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# WEEKLY **Television Digest**

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NEW SERIES VOL. 2, No 36

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

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**NEW FCC NOMINEE—OUT OF THE BLUE:** E. (for Emil) William Henry, President Kennedy's nominee to replace FCC Comr. Cross, is certainly the surprise that many industry guessers expected. Though not well known, he's not inconspicuous.

A 32-year-old Memphis lawyer, from firm of Chandler, Manire & Chandler, he came to President's attention through brother Bobby Kennedy, having worked for latter in 1960 campaign in nationalities div. of Democratic National Committee.

People who know him describe him as "liberal," "extremely liberal" or "radical"—apparently depending on their views of integration, for which he's an advocate.

Henry is from well-to-do family, married girl of similar background. He's described as "a very successful lawyer in a very prominent law firm," is said to enjoy fine relationships with conservative clients despite his liberal political beliefs. An attorney who knows him said: "He'll be an aggressive, competent commissioner. I'd expect him to respect property rights and very actively pursue the public interest."

Reached last week in Memphis, he told us: "I have no strong views about TV & radio, because of my lack of close familiarity with them. Like most people, I guess, I believe broadcasting can be improved. Am I

a 'liberal'? I'm a liberal Southerner; that's for sure. Taking the country as a whole, I'd describe myself as a 'Kennedy Democrat.' "

As for Congressional support of his nomination: "I've had a telegram of support from Sen. Kefauver. I believe Sen. Gore will endorse me. I believe Rep. Davis won't oppose me." He said he had never met FCC Chmn. Minow, had spoken to him on phone for first time shortly after announcement of nomination.

Known to friends as "Bill," Henry is Memphis native, 1951 Yale graduate, served 3 years in Navy (Lt. j.g.), received Vanderbilt U. law degree in 1957. He's married, has daughters Elizabeth, 5, & Sherrye, 3, and son E. William Jr., one. He's Episcopalian. "I have no specific hobbies," he said, "because I have no particular talent—but I play tennis, like duck-hunting & fishing."

Assuming Senate confirms him after Commerce Committee hearing, he takes over for 7-year term, replacing Cross who had continued serving since his term expired June 30.

Speculation persists, of course, as to next FCC vacancy, also a Democratic one. Comr. T. A. M. Craven's term expires next June 30. However, he could retire—or President could retire him—when he reaches 70 in January. Also, President could make him a top official of new Communications Satellite Corp., a possibility first mentioned in June (Vol. 2:24 p1).

Maybe this opens door for Sen. Magnuson's protege Kenneth Cox, chief of FCC's Broadcast Bureau. But—to indulge in an understatement—some of Kennedy's appointments are unexpected. Cross reports that his plans are unsettled, that he is not now scheduled for another position in govt.

**1964 U-DAY DATE STILL IN WORKS:** There'll be no "crash program" to advance set manufacturers' U-Day by one year—to require all receivers be all-channel by July 1963 instead of July 1964 as sought by manufacturers (Vol. 2:32 p2, et seq.).

In meeting with FCC staff last week, EIA representatives submitted estimates of extra cost of such a crash program. They ranged up to \$4.5 million per receiver maker, and an FCC spokesman assured us he couldn't visualize Commission imposing such burden.

"In addition," he said, "we want the industry to have the extra year for research. It needs it and wants it—for push-buttons, antennas, oscillators, and so forth." Question of built-in antennas arose during meeting, and EIA spokesmen told Commission that competition would see to it that uhf antennas would be built in and, furthermore, cost is relatively slight.

Industry's recommendations on noise & sensitivity for uhf (Vol. 2:35 p7) seem to satisfy Commission engineers quite well, thus foreshadowing FCC acceptance.

A new angle has developed in calculating U-Day. Although industry's recommendations had centered around July 1964 as date after which no vhf-only sets could be shipped in interstate commerce, EIA last week informed FCC staff that better language might be to ban interstate shipment of vhf-only receivers "manufactured" after, say, March or April 1964. EIA representatives said such wording wouldn't change manufacturers' plans but would be of great help to distributors & dealers who might have to warehouse sets for some months before shipping them across state lines. Commission undoubtedly will go along with this, too.

FCC target for new rules still runs as before: start rule-making in Sept., issue final rules by end of year—effective in 1964.

FCC conferees were pleased by industry reports of stepped-up all-channel production already underway. They were told that such receivers in 1963 may well run 20-25% of total.

**MEYERS MEMO INJURED, MAY FADE OUT:** Not yet dead—but badly wounded. That's status of an "Office of International Broadcasting" in State Dept. This was proposal by Tedson J. Meyers, FCC Chmn. Minow's administrative asst., which had been under study by Administration before word of its existence became public (Vol. 2:35 p1).

Rep. Bass (R-N.H.) led attack on Meyers memo, asserting that latter proposed govt. control of programs sent overseas—something Meyers vigorously denied. Bass demanded White House assurances, then reported

he had received word that "document has no standing in the govt." and that "no agency is being contemplated that would supervise programs being transmitted overseas." This disclaimer would appear still to leave way for other facets of Meyers' ideas "to exploit the power of international TV & radio broadcasting in our national interest." However, White House News Secy. Pierre Salinger later announced that memo "has absolutely no standing in the govt." and had been submitted by Meyers "as a citizen," not a govt. official, leading some to conclude that whole project is kaput. But there's still substantial belief that non-controversial aspects of recommendations will get favorable consideration. Meanwhile, Meyers left office end of week, is now on leave. He had been working on world-TV project, exclusively, for several months. Project was his own, not endorsed by FCC.

**ETV'S SUCCESS STORY—POOR BUT POPULAR:** After 9 years in operation, nation's educational TV stations have made "solid and significant impact"—but, not surprisingly, they need more money. So reports Stanford University's Institute for Communication Research in report on just-completed 2-year audience survey. Study was conducted by Institute Dir. Wilbur Schramm, research associate Jack Lyle, 5 other staffers. Copies available from NET, 10 Columbus Circle, N.Y. 19.

Institute studied 8 "representative" ETV outlets, came up with: (1) ETV supplies part of education for almost 3 million students and attracts 10-24% of adult viewers in every community where it's available. (2) ETV viewers are close to broadcaster's "dream" audience—above average education, more articulate, better informed, etc. (3) ETV watchers aren't heavy users of TV in general, and usually watch in family groups. (4) ETV needs more money.

Audiences are loyal, but interest won't continue indefinitely unless stations improve—equipment, talent and programming—report relates, and chief problem is money. Researchers say ETV will have to provide own talent, as movies and TV have done, although with enough funds, it could get services of people in commercial TV and other media.

**SRA ON TRAIL OF CBS INCENTIVE PLAN:** CBS-TV incentive compensation plan for affiliates, which has been under FCC fire (Vol. 2:33 p2), received broadside last week from Station Representatives Assn. which has long & persistently sought to wean affiliate hours away from networks.

In letter filed with FCC, SRA insisted that CBS still hasn't eliminated features of plan which Commission has asserted are illegal. Though CBS amended plan so as not to reduce rate of compensation to an affiliate which substitutes another network's programs for CBS offerings, SRA asserted that affiliate will be penalized because other networks are likely to pay less than the 30%-rate CBS assumes they will. SRA claimed that other networks may be expected to adopt CBS-type plan which would give affiliates less than 30% for such substituted programs.

SRA offered several examples wherein, it claimed, affiliates' pocketbooks and service would be damaged if they want to substitute for CBS programs. "Suppose," it said, "the station has an opportunity to broadcast a series of local programs of outstanding significance. However, the program costs are quite extensive and are beyond the financial capacity of the station. The station has sponsors who are willing to underwrite the costs of the program in whole or in part. Under the CBS plan, the station can substitute this superior local program for a CBS commercial program only if it is able & willing to carry the program on a sustaining basis. If the station receives the slightest financial assistance from a sponsor, it must be prepared to be heavily penalized by CBS by suffering a reduction in revenue with respect to other CBS programs broadcast by the station."

As for option time, SRA said: "CBS has very effectively found a way of extending its option power to all hours of the day, specified or unspecified, option or non-option. No wonder it brought forth its new plan at a time when it had become clear to it that the old option time system was likely to be abolished by govt. action."

Conclusion: "The objective and design of the CBS plan are all too clear. It is to tie affiliates to CBS and to severely limit the ability of competitors to furnish programs to CBS affiliates." FCC is scheduled to take subject up shortly after it returns from August hiatus this week.



## CURRENT CAPSULES

Initial appropriation of \$4,750,000 for ETV grants was requested by Health Education & Welfare Dept. last week at closed session of House Deficiencies Appropriations Subcommittee. HEW also asked for \$239,000 for administrative expenses. Remainder of the \$32 million authorization will be sought over next 4 fiscal years. Request now must go to full Committee, then to House. Subcommittee staffer explained it wouldn't get to House before next week at earliest.

In effort to anticipate questions likely to arise by applicants for grants when funds become available, Dean W. Coston, HEW Deputy Asst. to the Secretary (ETV), has prepared 4-page interpretation of the federal program; it's being distributed by National Assn. of Educational Bcstrs. He points out that rules, application forms, informational brochures, etc., probably will be issued by early fall, with applications accepted shortly thereafter as funds become available. Many specifics, such as what types of projects & equipment will be eligible for support, cannot be fully answered yet, he says. Coston issued warning to applicants not to purchase any equipment until projects are approved by HEW. Should Dept. disapprove project, he notes, applicant would be stuck for full cost. If however, urgency requires acquisition of equipment before final project approval, he suggests applicant have provision inserted in contract that he will not be obligated to make purchase if application is disapproved. Copies available from NAEB, DuPont Circle Bldg., Washington 6.

"Errors of fact and uninformed conclusions" seriously weakened recent study of Kennedy-Nixon TV debates published by Center for the Study of Democratic Institutions, CBS Pres. Frank Stanton told meeting of American Society of Journalism School Administrators in Chapel Hill, N.C. Pamphlet's statements that one-third of audience turned off debates, that debates drained attention from other elections, were called false by Stanton. He also strongly disputed proposal that broadcasters be required by law to give time for election debates, said industry needs freedom to cover campaigns "as they deserve to be covered." He again urged complete elimination of existing equal-time restrictions, which, he said, still prevent broadcasters "from doing what we were able to do in the presidential campaign two years ago."

New Internal Revenue Service ruling issued last week requiring payment of taxes at ordinary rather than capital gains rates on sale of TV films, tapes, and certain motion pictures, apparently is eliciting little concern from TV film-makers. Ruling declares, in effect, that profits from sale of films and tapes made primarily for showing on TV are taxable at ordinary rates (52% for corporations), rather than capital gain rates (maximum of 25%). One large telefilm producer we queried said his firm always has paid ordinary rates; others noted they had heard of new ruling but weren't too interested in it. An IRS spokesman pointed out that most big film producers probably wouldn't be affected by ruling, since they've been paying regular rates all along. Rather, he said, ruling would act as clarification for smaller firms who may have been paying only capital gains tax on their sales of filmed series.

Communications satellite bill was signed into law Aug. 31 by President Kennedy, who said "no single company or group" would dominate new corporation. At White House bill-signing ceremony, he declared satellite system will provide better and less expensive world-wide communications. Bill had finally been passed by House Aug. 27 by 371-10 vote, despite blocking attempts by small band of liberals charging "give-away." Meanwhile, Telstar on Aug. 29 transmitted first sports program to Europe. Show was produced by ABC-TV for BBC, videotaped in London, shown same evening. In another in long line of firsts, Telstar was used to synchronize clocks in U.S. & England.

TV-type FM allocations, based on minimum separations, "will stifle the growth of FM and will severely restrict the latitude of development of existing stations," according to Assn. of Federal Communication Consulting Engineers. Allocation by protected-contour is the only practical & effective method, AFCCE said, asking Commission to hold up effective date (Sept. 10) of new rules and to reconsider its decision. According to new rules, for example, AFCCE said, 86.4% of Class B stations in Zone I now have sub-standard spacings. Copies of 42-page engineering analysis & argument available from Walter L. Davis, Chmn., Rules & Standards Committee, Munsey Bldg., Washington.

In addition to expanding uhf allocation plan to "load up" channels—increasing assignments from 1,550 to about 3,500 (Vol. 2:33 p4)—FCC is considering changing rules to allow application for a channel within about 40 miles of its assignment. Currently, application must be for location within 15 miles of assignment; if applicant wants station beyond 15 miles, he must petition FCC for tedious rule-making to get channel re-assigned. New procedure would eliminate many of these delays. Of course, applicant would still have to complete with all mileage minimums—co- & adjacent-channel, etc.

**JET-AGE TV COMMUTER:** A TV film commercial producer who likes to work in Hollywood must be prepared to live the life of a jet-age commuter, hopping back and forth between both coasts to the point where he becomes the darling of airline credit officials, and logs as many air hours as some pilots.

Such a jet-propelled traveler is Gerald "Jerry" Schnitzer, a veteran producer in the commercial field, who averages 3 or 4 round trips monthly between Hollywood (where he maintains a film studio base at KTTV) and N.Y. (where 70% of his business stems). Last week, Schnitzer sounded off to us in N.Y. on some of the key fall trends he sees in TV commercials:

**Look-alike selling:** "The leading auto accounts and gasolines are finding out that cars and gas pumps look pretty much alike in TV commercials. What makes the difference, and an effective commercial, is the emotional response of the audience. You achieve this the hard way, by scrapping a lot of out-dated movie ideas and calling in a creative film producer in the concept stage."

**Common commercial faults:** "I can see 'fatigue factors' at work in some TV commercials. It shows up in sloppy acting and cutting, heavy-handed music tracks and superfluous narration. Not enough producers and agencies are going for actors with dimensional faces—that is, actors who look like people rather than actors in commercials."

**New trends in commercials:** "There's a trend away from opticals such as dissolves in commercials, since they reduce definition by calling for extra film 'generations' to create the opticals, and make the pace sag. There's more freedom for outstanding music arrangers, like Marc Brown and Andre Previn, to do new things and try out experimental musical ideas. There's more and better humor in commercials, although it takes a sense of rhythm and style to do it well. Above all, there's more of a trend toward agencies buying a producer because he is a creative guy, not because he has a formula."

**Tape-vs.-Film:** "I've worked with tape and I've worked with film. Tape has certain advantages of speed and economy, and you can see your results quickly in a tape commercial. But there is a certain clumsiness with tape. You can't set character quickly; you have to build up to it, as in a theater. You can't get 'rhythm cutting' with tape, and you can't work frame by frame in editing. Tape is better than film for certain tabletop stuff such as food photography. You don't need as much light in such setups as you do for film, and product appearance is more natural. I prefer film."

**Hollywood-vs.-N.Y.:** "I've made commercials in both production centers. Personally, I like to work in Hollywood, because I think there's a greater depth of film talent there and a growing number of New York-oriented creative people. I know that Hollywood is accused of

'factory production.' Well, there is New York factory-type production of commercials, too. Now that commercial budgets are large, commercials in Hollywood are no longer shot at the end of the day by a bunch of tired guys. They're done with loving care."

Schnitzer, who has won a number of TV awards for his commercials, was until fairly recently associated with N.Y. producer Robert Lawrence. Now, he heads his own commercial shop, and is happy about his firm's business prospects. Among recently completed Schnitzer jobs are commercials for 1963 Chevrolets, Gallo Wine, Del Monte Ketchup, Kaiser Aluminum, Sun-Ray DX and Signal Oil, Santa Fe Cigars and Pacific Gas & Electric Co. "I like being a commercial producer," Schnitzer told us. "I don't want to produce a TV series and I have no burning ego to become a feature producer. I just want to make good commercials."

Access of TV-radio to public proceedings—executive, legislative & judicial—receives airing in 2 sessions this week: (1) Over WMAL-TV Washington Sept. 5, 7:30 p.m., by FCC Comr. Fred Ford, NAB Chief Counsel Douglas Anello, TV-radio attorney Harry Plotkin. (2) Before Federal Bar Assn. Sept. 6, 2:30 p.m., Statler Hotel, Washington, by Sen. Kefauver (D-Tenn.), Cowles Newspapers' Clark Mollenhoff, CBS News Pres. Richard Salant, FCC General Counsel Max Paglin, Plotkin.

President Kennedy's TV popularity continues strong, according to *Television Age*. Pulse survey made for *Age* reported 91% of 500 viewers questioned favor continuation of televised news conferences. Of those polled, 25% reported they liked President more after watching conference, 4.8% liked him less, 70.2% had same opinion. Also, 66.2% found him easier to understand on TV than former President Eisenhower, 5% thought him more difficult to comprehend, 29% found no difference.

"Social science fiction" research in TV-radio is needed to complement science fiction writers in predicting world of future, according to NAB research vp Melvin A. Goldberg. He told American Sociological Convention in Washington, a "codification of ignorance" cataloging areas of knowledge which should be studied, such as leisure time, taste, moral values, education & entertainment, is needed by communications industry.

NAB Pres. LeRoy Collins dismissed another rumor last week—speculation in *Tampa Tribune* that he's interested in running for Fla. governorship again. "I have no plans to re-enter the political arena," he said. "I'm wholly devoted to the job here. There's no change in my situation."

Title of new book on TV is self-explanatory review: *The Great Time-Killer* (World Publishing, Cleveland, 352 pp., \$4.95) by off-on TV writer Harold Mehling.



## Personals

Joseph L. Merkle promoted to ABC-TV station relations administration mgr., Charles Leasure to station relations regional mgr. . . . Richard B. Barnhill advanced to WNBC-TV N.Y. production & operations mgr., Len Weinles to exec. producer, public affairs, a new post . . . Alan R. Morris moves up to ABC-TV program business affairs asst. dir.

Lawrence K. Grossman, ex-CBS-TV advertising & sales promotion asst. administrative dir. & asst. copy chief, appointed NBC national advertising & promotion dir. . . . Francis X. Zuzulo, ex-Robert K. Richards PR N.Y. mgr., appointed MBS PR dir.

Harry R. Olsson Jr., ex-NBC senior attorney, appointed AB-PT gen. attorney . . . Ben Brady, former TV producer-director, appointed executive in charge of programming, ABC-TV Western div., will be named a vp.

Harvey Jacobs promoted to ABC International TV advertising, sales promotion & PR mgr. . . . Eugene Pleshette, Brooklyn Paramount Theatre managing dir., appointed ABC Merchandising Inc. vp.

Albert S. Burchard promoted to NBC News San Francisco mgr. . . . William P. Andrews named Warner Bros. TV Western District sales mgr.

Malvin R. Goode, ex-Pittsburgh TV-radio reporter and newspaperman, appointed to ABC-TV News UN staff, first Negro to join a TV network news dept.; Ena Hartman, Negro fashion model, has signed long-term TV talent contract with NBC, first Negro to receive one.

Paul M. Segal, veteran Washington TV-radio attorney, retires; Bernhard G. Bechhoefer is new partner of firm, renamed Scharfeld, Bechhoefer, Baron & Stambler, which has moved to 5th Floor, 1710 H St., N.W., Washington 6. Phone: 298-6030.

Zalmon H. Garfield, asst. to Jerrold Electronics pres., resigns to establish business management consulting service specializing in CATV & pay-TV, with Jerrold as one of first clients.

George U. Lyons, ex-Storer TV Sales midwestern sales mgr., named WJW-TV Cleveland gen. sales mgr. . . . Caryl Coleman, TV-radio writer-producer, named KPIX San Francisco public affairs dir. . . . Ronald L. Sack, ex-radio WLS Chicago promotion mgr., appointed ABC Radio o-&o publicity & promotion mgr.

E. R. Vadeboncoeur, WSYR-TV-AM-FM Syracuse pres., named Educational TV Council of Onondaga County, N.Y. trustee . . . L. Walton Smith, ex-WROC-TV Rochester PR dir., appointed promotion & PR mgr., new WOKR there.

Benjamin B. McLaughlin, ex-KETV Omaha sales mgr., appointed Broadcast Time Sales vp, N.Y. . . . Jack Trustman, ex-Detroit ad agency operator, named KOLD-TV Tucson promotion mgr.

Rod Gibson, ex-WSTV-TV Steubenville, O. national sales mgr., named to similar post with Patterson stations (KICU-TV Visalia, Cal., radios KSAN San Francisco & KBIF Fresno).

Walter J. Rothschild, KHQA-TV Hannibal, Mo. & radio WTAD Quincy, Ill. mgr., elected pres. & gen. mgr. of parent Lee Bcstg. Inc. and all other Lee broadcasting interests; Herber H. Ohrt, pres. of KEYC-Lee TV (KEYC-TV Mankato, Minn.) and Forward TV Inc. (WMTV Madi-

son), vp of Lee Radio (KGLO-TV-AM-FM Mason City), and exec. vp, Lee Bcstg. Inc. (KHQA-TV & WTAD), resigns for personal reasons, no plans announced; Merritt Milligan promoted to WMTV vp & station mgr., Robert K. Baumgartner to KEYC-TV vp & mgr., Henry B. Hook, Lee Radio vp, elected to KEYC-Lee TV & Forward TV boards.

Billions in local advertising billings are going begging, according to TvB pres. Norman E. Cash. Guesting for vacationing advertising columnist Joseph Kaselow in Aug. 30 *N.Y. Herald Tribune*, he claims there are \$3 billion in potential TV billings on loose "and nobody seems to care." Department stores and other merchants with no agency ties constitute bulk of this, he says. While national advertising doubled from 1951-61, Cash points out, local billings rose by only 69%.

Spot TV billings totaled \$189,433,000 in 2nd quarter 1962, 17% ahead of 2nd quarter 1961's \$160,599,000, TvB reports. Largest increases in product classifications were in automotive products, whose billings rose 63% from \$4,555,000 to \$7,427,000. Heaviest advertisers during quarter were food & grocery products, \$48,569,000, up 9.4% from 1961's \$44,392,000. TV, radio, phonograph & musical instruments firms were smallest spenders, with billings of \$43,000, up 19.4% from last year's \$36,000.

Appeal against FCC decision to reassign WTEV (Ch. 6) from New Bedford, Mass. to location near Tiverton, R.I. to serve Providence (Vol. 2:31 p6), was filed in Washington, D.C. Court of Appeals by Rhode Island TV Corp. and owner Robert A. Riesman, Ch. 6 applicant. They charged Commission granted WTEV permission to move without rule-making or hearings, while dismissing Rhode Island TV's application for Tiverton without comparative hearing.

RKO-General's 12½% of KWTW Oklahoma City will be disposed of soon, RKO told FCC last week, asking Commission to deny Philco request that hearing on RKO-NBC Boston-Philadelphia swap (Vol. 2:34 p5) explore whether RKO violates multiple-ownership rules. RKO said it would be happy to accept approval of swap conditioned on its sale of KWTW interest.

NBC seeks "KNBC" call letters for its KRCA (Ch. 4) Los Angeles, changing its radio KNBC & KNBC-FM San Francisco to KNBR & KNBR-FM, in petition filed with FCC. Earlier, it had asked for waiver of "no-more-3-letter-calls" rule to change the San Francisco outlets back to their old KPO designation—but it rescinded that request and substituted the KNBR petition.

The 971-ft. tower of WKRC-TV Cincinnati, said to be 4th tallest self-supporting unit in world (Vol. 2:35 p5), was designed, fabricated & erected by Kline Iron & Steel Co., Columbia, S.C.—Tower Dept. Sales Mgr. J. R. Trotter reminds.

WLOX-TV (Ch. 13) Biloxi, Miss., due to start Sept. 10, and WIIM-TV (Ch. 13) Grand Rapids, Mich., due Nov. 1, named ABC-TV primary affiliates. Latter appoints Peters, Griffin, Woodward as rep.

CTV network sponsored programs for fall season will be triple number carried last year, its first season of sponsored shows. Among new U.S. series to be carried are *Sam Benedict*, *Eleventh Hour*, *Jack Paar Show*.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**163 STATIONS IN FM STEREO:** Number of FM stations broadcasting stereo has risen to at least 163 in U.S. & Canada. Manufacturers report healthy stereo receiver sales and they're looking forward to bang-up Christmas season, with FM stereo to be widely promoted.

Our last list of FM stereo stations was published July 9 (Vol. 2:28 p8), containing 139 stations in U.S. and 2 in Canada. Here are the additional stations on air, to bring that list up-to-date (Garden City, N.Y. was inadvertently omitted from last list, so we're including it here to correct the record):

<b>ALABAMA</b>		<b>LOUISIANA</b>		<b>OHIO</b>	
Huntsville .....	WNDA	New Orleans .....	WWMT	Port Clinton .....	WRWR
<b>CALIFORNIA</b>		<b>MICHIGAN</b>		<b>OKLAHOMA</b>	
Coachella .....	KCHQ	Bay City .....	WNEM-FM	Oklahoma City .....	KFNB
Los Angeles .....	KPOL-FM	<b>MINNESOTA</b>		<b>TENNESSEE</b>	
Sacramento .....	KHIQ	Minneapolis .....	KRSI-FM	Kingsport .....	WKPT-FM
San Francisco .....	KBCO	<b>NEW MEXICO</b>		<b>TEXAS</b>	
<b>COLORADO</b>		Albuquerque .....	KHFM	Amarillo .....	KCHO
Denver .....	KLIR-FM	<b>NEW YORK</b>		Dallas .....	KVIL-FM
<b>FLORIDA</b>		Garden City .....	WLIR	San Antonio .....	KEEZ
Miami .....	WWPB	Utica .....	WUFM	<b>UTAH</b>	
<b>GEORGIA</b>		<b>NORTH CAROLINA</b>		Salt Lake City .....	KSL-FM
Atlanta .....	WSB-FM	Charlotte .....	WBT-FM	<b>CANADA</b>	
<b>ILLINOIS</b>		Greensboro .....	WQMG	Montreal .....	CKVL-FM
Chicago .....	WMAQ-FM			Vancouver .....	CHQM-FM

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FM stereo will be one of topics discussed at EIA fall conference Sept. 10-13 at N.Y.'s Biltmore Hotel. "Mr. FM Stereo," FCC's Harold Kassens, will look into future of FM at Sept. 11 joint meeting of radio & phono sections. He'll also discuss complaints about alleged deviations from FM stereo standards by broadcasters & set manufacturers.

EIA has begun collecting statistics on production of FM stereo radios, and is expected to start gathering distributor sales figures this fall. For the present, however, industry is in dark as to how many FM stereo units have been sold.

One large manufacturer has ventured an estimate, covering only "FM stereo radios"—which excludes radio-phonos and adapters. His guesstimate: 46,000 stereo radios have been sold this year (through August). He predicts total of 80,000 for all of 1962. We'd be interested in hearing from subscribers about their estimates—and whether they think these are too high or too low.

New add-on merchandising gimmick is developing in FM stereo field. Just as FM stereo is being sold as accessory to phonographs, now phonos are being sold as accessory to FM stereo. GE is introducing "furniture coordinate" with drop-down record changer to fit its T-1000 table model stereo radio. Coordinate unit in matching walnut finish is on legs to hold radio. Radio lists at suggested \$175, coordinate phono & table \$89.95. Packard Bell has introduced its FM stereo radio, originally shown at Music Show (Vol. 2:27 p9), which can be hung on wall as used as table model. Radio is \$159.95, matching record-player unit \$119.95.



**NEXT KIMCODE OFFSPRING—KIMCOLOR?** Kimcode may or may not be the greatest thing since chopped liver, but it's almost a certainty now that good number of next year's sets will be made using the Kimble Glass implosion-proof tube which requires no external safety glass.

