

MAR 4 1963

# WEEKLY Television Digest

MARCH 4, 1963

NEW SERIES VOL. 3, No. 9

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**IEEE AT FRONTIERS** of electronics at upcoming convention, keyed to microcircuits, space, microwave (p. 10).

**RCA & ZENITH AT PEAK:** Both set 1962 record sales & earnings. RCA profit rose 45% to \$51.5 million on 13% sales climb to \$1.752 billion. Zenith earnings jumped to \$19.6 million from 1961's \$18 million on 14% sales gain to \$312.2 million (p. 11).

**PHILCO REGAINS VIGOR:** Consumer Products Div. is approaching breakeven point & 2 of 4 key divisions which were losing money when Ford took over are now in black (p. 11).

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**BIG BROADCAST WEEK IN WASHINGTON:** Like Harvard professors, out-of-town executive talent will parade to Washington—mostly from N.Y., mostly broadcast-connected. Reason: ratings, right to cover House committee hearings, and removal of equal-time restrictions for 1964 elections.

(1) Biggest & most newsworthy clambake will be House Special Investigations Subcommittee hearings into rating services, under Chmn. Harris (D-Ark.).

It will last 2½-3 weeks, with witnesses from all segments of industry. NAB's Gov. Collins will be first Tues., followed by FTC Chmn. Dixon, ABC-TV's Thomas Moore, NBC-TV's Walter Scott, CBS-TV's James Aubrey, CBS Radio's Arthur Hayes, NBC Radio's William McDaniel, ABC Radio's Robert Pauley, Mutual's Robert Hurleigh. Heads of rating services are not expected until March 11. TV producers, TV-radio station executives & owners also will be called in all-embracing probe. No definite decision made on ad agency or client witnesses, although committee has been in touch with them.

(2) House Rules Committee Tues. morning hears Rep. Harris on his resolution, introduced last week, to open House committee meetings to TV-radio coverage. Harris move was cheered by industry leaders. Special NAB effort last fall was directed at House leadership, including Rep. Smith (D-Va.), Rules Committee chmn.

Broadcast coverage under Harris' resolution would leave it up to each committee (& subcommittee) to decide by majority vote for or against such coverage; no witness could be forced to submit to TV-radio against his will, and no committee telecast or broadcast could be used for commercial purposes, but may be included in bona fide newscast or documentary.

(3) Suspension of equal-time provision of Communications Act (Sec. 315) for 1964 elections will be subject of hearings beginning today (March 4) by House Communications & Power Subcommittee. Top level network heads appear first: CBS-TV's Dr. Stanton, NBC-TV's Sarnoff, while ABC-TV will submit formal statement of policy, probably under Goldenson's name. FCC views will be aired by Chmn. Minow & Comr. Ford, maybe others. Gov. Collins is slated for Wed.

House never has held hearings on issue. It passed resolution suspending equal time provisions for last elections, without gathering testimony.

Interesting figure in all these is Harris. Unless time schedule is changed, he is slated to conduct ratings hearings beginning Tuesday at 10 a.m., appear before House Rules Committee at 10:30 a.m. & participate in 315 hearings that start Mon.

**NEW FACTBOOK—INDUSTRY'S BASIC REFERENCE:** Television Factbook No. 33 goes into mails next week, the 1062-page lineal descendant of our first edition—Sept. 1945 four-page directory of TV stations, CPs & applications.

Through cooperation of American Research Bureau, Factbook again updates major innovation of No. 32. This is a full page devoted to each TV station, presenting its net weekly circulation, a map depicting its county-by-county percentage of viewing penetration, and a tabular compilation of its county-by-county TV households & TV homes—together with Grade A & B coverage contours as derived from official files of FCC. (FCC, incidentally, finds the volume handier than its own files, in many categories, orders 150-200 copies.) This new working tool has achieved broad acceptance & use by agencies, advertisers & media researchers of all persuasions.

Foregoing is in addition to our customary complete data on each station—management executives, ownership, technical facilities, rate-card digests, etc. Along with this extensive data on stations, our regular departments have been updated & expanded—dozens of directories and statistical tables including: most complete foreign TV station directory published anywhere in the world, detailed data on the mushrooming U.S. & Canadian CATV systems, TV-radio-phono manufacturing executives & production figures, advertising & TV billing compilations, network executives, program sources, reps, all TV station sales since 1949, group station ownership, pay-TV organizations, communications attorneys & engineers, station brokers & management services, FCC roster, etc. etc.

Factbook is part of regular service to all full TV-AM-FM and full TV subscribers (those who receive weekly blue Addenda). Extra copies are available from hq, 2025 Eye St., N.W., Washington 6—at \$15 each, \$12.50 each for 5 or more.

**STATE PRESIDENTS HEAR MORE MILITANT NAB:** Gradually stiffening attitude of broadcasters against strictures of various kinds, notably from govt., was dominant tone of NAB's 8th annual State Assn. Presidents Conference in Washington last week. Group's tendency in past has been to dwell heatedly on such subjects as best method of getting call letters on license plates and similar pressing matters.

Public-relations & political success of industry's attacks on FCC's Omaha hearings, led by a militant NAB Pres. Collins, undoubtedly had much to do with theme of last week's sessions. Note these highlights:

(1) Appointment of a broadcaster to next FCC vacancy was demanded in petition signed by delegates: "The need to maintain a sense of balance, and for broad expertise in the regulation of this vitally im-

portant medium of communication, makes it advisable & desirable that serious consideration be given to the appointment of a qualified broadcaster . . ." It probably won't happen—but point is they asked for it.

(2) Sen. Hartke (D-Ind.), member of Commerce Communications Subcommittee, toasted group's cockles with ringing assurance he'd push for complete removal of Sec. 315 equal-time limitations on all campaigns, not only Presidential & Vice Presidential. Delegates applauded him happily—then sat glumly on their hands while he urged, at great length, that they increase public-service programs.

(3) NAB vp Howard Bell, conceding American Bar Assn. is still deaf to appeals for lifting of courtroom TV-radio ban, told state presidents to go to grassroots, work on their community leaders.

(4) Pres. Collins promised "an active & aggressive war" against govt. encroachment—but again cautioned that "the greatest insurance" against such interference is self-improvement. This was echoed in speech by NAB Radio Code Authority Mgr. Charles Stone.

(5) NAB Gen. Counsel Douglas Anello predicted it would be "a long time," if ever, before more Omaha-type hearings were conducted by FCC. Major result of hearing, he said, was to prove that Omaha's TV stations are "outstanding." And NAB Govt. Affairs vp Paul Comstock assured delegates that most congressmen he had contacted considered the hearings "imprudent if not downright improper."

Thus, you've seen a preview of NAB's annual convention in Chicago at end of this month.

**NGC'S THEATER NETWORK & GE'S PROJECTOR:** Last week's joint announcement by GE & National General Corp. of plans for full-time theater-TV network using new color version of light-valve TV projector may or may not mark milestone in history of pay TV & theatrical entertainment. For every enthusiast there was a skeptic.

Here's nutshell version of announcement made to press & selected security analysts at Waldorf-Astoria: GE has perfected color projector for theater-size screens with movie brightness. NGC (formerly National Theatres & TV) will be sole U.S. distributor for projector in commercial theatrical entertainment field. NGC, which owns 220 theaters in 16 Western states, will establish National Teletheatre Network (NTN) to program entertainment, educational & business TV to theatres with permanent theater-TV installations.

NGC Pres.-Chairman Eugene V. Klein said NTN hopes to program theatrical stage performance daily, with sports, educational, industrial & commercial programming during alternate time periods. He said NTN would lease full-time AT&T network lines for purpose, hopes to start network in about 12 months with 100 theaters equipped with GE projectors. Other theaters, in addition to NGC chain, would be invited to join network. Negotiations, said Klein, are under way with Broadway producers, talent & unions.

Color version of GE light-valve projector (not demonstrated at press conference) has been named "Talaria" (Latin for "winged feet of Mercury"). It's based on principles of Swiss Eidophor (Greek for "image bearer") projection system. GE is licensee of early Eidophor patents. Basic Eidophor principle involves layer of viscous control fluid which is scanned by electron beam, controlling light passing through it from external source.

GE's breakthrough appears to be in its method of getting NTSC-type color signal from system without using 3 virtually independent projectors. GE officials declined to comment on how this was done, except to say that 2 light-beams were used—one green, other magenta.

Non-GE engineers who have seen projector tell us that magenta beam is broken into red & blue beams by bars within projector system, thereby getting color TV's 3 primary colors. R. L. Casselberry, gen. mgr. of GE's technical products operation, said use of 5-kw xenon lamp makes possible light output of more than 3,750 lumens, adequate for theater screens up to 25x33-ft., and that system is designed to work with standard NTSC color systems. It also can operate on wider-band (7-mc) color system with color subcarrier moved up to 6.44 mc for greater resolution & definition. It's understood system also uses special technique to eliminate scanning lines in picture.

Those who have seen early demonstrations of Talaria are divided in opinions. One engineer felt color, registration, resolution & definition were excellent, and said that contrast ratio was about 100-to-1 (vs. 20-to-1 on conventional color projectors), with brightness better than theatrical motion pictures. Another veter-



an industry man was dubious, stating that GE hasn't yet made commercial model, that there's been no field-testing, etc. (GE promises demonstration to press in 90-120 days.)

Swiss-made Eidophor projector, of which Talaria is a relative, is distributed exclusively in U.S. by Theatre Network TV Inc. (known as TNT, presumably not to be confused with NTN), which has developed color versions primarily for military uses.

Like GE's projector, NGC's ambitious theater network plans aroused mixed reactions from people close to field. Said one: "If anyone has the guts to try it on this large a scale, it almost has to work." Another commented that previous tests of entertainment productions on theater TV had not been resounding successes—"so I'll believe this one when I see it."

NGC's Klein summed up his theater-TV plan this way: "What it is, in effect, is the long-awaited coming of pay TV—here to stay and where it belongs, in the superior exhibiting facilities of the nation's motion picture theaters." Home pay-TV interests eyed development cautiously, unofficially expressing welcome to any potential new source of programming which they might tap. And fact that NGC owns 5 CATV systems caused some speculation that homes eventually may be tied into any nationwide theater-TV network on pay-TV basis.

If project gets off the ground, its significance could transcend theater TV. It could mark start of first real network of programming available to all kinds of pay-TV projects—wired, CATV-linked and off-air, in addition to theater. On basis of sketchy information presented to date, however, there are still a lot of Missourians in the industry.

**NETWORK BILLINGS GREW IN '62:** Gross network time billings for 12 months of 1962 were finally issued by TvB last week. Figures showed time-sales gross of 3 networks rose 12.2% last year over 1961 level. Total billing was \$798.8 million vs. \$712.1 million for '61.

Sharpest rise was at CBS, confirming sales & rating success that network is having currently. Jump at CBS was 16% over previous year, reaching new 12-month figure of \$311.7 million. NBC moved up 11.5% to new level of \$281.8 million. ABC increase was 7.7% during 1962 to reach year-end total of \$190.6 million.

Figures were echo of gains made by TV networks in early 1950's, when billing figures grew by giant strides. In fact, 1961-62 growth was "largest percentage increase since 1956," according to TvB. During that year, network billings jumped 20% over previous year.

**ABC TO DROP-IN RESCUE:** Vhf drop-ins for 8 markets, due for FCC consideration this week, were defended by ABC against attacks by AMST, ACT, et al.

ABC asserted, in pleadings filed with Commission, that there's a "misconception" that ABC-TV would move its programs from vhfs to new uhfs in those markets. "It would be unfair," ABC said, "to expect ABC and its advertisers to . . . suffer the losses of switching their programs to uhf stations in these markets."

If vhfs are dropped in, ABC argued, advertisers would be able to achieve greater sales and could thus afford to buy time on smaller uhf stations.

ABC also suggested it may be good idea to require operators of vhf drop-ins to simulcast on uhf.

N.Y. Board of Regents, meanwhile, came to FCC with extensive ETV plan calling for reservation of following channels: Amsterdam-Gloversville 52, Batavia 79, Boonville-Lowville 56, Dunkirk 46, Glens Falls 39, Hempstead 53, Hornell 50, Jamestown 58, Massena 14, Ogdensburg 24, Olean 54, Oneonta 42, Patchogue-Riverhead 75, Plattsburg

28, Poughkeepsie 21, Saranac Lake-Lake Placid 18, Watertown 20.

Regents once had uhf CPs for Binghamton, Buffalo, Ithaca, Rochester, Syracuse—but couldn't get appropriation to put them on air.

Midwest airborne educators came through with specific request for 6 permanent uhf channels: Ch. 72, 74, 76, 78, 80, 82. Engineer Thomas Wright stated: "My Jan. 11, 1963 statement in this proceeding showed that 114 ground based facilities would be needed to serve the area served by one airborne 6-channel facility. The present study shows that this improvement in service would be available in exchange for 9 single-channel ground facilities. The increase in service is over 1100 percent."

KTVU San Francisco received one-year license from FCC last week—on promise-vs.-performance grounds. Commission said station carried less local-live, discussion, etc., than promised.

WQAD-TV (Ch. 8) Moline, Ill. joins ABC-TV as primary affiliate when it begins telecasting Aug. 1.

**MINOW FUTURE NOT JELLED:** The only thing new about FCC Chmn. Minow's future is that he won't be president of Communications Satellite Corp.; Air Force Under Secretary Charyk got that job (see p. 6).

Minow doesn't yet know his next move—though there's little doubt he's going to move. Appearing before Senate Commerce Subcommittee last week, he stated his situation simply. In good-natured vein, Chmn. Pastore (D-R.I.) asked Minow about published rumors. Said Minow: "I assure you that when I have made any decisions about my future, you will hear about them from me first and not read about them in the trade press." Pastore: "Spoken like a true statesman, but not very responsive." Minow: "The fact of the matter is that I have made no decisions yet, but when I do you'll hear from me." You're welcome, meanwhile, to speculate, advocate your own candidate, release trial balloons.

Kenneth Cox's appointment to FCC is due for Senate Commerce Committee vote this week. It's assumed he'll go through without trouble—unless Sen. Thurmond (D-S.C.) still has unspecified questions to ask in closed session (Vol. 3:5 p2).

Commercial Ch. 38, Boston, has been applied for by Boston Catholic TV Center Inc., an outgrowth of Catholic TV Centre, which since 1955 has been producing programs from own fully-equipped studios. Richard Cardinal Cushing is pres., Right Rev. Walter Flaherty treas., atty. Henry Leen clerk. Station would televise non-denominational religious fare & cultural programs. It has agreement with RCA to lease uhf receivers to be placed in schools & hospitals. Mostly sustaining, station would look to business to underwrite some program costs. RCA equipment would be used.

Station Sales: KAVE-TV (Ch. 6) Carlsbad, N.M. has been sold with radio KAVE to John Deme, owner of radio WINF Manchester, Conn. for \$250,000 by Voice of the Caverns Inc. (Edward P. Talbott, pres. & 51% owner). In another transaction, Zanesville Publishing Co. sold radio WHRV Ann Arbor, Mich. to Radio Ann Arbor Inc. (Frank H. Babcock principal owner) for \$295,000. Zanesville Publishing owns WHIZ-TV & WHIZ Zanesville, O. and WTAP-TV & WTAP Parkersburg, W.Va. Broker for both sales was Hamilton-Landis & Associates Inc.

Southeastern ETV & radio broadcasters hold annual NAEB Region II conference at Tampa's International Inn, March 29-30, more than 200 delegates to hear: Dr. John Caldwell, N.C. State College; William Harley, NAEB pres.; Richard Hull, Ohio State U., NAEB board chmn.; Gerard Appy, WGTV Athens & Region II TV dir.; Leonard Press, radio dir. WEDU Tampa is host; gen. mgr. LeRoy Lastinger is conference chmn.

Grassroots FCC hearings into local TV service, a la Omaha, should receive industry cooperation rather than resistance, Peter Goelet, pres. of National Audience Board, charged in *The Viewer*, group's publication. Such inquiries, he said, overcome complaint of "absentee management" leveled against FCC.

New rep: KTVI St. Louis, Mo. to H-R Television March 18 from Blair.

RCA will increase prices of "major items" in its broadcast equipment line by about 5%, effective March 15, Broadcast & Communications Div. vp-gen. mgr. C. H. Colledge announced last week. He said boost reflects higher manufacturing costs & increased value built into current equipment. Increases will apply to transmitters, antennas, cameras, tape recorders and control & switching equipment. Hikes follow by 6 weeks GE's announced 3-5% increases in TV broadcast cameras (Vol. 3:2 p6). Gates Radio increased prices average of 5.5% Feb. 11 on all broadcast equipment except AM transmitter. Collins, Ampex, Continental Electronics & Sarkes Tarzian said they had no current plans for price boosts.

Illusion of color on b&w sets without adjustment or adapter is being tried by 5 Storer TV stations. Austrian process, licensed here to General TV Corp., Ferndale, Mich., it gives chromatic effect for animation & line drawings by transferring artwork to videotape through special process. It's not a substitute for true color, said Bill Michaels, TV div. vp; stations are using it for ID's. Viewers reaction has been greater than expected. Similar process developed by Mexican engineer was shown to NAB convention 2 years ago (Vol. 16:15 p10). Electronically-taped flashing lines of different lengths transmit shades of red, green & blue. One engineer said flickering of lines fatigues eyes' rods & cones, producing "after image" in color.

Station man bites dog in new study completed recently: by WJXT Jacksonville. Nettled by familiar print-media criticism that TV is overloaded with commercials, WJXT research dir. Jim Landon checked sample week of advertising in *Jacksonville Times-Union* vs. all TV ads, local & national including network, on station. What Landon found: Of total space in newspaper (excluding Sunday edition) during week, average of 67% was ads. Of total airtime on station, commercials accounted for only 16%.

Gross spot TV billings totaled \$197,759,000 in 4th quarter 1962, up 11.2% from same 1961 period's \$177,827,000, TvB reports. Product classifications with major increases were automotive, 47%; confections & soft drinks, 27%; consumer services, 25.3%; cosmetics & toiletries, 19.5%; drug products, 16.4%; clothing, furnishings & accessories, 80%; household cleaners, 21.2%; transportation & travel, 68%. Total 1962 gross billings were \$721,212,000, 17% above 1961's \$617,398,000.

