,261	.21	1,165,376
Pacific Industries	1961—qtr. to Nov. 30 <sup>3</sup>	5,400,000	—	—	.14	—
	1960—qtr. to Nov. 30	4,300,000	—	450,000	.30	—
Packard Bell Electronics	1961—year to Sept. 30	31,887,807	—	(9,511,162)	—	816,493
	1960—year to Sept. 30	44,029,822	—	207,704	.26	811,880
Sony Corp.	1961—year to Oct. 31 <sup>3</sup>	51,000,000	—	2,100,000	—	—
	1960—year to Oct. 31	36,800,000	—	1,900,000	—	—

Notes: <sup>1</sup>Comparison unavailable of mergers. <sup>2</sup>Record. <sup>3</sup>Preliminary.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Avco .....	Q	\$0.15	Feb. 20	Jan. 26
Columbia Pictures ....	Stk.	2½%	Jan. 30	Dec. 29
Electronic Associates..	Stk.	5%	Jan. 15	Dec. 26
Electro-Voice .....	Q	.10	Jan. 15	Dec. 29
MPO Videotronics "A" .	Q	.10	Jan. 15	Dec. 29
MPO Videotronics "B" .	Q	.001	Jan. 15	Dec. 29
Terminal-Hudson Elec..	Q	.06	Jan. 19	Jan. 8
Thompson Ramo Woold.	Q	.35	Mar. 15	Feb. 28

Emerson's Emertron subsidiary posted a net profit of \$333,499 (17¢ a share on 2 million shares outstanding) on \$14,005,369 sales in its 1961 fiscal year ended Oct. 31. This compares with fiscal-1960 pro-forma loss of \$42,352 on \$10,366,487 sales registered by Emertron's predecessor, Emerson's Govt. Electronics Div. (for Emerson's fiscal-1961 report, see financial table).

### Trade Personals

Larry F. Hardy, onetime longtime vp-gen. mgr. Philco Consumer Products Div. and PR vp since May 1960, will retire Jan. 1 after 30 years' service, Philco Pres. Charles E. Beck announced last week. Hardy was named PR dir. of the new Philco Corp. when it became a Ford Motor Co. subsidiary Dec. 11 (Vol. 1:14 p10). He will be succeeded by Marc J. Parsons, formerly division relations mgr., Ford PR staff. Beck, in a Dec. 19 internal memo, said that Hardy had announced his plans to retire some months ago but agreed to continue pending completion of the Ford-Philco negotiations. Beck added that Hardy will continue to be available to Philco on a consulting basis.

James H. Kogen, GPE Controls chief engineer, elected 1962 National Electronics Conference pres. . . . Joseph W. Lewis, mgr. of Beckman Instruments' Scientific Instruments Div., elected a vp . . . Maurice M. Rosen elected Progress Webster Electronics pres., succeeding Stuart Caine.

Ross D. Siragusa, Admiral chmn.-pres., elected chmn., General Aniline & Film Corp., succeeding John I. Snyder Jr., resigned; Siragusa had been GA&F's vice chmn.

George K. Bryant, longtime RCA consumer products executive who resigned last spring (Vol. 17:16 p18) after 18 years' service to join Esterbrook Pen Co., elected exec. vp, new post with Camden, N.J. pen firm . . . Andrew Lorient has resigned as Bell Sound ad, sales promotion & PR mgr., effective Jan. 15.

Dr. Robert T. Watson, formerly dir. of ITT's Components & Instrumentation Lab, named vp & dir. of newly formed ITT Industrial Labs Div., based in Ft. Wayne . . . Reginald H. Jones & Herman L. Weiss elected GE vps.

Donald A. Ross named Pilot Radio gen. sales mgr., succeeding L. M. Sandwick, recently appointed staff dir., EIA Consumer Products Div. (Vol. 1:14 p7).

James W. Murray, GPE chmn., also named pres. of new subsidiary, Character Recognition Corp., formed to develop optical & magnetic reading devices.

### Obituary

Jack S. Beldon, 51, Magnavox vp & consumer products mktg. dir., died Dec. 15 in Fort Wayne's Lutheran Hospital one week after suffering heart attack. Prior to joining Magnavox in Dec. 1960 (Vol. 16:52 p23), he had been RCA Sales Corp. pres. Previously, he held executive posts with GE and Montgomery Ward.

Frank Peltier, 71, retired Philco vp, died Dec. 15 at his Rydal, Pa. home. The onetime associate of Thomas A. Edison joined Philco in 1938 as engineering mgr., was elected vp in 1950, retired in 1958. He held some 1,000 patents, was a pioneer in the refrigeration field.

Charles W. Shaw, 69, retired Sylvania mktg. executive, died Dec. 17 in Miami Shores, Fla., after a brief illness. He had been with Sylvania for 25 years prior to his retirement in 1957. He was asst. to the mktg. vp when he retired. Previously, for many years, he was gen. sales mgr. for electronic tubes. He is survived by his wife.

Robert A. Neal, 72, retired Westinghouse vp, died Dec. 17 in Palo Alto-Stanford Hospital. He had been with Westinghouse for 44 years, was Pacific Coast vp when he retired in 1954. He is survived by his wife, and 3 sons.