Some large set makers say cabinet tooling requirements make it impossible to go heavily to Kimcode concept this year—but a few have definitely finalized on it for 1963. Although some tube makers are still non-committal on whether they plan production, it seems fairly certain that all OEM tube manufacturers are preparing for it, as soon as they line up customers' requirements. In addition to other tube makers now in production of Kimcode (National Video, GE), it's understood Westinghouse tube div. is making Kimcode presentations to set-maker customers.

There's some excitement about one prospective use of Kimcode process, although it hasn't come out in open yet: Color tubes. Even though current color tubes are far brighter than their predecessors, Kimcode offers way to give brightness another little boost—by eliminating 2nd layer of glass. It's within realm of possibility that Kimcolor could come with debut of 90-degree short color tube early next year, or little later.

National Video will produce 21-in. round 90-degree color tubes as reported here last week (Vol. 2:35 p7). Production will start around first of next year, with output of rectangular tubes planned "when the rectangular glass envelopes become available." Company announced it has broken ground for 45,000-sq. ft. color tube addition to its Chicago plant. Pres. Asher J. Cole said plant scheduled for completion by Dec. 1962 "and we expect to start production promptly."

**A TEXAN WHO THINKS SMALL:** Name a national TV-stereo manufacturer who's scared to death of growing too big . . . who refuses to make 19-in. TVs, portable phonos or radios . . . who sells only for cash-on-the-barrelhead . . . whose major markets are at least 1,000 miles from his plant . . . who has no ad manager or public relations agency and doesn't want any . . . and whose business has increased steadily over last 5 years.

If you said Curtis Mathes, you're pretty close. Curtis Mathes Mfg. Co. is a family business, headed by Curtis R. Mathes, chairman & chief exec. officer, who has been in appliance manufacturing (refrigerators, air conditioners) in Dallas since 1928. Heightening the paradox is fact that company went into TV business in Dec. 1957, about the time many other small companies were getting out.

"We were looking for a new field then," recalls the soft-spoken Mathes. "It seemed like an odd choice at the time, but we felt it had inherent strength. We selected TV because it had the best growth potential in the durable goods field. We analyzed the market and found that the small people had been shaken out. There were holes in the market and we thought we could fill them. Most manufacturers had dissipated their cabinet facilities and couldn't get the proper cabinets for hi fi. There were no small people left; the big ones were tied to high production volume—they weren't flexible enough in styling & merchandise. They were missing the splinter markets."

These "splinter markets" are Curtis Mathes' specialties. "We're living off crumbs," says Mathes. "We want to make sure we're in the market the big ones aren't in." Mathes specializes in high-styled TV & stereo consoles & combos at relatively low prices. "We're the price leader in the top end," he says.

Curtis Mathes sells direct to dealer—in carload lots only. "We sell only for cash, and that's heretical in this business. We have strict and strait-laced rules, because we can only sell so much. We sell only to professionals, mainly independent appliance stores—no discounters, no 'mass merchandisers.'" Mathes does no private branding, sells at one price to outlets in 40 states, selects franchise-holders carefully to avoid direct competition between his dealers.

When Mathes talks "flexibility," he means ability to turn on a dime. "We move fast and explore trends. If we're right, the competition moves in. If we're wrong, we can stop fast. We can bring out models in less time than the big manufacturers can call a meeting to discuss it. We bring 'em out quietly and drop 'em quietly."

His company's fact action performs useful function for industry, Mathes believes. He says his company was first with 23-in. set, first with bonded tube, first with 2-story hutch-type combinations. Now his TV line will be first to use Kimcode bare-faced tube.



"We specialize in what we build—and we make a bigger part of our own merchandise than most people think," he says. "We make our own furniture, coils, transformers. We have 2,000 employes—a higher number per dollar than anyone else in the industry. Yet our overhead & costs are the lowest in the business."

Smallness is a virtue to Mathes. "Our niche is the dirty, messy end of this business. It's the only area where we can compete—the 'style' business. This style business is like the clothing business—you have to be small so you can move fast. We'll be successful just as long as we remember what we can do and what we can't do. The minute we forget, we're just another manufacturer being clobbered. We have no ambitions for size," says Mathes. "We grew too fast last year," he adds ruefully. "We're already as big as we want to be. We have to grow to serve our customers, but we're not overjoyed. We're not interested in being big—we're interested in making money. And besides, this kind of business is more fun." (In the year ended May 31, Curtis Mathes reported net profit of \$2,512,340 on sales of \$31,934,640.)

One of the danger areas for a small company, Mathes believes, is color. "The market's not big enough now. But we hope there's room for splinters in the color market next year. Meanwhile, we're making a comfortable living off of FM stereo—which is really just another reason to buy hi fi."

How do industry-wide business conditions look to Mathes? "The big companies which are getting ahead in this business now are out with the toughest, most aggressive programs I've ever seen in my life. It's going to be rough as a cob from here on in. I've been in this [appliance] business since 1928, and I've never seen more rough competition. Someday, we'll be able to look back and tell our grandchildren we lived through the great war, the great depression—and the great competition. That's what we're in now."

How will Texas' only TV-stereo manufacturer make out in the great competition? Talking with Mathes, you have feeling he'll do all right picking up "crumbs" big manufacturers can't afford to concentrate on. "All we want," says Mathes, "is a place to hide."

**TV GUIDE'S BUY-A-TV PROMOTION:** In biggest promotion of its kind ever attempted, more than 8 million families will be told this week of the advantages of buying a 1963 TV set. It's *TV Guide's* special 32-page pull-out, "TV Set Buyers' Guide 1963," now being promoted widely with TV spots, newspaper ads & TV dealer displays.

Special full-color supplement was designed to tell quality & value story of new TVs, to help generate same aura of excitement that surrounds new-model autos. TV story is told in factual manner, with aid of specially made color photos. Slim booklet, designed to be removed from *TV Guide* and saved for future reference, was 10 months in preparation.

Many manufacturers & dealers are capitalizing on Buyers' Guide, which is specifically designed to put viewers in TV-set-buying mood. Booklet is geared to value, rather than price, and stresses step-up features throughout. Section on portables is aimed toward 2nd-set market, and features color picture of 12 competitive makes of 1963 portables (photographed early last May)—probably first time so many competing TV receivers were photographed at same time before introduction date.

Guide attempts to make serious evaluation of trends in TV furniture, tube sizes, special features. One article is devoted to technique of buying TV set, based on information gathered from TV manufacturer engineers and retailers. Other stories cover installation, maintenance, warranties, service, etc.

Booklet points out that 14 major TV brands offer total of 503 "basic" TV models, including 75 different color sets—and leaves it to reader to determine which one is for him. Major brands treated in Set Guide—all of which gave full cooperation in its preparation—are Admiral, Du Mont & Emerson, GE, Magnavox, Motorola, Olympic, Packard Bell, Philco, RCA Victor, Silvertone, Sylvania, Westinghouse & Zenith.

New TV Buyers' Guide sets precedent in promotions in that it attempts to treat purchase of a TV set as serious investment in entertainment & information. By presenting facts about TV, its aim is to start fall selling season with suggestion to the nearly 25 million who will see it, advantages of a new TV set.

This type of industry-wide promotion may well spread, and results will be watched closely. Somewhat similar concept is being used by *N.Y. Herald Tribune* in 24-page roto supplement Sept. 23 devoted entirely to color TV & FM stereo. Information for TV Set Buyers' Guide (and for *Herald-Tribune* supplement) was assembled & written by David Lachenbruch, managing editor of *Television Digest*.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Aug. 24 (34th week of 1962):

	Aug. 18-24	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	155,142	107,160	107,362	4,128,670	3,699,188
Total radio	550,949	349,425	283,260	11,784,639	9,529,113
auto radio	270,377	120,123	96,002	4,280,052	3,016,005

**TOPICS & TRENDS**

Micromodule program, now beginning actual production, is being stepped up by Army. Chief Signal Officer Maj. Gen. Earle F. Cook announced last week that Army will commit \$8 million in ultra-reliable micromodule systems & equipment in fiscal 1963, that production rate of 250,000 micromodules a year will be reached by next March, one million a year by June 1964, and 3-5 million in 1965.

Concept was developed by team headed by RCA, uses tiny ceramic wafers, each with one or more components, with as many as 12 components occupying plastic cube about half size of sugarlump (Vol. 17:29 p16). Principle can be applied to all semiconductor circuits, can use conventional-type or molecular components. At press meeting last week, RCA officials declined to discuss potential consumer applications—but it seems possible that "cheap-&-dirty" version of automatically produced module concept could some day make such items as transistor radios smaller and easier to repair (by replacing plug-in modules).

25th anniversary of "first commercial TV receiver," a Du Mont set, will be commemorated by Emerson's Du Mont Div. this fall with gift of framed masterpiece painting reproduction, valued at \$50, to each purchaser of a Du Mont console. Promotion carries "Masterpieces in Sight & Sound" theme, will offer console buyers choice of Vermeer, Van Gogh and Utrillo masterpieces.

Build-it-yourself color TV sets are being mail-ordered by Transvision Electronics, Yonkers, N.Y. fabricator of TV assembly kits. Pres. Herbert Suesholtz told us color TV kit of chassis & 21-in. picture tube sells for \$439, is licensed by RCA. Direct-mail ads in trade journals began this month, he said, "but we're already a month behind on deliveries." Sets are aimed at kit builders & hi-fi fans, but "anyone who can follow directions can assemble the set," Suesholtz told us. Transvision has been selling b&w TV kits via direct mail since 1945.

On agenda of EIA fall conference Sept. 10-13 at Biltmore Hotel, N.Y.: (1) Discussion of future of FM. (2) Implications of all-channel law. (3) Panel on chances for new business in command & control equipment. (4) New electronics fields, such as masers & teaching machines. (5) Session on significance of FCC's proposed rules for new ETV service outside present TV band. (6) Significance of President Kennedy's new trade bill to electronics industry.

Minority report on 1962 color sales: Working estimate of industry-wide sales this year, as developed in GE TV receiver dept., is 175,000 sets. GE concedes estimate is "conservative," but refuses to go along with companies predicting sales of 300,000-450,000 sets.

First-quarter factory sales of microwave components totalled \$27.6 million, exclusive of R & D billings, EIA reports in debut of new statistical program for the microwave industry. Sales by product categories: non-ferrite components, \$25.3 million; ferrite parts, \$1.4 million; semiconductor & solid-state duplexer assemblies, \$890,000. Data was furnished by 73 companies which account for about 80% of industry's sales. EIA said balance of business is shared by about 150 firms.

More good business news: Motorola's July TV sales shot ahead 19.2% compared with industry's over-all 4% increase over July 1961, reported Motorola Consumer Products Pres. Edward R. Taylor. Some 60 of Motorola's distributors participated in TV sales increase, he said.



**WIDENING WORLD OF COLOR:** Vast increase in color programming—local as well as network—along with some interesting predictions about color, are detailed in recent special edition of *Radio-Television Daily*.

Orders for color broadcast equipment are running nearly 3 times ahead of last year, RCA Bcst. & Communications Div. vp-gen. mgr. C. H. Colledge writes. "While all of the major items of color equipment share in this strong upward trend," he states, "color film camera chains are showing the most impressive gains. Bookings during the first 6 months [of 1962] were more than 3 times those received during all of last year." Other highlights:

Crosley Bcstg. Corp. Pres. Robert E. Dunville: "Eventually there will be 100% conversion of TV to color . . . I believe that when color set homes reach a point of 15 or 20% of the total number of TV sets, it will be a matter of only a year, or possibly a little less, until the conversion is complete." Crosley's WLW-TV Cincinnati now has 30 hours of local color programming weekly, will soon put all local news shows in color—including newsfilm & still photos.

WGN Inc. exec. vp Ward L. Quaal estimates Chicago area now has 120,000 color sets and that independent WGN-TV will telecast more than 1,700 color hours in 1962.

Zenith Sales Corp. Pres. Leonard C. Truesdell estimates 1962 sales of 350,000-400,000 color sets, of which Zenith will account for more than 100,000. "We look forward to the possibility of a million color sets a year being sold by 1967 . . . Color TV may well become the business bonanza of the current decade."

Admiral Sales Corp. Pres. Carl E. Lantz predicts sales of nearly 400,000 color sets this year, rising in 1963 to 750,000 units, "equal in dollar volume to 3 million b&w receivers."

Sports Network Inc. Pres. Richard E. Bailey outlines plans for vast increase in sports colorcasting and forecasts: "The time is not too distant when perhaps two-thirds of all sports shows will be presented in color."

Admiral has been operating retail store in Galesburg, Ill. since 1959, reports Aug. 30 *Home Furnishings Daily*. Experiment was designed to get retail experience, Admiral spokesman is quoted as explaining. Store's sales have increased from \$135,000 to \$250,000 a year under Admiral ownership, according to story, and Admiral has used it to experiment with promotions before offering them nationwide. Store displays complete Admiral TV-radio-phono-appliance line, handles non-competitive items of other manufacturers.

Polaroid Corp. has filed suit against Polarad Electronics Corp. to block registration of "Polarad" as trademark. Polarad in the past has made TV & radio tuners, other electronic devices. Polaroid charges similarity of names will deceive prospective purchasers.

Andrea entered color TV last week with announcement of 3 consoles in 10 wood finishes, all with tambour or hinged doors. No prices were made public.

International Electrohome Inc. is new U.S. subsidiary of Dominion Electrohome Industries Ltd. New firm will hq in Bensenville, Ill. Robert Moore is U.S. sales mgr.

**TV—Dept. Store Star:** Department stores have made good comeback in TV-radio-phono picture, and they've done it with increasing profits. This is reflected in 1962 *Departmental Merchandising & Operating Results*, released last week by National Retail Merchants Assn.

Although figures are quite old—they show fiscal 1961 results—they indicate growing importance of consumer electronics to department stores. Highlights of report:

While dept. stores' gross margins declined 3% in fiscal 1961, consumer electronics departments were among few which showed increased margins—radios & phonos 25.3%, up from 23.8% year before, and TV 19.7%, up from 19.5%.

In downtown dept. stores, sales for fiscal '61 were same as fiscal '60—but TV-radio-phono sales rose 7%. In branch stores, where total sales were up 4%, TV-radio-phono sales showed 19% increase, biggest rise of any product category.

In 10-year comparisons, study showed selling costs have risen in all departments except one—TV-radio-phono, in which costs have declined by 0.5¢ on gross margin dollar during the period.

Survey showed, however, that TV-radio-phonos still represent only 1.4% of total dept. store sales.

More recent report, by Federal Reserve Board, shows dept. store sales of TV-radio-phonos for June 1962 ahead of year-ago level in 10 of 11 reporting districts. Only district where no gain was registered was Kansas City, where sales were same as last year. Other gains ranged from high of 55% (Dallas, TV) to low of 8% (St. Louis, TV).

**New plants & expansions:** RCA will construct \$2-million West Coast hq on Sunset Blvd., Los Angeles. Completion of 9-story, 82,000-sq.-ft. building is scheduled for late 1963. It will house RCA West Coast corporate functions, data processing sales, RCA Victor Records studios . . . Arvin will build 25,000-sq.-ft. plant at Princeton, Ky., for manufacture of radio & phono parts & subassemblies . . . Tung-Sol announced plans for additional 25,000-sq.-ft. plant in Weatherly, N.J., for production of subminiature tubes.

U.S. electronic components shipments in first quarter 1962 rose 4% above previous quarter and 18% above first quarter a year ago, Commerce Dept.'s Business & Defense Services Administration reports. Biggest gains over preceding quarter were registered in transformers, with output increased 18%; receiving tubes, 12%; semiconductor diodes, rectifiers & special devices, 8%. Transistor shipments rose only 1.4% because of falling prices.

"Whither or Whether Citizens Radio" titles Aug. 26 address by FCC Comr. Fred Ford to citizens-band meeting in Parkersburg, W. Va. It covers history and regulatory problems—copies available from Ford's office, Washington.

IRE Space Electronics & Telemetry 1962 symposium, including TV papers, will be held Oct. 2-4 at Hotel Fontainebleau, Miami Beach. Theme: "Unlocking the Universe."

Champion Molded Plastics, Bryan, O., has been purchased from Tappan Co. by Standard Oil Co. of Ohio. Champion makes plastic parts for TVs, appliances, radios, autos, etc. Its sales are about \$5.5 million a year.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Audio Devices	1962—6 mo. to June 30	\$ 4,070,103	\$ 446,196	\$ 223,196	\$0.26	848,701
	1961—6 mo. to June 30	3,677,089	212,023	112,023	.13	848,701
Eitel-McCullough	1962—6 mo. to June 30	15,821,010	—	261,576	.14	—
	1961—6 mo. to June 30	13,165,833	—	42,707	.02	—
Emerson Radio	1962—39 wks. to Aug. 4	—	3,722,149	1,787,431	.78	2,280,239
	1961—39 wks. to July 29	—	2,282,896	1,114,050	.49	2,280,239
Philips Lamp	1962—6 mo. to June 30	661,900,000	—	42,200,000	—	—
	1961—6 mo. to June 30	586,400,000	—	41,100,000	—	—
Rollins Bcstg.	1962—qtr. to July 31	1,928,715 <sup>1</sup>	—	168,642 <sup>1</sup>	.18	—
	1961—qtr. to July 31	1,307,636	—	113,275	.12	—
TraVler Industries	1962—qtr. to July 31	5,214,000	159,000	82,000	.08½	965,658
	1961—qtr. to July 31	4,207,000	79,000	35,000	.03¾	965,658

Notes: <sup>1</sup> Record.

### Trade Personals

Herman L. Weiss, ex-lamp div. vp-gen. mgr., appointed vp & group executive in charge of GE consumer products group, succeeding Fred J. Borch, who was elected to GE board last month and appointed exec. vp in charge of company's 5 operating groups. Consumer products group includes major appliances, housewares & commercial equipment, Hotpoint Co., lamps, radio & TV, GE Supply Co., GE Credit Corp.

James P. Veatch promoted to dir., RCA Frequency Bureau with hq in Washington, succeeding veteran Philip F. Siling, dir. since 1944, who retires, continues as RCA consultant.

Norman J. O'Malley promoted to new position of Sylvania general patent counsel . . . Bernard T. O'Dea named pres.-gen. mgr. of GT&E International activities in Mexico.

Henry Berwanger elected sales vp, Ravenswood Corp.

William R. Simpson, exec. vp, named pres. of Dale Electronics, Lionel subsidiary, succeeding George Risk; David B. Chase succeeds Risk as chmn. of Lionel exec. committee; columnist George E. Sokolsky succeeds Chase as vice chmn.

Elected to fellow membership in SMPTE: Millard W. Baldwin Jr., Bell Labs; Joseph T. Dougherty, Du Pont; George T. Eaton, Eastman Kodak; Henry M. Fisher, Paromel Electronics Corp.; Theodore H. Fogelman, Consolidated Film Industries; H. Theodore Harding, Du Pont; George T. Keene, Eastman Kodak; John A. Leermakers, Eastman Kodak; James A. Moses, Army Pictorial Div.; John W. Wentworth, RCA; Joseph D. White, Magnasync Corp.; Daan M. Zwick, Eastman Kodak.

TV-Electronics Fund reports decrease in net assets as of July 31, 1962 as compared with same 1961 date. As of July 31, 1962, net assets per share totaled \$6.92 (\$351,008,728 net assets and 50,742,152 capital shares) vs. \$8.90 (\$439,642,613 net assets and 49,281,709) a year earlier.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg	Q	\$0.20	Sep. 28	Sep. 14
General Industries	Q	.20	Sep. 15	Sep. 5
Electronic Commun. Stk.		5%	Oct. 15	Oct. 1
Rollins Bcstg.	Q	.10	Oct. 25	Sep. 25
Rollins Bcstg. B	Q	.05	Oct. 25	Sep. 25

Sylvania Electronic Tube Div. will move its hq from Emporium, Pa. to Seneca Falls, N.Y. Sept. 10. Senior vp Merle W. Kremer said move is designed to locate majority of divisional marketing personnel in one location. A portion of the staff now located in N.Y. City will move to Seneca Falls. Sylvania's picture tube operations are currently headquartered in Seneca Falls, receiving tube operations in Emporium.

Push for 35-hour week with no loss in pay will be primary objective in negotiations by United Electrical Workers for new contracts with GE & Westinghouse. Union's officers, at Long Beach convention last week, said they expect 35-hour week to be key objective in all negotiations. UE's 3-year contracts with GE & Westinghouse expire in fall of 1963.

New version of its 8-in. TV was announced last week by Delmonico International, "designed to be promoted as low as \$99.95." Similar in appearance to model it replaces, it's made by Japan Victor, and, according to Delmonico "is completely insulated against all shock hazards."

Useful references: *Electrical Merchandising Week's* compilations of specifications for 1963 TV sets (published with Aug. 20 issue) & 1963 radios (with Aug. 27 issue). Copies are available from *EM Week*, McGraw-Hill Bldg., N.Y.

General Instrument has introduced 2 new plug-in FM stereo converters, one with indicator light, the other without.



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# Television Digest

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**COLOR RESISTANCE** crumbling at CBS as colorcast is scheduled at request of sponsor. 'No change in policy,' says network, but color is under careful consideration (p. 1).

**CHIPPING AWAY AT GOVT. CLOSED DOORS** continues in Federal Bar Assn. panel discussion, govt.-industry representatives plumping for TV-radio access to most proceedings (p. 2).

**I.D. FORFEITURE CASE STIRS NAB**, Collins "shocked" at \$500 fines imposed by FCC on 4 Minneapolis TV stations for failure to identify sponsor in store-closing-vote controversy (p. 2).

**NEW PAY-TV PROGRAM SOURCES** are being opened by RKO General for Hartford pay-TV test. Due this week is taped special showcasing The Kingston Trio, and movie deal has been signed with Columbia Pictures (p. 2).

**FM STEREO PAYS OFF** for commercial stations, says Ted Jones,

pres. of WCRB Boston, who cites billings gain of 12-15% from sponsors buying stereo shows (p. 3).

**WNBT GUINEA PIG FOR AFTRA TEST?** Success in unionizing drive against new N.Y. ETV outlet may be blow to national ETV development, officials fear (p. 3).

### Consumer Electronics

**TV PRICE INCREASES** may be coming, as tube makers hint at across-board raises of up to 8%; component makers restive, too. End of \$140 set in sight (p. 6).

**PHILCO'S 16-IN.** lightweight portable weighs in at 24 lb. in 2 open list models, believed designed to sell for \$160 top. Color line emphasizes furniture style (p. 6).

**ANTENNA MAKERS SEE BIG 1962** & growth ahead. Five factors contribute to surge, 8 manufacturers tell us—listing color TV, FM stereo, uhf, replacement market, trend to high-end buying (p. 7).

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**COLOR RESISTANCE CRUMBLING AT CBS:** "There's been no change in our policy on color." That's official CBS line, despite fact that network broke its long (though unwritten) no-color rule by accepting order for color program to be scheduled early next year.

Special program, "A Tour of Monaco With Princess Grace," will be filmed in color by Revue Productions and carried in color by N.Y., Chicago, St. Louis & Los Angeles stations at request of co-sponsor Chemstrand Corp. Chemstrand, which will advertise carpets made with its Acrilan fibers, requested color in these markets. However, Chemstrand spokesman told us company has no objection if other network outlets carry show in color (which many undoubtedly will do); it just didn't order them in color. Show will be 8-9 p.m. Feb. 17.

CBS-TV's long-standing policy has been: "We'll go into color when there's enough audience or sponsor demand for it." It previously has turned down sponsors' requests for color, and presumably booking of Monaco show in color is reflection of combined greater audience demand, greater sponsor demand and a subject which cries out for color.

Is CBS-TV really returning to color fold this season? Here are some observations by CBS official, who requested that he remain anonymous:

"Our planning isn't completed yet on this. It's probable. We haven't determined yet whether to put The Wizard of Oz in color this season [last year it was b&w]. Our Judy Garland special definitely will be b&w. Our new N.Y. hq building which is now going up will be equipped for color, of course. The question of color does come up from time to time, and it is under consideration. But there's been no basic change in policy."

**CHIPPING AWAY AT GOVT. CLOSED DOORS:** Exclusion of TV-radio from coverage of govt. activities is bound to give way eventually, in opinion of the industry—if industry continues ceaseless drive. The tough & painstaking task continued last week with blue-ribbon panel discussion before Federal Bar Assn. convention in Washington.

Panel had both govt. & industry representatives, but the industry members were very familiar with govt.'s side, attaining much experience as govt. employees or as long-time observers of govt. in action.

Consensus was powerful "yes" for open-door policy, with one substantial dissent on judicial proceedings. At 2-hour panel filmed for TV, et al., Sen. Kefauver (D-Tenn.), Cowles Washington correspondent Clark Mollenhoff, CBS News Pres. Richard Salant, FCC Gen. Counsel Max Paglin & Washington attorney Harry Plotkin agreed that broadcasters should have access to activities of govt.'s various branches. Only major dissent was by Plotkin, who opposed "vigorously" any televising of judiciary proceedings.

Salant was a most insistent advocate for moving cameras into halls of congress & courts. So-called "Rayburn rule," in which House forbids TV coverage of any sort is "completely unsound," he declared. He called it a "curious irony" that House, elected every 2 years, supposedly closest to public, completely shuts out TV-radio, while Senate allows some coverage. He urged opening up of most govt. proceedings, starting with Supreme Court. He added, however, that before this, a set of "ground rules" should be devised to guide broadcasters. Kefauver's views were similar. The only limitation on broadcast coverage of govt. proceedings, he said, should be that the equipment doesn't disrupt the proceedings. Mollenhoff echoed Kefauver.

Plotkin rode along most of way, but jumped off at suggestion that judicial goings-on should be included. He said courtrooms exist for one reason—to bring justice—and TV and radio coverage would be hindrance. "The task of arriving at the truth is much more difficult," he stated, "if the judge and the jury know they're on stage." FCC Gen. Counsel Max Paglin called for a "reassessment" of entire problem, pointed out that industry has grown up since 1937 when question first came up. He drew parallel with dispute over pay-TV, which FCC and the courts finally decided, he said, could be resolved only by a trial. He suggested that broadcasters be permitted to conduct dry runs—setting up equipment and going through motions without actually being on air—to demonstrate proficiency at operating unobtrusively.

**I. D. FORFEITURE CASE STIRS NAB:** NAB jumped in for first time in a station forfeiture case, thrusting into prominence FCC action proposing \$500 fines for each of 4 Minneapolis TV stations, for failure to identify sponsor of one-min. spots in a Sunday store-closing controversy.

Background: City council was about to vote on ordinance requiring closing of stores. Downtown Council, representing downtown stores which were suffering competition from suburban Sunday operators, bought last-minute one-min. spots on WCCO-TV, KSTP-TV, WTCN-TV & KMSP-TV. Spot featured discussion by economist Dr. Arthur Upgren, favoring store closings. Stations explained to FCC that frantic last-minute rush was reason Downtown Council wasn't identified as sponsor.

FCC said reason wasn't satisfactory, notified each station that it was liable for \$500 fine. Outraged, stations complained to NAB, which usually keeps out of individual cases. But Pres. Collins evidently heard enough to become disturbed, said: "I don't have all the facts, but from those I do have I am frankly shocked at this action. We here at NAB will of course fully explore the matter promptly and decide what appropriate action may be taken."

Said an FCC source: "These are experienced broadcasters. They should know better. If they want to make a test case of this, they aren't picking a very good one."

**PHONEVISION'S HARTFORD BLOCKBUSTERS:** New pay-TV program sources are being opened by RKO General for its Phonevision "subscription TV" test on WHCT Hartford, despite undisguised antipathy of such movie-house operators as Allied Theatre Owners of N.Y. & N.J.