TV isn't depicting properly "the maiming & invalidism that may follow gun play in real life." So charges *The PTA Magazine's* current issue in article titled "Time Out For Television." Official organ of National Congress of Parents & Teachers reported that "rash of self-inflicted gunshot wounds" was turning up in doctors' offices among amateur gunslingers who were matching their quick draw, with real Colts and real bullets, against whiz-bang TV types like Marshal Dillon & Palladin.

Broadcast Pioneers 3rd annual Mike Award was presented to WSB-AM-FM-TV Atlanta at N.Y. banquet attended by top industry executives & 6 FCC commissioners. Award was given for "dedicated adherence to quality." President Kennedy sent message calling attention to "vast contributions made to the public good by the broadcasting arts." James M. Cox Jr., chmn., accepted award. WLW Cincinnati & WGN Chicago were previous winners.

NBC Chmn. Robert W. Sarnoff will make principal address March 5 at Chicago World Trade Conference, on TV's role in American democracy.



**Minow Briefs Senate:** Progress of all-channel set law and ETV was reported to Sen. Pastore's (D-R.I.) Communications Subcommittee last week by FCC Chmn. Minow, fellow commissioners & staff.

Hopes for quick Congressional action to get some funds rolling for ETV were expressed by Minow. Supplemental appropriation request for \$2 million for rest of fiscal 1963 is pending in Congress. He said funds would go for construction of 9 new stations & expansion of 4 already in operation. President Kennedy has called for \$7 million for ETV in fiscal 1964. Commission expects to issue revised uhf allocation table within next few months, he said.

All-channel law is working as expected, with only minor snags, Minow reported. He added that law has stimulated applications for uhf outlets and he expects even more acceleration as April 30, 1964 cut-off date nears. Cost difference between all-channel & vhf only sets has been running about \$25 as expected, he stated.

Major part of one-day hearing was taken up with discussion of Commission's effectiveness in regulating AT&T. Pastore said he "isn't impressed" by new plan to permit station-to-station long distance calls for \$1 nationwide between 9 p.m. & 4:30 a.m. Move would cost AT&T \$55 million a year, \$25 million of which would be recouped by increase in person-to-person calls up to 800 miles. Pastore opined that phone company, which had record profits last year, should be able to absorb \$55 million drop without boosting other rates.

First live transcontinental TV program, linking U.S., Canada & Mexico, was frustrated at last minute (Feb. 24). Mexican Communications Ministry ruled that Mexican Telephone Co. did not have proper permit, although latter claimed it has permits to use communications lines dating back to 1926. Telesistema Mexicano, TV network, applied for permit and was turned down. Program was to feature N.Y. Gov. Rockefeller, former Mexican Pres. Aleman & Ontario Premier Roberts.

"Selectroniscope 1001" is TvB's new spot TV marketing guide, available in spring at \$10. Package includes 100-page book estimating performance of varying schedules by reach, frequency & cost efficiency, plus computer for quick evaluation of weekly schedule costs by number of spots, gross rating points, etc. Using new Nielsen data, "Selectroniscope 1001" is successor to TvB's 1957 "Spot TV Sampler."

NBC International has sold to Brazil's TV Excelsior Network 7 TV series, totaling more than \$500,000. To be dubbed into Portuguese, they are: *Laramie*, *Dr. Kildare*, NBC news & public affairs documentaries, *Funny Manns*, *Panic*, *Bonanza*, *Loretta Young Theatre*. Japan's Fuji Broadcasting also reportedly plans to buy NBC programs, mostly news, for 3rd year at about \$100,000.

Britain's commercial TV system should give govt. bigger piece of profitable pie, according to Postmaster General Bevins. He wants \$50.4 million yearly, a bit more than double, by raising rent for govt. facilities. Volume of 15 commercial firms is estimated at \$420 million yearly, with profits of \$70 million.

KBLU-TV Yuma joins CBS-TV as extended market group affiliate about June 1, replacing KIVA.

**Speed Up in Satellite Communications:** On heels of FCC report of progress on implementing space communications act (Vol. 3:8 p6), major steps were taken last week to speed machinery of Communications Satellite Corp.:

(1) Incorporators named Leo D. Welch, Standard Oil (N.J.) chmn., as its chmn. and chief executive officer, and Dr. Joseph V. Charyk, Under Secretary of Air Force, as pres. Both were nominated by President Kennedy, are subject to Senate confirmation. Welch, businessman & planning specialist, reportedly will draw \$125,000 yearly. Scientist Charyk's salary would jump from present \$20,000 to \$80,000.

(2) Credit up to \$5 million was obtained by CSC, after FCC authorization, from 10 banks, each lender accounting for 10%. Initial loans of \$500,000 are planned immediately. CSC expects to be functioning in 2 years, will be offering stock to public by Feb. 28, 1964 at not more than \$100 a share.

Bell Labs also reported that Telstar, first communications satellite, went dark, apparently victim again of radiation sickness as it neared stronger sections of Van Allen Belt. And Harvard Observatory reported that it believes the lost Syncom satellite has been photographed by observatory at Bloemfontein, South Africa.

## Personals

Gordon Davis, asst. to vp, KPIX San Francisco, takes 2-year leave of absence from WBC to become broadcasting dir., Radio Free Europe, Munich.

Mike Roberts resigns as vp & gen. mgr., WBC Program Sales . . . Robert Guy, ex-KCOP Los Angeles programming dir., appointed Storer TV div. program development mgr.

Marvin Kirsch, assoc. publisher & gen. mgr., *Radio-TV Daily*, resigns, will take vacation to recuperate from surgery & then consider pending offers . . . Bob Fields promoted to TV technical operations supervisor, KYW-TV Cleveland.

Donn Winther, adv. & sales promotion mgr., WBZ-TV Boston, promoted to asst. sales mgr. replacing Ted Wrobel, resigned. Robert Hudson succeeds Winther.

Donald Badger, ex-WZZM-TV Grand Rapids gen. sales mgr., appointed WTEV Providence-New Bedford promotion mgr. . . . Raymond Kaelin, ex-Peters, Griffin, Woodward salesman, named sales vp, Vic Piano Assoc.

Robert Blake, ex-*Steve Allen Show*, CBS & NBC, named to new post of dir. of public information, Westinghouse Bestg. Co.

## Obituary

Robert E. Dunville, 57, pres. of Crosley Broadcasting Corp., Cincinnati, died Feb. 28 after several months' illness. He joined Crosley in Dec. 1937 as asst. to broadcasting vp (James Shouse, now chmn.). In 1944, he was elected vp & gen. mgr. of WLW; in Nov. 1949, pres. He is survived by a wife, a son & daughter.

Lester R. Rawlins, 54, gen. mgr. of radio KDKA Pittsburgh, died Feb. 23 at St. Francis Hospital. Survivors are his widow, 4 brothers, 5 sisters—one of whom is wife of Ohio Gov. Rhodes.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TINYVISION HEATS UP—SONY SLASHED BY \$40:** Transistor portable TV race was getting hotter at week's end. Sony ripped \$40 from its 5-in. Micro TV, bringing list price down to \$189.50. Meanwhile, Westinghouse was putting 6-in. Mitsubishi battery set through its paces for possible marketing as specialty item.

Although cut in Sony's prices had been expected, move's timing took competitive importers by surprise, and many were studying their own price lists for possible revisions. Fact is that although 9 tiny imported battery-powered transistor TVs have already been shown, only Sony and Sharp sets have been mass marketed so far.

Official explanation for Sony price cut was economy due to automated mass production, but upcoming competition undoubtedly also influenced decision. Sony's 5-in. Micro TV was cut from \$229.95 to \$189.50, accessories (including \$39.95 battery) remaining unchanged. Sony's older 8-in. battery TV was officially cut from \$249.95 to \$229.95 at same time. This appeared to be pro forma move, however, as older model apparently is no longer being imported, and has been selling as low as \$149.95.

List-price reductions went into effect March 1, but cut in dealer prices apparently came earlier. Earlier last week, one N.Y. discounter was offering 5-in. Micro TV at \$169.96—below recent wholesale price.

Sony's sales were good during Christmas season—but nobody knows how good. Official Japanese export figures indicate about 37,000 transistor TVs were sent to U.S. last year (Vol. 3:6 p7), but some of these may have been re-shipped to other ports. One estimate is that Sony sold about 15,000 battery TVs in 1962.

U.S. manufacturers & importers have been watching Sony sales closely to determine if there's real market for transistor TV—and, if so, at what price. Although it would be phenomenally expensive to tool up & produce such a set domestically, importing can be done with far less extensive commitments. It is on this basis that Westinghouse is testing sets made by Mitsubishi, one of its Japanese licensees and affiliates.

"We're thinking about a novelty item in this category—miniature TV set," we were told last week by Westinghouse TV-Radio Div. gen. mgr. O. H. Yoxsimer. "We've ordered 50 of them to study, but haven't made any commitments on greater quantity. Even though it's a very fine set, with every imaginable kind of accessory, we look at it as a specialty item for a specialized market, and if we do handle it, we'll do so on that basis."

Although at least 2 U.S. companies are planning to manufacture tinyvision sets this year (in 10 & 11-in. sizes), we know of only one which has even hinted at plans for battery-operated transistor models. This is GE, which will offer non-transistor version first, then possibly phase into transistor set later this year or next.

How does transistorized wee-TV market stand now? Here's status of other importers with their plans and list prices (some subject to change as result of Sony move) exclusive of batteries or accessories:

Sharp (Hayakawa) is now shipping its 8½-in. set (\$229.95 list) in quantity, has received one air shipment of 6-in. (\$199.95), plans to begin full-scale 6-in. deliveries within 4 weeks. Sharp is re-evaluating prices in light of Sony action.

Matsushita (Panasonic) now is quoting "spring deliveries" for its 9-in. at \$249.95 and its 5-in. at \$229.95. Spokesman says there's now possibility 5-in. price may be lowered.

Delmonico now is promising May-June delivery for both its 4½-in. (which uses 9 flashlight batteries) at \$149.95 and its 5½-in. at \$179.95.

Channel Master is putting Sanyo-built 8-in. set through tests, has established no date for sales, is re-studying pricing situation.



**PROFILE OF A TV DISCOUNTER:** TVs, radios & phonographs are sold by 76% of nation's discount houses, Audits & Surveys Inc. points out in new "Profile of A Retailing Phenomenon." High percentage of these home entertainment departments, 71%, are company operated, only 29% are leased. A&S didn't explore color breakdown, but RCA, in survey last year (Vol. 2:45 p7) found as of April 1962 that 66% of discounters carried color sets vs. 37% for all TV retailers. Discounters' color representation was up from 59% in April 1961, and obviously has increased in past 10 months.

"The discount house is still a very young institution in which dramatic changes are taking place overnight," points out A&S vp & technical dir. Irving Roshwalb. "They seem to be found everywhere." He estimates that "number of retail outlets that can be called discount stores ranges anywhere from 1,200 to 4,000," adds that they sold estimated \$2.9 billion volume in 1960, more than \$4 billion in 1961, more than \$5 billion last year. *Discount Store News*, leading publication in that field, estimates 1962 discount sales at \$6 billion—up from 1961's \$4.25 billion, says year closed with some 2,200 stores vs. 1,500 a year earlier, predicts construction of 400 more—and larger—discount centers this year.

"The success of the discount house," Roshwalb emphasizes, "is reflected by the eagerness with which so-called traditional merchandisers have followed suit. Not only have department store operators like Allied Stores moved into discount operation, but foodstores like Grand Union (Grand-Way) & Food Fair (F. F.-J. M. Fields Inc.), variety stores like Woolworth (Woolco Stores) & Kresge (K-Mart) and drug stores like Walgreen (United Mercantile Stores), have deemed it desirable, if not necessary, to expand into discount operations."

Median discount store, A&S survey found, operates in 46,000 sq. ft. of selling space. Bulk of discounters, 40%, are concentrated in northeast. Other geographic breakdowns: 24% north central, 21% south, 15% west. Only 29% are in non-metropolitan areas; 51% are in metropolitan centers with more than a million population, 20% in less-than-a-million areas. Highway locations are preferred by largest group of discounters, 33%. Next in popularity: neighborhood areas, 24%, shopping centers, 22%, downtown districts, 21%.

Discounters go after business, A&S survey reveals. They work long hours, including Sundays, and are open day & night. Survey found, for example, that 40% of discount houses operate Sundays, and 14% are open Sunday nights. Percentage of discounters open after 6 P.M. ranges from high of 91% on Thursdays & Fridays to low of 65% on Saturdays. On Tuesdays & Wednesdays, night-selling discounters total 80% & 82% respectively.

Indications that discounters' traditional edge over conventional retailers is narrowing also is noted by survey. "Discount stores have changed in character since their inception as cash & carry outlets," Roshwalb emphasizes. Some 66% of discounters now operate in states that enforce fair trade legislation. Also, 51% of discounters now offer customers credit facilities, and 35% provide delivery service.

"It is not very easy to predict where the discount business will go from here," he notes. "The impact of the discount house on department store retailing has been borne out by the frequency of the predictions that the two institutions will meet on some middle ground, with department stores lowering prices (and reducing or eliminating some services) and discount houses raising prices (and offering additional services & comforts to the shoppers). Some argue that this development may set the stage for a new wave of discounters, discounting the 'traditional' discounter." Roshwalb sums up: "Every manufacturer must be concerned with what's happening in the discount house."

**SINGLE-CHANNEL FM SETS STRIKE PAYDIRT:** A N.Y.-based company called Auditron Corp. has sold some 45,000 FM sets in less than 8 months, largely without dealers. What's unique about the sets is that they have no tuning knobs, no dials. Each one can receive only one station.

Auditron set is sold by FM stations, usually on mail-order basis, at \$18 postpaid. Station plugs set with spot announcements, receives 50¢-\$1 per set sold to pay for commercial time—and gets real captive audience in the bargain, audience of listeners with radios locked to its frequency. Station doesn't handle radios, which are shipped direct from plant in Indianapolis.

Guiding genius of Auditron is radio veteran Emmett Poons, whose career started with N.Y.'s pioneer WJY in Aeolian Hall and who spent 15 years in radio import business. Music-lover Poons got his single-channel idea in 1958, brought it to fruition last year. Auditron Corp. is backed by substantial capital from A. M.



Sonnabend, chairman of Hotel Corp. of America (and Auditoron chairman as well), who holds 1/3 interest & voting control. Poons is pres. and M. E. Grant (ex-Toyomenka Inc. importer) is secy.-treas. & sales mgr.

Poons' long search for acceptable, drift-free, single-channel FM set led him to Japan, Germany, Netherlands—and finally to Indianapolis, where he rents space in Sarkes Tarzian plant. "We have our own line there. We buy the parts and they are assembled there." Circuit finally developed by Poons' engineers was based on German Blaupunkt FM circuit, with addition of fixed tank circuit and with 2 pre-tuned RF stages. Set has 5 tubes & silicon rectifier, all U.S.-made parts, including GE tubes. Dies were purchased from Sarkes Tarzian for \$6,000.

Resulting set is in white plastic cabinet, with station's call letters embossed on emblem. Which station? There are 93 of them now selling Auditoron, "and we hope to have 120 by the end of March." First station was Philadelphia's WFLN-FM, which has sold 2,500 Auditorons since last August.

Shortly after pilot test on WFLN-FM, Gerald O. Kaye, head of Friendly Frost Stores, which operates N.Y.C. area's WTFM, became interested. Promoting set on his FM station, he sold 14,000. In analyzing nationwide warranty return cards, Poons noted that substantial number—about 14%—were from physicians & dentists, who used Auditorons in their waiting rooms & offices. Of WTFM's 14,000 Auditorons, 11,000 went to doctors & dentists, partly as result of special direct-mail campaign. Kaye estimated that the 11,000 waiting-room sets added 220,000 patients to WTFM's audience—enough to document good case for station rate increase.

Audiron sets are UL-approved, fully warranted, and performance has been extremely satisfactory, with less than 1% warranty returns, Poons told us. At Dallas airport, he said, 2 Auditorons (tuned to KIXL-FM) have been operating continuously night & day for 8 months—"equivalent of 5 years' normal use."

Has Auditoron aroused ire of dealers? In some areas, Poons admits—but he thinks dealers really should thank him. Survey in Montgomery, Ala. (WAJM) showed that "the average Auditoron purchaser bought another FM set in an average of 5 months, spending an average of \$130." Added Poons: "It creates a demand for good FM equipment from people who had hardly even heard of FM." In Montgomery & Jasper, Ala., and in Kent, O., Auditoron is handled by local radio retailer in traffic-building tie-in with station. It sells for \$19 there; retailer gets \$1—and good FM radio prospect list—for his trouble.

Audiron has aroused interest in Canada, where big TV-radio-phono manufacturer Fleetwood Corp. has taken out license to manufacture & sell the single-channel FM set. Tank circuits will be shipped to Fleetwood from Indianapolis (59¢ each). Rest of set will be Canadian-built.

Audiron has had some interesting byproducts—one of which might eventually become bigger than Auditoron itself. Example: U.S. Weather Bureau, which operates low-powered (250-watt) FM weather stations in N.Y. & Chicago (at 126.55 mc, above FM broadcast band), asked Poons if he could develop single-channel weather radio at reasonable cost (cheapest available sold at about \$100). He did—for \$23.95 retail—"and now we're selling a lot of them to steamship & tugboat companies and boating enthusiasts. We also make an inverter, which we sell for \$12.95 so the weather radio can be operated from a small boat battery."

But the project which has Poons most excited now results from the unexpectedly high demand for Auditoron from doctors & dentists. It's new concept in SCA multiplexing for physicians, and possibly dentists, too. Here's how it will work, according to Poons:

Audiron will contract to buy all of time on multiplexing station's subcarrier. Then it will turn time over to a single pharmaceutical house, which will program functional waiting-room music, with perhaps a few mild commercials during office hours, putting on special seminars, programs & courses for doctors after hours. Pharmaceutical house will buy the single-channel multiplex subcarrier receivers and place them in doctors' offices free. "We can build the multiplex receivers for \$30 each, and this plan can mean \$40-\$50,000 a year in revenue for stations."

Who says there's no more ingenuity in the radio industry?

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended Feb. 22 (8th week of 1963):

	Feb. 16-22	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV _____	138,069	142,838	126,390	1,048,234	1,030,363
Total radio _____	311,750	313,074	352,456	2,504,621	2,815,427
auto radio _____	135,896	151,488	121,117	1,147,588	1,010,821

**LPs Are Better Than Ever:** RCA Victor is launching "largest & most extensive advertising & promotion campaign in record industry history"—\$2.3 million worth—to plug what it calls "an evolutionary advance in the recording art."

The advance goes under name of "Dynagroove," a system which involves complete re-evaluation of recording process for higher fidelity in both stereo & mono recordings. Highlights of process include recording from tape machines operating at 30 inches per second (vs. normal standard of 15), and specially developed devices to prevent overload which causes tracking difficulty, to provide same fidelity of response at any playback level, and to re-form disc groove to eliminate erratic movements of playback stylus—especially noticeable on inner grooves of disc.

Net result, says RCA, is that process boosts "the apparent quality of any phonograph." First 10 Dynagroove releases, at regular prices, will be issued this month.

Anticipating RCA's announcement, Columbia Records revealed that it has been using "exclusive new master groove-cutting technique" for last 6 months. "Essentially," said Columbia, "it is a process in which groove-cutting distortion is measurably reduced, thereby insuring optimum vertical tracking." System is claimed to result in greater clarity & record longevity. It was understood that new Columbia & RCA Victor groove-cutting techniques are similar.

Average factory sales price of Japanese b&w TV sets during first half of 1962 was slightly less than \$108; color sets averaged \$485 each. These figures are derived from tabulation of first-half Japanese electronics production figures released by U.S. Commerce Dept.'s Business & Defense Services Administration. Production for the 6-month period totaled \$797 million, up 20% from \$660 million in same 1961 period. Consumer electronics accounted for more than half of total. Output of specific products for first-half 1962 (similar first-half '61 figures in parentheses): TV sets, 2,523,400 sets at \$269,240,000 (vs. 2,040,300 at \$217,223,000); color sets, 881 at \$427,000 (no comparison available); total radios, 7,035,400 at \$100,315,000 (6,536,600 at \$97,340,000); radio-phonos, 445,600 at \$30,959,000 (316,900 at \$17,638,000).

First 16-in. color set will be shown at IEEE Show in N.Y. March 25-28 by Toshiba. Company says set has 16-in. square-corner 3-gun shadow-mask tube, measures 29-in. wide, 16-in. high, 24-in. deep in console cabinet. Set is unpriced, and merchandising plans unannounced. It's one of first to use Asahi Glass's new 16-in. color bulb. The 16-in. color tube will also be displayed separately by Toshiba. It has 70-degree deflection, is 21-in. long, weighs 15 lb. Toshiba will also show 16-in. 114-degree b&w picture tube with PPG laminated safety plate, and an ultra-slow transistorized tape recorder which provides up to 6 hours on 5-in. reel, at 1 $\frac{5}{16}$ -inch per second.

GE enters model railroading field with "Astrac," control system which permits user to control up to 5 trains independently on one electrically continuous track. Heart of transistorized receiver mounted in train is pair of silicon-controlled rectifiers. Dual-control unit will retail for about \$55, including 2 receivers. Five-channel control will sell for around \$25, with optional micro-receivers at about \$10 each.

**IEEE's Far Frontiers:** Information & data processing, microcircuitry, new semiconductors & microwave devices and aerospace will share spotlight in technical papers at IEEE international convention March 25-28 at Waldorf-Astoria & N.Y. Coliseum. Few of the papers or the 850 engineering exhibits will apply directly to consumer electronics—but almost every development there will be somewhere on far frontier of consumer product sciences.

Consumer product engineers probably will attend most closely the sessions on semiconductors and on microelectronics—as overtones of molecular revolution already begin to resound in consumer field (Vol. 3:5 p7).

Of direct interest to consumer product & broadcast engineers will be March 27 sessions on broadcast & TV receivers, audio, broadcasting. Receiver session will feature papers by Owens-Illinois' B. W. Spear on Kimcode picture tube, by Armour Research Foundation's Marvin Camras on electron scanning for video recording & playback, by GE's E. K. Von Fange on solid-state uhf converter, by Purdue's W. H. Hayt Jr. on ETV.

Broadcast papers will include 2-part review of S.C. ETV by S.C. ETV Center's R. L. Kalmbach & Bell Telephone's W. R. Knight Jr., compensation for video-tape drop-outs by 3M's Irving Moskowitz, and papers on N.Y. uhf project by FCC's Daniel Hutton & G. V. Waldo.

Good sales continue: Emerson TV sales are running about 15% ahead of last year, Pres. Benjamin Abrams told stockholders meeting. He said 70% of company's sales now are in portables & table models, while color TV sales are running about double last year's figures . . . Webcor's consumer product sales for Jan. were about 20% over last year's same month, division sales vp Charles Dwyer said. He attributed heavy share of increase to tape recorders . . . Zenith Sales Corp. Pres. Leonard C. Truesdell tells us Jan. was "biggest single month in our 45-year history" and that "we're sold out on our full production through May". . . RCA portable TV sales by distributors to dealers are up 44.2% so far this year over same 1961 period, reported Sales Corp. mktg. vp Raymond W. Saxon. Other sales gains: color TV, 34%; portable radios, 40.4%; tape recorders, 50%; portable record players, 63%. For total 1963, he expects industry sales of phonographs to improve to about 4.8 million, domestic radio sales to slip to neighborhood of 11 million.

RCA is "carefully evaluating" 16-in. set market, but has made no final decision, according to RCA Sales Corp. Marketing vp Raymond W. Saxon. He said reports indicate "a sampling reaction [to 16-in. sets] on the part of dealers, but with rather disappointing reorder business." He added: "We would like to be convinced that the 16-in. market is more substantial than it seems to be at present."

Standard Kollsman's entry into uhf converter business (Vol. 3:3 p7) will be with 2 models at \$29.95 and \$39.95 via parts jobbers & TV dealers. Campaigns featuring newspaper ads will break in cities with uhf outlets on air or anticipated—in Chicago; Montgomery, Ala.; Columbus, Ga., Dallas, and other markets.

Hoffman Electronics reportedly may re-enter stereo console field, with made-to-order equipment under Hoffman brand name. The Los Angeles firm is currently marketing Japanese-made transistor radios, recorders and other items, left TV receiver manufacture in 1961.



**RCA & ZENITH AT PEAK:** Record 1962 sales & earnings were racked up by both RCA & Zenith (see financial table). RCA earnings shot ahead 45% to \$51.5 million from 1961's \$35.5 million as sales climbed 13% to \$1.752 billion from record \$1.546 billion.

Zenith posted profits of \$19.6 million—up 9% from 1961's record \$18 million. Sales jumped 14% to \$312.2 million from \$274.2 million. Zenith earnings have boomed 140% since 1957 on a 95% sales rise, Chmn. Hugh Robertson & Pres. Joseph S. Wright noted, adding; "The year 1963 gives tangible promise of being another year of continued progress & growth for Zenith." They said 1963's first-quarter sales should set record, reported Jan. factory shipments of both color and b&w TVs were highest for any month. Shipments of b&w TVs in 1962 also set record & exceeded 1 million units for 4th consecutive year. Color TV also was major factor in 1962's increased volume they said. Distributor radio sales set all-time record, as did Zenith's production and sales of stereo.

RCA, in annual report to 168,000 stockholders, said (1) "color sets & tubes were the largest profit contributors of any products sold by RCA in 1962" (Vol. 3:4 p12), (2) color set sales "doubled over those of 1961," (3) profits from color manufacturing & services "increased 5-fold," (4) RCA TV set unit sales topped million mark, "with dollar volume surpassing the peak year of 1950," (5) NBC posted sales & profit records, (6) color TV's "rate of growth suggests that it will surpass \$400 million this year," vs. industry's \$200 million revenue in 1962.

RCA last week also increased quarterly cash dividends on common stock to 35¢ per share from 25¢, payable April 29 to holders of record March 18. Chmn. David Sarnoff said increase "reflects both the record of the past and the outlook for the future."

## Trade Personals

Russell W. Johnson, ex-Westinghouse TV-Radio Div. ad mgr., joins Ideal Toy Co. as ad mgr.

Robert Slepian appointed Sylvania Home & Commercial Electronics ad mgr., succeeding Donald Price, advanced to Sylvania corporate ad staff.

Philip M. Pritchard promoted to Midwest sales mgr. for all General Instrument TV-radio components, headquartering at 5232 Diversey St., Chicago.

Louis R. Wanner named chief engineer, Sylvania's receiving tube operation, Emporium, Pa.

Charles E. Erb, Westinghouse Major Appliance Div. gen. mgr., elected a dir. of Westinghouse Credit Corp.

William P. Hilliard advanced to pres. of General Precision's GPL Div., succeeding R. W. Lee, named exec. vp & gen. mgr. of Information Systems Group, a new post.

Rudolph E. Carlson Jr., ex-Motorola, named Sylvania Home & Commercial Electronics product planning mgr.

George Pyre named Webcor pres., succeeding Titus Haffa who continues as chmn.

**Philco Regains Vigor:** Consumer products business which accounts for "roughly half of Philco's volume is approaching the breakeven point, insiders indicate," reported Feb. 25 *Wall St. Journal* in long analysis of Philco under Ford management. Four of 6 key divisions, including Consumer Products, "were operating in the red when Ford took over." Now, "as a result of new cost-saving procedures, 2 of the 4 losing operations are making money." Over-all sales, however, "have been slower to respond to the infusion of Ford capital & know-how, slipping to \$400 million from \$420 million in 1961" (Vol. 3:6 p12).

Among cost-saving procedures: Management staff was trimmed 15%, over-all domestic employment reduced to 22,000 from 27,000 before merger. Some 30 executives were brought in from Ford, "8 of them in the 21 top corporate posts," *Journal* said, but this infusion was offset by cutting about 60 executives from old Philco management.

How much more than original \$100 million purchase price, in common stock, Ford has invested in Philco is still well-guarded secret, but, *Journal* noted: "Ford has retired some \$23 million of Philco debt and assumed liability for an insurance company note of \$21 million. It's also providing some of the capital for a 140% boost in capital spending to more than \$12 million a year (Vol. 3:4 p11). More cash, too, is going into product development."

*Journal* summarized: "Besides showing new aggressiveness in both consumer & industrial markets, Philco is rapidly becoming a mirror image of the organization & operating policies of its successful parent. More important, the streamlining already is showing substantial evidence of reversing Philco's waning fortunes."

Philco & Pres. Charles E. Beck also were analyzed by Mar. 1 *Time*, which noted that "marriage of Ford money & management to Philco's scientific knowledge has given once-faltering Philco new strength." World War II B-29 pilot Beck "makes all day-to-day decisions on his own, deferring to Detroit only on major policy matters," *Time* said, adding: "He has charted a route to bring Philco to better things within the next 5 years." Beck's efforts already have "produced results: manufacturing efficiency last year rose 16% in the Consumer Products Div."

Emerson Radio earnings slipped in fiscal-1963's opening quarter, ended Feb. 3, to "about 20¢ a share" from 30¢ a year earlier. Sales also declined. Pres. Benjamin Abrams told annual meeting that factor in sag was sale last Nov. (Vol. 2:47 p11) of 86%-owned Emertron subsidiary to Litton Industries. He forecast that increased TV & phonograph volume would compensate for loss of Emertron revenue, noted that Emerson TV production is running far ahead of a year ago. Some 70% of production is in portables & table models. Combinations, he said, account for 5% of sales but contribute 15-18% of TV dollar volume. Abrams said Emerson will initiate production of its own color TVs in Aug., expressed "high hopes for the tape recorder business." Emerson sales of Telectro recorders accounted for "about 10%" of industry's 1962 sales of 600,000 units, Abrams noted. He said Emerson probably will exercise its option to buy control of Telectro Industries.

Sylvania is producing new line of RF amplifier tubes, with strap frame grid construction, for TV vhf tuners.

## 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
Adler Electronics	1962—6 mo. to Dec. 31	\$ 10,856,000	—	\$ 280,000	\$.42	667,680
	1961—6 mo. to Dec. 31	4,700,000	—	121,000	.18	—
Andrea Radia	1962—year to Dec. 31	5,760,965	—	318,079	1.25	254,136
	1961—year to Dec. 31	6,769,547	—	360,245	1.42	254,136
Arvin Industries	1962—year to Dec. 31	95,343,000	—	3,582,000	3.02	1,186,270
	1961—year to Dec. 31	73,701,000	—	2,432,000	2.05	1,137,609
	1962—qtr. to Dec. 31	31,802,000 <sup>1</sup>	—	1,834,000 <sup>1</sup>	1.55	1,186,270
	1961—qtr. to Dec. 31	22,843,000	—	1,251,000	1.05	1,137,609
Capital Cities Bcstg.	1962—year to Dec. 31	17,825,467	—	1,576,320	1.33	1,184,411
	1961—year to Dec. 31	11,803,781	—	1,088,197	.92	1,184,411
Clevite	1962—year to Dec. 31	101,175,033 <sup>1</sup>	\$ 12,782,236	6,562,236	3.38 <sup>2</sup>	1,900,000
	1961—year to Dec. 31	91,874,140	10,020,689	5,142,689	2.63 <sup>2</sup>	1,893,000
Emerson Radia Story on p.11	1963—13 wks. to Feb. 2	—	907,091	435,291 <sup>12</sup>	.19	2,278,797
	1962—13 wks. to Feb. 3	—	—	679,507	.30	2,278,797
Globe-Union	1962—year to Dec. 31	69,440,000	—	2,024,000 <sup>9</sup>	1.54 <sup>9</sup>	1,316,823
	1961—year to Dec. 31	62,518,783	—	2,592,505 <sup>9</sup>	1.96 <sup>9</sup>	864,451
Herald-Traveler (WHDH-TV Baston)	1962—year to Dec. 31	34,822,277	—	1,572,577	3.33	472,397
	1961—year to Dec. 31	34,706,976	—	1,657,658	3.68	449,901
Metramedia	1962—year to Dec. 31	53,069,751	—	2,489,639 <sup>10</sup>	1.40 <sup>2</sup>	1,707,682
	1961—year to Dec. 31	48,653,186	—	1,164,267	.67 <sup>2</sup>	1,707,057
	1962—qtr. to Dec. 31	14,869,485	—	1,196,948 <sup>10</sup>	.68 <sup>2</sup>	1,707,682
	1961—qtr. to Dec. 31	14,110,634	—	761,989	.43 <sup>2</sup>	1,707,057
Microwave Associates	1962—qtr. to Dec. 29	2,419,000	(135,700)	(63,400) <sup>9</sup>	—	1,017,700
	1961—qtr. to Dec. 29	2,938,000	280,000	118,200	.12	1,010,800
Minnesota Mining & Mfg.	1962—year to Dec. 31	687,085,773 <sup>1</sup>	165,690,090	83,690,090 <sup>1</sup>	1.61	52,565,117
	1961—year to Dec. 31	613,896,221	143,821,837	75,171,837	1.45	52,217,816
Oak Mfg.	1962—year to Dec. 31	30,591,623	1,791,031	907,031 <sup>1</sup>	1.32	687,074
	1961—year to Dec. 31	23,017,077	1,182,662	557,662	.85	655,794
	1962—qtr. to Dec. 31 <sup>7</sup>	8,100,000	—	268,000	.39	687,074
	1961—qtr. to Dec. 31	6,399,179	—	251,785	.39	655,794
RCA Story on p.11	1962—year to Dec. 31	1,751,646,000 <sup>1</sup>	107,935,000	51,535,000 <sup>11</sup>	2.84 <sup>2</sup>	17,023,000
	1961—year to Dec. 31	1,545,912,000	64,911,000	35,511,000	1.95 <sup>2</sup>	16,628,000
	1962—qtr. to Dec. 31	486,173,000	38,057,000	17,257,000 <sup>11</sup>	.96 <sup>2</sup>	17,023,000
	1961—qtr. to Dec. 31	455,849,000	20,623,000	11,723,000	.66 <sup>2</sup>	16,628,000
Rollins Bcstg.	1963—9 mo. to Jan. 31	5,915,663	—	436,419	.46	957,001
	1962—9 mo. to Jan. 31	4,661,990	—	356,186	.37	955,183
Storer Bcstg.	1962—year to Dec. 31	—	13,186,654	6,353,326 <sup>5</sup>	2.61 <sup>1</sup>	2,438,784
	1961—year to Dec. 31	—	9,848,333	4,453,681	1.80	2,473,917
	1962—qtr. to Dec. 31	—	—	1,853,407	.76	2,438,784
	1961—qtr. to Dec. 31	—	—	1,718,597	.70	2,473,917
Technicalar	1962—year to Dec. 29	57,927,893	—	149,969 <sup>3</sup>	.06	2,640,478
	1961—year to Dec. 29	55,026,550	—	1,744,963 <sup>4</sup>	.67	2,623,218
Thompson Ramo Waaldrige	1962—year to Dec. 31	460,314,000 <sup>1</sup>	25,204,000	12,454,000	3.25	3,738,231
	1961—year to Dec. 31	409,077,000	12,668,206	6,459,206	1.71	3,588,464
Zenith Story on p.11	1962—year to Dec. 31	312,212,334 <sup>1</sup>	40,937,068	19,637,068 <sup>1</sup>	2.16	9,104,029
	1961—year to Dec. 31	274,167,987	38,354,788	18,014,788	1.99	9,031,542

Notes: <sup>1</sup> Record. <sup>2</sup> After preferred dividends. <sup>3</sup> After \$604,000 loss from inventory write-downs & non-recurring charges. <sup>4</sup> Includes non-recurring income of \$265,315. <sup>5</sup> Includes net gain of \$911,459 from sale of radio WWVA Wheeling, W.Va. in Jan. 1962. <sup>6</sup> After \$72,300 tax credit. <sup>7</sup> Indicated. <sup>8</sup> Includes non-operating gain equal to 10¢ a share. <sup>9</sup> Includes

non-operating gain equal to 53¢. <sup>10</sup> Before credits totaling \$2 million (\$1.17) from disposition of certain assets. <sup>11</sup> Before net capital gain of \$6,960,000 (41¢) from sale of 991,816 Whirlpool common shares. <sup>12</sup> Before "substantial gain" from sale of 86%-owned Emertron subsidiary to Litton Industries.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg Elec.	Q	\$0.20	Mar. 29	Mar. 15
Bendix	Q	.60	Mar. 30	Mar. 8
Globe-Union	Q	.22	Mar. 15	Mar. 8
Rollins Bcstg.	Q	.10	Apr. 25	Mar. 25
RCA	Q	.35	Apr. 29	Mar. 18
Time Inc.	Q	.75	Mar. 11	Feb. 28
Wells-Gardner Elec.	Q	.30	Mar. 15	Mar. 8

Boston Herald-Traveler's revenue from broadcasting increased in 1962 to nearly \$9.5 million from 1961's approximate \$9 million (see financial table). Declines in newspaper circulation & advertising, however, coupled with increased expenses, dropped earnings to \$1.6 million from \$1.7 million in 1961.