Current coup for Hartford test is a 90-min. video-taped special starring Kingston Trio, due to be seen (for \$1.50) by viewers in 700-home Phonevision panel this week (Sept. 11-13-15). It's a sort of do-it-yourself show, since it was packaged independently by trio and VHF Inc., tape commercial producer, and is leased to RKO for 7-time showing in 9-month period by the folk-singing group.



Kingston Trio show was taped on location in Maryland, at summer "music tent" show. Trio's manager, Frank Werber, stated last week in San Francisco that he felt pay-TV medium was "ideal" for presenting concert artists in TV. After Hartford playdates, tape will go on shelf for 9 months, may be offered to regular network buyers thereafter.

New movie source has also been opened by RKO General, with signing of deal with Columbia Pictures—one of movie industry's real majors—for "first subsequent run" (i.e., after downtown theatrical playdate) on Columbia product in Hartford area. Thus, station can be considered competitive with neighborhood houses and nearby drive-ins for movie audience. Previously signed by RKO General vp John Pinto for feature product in similar deals: Paramount, Warner Bros., and Buena Vista (Disney).

Columbia-RKO deal will be red flag to already-angry independent theater operators, by all indications. At meeting of previously-mentioned Allied group in Kiamesha Lake, N.Y. last month, board member William Infald told exhibitors: "We will have to watch Paramount and Warner Bros. very carefully because they have committed themselves to a policy of pay-TV." Obvious hint behind Infald's words: an exhibitor boycott, or at least sales resistance.

First feature under Columbia liaison in Hartford will be "The Notorious Landlady" (Kim Novak, Jack Lemmon, et al.). Interestingly, picture was still in its first Times Square showcase run in N.Y. as we went to press, at \$2 admission. Another interesting sidelight to Hartford test, according to RKO's Pinto: practice apparently makes perfect for teams installing Phonevision decoders; installation time is now "about 15% less" per home than it was only 2 months ago.

**STEREO FM STEERS CLIENTS TO STATION:** There's a definite pay-off for commercial FM outlets which add multiplex stereo. So we were told in N.Y. last week by Ted Jones, pres. of Boston-area WCRB in private chat during news conference called to show off station's stereo to press & agency men.

Jones estimated that revenue boost "purely from clients who bought stereo shows" is on the order of 12-15% increase in billings. Most new clients have stereo axe to grind, so program purchases (Boston Symphony Concerts, operatic shows, etc.) by GE, London Records, Lafayette Radio, H. H. Scott et al. are not unexpected. Some (Canada Dry, Arnold Bakers) are straight consumer-goods sponsors testing new medium.

Station has been stereocasting in FM for a year now, classifies itself as "a stereo pioneer." An experimenter with AM-FM stereo as far back as 1954 (when it had to produce most of its own program material), WCRB has more than casual pioneer spirit. Station's multiplex transmitter is not commercial model, was built by WCRB at nearby H. H. Scott firm starting in 1960. WCRB carries 60 stereo hours of 120 FM hours weekly.

"First Stereo U.S. Network" is another WCRB claim. Station's stereo signal is rebroadcast, from direct air pickup, by FM outlet in Providence, about 40 miles away. According to WCRB Mgr. Richard L. Kaye, signal strength and stereo quality "are excellent."

**WNDR GUINEA PIG FOR AFTRA TEST?** Move against soon-to-start educational WNDR N.Y. last week by American Federation of TV & Radio Artists may spell trouble for all existing & upcoming ETV stations. Union's order to its N.Y. local's 8,000 members—not to appear on WNDR unless station requires teachers to join AFTRA—was underscored when it directed stage comedian Zero Mostel to cancel scheduled appearance.

Because of N.Y. location and vhf channel, WNDR has become nominally most important ETV outlet in country, and "it would appear that the union has picked it to make a test issue," an NAEB official said.

Union's sudden action brought violent protests. NAEB vp Harold E. Hill warned: "If educational TV stations across the nation are required to recognize unions, overhead costs will definitely rise, and this could conceivably force some stations to curtail their programming and might even force some off the air." FCC Educational Bcstg. Branch Chief Lawrence L. Frymire said move "could present problems of a very serious nature if it becomes widespread." And Sept. 7 N.Y. *Herald Tribune* trumpeted "A Union Outrage Against Educational TV" as leading editorial.

WNDR Vp & Gen. Mgr. Richard D. Heffner, himself an AFTRA member, said station would go on air Sept. 16 as scheduled. Union & station representatives agreed to meet with N.Y. Acting Labor Comr. James J. McFadden Sept. 10 in effort to settle dispute. "Any interruption in the plans for the operation of our new educational TV station WNDR is a serious matter," McFadden told parties.

**CURRENT CAPSULES**

Old St. Louis Ch. 11 "influence" case is about to be cleared up. It's due for FCC discussion this week, and staff recommends closing case without further ado. One-time applicant 220 TV Inc., which lost competition for Ch. 11 to CBS, had alleged that CBS Chmn. Paley & Pres. Stanton had Tex McCrary attempt to influence commissioners before channel was awarded. CBS has since turned Ch. 11 over to 220 TV Inc., acquiring Ch. 4 (KMOX-TV, formerly KWK-TV) for itself. FCC staff says investigation proved allegations unwarranted, urges dismissal of charges.



Crosley has WLWI (Ch. 13) just about locked up finally, after very close shave. FCC last week announced intention of approving agreement whereby WIBC, which Commission had said should get channel, will pull out of Indianapolis case, acquire Crosley's WLWA Atlanta for approximately \$3,420,000 (Vol. 2:25 p5). Though not announced, it's understood vote was 4-3—Minow, Ford & Bartley dissenting. If Cross, due to be replaced by E. William Henry, hadn't voted, there would have been 3-3 tie. Then when case came up again, and Henry voted, it's presumed he would have joined minority, killing deal.



Another thrust to CATV—more exposure to general business community—is feature in Sept. 1 *Business Week*, built around system broker-manager Bill Daniels, operating in a seller's market. Sample: "At 42, Daniels is at the center of this little-known, but whirling industry, whose very nature—especially the fast write-off of investment—has made it a financial man's haven."



Kaiser Industries may precipitate rush of applications for uhf channels in major markets, filing last week for Chicago, Detroit & Philadelphia areas, having applied earlier for Los Angeles & San Francisco (Vol. 2:29 p4). Some applicants, particularly local interests, may not be too willing to build uhf now—but they're forced to worry about seeing channels taken out of circulation, uncertain whether more can be found later. Kaiser asked for Ch. 38 in Chicago, Ch. 50 in Detroit, Ch. 41 in Burlington, N. J.—last aimed at Philadelphia, Wilmington & Trenton.



Tedson J. Meyers, FCC Chmn. Minow's admin. asst., has resigned. He's author of controversial memo to Administration, urging use of "the power of international TV & radio broadcasting in our national interest" (Vol. 2:36 p3). His plans haven't been disclosed. Successor is John F. Cushman, chief of administrative laws & treaties div. of Office of General Counsel.



E. William Henry's confirmation hearing before Senate Commerce Committee—on appointment to FCC (Vol. 2:36 p1)—hasn't been set yet but it's expected to be held next week. He may be questioned closely—but no significant opposition is expected. As one congressional veteran puts it: "There's got to be a major scandal involved, or something like that, before a man is in trouble in such cases."



Second communications satellite will be launched before end of year to join Telstar, NASA reported. This one will be RCA's Relay, 5 times as powerful as Telstar. First task for Relay will be experiment linking ITT ground stations in Nutley, N.J. and Rio de Janeiro. Rio station will be portable—capable of being assembled by 4 men in 16 hours. ITT reports equipment may be modified later to transmit TV. At end of last week, President hadn't announced his choice for incorporators for new Communications Satellite Corp., was expected to send names to Senate this week.

New WNYS-TV (Ch. 9) Syracuse began Sept. 9 with hour color show introducing staff & facilities. Station had geared debut to theme: "Channel 9 comes to Syracuse on the 9th day of the 9th month."

WBJA-TV (Ch. 34) Binghamton, due to start Nov. 1, was named ABC-TV primary affiliate.

Advertising opportunities now are enormous, and market potential is "gigantic," AAAA Pres. John Crichton told Assn.'s Chicago council. He pointed out that estimates calculate a 1972 market of 66 million households with average income of \$10,000. It's up to advertising, he said, to go after this bonanza.



## Personals

**Robert C. Mayo** promoted to managing dir., CBS Europe & CBS Limited, succeeding **Michael Burke**, recently moved up to CBS Inc. development vp . . . **C. James Proud** resigns as Advertising Federation of America pres. & gen. mgr., no successor has been picked.

**Giraud Chester** promoted to NBC-TV program administration vp . . . **Tad Ware** appointed Westinghouse Bestg. asst. advertising & sales promotion dir.; **Milton Shefter**, ex-Maxwell Assoc., succeeds him as KYW-TV Cleveland asst. promotion mgr.

**Dr. Lawrence T. Frymire**, ex-mgr. of Mich. State U.'s WKAR, appointed chief of FCC's Educational Broadcasting Branch . . . **Sam Somora** has been appointed KTVI St. Louis promotion mgr., not vp & gen. mgr., as reported (Vol. 2:34 p6).

**James T. Victory** promoted to CBS Films vp, domestic sales; **Ralph M. Baruch** to vp, international sales . . . **Robert J. Quinn**, ex-CBS News, named ABC-TV news & special events exec. producer . . . **Herbert Jellinek** promoted to ABC Western Div. budgets & cost control dir., a new post.

**Leo J. Fitzpatrick**, former gen. mgr. & part owner of WGR-TV Buffalo & WJR Detroit, seriously ill at home, 551 Lakeshore Dr., Grosse Pointe Shores, Mich.

**H. D. Hayes**, FCC field engineering & monitoring bureau Chicago engineer-in-charge, retires after 41 years.

**William Fowler** promoted to ABC Washington News engineer-in-charge . . . **Leo Long** promoted to dir. of ABC Overseas Advertisement Sales, new div. of ABC-TV of Britain.

**Ron Gleason**, ex-KNXT Los Angeles asst. research dir., appointed research & sales development dir., KABC-TV; **Jim Healy**, radio KLAC Los Angeles sports dir., named to similar post with KABC-TV.

**Alan B. Johnstone**, ex-Avery-Knodel San Francisco radio mgr., appointed WOKR-TV Rochester sales mgr. . . . **Parker Daggett**, ex-radio WRIT Milwaukee gen. sales mgr., named sales mgr., WXIX-TV.

**Patrick C. Arnoux**, ex-WTAR-TV Norfolk production mgr., appointed WSPA-TV Spartanburg program dir. . . . **William H. Kline**, ex-WIBF(FM) Jenkintown, Pa. mgr., appointed operations dir., WIBF-TV, due to start next spring.

**Donald J. Badger**, ex-WJIM-TV Lansing, Mich. gen. sales mgr., named to same post at WIIM-TV Grand Rapids-Kalamazoo, due to start Nov. 1 . . . **Julian T. Kanter** promoted to midwestern sales mgr., Storer TV sales, succeeding **George U. Lyons**, now WJW-TV Cleveland gen. sales mgr.

**Thomas J. White**, Avery-Knodel exec. vp, elected an SRA dir. . . . **Harold C. Altura** named Peters, Griffin, Woodward radio research & promotion dir.

**Steve Gilmartin** promoted to WMAL-TV-AM-FM Washington sports dir. . . . **Paul J. Price**, former Dayton, O. police chief, named community service dir., WHIO-TV-AM-FM.

**Merger of TV-radio reps Venard, Rintoul & McConnell**, N.Y., and **Torbet, Allen & Crane**, San Francisco, was completed last week. New firm will be named **Venard, Torbet & McConnell**, with hq in both cities. **Lloyd George Venard** becomes pres., **Alan L. Torbet** exec. vp.

**Switch to all-Negro programming** by McLendon radio KYNR Chicago brought protest from 2 Ill. Democrats, Reps. **Pucinski & Rostenkowski**. They charged McLendon hadn't lived up to promises made to FCC at time of purchase, that station would retain foreign language programming. McLendon replied that Congressmen were trying to dictate programming, said he has right to program as he determines needs of community to be—and he had surveyed needs.

**Payola may be deductible** on record companies' tax returns, if: (1) Names, addresses of recipients are included. (2) Payments were made before Dec. 6, 1959, when FTC ruled against practice. (3) No sharply defined state policy or law was broken. Internal Revenue Service ruled last week that claims for deductions for payments prior to cutoff date will be judged on case-by-case basis. Payola payments on or after Dec. 6, 1959, aren't deductible.

**First Negro TV models** will appear in commercials for Gillette blades, Feen-A-Mint laxative, Sulfur-8 hair preparation & Artra skin tone cream. All but the Gillette commercials will be aimed at predominantly Negro audiences. Gillette advertising vp **A. Craig Smith** said Negroes will be used to lend realism. A Negro model agent called move major breakthrough.

**Network TV led all media** in first half of 1962 in advertising revenue gain over same 1961 period, *Printers' Ink* reports. Network TV rose 13%, followed by general monthly magazines, 8%; women's, farm & business magazines 6%; network radio, 4%. In first quarter 1962, spot TV increased 17% over same year-earlier period.

**Forfeiture of \$2,000** has been levied against radio KISN Vancouver, Wash. for "apparent willful and repeated improper identification." FCC charged that station failed to give proper call letter and location at required intervals despite warning from Commission in June 1961.

**ETV audience survey** by Stanford U. (Vol. 2:36 p3) will be published by Stanford U. Press, will be available there. Initial Stanford announcement said copies would be distributed by NET, N.Y.

**Rep appointments:** WTEV Providence, H-R TV; KLAS-TV, Las Vegas, Avery-Knodel; KTVT Dallas-Ft. Worth, Katz; WRDW-TV Augusta & WBOY-TV Clarksburg, Young TV.

**Pinpointed radio audience**, enabling advertisers to concentrate on most likely prospects, is described by RAB head **Kevin B. Sweeney** in Sept. 4 *N.Y. Herald Tribune*. Subbing for vacationing advertising editor **Joseph Kaselow**, Sweeney noted that "On Target" research classifies listening habits of known users of specific commodities station-by-station, permits advertisers to reach selective audiences.

**Psychotherapy by TV** was discussed at recent American Psychological Assn. annual meeting in St. Louis last week. Harvard psychologist **Dr. Ogden R. Lindsley** said closed-circuit TV could be effective new method of treating mental patients. System would permit treatment at a distance, he explained, and allow researchers to study therapist-patient relationship.

**"Scented With Success"** is alluring title of new study by **Petry**, outlining growth of spot TV use by cosmetic-toiletries industry, 1956-61. Study points out that spot TV is fastest growing ad medium for industry, with billings up 74% over the 5-year period, while sales increased by 50%.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TV PRICE INCREASES IN THE WORKS?** Will 19-in. portable at \$140 quietly fade away with coming of new year? There are budding indications that it may—but they're far from certain.

It's still in trial-balloon stage, but talk is beginning about possible price increases in picture tubes and some components. Relatively low prices of these items have been partially responsible for making \$140 set possible.

Whispers of tube price rises center on "near future" across-board increases of as much as 7-8%—although, so far as we can tell, no tube maker has yet actually signaled his intention. Attrition has whittled down number of picture tube makers, Thomas Electronics & Tung-Sol being latest to leave OEM business (although GE recently expanded its tube activities to go out after more OEM). Scramble by remaining tube makers to pick up this business resulted in softening, rather than stiffening, of prices. Tube people are wondering just how long present price levels can be held.

In component market, too, there's evidence that suppliers lowered prices to hold on to customers who went to \$140 sets. Now their costs are catching up with them—and it may be only matter of time before they have to pass them on.

This is below-the-surface talk by suppliers. If these increases come, it could spell end of bargain-basement low-end TV sets—at least as we know them today, in 19-in. size.

**PHILCO'S 16-INCHER & MORE COLOR SETS:** Fall drop-in parade was officially under way last week as Philco introduced its long-discussed 16-in. lightweight TV, 2nd American-made set using new square-cornered 16-in. tube.

Philco's lightweight, called "Courier," comes in 2 models—both open list. Deluxe unit is extremely attractive black-&-silver model with rounded back and rigid snap-on cover. When closed it has appearance somewhat like portable typewriter. It weighs 24 lb., using Pittsburgh bonded safety glass on tube. Lower-priced set lacks carrying cover and earphone jack. It's believed deluxe model is designed to sell at about \$160 or less, vs. \$169.95 list on GE's 22-lb. Escort 16-in.

Also introduced by Philco was 4-model color line, emphasizing furniture styling. Color sets start at \$595 for mahogany hardwood console, with basic console step-ups at \$695, \$775 & \$895 in 8 varieties of finishes & styles. All have bonded tubes & shallower cabinets.

New Philco policy toward color TV was outlined by TV merchandising mgr. Jack Kane: "There is no doubt that color is a solid, growing business. . . . We want to strengthen the Philco distributor & dealer position in color TV merchandising. At the present price levels of color TV receivers, the consumer wants fine furniture styling."

Philco also introduced five 23-in. sets, portable stereo phono with Scratch-Guard feature previously available only on consoles, and one transistor radio at \$14.95.

Packard Bell premiered 4 new 23-in. TV-stereo combos at \$469.95-\$875 and 5 stereo consoles, all with FM stereo, at \$199.95-\$550, in addition to Stereo-Mates FM stereo radio & matching phono previously reported (Vol. 2:36 p7).

Next week will see debut of Admiral's new enlarged color line, which will feature all-wood cabinets, topped by color stereo theater unit.



**ANTENNA MAKERS SEE BIG 1962 & GROWTH AHEAD:** With so many things going for them, TV-radio antenna manufacturers view future with brisk anticipation. Year as a whole is shaping up as a big one, and outlook for immediate future is bright.

No less than 5 major factors presage booming sales & profits over next decade, in opinion of 8 antenna makers with whom we spoke last week. Their optimism is sparked by accelerating consumer interest in color TV, FM stereo & uhf, a burgeoning replacement market, a marked trend to high-end buying, reflecting growing consumer awareness that quality reception requires quality antennas.

Antenna makers blazed with confidence. Examples: "We look for a dollar volume growth of 25-50% over the next 2 years," Taco Pres. H. H. Brown told us. JFD anticipates "15-25% annual increases over the next several years," Pres. Albert Finkel said. Winegard sales mgr. Robert M. Fleming—"We are extremely optimistic about sales & profits over the next 2-3 years. We foresee great growth." All Channel Products sales mgr. Sidney Dorosin—"Our business should double in the next 5 years." Channel Master vp Harold Harris—"The future is extremely bright. We see very substantial growth ahead." Trio Mfg. Pres. J. L. Wade—"This will be a steady, growing market." M. L. Finneburgh Sr., partner in The Finney Co., summed it up this way: "Because of color TV, FM stereo & uhf, the outlook for the antenna industry is so much brighter than it was 3 years ago."

Antenna business this year is well ahead of year ago. With industry now coming into peak selling period, there's little question that banner year is in making for antenna makers. "This could be the biggest year in our history, Finney's Finneburgh told us. "We're 36% ahead of last year. August was about 70% ahead of August 1961." Winegard's Fleming told us "sales are running 15% ahead of last year, which was a record, and we'll beat 1961 by more than 15% by year's end." JFD is "operating at a record peak this year, with sales 25% ahead and profits up despite rising costs," Finkel said. Taco's Brown told us that "we expect a 25% sales jump over the year-ago period between now and the end of our fiscal year in February."

Surprise sales producer this year is color TV. Not only is color producing sales in its own right, it's making antenna shoppers quality conscious and sparking general trend to high-end buying.

"Color TV is helping us tremendously," Winegard's Fleming told us. "We believe this fall & 1963 will be terrific." To capitalize on mounting interest in color, Winegard this week will introduce to distributors a new 4-model line of "Colortron" antennas designed specifically for color and a new antenna amplifier with twin nuvistor tubes that can be used in any area. Winegard will promote "Colortron" line with fall ads in *Life*, *Parade*, *Family Week*, other publications.

Channel Master's Harris pointed out that color TV "is helping in 2 ways. It's making the public aware of the foolhardiness of economizing with second-rate antennas. Also, color customers are replacing their old b&w antennas with quality types needed for color." Finney's Finneburgh noted "this is the first year that color has been a factor in the TV antenna business," pointed out that "many people now buying b&w sets today are putting up quality antennas in anticipation of an eventual switch to color."

FM stereo has failed to produce anticipated business, there was general agreement—and also a few dissident votes. Majority opinion held that FM stereo is a comer—but antenna boom can't develop until (1) there's more FM stereo programming, (2) there's greater public appreciation of need for outdoor installation to improve reception. Consensus: FM stereo sales are rising, but anticipated surge has not yet developed. FM stereo is a comer.

Not so, contended several manufacturers who reported big things with FM stereo antennas. All Channel's Dorosin termed FM stereo business "excellent." Channel Master's Harris told us FM "is growing at faster rate than our regular TV business, which also is up considerably." Finney's Finneburgh was most optimistic: "Stereo is growing by leaps and bounds. It has added 30-40% to our FM business so far this year." He estimates that 75% of stereo sets sold today include an outdoor antenna installation. While all antenna makers agreed that stereos should be sold with outdoor antennas for maximum performance, most believe 75% estimate is on high side.

Uhf produced no disagreement among 8 antenna makers. This is future business, and current talk about all-channel sets has produced little or no extra market. Several antenna makers told us uhf sales are gaining, but consensus was that a surge is still years away and can't start to produce any material sales change until considerably more uhf stations go on air. Other points of interest covered:

Antenna discounters are becoming something of factor in field, but only in low-end products at present

time. Snyder Mfg. Pres. Benjamin L. Snyder told us that "discount stores & variety chains have become our biggest outlets." Snyder Mfg. is "practically out of the outdoor antenna business," is "concentrating on indoor types." We found considerably more con than pro on this subject. Channel Master's Harris pulled no punches. "This is a disservice to the industry," he described discount operation. "We make some 400 different models of antennas for price range and to meet all reception problems. The casual buyer who buys his antenna from a discount counter may well find himself shortchanged so far as quality reception is concerned." Most manufacturers told us discounting is becoming sensitive area and consensus was that discounters or mass merchandisers would become bigger factor in business.

Electronic antennas are developing into big, promotable factor in antenna business, and most manufacturers are now producing them. Taco's Brown summed it up: "Amplified antennas are the big thing today. They're our main push." JFD's Finkel—"Amplified antennas are really taking hold. This is an area that can be built up." Single dissident note—and an emphatic one—came from Trio's Wade.

"We don't make boosters because we don't believe in them," he told us. "In our opinion they don't give value received. We worked with them 8-9 years ago and found them impractical then. When you boost the signal you also boost the noise. Nothing replaces stacking in my opinion. You take 2 ordinary antennas and stack them and you'll get fine reception. Boosters represent added cost to the consumer, and they also represent added troubles for the manufacturer. You expose items like boosters to the elements and trouble soon develops. We don't believe in them."

Accelerating trend in antenna field is to dual-purpose antenna that can be used for both TV & FM stereo. The Finney Co. has introduced a patented line of 3 "Combine" antennas for TV-FM use. However, Winegard will introduce this week its "Stereotron"—new high-gain, 8-element antenna for stereo. It will list for \$23.65. Also available is a "Stereotron" amplifier with twin nuvistor tubes, listing for \$39.95. Sales mgr. Fleming told us "we do not recommend a single antenna for dual TV-FM service." Conversely, All Channel's Dorosin said "we favor a single antenna for TV & FM because of economy & installation simplicity." Consensus: most manufacturers have dual-purpose antennas as well as individual types for TV & FM, but their use depends on situation. Channel Master's Harris put it this way: "Most of our quality fringe area antennas are dual purpose. However, there are cases where separate antennas are needed."

Replacement market is among the more exciting prospects for antenna makers. "The replacement market is an absolute reality," Channel Master's Harris said. "The old ones are coming down. The antenna industry has a solid base in replacement business alone." Winegard's Fleming told us: "We are now basically in a replacement market. When people purchased their TV sets several years ago they had no choice in antenna selection. They bought the set and the installation. Today, they know about antennas and they shop for them, as they shop for other products." Taco's Brown—"The TV replacement market is excellent and accounts for about 90% of business today."

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended Aug. 31 (35th week of 1962):

	Aug. 25-31	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	146,940	155,142	143,364	4,275,610	3,842,001
Total radio	389,153	550,949	421,698	12,173,792	10,378,985
auto radio	131,631	270,377	154,430	4,411,683	3,311,668

#### **TOPICS & TRENDS**

Transistorized TV circuit, using silicon planar transistors, has been designed & constructed by Fairchild Semiconductor. The 19-in. set, capable of operating from 110-v AC or 12-volt battery, uses 3 new transistor types, contains 22 transistors & 13 diodes. It's designed to compare favorably with "top-of-line" tube sets, according to Fairchild. The new transistors (horizontal output, 2 AGC types) are now available in sample quantities to manufacturers interested in Fairchild's transistorized receiver design.

New uhf converter has been announced by Gavin Instruments Inc., Somerville, N.J., headed by Joseph Kerner, former Blonder-Tongue sales mgr. Single-tube unit has nuvistor circuit, lists at \$24.95.



Amazing comeback of tape recording was detailed by Columbia Records mktg. vp William P. Gallagher, pres. of Magnetic Recording Industry Assn. at World's Fair of Music in Chicago. Retail sales of recorded tapes exceeded \$10 million last year, and will go up at least 20% this year. Blank tape sales for 1961 were \$50 million and should grow at rate of 20% a year, reaching \$100 million in 1965. At least 16 U.S. companies are making magnetic tape, more than double figure of just 2 years ago.

Some 600,000 domestic tape recorders were sold in U.S. last year, said Gallagher—up from 500,000 in 1960. He predicted 20% increase in this field for 1962. Japan shipped 800,000 recorders to U.S. in 1961 (including about 500,000 "toys" in \$35-&-under price range). Japanese imports this year will about double last year's figure, he estimated.

## Trade Personals

Kenneth W. Bilby, RCA public affairs vp, elected an exec. vp.

John L. (Jack) Hanigan, vp-gen. mgr. of Corning Glass electrical products div., resigns to become exec. vp, gen. mgr. & board member of Dow-Corning Corp. (silicones). Corning Glass TV products dept. mgr. Allen W. Dawson last week was elected a vp, as were electronics dept. (components) mgr. Malcolm Hunt & lamp dept. mgr. Forrest E. Behm.

Dr. Allen B. Du Mont named one of 3 public governors of American Stock Exchange . . . H. Leslie Hoffman named chmn., Hoffman Electronics, succeeded as pres. by Stanley W. Horrocks, former exec. vp of North American Aviation's Autonetics div.

B. K. Wickstrum, ex-Sylvania senior vp, elected pres. of General Time Corp.; Don G. Mitchell, former GT&E & Sylvania pres., named chief exec. officer; former General Time pres. Donald J. Hawthorne elected chairman. Mitchell also was elected to board of Indiana General Corp.

Roland Kalb, onetime Herold Radio & Electronics chmn. & pres. of subsidiary Steelman Phonograph & Radio, named Pilot Radio gen. mgr., a new post.

Darrell H. Boyd appointed by Revere Camera to new post of project mgr. for automatic tape cartridge system (Vol. 2:32 p7).

Carl E. Lantz, Admiral Sales Corp. pres., will head panel on distribution policy at National Industrial Conference Board's marketing conference Sept. 20 in N.Y.