Reports & comments: AB-PT, CBS & Metromedia, comments, Ross & Hirsch, 120 Broadway, N.Y. 5 • United Artists, memo, Bache & Co., 36 Wall St., N.Y. 5 • RCA, comment, E. F. Hutton & Co., 61 Broadway, N.Y. 6.



MAR 11 1963

# WEEKLY **Television Digest**

MARCH 11, 1963

NEW SERIES VOL. 3, No. 10

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

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**FRANCHISE CASE HOLDS LITTLE THREAT** for TV industry, manufacturers' lawyers tell us in analysis of Supreme Court's 5-3 decision in White Motor's favor. TV industry's distribution pattern differs from that which got truck maker in trouble (p. 8).

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**LATENT HEAT IN RATINGS INVESTIGATION:** If strong words mean anything, Rep. Harris's (D-Ark.) TV-radio ratings hearing has some rough sessions ahead. Time & again committee members wondered about "fraud," "misrepresentation," "coercion." And they mentioned "remedies" such as: FCC licensing, FTC orders & trade practice rules, uniform standards of practice—even Justice Dept. prosecution. This week, rating services will have their day in court—have opportunity to counter uncomfortable charges.

Special Investigations Subcommittee sought to show that rating techniques are faulty but nonetheless have major role in determining what public sees & hears—and that Nielsen has "monopoly" on rating business.

NAB Pres. Collins was first witness. Though he started out as NAB chief with grave doubts about ratings, he now seems convinced of need for them—but remains skeptical of their accuracy. "We must determine," he said, "whether they deserve acceptance as reasonably accurate projections of the true broadcast audience." NAB Research vp Melvin Goldberg accompanied Collins, said NAB is eager to help improve techniques.

CBS-TV Network Pres. James Aubrey said "ratings are lifeblood of business," concluded they "fall short of the ideal," can be used only as estimates. However, he pointed out, "ratings are used by all advertising agencies with which we deal. Since our sole financial support comes from payments by advertisers, we

cannot afford to ignore the tools in determining their purchases of programs & time," and advertisers are "primarily interested in audience size." (In 1962, CBS-TV spent \$307,000 for ratings—\$271,000 to Nielsen, \$36,700 to ARB, \$100 to Pulse.)

Thomas Moore, vp charge of ABC-TV, asserted that Nielsen "does not always reflect the true popularity of ABC programming"—because ABC-TV doesn't have primary affiliates in a large number of markets. This is particularly true in news & public affairs, he said.

NBC-TV Programs vp Mort Werner also stated that ratings are "estimates," can't be used in raw form but must be analyzed by network researchers. Much criticism of ratings arises, he said, from minority of audience which likes an "unpopular" program that is replaced or dislikes a "popular" show retained. Werner insisted that ratings "are essential in soliciting & justifying advertising expenditures that support our program service." (In 1962, NBC-TV spent \$342,500—\$285,000 Nielsen, \$39,000 ARB, \$2,500 Trendex, \$3,000 Pulse, \$13,000 TvQ.)

Werner was asked about programs dropped. He said they suffered "audience failure," according to Nielsen figures. Rep. Springer (R-Ill.) asked rhetorically: Suppose we were to show that Nielsen doesn't always do what it says it does? Hearing abounded with such comments.

Much of committee concern about Nielsen, and its "dominance," stemmed from size of its sample. According to Rep. Brotzman (R-Colo.), Nielsen's 1,100 homes is an "infinitesimal part" of nation—and he was most aghast at fact that there isn't an Audimeter in any Mountain Time Zone state. Rep. Moss (D-Cal.) also was irked, asserted Nielsen sample doesn't take into account growth of West in last decade. In fact, committee members said they believe sample has changed little since 1947, actually has many of same homes.

ABC Radio Pres. Robert Pauley stated there are glaring discrepancies between Nielsen Radio Index (network report) and Nielsen Station Index (local report). According to Nielsen, he said, one ABC Radio program reached 313,800 homes on 14 stations, compared with 297,000 homes on 245 stations including those 14 stations—for same program in same time period.

Victor Sholis, WHAS-TV Louisville vp, called for FTC action to cure "rating addiction," said there's no way to gauge validity, reliability or integrity. As for recent FTC consent decrees on ratings (Vol. 3:1 p2), Sholis said they allow rating services to "simply tell the buyer he is getting numbers for which no one will claim reliability or authenticity."

Pat Weaver, former NBC chmn., now chmn. of McCann-Erickson International, defended ratings as "a guide" but said "absolute reliance" shouldn't be placed on them.

FTC Chmn. Dixon, after discussing the consent decrees, noted that FTC is still checking several unspecified rating cases. Rep. Springer told him that rating services, after decree, can still carry on essentially as before.

Mark Wodlinger, gen. mgr. of new WZZM-TV Grand Rapids, complained that neither Nielsen nor ARB would adjust reports to treat WZZM-TV equitably with competitors in Grand Rapids & Kalamazoo. He said services were reluctant to change because competitors complained.

**BLOW TO DROP-INS PUTS FOCUS ON UHF:** In near-final showdown, FCC voted 4-3 against dropping in short-spaced vhf channels in 7 major markets; but short-spaced "move-in" of Ch. 5 from Enid to Oklahoma City was approved. Vote was "instructions to staff," not final decision—but such instructions normally are unchanged in final action. Majority: Minow, Bartley, Lee & Henry. Minority: Hyde, Craven & Ford.

There has been such strange alignment of forces on the 7 drop-ins (Vol. 3:8 p1) that industry ends up about 50-50 pro & con in reaction to FCC vote. Such a close vote in such an important matter stand some possibility of reversal. For example, if Chmn. Minow leaves before final decision (which may take substantial time to prepare), his successor might vote for drop-ins, reversing whole picture. Kenneth Cox's ascension to commissionership won't change picture—because he's for drop-ins, just as his predecessor Comr. Craven is. (Cox's approval by Senate is expected momentarily.)

As of now, therefore, following cities will not get another vhf: Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte. FCC will have to do some fancy decision writing to back



up its turndown—squaring it with decisions it has written for move-ins such as Providence & New Orleans. In such cases, Commission pointed to need for more competition, aid to 3rd network, etc. Pro-drop-in forces, such as ABC, aren't giving up, of course. They'll do utmost to achieve reversal in final decision.



Some uhfers took heart from drop-in rejection, presumably will file for uhfs in the 7 markets if final decision sustains current FCC view. Thus, there's much more interest in FCC-sponsored uhf-development conference in Washington March 12. Some 200 representatives of govt. & industry are expected to participate in first meeting of Committee for the Full Development of Uhf Broadcasting (CUB). Most organizations are very serious about session, plan to send in their first string men. Comr. Lee heads CUB, with Comr. Henry 2nd in command. Lee's engineering asst. Bud Weston is exec. secy.; his legal asst. George Smith is legal counsel; his former legal asst. Arthur Gladstone is special counsel.

In anticipation of all-channel-set law, meanwhile, uhf-equipped set production continues to rise. It was 12% of total output last month, vs. 8% in Jan. 1962, 7% in Jan. 1961, 9.5% in Dec. 1962.

To sweeten uhf further, FCC is expected shortly to ease several transmitting requirements as long proposed—affecting audio power, DAs, vestigial sideband, etc.

**POUNDING ON HOUSE'S CLOSED DOOR:** Televising of House activities, primarily committee hearings, came substantial step nearer reality last week. With the immovable late Speaker Sam Rayburn no longer an obstacle, with new Speaker McCormack (D-Mass.) willing to go along with elimination of ban if House so indicates, with Commerce Committee Chmn. Harris (D-Ark.) actively pushing for it—the day of House telecasts is definitely foreshadowed.

Rules Committee heard testimony on resolutions by Harris, Meader (R-Mich.) & Griffiths (D-Mich.). First 2 would permit only coverage of committee hearings; Griffiths entry would allow coverage of House itself. Only Harris & Meader testified—and several Rules Committee members showed they were definitely queasy about whole thing. For example: Rep. Brown (R-Ohio) feared there would be one-sided presentations by telecasters, through editing, etc. Harris acknowledged possibility of abuses but said that Congress shouldn't try to "manage" news, that potential good far outweighs potential evils. He pointed to public's eager welcome of Senate committee hearings.

Meader felt open-door concept is finally getting somewhere (he has introduced such measures for decade), told us he believes Rules Committee would yield if broadcasters press now. NAB Pres. Collins will testify, no date set.

**BROADCASTERS LAUNCH OFFENSIVE AGAINST 315:** TV-radio industry's biggest guns traveled to Washington last week, fired opening salvos in latest battle against Communications Act's equal-time provisions. Hearings were before Rep. Rogers's (D-Tex.) Communications Subcommittee on H.J. Res. 247, to suspend Sec. 315 for 1964 Presidential & Vice Presidential races, as in 1960.

But broadcasters led by CBS Pres. Frank Stanton & NBC Chmn. Robert Sarnoff urged complete repeal of Sec. 315. They were joined by NAB Pres. Collins. FCC Chmn. Minow limited his testimony to suspension in 1964.

Stanton got most extensive grilling by Subcommittee, mostly from Rep. Moss (D-Cal.). Stanton contended broadcasters should be sole judges of which candidates were qualified & entitled to air time, said candidates should be required to submit manuscripts in advance of broadcasts. Moss had his doubts about this. "I don't want anyone between me and my audience telling me what to say, and I don't see where the public is served if there's a chance of that occurring," he told Stanton.

Stanton said broadcasters could be trusted to act fairly in presenting candidates of opposing views, said temporary suspension in 1960 proved that Sec. 315 is "an unnecessary and crippling strait jacket, into which broadcasters, singled out among all media, are forced." Moss asserted broadcasters shouldn't have same freedoms as press, claimed that latter's freedom was granted by Constitution, while broadcasting's

isn't. Asked by Stanton whether this meant he was making distinction between electronic & printed journalism, Moss replied: "Don't trap me into that."

Sarnoff urged language of "suspension" resolution be revised to allow appearances by aspirants not yet nominated. In 1960 suspension applied only to "nominees." Minow suggested Congress determine who were qualified "nominees" entitled to time.

Minow told Subcommittee that 1960 suspension "resulted in a wider and more effective coverage of the major candidates for President & Vice President and did not present any serious administrative problems for the broadcasters or the Commission." Similar action in 1964 would provide broadcasters with another good opportunity to evaluate effects of temporary removal of equal time requirements, he stated.

Collins testified that Sec. 315 is "legal strait jacket [which] requires more than piecemeal removal." He said NAB would support temporary suspension in 1964, but would prefer that it applied to all candidates—national, state, local.

Aligned against broadcasters were spokesman for American Civil Liberties Union, International Brotherhood of Teamsters, Socialist Labor Party. ACLU Washington Dir. Lawrence Speiser said broadcasters didn't do justice to minority parties during 1960 suspension, said First Amendment was written not to allow speech by favored few, but to preserve free speech for all. Labor Party spokesman Eric Haas warned that repeated suspensions of equal-time will lay foundation for eventual complete elimination.

Prognosis is for another suspension similar to 1960's, no action to eliminate Sec. 315 entirely.

NBC last week announced it will finance study by American Political Science Association to determine best format for 1964 Presidential campaign TV debates. Study will be carried out by group of political scientists & communications experts, headed by APSA Pres. Carl J. Friedrich.

**ADMEN GET TOUGH WITH TV:** Madison Ave. tossed bombshell at TV networks last week in form of demand by one of industry's top admen, David J. Mahoney, exec. vp of Colgate-Palmolive and man who largely controls C-P's multi-million-dollar network & spot TV spending. Speaking before ANA's TV workshop in N.Y., Mahoney laid it on the line—he wants TV to "guarantee audiences."

What Mahoney proposed was advertiser's answer to problem of huge gamble facing network TV clients who must, as Mahoney put it, "put good money on the line for long periods of time on unknown quantities with no assurances." Answer lies, he said, in developing audience guarantee techniques akin to Audit Bureau of Circulation figures in print media.

If advertiser backs a flop he should be "offered additional time free of charge until original levels are met." At same time, he should be protected if he has a high-rated hit on his hands, Mahoney urged.

C-P adman cited horrible-example cases of programs losing considerable advertising efficiency because of price hikes or network time switches. Sing Along with Mitch, he charged, was 44% less efficient in new slot which delivered smaller audiences. Dr. Kildare, riding crest of medical-show popularity, climbed 73% in cost in 3 seasons, and suffered 94% efficiency loss from previous level. Perry Mason lost 21% of its efficiency with switch to week night spot, he said.

Mahoney had some other jolts for TV besides opening blast in what may develop into widescale campaign by advertisers for circulation guarantees. He urged networks to work out system for pre-testing new shows to iron out kinks. (CBS announced coincidentally last week that it would do just that with 2-week pre-TV run of Calamity Jane with Carol Burnett before live audiences in Dallas this June.) He also urged more regional network TV shows so advertisers can test-market new products.

On another Madison Ave. front, Young & Rubicam, one of top TV-radio agencies, announced it had signed 2-year pact with Broadcast Advertisers Reports (BAR) to watchdog agency's TV schedule, providing audited report on every Y&R network & spot TV commercial on every TV station in top 75 markets every day of year, 24 hours a day.

Move was hailed as "major advance" in area of TV proof-of-performance. System will check: (1) Whether commercial ran when it was supposed to. (2) Whether placement adheres to agency's standards for "product protection & over-commercialization." (3) What is happening within 60 product-class categories among TV clients competitive with those of Y&R.



**License Fees Up Again:** Though industry was vociferous & virtually unanimous in opposition to FCC's proposal to charge for its licensing activities (Vol. 2:7 p2), Commission staff again recommends adoption of plan. It's understood they are putting following before commissioners:

(1) Broadcasting—no change from proposal (Vol. 2:7 p2), except noncommercial stations operated by tax-exempt organizations would be exempted.

(2) In safety & special services, there'd be no fees for Police, Fire, Forestry-Conservation, Highway Maintenance, Local Govt., State Guard, Hospitals, Disaster Relief, non-profit Ambulance, Rescue, Beach Patrol, School Buses, RACES.

(3) For Amateurs: novice applications cut from \$5 to \$2; modifications cut to \$3; special call signs raised from \$5 to \$20. All others remain at \$5.

(4) Citizens Band applications remain at \$10, except for Class A, which goes to \$15.

(5) Ship Inspection—no fee.

(6) Commercial operators—no change.

(7) Experimental—no fee.

(8) Common carrier—Sec. 214 applications cut from \$25 to \$10 for telegraph, from \$100 to \$50 for telephone.

(9) Common carrier & private point-to-point microwave applications both set at \$50, \$5 for renewals.

(10) Domestic Public Land Mobile—cut from \$150 to \$100, renewals from \$75 to \$25.

#### E

**Alleged blackmail attempts** by principals of WALA-TV & WALA Mobile will be subject of FCC revocation hearing. Commission announced that there are charges (denied by station) that some of its principals: (1) Demanded money from local architectural firm as price of stopping stations' editorial attacks on firm's work on municipal auditorium. (2) Tried to coerce candidate for sheriff to buy time. (3) Charged 50% extra for political time, violating Communications Act. (4) Gave candidate for city commissioner preferential treatment. In addition, FCC said, 100% owner W. O. Pape is ill, doesn't control station.

**Overseas TV stations** in 1962 jumped from 2,047 to 2,641, an increase of 29%, according to 52-page USIA report, "Overseas TV Developments in 1962." Of these, 2,092, including 426 new, were in non-communist bloc nations, while 549 (168 new) were in communist countries. Seven nations & territories initiated TV in 1962: Gibraltar, Malta, Trinidad-Tobago, Morocco, Indonesia, Taiwan and Kenya. TV's most spectacular growth was in Japan, where 4,151,100 new sets were added, making total of 12,837,100 sets in use.

**FM simplex operation** for storecasting, etc., is about to be proposed to FCC by its staff. Also due soon is proposal to require joint AM-FM operators to divest themselves of AM or FM station, eventually. Neither proposal stirs any enthusiasm among commissioners.

**TvB** will hold all-day sales clinics in 101 cities from April through June this year, increase from 17 cities in each of last 3 years.

Six transistorized RCA TR-22 TV tape recorders have been purchased by MGM Telestudios to replace existing equipment.

**FTC's Toned-Down Sandpaper Order:** Federal Trade Commission eased off in Colgate Rapid Shave "sandpaper" decision (Vol. 2:48 p3), issued modified order after original blunderbuss decision was sent back by Boston Circuit Court of Appeals.

Case involved use of TV mock-ups to compensate for deficiencies in photography—substitution of sand-coated plexiglass for sandpaper to demonstrate shaving cream. FTC issued order forbidding Colgate & agency Ted Bates from using "spurious mock-ups or demonstrations for any product." Court remanded case to FTC, told agency to be more specific.

In new proposed order last week, written by Comr. Elman, Commission agreed original finding could be interpreted to exceed scope of FTC's intent. Under new order, Colgate & Bates are forbidden to use mock-ups to demonstrate claims for specific quality of a product. However, FTC now states that mock-ups are permissible if no direct representation is involved. It notes: "There is nothing objectionable in showing a person drinking what appears to be iced tea, but for technical photographic reasons is actually colored water, and saying 'I love Lipsom's tea,' assuming the appearance of the liquid is merely an incidental aspect of the commercial, is not presented as proof of the fine color or appearance of the tea, and thus in no practical sense would have a material effect in inducing sales of the product."

Commission added that if it should prove too difficult to present truthful demonstration to prove claim for a product, "the seller may be obliged to forego use of the demonstrated form of advertising in that medium."

#### F

**Bob Hope** entertained TV-radio executives with stream of "inside" jokes at March 6 banquet of International Radio & TV Society, at which he received organization's Gold Medal Citation. In turn, he paid tribute to "you men who gave stomach acid to the world." Referring to banquet as "a Newton Minow rally," he quipped: "At \$30 a plate, this may be the start of pay TV. If you're not satisfied with the seating arrangements, don't complain to the committee—complain to Nielsen." Commenting on "great changes in TV these days," he observed: "We have Telstar international TV, and CBS is trying out color. They didn't jump right in—they sent in Lassie first to see if it was safe. . . . When Frank Stanton saw color on Ch. 2, he sent for a repairman."

**Video tape advances:** Dropout compensator which plugs into TV tape recorders and eliminates dropouts, caused by dirt or balling effect on oxide tape coating, has been announced by Minnesota Mining's Mincom div. at \$3,250. Using tunnel diode and delay circuit, device substitutes information from preceding scanning line when dropout occurs. Meanwhile, commercial packager Al DeCaprio announced that 30 different scenes were used in single commercial on Feb. 24 *GE True Hour* by means of Editec electronic editor—a feat previously impossible. Editing was done at Videotape Center, N.Y.

First GE Talaria color-TV projector for National General Corp's theater-TV network (Vol. 3:9 p3) will be installed in Grauman's Chinese theater in Hollywood, NCG Pres. Eugene V. Klein said last week. He estimated NCG's initial investment in projectors at about \$10 million.

**CELLER TV-NEWSPAPER PROBE:** Congress has always found newspaper-broadcasting relationships fascinating, always a matter of concern of "dominance" of a community's news medium—undoubtedly because it's congressmen's job to be extremely sensitive to public opinion.

Therefore, Rep. Celler (D-N.Y.) is on to a lively topic when his Anti-Trust Subcommittee starts hearings March 13 (Vol. 2:3 p4) on "monopoly" in newspaper-TV-radio area. FCC Chmn. Minow is first witness—and hearings are scheduled to run 11 days over 4-week period.

Actually, because of great increase in number of radio stations, there's been great decline in percentage of radio-newspaper joint ownerships. In TV, situation has stayed about same in last decade.

Daily newspapers owned about 31% of the 801 radio stations operating in 1941. At that time, there were 110 cities in which there was joint ownership of the only station & only newspaper in town. Now, only 9% (330 of 3,793) of stations have newspaper affiliates, while only 77 cities have sole station & sole newspaper in same hands.

TV-newspaper combinations have remained at about 25% of stations since 1953; of 563 stations authorized today, 130 are newspaper affiliated. In 1959, 19 cities had the only newspaper & the only TV station jointly owned; figure has risen to 25 today.

Some 40 witnesses have been called. Among more prominent: FTC Chmn. Rand Dixon, Asst. Attorney Gen. Lee Loevinger, newspaper magnate Samuel I. Newhouse, Los Angeles *Times* Pres. Norman Chandler and Los Angeles *Times* Publisher Philip Chandler. Hearings were sparked by demise of 2 Los Angeles dailies—*Examiner* & *Mirror*, in late 1961. Celler wants to find out whether anti-trust laws are being violated in cities where single owner controls more than one paper or where paper controls only TV station. He also says he wants to determine whether newspaper ownership of a city's sole TV station results in "one-sided" news coverage & editorials.



Disinterest of viewers in public affairs programming, a finding somewhat similar to Steiner report's (Vol. 3:8 p2), was reported last week by Melvin Goldberg, NAB research vp, in talk to American Orthopsychiatric Assn. meeting in Washington. Study conducted 18 months ago showed that two-thirds of viewers aren't interested in this fare, he said. In fact, he said, "one-half of this group (one-third of total viewing public) will actually turn to another channel rather than watch any public affairs program." Goldberg said "roughly 12%" of total viewers have interest in public affairs shows. Until Aug., Goldberg was WBC research dir. It is understood study was conducted by ARB in 5 markets.

GE is forming broadcast subsidiary, setting up chain of command which is expected to satisfy FCC's worries stemming from anti-trust convictions. Renewal of Schenectady licenses should follow soon.

FCC's new logging rules, covering automatic devices and involving all TV-AM-FM stations (Vol. 3:8 p5), are available in full text (28 pp.) from Seabrooke Printing Co., 514 10th St. NW, Washington, at \$1.82.

## Personals

Arthur Zeigler promoted to MGM-TV business affairs dir., succeeding Jason Rabinovitz, elected treas., MGM Inc. . . . Fred E. Walker, ex-radio KYW Cleveland sales mgr., named radio KDKA Pittsburgh gen. mgr., succeeding late Lester Rawlins.

Alvin Sussman, ex-Universal Entertainment Corp. exec. vp & sales dir., appointed WBC Program Sales Inc. vp & gen. mgr. . . . Robert H. Alter promoted to RAB national sales vp.

Berton Schneider, Screen Gems treas., Russell Karp, secy., & Pierre Marquis, advertising & sales planning dir., elected vps . . . Ted Austin named WSOC-TV Charlotte program dir.

James L. O'Connor, former Pathe East Coast Labs vp, appointed RKO Phonevision vp & gen. mgr., Hartford, succeeding Charles O. Wood, now at RKO N.Y. hq.

David Schwartz, former CBS merchandise promotion dir., named KCOP Los Angeles merchandising mgr. . . . John Abernathy promoted to KOGO-TV San Diego merchandising mgr.

Boris Frank, ex-Bartell Bcstg., named Latin America mgr. of new Screen Gems International Broadcast Div. . . . Harold M. Spielman appointed new business senior vp & asst. to chmn., Schwerin Research Corp.

Bill McBride promoted to WOW-TV Omaha station mgr., succeeding C. A. Larson, resigned . . . Lad F. Hlavaty, ex-KCRG-TV & KCRG Cedar Rapids chief engineer, named to similar post with WQAD-TV Moline.

James M. King, ex-Tv-AR, appointed KDKA-TV Pittsburgh sales mgr., succeeding Henry V. Greene Jr., recently named Westinghouse Bcstg. national TV sales mgr. . . . Richard C. Shepard, ex-radio WGR Buffalo station mgr., appointed WKBW-TV local-regional sales mgr.

Mike Jarvis named WLWC Columbus, O. sales service dir., succeeding Jim Lackey, who becomes account exec. . . . Thurston S. Holmes appointed KERO-TV Bakersfield promotion & PR dir.



Survey of 307 New Yorkers by BBDO, on effects of newspaper strike, discloses that 80% rely on TV as main source of news. Radio was 2nd, followed by newspapers & magazines. But 79% felt news reporting wasn't as complete or convenient as they desired.

Ratings for season to date (Oct. 1 through Feb. 1) show it's banner year for CBS-TV in national Nielsens. CBS's average audience level at night has been 21.1 or nearly 10.5 million homes at any average minute, representing lead of 18% over NBC-TV (17.9) and 43% lead over ABC-TV (14.7). In daytime (7 a.m.-6 p.m.), CBS scored 8.5 AA, 46% edge over NBC (5.8) and 125% lead over ABC (3.8). In nighttime ratings, CBS had 8 of top 10 shows, 16 of top 20, 21 of top 30, 24 of top 40.

### NEW HEADQUARTERS

We're now in our new offices at 2025 Eye St., N.W., Washington 6, D. C., with new phone: 965-1985. We've also installed TWX in Washington (202-965-0979) & N.Y. (212-640-6938). Please change your records.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**NEW COLOR CHASSIS FOR SPRING-SUMMER DEBUT:** Most of industry will adopt major changes in color TV circuitry this spring & summer—about same time as bulk of set manufacturers begin phasing into own full production of color sets.

New chassis was designed by RCA as part of its development program for 90-degree round 21-in. tube. Chassis will use current 70-degree tube, but it's understood that most of circuitry will be directly adaptable to 90-degree picture tube, when ready. As one set maker expressed it, "this goes 90% of the way to a 90-degree chassis." At least 4 of the 5 printed-circuit boards are expected to remain unchanged when 90-degree tube becomes available.

RCA's strategy in changing chassis now apparently is that this move will make transition to 90-degree set easier. When 90-degree tube is available, only new deflection yoke and minor circuit modifications will be necessary. New chassis, designated CGC-15, supersedes CGC-12, introduced last June. Its performance is said to be similar.

Chassis won't be announced until "1964" color sets are premiered; RCA has maintained complete silence, but it's understood its own changeover is coming this month. Most others will switch somewhat later.

As to 90-degree round color tube which RCA shelved last Nov. (Vol. 2:49 p7), consensus of industry thinking now is that it will be produced, and that it may go into color sets during first quarter of 1964. Widespread use of rectangular tubes may come about year later. Corning has indicated to manufacturers it may supply preliminary samples of 25-in. 90-degree rectangular color bulbs for their "guidance" in month or so, with production-type samples between mid-year and early fall.

RCA, meanwhile, has reiterated its intention to discontinue supplying complete color sets and certain components to other set makers after Dec. 31, 1963. Letter to set makers 3 weeks ago reminded them of deadline. All major manufacturers who are not now making own color sets—with one exception—are planning to be in volume production with new line (and new CGC-15 chassis) this summer.

RCA will continue to supply special color parts which are not made in its Bloomington, Ind., color receiver plant, after Jan. 1, 1964. These include yokes, flybacks, power transformers, picture tubes—items which RCA normally sells in both black-&-white & color. It will discontinue selling parts — such as printed-circuit boards — which other manufacturers can make or obtain elsewhere.

RCA has already discontinued sale of color "kits." These included 475 parts & components—virtually complete unassembled color set. Most of these parts were standard items, and RCA gave its customers list of vendors for these parts so they could negotiate & purchase on their own from own suppliers. (For list of set manufacturers and their color plans, see p. 9).

**10 NEW FM STEREO MARKETS OPEN:** Growth of new FM stereo markets has slowed down considerably from mid-1962's rush. As our last survey indicated, transmitting equipment manufacturers say orders now are only trickling in (Vol. 2:50 p12).

Check of FCC files, however, indicates at least 14 FM stations have started stereocasting since our Dec. 10 survey listed 200 on air in U.S., 9 in Canada. What's more important, 10 of these stations open new markets for FM stereo equipment. This figure of 14 new stations is minimum, since many stations don't notify FCC until some time after start of stereocasting.

The 200-plus FM stereo markets absorbed more than million FM stereo radios last year, according to our own projection of recently released EIA figures which showed total of 767,539 TV-radio-phono & radio-

phono combinations sold last year contained FM stereo (Vol. 3:8 p9). Add an estimated 250,000 component FM stereo tuners and perhaps 40-50,000 FM-stereo table radios and the figure climbs well over million, not including imports. Our guesstimate for 1963 is that about 2 million, or approximately 50%, of FM receiving devices sold in U.S. will contain FM stereo.

We'll print another complete list of operating & upcoming FM stereo stations in a future issue. Until then, if you're keeping track of stations on air, you can add these to list in our Dec. 10, 1962 issue (Vol. 2:50 p13). If you no longer have your copy of list, our Washington hq will be happy to send one on request. List below (by states & cities) indicates new FM stereo markets with asterisk:

California— \*Long Beach, KNOB; \*Palm Springs, KDES-FM.

Illinois— \*Bloomington, WJCB-FM.

Indiana— \*Evansville, WIKY-FM.

Kentucky— \*Owensboro, WSTO.

Massachusetts— \*Worcester, WTAG-FM.

New Jersey— \*Atlantic City, WFPG-FM.

North Carolina— \*Hickory, WHKY-FM & WIRC-FM.

Tennessee— \*Sevierville, WSEV-FM.

Texas—Ft. Worth, KXOL-FM; KQUE.

Wisconsin— \*Kenosha, WAXO; Madison, WHA-FM.

(If you find it necessary to keep up with new FM stereo starters on weekly basis, we suggest that you add our weekly AM-FM Addenda service to your subscription. Among other items, Addenda list FM stereo starts as soon as they're reported to FCC. Rates on request.)

Adoption of stereo standards for Europe seems several years off. FCC Chief Engineer Edward Allen tells us it looks as if such standards won't be finally considered until next plenary assembly of CCIR in France some time in 1966—though there's nothing to stop individual countries from establishing own standards, just as we did.

Allen reports that at a preliminary conference last June, in Bad Kreuznach, Germany, there was great decl of support for our standards. However, there was a major backing off, notably by United Kingdom & Russia, at recent CCIR Study Group IX meeting in Geneva Jan. 15-Feb. 15. UK representatives indicated they want more study—and Russians can't use our standards because their FM has 50-kc deviation, compared with our 75-kc.

**FRANCHISE CASE HOLDS LITTLE THREAT FOR TV INDUSTRY:** It's not illegal per se for manufacturers to grant franchised distributors & dealers exclusive sales territories, U.S. Supreme Court ruled last week in 5-3 decision in White Motor Co. case (Vol. 3:3 p8). Chief Justice Warren and Justices Black & Clark dissented.

Individual franchise agreements, however, could be in violation of Sherman Antitrust Act, Court declared, and should be examined individually to determine if they are in restraint of trade. Court returned test case to Federal District Court of Northern Ohio to determine White issues by trial. Latter court initially had ruled White's franchise arrangements illegal on their face, without trial.

We discussed case with TV industry lawyers & drew consensus that Supreme Court's decision has little literal meaning for TV manufacturers. Ramifications & nuances of case are being studied assiduously, of course, but there was general agreement after first reading of decision that home electronics industry's distribution setup is quite different from that of White Motor which brought it into conflict with Justice Dept.

"Electronics distributors retain their freedom," industry lawyers said, in effect. "They operate as independent businessmen, make their own decisions & policies. Manufacturers don't tell them whom to sell or at what price."



White's franchise arrangements set resale prices for wholesale distributors, restricted their territories, forbade them to sell certain customers (govt. agencies, large commercial buyers) without written permission. Justice Clark, in minority opinion, described these arrangements as "one of the most brazen violations of the Sherman Act that I have experienced in a quarter of a century."

Justice Douglas, writing majority opinion, noted that White matter was Supreme Court's first case involving vertical (between manufacturers and their distributors & dealers) territorial restrictions. "We know too little of the actual impact of that restriction & the one respecting customers to reach a conclusion on the bare bones of the documentary evidence before us," he wrote. "Such territorial limitations may be too dangerous to sanction or they may be allowable protections against aggressive competitors or the only practicable means a small company has for breaking into or staying in business."

In returning case for court trial, Justice Douglas pointed out that market allocations by competitors "are naked restraints of trade with no purpose except stifling of competition." Similar market allocations between manufacturer and its dealers & distributors "may or may not have that purpose or effect," he emphasized, adding: "We don't know enough of the economic & business stuff out of which these arrangements emerge to be certain."

**COLOR MANUFACTURING PLANS:** Preparing for Dec. 31 cutoff of color sets from RCA (see p. 7), most set makers hope to have their color production lines operating full blast by this summer. Here's rundown of 19 TV manufacturers and their color production plans & status:

**Admiral**—Began producing own color sets last Sept., discontinued buying complete sets at year's end; has started color ad & promotion campaign.

**Andrea**—Started own color production last summer.

**Color Electronics Corp.**—Now producing 120 sets weekly, according to Pres. Irving Kane, "and gearing up to do 500 a week." Brooklyn-based firm sells mainly to dept. stores under private labels & "Color by Kane" brand name.

**Emerson**—Beginning own production of Emerson & Du Mont color sets; will be in full production in June or July.

**GE**—Has been making own color sets since it resumed production in Spring 1961.

**Magnavox**—Has completed pre-production run at Greeneville, Tenn. plant, expects to be in full production by end of this month.

**Motorola**—Will resume color set production this spring or summer, possibly using 21-in. round tube in most models, and 23-in. rectangular tube it is developing with National Video in high-end Drexel furniture sets.

**Muntz**—Has announced it will be making color sets "late this year on a limited basis" (Vol. 3:4 p9).

**Olympic**—Will be producing own color sets before summer plant vacation shutdown.

**Packard Bell**—Has been making own color sets for more than 8 years.

**Philco**—Begins own manufacture in late Spring at Philadelphia plant.

**Sears Roebuck**—Warwick Mfg. Co., controlled by Sears, has been producing color sets since Aug. 1961, has just completed new plant & high-speed production line for color; "would like to make more than we're making, but we can't get the tubes." Pacific Mercury, also controlled by Sears, has announced no plans to produce color.

**Sylvania**—Will be making own sets "about Aug." Meanwhile, Sylvania, which has been buying color sets from Packard Bell, switches this month to RCA-built sets; will announce 3 new models soon (for total of 6).

**Symphonic**—No plans to enter color market.

**Transvision Electronics**—offering build-it-yourself color TV chassis kits at promotion price of \$356 (normally \$419); factory-assembled chassis at \$526 (normally \$619).

**Traveler**—Will have own set for private-label trade "some time this year" (Vol. 3:4 p9).

**Wells-Gardner**—Will be assembling own color sets by end of May. Color set customers include Montgomery Ward, W. T. Grant, Western Auto.

**Westinghouse**—No current plans to produce own color sets. Tentatively plans to negotiate for another supplier to replace RCA.

**Zenith**—Has been making own color sets since summer 1961; never bought from anyone else.

No sign of TV price hike was evident last week as Motorola introduced new version of its Tartan 19, the set which brought leader portable prices down to \$140 range last year. New Tartan, priced at \$139.88 like its predecessor, has handle, monopole antenna, front speaker, premium-rated tubes, polarized plug. Step-up model carries \$149.95 suggested list. Also introduced was open-list 23-in. lowboy console with built-in magazine shelf. National sales mgr. C. P. (Chuck) Lloyd predicted U.S. console TV business will represent about 2 million units at \$500 million this year. He said Motorola's 1963 unit sales should be "highest in the last decade if not in the history of the company."

"Was \$79.95—Now \$95." This could be caption on ad for Symphonic's imported 16-in. TV in Spiegel's newly issued sale book. Set which almost caused international incident has been repriced, as promised by Spiegel (Vol. 3:2 p11). At same time, step-up model was increased from \$99.95 to \$109. New prices include stand. Spiegel reported orders beyond expectations; it ran out of Symphonic sets and had to substitute other makes.