Martin B. Shellenberger, ex-Philco, appointed Sylvania Home Electronics sales promotion mgr., succeeding Robert J. Higgins, named mktg. administrator . . . Gene Gold, one-time Philco and Crosley, named gen. sales mgr. of Montreal-based Fleetwood Corp.'s new U.S. sales division (609 Fifth Ave., N.Y.).

Robert C. Sprague, Sprague Electric chmn., reappointed 1962-63 chmn. of EIA's electronic imports committee; J. A. Milling, pres. of Howard W. Sams' Sams Div., renamed chmn. of EIA distributor relations committee.

William P. Gallagher, Columbia Records mktg. vp, elected pres. of Magnetic Recording Industry Assn. Other officers elected: W. G. Paradis (Warwick Mfg.), vp; Herman Kornbrodt (Audio Devices), secy.; Herbert L. Brown (Ampex), treas.

Myron S. Friedman promoted to gen. mgr. of Allied Radio's New Stores Div.

David Libsohn, pres. of bankrupt General Magnetics & Electronics which has been acquired by Estey Electronics, appointed gen. mgr. of Estey's General Magnetics & Electronics Div.; Trevor Kendall, former GM&E chief engineer, retains that post in new division.

Robert Blumenthal, ex-RCA district sales mgr., joins Raymond Rosen & Co., Philadelphia, as mgr. of dealer development.

TV-appliance-furniture dealer Oran Gragson, mayor of Las Vegas, last week won GOP nomination for governor of Nevada.

James McLeod promoted to Page engineering dir., succeeding vp & engineering dir. Francis M. Ryan, retired.

## Obituary

Moorhead Wright, 56, GE senior consultant on community & business relations and longtime administrator of company's management training program, died Sept. 3 in Northern Westchester Hospital, Mount Kisco, N.Y. He joined GE in 1927 as an electrical engineer.

Charles O'Connell, 62, former classical music dir. for RCA Victor records, died Sept. 1 in Pennsylvania Hospital, Philadelphia. He retired from the firm in 1944, but continued to write liners for RCA Victor albums.

Philco warned workers at Philadelphia-area plants that it may pull out of the Quaker City if they continue to substitute walkouts for contract-specified grievance procedure. In wake of recent 3-day walkout (Vol. 2:34 p11), industrial relations vp Robert M. Jones notified 4,500 workers by mail that Philco "has no alternative but to begin to make plans to close its operations here" unless walkouts stop. Walkout was 2nd since Ford acquired Philco. Jones said "no company can permit its production to be interfered with if it intends to stay in business." He added: Philco "is willing to try again, hoping that in the event of future disputes you & the union officials will follow the terms of the contract."

Zenith in local TV: Zenith has told distributors & dealers that it will pick up half the cost if they sponsor *Championship Bowling* on their local TV stations. This is first time Zenith has earmarked co-op funds for specific TV series. Firestone Tire is making similar arrangement with its distributors & dealers. *Championship Bowling* is produced by Walter Schwimmer, who produced *World Series of Golf* in color on NBC-TV Sept. 8 & 9, sponsored by Zenith & Amana.

Lawrence Gould appointed Microwave Assoc. exec. vp.

## 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
Lab for Electronics	1962—qtr. to July 27 1961 <sup>1</sup>	\$ 15,363,000	—	\$ 31,000	\$0.02	1,298,087
Meredith Publishing	1962—year to June 30 1961—year to June 30	69,300,000 <sup>5</sup> 60,200,000	—	2,098,000 2,514,277 <sup>6</sup>	1.58 1.90 <sup>6</sup>	1,331,212 1,323,866
Paramount Pictures	1962—6 mo. to June 30 1961—6 mo. to June 30 1962—qtr. to June 30 1961—qtr. to June 30	— — — —	— — — —	1,701,000 4,420,000 <sup>2</sup> 572,000 1,970,000 <sup>3</sup>	1.01 2.62 <sup>2</sup> .34 1.17 <sup>3</sup>	1,681,681 1,684,481 1,681,681 1,684,481
Times-Mirror	1962—28 wks. to July 15 1961—28 wks. to July 15 1962—16 wks. to July 15 1961—16 wks. to July 15	74,881,704 63,288,670 44,369,255 37,571,163	— — — —	2,307,000 2,379,802 2,144,295 1,640,375	.54 .56 <sup>4</sup> .50 .39 <sup>4</sup>	4,300,492 4,282,434 <sup>4</sup> 4,300,492 4,282,434 <sup>4</sup>
United Artists	1962—6 mo. to June 30 1961—6 mo. to June 30	62,066,000 <sup>5</sup> 57,865,678	\$ 3,868,000 3,673,207	2,003,000 <sup>5</sup> 1,893,207	1.15 1.09	1,741,473 1,741,473

Notes: <sup>1</sup> Comparison unavailable. <sup>2</sup> Before investment profit of \$422,000 (25¢ a share). <sup>3</sup> Before investment profit of \$22,000 (1¢). <sup>4</sup> Adjusted

to reflect 2% stock dividend Jan. 1962. <sup>5</sup> Record. <sup>6</sup> Includes non-recurring credits of \$435,000 (33¢).

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Arvin Industries	Q	\$0.25	Sep. 28	Sep. 10
Clevite	Q	.35	Sep. 27	Sep. 14
Corning Glass	Q	.37½	Sep. 28	Sep. 17
Decca Records	Q	.30	Sep. 28	Sep. 17
Newark Electronics-A	Q	.06¼	Sep. 28	Sep. 15

Report & comments available: CBS, report, Steiner, Rouse & Co., 19 Rector St., N.Y. 6 • RCA, comment, Oppenheimer, Newbord & Neu, 120 Broadway, N.Y. 5 • Thompson Ramo Wooldridge, discussion, Abraham & Co., 120 Broadway, N.Y. 5 • "Electronics," pamphlet review, A. M. Kidder & Co., One Wall St., N.Y. 5 • AB-PT, pamphlet review, Sprayregen, Haft & Co., 26 Broadway, N.Y. 4 • RCA, discussion, H. Hentz & Co., 72 Wall St., N.Y. 5 • Raytheon, discussion, Amott, Baker & Co., 150 Broadway, N.Y. 38.

Mergers & acquisitions: Estey Electronics has acquired assets of General Magnetics & Electronics, Flushing, N.Y. manufacturer of tape recorders. General Magnetics, recently involved in a Chapter XI proceeding, will become an Estey division, sell its recorders under Germark label. Estey will pay up to \$180,000 for assets, comprising equipment, accounts receivable, inventories • Fairchild Camera & Instrument will acquire for cash The Davidson Co., division of Mergenthaler Linotype. Davidson makes precision offset presses. Acquisition is subject to approval of Mergenthaler stockholders.

Electronics Capital Corp. will distribute to stockholders some 245,000 of its 666,667 shares of Potter Instrument. Distribution will be made on about Oct. 22, to holders of record Sept. 28, on basis of one share of Potter for each 10 shares of ECC common held. ECC has 2,449,852 common shares outstanding.

New plants & expansions: Admiral has acquired cabinet maker Arvidson Cabinet Co., Rockford, Ill. Acquisition will double Admiral's cabinet production to 1,500 daily • Motorola will add 85,000 sq. ft. to its Chicagoland facilities in Franklin Park, Ill. this year "primarily for the warehousing of TV & stereo phonographs" • GE will open 4,000-sq.-ft. Servicenter in Richmond, Va. (4011 W. Broad St.) this fall to repair radios, portable phonos and electric housewares. It will be GE's 34th Servicenter. Six additional units are slated for 1962 opening • Motorola Communications & Electronics has established offices in Atlanta to coordinate operations in southeastern U.S.

FTC charges against Emerson subsidiary Jefferson-Travis were dismissed by hearing examiner. Jefferson, which manufactures TV cabinets exclusively for Emerson, was charged with granting discriminatory prices & advertising allowances to favored retail customers in 1960. Examiner noted that firm had discontinued that portion of its business, wasn't likely to resume it because of relationship to Emerson.

Tung-Sol will close its Washington, N.J. tube plant over next 18 months, transfer operations to Weatherly, Pa. facility which will be expanded by 25,000 sq. ft. Pres. Milton R. Schulte attributed closing of 10-year-old plant to declining tube market, increasing foreign competition, replacement of tubes by transistors.

New small business aid: 101-page *Federal Handbook for Small Business*, released jointly by Senate Small Business Committee, White House Small Business Committee & Small Business Administration. It's free, from Senate Committee or SBA, Washington 25.

National Electronics Conference Oct. 8-10 in Chicago will hear Oct. 10 luncheon address by Dr. Jerome Wiesner, special scientific advisor to President Kennedy.

Don G. Mitchell, former Sylvania pres. & chief exec. officer, elected a dir. of Indiana General.



SEP 17 1962

# WEEKLY **Television Digest**

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

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**WITH THIS ISSUE:** Text of FCC Proposed Rule-Making on All-Channel Sets (Supplement)

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FCC SPELLS OUT ALL-CHANNEL PROPOSAL** in suggested rules—follows industry recommendations straight down the line (p. 1).

**CABLE PAY TV IN SOUTHWEST—BIG MONEY** & big names corralled in Telemeter franchise for Southwest—CATV operator Midwest Video at focal point (p. 2).

**NEW SCHOOL-TV** allocation of non-broadcast frequencies eyed by manufacturers as significant equipment market. FCC's Parker tells EIA service may be ready by Jan. 1 (p. 2).

**FIRST FM STEREO NETWORK BUY** made by GE for TV, FM & stereo lines. Purchase is hour-long music show to be distributed via tape to QXR Network (p. 3).

**LAWYER RIPS FCC PROCEDURES**—Columbia U. Law Prof. William Jones finding comparative hearings a mess, mostly unnecessary (p. 5).

**THE INDIANAPOLIS SPLIT**, 4-3 vote for Crosley-WIBC deal, fore-shadows hard road for similar future settlements (p. 6).

### Consumer Electronics

**STATE-OF-INDUSTRY**, as outlined by EIA Pres. Horne: 1962 factory sales of \$12 billion; consumer products rising \$100 million from 1961. Inventories seen posing no problem (p. 7).

**FM STEREO COMPLAINTS** minor, Kassens tells manufacturers. Official hi-fi definition tentatively approved. EIA launches drive to recruit more consumer product makers (p. 7).

**19-IN. AT \$129.95** in new Admiral promotion, as deluxe set is dropped in at \$139.95. Company introduces 11-set color line topped by \$1,500 combo (p. 8).

**LITTON INDUSTRIES** active in TV imports, claiming to be 2nd largest in field. Its Westrex subsidiary imports 2 models for discount chain and other exclusive outlets. Delmonico confident of winning more than 1% of U.S. TV market this year (p. 8).

**JULY SALES STRONG**, TV dealer purchasing rising 10% over July 1961, with radio up 22% for month (p. 10).

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**FCC SPELLS OUT ALL-CHANNEL PROPOSAL:** FCC's implementation of all-channel-set law is running according to plan. Last week, new proposed rules were issued, and industry invited to comment on them by Oct. 22, reply comments by Nov. 1. (Since proposal has such broad application to both manufacturing & telecasting, and because it's first measure of its kind in FCC history, we're including full text herewith as Special Supplement to all subscribers—extra copies available at nominal charge.)

Commission incorporated industry's recommendations—uhf noise no greater than 18 db, sensitivity no greater than 8 db above that of vhf in the set. Also, as we indicated, FCC proposes that all sets manufactured after April 30, 1964, must meet new standards. A certification procedure, showing compliance, is spelled out (see Supplement). In addition, a carton-marking system is proposed—so that everyone will know if set is shippable in compliance with law.

Explaining its proposal, Commission listed considerations described earlier (Vol. 2:32 p2, et seq.), including: (1) No undue financial burden on industry. (2) Technical specifications as requested by manufacturers—well within state of art. (3) Time given for receiver improvement. (4) Time allowed for tuner makers to meet demand—10-15 times present uhf output.

Commission also said it hopes, "and has been encouraged by industry reports," that percentage of

all-channel sets will increase substantially—maybe up to 20% or more—even before new rules are effective. It noted that 8.35% of sets produced in first half of 1962 were all-channel, compared with 5.28% in same 1961 period. FCC last week dismissed the 8 famed deintermixture cases, saying it was putting faith in all-channel sets instead.

**CABLE PAY TV IN SOUTHWEST—BIG MONEY, BIG NAMES:** Including a Rockefeller (Winthrop)—no less—a dazzling array of names representing financial power and show-business knowhow has been assembled to push Paramount's (Telemeter) coinbox system of pay TV in southwestern U.S.

Sparking group is C. Hamilton Moses, ex-pres. of Ark. Power & Light Co., now pres. of big CATV operator Midwest Video Corp., which has been fighting through courts, opposed by theatermen, to put cabled toll-TV into Little Rock, Ark. Moses said group—named Home Theatres Inc. (HTI)—plans cable-only system, same as Telemeter's Toronto installation.

Breakdown of ownership in HTI wasn't supplied, but following were listed as stockholders—and note that spectrum shrewdly includes theater owners, publisher-broadcaster, big TV series producer, top-name actor, sports:

John W. Allyn, co-owner of Chicago White Sox; D. H. Byrd, Ling-Temco-Vought, Dallas; E. O. Cartwright, investments, Dallas; A. B. Cobb, Ark. "business executive & bank director"; Trammel Crow, building contractor, Dallas; A. E. Dahl, chmn., American National Bank, Rapid City, S.D.; Stanley & Richard Durwood, owners of movie chain with Kansas City hq; David Grundfest, chmn. of Sterling dept. stores (90 of them); Walter Hussman, owner of KTAL Texarkana and group of southwestern newspapers; Frank Newell, "insurance executive"; Leonard Phillips, oilman & pres. of Assoc. Chambers of Commerce of La.; TV's Dick Powell; movies' John Wayne; Lloyd B. Sands, Hunt Oil Co. (and son-in-law of massive-fortuned H. L. Hunt).

Speculation is that plans include home states & towns of many of foregoing—Dallas, Houston, Kansas City, Oklahoma City, etc.

Regardless of how much they've committed to HTI—even if it were token at this stage—mere fact that foregoing have joined together and announced participation is something to reckon with.

Pay-TV, a la Telemeter—or any other way—has yet to prove itself, of course, but telecasting industry is keeping sharper & sharper eye on the decades-old concept, just as it is on related CATV industry.

On-air test of Teleglobe system over KTVR Denver awaits FCC action, meanwhile. It's assumed that Commission will give it go-ahead within a few weeks, though questions have been raised, it's understood, as to whether financing is adequate.

Another big firm interested in pay TV is Brunswick Corp., Chicago-based bowling equipment mfr. Its vp R. W. Luticken has been exploring field, says: "It's premature to call it 'an interest.' We're curious about something that might have a potential—like many other fields we're studying. However, it's our impression that whoever gets there firstest with the mostest will capture the market. We don't know yet what our interest might be—manufacturing, franchisee, or what."

**MANUFACTURERS EYE NEW SCHOOL-TV PLAN:** Dimensions of equipment market opened up by FCC's proposal to set aside special non-broadcast frequency band for classroom TV could be quite substantial—and manufacturers began taking look at this field at last week's EIA fall conference in N.Y.

Although no vote was taken on endorsement of Commission's plan, comments by manufacturers at special meeting were favorable, and there seems to be no opposition in sight from any quarter. FCC engineer McIvor L. Parker explained proposal, which would permit schoolcasting on special channels high above uhf band (Vol. 2:31 p5).

Two bands have been proposed for service—either 1990-2110 mc (shared with TV STL & intercity relay) or 2500-2690 mc. Former frequencies could accommodate 19 channels, latter 31, but lower band has advantage in that its propagation characteristics "should not be markedly different" from upper uhf band.

Parker estimated that special school TV transmitting installation would cost about 1/3 of standard broadcast station, that low power could cover an entire school district. Because of directionality of signals, co-channel separation could be as little as 10-12 miles.



Many schoolmen are quite excited about prospect of new service and educators at meeting said most school districts are talking in terms of 5-6 channels each. Parker said about 10-15,000 such school stations could be accommodated on nationwide basis. He estimated that any school district with budget of \$50,000 could afford the service. Fringe advantage of system: It could free regular broadcast channels from specialized schoolroom teaching use.

Recommendation was made at meeting that regular TV sets could be used with special high-band converter on master antenna distribution system. Equipment opportunities listed by Parker: Master antenna distribution equipment, studio gear, transmitters, receivers, converters.

Parker said system rules could be in effect by next Jan. 1. Adler Electronics Pres. Ben Adler, whose company tested system for FCC, said he favored lower of the 2 bands despite smaller number of channels available there, because equipment could be developed more quickly for those frequencies. He urged fellow equipment makers to act fast to develop equipment for big new school TV market.

•        •        •        •

Educators are worried to death, meanwhile, by developments in House Appropriations Committee. HEW Dept. had asked for \$4.75 million to start the \$32 million aid-to-ETV program passed by Congress—but there appears to be campaign against giving HEW the money. Rep. Bow (D-Ohio), particularly, has seized on 2,000-mc ETV concept, telling colleagues to wait for it because it's much cheaper than regular ETV stations. Raymond Moley, in Sept. 17 *Newsweek*, took tack that use of 2,000-mc system will keep govt. from dictating to schools. "If Federally subsidized ETV gets established," he said, "the public schools of this country will be teaching largely what the U.S. Office of Education provides from them." HEW has rushed a report to Committee, in effort to show that the 2 systems are totally different, both valuable.

**GE BUYS "FIRST NETWORK STEREO SHOW":** Big step forward for FM stereo has been taken by QXR Network and GE with signing of national-level program purchase by GE in new medium. The buy: a weekly 55-min. pre-taped stereo radio show starring Victor Borge scheduled on 40-station QXR lineup, beginning Oct. 3.

QXR Pres. James Sondheim hailed deal last week at news conference in N.Y. as "breakthrough in stereo and network broadcasting." It is all of that. However, show won't be "network" in traditional AT&T-lines sense, nor will it be fed to QXR affiliates by air relay.

Distribution of show will be by tape, with WQXR N.Y. acting as production base. Majority of outlets will carry it Wed. 9-10 p.m. Initially, about half of FM "network" will carry series in stereo, others mono. GE hopes for all-stereo station lineup within 6 months, however.

GE plans to sell TV & stereo sets in commercials: monochrome, color, stereo FM combinations, home music systems, educational kits. Purchase, for initial run of 6 months (with options to renew), was made at national level through GE agency Young & Rubicam. GE dealers will create tie-in with store promotions and local commercials.

Program's format is variation of disk jockey formula, with Borge providing dryly humorous prefaces and anecdotes about music selections taken from available stereo records and tapes. Borge will tape commentary on his Vibo farm (where he has profitable sideline raising Rock Cornish hens), with editing & mastering handled in N.Y. by WQXR.

## **CURRENT CAPSULES**

Two radio stations received sharp warnings from FCC last week. In letter to WLLE (formerly WSHE) Raleigh, N.C., Commission said it would allow Feb. 6 transfer from Raleigh Bcstg. Corp. to Raleigh-Durham Bcstg. Inc. to stand, despite nature of programming on first day under new owner. Station was charged by FCC with irresponsibility for carrying on promotional stunt in which one record was played repeatedly, interrupted by "discordant sounds," jokes and comments—one off-color. WLLE also was cited for using incorrect call letters. Commission said it would overlook carrying-on since they were confined to first day's operation, and

station has promised they wouldn't be repeated. Comr. Bartley dissented, voted for hearing. In other action, Commission granted one-year renewal to WCGA Calhoun, Ga., charged with operation below authorized power since 1956, failure to comply with FCC warnings, and failure to file annual financial report within required time. Commission told station it would be under scrutiny until Sept. 1, 1963, to give station "opportunity to demonstrate your compliance with the Commission's rules and regulations."

— ■ —

Broadcasters will have breathing spell, at least until new Congress convenes early next year, from multitude of committees probing every facet of industry from ratings to "sex-&violence." Staffers of Sen. Dodd's (D-Conn.) Juvenile Delinquency Subcommittee (Vol. 2:21 p1 et seq.) claim no knowledge of plans for further hearings, but they report they're watching season's new crop of shows closely—and don't see much improvement. They also report continued progress on drafting of legislation affecting networks and/or programming—presumably to be introduced at next session.

— ■ —

Also good bet for early next year are hearings on ratings. Rep. Harris's (D-Ark.) Regulatory Agencies Subcommittee has been collecting facts & figures on polltakers for past year. It's too late for hearings this session, but Harris is likely to launch one early in 1963.

— ■ —

CBS and its Columbia Record Club denied restraint-of-trade charges all down the line in response to FTC June 25 complaint (Vol. 2:28 p4). FTC had charged them with entering exclusive arrangements with competing record manufacturers, foreclosing access by mail-order competitors to more than 1,000 LP records by 450 artists. CBS said contracts cited by FTC not only were isolated cases but had been rendered ineffective long before complaint was filed and that competitive clubs have sold records of competitive record companies. In addition, CBS denied that retailers are forced to pay more for records than Club members, and asserted FTC is wrong in claim "that the purported usual retail prices listed in advertising for records offered to club members are higher than the actual customary selling prices, and consequently purchasers do not realize claimed savings." Meanwhile, CBS & Club were among those cited in \$900,000 restraint-of-trade suit filed in federal court by Record Club Inc., Hollywood. Other defendants: Liberty, United Artists, Warner Bros., Mercury, Kapp, Verve.

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Doors closed to TV-radio in House of Representatives and courts are "unreasonable anachronisms," CBS Chmn. William Paley told CBS radio affiliates convention in N.Y. "All of us," he said, "in broadcasting and outside of it—ought to fight this stubborn and pointless discrimination in every way we can until it goes the way of every other survival of the dark ages."

Relaxation of multiple-ownership rules, proposed by FCC in Dec. 1960 (Vol. 16:50 p9), was finally rejected by Commission. In companies with 50 or fewer stockholders, FCC had proposed not to count, in figuring maximum holdings, stockholders owning 5% or less—if they don't exercise any control over station. So, present rules remain. Said FCC: "It is particularly in these small corporate situations that opportunity is presented for stockholder influence, often without relation to size of stockholding." Comr. Cross dissented.

Superpower uhf antenna capable of radiating 5 megawatts has been shipped by RCA to WSBT-TV South Bend (Ch. 22). The 144-ft. slotted-cylinder antenna has gain of 46 with rated input power of 110 kw. RCA bcst. & communications products div. gen. mgr. C. H. Colledge said delivery schedules for rest of year indicate a fivefold sales increase for uhf transmitters and threefold gain in uhf antennas over 1961.

St. Louis Ch. 11 "ex parte" case has been dismissed by FCC, as anticipated (Vol. 2:37 p4). Commission said its investigations uncovered no skulduggery.

"Monopoly Problems in the Communications Industries" is subject of Sept. 18 luncheon speech by Rep. Celler (D-N.Y.), Judiciary Committee chmn., during Sept. 17-19 convention of National Mobile System in Statler Hotel, Washington. Luncheon honors FCC commissioners. Comr. Lee speaks at Sept. 19 banquet, subject not yet indicated.

New Starkville, Miss. CATV system is being constructed for Starkville TV Cable Co. by Davco Electronics, Batesville, Ark., using Entron equipment. Davco also has 4 other systems abuilding, in Corinth, Miss., Poteau, Okla., 2 on La. military bases. Jim Davidson is Davco pres. In Logansport, Ind., Jerrold Electronics has obtained franchise, will build own system.

Secret Communist propaganda radio stations have tripled broadcasts to free world in last 5 years, reaching 3,680 hours weekly June 30, 1962, USIA reports, in "Developments in Communist Bloc International Broadcasting in the First Half of 1962."

"A Red-Hot Hundred," Sept. 14 *Life Magazine* feature on outstanding young people, includes FCC Chmn. Miñow. Article says group is typical of "the take-over generation."



**LAWYER RIPS FCC PROCEDURES:** "Provocative," to say the least, is latest analysis of FCC processes. Now circulating among Commission & industry attorneys is 230-page report — "Licensing of Major Broadcast Facilities by the FCC" — prepared for President's Administrative Conference, a high-level govt.-industry body designed to improve govt. processes. It gets into programming, "minority tastes," citizens advisory committees, overcommercialization, etc.

Report is work of Columbia U. law Prof. William K. Jones. It's his alone, may never get anywhere—but it will stir up disputes. It goes to Committee on Licenses & Authorizations, then to Conference, then to President—who can refer it to FCC, ask Congress for legislation based on it, or junk it.

FCC lawyers say report is "superb" analysis of its procedures—but most find most of his recommendations unsound. Basically, Jones believes comparative-hearing situation is a mess—most hearings totally unnecessary, particularly those involving technical matters. His recommendations:

(1) Amend Communications Act to: (a) eliminate evidentiary hearing where there's no "substantial & material question of fact," (b) "make clear that the ultimate question of whether the public interest requires a particular decision, or the preference of one proposal over another, does not in itself present a 'substantial and material question of fact,'" (c) allow FCC, in choosing among competitors, to have comparative hearing—or award license on first-come basis, or set up system of priorities favoring one class of applicant over another, or auction off licenses to highest bidder, or combination of foregoing.

(2) Give FCC enough money to: (a) provide it with new quarters, (b) increase staff, (c) raise salaries, (d) get more economic & statistical analysis.

(3) FCC should change procedures to: (a) give examiners more power in deciding interlocutory issues in hearings, (b) limit use of comparative hearings, (c) "encourage the formation of Citizen Advisory Committees . . . to represent minority tastes . . . and to assist the Commission in assuring that broadcast facilities meet the minority needs of their respective communities." Such Committees would consult with broadcasters and participate in renewal proceedings, (d) make broadcasters avoid "excessive commercialization, preferably by a general rule prescribing quantitative limitations, (e) "avoid the formulation of any programming criteria—including instructions to its own staff—which are not fully publicized and subjected to some form of public scrutiny or debate."

"Provocative" indeed—and not likely to find much support, even at FCC. But Jones' summary of FCC procedures is considered first rate, and top Commission attorneys say it can serve as a "primer in depth" for newcomers.

Composite week for program log analyses, for TV-AM-FM licenses expiring in 1963 and for applications seeking major changes in facilities, comprises following dates established by FCC: June 10, 1962; Feb. 19, 1962; Feb. 20, 1962; March 7, 1962; Nov. 16, 1961; May 11, 1962; Sept. 30, 1961.

Exceptional broadcast symposium scheduled for Sept. 27-29 at Willard Hotel, Washington, by IRE's Professional Group on Broadcasting, includes papers on following: effects of antenna VSWR on FM stereo, by P. K. Onnigian, Jampro; vhf & uhf translators, Dr. B. W. St. Clair, Electronics, Missiles & Communications; airborne uhf propagation, R. S. Kirby & A. P. Barsis, Bureau of Standards; vhf & uhf measurements behind trees, A. H. LaGrone, et al., U. of Tex.; Telstar, C. C. Chapman, Bell Labs; modern radio station, Harry Dennis, WERE Cleveland; WBAL-TV Baltimore's new center, J. T. Wilner, Hearst Corp.; WCBS & WNBC joint plant, Ogden Prestholdt, CBS; TV station break automation, Saul Meyer & Arthur Freilich, Chrono-Log Corp.; pulsed projector light source, A. W. Malang, ABC; color camera developments, H. N. Kozanowski & S. L. Bendell, RCA; TV tape improvement possibilities, Charles Anderson, Ampex; "Iowa" color system, R. M. Morris, ABC, & W. L. Hughes, Okla. State U.; SECAM color system, author not indicated; closed-circuit techniques, I. S. Rosner, Rosner TV Systems Inc.; transistorized audio ABC amplifier, N. J. Hudak, GE; time domain correction of TV signal degradation, J. R. Popkin-Clurman, L. I. Chromatel Inc.; IO camera operational improvements, J. F. Wiggins, et al., GE.