**3M-Revere** tape cartridge recorder will be sold beginning March 11 in 14 San Francisco-Oakland retail outlets.

Music Show exhibit hours have been changed by NAMM board as result of petition by L. M. Sandwick, EIA consumer products staff director. Pointing to poor attendance at EIA symposium during last year's Music Show in N.Y. (Vol. 2:27 p7), Sandwick blamed competition from exhibits, urged that exhibits open late during morning time reserved for meetings & seminars. Board voted to devote 8:30-10:30 a.m. to meetings, with exhibits open 10:30 a.m.-6 p.m. Mon.-Wed. (in place of former 9 a.m. opening) at this year's show July 21-25 in Chicago's Palmer House. Sunday exhibit hours will be 1-5 p.m., Thurs. 9:30 a.m.-noon. EIA's consumer products executive committee will decide during next week's EIA spring conference in Washington's Statler Hilton whether to present program at this year's Music Show.

Largest single order for closed-circuit cameras is claimed by RCA, which has received contract from Diebold Inc. for 250 cameras for use in 2-way "hear-see" communications at drive-in bank stations. Added feature of system is expected to entertain customers: On arriving at drive-in station, customer sees himself on TV. By pressing signal bar, he summons teller. Actual transactions are accomplished by high-speed pneumatic tube.

Raytheon, blaming price deterioration, will cease production of semiconductors at Lewistown, Me. by year's end, will close plant unless company finds other manufacturing operations which can be substituted. Last Nov. (Vol. 2:47 p9), Raytheon closed Lowell, Mass. semiconductor plant because of industry's overcapacity. Operations will continue at Raytheon's Mountain View, Cal. semiconductor plant.

There are more radios than people in U.S., Radio Advertising Bureau estimates. RAB said 200,258,000 radios were in operating order in U.S. Jan. 1, 1963, compared with 187 million Americans. It announced a record total of more than 24 million radios were sold last year, including more than 11 million portables. Figure includes 8 million imports from Japan, but no "toy" sets with fewer than 3 transistors.

RCA will package in clear plastic "skins," for self-service sales, various parts & accessories that have consumer adaptability. Parts & Accessories mgr. Paul B. Garver said program "should be a great aid to our distributors & dealers," noted that "self-service merchandising has revolutionized consumer packaging and we are making every effort to help the product sell itself."

Entering tape recorder field, Argus Inc., Chicago camera maker, introduced 3 models at last week's Master Photo Dealers Assn. Show in Atlantic City. Pres. Herbert R. Leopold termed move "natural diversification." It's estimated 40-50% of all tape recorders are sold by photo dealers. Formerly a Sylvania subsidiary, Argus was sold last April.

Distributor products div. has been established by TelePrompTer Corp. for its Weather (hi-fi components) & Conley Electronics (automatic tape cartridges) manufacturing divisions. Peter C. Funk, former Conley sales mgr., is national sales mgr. of new div., with hq at 50 W. 44th St., N.Y.

Admiral showed new hotel TV set at recent Chicago Hotel-Motel Show. The 19-in. model has built-in provision for AM, FM, & background music channels as standard equipment. Admiral also showed hotel-model 23-in. & color sets.

**Distributor Notes:** Preston B. Ray, former Westinghouse Credit Corp. regional mgr., joins newly formed Alcoa Credit Co. as vp-gen. mgr. • Robert A. Rosen, Zenith Radio Corp. of N.Y. ad & sales promotion mgr., resigns to become pres. of American Business Resources Corp., small business financing & management counseling firm • Thomas F. Joyce, Raymond Rosen & Co. pres., will be guest of honor at annual trade dinner March 12 of Home Furnishing Industries Div. of 1963 Allied Jewish Appeal, Warwick Hotel, Philadelphia. He'll receive special award for "outstanding humanitarian work." • Motorola has expanded territory of distributor Braid Electric, Nashville, from Nashville area to 12 Tennessee counties, 3 in northeastern Alabama, 7 in northwestern Georgia, formerly serviced by Harwell Distributing Co., Chattanooga • Philco Distributors has formed San Francisco branch (Richard G. Evans, gen. mgr.; Paul Thomas, sales mgr.) 16th & Pennsylvania Sts., to serve territory formerly handled by California Electric Supply Co.; Graybar Electric, Los Angeles, Philco's southern California distributor adds Arizona territory formerly served by Philco Distributors of Phoenix; L & L Distributors, Tampa, will service Florida's Seminole & Lake counties, formerly handled by PDI of Miami; J. E. Miller Co., Pittsburgh, named distributor for Pennsylvania's Mercer & Lawrence counties & Ohio's Columbiana, formerly handled by Appliance Wholesalers Co., Youngstown; PDI Cleveland will absorb latter's Ohio counties of Mahoning, Portage, Trumbull & Cayuga • Standard Radio appoints Techrep Associates, Topsfield, Mass., sales reps for New England area. Techrep's George Metzger & O. K. Makela will operate as Standard Radio manufacturers reps.



Consumer electronics sales will increase about 12% at factory level to total of \$2.35 billion from 1962's \$2.1 billion. This was prediction by Commerce Dept. Business & Defense Services Administration—considerably more optimistic than EIA's forecast of 5% increase (Vol. 3:4 p10). Here are BDSA's estimates of 1963 factory sales (1962 figures in parentheses): Black-&-white TV, 6.8 million sets (up 5% from 6.3 million); radio, 20.5 million (up 7% from 19.2 million); phonos, 5.3 million (up 8% from 4.9 million). BDSA said average unit prices & profit levels should increase this year as result of higher output of color & all-channel TV and demand for higher-priced stereo. Consumer electronics' balance of trade, unfavorable last year (\$55 million exported, \$154 million imported), will continue to deteriorate as exports increase 9% to \$60 million while imports climb 20% to \$185 million. By year's end, "imports may reach 8% of total domestic factory output" of consumer electronics.

Mergers & acquisitions: Cox Instrument dirs. have approved proposal to merge into Lynch Corp. (Vol. 3:6 p12) which owns 54.7% of former Peninsula Metal Products Co.'s 373,674 outstanding shares. Proposal still requires approval of stockholders of both firms. • Transvision Electronics, Yonkers, N.Y. maker of TV kits & educational electronic devices, and Pacotronics Inc., Glendale, N.Y. manufacturer of test equipment & kit-packaged audio components, will merge into new company, Precision Apparatus Inc., if stockholders of both firms approve at special March meetings. Transvision Pres. Melvin S. Rosen would be pres. of amalgamated company.



## Trade Personals

Harvey Williams, former Philco International pres., awarded France's Legion of Honor . . . Joseph A. Lagore, onetime Philco vp, elected pres., chief exec. officer & a dir. of Automation Alloys Inc.

Arthur C. Nerness named vp of RCA Victor Distributing Corp.'s Chicago branch, succeeded by J. V. C. Harter as vp of Atlanta branch.

Raymond B. Cox appointed Hoffman Electronics consumer & industrial products vp, a new post; Robert L. Jablonski continues as gen. mgr. of consumer products dept.

George D. Butler, Electra Mfg. pres., appointed govt. liaison committee chmn. of EIA's Parts Div., succeeding E. E. Bauer, resigned.

A. G. Conley named Revere tape cartridge systems sales mgr., a new post . . . Palmer Derby appointed asst. gen. mgr., Raytheon Microwave & Power Tube Div.

Joseph W. Barron elected administration & mktg. vp of General Precision's Link Div.

D. R. Small, former Olympic Radio & TV Special Radio Sales Div. sales mgr., forms Crest Sales Co., Norwood, Mass. manufacturers rep firm for New England states.

John W. Gilpin named Eitel-McCullough administration vp, a new post, continues as secy.

James W. Ritter appointed asst. mktg. mgr.-renewal, Sylvania Electronic Tube Div.

Reports & comments: Littlefuse, report, Walston & Co., 120 Broadway, N.Y. 5 • P. R. Mallory, comment, Cohen, Simonson & Co., 25 Broad St., N.Y. 4 • CBS, analysis, Courts & Co., 11 Marietta St. N.W., Atlanta 1 • RCA, report, H. A. Riecke & Co., 1519 Walnut St., Philadelphia 2 • AT&T, report, Gerstley, Sunstein & Co., 121 S. Board St., Philadelphia 7 • CBS, review, D. H. Blair & Co., 42 Broadway, N.Y. 4 • Kansas City Southern Industries (TV Shares Management Corp.), analysis, A. C. Allyn & Co., 122 S. La Salle St., Chicago 3.

Oak Mfg. earnings boomed in 1962 to record \$907,031 from 1961's \$557,662 as sales rose to \$30.6 million from \$23 million (see Vol. 3:9 p6). Unfilled orders at year's end totaled some \$7.2 million vs. \$4.7 million a year earlier, and Pres. Everitt A. Carter attributed over-all sales & profits upswing to increased production of TV tuners & greater activity in other than consumer electronics markets. TV components produced 35% of 1962 sales, industrial electronic products 27%, military electronics 18%, appliances 10%, other consumer products 10%. Noting that Oak recently restored regular quarterly dividend of 7½¢ a common share (Vol. 3:6 p11), Carter said payout represents 23% of 1962's net profit, added that Oak hopes to pay as much as 40% of net earnings in near future.

Ling-Temco-Vought stockholder has filed suit to recover for former Ling-Temco Electronics any profits which officers or directors of latter and Chance Vought made by trading securities of the 2 firms prior to their 1961 merger. Former Ling-Temco stockholder Henry H. Abrams, in suit filed in N.Y. Federal District Court, charges that 9 officials benefited by trading securities in 6-month period prior to merger.

In fight against foreign competition, "we cannot look to the govt. for protection; we must protect ourselves," noted Westinghouse Pres. Mark W. Cresap Jr. in special article in March 3 *Philadelphia Inquirer*. "U.S. industry must find its own solutions to the problems of the intensified competition that lies ahead," he said. "We will need co-operation & understanding from govt. & from labor," but industry will hold its own against foreign competition only if it "relies on itself, strips for action, and enters the arena prepared for a fight."

International Resistance expects 1963 sales to top 1962's record \$29.4 million, but heavy expansion of facilities & products may hold profits below last year's peak \$2.5 million. IRC will have "a major year of new product releases in virtually every product area at every plant location," Pres. Walter W. Slocum said. Marketing expenses will increase to 13% of sales from 1962's 11%, R&D spending will rise to \$4.5 million from \$4 million, and capital expenditures for "process & plant facilities will top \$5 million—more than 2½ times 1961's investment. Slocum estimated that IRC's first-half net earnings rate would be "somewhat less than 6%" of sales, compared with about 8% in recent years. He sees 2nd-half earnings "somewhat higher."

MGM is in the red in fiscal-1963's 2nd quarter ending March 17, Pres. Robert H. O'Brien told stockholders meeting. He blamed unusually high production costs on several major films, said studio is considering plan to use some of its 173 acres at Culver City, Cal. for income-producing real estate operations to make it "easier" for company to make "satisfactory return on a smaller amount of assets." Chmn. Joseph R. Vogel was criticized by some shareholders for selling 12,000 of his 12,578 shares Jan. 9, the day he was succeeded as pres. MGM noted "encouraging outlook for the latter part" of fiscal 1963, said earnings rise was anticipated in fiscal 1964.

Hallicrafters earnings increased 19% in fiscal-1963's 2nd quarter, ended Feb. 28, to about \$473,000 on 5% sales rise to estimated \$16,580,000. Vp-treas. Edward Bishop Jr. said newly acquired (Nov. 1962) subsidiary Radio Industries Inc. is "contributing to profits." Pres. Robert F. Halligan "definitely" expects fiscal-year's sales to top fiscal-1962's \$66.7 million, sees profits rising more sharply than sales. Hallicrafters earned \$2 million in fiscal 1962. He said company will study feasibility of cash dividend at April board meeting.

Thompson Ramo Wooldridge expects 1963 to be a "good year" & produce higher sales & earnings than 1962's \$12.5 million profit on record \$460.3 million revenue (Vol. 3:9 p12). Finance vp E. C. Brelsford reported order backlog at about \$200 million, "somewhat higher" than year ago, said TRW will invest some \$12.5 million in 1963 R&D, as it did in 1962.

Sylvania's 1962 earnings jumped to approximately \$8.7 million from 1961's \$5.6 million as sales rose 3% to more than \$400 million, Sylvania Pres. Gene K. Beare told recent meeting of Sales & Mktg. Executives Assn. of San Francisco. Sylvania's sales & earnings were lumped with parent G&E's consolidated 1962 financial report (Vol. 3:7 p12).

Realtone Electronics sales in 9 months to Dec. 31, 1962, rose 25% to record \$5,867,496. Quarterly earning figures are not released.

## 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
Aerovox	1962—year to Dec. 31	—	—	\$ (506,909) <sup>1</sup>	—	870,851
	1961—year to Dec. 31	—	—	(606,568) <sup>2</sup>	—	870,851
Allied Artists	1962—26 wks. to Dec. 29	—	—	(334,000)	—	931,608
	1961—26 wks. to Dec. 29	—	—	(996,000)	—	931,608
Chris-Craft Industries (formerly NAFI Corp.)	1962—year to Dec. 31	\$ 69,399,700	\$ 3,484,893	2,084,893 <sup>12</sup>	\$1.51 <sup>13</sup>	1,376,672
	1961—year to Dec. 31	67,595,931	3,838,750	2,298,750 <sup>14</sup>	1.67 <sup>14</sup>	1,376,672
Clairtone Sound	1962—year to Dec. 31	6,726,675 <sup>15</sup>	—	289,883	.50	576,000
	1961—year to Dec. 31	3,523,075	—	125,471 <sup>8</sup>	.21	576,000
Callins Rad'a	1963—6 mo. to Feb. 1	111,211,292	3,576,495	1,716,718	.77	2,230,065
	1962—6 mo. to Feb. 1	93,805,154	2,169,302	1,041,265	.47	2,223,575
Columbia Pictures	1962—6 mo. to Dec. 30	—	—	817,000	.45	1,572,291
	1961—6 mo. to Dec. 30	—	—	1,637,000 <sup>12</sup>	.98	1,493,895
Cowles Magazine & Bcstg.	1962—year to Dec. 31	118,510,000	—	3,447,000	1.16	2,950,501
	1961—year to Dec. 31	103,739,000	—	2,843,000	1.05	2,670,619
Crowell-Collier	1962—year to Dec. 31	—	—	3,086,667 <sup>4</sup>	.97 <sup>4</sup>	3,256,550
	1961—year to Dec. 31	—	—	4,117,643	1.29 <sup>5</sup>	3,203,412 <sup>5</sup>
Dominion Electrohome	1962—year to Dec. 31	21,198,502	—	512,925	1.21	423,665
	1961—year to Dec. 31	16,321,850	—	397,981	.95	418,140
Dynamics Corp. of America	1962—year to Dec. 31	75,014,106 <sup>6</sup>	7,417,326	3,572,778 <sup>6</sup>	1.07 <sup>7</sup>	3,008,624
	1961—year to Dec. 31	49,165,655	4,156,667 <sup>7</sup>	2,093,596	.58 <sup>7</sup>	2,865,751
H & B American	1963—6 mo. to Jan. 31	2,201,431	—	52,852	.02	2,575,160
	1962—6 mo. to Jan. 31	1,717,529	—	33,747	.01	2,575,160
Hazeltine	1962—year to Dec. 31	47,951,008	4,257,300	2,006,300	1.28	1,568,363
	1961—year to Dec. 31	41,450,835	3,235,078	1,568,078	1.00	1,568,029
Hewlett-Packard	1963—qtr. to Jan. 31	25,748,000	—	1,702,000	.15 <sup>7</sup>	10,853,090
	1962—qtr. to Jan. 31	24,667,000	—	1,747,000	.15 <sup>7</sup>	10,689,706
Ling-Temco-Vought	1962—year to Dec. 31	325,439,135	—	8,650,069	3.03 <sup>7</sup>	2,783,600
	1961—year to Dec. 31	192,847,111	—	(13,158,591)	—	2,775,185
Litton Industries	1963—6 mo. to Jan. 31	261,029,000	20,399,000	10,946,000	1.08 <sup>7</sup>	10,143,000
	1962—6 mo. to Jan. 31	168,461,000	14,197,000	7,446,000	.75 <sup>7</sup>	9,869,895 <sup>16</sup>
Pentron Electronics	1962—6 mo. to Dec. 31	4,919,447	—	40,272 <sup>17</sup>	.02 <sup>17</sup>	2,532,644
	1961—6 mo. to Dec. 31	4,436,775	—	134,094	.06	2,346,037
Reeves Soundcraft	1962—year to Dec. 31	8,333,467	166,227	90,227	.03	3,236,775
	1961—year to Dec. 31	6,520,690	(220,938)	(220,938) <sup>8</sup>	—	3,235,515
Republic Corp.	1963—qtr. to Jan. 26	11,223,344	—	539,047 <sup>9</sup>	.18 <sup>7</sup>	2,443,448
	1962—qtr. to Jan. 26	10,686,162	—	414,696	.13 <sup>7</sup>	2,443,448
Time Inc.	1962—year to Dec. 31	326,039,000 <sup>9</sup>	18,790,000 <sup>10</sup>	10,190,000	4.76	2,142,869
	1961—year to Dec. 31	309,237,000	15,753,000 <sup>11</sup>	8,971,000	4.23	2,122,419

Notes: <sup>1</sup> After \$73,317 tax credit. <sup>2</sup> After \$321,165 tax credit. <sup>3</sup> After \$110,245 net loss on U.S. operations. <sup>4</sup> Before special credit of \$731,522 (22¢ a share). <sup>5</sup> Adjusted to reflect 4% stock dividend in 1962. <sup>6</sup> Record. <sup>7</sup> After preferred dividends. <sup>8</sup> Before \$1,170,439 gain on sale of Cinerama stock. <sup>9</sup> Includes \$75,000 tax benefit carry-over from earlier losses of subsidiary Utility Appliance Corp. <sup>10</sup> Includes \$833,000 capital gains.