Crack in AFTRA pressure on educational WNDT N.Y. was hinted last week. Station planned to go on air with 3-hour inaugural telecast Sept. 16 featuring FCC Chmn. Minow, USIA Dir. Edward R. Murrow, Educational Bestg. Corp. Pres. Dr. Samuel Gould, despite boycott by talent union. During last week's negotiations between station & union officials, AFTRA national counsel Mortimer Becker denied his group is demanding that all teachers appearing on station join union. Teachers assigned to WNDT by Board of Education aren't involved, he said. Basic issue is re-use of taped programs and appearances by teachers and specialists on programs not given by Board; these, he said, have always been represented by AFTRA. Rates for these performers will be cut sharply, Becker stated, but they should be covered by union. Meanwhile, Sept. 10 N.Y. Times warned in editorial that "irresponsible & foolhardy" prolonged pressure on outlet by AFTRA could destroy WNDT.

Attack on illiteracy has been launched by KMOX-TV St. Louis, beginning Sept. 17 with daily half-hour program to teach reading, writing & spelling. Series will be carried on PS 4, 6:30-7 a.m. Mon.-Sat., repeated on educational KETC, 7:30-8 p.m. Mon.-Fri. KMOX-TV public affairs dir. Parker Wheatley claimed no other U.S. TV station is making such effort to provide this type of "grass roots" education. He said there are estimated 67,000 "functional illiterates" in metropolitan area.

Police yourselves or else, NAB Code Authority Dir. Robert D. Swezey warned again last week. Urging support of Codes, he told Mich. Assn. of Bcstrs. annual convention that tighter govt. controls on broadcasting threaten only if "the industry demonstrates that without government intervention, it is incapable of enforcing its own standards."

Nationwide TV coverage could be supplied by 27 airborne uhf transmitters, such as type being considered for ETV, Bureau of Standards' M. T. Decker reports in study: *Airborne TV Coverage in the Presence of Co-Channel Interference*. Available for \$2, Report PB 161 635, 83 pp., from OTS, U.S. Commerce Dept., Washington 25.

## Personals

George B. Storer, chmn., Storer Bcstg., receives Pulse 1962 "Man of the Year" award, given for making "notable contribution to advancement of broadcast industry," at Pulse 21st anniversary luncheon in N.Y. Oct. 17.

George A. Graham Jr. promoted to NBC Enterprises Div. vp, NBC Films chmn. & NBC International chmn., succeeding Alfred R. Stern, resigning Oct. 1. . . Ben Brady, ABC-TV Western Div. executive in charge of programming, elected a vp. . . Mark S. Ellentuck promoted to ABC-TV spot sales business mgr.

E. K. Hartenbower, KCMO Kansas City, named CBS Radio Affiliates Assn. chmn. . . Ben Wickham, ex-Showcorporation national sales dir. and former WJW-TV Cleveland gen. mgr., appointed TIO station services mgr. . . E. Robert Mashick, ex-KTLA Los Angeles, named KPIX San Francisco advertising & sales promotion mgr.

Arthur F. Kane promoted to CBS News live & videotape production mgr., succeeded as production supervisor by Gerald Slater; Robert Camfiord becomes a news staff dir., Gerald L. Lawson succeeds Camfiord as film control officer; Frank FitzPatrick advances to CBS News Washington administration mgr., succeeded as film traffic supervisor by William Covell; Clyde Bennett becomes asst. film traffic supervisor.

John L. McClay, former asst. to pres. of Westinghouse Bcstg. Co., named to new post of mgr. of Gannett Co. bcstg. div., headquartering in Rochester, N.Y.

Leonard E. Hammer, ex-NTA Eastern Div. sales mgr., appointed Seven Arts Station Representatives Sales dir., succeeding late Kirk Torney . . . Robert A. Behrens promoted to Official Films sales vp, a new post.

Alan Silverbach, 20th Century-Fox TV international sales dir., also becomes domestic syndication sales dir., succeeding Howard Anderson, who resigns to take post in Mormon Church; William L. Clark promoted to Eastern Div. mgr., N.Y., new Western Div. mgr. will be named soon.

Karl W. Friedline, ex-WFBG-TV Altoona asst. program mgr., appointed WNBC-TV-AM-FM Binghamton program dir. . . Kenneth S. Armstrong Jr., WJW-TV Cleveland news dir., promoted to news & public affairs dir., taking on duties of Robert E. Huber, recently promoted to program mgr. . . Frank M. Headley, H-R TV pres., elected to TvB board, succeeding Lewis H. Avery, Avery-Knodel pres., resigned.

Roy E. Morgan, radio WILK Wilkes-Barre, Pa., exec. vp & gen. mgr., appointed to Assn. for Professional Bcstg. Education board by NAB Pres. Collins; he succeeds William Holm, former radio WLPO La Salle, Ill. gen. mgr., who has left broadcasting.

William N. Hawkins, radio CFOS Owen Sound, Canada gen. mgr., becomes temporary gen. mgr., Bureau of Broadcast Measurement, Toronto. . . Howard W. Moffat promoted to gen. mgr., H & B American's Community Antenna Co., Reno, replacing Jack Sutherland, who continues with firm as consultant.

Charles Cliff, ex-Reporter staff writer, and asst. to former FCC Comrs. Clifford Durr & Wayne Coy in mid-40's, rejoins Commission as research & education div. specialist. . . Donald D. Davis, KMBC-TV Kansas City vp, retires, will enter real estate business in Tucson.

**THE INDIANAPOLIS SPLIT:** Crosley-WIBC deal — latter dropping claims for Ch. 13 Indianapolis and buying Crosley's WLWA Atlanta (Vol. 2:37 p4) — was approved rapidly by FCC last week in tight 4-3 decision.

Dissenter Minow asked, after Commission awarded WIBC Ch. 13: "How can it be consistent with the public interest to permit the parties to treat our public interest judgment as a bargaining counter, nullifying it through private arrangements for private purposes?" He said he thinks WIBC got more than its hearing expenses out of Crosley, buying WLWA below fair price, something forbidden by law. He went on:

"Our process for the resolution of comparative license contests has not, to put the matter bluntly, always won public confidence. The contempt which these parties have displayed for it is paralleled by a widespread public concern for its fairness. There are many who think that our task in comparative cases is an impossible one; there are others who believe that we have mishandled the criteria underlying comparative choice. There is a need for basic re-thinking of the entire procedure. Whatever the ultimate outcome, however, one thing is certain. No lists of criteria, no set of procedures which this agency employs—now or in the future—can win respect unless we ourselves respect them."

Dissenter Bartley also thought WIBC got too much for pulling out, and: "The agreement portrays 2 applicants who would deal away here, by private bargaining, the public interest considerations to which we have devoted careful study."

Dissenter Ford said: "The result . . . does violence to our processes, undermining the integrity of our comparative hearing process." He said he voted for WIBC because of its local ownership but "the willingness of WIBC to abandon its plans for Indianapolis in order to take over a station many miles away tends to rebut the presumption and seriously prejudices the applicant's position." He said he'd prefer looking at case again, implying he might favor Crosley.

Hyde spoke up for majority, said both applicants were qualified, in fact: "Each of the applicants has at some stage of the proceeding been the recipient of a favorable decision. Finally, a proposal to resolve the conflict was submitted which the Commission finds consistent with law and in the public interest. The public interest is also served by bringing this protracted proceeding to a conclusion. Eight years of hearings and litigation are enough."

In light of foregoing views, and with new commissioner E. William Henry due on scene soon, prospects for more such settlements seem very slim.

Copies of color report delivered at International TV Conference in London last summer—"Recent Developments & Current Status of Color TV in the U.S."—by pioneering color expert George H. Brown, RCA research & engineering vp, available from RCA Laboratories, Princeton, N.J.

Institute for Advancement of Medical Communication, parent organization of Council on Medical TV, has moved hq to 9650 Wisconsin Ave., Bethesda 14, Md. Institute will also continue offices at old hq, 30 E. 68th St., N.Y. 21, and 1028 Conn. Ave., N.W., Washington 6.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**STATE OF THE INDUSTRY—GOOD:** Electronics will be \$13.1-billion industry this year, compared with factory sales of \$12 billion in 1961. That was prediction of EIA Pres. Charles F. Horne (pres. of General Dynamics/Electronics & General Dynamics/Pomona) last week at organization's fall conference.

"Continuing pressure of competition, both foreign & domestic," he added, "may keep profits from rising at a comparable rate." He foresaw 1962 factory sales of consumer goods at \$2.2 billion (up from \$2.1 billion in 1961), industrial equipment \$2.4 billion (up from \$2.2 billion), military & space products \$7.7 billion (up from \$6.9 billion), replacement components (including tubes) \$800 million (unchanged). Electronics industry has more than 5,000 plants, employs more than 850,000, including 150,000 engineers.

This year's dollar increase in consumer products was attributed to expansion in color, FM stereo & uhf set production. Current factory & distributor inventory levels are 20% greater than last year, said Horne, but "there is no evidence that this build-up will slow down fall production." To emphasize this point, EIA marketing services dept. dir. William Long pointed out that inventories in May were 30% above 1961 levels. "The sales-inventory ratio is satisfactory & manageable," he said.

Horne made these predictions of consumer electronics unit factory sales for 1962: TV, 6.8 million (up from 6.2 million last year); radio (excluding auto), 12.9 million (up from 11.6 million); phono, 4.3 million (up from 4 million). Long predicted that distributor-to-dealer sales would be "in line" with these factory figures, probably "less than 150,000 units away from them."

Two developments "which may have profound effect" on electronics industry within next few years were cited by Horne—President Kennedy's foreign trade expansion bill and all-channel set law. As to their actual consequences, "only time will tell."

EIA president's optimistic predictions for consumer products were underscored in corridor talk at conference. On top of good August sales, September has started off ahead of last year for most TV-radio-phono manufacturers. Official July statistics, released last week by EIA, show distributor TV sales up 10%, radio up 22% from July 1961 (see p. 10).

**FM STEREO COMPLAINTS MINOR, EIA TOLD:** FM stereo's current problems are merely state-of-the-art difficulties of the kind which can be expected in any new service. So said Harold Kassens, chief of FCC's aural existing facilities branch, in discussion with TV & phono makers at EIA conference last week in N.Y.

Commission has received relatively few complaints about FM stereo problems, Kassens told joint session of radio & phono sections. "I don't feel it's a serious problem," he said. Difficulties can arise from any of several sources, he pointed out: (1) Transmission from station. (2) Receiver manufacture. (3) Failure of dealer to familiarize customer with operation of set. (4) Station's selection of recorded stereo material. (5) Lack of receiving antennas where they're needed.

Kassens said he felt most of the 150-plus stereocasting FM stations are sticking to FCC's transmission standards, and that other complaints are gradually being cleared up. He predicted that about 250 FM stations—or 25% of total—would be on stereo by year's end, that stereo eventually would replace mono on FM.

Kassens had been invited to confer with receiver manufacturers, because—in words of EIA consumer products staff dir. L. M. Sandwick—"the important thing is to take counsel now and not drift apart; all aspects of the industry must grow together—broadcasting, receiving and recording." Other conference highlights:

Long-sought definition of high fidelity, with associated standards of measurement, was tentatively approved by Consumer Products Div. exec. committee under Olympic Pres. Morris Sobin. More than 1,000 firms & individuals have been contacted to help prepare definition, which had been requested by FTC. Tentative definition now will be circulated to top management of hi-fi firms, with final approval scheduled at next EIA quarterly meeting Nov. 20 in San Francisco. (FTC Chmn. Everette MacIntyre addressed closed session of EIA legal committee.)

Two-pronged drive to recruit more consumer product manufacturers into EIA was approved by exec. committee. Noting success of new "section" activity (last week's meeting of radio & phono sections drew 42 attendees from 30 companies), committee voted to form "new products section," which would include manufacturers of such home entertainment products as electronic organs, tape recorders & hi-fi components. Committee also voted all-out drive to enlist TV manufacturers not now EIA members. These include Admiral & Zenith, as well as several smaller manufacturers.

In somewhat related move, EIA board members expressed concern about wide variety of EIA's services now available to non-members. One of particular sore spots is EIA's marketing data service, and there was discussion of possibility of eliminating "free riders" by refusing to supply data to non-members. (Some non-members now receive detailed statistics in exchange for supplying their own figures on production, sales, etc. to EIA's statistical pool.)

Electronic Imports Committee, under Chmn. Robert C. Sprague, was continued. Among its new functions will be presentation of industry viewpoint to govt. in connection with negotiation of new tariffs under President Kennedy's foreign trade program. Board approved plan to hold foreign trade symposium at spring conference in Washington next March, to discuss significance of foreign trade bill and rise of importance of European Common Market with Britain as member.

**ADMIRAL 19-IN. PORTABLE AT \$129.95:** TV prices are staying down, at least for time being, despite talk that tubes & parts may go up soon (Vol. 2:37 p6). In announcing fall drop-ins at week's end, Admiral cut list price of its former \$139.95 portable to promotional \$129.95 "for a limited period." Set is similar to 19-in. portable carried in early 1962 line at \$169.95.

Admiral dropped in new more-deluxe 19-in. set at \$139.95, with square-cornered styling, tilted channel indicator, DC restoration, monopole & handle. "Special list prices" were set on remote control portable—\$179.95 (single-button) & \$199.95 (2-button). Also dropped in were open-list 23-in. wood-cabinet lowboy & combo with FM stereo.

Color line was expanded with 11 new models, all in wood cabinets, topped by \$1,500 combo and starting with console at \$595. Line includes 2 open-list consoles and concentration of 4 models in \$695-\$750 range. Metal-cabinet console (formerly \$595) is continued in line with open list.

Admiral also dropped in 3 portable phonos, including first "tilt-out" mono unit (\$59.95) & stereos at \$59.95 & \$79.95. New 6-transistor radio is \$14.95.

**LITTON ACTIVE IN TV IMPORTS:** Quietly and without fanfare, big Litton Industries has been building up TV-radio-stereo import business, which includes—among other things—merchandising of \$88 TV sets in chain discount stores.

Litton's consumer product activities are handled by Westrex Co. Alpine, subsidiary of Litton Systems Inc., established 2½ years ago in N.Y. city area (Vol. 17:11 p18). Westrex Alpine, whose first consumer product was German-made portable music system which played grooved tape (Vol. 17:13 p21), is now actively importing TV from Japan, stereo phonos & radios from Germany.

Westrex Alpine uses unique merchandising system, which vp Harry Rich says has made company 2nd largest U.S. TV importer (after Delmonico). Westrex's TVs—sold under "Westar" trade name—are made by Nippon Electric Co. (NEC), with which Litton does large amount of non-consumer electronics business under \$60-million contract.

Westrex is currently offering 2 TV models—8-in. at about \$99 and 16-in. set weighing 28 lb. at around \$119. Big Boston-headquartered F. F.-J. M. Fields Inc. discount chain (owned by Food Fair), with outlets



all over eastern seaboard, is now handling Westar 8-in. set at \$88. Westrex's audio line consists of 3 stereo consoles and table radio made by Germany's Tefi Werke, subsidiary of Mercedes Benz.

What is different about Westrex's mode of operation is that it serves as sort of import agency for exclusive dealers—one to a community. Westrex takes orders for items in its short line, which are shipped directly from pier to dealer upon arrival in U.S. Westrex has no warehousing facilities for its consumer products and is in perpetual back-order position, according to Rich. Westrex Alpine doesn't advertise, has small staff. Said Rich: "We bring in these products so that we can save our customers money." Parent Litton Industries has facilities in 38 countries. It purchased Westrex Corp. in 1958 from Western Electric (Vol. 14:21 p18).

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More than 53,000 TV sets were brought into U.S. during 1962's first 8 months—and No. 1 importer by huge margin still is Delmonico International div. of Thompson-Starrett Co. With new competition in TV import field, how does business look to Delmonico?

"We will have well over 1% of the American TV market this year," we were told last week by Delmonico exec. vp Herbert Kabat. "We brought in about 31,000 sets the first half of this year, and we generally do about two-thirds of our business the 2nd half. Our gross this year will be about \$16 million; our best year before we had TV was \$7 million, and that included about \$3 million on transistor radios, in which we no longer specialize."

Delmonico's next TV product will be 16-in. lightweight set, weighing 24 lb. or less and using U.S.-made picture tube with Pittsburgh-type bonded implosion glass. Like Delmonico's 8-in. & 19-in. set, it will be offered in promotional stripped-down "can-be-promoted-as-low-as-\$99.95" version, and in more deluxe form at list of around \$129.95. Kabat feels ease of transporting is real advantage of 16-in. set.

Although Delmonico is importing a few color sets now, Kabat doesn't feel real market will open until 90-degree tube is available to reduce cabinet bulk. Japanese-made stereo console line continues to sell well, says Kabat—best-seller being stereo-phono-AM-FM-tape-recorder unit listing at \$299.95.

Among other major companies now importing TV are Olympic (19-in. wood cabinet table models), Matsushita (14-in. bookshelf set) and Sony (8-in. transistorized battery portable). Toshiba, Hitachi & Hayakawa sets, promised by Transistor World, Sampson & Sharp, respectively, haven't started arriving in quantity yet. Among other Japanese-made sets now on market are Star-Lite & Monarch, both 8-in. Nevertheless, more than 60% of all TVs imported in 1962 have gone to Delmonico.

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World's smallest 7-transistor radio is being imported by Standard Radio Corp., N.Y., U.S. agent for Standard Radio Corp. of Tokyo. "Micronic Ruby" is 1¾ x 1⅞ x ¾ in., weighs less than 3 oz. with battery. It lists at \$39.95, will be handled exclusively by Liberty Music Shops, N.Y. until Oct. 15, when it goes into national one-step distribution to selected stores.

It's first product to be exported to U.S. by Standard, which will follow it with 3-band AM-FM-SW 10-transistor portable (at about \$100), miniature 2-way radio, 3-watt hi-fi battery radio and other specialty items. Micronic Ruby radio is of modular construction, has output-transformerless speaker.

Philco will close its radio manufacturing plant at Sandusky, O. and transfer production to Philadelphia by early next year. Philco said employment there has slumped to about 300 from a post-war high of 2,000, and there is "no economic justification" for maintaining separate radio plant. Sandusky facility will be sold.

GE has developed new technique for making synthetic diamonds. New process, a "direct transition" of graphite to diamond, achieves pressures & temperatures so high that previously required metal catalyst no longer is needed, GE said.

Admiral opens heavy fall newspaper ad campaign Sept. 24 to promote color TV in 166 markets. Opening 1,600-line ad will be followed by series of ten 800-line dealer signature ads throughout fall season.

Symphonic's shipments for first 8 months of 1962 are 34% ahead of last year, Pres. Max Zimmer announced last week. "Our back-order position is stronger than ever," he added.

Electro-Science Investors has obtained approval of Small Business Administration to relinquish its license as a small business investment company (Vol. 2:35 p12).

**TV-RADIO PRODUCTION:** EIA statistics for week ended Sept. 7 (36th week of 1962):

	Sept. 1-7	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	121,666	146,940	118,788	4,397,276	3,959,997
Total radio .....	342,316	389,153	345,848	12,516,108	10,727,741
auto radio .....	119,938	131,631	111,078	4,663,252	3,425,583

**SALES STRONG IN JULY:** There were no midsummer doldrums in dealer buying of TVs & radios, official EIA figures showed last week. July sales were hearty—with distributor TV sales to dealers up 10% over July 1961 and radio sales up a thumping 22%.

Radio sales figure is interesting, may possibly indicate changing seasonal pattern. July was year's 2nd best month to date in distributor radio sales—whereas traditional history shows July to be 2nd poorest month in "normal" year.

For first 7 months of 1962, distributor sales of TVs were about 9% ahead of 1961, radios nearly 12% ahead. July distributor sales reflected buying of newly introduced models and therefore can't be considered "normal" month. August figures should have more significant story to tell.

Seven-month production figures show radio output (including auto) passed 10-million figure in July. Interestingly, TV production was below comparable 1961 month for first time in July. FM & auto radio output continued well ahead of last year; uhf TV also was up from July 1961. EIA's distributor sales & production figures, with 1961 comparisons:

**TV-RADIO DISTRIBUTOR SALES**

Month	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January .....	465,836	403,570	562,869	471,518
February .....	521,275	428,705	697,893	640,379
March .....	580,876	500,597	917,236	853,197
April .....	364,742	347,800	809,499	672,756
May .....	310,799	349,098	772,479	735,692
June .....	480,510	461,974	1,040,598	997,321
July .....	449,528	409,561	921,089	754,950
<b>TOTAL .....</b>	<b>3,173,566</b>	<b>2,901,305</b>	<b>5,721,663</b>	<b>5,125,813</b>

**TELEVISION PRODUCTION**

Month	Total		UHF	
	1962	1961	1962	1961
January .....	488,869	367,935	39,609	25,270
February .....	541,494	444,418	46,715	24,514
March .....	659,251	497,458	48,323	21,450
April .....	510,587	405,808	51,107	19,095
May .....	474,647	470,399	39,609	22,782
June .....	620,653	615,118	50,283	34,641
July .....	336,409	383,378	28,359	23,233
<b>TOTAL .....</b>	<b>3,631,910</b>	<b>3,184,514</b>	<b>303,805</b>	<b>171,065</b>

**RADIO PRODUCTION**

Month	Total		Auto Radio		FM	
	1962	1961	1962	1961	1962	1961
January .....	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February .....	1,464,797	1,115,029	480,232	307,973	84,216	41,357
March .....	1,810,417	1,384,052	607,510	384,227	81,010	75,044
April .....	1,472,654	1,124,924	519,296	375,570	63,193	51,260
May .....	1,444,074	1,196,949	504,846	408,875	62,292	49,705
June .....	1,721,873	1,626,263	629,004	518,010	92,287	88,808
July .....	1,134,250	1,030,399	403,946	320,128	68,037	48,114
<b>TOTAL .....</b>	<b>10,398,695</b>	<b>8,567,689</b>	<b>3,675,423</b>	<b>2,701,919</b>	<b>527,545</b>	<b>404,709</b>

**New plants & expansions:** Sylvania will build 100,000-sq.-ft., multi-million-dollar receiving tube plant at Brookville, Pa. to replace 3 existing facilities there totaling 60,000 sq. ft. Site preparation has begun on 20-acre tract and plant is expected to commence operations late next year. Senior vp Merle W. Kremer said plant "will help us meet increasing foreign & domestic competition," forecast that "over the next 5 years receiving tube sales will be at the very high rate of 350 to 375 million units annually."

• Rauland, Zenith's tube-making subsidiary, has purchased 100,435-sq.-ft. building on 8-acre site in Niles, Ill., contiguous to 18.1-acre tract purchased by Rauland earlier this year (Vol. 2:17 p9). Zenith Pres. Joseph S. Wright said acquisition will become Rauland's general hq & concentrate on production of specialized tubes & electronic products. Move will release "a substantial area" in Rauland's Chicago plant for production of color & b&w TV tubes.

**Mergers & acquisitions:** TelePrompTer will acquire Conley Electronics, Evanston, Ill., maker of magnetic tape cartridges & related products, for about \$1 million if TelePrompTer stockholders approve at special Oct. 9 meeting. TelePrompTer also seeks to borrow \$2.4 million from Continental Illinois Bank & Trust, Chicago, will ask stockholders to approve mortgages on some CATV systems to secure loan. • Loral Electronics will acquire Astrex, maker of tube testing equipment & international distributor of electronic tubes, components & devices, in an \$8.2-million transaction subject to approval of stockholders of both firms. Proposed amalgamation calls for Loral to exchange one common share for each 1½ of Astrex's 769,000 outstanding common shares. Astrex has plants in Wis., Pa. & Fla., expects to report earnings of about \$420,000 on sales of more than \$12 million in 1962 fiscal year ended June 30 • Lear Siegler has purchased for undisclosed cash sum Trion Instruments, Ann Arbor, Mich., maker of lasers.

Japan is "disturbed" about U.S. protectionist trends, particularly "Buy American" policy, Japanese Foreign Minister Masayoshi Ohira stated last week. He told Tokyo meeting of America-Japan Society that particularly worrisome are restrictive moves by "certain American interest groups and trade unions" and policies which give "excessive preference" to U.S. interests. He said he "is told" there still exists in U.S. a "deep-seated prejudice" against Japanese-manufactured products.

Hitachi completed first sale of convertible securities by a Japanese company in U.S. last week by placing with group of institutional investors \$16.5 million of 6½% convertible debentures due 1977. Dillon, Read & Co. negotiated placement.

**Reports & comments available:** GE, report, McDonnell & Co., 120 Broadway, N.Y. 5 • International Resistance, memo, J. W. Sparks & Co., 120 Broadway, N.Y. 5.



**Trade Personals**

Gibson B. Kennedy resigns as merchandising mgr. of Philco consumer products div.; he's succeeded by Raymond B. George, most recently sales mgr. of Philco's Firestone Corp. account. Kennedy announced no future plans. H. S. Riband succeeds George as Firestone sales mgr.

Jack L. Hunter named sales mgr., GE radio receiver dept.; he formerly was TV-radio div. distribution planning mgr.

Jack V. Berquist, ex-Magnavox, appointed Sylvania Home Electronics sales training & dealer development mgr.

James J. McLaughlin resigns as Webcor vp & mktg. dir.; Robert Moffat, exec. vp, named to "guide corporate policies for all divisions."

Esterly C. Page, retired Page Communications Engineers chmn., named Dir. of Technical Support, National Military Command System, Office of Dir. of Defense Research & Engineering, Defense Dept.

Dermot A. Dollar, veteran RCA public affairs executive, named exhibits dir., in charge of all corporate exhibits.

Gerald L. Moran, vp-gen. mgr. of Sylvania's Chemical & Metallurgical and Sylcor Divs., also assumes over-all responsibility for Parts Div., succeeding senior vp Merle W. Kremer who will devote full time to Electronic Tube Div. Moran will continue to hq in Towanda, Pa.; Eugene E. Broker continues as Parts Div. gen. mgr., with hq in Warren, Pa.

Robert Beisswenger, Jerrold Electronics gen. mgr., Donald Spanier, Harman-Kardon gen. mgr., & Paul Garrison, Taco gen. mgr., promoted to vps by parent Jerrold Corp.

Cowan Harris, staffer of EIA of Canada since 1946, promoted to gen. mgr.

Robert E. Hull appointed engineering vp of Radio Engineering Labs . . . Saul Fast named National Co. vp & technical advisor.

Charles E. Erb named Westinghouse major appliance mktg. mgr., succeeding John J. Anderson who will be re-assigned.

Richard M. Emberson, ex-Associated Universities Inc., appointed IRE professional groups secy., succeeding Laurence G. Cumming, now field secy.

John M. Clifford, ex-RCA staff vp, joins Curtis Publishing as exec. vp in charge of finance & operations, also named a dir. . . . Matthew J. Fleming Jr. elected Clevite Transistor vp. . . . George E. Mueller appointed R & D vp, Thompson Ramo Wooldridge's Space Technology Labs.

EIA Parts Div. subdivision chairmen appointed last week: Roland Bixler, J-B-T Instruments, panel meter & service test instrument; C. J. Lucy, Corning, ultrasonic delay lines & devices; William H. Bingham, Hawley Products, sound system component; J. Frank Leach, Amphenol-Borg, electromechanical devices.

Frederick W. Hesse, Jr. appointed to new post of corporate operations vp, Thompson Ramo Wooldridge's subsidiary Space Technology Labs.

Gordon Edwards, Kraft Foods exec vp, and Paul L. Thoren, Central West Utilities Corp. vp, elected to TV-Electronics Fund board.

**Obituary**

Elmer A. Hamburg, 70, founder & chmn. of appliance & home instrument distributor Hamburg Bros., Pittsburgh, died Sept. 6 of heart attack in Golden Beach, Fla. He was a pioneer in mass distribution of radios, formed his distributing firm in 1920. One of his sons, Lester A., is pres. of Hamburg Bros.

George H. Lewis, 74, retired ITT asst. vp, died September 12 in Baltimore. Institute of Radio Engineers elected him a Fellow in 1951 "in recognition of outstanding contributions to radio-electronics."

**Distributor Notes:** Olympic Radio & TV names Kenneth Jordan midwestern district rep, succeeding Arthur M. Carrington. • Setchell-Carlson appoints Pioneer Electronics Supply, Cleveland, distributor for Greater Cleveland area • W. R. McAllister has formed W. R. McAllister Associates at 400 East 57th St., N.Y., manufacturers rep firm. He will represent Fonovox in area from Trenton, N. J. to Washington, D. C., also represent Mitchell stereo phonos. • Philco Distributors appoints Jack Reis, ex-Associated Distributors, Indianapolis, Ind., sales mgr. for Indianapolis area, a new post • Antennacraft names Ellinger Sales Corp., Chicago, midwest sales rep; Ferrell S. Carmine Co., Newark, N.J., appointed eastern sales rep • Packard Bell names Carson Pirie Scott & Co., Chicago, exclusive Illinois dealer.

July factory sales of TV picture tubes gained markedly in both units & dollars over July 1961, EIA reported last week. Receiving tubes declined in both categories. TV picture tube sales totaled 565,022 units valued at \$11,064,357—up from July 1961's 457,181 at \$9,364,364. For 1962's first 7 months, unit sales topped a year earlier 5.1 million to 5 million. Dollar value, however, trailed \$98.4 million vs. \$100.3 million in Jan.-July 1961. July receiving tube sales declined to 24,122,000 units valued at \$19,612,000 from 27,566,000 at \$20,979,000 in July 1961. Cumulative totals ran ahead of 1961's first 7 months both in units & dollars. Unit sales rose to 207.6 million from 206.3 million; dollar value increased to \$174 million from \$171.5 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	802,061	15,625,304	29,592,000	24,789,000
February .....	783,670	13,944,313	27,977,000	23,841,000
March .....	817,830	15,580,149	34,884,000	29,748,000
April .....	758,539	14,253,425	31,016,000	25,838,000
May .....	703,255	13,676,659	30,341,000	25,802,000
June .....	740,788	14,252,844	29,649,000	24,587,000
July .....	565,022	11,064,357	24,122,000	19,612,000
Jan.-July 1962 .....	5,121,165	\$ 98,397,051	207,625,000	\$173,952,000
Jan.-July 1961 .....	5,032,378	100,335,833	206,320,000	171,479,000

Electro-Science Investors, Dallas-based investment firm, will grant stockholders rights to a debenture issue. It will distribute 10-year 5½% debentures to stockholders of record Sept. 25 on the basis of \$1 face amount for each share owned. Debentures will be issued in minimum denominations of \$100.

Dynamics Corp. of America shifts from American Stock Exchange to New York Stock Exchange Oct. 8. Symbol: DCA. Involved are 4,116,560 shares of common, 443,100 shares of \$1 cumulative preferred.

## 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
Avnet Electronics	1962—year to June 30	\$ 31,267,357 <sup>5</sup>	\$ 4,715,315	\$ 2,322,564 <sup>5</sup>	\$0.90	2,583,639
	1961—year to June 30	26,592,954	3,169,060	1,593,886	.66	2,420,605
Collins Radio	1962—year to July 31	208,000,000	—	2,675,000	1.20	2,230,062
	1961—year to July 31	216,000,000	—	2,545,352 <sup>1</sup>	1.15 <sup>1</sup>	2,210,176
Desilu Productions	1962—qtr. to July 28	3,377,845	—	14,305	.01	1,155,940
	1961—qtr. to July 28	3,006,270	—	(130,638)	—	1,155,940
Harvey Radio	1962—6 mo. to July 31 <sup>4</sup>	3,468,672	—	155,507	.20	770,000
	1961—6 mo. to July 31	1,990,585	—	93,768	.12	770,000
Heli-Coil	1962—qtr. to July 31	2,314,140	—	321,331	.46	699,442
	1961—qtr. to July 31	1,969,513	—	272,021	.39	690,798
Hewlett-Packard	1962—9 mo. to July 31	80,154,000	—	5,024,000	.44 <sup>2</sup>	10,741,145
	1961—9 mo. to July 31	63,416,000	—	4,302,000	.38 <sup>2</sup>	10,647,691
	1962—qtr. to July 31	28,185,000	—	1,818,000	.16 <sup>2</sup>	10,741,145
	1961—qtr. to July 31	21,598,000	—	1,414,000	.12 <sup>2</sup>	10,647,691
Kulka Smith Electronics	1962—6 mo. to June 30	3,686,325	—	299,716	.21	1,443,657
	1961—6 mo. to June 30 <sup>3</sup>	3,073,918	—	270,819	.19	1,443,657
Lafayette Radio Electronics	1962—year to June 30	24,936,144	—	676,372	.64	1,061,675
	1961—year to June 30	23,565,861	—	790,028	.74	1,029,650
Muntz TV Story below.	1962—year to Aug. 31	12,494,066	—	950,000	.67	1,409,982
	1961—year to Aug. 31	9,032,186	—	832,948 <sup>4</sup>	.60 <sup>4</sup>	1,179,876
Philips Electronics & Pharmaceutical	1962—6 mo. to June 30	43,758,717	—	1,283,283	.55	2,000,874
	1961—6 mo. to June 30	18,545,129	—	373,991	.19	1,994,474
Screen Gems	1962—year to June 30	52,188,900	7,063,189	3,466,293 <sup>5</sup>	1.37	3,538,400
	1961—year to June 30	55,821,052	5,360,808	2,665,371	1.05	2,538,400
	1962—qtr. to June 30	—	—	1,038,057	.41	2,538,400
	1961—qtr. to June 30	—	—	847,619	.33	2,538,400

Notes: <sup>1</sup> Before non-recurring credit of \$538,553 (24¢ a share). <sup>2</sup> After preferred dividends. <sup>3</sup> Includes combined earnings of H. H. Smith Inc., acquired by Kulka Electric this year. <sup>4</sup> Includes special credit of

\$170,681 (12¢). <sup>5</sup> Record. <sup>6</sup> Includes on pro-forma basis Federal Electronics & Federal Fabricators, acquired July 1962.

**Muntz TV Posts Big Gains:** Muntz TV earnings in 1962 fiscal year ended August 31 rose to \$950,000 from \$832,948 a year earlier (see financial table). Sales climbed to \$12.5 million from \$9 million. Chmn. Floyd G. Dana told N.Y. Society of Security Analysts that Muntz TV anticipates fiscal-1963 sales of \$15.6 million, earnings of \$1 million. He also reported that \$466,829 remaining long-term debt will be paid off by next February.

Muntz TV will introduce color TV sets next year, Dana said, and "our immediate goal is to increase our share of the TV market from its present ½% to 3% within 3 years." Nearly 7% of fiscal-1962's sales was in private-label sets. Dana said that company will strengthen its dealer organization by trimming it to about 1,000 "key" exclusive outlets from present 1,800 non-exclusive stores.

Litton Industries sales are currently running at annual rate of more than \$500 million and should "considerably beat" that figure by close of 1963 fiscal year next July 31, Pres. Roy Ash predicted. In 1962 fiscal, Litton earned \$16.2 million on \$394 million sales. Ash said profit in fiscal 1963 should be "commensurate" with last year's profit margin. Based on Litton's 1962 rate of more than 4% net profit to sales ratio, company expects to earn minimum of \$20.5 million in fiscal 1963.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Consol. Electron. Ind.	Q	\$0.25	Oct. 5	Sep. 20
GE	Q	.50	Oct. 25	Sep. 21
Hawley Products	Q	.05	Oct. 1	Sep. 14
Heli-Coil	Q	.15	Sep. 28	Sep. 21
ITT	Q	.25	Oct. 15	Sep. 21
MGM	Q	.50	Oct. 15	Sep. 21
RCA	Q	.25	Oct. 29	Sep. 21
Sangamo Electric	Q	.18¾	Oct. 10	Sep. 20
Universal Pictures	Q	.25	Sep. 27	Sep. 15
Western Electric	—	.90	Oct. 1	Sep. 20
Western Union	Q	.35	Oct. 15	Sep. 21

RCA has dropped its once-postponed plan to sell one million of its 1,158,563 shares of Whirlpool common stock (Vol. 2:21 p12). General market conditions were cited as reason for cancellation. When proposed public offering was announced last April, Whirlpool was selling at \$33 a share. It closed Sept. 11 at \$27.625.

Electronic Associates has been approved for listing on New York Stock Exchange Sept. 19. Symbol: EA. Original listing will involve slightly less than one million shares.



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## FCC Proposed Rules on All-Channel TV Receivers

In the matter of Amendment of Part 15 of the FCC Rules with regard to all-channel television broadcast receivers. Docket No. 14769.

Adopted Sept. 12, 1962. Comments due Oct. 22, 1962, reply comments Nov. 1, 1962.

### NOTICE OF PROPOSED RULE MAKING

1. Notice is hereby given that the Commission proposes amendment of Part 15 of its Rules and Regulations to implement the recently enacted all-channel television receiver legislation, Public Law 87-529, July 10, 1962 (Secs. 303(s) and 330 of the Communications Act).

2. The all-channel receiver law authorizes the Commission to require that television receivers shipped in interstate commerce for sale or resale to the public (or imported into the United States for such purpose) shall be capable of adequately receiving all frequencies allocated by the Commission to television broadcasting.<sup>1</sup> In practical effect, this means that the set would have to be capable of adequately receiving the 70 UHF channels. The law itself does not cut off shipments of the VHF-only receiver because it was obviously necessary to choose some future date which would permit an orderly transition.<sup>2</sup> In addition to the appropriate cut-off date, the law also calls upon the Commission to prescribe performance standards for the receiving sets so as to insure that it is "capable of adequately" receiving the UHF signals. This Notice deals essentially with these two matters—(i) the standards for adequate capability and (ii) the cut-off date. We shall take each in turn.

3. Before doing so, it would be helpful to set out the background to these proposals. Since late June of this year, the Commission has been in close contact with the Electronic Industries Association (EIA), and through it with the television receiver and UHF tuner manufacturing industries. At the Commission's request, EIA has obtained and has furnished the Commission the industries' recommendations with respect to standards for adequate capability and the effective date of the all-channel receiver requirement, together with supporting data and reasons. These recommendations, in the form of four reports, have been included in the docket file in this proceeding. As will be seen, our proposals closely parallel the essential industry recommendations.

#### 4. Standards for adequate capability.

In adopting standards for adequate capability the Commission has taken into account the legislative history of the all-channel receiver law. In seeking the addition of the word "adequately", the Commission, in a letter to

<sup>1</sup> The purpose of the legislation is fully set out in H. Rept. No. 1559, 87th Cong., 2d Sess., and Sen. Rept. 1526, 87th Cong., 2d Sess. (hereinafter cited as "Sen. Rep.").

<sup>2</sup> Indeed, the Commission explicitly assured the Congress that in choosing the appropriate date and standards, it would "not only protect the public interest but also deal realistically with production and distribution problems faced by the industry" (Hearings before the Communications Subcommittee, Senate Commerce Committee, on S. 2109, 87th Cong., 2d Sess., p. 76). See, also, testimony of Chairman Minow, Hearings before the House Interstate and Foreign Commerce Committee, on H.R. 8031, 87th Cong., 2d Sess., p. 169.

the Chairman of the Senate Communications Subcommittee, made clear that "its purpose . . . is to obtain only the most limited authority needed to accomplish the statutory goal [of assuring] that receivers are capable of efficiently receiving all channels" (Sen. Rep., p. 20). The Commission further represented (p. 22) that:

"In specifying these two characteristics, the Commission would seek to insure adequate or effective capability of all-channel reception—and not the best possible capability. It would avoid extreme or unreasonable performance specifications, but rather, would select standards which are in the realm of the average characteristics of UHF receivers available on the open market today."

And, it specifically stated its "firm expectation and intent that receiver performance specifications adopted after full consideration in the rule making process would . . . prove generally acceptable [to manufacturers and users]" (p. 22). The Committee, in amending the bill to insert the word "adequately", stated that "on the basis of these Commission representations, your Committee agrees that the authority given to the Commission to require that all channel receivers 'be capable of adequately receiving' UHF channels is narrow in scope . . ." (Sen. Rep., p. 8).

5. With this as background, we are proposing the following standards:

- (a) The noise figure for any channel between 14 and 83 inclusive shall not exceed 18 db. See §§15.4(h) and 15.70(b).
- (b) The peak picture sensitivity, averaged for all channels between 14 and 83 inclusive, shall not be more than 8 db larger than the peak picture sensitivity in the same receiver averaged for all channels between 2 and 13 inclusive. See §§15.4(i) and 15.70(c).

These proposals are based upon recommendations made to the Commission by the television receiver industry, following an August 7, 1962, meeting of industry engineering personnel. They are not the highest standards which conceivably could be met. But it is our tentative judgment (pending consideration of the comments to be filed) that these proposed standards are (i) sufficiently high to insure adequate capability of reception of UHF signals, insofar as the receiver is involved—the statutory standard of 303(s); and (ii) are consistent with the legislative history, and specifically with that quoted in the foregoing paragraph (p. 22, Sen. Rep.).<sup>3</sup>

6. It is important to bear in mind that the standards

<sup>3</sup> We also note that more stringent standards might adversely affect the manufacturer's ability to incorporate other desirable features, such as easier tuning and remote control, into the all-channel receiver.

proposed herein are minimum requirements. Further, it is fully expected by the Commission that the tremendous increase in UHF tuner and receiver production, together with normal competitive forces, will lead to substantial improvement in UHF set capability, not only with respect to the foregoing characteristics (noise figure and sensitivity), but also with respect to other features such as ease of tuning. As to the latter, the industry has advised us that "push-button, as well as other means of tuning, has been, and will continue to be actively pursued" (EIA "Technical Views" p. 9, submitted August 17, 1962).<sup>4</sup>

7. Effective date. On the basis of information furnished to the Commission by the television receiver and tuner industries, we are proposing that no television receiver manufactured after April 30, 1964, shall be shipped in interstate commerce or imported from any foreign country into the United States, for sale or resale to the public, unless (i) it is capable of receiving all of the 82 channels which have been allocated to television in the United States; and (ii) has been certificated to comply with the noise figure and peak picture sensitivity requirements set forth in proposed Section 15.70. The selection of April 30, 1964 as the proposed date for imposing the all-channel requirements is based on the following considerations:

(a) The only time during the year in which the change-over to all-channel receivers can be made without disrupting the television receiver manufacturing industry is at the time when new models are introduced. The industry pattern is for the new model to be designed fully a year before its introduction to the public, and then to be manufactured in the first quarter of the year, and shown to the public in early summer. Thus, the 1965 model receivers will be designed fairly early in 1963 (by June); production will begin in the first quarter of 1964; and they will be offered to the public in roughly June of 1964. The change-over from production of 1964 models would typically take place, model by model, from December, 1963, through April, 1964. In selecting the cut-off date, the Commission thus must choose between one geared to the 1964 model (to be offered to the public in June of 1963) or the 1965 model (to be offered publicly in June of 1964).

(b) But the 1964 model has already been designed. If the Commission were to choose April 30, 1963 as the cut-off date, the industry would have to engage in a "crash" re-design and re-tooling program. The April, 1963, cut-off date would have a most serious impact on the portable and remote control aspects of the industry's business. Indeed, some manufacturers estimated that because of extensive re-design problems and the short supply of UHF tuners (see (c), *infra*) they would be out of business for a period of months; and the industry as a whole estimated "conservatively" that imposition of all-channel requirement for the 1964, rather than the 1965, model year would involve "costs and penalties" of \$32,700,000 (see EIA "Estimated Costs", submitted August 28, 1962). Clearly, this would not be provision for an orderly transition, nor would it be consistent with the assurances given Congress (see par. 2).

(c) Further, it does not appear that UHF tuners will be available in sufficient quantity for use in all-channel receivers prior to the 1965 model year. Tuner manufacturers must expand production ten to fifteen fold to furnish tuners in sufficient quantity. This involves a tooling expansion, installation of new test equipment, and

<sup>4</sup> The industry recommended, "that the Commission consider an (expiration date) for these standards two years after the VHF only cut-off date, since it is believed that advances in the art, brought about by competition, will, during that time, obviate further necessity for (such standards)." (See EIA "Technical Views" p. 10, submitted August 17, 1962.) The Commission recognizes that reevaluation of the need for these standards may well be called for as a result of changed competitive circumstances (cf. Sen. Rept., p. 21). Indeed, it is our hope and expectation that the competitive situation as to UHF will gradually evolve to one resembling the situation in VHF, where there is obviously no need for standards of adequate capability. But we do not believe that a built-in expiration date, chosen at this time, is the appropriate way of dealing with these future possibilities. Rather, we shall periodically review any standards adopted to determine whether changed conditions require their retention or revision.

the training of new personnel. We are advised by four tuner manufacturers that this will require 12 to 18 months after technical requirements have been established by the Commission; all four indicated that UHF tuners could not be produced in sufficient quantity to meet all-channel requirements for the 1964 model year.

(d) Finally, selection of the 1964 model (i.e., a cut-off date prior to June, 1963) might well inhibit the technical improvement in the all-channel set. We do not believe that, over the past few years, there has been much research expended on the UHF tuner or the all-channel set. If, then, the 1964 model is chosen as the cut-off point, there would be no opportunity for improvement over present UHF tuners or sets; instead, as a practical matter, there would have to be an all-out effort to mass-produce the present product. It is, we believe, greatly desirable to provide manufacturers with a reasonable opportunity to design and incorporate improvements in ease of tuning, remote control, stability, and possibly other characteristics which would make use of UHF more convenient to the average viewer. Because of all these considerations, it appears to us that the advent of the 1965 model (or April 30, 1964) is the appropriate effective date for the all-channel requirement. Significantly, it is the consensus of the television receiver and tuner industry that this deadline can be met (see EIA submission of August 29, 1962).

8. This proposed effective date (April 30, 1964) applies to the manufacture of television receivers—not to the date when the receiver is shipped in interstate commerce. If the receiver comes off the assembly line on or before April 30, 1964,<sup>5</sup> the manufacturer will mark the carton accordingly, and the unit may be freely shipped in interstate commerce for sale or resale at any subsequent date, by the manufacturer, distributor, or dealer, even though it is not an all-channel set or does not meet the noise figure and sensitivity requirements of the proposed rules.<sup>6</sup> If the receiver comes off the assembly line on or after May 1, 1964, however, it may be shipped in interstate commerce or imported, for sale or resale to the public, only if it is an all-channel set which has been certificated to comply with the Commission's standards. The certification requirement is met by the manufacturer when he has filed a certificate with the FCC covering the model in question. The seal or label currently attached to each receiver, stating that the receiver meets the requirements of Part 15 of the FCC rules (see Section 15.66(a)), will cover the noise figure and sensitivity requirements as well as the radiation limits to which it now applies, and no additional seal or label will be required. After January 1, 1964, the manufacturer must state on the shipping carton whether the enclosed set may be shipped in interstate commerce (or imported) for sale or resale (as either (i) manufactured on or before April 30, 1964, or (ii) meeting the requirements of Part 15 of the Commission's Rules for such shipment (see proposed Section 15.66(b)).<sup>7</sup>

9. In proposing the April 30, 1964, effective date for

<sup>5</sup> Manufacture of a receiver will be deemed to be completed when the assembly process at the factory has been accomplished.

<sup>6</sup> The reason for tying the cut-off date to a date of manufacture is to allow distributors and dealers a considerable amount of leeway in disposing of 1964 sets which do not meet the all-channel requirements. Such sets might, for example, be stored in a central warehouse for distribution to stores in several neighboring states (e.g., a New Jersey warehouse for shipment to New York, Pennsylvania, or Connecticut). Even as to such distributor shipments, a final cut-off date such as December 31, 1964, might be appropriate i.e., "no set shall, in any event, be shipped in interstate commerce for sale or resale (or imported for such purpose) after December 31, 1964, unless it is capable of receiving all frequencies allocated to television broadcasting in the United States and has been certificated as complying with the requirements set forth in Section 15.70". In this way, it would be clearly established that after 1964 (and this is a considerable grace period), only the all-channel set would move in the channels of interstate commerce. The Commission requests comments on this further proposal.

<sup>7</sup> It would appear necessary to mark the carton because otherwise the distributor, after April 30, 1964, may not know whether a receiver stored in his warehouse can be legally shipped (unless he has carefully segregated all cartons received prior to that date). From the standpoint of certainty and ease of administration and enforcement, the information should therefore be stated on the carton. Because the proposed cut-off date is April 30, 1964, there would appear to be no need for any notation on cartons packed during 1963. We have



the all-channel rules, we wish to make clear that we would expect that all receivers produced for the 1965 model year would comply with the all-channel requirements, whether they are produced before or after May 1, 1964. Our purpose in setting that particular date, rather than a date earlier in 1964, is to furnish the receiver manufacturer adequate leeway with respect to the production of his "old" or 1964 models and to allow for an orderly model by model change-over to the "new" or 1965 all-channel receiver production. In short, when a new 1965 model is placed in the production line—at whatever time, even if it be as early as December 1963—we would expect that the new model would be an all-channel receiver meeting our proposed requirements.

10. While the date proposed for 100% manufacture of the all-channel receiver is thus April 30, 1964 (or introduction of the 1965 model), the Commission hopes, and has been encouraged by industry reports, that during the period leading up to the final cut-off, there will be a significant increase in the number of all-channel sets produced. There are, as we have noted (par. 7), limiting factors at this time on what that increased production can be. But we are advised that it might well rise to 20%, or even higher, of all sets produced.<sup>8</sup>

11. It is essential, both to the public interest and for industry planning, that the effective date and standards be established as soon as possible. For that reason, barring some extraordinary development or showing, the Commission will not grant any extensions of time for the filing of comments or reply comments. Comments in this proceeding must be filed on or before October 22, 1962, and reply comments on or before November 1, 1962.

12. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision in this proceeding, however, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

13. Authority for the rules proposed herein is contained in Sections 4(i), 303(s), and 330 of the Communications Act of 1934, as amended.

14. In accordance with the provisions of Section 1.54 of the Commission's Rules, an original and 14 copies of all comments shall be filed with the Federal Communications Commission.

<sup>8</sup> The percentage of all-channel sets produced is already increasing. Thus, in the first six months of 1961, out of 2,801,136 sets produced, 147,832 were UHF equipped (or 5.28%), while in the first six months of 1962, 275,446 (or 8.35%) of the 3,295,501 sets produced were UHF equipped.

FEDERAL COMMUNICATIONS COMMISSION  
BEN F. WAPLE  
Acting Secretary

APPENDIX

It is proposed to amend Part 15 as follows:

1. The Title of Part 15 is amended to read "Radio Frequency Devices".

2. Section 15.1 is amended by designating the present text as paragraph (a), and by adding a new paragraph (b) to read as follows:

§ 15.1 Basis of this part.

\* \* \* \* \*

(b) Sections 303(s) and 330 of the Communications Act of 1934, as amended, provide that all television broadcast receivers shipped in interstate commerce, or imported from any foreign country, for sale or resale to the public, shall comply with the provisions of this chapter for capability of adequately receiving all television broadcast channels.

proposed January 1, 1964, since sets shipped after that date might still be in the distributor's warehouse on or after May 1, 1964. All-channel units manufactured prior to May 1, 1964, may, of course, be certificated as complying with the noise figure and sensitivity requirements; and in such cases the manufacturer may wish specially to notify his distributors or others of this fact, by marking the container or by adding a seal or label to that effect to the receiver.

3. Section 15.2 is amended by adding a new paragraph (c) to read as follows:

§ 15.2 Scope of this part.

\* \* \* \* \*

(c) This part also contains requirements, technical specifications, and certification procedure for the all-channel reception capability of television broadcast receivers.

4. Section 15.4 is amended by adding new paragraphs (g), (h), and (i) to read as follows:

§ 15.4 Definitions.

\* \* \* \* \*

(g) Television broadcast receiver. Apparatus designed to receive television pictures broadcast simultaneously with sound.

(h) Noise figure of a television broadcast receiver. The ratio of (1) the total noise power delivered by the receiver into its output termination when the noise temperature of its input termination is standard (290° K) at all frequencies, to (2) the portion thereof engendered by the input termination.

NOTE: For a television broadcast receiver, portion (2) includes only that noise from the input termination which appears in the output via the principal frequency transformation and does not include spurious contributions such as those from image-frequency transformation.

(i) Peak picture sensitivity for television broadcast receiver. The lowest input signal which results in standard picture test output when the receiver is tuned for maximum picture output.

NOTE: Standard picture test output for symmetrical sinewave modulation shall be 20 volts peak-to-peak between the control elements of the picture tube.

5. Section 15.6 is amended to read as follows:

§ 15.6 Information required by the Commission.

The owner or operator of any device subject to this part shall promptly furnish to the Commission or its representative such information as may be requested concerning the operation of the device, including a copy of any measurements made for the purpose of certification.

6. Section 15.61 is amended to read as follows:

§ 15.61 Scope of this subpart.

Radio receivers come within the scope of this subpart insofar as they are restricted radiation devices and generate and radiate radio frequency energy or are designed to receive television pictures broadcast simultaneously with sound. Typically this subpart limits oscillator radiation from superheterodyne receivers. In the case of television broadcast receivers, this subpart also limits the radiation of radio frequency energy which is generated by the sweep circuits, and requires that such receivers be capable of adequately receiving all television broadcast channels.

7. Section 15.63 is amended by adding a new paragraph (b)(3) to read as follows:

§ 15.63 Measurement procedure.

\* \* \* \* \*

(b) \* \* \*

(3) Institute of Radio Engineers standard 60 IRE 17 S1 for measurement of noise figure and peak picture sensitivity of a television broadcast receiver.

8. Section 15.64 is amended to read as follows:

§ 15.64 Certification of receivers.

(a)(1) No receiver manufactured after the effective dates of this subpart that operates in the range 30 to 890 Mc/s, including frequency modulation broadcast receivers and television broadcast receivers, shall be operated without a station license unless it has been certificated to demonstrate compliance with the radiation interference limits set forth in § 15.62.

(2) No television broadcast receiver manufactured after April 30, 1964, shall be shipped in interstate commerce or imported from any foreign country into the United States, for sale or resale to the public, unless it has been certificated to comply with the noise figure and peak picture sensitivity requirements set forth in § 15.70. (This provision does not apply to carriers which transport television broadcast receivers without trading in them.)

(b) The owner or operator need not certificate his own receiver as meeting the radiation interference limits of § 15.62 if it has been certificated by the manufacturer or the distributor.

(c) Certification made by the manufacturer or the distributor shall be based on tests made on receivers actually produced for sale. Tests shall be performed on a sufficient number of production units to assure that all production units comply with the requirements of this subpart.

(d) The certificate may be executed by an engineer skilled in making and interpreting such measurements as are required.

(e) The certificate shall contain the following information:

(1) Name of the manufacturer or distributor of the receiver.

(2) Model number.

(3) Brief description of receiver, including tuning range, type of circuit, and purpose for which used (as broadcast, aircraft, etc.).