<sup>11</sup> Includes \$2,185,000 capital gains. <sup>12</sup> Includes about \$2 million in U.S. sales. <sup>13</sup> Includes non-recurring gain equal to 45¢ a share. <sup>14</sup> Includes net credit of \$401,000 (29¢). <sup>15</sup> Before \$413,000 profit on sale of land. <sup>16</sup> Adjusted for 2-for-1 split & 2½% stock dividend during 1962. <sup>17</sup> Before special provision of \$200,000 for losses on disposal of obsolete inventories, resulting in net loss of \$163,728.

Travler Industries slipped in fiscal-1963's 3rd quarter, ended Jan. 31 & Pres. Joe Friedman said, "indications are that sales were down 10-15% & earnings were probably off more than that." Company a year earlier earned \$210,000 on \$6.8 million sales. He attributed decline in part to January's severe cold, which affected both orders from retailers & Travler's ability to fill orders on hand, unusually heavy ordering in 2nd fiscal quarter, expenses for Color TV production facilities. Current backlog totals some \$7 million—up from \$4.7 a year ago. Friedman confirmed that Travler is now 100% private-label (Vol. 3:4 p8), said only those Travler TVs, radios & phonos still in inventory are being sold under Travler brand. "We decided private label business was the best prospect for a small independent company," he said, noting that only 8 years

ago, in 1955, only 1.4% of company's production was private label. He said Travler expects to continue present policy of issuing 5% annual stock dividend.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Arvin Industries	Q	\$0.25	Mar. 30	Mar. 11
Arvin Industries	Stk.	10%	Apr. 29	Apr. 8
Corning Glass	Q	.37½	Mar. 29	Mar. 18
Decca Records	Q	.30	Mar. 29	Mar. 18
MGM	Q	.37½	Apr. 15	Mar. 18
Newark Electronics-A	Q	.06¼	Mar. 29	Mar. 15
Times-Mirror Co.	Q	.12½	Mar. 25	Mar. 8
Webcor	Q	(Omitted Mar. 6)		



# WEEKLY **Television Digest**

with

**Consumer Electronics . . . (starting on page 7)**

MARCH 18, 1963

NEW SERIES VOL. 3, No. 11

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FOREIGN TV SETS** outnumber American for first time, as 'Television Factbook' estimates overseas TV sets at 65 million, U.S. sets at 60 million. Foreign stations exceed 2,500 (p. 1).

**KICKOFF OF UHF DEVELOPMENT GROUP**, headed by Comr. Lee, outlines areas of potential study—in transmission, reception, economics, receiver distribution (p. 2).

**FCC RENEWS TVs on 'LOCAL-LIVE' ISSUE**, grants 70-plus licenses delayed by questions on 6-11 p.m. programs, other than news-weather-sports (p. 3).

**LOW RATINGS FOR SMALL-FRY SURVEYORS**: House ratings hearings completes 2nd week, sharp with charges, mostly against smaller firms; reliability of all ratings questioned (p. 3).

**HUBBELL OUT, DANN IN** at CBS in new executive-echelon switch said to be triggered by Jim Aubrey's fondness for involvement in program plans (p. 5).

**MINOW'S PRO-NEWSPAPER PITCH** in Celler hearings notes many of best telecasters own papers, urges publishers into TV as hedge against rough competition (p. 6).

### Consumer Electronics

**RCA TO OFFER KIMCODE** tubes to set makers within few weeks, becoming 5th tube maker to enter field; widespread use of bare-faced tube unlikely before Fall (p. 7).

**11-IN. PICTURE TUBE** will be next U.S. size, as GE & Admiral prepare for introduction of tinyvision personal sets, aiming at below-\$100 price (p. 7).

**COLOR'S FUTURE FORECAST** by set makers in interviews with market planning firm. Sales of more than 2 million color sets seen in 1967, with b&w sales tapering off (p. 8).

**NEW SET INTRODUCTIONS** by some manufacturers coming early. Sylvania to unveil 'advance 1964' portable chassis this month; Philco showing 'new TV line' to distributors (p. 9).

**FTC EXAMINER BELTS GE** on co-op ads; charges company unlawfully restricted retailers in fair-trade areas from advertising GE products below specified minimum prices by withholding co-op payments from those who did (p. 10).

**MOTOROLA PROFIT JUMPS 28%** to \$12.2 million as 1962 sales rise 16% to record \$346.9 million; 4th quarter sales of \$102.2 million also set record (p. 11).

**FOREIGN TV RECEIVERS OUTNUMBER AMERICAN**: For first time in TV's postwar development there are now more TV sets-in-use in foreign countries than in U.S. Spurt in foreign TV growth came in 1962. At beginning of year, there were fewer than 54 million sets-in-use in foreign countries. By October, total was 65 million, compared with about 60 million sets in U.S.

This trend is delineated in our new 1963 *Television Factbook*, whose Foreign TV Directory has become accepted standard of TV industry. Directory lists all foreign TV stations operating & planned, with information on facilities & starting dates. Perusal of Foreign TV Directory reveals these additional world TV facts:

There are now 2,563 stations in 75 foreign countries, compared with 2,047 in 66 countries a year ago (Vol. 2:19 p4). *Factbook* directory lists U.S. as having 619 TV stations—but U.S. count doesn't include low-powered translators & repeaters, while their equivalents are included in foreign total. In addition, U.S. Armed Forces operate 35 TV stations for entertainment of servicemen & their families stationed in U.S. & overseas locations where they're beyond reach of English-language TV outlets.

Among highlights of foreign TV progress shown in our directory are growth of TV in new nations of Africa and continued trend toward commercial TV, even in countries where stations are owned by governmental or quasi-governmental bodies. Ratio of commercial-to-noncommercial countries is better than 2-to-1.

There are 51 countries with some form of commercial TV operation. These countries have 1,382 stations (including non-commercial stations) and 39 million sets. Stations which bar commercial TV have 1,181 stations and 26 million sets.

Major trend for 1962-63 is development of "2nd network," or alternative program sources, in large countries. Italy & Germany now have 2nd networks, making use of uhf. France is planning one. Britain is planning 3rd program service.

Here are leading TV countries in terms of sets-in-use: U.K., 12.5 million sets, 50 stations; Japan, 10.7 million sets, 207 stations; West Germany, 7 million sets, 419 stations; USSR, 6.5 million sets, 173 stations; Canada, 4.4 million sets, 154 stations; Italy, 3.3 million sets, 586 stations; France, 3.1 million sets, 152 stations. Fifteen foreign nations now have more than one million sets each.

(For table of foreign stations & sets-in-use, see p. 5.)

**KICKOFF OF UHF DEVELOPMENT GROUP:** FCC-sponsored uhf-development committee (CUB) got good start March 12, under leadership of Comr. Lee—and the approximately 150 top-level representatives of govt., telecasting & set-making left with impression that group can do much to smooth growth of uhf.

Morning of one-day session was devoted to careful groundwork-laying to comply with laws & rules governing govt.-industry meetings—to avoid anti-trust problems. There also were speeches by Sen. McGee (D-Wyo.) & Rep. Younger (R-Cal.), members of Commerce Committee. Paradoxically, liberal McGee gave a non-controversial hortatory pitch, but conservative Younger irritated bejabbers out of manufacturers by warning against potential skulduggery to get around all-channel law. Younger apparently believes that customers might object to paying extra for all-channel sets—whereupon dealer would take out vhf-uhf tuner, replace it with vhf-only, and ship vhf-uhf tuner back to factory, to be included in another set destined for interstate shipment and compliance with law. Younger visualized all-channel tuners re-used in a sort of factory-to-dealer shuttle. Younger also suggested that vhf station operators be given uhf facilities, too.

Lee introduced his alternate, Comr. Henry, joked about rumors of latter as next FCC chairman, saying: "Maybe it's time for me to be kissing another foot." Said Henry: "I don't know anything about that, but I can only say I hope he's right" about chairmanship. In brief remarks to group, he said that FCC wouldn't dominate committee—"we'll follow you."

Afternoon session was more productive, Lee leading discussion, taking up areas which may need study. Among points advanced, many of them well known:

(1) Since uhf transmission-line losses are greater than vhf, there might be great savings in putting final amplifier at top of tower.

(2) Polycasting (use of 2 or more transmitters-&-antennas per station) might be more efficient than conventional single facility.

(3) Uhf antenna farms, particularly for ETV, are very important for receiving-antenna orientation.

(4) Study of uhf transmission patterns should be made, to improve balance between close-in & distant reception.

(5) Uhf facility costs 12-15% more than vhf for same power, and uhf frequently needs more power for adequate coverage.

(6) Eimac has new much-improved transmitting tubes—longer life, more stability.

(7) To save money on uhf stations, visual-audio power ratio should be changed from 2-1 to 10-1 or more (which FCC is planning to do).

(8) Development contracts could be used to get at technical problems—and Lee said Congress may be approached for funds "at some point." He said that the \$300,000 FCC returned to govt., unexpended from N.Y. uhf project, "will be the best investment we ever made," in terms of future appropriations.

(9) Programming is biggest cost—so FCC should let up in its pressures for such things as more local-live programming (suggested by former FCC Chmn. John Doerfer).

(10) Many dealers care little & know less about uhf, giving it black eye. It was suggested that FTC should be put on their backs. EIA's L. M. Sandwick countered quickly that dealers "need to be educated," not punished.



(11) Distinctions between vhf & uhf shouldn't be played up to public. Rather, pitch should be about "all-channel sets." Said rep Adam Young: "Sell 'more channels' instead of 'something new.'"

(12) Pioneer dealers "will cash in" on uhf, and industry can sell 8-9,000,000 sets annually—if uhf stations develop—according to NARDA Chmn. Mort Farr.

(13) National advertisers aren't as prejudiced against uhf as some think, are interested in number of viewers reached, according to Young. But local advertisers "are interested in results, not numbers," said William Putnam, WWLP Springfield, Mass.

(14) There's great need for statistics on retail sales of all-channel sets & converters. No one compiles these, though EIA's county-by-county figures may help, said Sandwick.

(15) Educators are confused, said JCEB's David Stewart, "because they've had to learn about vhf, uhf, closed-circuit, airborne and 2,000-mc transmissions."

Lee did masterful job of leading discussion, was warmly commended by participants, who included good cross-section of telecasters, associations, manufacturers (17 of the 21 set makers, mostly presidents, exec. vps, gen. mgrs.), educators, govt., engineers, lawyers, etc.

Lee is asking 20 members to serve on an executive committee which will meet in Chicago April 4 at Conrad Hilton, after NAB convention, to block out areas of study. Then another meeting of full membership will come in late April or early May—"and we'll see where we go from there," said Lee.

**FCC RENEWS TVs ON 'LOCAL-LIVE' ISSUE:** FCC last week renewed 70-plus TV station licenses which had been held up by so-called "6-to-11" issue—referring to telecasts of local-live programs (other than news-weather-sports) during prime time (Vol. 2:50 p1).

Stations comprised 3 groups, according to staff analysis: (1) About 30, which staff recommended be renewed, after being sent letter saying FCC assumes past local-live performance is indicative of future plans. (2) About 35, which staff said needed to be questioned with another letter asking for plans. (3) Some 9, which had responded to FCC letters—but from which staff wanted more information.

Commission renewed them all, sent no further queries to them. Some commissioners voted for renewal because they believe FCC has little or no authority to get into such program matters. Others found no sense in singling out 6-11 p.m. Others voted that way because Commission's 1960 program policy statement still awaits implementation via new program forms—and they don't believe stations should be kept dangling because of Commission's own delays in spelling out just what kind of program information it seeks. It's understood vote for first group was unanimous, though Chmn. Minow thought letters should be sent first group. Vote was 5-2 on other 2 groups—Minow & Henry dissenting. Real significance of foregoing won't be known until it's seen what Commission finally puts into its program form.

**LOW RATINGS FOR SMALL-FRY SURVEYORS:** Biggest frog in ratings pond, Nielsen, is yet to be heard in House hearings on ratings, but Chmn. Harris (D-Ark.) last week let it be known he believes Congress needs to do something about program-surveying business.

As Special Investigations Subcommittee held 2nd week of hearings, Harris said subject has been under study for 5-6 years, but "nothing effective" has been done. "We watched FTC progress," he said. "We waited a long time before anyone did anything. Last October, we decided to open the whole thing up."

Eager to lead industry toward improved techniques, NAB reportedly has approval of ARB & Pulse for cooperative undertaking. If it materializes, it's understood, NAB and the firms would supply funds.

Last week's testimony provided serious charges, especially against "smaller" firms. Even more basic is continued questioning by committee of ratings' reliability, validity & methodology, and the use made of figures. Rep. Moss (D-Cal.), for example, no sooner complimented ARB's James Seiler as "model of candor and cooperation," when he immediately asked: "How reliable are ratings?"

Seiler's answer: They're valuable as a guide limiting area in which "good judgment should prevail." He regretted uses some people made of measurements. On basis of committee's findings, especially more

spectacular evidence suggesting fraud & misrepresentation, Harris asked: "Do you think there should be legislative action?" Let responsible people in industry do the job, Seiler replied. Harris retorted: It's obvious there are "irresponsible people" in the business, too.

More than half dozen rating services heads were heard from. Testimony of major witnesses this week—Dr. Sydney Roslow, Pulse dir., and Henry Rahmel, Nielsen exec. vp & media research div. mgr.—will have great bearing on direction committee action will take because of their importance in field.

Knowledge acquired by staff investigators Robert Richardson & Rex Sparger surprised measurement firms. (Official of a major rating firm told us he wouldn't mind having one of them as research dir.)

Unsatisfied with vague responses of Robert E. West, pres. of Robert S. Conlan Assoc., committee requested appearance of his partner, Mrs. Hallie Jones, who flew in from Kansas City hq.

Committee said that after 1½ years of study it still can't determine if any field work was done in half Conlan's published surveys. Conlan stated it made more than 250 surveys in 1960, ostensibly in more radio markets than any other firm, at field cost of \$5,618. It's understood Conlan reported that it grossed more than \$100,000 that year.

Telephone interviewers listed by Conlan couldn't be verified for specified surveys. One woman alleged to have conducted Tampa survey, investigators said, had moved from address given 2 years earlier, had married, could only recall doing survey years ago in Altoona. Another "interviewer" was in traction when she was supposed to be surveying, committee charged. Mrs. Jones said records could be incomplete because many payments are made by cash through mail. Rep. Rogers (D-Fla.) wondered if Internal Revenue had checked cash receipts. She said no.

"Several radio stations should give attention to these facts," Harris concluded, "It isn't a very good picture."

Allan Jay, pres. of Videodex Inc., N.Y. & Chicago, also had difficulty responding to questions. There were contradictions between Jay's testimony and findings by investigators.

Sparger took stand to report: That Merchandise Mart post office box received no TV panel diaries; that Jay first told investigators Videodex had national sample of 9,200, but now says he hasn't had national sample for years; that alleged Joliet, Ill., field plant wasn't there; that 7 premium houses, which mailed out diaries with "incentives," were not premium houses, had mailed no Videodex diaries, and some were even out of business.

Company stated 85% of its work was analyzing spot schedules for advertisers. Jay said much of confusion was that his firm was in process of moving from Chicago to N.Y. for "several years."

Questioning of ARB centered around the difference between metro area ratings and total area viewing by homes. Committee also wondered about heavy ratings-week promotions. Harris called metro areas "trumped up," "artificial." Seiler explained that in a 3-station market, for example, ARB couldn't use the areas claimed by all 3 stations.

Seiler also showed variations in ratings. Programs with ratings of 22 & 26 in one Louisville report could vary from 15.2 to 28.8, latter from 19-33. He said he advises clients to see a rating twice in a row before making decision, but conceded there is great misuse of ratings. He disclosed that ARB's 1962 gross was more than \$3 million, most of it in local station diary reports.

Frank Stisser, pres. of C. E. Hooper, conceded that ratings are "overused" most of the time—"not good for us and not good for the industry." He said that Hooper measures only city zone radio listening, that figures aren't projectible, that they're intended only as management guide.

Hooper uses a code of practice, has suspended stations for misleading advertising of ratings. However, Richardson said, Tucson station used call letters and ratings of all stations in promotion—violating Hooper code—but there was no evidence of suspension.

Trendex Pres. Ed Hynes was accused by Committee as stating in his brochure that his company would supply rating stations wanted. Committee also found that in one case Trendex had sample size of 6 that was distributed over 8 stations.