(4) Brief statement of the measurement procedure used.

NOTE: If a standard procedure is used, it is sufficient to identify the standard. Other measurement procedures must be described in detail.

(5) Date the measurements were made.

(6) A summary of the data obtained.

NOTE: For television broadcast receivers the measured noise figure and peak sensitivity must be stated.

(7) A statement certifying that, on the basis of measurements made, the radio receiver is capable of complying with the requirements of this part under normal operation with the usual maintenance.

(8) The name and address of the certifying engineer, and address of his employer, if any.

(9) Date of the certificate.

(f) The certificate shall be retained by the owner, the manufacturer, or the distributor (as may be appropriate) for a period of 5 years, and shall be made available, upon reasonable request, to an authorized Commission representative, or photostat furnished by mail. (See § 15.65 for filing requirements with FCC.)

9. Section 15.65 is amended by adding a new paragraph (c) to read as follows:

§ 15.65 Information to be filed with Commission.

\* \* \* \* \*

(c) This information is not open to public inspection.

10. Section 15.66 is amended by designating the present text as paragraph (a) and adding a new paragraph (b) to read as follows:

§ 15.66 Identification of certificated receivers.

\* \* \* \* \*

(b) After January 1, 1964, cartons containing television broadcast receivers shipped in interstate commerce or imported into the United States, for sale or resale to the public, shall clearly indicate either (1) that the receiver within was manufactured on or before April 30, 1964, or (2) that the receiver within meets all FCC requirements pertaining to all-channel reception (see § 15.70).

11. Section 15.68 is amended to read as follows:

§ 15.68 Date when certification is required.

(a) For television broadcast receivers. (1) VHF television broadcast receivers manufactured after May 1, 1956, shall comply with the certification requirements with respect to radiation of radio frequency energy, except that compliance with the power line interference limits for frequencies between 3 Mc/s and 25 Mc/s is required for such receivers manufactured after December 31, 1957.

(2) UHF television broadcast receivers manufactured after December 31, 1957, shall comply with the certification requirements with respect to radiation of radio frequency energy: Provided, however, that the limit of 500 uv/m appearing in the table in § 15.62 is temporarily increased to 1,000 uv/m for all UHF television receivers until December 31, 1962.

(3) All television broadcast receivers manufactured after April 30, 1964, shall comply with the certification requirement with respect to adequacy of all-channel reception.

(b) For other receivers. All radio receivers other than television broadcast receivers that operate (tune) in the range 30 to 890 Mc/s manufactured after October 1, 1956, shall comply with the certification requirements with respect to radiation of radio frequency energy, except as follows:

(1) FM broadcast receivers manufactured after December 31, 1956, shall comply with the certification requirements with respect to frequencies above 25 Mc/s. All such receivers manufactured after December 21, 1957, shall comply with the certification requirements with respect to all frequencies.

(2) The radiation interference limits and the certification requirements with respect thereto shall be met by all pocket type super-regenerative receivers used in the one-way signalling services as defined in Part 21 of this chapter which are manufactured after December 31, 1956.

(3) Super-regenerative receivers manufactured after October 1, 1956, for use by Class B stations in the Citizens Radio Service shall comply with the certification requirements of this subpart; except that, until November 1, 1963, radiation need not be limited within the band 462.525—467.475 Mc/s.

12. A new § 15.70 is added to read as follows:

§ 15.70 All-channel television broadcast reception.

(a) All television broadcast receivers manufactured after April 30, 1964, and shipped in interstate commerce or imported from any country into the United States, for sale or resale to the public, shall be capable of adequately receiving all channels allocated by the Commission to the television broadcast service. A television broadcast receiver shall be considered to be capable of adequately receiving all channels if it meets the specifications in this section for noise figure and peak picture sensitivity.

(b) The noise figure of any television broadcast receiver subject to paragraph (a) of this section, for any television channel between 14 and 83 inclusive, shall not be larger than 18 db.

(c) The peak picture sensitivity of any television broadcast receiver subject to paragraph (a) of this section, averaged for all channels between 14 and 83 inclusive, shall not be more than 8 db larger than the peak picture sensitivity of that receiver averaged for all television channels between 2 and 13 inclusive.



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# WEEKLY **Television Digest**

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**HENRY'S HEARING—A SHOO-IN** before Senate Commerce Committee. Unexciting questions & answers. He's expected to report for work Oct. 1 or 2 (p. 1).

**POSSIBLE FCC COMMERCIAL SQUEEZE**, incorporating NAB Code limitations, under consideration at Commission. Draft of proposed rule shows one school of thought (p. 2).

**PUBLIC AFFILIATION CONTRACTS DEPLORED** by industry in comments on FCC proposal. No benefit to public seen. Assert interference with private business not intended by Congress (p. 2).

**MCA GETS UNIVERSAL, DECCA**, under consent decree. Last post-1948 movie backlog may move soon (p. 3).

**NEWSPAPER OWNERSHIP OF BRITISH TV RAPPED** by special royal commission in report on press. Special court to rule on newspaper mergers proposed (p. 3).

**BROADCASTERS LIKE COLLINS' DEVELOPMENT**, shown in TAB speech stressing govt.-hands-off in programming, commercials, international broadcasting—plus more editorializing, freedom of information, research (p. 4).

**WILDCAT FILM EXHIBIT** will be staged by 18 leading TV film companies block away from 1963 NAB meeting in Chicago. Film men claim they're tired of getting "stepchild" treatment (p. 4).

### Consumer Electronics

**'ELECTRONIC INDUSTRIES'** defined statistically in new EIA Yearbook, with tables & breakdowns on all segments of trade (p. 7).

**ELECTRONICS EXPORTS** rose 32%—but imports climbed 58%—in first half 1962, govt. figures show. Balance of trade still favorable, but import rise is expected to accelerate as result of trade bill (p. 7).

**PICTURE TUBE PRICE** hikes under consideration by at least 2 manufacturers. Parts makers complain of profit squeeze but talk of holding line as long as possible due to hot competition (p. 8).

**PHONO SALES CROSSOVER** reached in July as 1962 total distributor sales exceed 1961 for first time (p. 9).

**'TOUGH GLASS'—TV DESIGN CHALLENGE?** Corning's new "Chemcor" process demonstrated last week, provides glass 5 times tougher than previously known, using new tempering process. No immediate TV application seen, but future development of breakproof & crackproof tubes possible (p. 9).

**AMPEX'S ROAD BACK:** Rise & fall—and rise again—of Ampex Corp. are detailed by Wall St. Journal in Sept. 17 case history to illustrate "problems that can build up almost without notice during periods of great corporate growth" (p. 11).

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**HENRY'S HEARING—A SHOO-IN:** E. William Henry wafted through Senate Commerce Committee hearing on gentlest of breezes last week, and he's expected to be confirmed this week as FCC member succeeding Comr. Cross. He told us he expects to report for work—"if I'm confirmed"—Oct. 1 or 2.

It was just about mildest such session we've attended. Neither Sen. Magnuson (D-Wash.), chmn. of committee, nor Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee, was on hand. Sen. Thurmond (D-S.C.) was only senator present for most of session; Sen. Yarborough (D-Tex.) came along for last half of meeting that ran less than an hour.

Sen. Kefauver (D-Tenn.) was there to kudoes the 33-year-old Memphis attorney, and Sen. Gore (D-Tenn.) sent his "very enthusiastic" endorsement via his asst.

Thurmond asked Henry what his qualifications were for job. Said Henry: "I bring to the job a willingness to work hard. I have no preconceptions. My intention is to serve the full term. I have no conflicts of in-

terest." He assured Thurmond he'd never been arrested, had no criminal record which might rise later to haunt him.

Committee communications counsel Nicholas Zapple asked questions of type Pastore usually does: Q—You know that FCC has been charged with inadequate regulation of common carriers, during debate on satellite communications bill? A—I've read the bill. I'm aware of FCC's responsibilities in the matter. Q—Overcommercialization? A—FCC has a responsibility to see that broadcasters operate in the public interest. Commercialization is one factor to be considered in applications & renewals. Q—What about regulation of networks, as sought by FCC? A—Haven't had a chance to look into it thoroughly. Q—We have reports that there's a new campaign to broadcast hard liquor commercials. Will you find out how many stations carry them? A—Will do. Q—Will you find out whether FCC needs more people and/or new law to speed disposition of application backlog? A—Yes. I'm aware of delays.

Thurmond told story of 6-year-old crying for beer because of commercial, said TV has important influence on children. He also asked about excessive "sex, violence & whodunits." Henry said programming is one factor to examine "in the public interest" but that FCC must be certain not to censor.

Yarborough got off long statement about political equal-time problems, said abuses occur mostly at local level, urged Commission to give matter more attention.

That's the gist of it—kid gloves. When through, Henry said: "I thought it was going to be rougher than that." Among those in audience, relieved at conclusion, was his wife—very attractive, tall, slim. Henry's youth is still subject of joshing in Washington TV-radio circles. Said one old timer: "Gad. They're getting commissioners younger than my grandchildren."

Meanwhile, back at the Commission, Sept. 26 farewell party was being arranged for Comr. Cross, who'll become private engineering consultant. Comr. Craven, commenting on reports about his plans, said: "I want to stay on until my term expires." His term runs until next June 30. However, he'll be 70 in January—and, he said: "It depends on which lawyer you talk to. Some say the President would have to grant a waiver for me to stay on beyond then, the retirement age; others say I don't need a waiver." Broadcast Bureau Chief Kenneth Cox, who was slated to succeed either Cross or Craven, presumably is still due to move into Craven's slot. Definite information is not available, probably because Administration hasn't decided.

**POSSIBLE FCC COMMERCIAL SQUEEZE:** Specific FCC limits on commercial time are being urged by some at Commission who want NAB's TV & radio Code ceilings incorporated in FCC rules. Industry will of course fight any such effort to the hilt—as indicated by NAB Pres. Collins (see p. 4). There's no telling whether, when or how FCC will go about this. However, one draft of proposed rule-making is said to include language such as this:

"It would, indeed, be highly desirable and preferable for regulation in this area to come from the industry itself. NAB has for many years endeavored to achieve this goal through its Codes. But only 33% of radio broadcasters and 76% of telecasters subscribe—and there's no sanction to enforce compliance. Notable though the NAB efforts may be, it's evident that more effective regulation is needed.

"There is no mathematical point beyond which there is over-commercialization. But we think that it is more important that the law be certain and apply to all than that it be flexible enough to take account of every difference in circumstances. Furthermore, waivers could take care of extraordinary and compelling situations.

"We think it important that the limitations be strong enough to protect the public with a reasonable balance between commercials & programs, without unduly limiting the licensee's freedom of action or jeopardizing his financial stability. The NAB standards are based on the operations of successful stations."

**PUBLIC AFFILIATION CONTRACTS DEPLORED:** FCC got what it expected—and more—in industry comments on its proposal to publicize affiliation contracts (Vol. 2:28 pl). Among objections by the 3 networks, which had note of exasperation in their statements:

(1) Such interference with private business relationships has no earthly benefit to public.

(2) It might help some broadcasters get better terms—but Congress never intended that FCC intervene in business details. Broadcasters aren't common carriers.



(3) It would produce more uniformity of compensation—a restraint on competition.

(4) Since FCC has the information, it can act any time it finds dangers to public interest.

(5) ABC said that it had to offer premium compensation to get into one- and 2-station markets. Disclosure of these contracts, it said, would bring demands from other ABC-TV affiliates which could reduce network's earnings and its ability to compete.

(6) NBC also said disclosure could increase affiliates' take, at networks' expense—and affiliates already get too big a slice of the pie.

Typical among non-network commentators, Meredith Stations insisted that broadcasting is a private business no different from others, that competing media would try to clobber TV-radio with the data, that trend to standardization of compensation would minimize advantages that "differentiate the quality broadcaster from its less highly motivated competitor."

**MCA GETS UNIVERSAL, DECCA:** TV significance of consent decree under which giant MCA has govt. green light to retain ownership of Universal Picture Corp. & Decca Records is 2-fold: (1) The last big uncommitted-to-TV backlog of post-1948 movies outside Paramount's vaults may soon find its way to TV market. (2) MCA can't move very far in TV (or any other) expansion without govt. approval, but it now becomes the real giant of TV production firms.

Feature films featured in govt. go-ahead to MCA. There are some 215 post-1948 Universal movies which station buyers have long eyed hungrily, and these will now be sold in distribution deals outside Universal-MCA alliance. In fact, MCA can't bid for post-1956 items among them for at least 5 years. If all goes smoothly, they may begin reaching TV market in small groups during 1963. Universal's pre-1948 films are already on market, distributed by Screen Gems.

MCA is now movie-TV maker of first rank, a fact which makes govt.-prodded spinoff of its talent agency a minor blow. Already Hollywood's top producer of filmed TV fare (there are more Revue-produced shows on TV networks this fall than those of any other producer), MCA now rounds out movie picture by adding Universal's foreign distribution setup and Decca's position as record outlet to ownership of former Universal lot in Hollywood.

TV can take some pride in MCA future, since even Hollywood's leading talent & technical unions are betting that MCA's slick cost control systems and fast production techniques learned in TV filming will bring a lot of movie production back to Hollywood. MCA is even now starting work on new 14-story hq building at Revue lot—first such film office complex built in many years.

Up to last moment, MCA pleaded innocent to govt. charges of "monopoly" or "conspiracy" in controlling talent and program margin in TV and other media, with MCA stating that it had "not committed any violations of anti-trust laws." In Washington, Atty. Gen. Kennedy called settlement "in the best interest of the public and the industry." In Los Angeles, Federal Judge Jesse Curtis has 30 days to sign and effect the decree.

**NEWSPAPER OWNERSHIP OF BRITISH TV RAPPED:** As in U.S. from time to time, the British last week were told that newspaper control of TV is dangerous. In 60,000-word report, a royal commission found that newspapers' financial difficulties are serious, but that press control of TV would be even worse. Commission suggested remedy: Cut papers' inefficiency, particularly in personnel which should be cut about 34%.

Reaction of U.S. observers was to suggest that many American newspapers survive primarily because of TV-radio earnings.

Five-man commission headed by Lord Shawcross, Shell Petroleum director & attorney general in former Labor Govt., found no harm in papers holding minority interest in TV but it urged end of press control of stations. Group called this necessary to preserve freedom and diversity of opinion.

Commission also proposed establishment of judicial court to rule on mergers or transfers of ownership of major newspapers. Court would have authority to decide whether amalgamations or purchases giving any organization control of papers with weekly aggregate sales of over 3 million copies was in public interest. New judiciary body, however, wouldn't be permitted to interfere with existing press combines.

**BROADCASTERS LIKE COLLINS' DEVELOPMENT:** More of what broadcasters want to hear is coming from NAB Pres. LeRoy Collins, nowadays. In speech before Tenn. Assn. of Bcstrs. in Nashville last week, he made these major points:

(1) "It is no secret that the FCC now has under discussion the adoption of radio commercial time limitations. This we will oppose with all our capability. This is not an area in which the govt. should tell us what we can and cannot do." But Collins again pitched for more Code subscribers as bulwark against govt. efforts in this area.

(2) Regarding radio "overpopulation" study by FCC & industry, Collins said he hopes "that adequate cures can be worked out wholly around sounder & better-enforced engineering standards." He said that any honest study must involve "economics"—but that it's "an insult to the broadcasters" and the FCC to assume study will result in recommendation that radio be made a public utility. "Strawman," he called such charges.

(3) "We are determined to preserve the freedom of broadcasters in international broadcasting as in domestic broadcasting." This was reference to furor over the Meyers proposal for new U.S. Office of International Broadcasting (Vol. 2:36 p2). Collins' answer to critics of TV programs sent overseas: "Let us resolve by open covenant with the people of America that we recognize this as a trust of great responsibility." He proposed that broadcasters work now to determine: international TV-radio impact on foreign policy, "the proper interests" of commercial & ETV broadcasters and govt. in programming, frequency allocations, international copyright laws. He proposed broadcaster-govt. consultation.

Among other topics Collins stressed: more editorializing, greater TV-radio access to public proceedings, stepped-up research—for greater profits & performance.

**TV FILM "SIDESHOW" AT NAB MEET:** Climax to 5-year stress between TV film distributors, who claim NAB invites associate membership (at annual rate of \$1,250 for larger firms) and then treats them like step-children at annual convention, and NAB will occur during 1963 Chicago conclave. Eighteen (so far) of largest TV film companies will simply stage their own exhibit a block from NAB meet.

Background: After 1958 convention, NAB decided that film exhibitors had become too honky-tonky, ruled that they could maintain hospitality suites but couldn't exhibit. NAB spokesman said that member attendance at meetings, thereafter, improved substantially. Week before the 18 announced plans for own show, NAB said it could give them space on exhibition floor for 1963 meeting. Now, presumably, few if any will accept NAB's offer.

Walkout group has picked name for private show: "TV Film Exhibit—1963," and has booked 21-suite space at Chicago's Pick-Congress Hotel. This, TFE spokesmen said in N.Y., would provide "compact, centralized exhibit area" and "would not be designed to interfere with the NAB meetings."

Some of the biggest film firms are involved in the TFE project. Co-chmn. of TFE's executive committee are Seven Arts Associated vp Robert Rich and Screen Gems syndication vp Robert Seidelman. Also on committee are Trans-Lux vp Richard Carlton and Jayark Films vp Harvey Victor. Other TV firms in TFE: Allied Artists TV, Desilu Sales, Flamingo, Four Star Distrib. Corp., Hollywood TV Service, King Features, MGM-TV, Official Films, 20th Century-Fox, UA-TV, Video House, Walter Reade-Sterling, and Warner Bros. TV.

MCA is not part of TFE act, although MCA's syndication offshoot is one of industry's largest (off-network reruns, syndication properties, feature films) and MCA is reportedly "interested" in TFE project. Reason for MCA's caution: MCA is walking softly in Washington these days. Network-owned syndication offshoots, which generally stage their exhibits and hospitality functions within network suites at main NAB hotel, are also avoiding active participation in TFE.

There's no rancor involved in TFE, or so said spokesmen Rich and Seidelman last week. Outside exhibit is so far planned only as one-shot event, in hopes NAB will change its mind about film companies. On Sept. 12, Messrs. Rich and Seidelman junketed to Washington and met with NAB's Everett E. Revercomb and LeRoy Collins "to explain our position." It was, the film men said in N.Y., "a friendly meeting."



**CURRENT CAPSULES**

Naked pressure on FCC was exerted by Rep. Celler (D-N.Y.), chmn. of Judiciary Committee, with luncheon speech at National Mobile Radio System convention in Washington last week. With all 7 FCC members present, and obviously aware that Commission had scheduled discussions of Bell System rates with AT&T for the next 2 days, he said: "Why negotiate rates? It's outrageous. That's no way to regulate rates. There should be an investigation. I hope the gentlemen present take heed of what I say. If this be used as warning, let it be so. Maybe FCC doesn't have enough funds & staff to handle the problem. If so, it should ask for them." Celler also mentioned NBC-Westinghouse station exchange and RCA-NBC consent decree, said that his Anti-trust Subcommittee "will keep a close eye on it."

Radio KWK St. Louis is clean, FCC Examiner Forest McClenning ruled in initial decision last week, recommending against license revocation on charges of running fraudulent contests (Vol. 16:45 p2). Examiner found that station mgr. William Jones had deceived KWK Pres. Andrew Spheeris, didn't tell him that prizes in "treasure hunt" promotion weren't hidden until last day of contests. In instances where vacation winners had trouble with airlines, he said, station did all it could to rectify situation. Several other charges were groundless or "too minimal" to worry about, he said. He concluded that Spheeris exercised reasonable supervision, said that FCC's Broadcast Bureau "fails to state what further acts of care and prudence could reasonably be expected under such circumstance and none is apparent." And, finally, he said, licensee itself certainly wasn't guilty of "wilfulness" in the instances where public was misled.

Already-edgy educators, watching hassle in House Deficiencies Appropriations Subcommittee, where HEW is trying to pry \$4.75 of its \$32 million aid-to-ETV funds loose (Vol. 2:38 p3), had scare last week. Printed transcript of hearings released Friday showed HEW Undersecretary Ivan Nestingen arguing that federal funds for ETV are unnecessary because proposed new 2,000-mc system can do job much more cheaply. Statement actually had been made by Rep. Bow (R-O.), who is big foe of \$32 million aid law, but printing error attributed it to Nestingen. Bow is booster of new 2,000-mc plan, which he thinks will be much cheaper than regular ETV. His office quickly confirmed that statement attributed to Nestingen was Bow's.

Tobacco Institute is burned up about Sept. 19 *CBS Reports*, "The Teen-Age Smoker." In telegram to network Pres. Stanton, Institute Pres. George V. Allen protested "one-sided presentation against tobacco." Allen said his own participation was obtained by "misrepresentation . . . that the program would be an objective report on smoking and health." Instead, he complained, show presented "extreme opinions and prejudices" without attempting to dig into facts. He charged program failed to emphasize that causes of lung cancer still are unknown. CBS had no comment, merely pointed out that *CBS Reports* staff is highly competent. *N.Y. Times'* Jack Gould had the most cogent comment: "If in the future charges are made that commercial TV is beholden to its advertisers, last night's edition of *CBS Reports* will be a major exhibit in contradiction."

As "convenience to applicants and its own administrative processes," FCC announced that oath requirement on applications is eliminated, permitted by new law. However, many broadcasters are stewing about fact that Commission at same time imposed a new requirement—principal executive officer of parent company must now sign applications of broadcasting subsidiaries. Licensees affected termed this a real nuisance, hope to persuade Commission to drop it.

FCC Chmn. Minow's speech at Sept. 27 N.Y. Hotel Roosevelt luncheon of International Radio & TV Society (former RTES) is expected to emphasize world TV and communications satellites. All FCC members are invited, per annual custom.

RKO's multiple-station ownership will be an issue in NBC-RKO station-swap hearing, FCC's Review Board ruled, acting on petition by Philco (Vol. 2:34 p5). Philco said RKO has interest in 6 vhf's—one above ceiling—including 12½% of KWTW Oklahoma City and 2/3 of CKLW-TV Windsor, Ont. RKO said it's disposing of KWTW interest.

Another short-term license renewal was issued by FCC last week, which charged radio WACR Columbus, Miss. with unauthorized pre-sunrise operations and inoperative Conelrad receiver. Commission granted renewal to Aug. 1, 1963, to give station sufficient time to demonstrate "intention to operate in complete compliance with Communications Act and the Commission's Rules."

## Personals

James T. Aubrey Jr., CBS-TV pres., appointed to Musical Theatre Academy of N.Y. board of advisors. . . . James Aberle promoted to CBS-TV Extended Market Plan sales mgr., succeeding George Kolpin, resigned to head own radio KDMO Carthage, Mo.

David A. Engles promoted to NBC Radio central sales mgr., Chicago; Paul C. Holter to western sales mgr., San Francisco . . . Marshall Hough, asst. to pres., Advertising Federation of America, elected AFA vp.

Joseph B. Somerset, radio WPAT Paterson, N.J. program operations dir., promoted to programming vp of parent Capital Cities Bestg., N.Y. . . . J. Robert Holland, ex-WIIC Pittsburgh news dir., named to similar post at WCAU-TV Philadelphia, succeeding Charles Shaw, who will give full time to on-air activities.

George Schmidt new Radio-TV Representatives, N.Y. sales mgr., succeeding Tom Carroll, resigned to join H-R Reps there. . . . Bob Johnson, ex-20th Century-Fox TV Canadian chief, appointed UA Assoc. Canadian sales head, Toronto.

Kurt Blumberg, ex-Robert Lawrence Productions sales vp, named WNEW-TV N.Y. business mgr. . . . Earl F. Reilly Jr., ex-radio KING Seattle mgr., named KING-TV sales mgr.

Norman Shavin, ex-Atlanta *Journal Constitution* Sunday editor, named Peace Corps public information office special asst. for TV-radio.

Henry E. Rhea, Triangle Stations engineering dir., also appointed pres. of Triangle-owned ITA Electronics, Lansdowne, Pa., succeeding founder Bernard Wise. Latter said he "still maintains a large ownership in the business" & has been offered "a substantial position with ITA." He's "evaluating" offer, will decide shortly whether to accept.

Tedson J. Meyers, former admin. asst. to FCC Chmn. Minow, who recommended starting a U.S. "Office of International Broadcasting" and began controversy (Vol. 2:36 p2), left last week on 2-month trip including South America on itinerary. In Bogota, Colombia, he'll work on Peace Corps project—help set up ETV system.

Joseph E. Keeton promoted to gen. mgr. of Fla. Antennavision, Panama City CATV system, succeeding John A. Sullivan, resigned. . . . Ruby Renaut named Toronto mgr., new Academy TV Film Productions of Canada.

Robert Prater, ex-Muzak national sales coordinator, appointed Broadcast Time Sales Philadelphia mgr. at new offices, 706 S. Washington Square. Phone: Pennypacker 5-3432.

Raymond C. Laws, ex-Rochester N.Y. *Democrat & Chronicle* reporter, former WROC-TV & radio WHAM Rochester asst. news dir., appointed news dir., new WOKR there . . . Charles Ryan, ex-radio WAJR Morgantown, W. Va. news dir., named WSAZ-TV Charleston news editor.

"American Pageant of the Arts," Nov. 29 closed-circuit telecast to about 100 cities to raise funds for proposed \$30 million national cultural center in Washington, has lined up: Benny Goodman, Harry Belafonte, Pablo Casals, Dorothy Kirsten, Frederic March, Gene Kelly, Danny Kaye & Jerome Robbins. Leonard Bernstein will host program, produced by Robert Saudek, in which President and Mrs. Kennedy will participate.

Vigorous protest against Sept. 17 *Newsweek* ETV column by Raymond Moley (Vol. 2:38 p3) came last week from NET Washington dir. David C. Stewart. Moley's contention that eligibility for funds under recently-enacted \$32 million aid-to-ETV is limited to public schools & colleges is false, Stewart wrote magazine. Moley should know his comments were untrue, Stewart stated, since he reported on the bill (opposing it) on previous occasions. New law clearly states that any non-profit groups organized primarily for ETV broadcasting are eligible, NET official pointed out. Moley's suggestion that present ETV plan be scrapped in favor of the still-experimental 2,000-mc system, Stewart stated, "is like proposing to eliminate all air transportation in the U.S. and replace this service with monorail."

Big boost to communications between President and news media has been supplied by present administration, White House News Secy. Salinger told Radio-TV News Directors Assn. last week. Live TV news conferences are having big impact on public, he said, and White House has attempted to help TV, radio and other media develop own exclusives. Salinger said reason his office has no broadcast specialist is strictly budgetary. He urged broadcasters to send him suggestions and complaints about flow of news at White House.

N.Y.'s 3 TV stations broadcast a dreary stream of wrestling matches, detective shows, violent deaths and commercials, a Soviet tourist reports in Russian magazine *Soviet Culture*. Visitor A. Sakharov, who apparently couldn't find channels 2, 9 & 11 on his set while in N.Y., had glowing praise, however, for *Captain Kangaroo* and *Sing Along With Mitch*. "When listening to Mitch," reported Sakharov, "it seems not as if a chorus is singing, but really workers, farmers and sailors. It's an excellent production."

First Paraguayan TV station may be constructed next year, *International Commerce* reports. President Stroessner has issued decree setting 525-line standards for TV service.

Ben Casey & Dr. Kildare practice good medicine, according to current issue of AMA publication *Today's Health*. AMA is advisor for both series.

New 1,078-ft. tower of WITI-TV Milwaukee—tallest self-supporting unit in U.S.—now in use at city's antenna farm.

Entron has moved to new plant at Montgomery Industrial Park, Silver Spring, Md.

ABC radio network appoints Sindlinger market analyst.

### NEW AM-FM RADIO DIRECTORY

EXTRA COPIES of our updated 1962 AM-FM Radio Station Directory are now available. Full TV-AM-FM service subscribers have received the directory as part of their service. The directory lists all North American AM & FM stations by state & frequency (with company names, addresses, frequencies, powers, DAs, FM antenna heights, network affiliations, stereo operation), plus all AM & FM applications by state & frequency, AM & FM stations by call letters, FCC's officially approved AM & FM transmitters. Copies are \$7.50, \$5 each for 5 or more.



# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**DEFINING THE 'ELECTRONIC INDUSTRIES':** That \$12.1-billion complex of industries known as electronics—ranking 5th among all U.S. industries in dollar-volume of factory sales—is defined & delineated statistically in valuable new compilation from EIA's marketing services dept.

Electronic Industries 1962 Yearbook, compiled under direction of EIA marketing services dir. William F. E. Long, gives at-a-glance statistical data of all branches of electronics & related industries, placing industry's growth from \$1 million in 1914 to an anticipated \$13.1-billion in 1962 in panoramic perspective.

Of particular interest in consumer electronics field are these recapitulations of past years:

Tabulation of consumer electronics factory sales shows rise from \$1.797 billion in 1957 to \$2.101 billion in 1960, with slight decline to \$2.087 last year. However, since color TV is excluded, it's good guess that 1961 sales totaled slightly higher than 1960's. EIA has already estimated 1962 factory sales at about \$2.2 billion (Vol. 2:38 p7).

Breakdown of these figures makes interesting reading. Last year, black-&-white TV sales brought in \$832 million at factory level. Second biggest consumer electronic item last year was the phono, which accounted for \$335 million at factory. This is followed by miscellaneous category, at \$270 million, which includes tape recorders, electronic organs, pleasure boating electronic equipment, home training kits, electronic toys, electronic ovens, etc. Next biggest category is records & magnetic tapes, with value of \$265 million last year, followed by home radios at \$209 million, auto radios at \$134 million and hi-fi components at \$42 million.

Hi-fi component sales, always a sketchy area, are estimated in yearly breakdown. EIA computes them at paltry \$1.9 million (factory sales) in 1950, zooming to \$7.5 million in 2 years and climbing to \$42.2 million last year. Sales of specific hi-fi components are almost equally divided in dollar volume among amplifiers, speakers & tuners (record changers & turntables aren't tallied). Last year, component hi-fi fans spent slightly more for speakers (\$15.1 million) than for amplifiers (\$14 million) or tuners (\$13.1 million).

Attrition on consumer electronics manufacturing scene is shown graphically in tally of number of manufacturers. In 1950, there were 140 makers of TV sets. This figure dropped almost steadily to 35 last year—the all-time low. Radio manufacturers, too, have decreased. From 59 makers of home radios in 1953, number dipped to low of 31 in 1957, rising again to 43 in 1960 and 42 in 1961. There were 12 auto radio makers in 1952 and only half that number in 1961.

Copies of Yearbook are available at \$2 each from EIA, 1721 DeSales St., N.W., Washington 6, D. C.

**ELECTRONICS EXPORTS UP, IMPORTS UP MORE:** Even as Senate was passing President Kennedy's foreign-trade bill, with implications of vast changes in electronics industry trade patterns, Commerce Dept. was distributing figures showing large increase in U.S.-foreign trade in electronic products.

Official figures for first half of 1962 showed electronics industry's balance of trade still overwhelmingly "favorable"—more exports than imports. While they indicated U.S. electronics exports had increased 32% over first-half 1962, they also showed 58% increase in imports of electronic equipment. Thus imports currently are rising far more rapidly than exports—and many in industry feel trade bill will accelerate this process.

During first half of this year, U.S. electronics industry exported \$372.3 million worth of equipment, up from \$282.6 million in same 1961 period. Imports totaled \$114.6 million, compared with \$72.2 million year be-

fore. While major gains in U.S. exports were concentrated in "special-category items," such as large one-of-a-kind complex equipment, more than half of U.S. electronic imports were in category of "radio apparatus & parts."

Areas where gains in U.S. exports were scored included many categories where Japanese are also increasing their exports—for example, semiconductors, TV receivers, recorders, test equipment, computers. Declines in U.S. exports were registered in tubes & broadcast equipment.

U.S. exported 73,000 TV sets during first half 1962, with value of \$9,377,000, compared with 60,000 at \$7,095,000 during same 1961 period. In addition, some 80,000 TV chassis were exported at \$4,959,000, vs. 73,000 at \$4,947,000 year earlier. Venezuela was biggest U.S. customer for TVs, buying \$2,453,000 worth of sets & \$571,000 worth of chassis.

Other U.S. consumer electronics exports for first-half 1962 (similar 1961 period in parentheses): Home radios, 62,000 at \$1.8 million (down from 77,000 at \$1.62 million); home radio chassis, 22,000 at \$374,000 (vs. 22,000 at \$452,000); picture tubes, 418,000 at \$8.15 million (vs. 473,000 at \$9.74 million). Decline in radio exports reflects increasing competition, particularly from Japan.

Import figures show "radio apparatus & parts" at nearly \$59 million, up from \$43.5 million in 1961 period, with transistor radio imports totaling 4,756,000 units at \$29.87 million (compared with 3,725,000 units at \$25.33 million). Particularly strong increase was shown by "other articles" category, which includes microphones, hi-fi equipment, amplifiers, etc.—to \$12.48 million from mere \$2.27 million a year earlier.

Interesting comparison of electronics balance of trade with selected countries is evident in EIA's new Electronics Industries Yearbook, showing comparison of 1961 imports & exports: Electronic equipment from U.S. to Japan, \$28,977,000; from Japan to U.S., \$98,202,000. To Canada, \$80,186,000; from Canada, \$22,857,000. To U.K., \$23,592,000; from U.K., \$21,306,000. To West Germany, \$37,488,000; from West Germany, \$21,919,000. (Although not directly comparable, these figures give good idea of magnitude of difference in U.S. import & export trade with foreign countries.)

**MORE TALK ABOUT SUPPLIER PRICE RISES:** Couple of tube makers last week individually confirmed our Sept. 10 report that price increases may be in wind (Vol. 2:37 p6). But parts makers, by & large, indicated that business right now is too hotly competitive to permit more than extremely modest raises, despite pinch in costs.

Sylvania is "considering an increase" in picture-tube prices, we were told by marketing vp Robert Lynch—"but at this time we have no definite plans."

National Video is feeling profit squeeze as result of depressed picture-tube prices, Pres. Asher J. Cole told stockholders meeting last week (for financial report, see p. 11). Higher prices, he said, "are quite possible in the near future." His confidence, he said, is based on increasing demand, which would make increase "more palatable to set producers."

There's no unanimity among parts makers—except that they are feeling cost squeeze themselves.

"Component prices should go up—there's no question about that," we were told by one major manufacturer of resistors and other parts. "However, whether they do go up is another question. Competitive pressures so far have kept prices down despite rising labor costs. Foreign competition certainly isn't helping the price & profit picture, and the new trade bill isn't conducive to raising prices. Prices should go up, but we don't see any sign that they will."

From another parts maker—Radio Condenser senior vp Russell E. Cramer Jr.—came this comment: "There's a real tight price squeeze right now." He anticipates price rise—but only slight one and probably not for another 6 months or so. He also noted that foreign competition is increasing, thereby holding lid on prices. "In this industry right now," he added, "companies are cutting their internal organizations to the core to keep rolling. That's the way the semiconductor business came back—by dropping unprofitable product lines, consolidating departments and trimming non-essential products, personnel & services. That's what's going on in this industry today."



Erie Resistor mktg. vp Allen K. Shenk noted that "prices are still quite soft, especially in capacitor field, and I see no evidence of an upward trend." He added that "there are many areas in which certain components are selling at unrealistic prices," noting increasing trend among parts makers to bid to the bone for 6-month OEM contracts.

J. A. Milling, president of Sams Div. of Howard W. Sams & Co.—a man who generally has his finger on pulse of parts business—put it this way: "It's a pure question of economics. If the line can be held on costs of wages & materials, chances are the parts manufacturers will sweat it through. The situation differs by product & category, of course—but manufacturers are going to remain competitive till it hurts."

This situation isn't peculiar to electronic parts industry. Reporting on survey of 100 manufacturers, *Wall St. Journal* said Sept. 21: "In product lines from crackers to steel, manufacturers are itching to raise prices to relieve a profit squeeze. But competition is so fierce that the great majority don't dare try."

**JULY—TURNING POINT FOR PHONO SALES:** July was crossover month for phono sales—the month that brought total sales for 1962 ahead of 1961.

As in TV & radio, July was whopping month for distributor sales of phonos. In fact, it was year's 2nd best month in total sales—trailing only month of March, and by mere 7,000 units at that.

Dealers bought new-model phonos to extent of 292,300 sets in July—increase of 18% over July 1961—new EIA figures show. This brought sales for first 7 months of year to 1,721,987 units—about 9,000 better than Jan.-July 1961. Monophonic units account for difference, since stereo sales for 1962 haven't quite caught up to 1961.

July was 3rd month out of 7 that phono distributor sales surpassed same month in 1961—others being March & June. With phono sales now ahead of 1961's figures, all 3 major branches of consumer electronics now bid to have better year—unit-wise, at least—than last year.

Here are EIA's official figures for phono sales & production, with 1961 comparisons:

PHONO DISTRIBUTOR SALES							PHONO FACTORY SALES						
Month	1962			1961			Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total		Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	74,881	211,268	286,149	January	68,545	191,014	259,559	80,336	211,383	291,749
February	50,563	188,857	239,420	54,097	210,365	264,462	February	52,566	202,846	255,412	50,710	204,638	255,348
March	60,206	236,051	299,257	59,290	231,021	290,311	March	60,991	237,492	298,483	62,396	227,469	289,865
April	54,615	146,577	201,192	48,532	173,585	222,117	April	45,152	137,950	183,102	53,074	152,974	206,048
May	65,192	130,372	195,564	55,057	164,400	219,457	May	67,610	119,682	187,292	53,887	142,450	196,337
June	91,526	183,000	274,526	47,970	170,178	218,148	June	104,548	278,989	383,537	61,533	197,170	258,703
July	90,175	202,125	292,300	58,514	153,550	212,064	July	89,699	220,694	310,393	70,681	171,331	242,012
TOTAL	463,700	1,258,287	1,721,987	398,341	1,314,367	1,712,708	TOTAL	489,111	1,388,667	1,877,778	432,647	1,307,415	1,740,062

**'TOUGH GLASS'—TV DESIGN CHALLENGE?** Just when it appears "they've gone about as far as they can go," something new crops up to open new vistas in possible improvements of existing consumer electronic products.

Take Corning's new "Chemcor" process, for example. As announced & demonstrated to newsmen last week, it's new method of tempering glass which makes it up to 5 times stronger than previous glasses. There are dozen different types of Chemcor glasses, some of them extremely flexible while retaining glass' natural properties—transparency and inertness (resistance to corrosion).

Development means ultimate availability of extremely strong glass—or glass which is far thinner & lighter than present glasses of comparable strength.

What does this mean to TV? Immediately, not much, according to Corning research & development vp William H. Armistead. Corning's present bonded-tube bulb is strong enough, he told us. Besides, at present state of art, Chemcor glasses can't be used for picture-tube bulbs, because reheating process at tube plant would cause them to lose much of their added strength. Dr. Armistead conceded Chemcor could be used in bonded-tube "caps" (implosion plates), but said there are no plans now because it seems unnecessary.

It doesn't take much imagination, however, to foresee day when extra-strong glass can be reheated and reworked. Such a development could mean picture tubes possibly one-third of their present weight for

lightweight sets—or, alternately, tubes of present weight which are not only implosion-proof but virtually unbreakable & crackproof, without any cap or external implosion glass. (Kimble's Kimcode process is classified implosion-proof, but it can crack or break.)

This type of development is in indefinite future. Nevertheless, there may be other consumer electronic uses of tough glass which are closer to realization. In announcing new glasses, Corning said it wanted to challenge imagination of designers to develop new uses of glass. What TV-radio-phono designers will do with Chemcor, if anything, can be anybody's guess. But since anybody can guess, we have visions of strong & smooth glass cabinets for some unusual radios or phonos. If there's no economic or aesthetic justification for this, how about a TV set whose entire "front end"—mask, escutcheon & all—is made of strong, lightweight curved glass, either bonded or gasketed to picture tube?

There are constant new challenges in new materials & new processes. Chemcor is only one of these developments which may help shape consumer electronic products into something new, something better, to enhance their appeal to American public.

### **TV-RADIO PRODUCTION: EIA statistics for week ended Sept. 14 (37th week of 1962):**

	Sept. 8-14	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	154,126	121,666	143,430	4,551,402	4,102,560
Total radio	420,917	342,316	400,235	12,937,025	11,131,810
auto radio	153,489	119,938	89,551	4,685,110	3,517,421

### **Trade Personals**

Lester L. Kelsey resigns as Travler Industries merchandising vp.

William Lawrence, ex-General Dynamics, appointed Lab for Electronics exec. vp, a new post; R. Everett Curtis named vp-gen. mgr. of Tracerlab Div.

N. M. Marshall named industrial mktg. gen. mgr. of General Precision's GPL Div., a new post.

E. R. Perry elected pres. of National Electrical Mfrs. Assn. to fill out unexpired term (to Nov. 14) of Homer Travis who died in July.

Philip L. Gundy, ex-Ampex vp & asst. to pres., appointed Technical Systems Inc. exec. vp & dir., Los Angeles.

William H. Cooley "is no longer" pres. of TV Shares Management Corp., Chmn. Chester D. Tripp disclosed last week, adding that successor is expected to be selected "within the next 10 days or so."

Allan F. Schmahl appointed govt. mktg. mgr., Sylvania Tube Div., with hq in Seneca Falls, N.Y.

Lee Bunting appointed Bell Television chmn. . . . Thomas G. Lanphier Jr., ex-Fairbanks, Morse pres., elected Raytheon vp for corporate planning, a new post.

Werner P. Gullander resigns as General Dynamics exec. vp to become first full-time pres. of National Assn. of Mfrs., effective Nov. 1. Previously, he had been with GE for 22 years.

L. Berkeley Davis, GE vp & Electronic Components Div. gen. mgr., & former EIA pres., appointed 1962-63 chmn. of EIA's organization planning committee; Frank Whitten, Philco Electronic Products Service Div. mgr., named chmn. of EIA service committee for 2nd term; William F. Rueger, Sylvania vp, secy. & general counsel, renamed chmn. of EIA law committee.

Dr. Herbert F. Mitchell Jr., ex-Collins Radio, joins Teleregister as advanced systems development vp.

Matthew J. Fleming Jr. elected a Clevite vp, will devote efforts to operation of subsidiary Clevite Transistor. He was incorrectly reported a vp of the subsidiary in Vol. 2:38 p11.

Terry Halpern promoted to mgr. of International Resistance's Control Components Div.

Albert I. Rothenstein, Arco Electronics chmn.-pres., elected a dir. of parent Loral Electronics.

Martin L. Scher, formerly with Admiral-N.Y. & Motorola-N.Y., appointed to new post of vp of BSR (USA) Ltd., distributor of BSR record changers & tape decks; G. Leonard Werner named sales vp, also a new post.

Magnavox is adding dealers in markets where existing outlets fail to meet quotas, Pres. Frank Freimann said in letter to franchised dealers. Company is establishing quota for each market, and "where we fail to attain these quotas, we will add as many dealers as we need to achieve adequate distribution." With some 2,000 franchised dealers, Freimann noted Magnavox now accounts for about 4% of national TV market.

Curtis Mathes has formed Curtis Mathes Co. of Arkansas, a wholly-owned subsidiary, to manufacture TVs, radios, wood cabinets & electronic components in facilities leased from McCoy Couch Furniture Mfg., Benton, Ark. Horace Kelton, Curtis Mathes exec. vp, secy. & treas., also has been named pres. of new subsidiary. Benton facilities will approximately double Curtis Mathes production capacity.

Admiral has renewed for 3 more years its 2,500-sq.-ft. electric sign in Times Square, N.Y. Sign, turned on in April, 1952, proclaims "Admiral" in 16-ft. high letters, "Television" & "Appliances" in 8-ft. letters.



**Ampex's Road Back:** Rise & fall—and rise again—of Ampex Corp. are detailed by Sept. 17 *Wall St. Journal* to illustrate “in somewhat extreme form” the problems “that can build up almost without notice during periods of great corporate growth.”

“Few companies in any business have achieved more rapid growth than Ampex,” which was formed in May 1946, case history noted. From 1950 to 1960, sales mushroomed from less than \$1 million to more than \$73 million. Profits boomed from \$115,000 to nearly \$4 million. Suddenly, in fiscal year 1961, ended April 30, Ampex produced “stunning reversal” with loss of \$3.9 million on sales decline to \$70 million.

*Journal* noted that various factors suddenly came to head in mid-1960, aggravated by unanticipated slowdown in orders for magnetic tape recorders. Among factors: tremendous overhead & duplicated services resulting from decentralizing of corporate structure in 1959; management inexperience at high levels; failure to cut production when sales slowed; “tinkering with its products in an effort to make them more attractive to potential buyers,” but “hasty design changes” resulted in obsoleting “some unsold products and unused parts.” In 1960-61 fiscal year, Ampex was forced to write off \$4.3 million in obsolete & excess inventory.

With revitalization of Ampex management, election of William E. Roberts as president in 1961, centralization of corporate structure, pickup in tape recorder business, and severe cutting of costs, Ampex hit road back. In its 1962 fiscal year ended last April 30, Ampex earned \$3.2 million on \$84.1 million sales. Sales & earnings “are at record levels so far this fiscal year,” *Journal* said.

“Where does Ampex go from here?” Company now makes 5 types of products, case history noted, but “intends to introduce 25 or more new products by next April.” Ampex also is “particularly interested in pushing foreign sales, plans to expand its manufacturing facility at Reading, England, and is considering building a plant in Germany.”

Concluded *Journal* analysis: Ampex's experience “points up why all-around management ability is assuming increasing importance in the electronics industry, an industry in which technological innovation once almost guaranteed success.”

**Distributor Notes:** Dominion Electrohome Industries appoints Romaine L. Marco district sales mgr. for San Francisco & northern Cal., George Auf Der Heide district sales mgr. for St. Louis area; John G. Shannon appointed special sales asst. for N.J., Del., Md., Cal. & eastern Pa.; Charles W. Gavin appointed for metropolitan N.Y. • Sylvania appoints Strawn Distributing Co. (Robert C. Strawn, pres.), Preston St., Knoxville, Tenn., TV-radio-phono distributor in 16 Tennessee counties.

Phono record sales outstripped book sales at retail counters, in 1961 for 2nd consecutive year, RIAA reports. Sales of books (except texts & encyclopedias) totaled \$509,640,000. Record sales came to \$513,100,000.

Add FM stereo starters: WTIC-FM Hartford will begin stereocasting Oct. 14.

RCA has introduced new 19-in. TV with swivel base, with open list.

**National Video Sags:** “Disappointing” was Pres. Asher J. Cole's word for National Video's fiscal-1963 opening quarter, ended Aug. 31. He told stockholders that depressed price for TV picture tubes (see p. 8) caused profits to drop to \$86,690 from \$325,078 in June-August 1961, sales to dip to \$3.9 million from \$4.6 million (see financial table).

Color TV is expected to contribute to a profit upswing in near future, he said, adding: “We will have spent a total of \$1.5 million or \$2 million on this product and we hope that it will become a profitable item after about a year of production.”

National Video will initiate limited production of 21-in. 90-degree color tube by March 1963, will be in full production by July or August (Vol. 2:35 p7). Pilot runs will commence around first of year. New 45,000-sq. ft. plant now under construction will enable National Video to turn out 10,000 color tubes monthly, he said.

**Mergers & Acquisitions:** Avnet Electronics has reached preliminary agreement to acquire for 300,000 shares, valued at more than \$7 million, Hamilton Electro, Los Angeles distributor of electronic components & devices. Agreement, subject to approval of Hamilton stockholders, calls for Avnet to exchange one share for each 2 of Hamilton's 600,000 outstanding shares. Oxford Electric, Chicago-based components manufacturer, has acquired Globe Tool & Die Co. and affiliate Globe Instrument, both in Southbridge, Mass.

Japan's electronics industry will spend \$100 million in 1963 to expand & modernize facilities. Toshiba Pres. Fumo Iwashita said Japan also will spend \$200 million to expand its electric industry. “We anticipate that we will seek a major portion of these funds in the international money market,” he noted. Toshiba alone will invest \$61.4 million in equipment in its current fiscal year, anticipates rise in sales to \$700 million.

Giannini Controls expects this year's profits to run “comfortably ahead” of 1961's \$858,000, Pres. Donald H. Putman reported. Conrac Div., which makes closed-circuit TV systems, has racked up best sales increase to date this year, he said. Giannini anticipates “a very strong 4th quarter,” has increased backlog to nearly \$11 million from \$8.7 million Jan. 1.

Sign of the times: *TV Guide's* familiar logo, the magazine's name within a TV picture screen, has been updated to reflect changing shape of TV. It's now a “square-cornered” picture, corresponding to contours of the newer 16-, 19- & 23-in. tubes.

Emerson has introduced a room air conditioner with a small refrigeration compartment that can be operated independently. Pres. Benjamin Abrams said refrigerator feature will increase year-round sales & use of air conditioners. Recommended retail price: \$279.

New EIA members: Dreyfus Fund Inc., N.Y.; Emenee Corp., N.Y.; KLH Research & Development Corp., Cambridge, Mass.; Pickard & Burns Inc., Waltham, Mass.; Telautograph Corp., Los Angeles.

New plants & expansions: Sonotone has purchased from govt. 46,000-sq.-ft. plant which it had been leasing at Cold Spring, N.Y. for production of nickel-cadmium batteries. Sonotone plans to double plant's size for expanded battery production.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Electronic Assistance	1962—6 mo. to July 31	\$ 1,105,295	\$ 39,248	\$ (226,052)	—	1,307,668
	1961—6 mo. to July 31	1,451,945	115,370	56,991	\$0.04 <sup>1</sup>	1,307,668
GE Ltd.	1962—year to Mar. 31	378,487,200	—	8,912,400	.35	—
	1961—year to Mar. 31	322,066,000	—	5,530,000	.25	—
Gulton Industries	1962—6 mo. to Aug. 31	14,471,000	—	704,000	.62	1,131,370
	1961—6 mo. to Aug. 31	10,702,000	—	393,000	.35	1,129,810
	1962—qtr. to Aug. 31	7,516,000	—	340,000	.30	1,131,370
	1961—qtr. to Aug. 31	5,802,000	—	318,000	.28	1,129,810
Lynch Corp. (Symphonic)	1962—6 mo. to June 30	10,969,429	(66,105)	(125,933)	—	963,926
	1961—6 mo. to June 30	8,885,304	222,600	1,402	—	715,555
	1962—qtr. to June 30	7,344,249	—	108,453	.12	963,926
	1961—qtr. to June 30	4,970,294	—	47,656	.06 <sup>2</sup>	715,555
National Semiconductor	1962—6 mo. to June 30	1,715,819	—	72,802	.12	—
	1961—6 mo. to June 30 <sup>3</sup>	—	—	—	—	—
National Video Story on p. 11	1962—qtr. to Aug. 31	3,919,658	—	86,690	.07	1,233,334
	1961—qtr. to Aug. 31	4,559,259	—	325,078	.26	1,233,334
Pentron Electronics	1962—year to June 30	10,752,544	572,218	356,911 <sup>4</sup>	.15	2,441,037
	1961—year to June 30	6,788,087	(426,529)	(491,929)	—	2,055,000
Perkin-Elmer	1962—year to July 31	39,600,000 <sup>5</sup>	—	1,929,111 <sup>6</sup>	1.50	1,287,134
	1961—year to July 31	31,800,000	—	1,573,413	1.24	1,271,434
Seeburg	1962—9 mo. to July 31	37,700,000	—	1,197,000 <sup>7</sup>	.61	1,964,802
	1961—9 mo. to July 31	25,100,000	—	917,000 <sup>7</sup>	.46	1,964,802
Sony Corp.	1962—6 mo. to Apr. 30	27,616,000	—	1,180,000	.28	3,630,060 <sup>8</sup>
	1961—6 mo. to Apr. 30	23,725,000	—	1,139,000	.31	3,630,060 <sup>8</sup>
Universal Pictures	1962—39 wks. to July 28	—	—	4,547,939	5.07 <sup>1</sup>	880,770
	1961—39 wks. to July 28	—	—	2,284,782	2.45 <sup>1</sup>	888,390

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> Adjusted to reflect 5% stock dividend June 1962. <sup>3</sup> Comparison unavailable. <sup>4</sup> Includes \$140,000 credit resulting from changing pricing of one division's inventory. <sup>5</sup> Record.

<sup>6</sup> Includes tax credit of \$150,000 (8¢ a share). <sup>7</sup> Includes tax credit of \$399,000 (20¢). <sup>8</sup> American Depositary Shares.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
CTS Corp	Q	\$0.12½	Oct. 20	Sep. 28
Int'l Electronic Research	Stk.	3%	Nov. 1	Oct. 10
MPO Videotronics-A	Q	.10	Oct. 15	Sep. 28
Motorola	Q	.25	Oct. 12	Sep. 28
TV Shares Management	SA	.20	Nov. 16	Oct. 31

Zenith sales in August climbed 15% higher than those of Aug. 1961 & 3% higher than previous high set in Oct. 61. Sales for 1962's first 8 months also set record. Chmn. Hugh Robertson & Pres. Joseph S. Wright said "it has recently been necessary to increase 4th quarter production schedules on all Zenith products." Sales of b&w TV, radios & stereo hi-fi are ahead of a year ago, they said, and color TV sales "continue to run ahead of initial expectations."

Rollins Bcstg. expects 25% jump in sales & earnings in its first fiscal half ending October 31. In previous fiscal first-half, May-October 1961, Rollins earned 27¢ a share on revenues of \$2,999,289. Pres. O. Wayne Rollins told stockholders 2nd-quarter net income will rise slightly from year-ago's \$144,731 (15¢ a share).

Electronics International Capital Ltd., Bermuda-based investment firm, has invested \$1 million in S.A. Novak of Brussels, a leading Belgian TV-radio manufacturer. EICL said Novak soon will be merged with Antwerp electronics manufacturer AREL, in which EICL has invested \$2.1 million. When merger is completed, EICL will own 62% of combined firm. An international banking institution, EICL concentrates in electronics, has some \$10 million invested in this field.

P. R. Mallory expects 3rd quarter earnings to "exceed somewhat" the \$961,035 earned in 1961's September quarter. Administrative vp Charles A. Barnes forecast a sales rise to more than \$24 million from \$20.7 million in July-Sept. 1961. He said "across-the board" gains in all product lines contributed to anticipated 9-month sales increase to some \$73 million from \$62.1 million in Jan.-Sept. 1961.

Servel is seeking control of Sonotone via offer to buy 700,000 of latter's 1,220,000 outstanding common shares. Servel offer expires Oct. 11, is for \$10 a share free of transfer tax & stock exchange commissions. Sonotone closed Sept. 19 at 6½.

### Our N.Y. Office to Move

On Oct. 1, our N.Y. office will move to larger quarters at 580 Fifth Ave., N.Y. 36.