**FOREIGN STATIONS & SETS:** Here is summary table compiled from the Foreign TV Directory section of our new 1963 *Television Factbook* giving number of stations & sets-in-use in foreign countries as of Oct. 1, 1962 (see p. 1) :

Country	Stations	Sets	Country	Stations	Sets
Albania	1	1	Malta <sup>10</sup>	1	21,000
Algeria	6	67,500	Mexico	24	1,000,000
Argentina	9	850,000	Monaco	1	12,000
Australia	27	1,568,300	Morocco	4	5,000
Austria <sup>2</sup>	27	350,000	Netherlands	7	1,168,995
Belgium	12	950,000	Netherlands A		
Bermuda	1	9,400	(West Indies) ..	1	10,000
Brazil	37	1,430,000	New Zealand	4	52,000
Bulgaria <sup>13a</sup>	2	22,000	Nicaragua	2	10,000
Canada	154	4,375,000	Nigeria	6	10,000
Chile	3	4,000	Norway <sup>11</sup>	20	155,000
China <sup>3</sup>	26	100,000	Okinawa	2	47,000
Colombia	14	200,000	Panama <sup>12</sup>	3	30,000
Costa Rica <sup>14</sup>	4	15,000	Peru	7	75,000
Cuba <sup>3</sup>	27	400,000	Philippines	11	55,000
Cyprus	1	4,500	Poland	17	1,000,000
Czechoslovakia <sup>4</sup>	100	1,300,000	Portugal	8	90,000
Denmark	11	795,000	Rhodesia	3	35,000
Dominican R.	4	18,000	Rumania	9	110,000
El Salvador	3	30,000	Saudi Arabia	1	14,000
Ecuador	2	5,000	Spain <sup>17</sup>	36	400,000
Finland	19	315,000	Sweden	63	1,550,000
France <sup>5</sup>	152	3,059,574	Switzerland	27	250,000
E. Germany <sup>15</sup>	117	1,500,000	Syria	3	42,000
W. Germany <sup>6</sup>	419	7,000,000	Taiwan	2	5,000
Gibraltar	1	1	Thailand	2	100,000
Guatemala	3	40,000	Trinidad	1	5,000
Haiti	1	2,500	Turkey	1	500
Honduras	2	4,500	United Arab		
Hong Kong <sup>7</sup>	1	16,000	Republic <sup>18</sup>	13	200,000
Hungary	8	250,000	United Kingdom ..	50	12,500,000
India	1	750	Uruguay	3	70,000
Iran	2	78,000	USSR	173	6,500,000
Iraq	1	50,000	Venezuela	14	263,000
Ireland <sup>8</sup>	5	120,000	Yugoslavia <sup>13</sup>	39	100,000
Italy <sup>10</sup>	586	3,255,611			
Japan <sup>9</sup>	207	10,724,091	<b>FOREIGN</b>		
Kenya	1	3,500	<b>TOTAL</b>	<b>2,563</b>	<b>64,937,221</b>
Korea	1	40,000	U.S.	619	60,000,000
Kuwait	1	8,000	U.S. Military	35	
Lebanon	5	80,000	<b>GRAND</b>		
Luxembourg	1	10,500	<b>TOTAL</b>	<b>3,217</b>	<b>124,937,221</b>

<sup>1</sup> Sets-in-use estimate unavailable. <sup>2</sup> Station total includes 15 low-power satellite. <sup>3</sup> Recent information not available. <sup>4</sup> Station total includes 89 low-power satellites. <sup>5</sup> Station total includes 115 low-powered satellites. <sup>6</sup> Station total includes 334 low-power satellites. <sup>7</sup> Closed-circuit cable system. <sup>8</sup> Some viewers also can get British stations. <sup>9</sup> Station total includes 82 low-power satellites. <sup>10</sup> Some viewers also can get Italian stations. <sup>11</sup> Station total includes 15 low-power satellites. <sup>12</sup> Sets-in-use does not include those in Canal Zone. <sup>13</sup> Station total includes 32 low-power repeaters. <sup>13a</sup> Station total includes 3 low-powered relays. <sup>14</sup> Station total includes 2 repeaters. <sup>15</sup> Station total includes 107 low-power repeaters. <sup>16</sup> Station total includes 543 low-power repeaters. <sup>17</sup> Station total includes 28 satellites. <sup>18</sup> Station total includes 6 relay units.

Settlement of NBC-Philco fight over NBC's WRCV-TV (Ch. 3) Philadelphia, as proposed by the principals (Vol. 3:1 p1), has been rejected by FCC. Parties had proposed that Philco pull out, get paid \$550,000 by NBC for expenses incurred fighting for Ch. 3. Commission turned that down, asked Philco to tell Commission, quickly, whether it will prosecute its application for Ch. 3. FCC's position is that it had accepted, as justifying a hearing, Philco's original charges against NBC's qualifications as a licensee—and it can't simply ignore those charges now. It's expected Philco will drop application, won't get the expense money, and FCC will renew NBC's license.

Station Sales: (1) KSYD-TV (Ch. 6) Wichita Falls, Tex. to Paul Harron by Sidney Grayson & associates for \$2,350,000, approved by FCC. (2) Also approved was sale of WMAZ-TV (Ch. 13) with radios WMAZ & FM for \$2,094,750 to WMRC Inc. by George P. Rankin & associates. WMRC Inc. also owns WFBC-TV (Ch. 4) Greenville, S.C. (3) KVIP-TV (Ch. 7) Redding, Cal., is being sold for about \$1,250,000 to Sacramento Valley TV (William Smullen), which will drop Redding Ch. 9 application, leaving Northern Cal. ETV Assn. unopposed for Ch. 9.

## Personals

Sigurd S. Larmon, ex-Young & Rubicam chmn., named U.S. Advisory Commission on Information member for 3-year term.

Frank Kearns appointed chief, CBS News Bureau for Africa, with home base in London. Blaine Littell named Paris bureau chief.

William R. Baker Jr., honorary chmn., Benton & Bowles, elected Advertising Council chmn. Vice chairmen elected: Albert Cole, *Reader's Digest*; George Gribbin, Young & Rubicam; Edwin Ebel, General Foods.

Kevin Sweeney, ex-RAB pres., becomes pres. & major stockholder, John Poole Broadcasting, Los Angeles. . . . John R. (Dick) Carlson promoted to WOW-TV Omaha program dir., succeeding Bill McBride, station mgr.

Milton J. Shapp, Jerrold chmn., receives 1963 Philadelphia Fellowship Commission Award for work on interracial employment, Peace Corps, neighborhood renewal.

Dr. Mary Ann Cusack, ex-U. of Mich. staff, appointed special asst. to NAB Pres. Collins, for special projects & administrative affairs.

William Stubbs, southeastern TV sales mgr., Peters, Griffin, Woodward, elected vp.

Martin Leeds, exec. vp, Talent Associates-Paramount, resigns because of company move to N.Y.

Jacob A. Evans, TvB central div. vp, Chicago, also named Detroit representative, succeeding Guy Cunningham, now creative dir. . . . Ben McLaughlin, ex-Broadcast Time Sales executive, named KSLA-TV Shreveport sales mgr.

Edward A. Grey, ex-senior vp-media operations, Ted Bates, appointed senior vp in charge of TV programming & media div., McCann-Erickson . . . Robert L. Miller, ex-Trans-Lux TV, appointed ABC Films dir. of film operations.

Howard Wry, WHNB-TV Hartford, and Caley Augustine, WIIC Pittsburgh, named winners in Fifth Annual NBC Promotion Managers Awards Campaign.

## Obituary

William D. George, 55, asst. chief, radio frequencies, Bureau of Standards Radio Standards Div., Boulder, Colo., was killed in car accident March 5 in Switzerland. He was there for meetings on International Telecommunications Union. Considered a leading space radio scientist, George joined Bureau in 1929. He is survived by wife, daughter, 3 sons and sister.

David Lachenbruch promoted to editorial director, *Television Digest* (N.Y.), succeeded as managing editor (Washington) by Jonah Gitlitz. Latter served as editor of *U.S. Radio* magazine, 1957-61, recently was dir. of advertising & public relations for Adam Young Inc., TV-radio reps; he's graduate of American U., served 5 years on staff of *Broadcasting* magazine.

Mich. Gov. George Romney will address luncheon session on final day of 41st annual NAB convention at Chicago's Conrad Hilton, March 31-April 3. Other luncheon speakers, per custom, will be FCC Chmn. Minow & NAB Pres. Collins. Bob Hope will receive NAB Distinguished Service Award for 1963 on April 1.

# Television Digest

PUBLISHED BY TELEVISION DIGEST, INC.

HEADQUARTERS: 2025 Eye St., N.W., Washington 6, D. C.

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

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TELEVISION DIGEST. Published Mondays. Services: \$75-\$150 annually.  
For group rates & other subscription services, write Headquarters.

TELEVISION FACTBOOK  
Published Annually

TV & AM-FM ADDENDA  
Published Saturdays

AM-FM DIRECTORY  
Published Annually

**Hubbell's Second Exit:** Resignation of Hubbell Robinson Jr. as CBS-TV senior vp for programs is being pointed to in N.Y. as good example of how executive-echelon strife at networks can be disguised (or unnoticed) behind facade of material success.

Outwardly, it had seemed that Robinson had it made. In season-to-date National Nielsens, CBS has been easy nighttime winner (8 of top 10 including first-ranked 4 shows; 16 of top 20; 21 of top 30) with much of credit for sparked-up CBS current-season schedule and for coming fall blueprint going to Robinson. Also, CBS has just issued blue-chip financial report showing jump of 32% in net income for 1962.

Robinson, according to insiders, isn't always easy to get along with; firm in his opinions, he likes relatively free hand to run major program operation (a motivation backed up by his track record of successes). When he returned to CBS a year ago, after stint as independent producer, he found himself sharing conference tables with CBS-TV Pres. James T. Aubrey.

Aubrey, too, isn't always easy to live with. Talented, hard-driving, Aubrey has no hesitancy about becoming involved in all phases of CBS activities—including programming. Something close to low-pressure feud developed between Robinson and Aubrey.

Now, Robinson is out again, although far from feeling the pinch (his income includes producer's share of syndication of *87th Precinct* and *Thriller* via MCA). In is Michael H. Dann, a cheerful, crew-cutted executive who combines showmanship flair with considerable diplomatic talents. Out also is Alan D. Courtney, Robinson's 2nd-in-command whom Robinson brought in from an MCA spot. Into Courtney's job goes Oscar Katz, daytime programs vp and former network research chief. Interestingly, a

year ago Dann reported to Katz; now, Katz reports to Dann.

Effect of moves on CBS fall schedule will be minimal; most of it is completely locked up.

**Minow's Pro-Newspaper Pitch:** Like Chief New Frontiersman Kennedy, FCC Chmn. Minow is assiduous reader of newspapers, considers vigorous press extremely vital. His testimony before Rep. Celler's (D-N.Y.) inquiry into newspapers' ills reflected that amply.

In years past, when Congress questioned FCC about "concentration" of TV-radio & newspapers in few hands, Commission reaction was predictable—avoid such concentration, "all other things being equal." As Minow said last week, "all other things are never equal." He went on to urge—heresy to some at FCC—that newspapers should be helped acquire TV facilities in cities where their competitors have stations. This, he said, may keep more papers alive. He noted that few dailies with TV or radio affiliates have folded.

Minow also warmed publishers' spirits with: "It is my personal impression that some of our broadcast licensees which are affiliated with newspapers & periodicals are among those broadcasters most serious about service to the public interest." He urged papers to get into uhf swim, if they have no TV now. His enthusiasm for TV-paper combinations does not extend, however, to situations where one entity owns sole station & only paper in town. He's against that, "with few, if any, exceptions." (Statistics on TV-radio-newspaper ownership trends, as given Celler by Minow, were as disclosed in Vol. 3:10 p6.)

Juicy syndication plum is up for grabs—but there's steep price tag. Milton Rackmil, pres. of Universal Pictures, announced last week his firm's backlog of 215 post-1948 movies—one of very few major backlogs not yet committed to TV—can be had by a distributor who: (1) is willing to pay \$21.5 million with one-third down for a 7-year deal, (2) will give Universal up to 50% of gross, however high it may go, after recovery of distribution fees. At this kind of pricing, distributor would have to ask more than current top dollar being sought for feature films in TV (such as pricing of *Seven Arts*). However, in face of current shortage of large movie packages and steady station demand, a distributor might just get such a price with little trouble.

In personal testimony before House Rules Committee, rare privilege for private individual, NAB Pres. Collins urged congressman to permit broadcast reporting of House activities (Vol. 3:10 p3). "People need to see more, to hear more, if they are to do more in the discharge of their civic responsibilities," Collins said. It can be accomplished with "very little or no obtrusiveness," he asserted. Rep. Delaney (D-N.Y.) questioned whether broadcasters could be counted on for balanced presentation. Collins said problem is no different from that facing newspaper reporters.

Kenneth Cox was finally confirmed as member of FCC in Senate vote March 15. Commerce Committee had reported him earlier in week, Sen. Thurmond (D-S.C.) sole dissenter, reasons undisclosed. Cox probably will be sworn in March 19 or 21, and he's asking Supreme Court Justice Douglas to administer oath; both are from state of Washington. Cox will be succeeded as chief of Broadcast Bureau by James Sheridan, special asst. to Chmn. Minow.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**RCA TO MANUFACTURE KIMCODE TUBES:** New Kimcode picture tube has now made nearly complete sweep of OEM picture-tube industry—to extent that 5 out of 7 tube makers now are set up to make it and are currently offering it or will soon make it available.

RCA Electron Tube Div. will announce to set makers within next 2 or 3 weeks that it will offer the new type picture tube in 3 black-&-white sizes—16-, 19- & 23-in. Already in production or prepared to produce it are tube makers Sylvania, National Video, GE & Westinghouse—which together supply about 85% of set makers picture-tube requirements. Kimcode tube, originally developed by Owens-Illinois Glass Co., uses steel tension band around faceplate, fiberglass coating around funnel, requires no implosion glass or plastic.

RCA is understood to have developed new secret manufacturing process for Kimcode-type tubes. Company spokesman denied any plans for "immediate" production of Kimcode tubes. Nevertheless, RCA is seeking UL approval for its new tube in all 3 sizes. Although UL listing already has been granted for 19- & 23-in. Kimcodes, it's understood new approval is required because of difference in manufacture of RCA tube. This could mean RCA plans to use different type of epoxy resin to fasten fiberglass sleeve to funnel. Two resins—made by Dow Chemical & Union Carbide—are now UL-approved for Kimcode. Two other resin systems have been proposed—by Ciba, and more recently by Shell Chemical, the latter claimed to permit curing at lower temperature and in half the time required by others.

If tube makers are getting excited about Kimcode, set makers are still reluctant—but curious. Only one known to be using new-type tubes in existing sets is Curtis Mathes, although Westinghouse is understood to be shipping Kimcode tubes to undisclosed customer in Germany.

All set makers are looking into Kimcode—and, although it's unlikely that many will appear in spring-summer lines, it's good guess there'll be Kimcode-equipped drop-in models by many manufacturers next fall. RCA Tube Div.'s entry into Kimcode market will naturally give rise to speculation that RCA Victor Div. may be interested in process for drop-in models.

Picture tube engineers are still experimenting with Kimcode modifications. One tube maker is hoping to offer tube with mounting lugs, which he maintains will add further to savings he says are inherent in Kimcode. He claims that Kimcode tube in 19-in. version can "save set manufacturers at least \$1 compared with any other type."

**NEXT U.S. PICTURE-TUBE SIZE—11-IN.:** You can now chalk it up as definite: Next new size in American TV picture tubes will be 11-in. In essence, this will be squared-off version of old 10-in. size, as far as picture shape is concerned.

This size will be even more controversial than 16-in. Most TV manufacturers will ignore it—at least for while. There are 2 schools of thought among U.S. set makers: Ignore tiny imports, or try to beat importers at their own game.

It now is definite that 2 manufacturers will offer 11-in. sets this summer. As we suggested 2 months ago, these set makers will be GE & Admiral. It's good guess that both will aim at attractive lightweight personal-type set which can be sold for less than \$100. Whether either will make it at this price still remains to be seen. Sets will not be transistorized or battery-operated, although such versions could come in about a year.

GE & Admiral developed their tubes independently. Different glass makers are involved—Lancaster

Glass is making bulb for GE tube, and it's believed Corning will make Admiral's glass. However, it's likely that the 2 tubes will be nearly identical, if not actually interchangeable.

GE set will appear first. Dealers will probably see it in June, with deliveries immediate. Distributors will have earlier preview. It's our guess that Admiral set could also be shown, but not delivered in quantity, in early summer.

Will other manufacturers join tinyvision race? Almost everybody's looking into it, but GE & Admiral have long lead. There's been no sampling of production-model picture tubes, although it's believed GE's tube is in production, or on verge of it. Both developments are proprietary—that is, underwritten by the respective set makers rather than tube or glass makers—at this point. But when glass is available for Admiral's tube, it's assumed all tube manufacturers will be sampled.

**SET MAKERS PREDICT COLOR'S FUTURE:** Color TV set sales will increase steadily during next 5 years, totaling 2.2-2.5 million in 1967, while black-&-white sales taper off to about 4 million units by 1968.

This is consensus of 14 leading TV set and picture tube manufacturers, whose top officials were interviewed personally during late Dec. & Jan. by leading economic & market planning firm. Survey was conducted by economics div. of Lionel D. Edie & Co. for private firm connected with TV industry (believed to be Corning Glass).

Results of detailed survey haven't been released, and probably won't be, but manufacturers interviewed by Edie firm were given general summary of some of survey findings. Here are highlights of these results:

Demand for TV sets will remain in range of 6-7 million a year during next 5 years, most manufacturers believe—b&w declining as color sales increase. Table of "Demand for Color Sets" shows consensus of these firms' estimates of sales from 1961 through 1967:

	<u>Color Sets</u>	<u>B&amp;W Sets</u>
1961	125,000-200,000	5.9-6.2 million
1962	325,000-400,000	6.1-6.3 million
1963	500,000-750,000	5.9-6.1 million
1964	900,000-1 million	5.7-5.9 million
1965	1.2-1.5 million	not available
1966	2 million	not available
1967	2.2-2.5 million	not available

As to pricing, majority of respondents felt b&w sets have reached rock bottom, will eventually inch upward—although average price will continue to decline because of increase in sales of portables. "The general feeling is that b&w profit margins are as low as they can get and that manufacturing costs cannot be cut any further." There was agreement that color set prices will come down in next 5 years as result of mass production. Average price (presumably retail) of b&w set was given as \$180-\$200, color \$550-\$700.

Cost estimates, where available, were incomplete, but indicate average color set might cost \$300-\$325 to build, while b&w costs about \$120-\$125. Many believed color tube prices were too high and should be reduced by \$20-\$25. "The feeling is that the price of color tubes will decline in the next 2 years; price reduction might also take place in components and yoke."

Shadow-mask tube is only type which could be successfully marketed in next 2-3 years, in opinion of all manufacturers except one (unnamed). Only other tube mentioned as showing promise is Paramount Chromatron (Lawrence tube), but opinions on its prospects varied. Industry expressed belief that 90-degree round tube won't be introduced until 1964, and this introduction "may reduce the need for a rectangular tube," which was seen as 2-4 years off. "A completely new color tube is about 8-10 years away."

About half of all U.S. TV dealers carry color sets, according to survey, and inventory of color dealers averages 3 color sets per store. "Dealers appear enthusiastic about color TV because of higher profit margins," but enthusiasm varies according to location. For example, West Coast dealers like color better than those in the South. Average life of color set is about same as b&w—or "approximately 6-7 years"—although



rate of obsolescence should be higher because of technical strides in color. "All respondents indicate that servicing is no problem."

Among other opinions expressed by majority of respondents: (1) Tinyvision (5-8-in.) sets will have "no major impact" on domestic TV industry; imported battery sets are priced too high. (2) Some respondents felt that Japanese portable color set might have major impact on U.S. market, but most thought Japanese won't be able to compete in U.S. because they lack domestic market, transportation is too costly and they have encountered trouble in making glass envelopes for color tubes. (3) "There will be excess capacity in the industry in 1964." (4) Profit margins on color sets will decline next year. (5) "The feeling is that the present policy of RCA is a reasonable one because it allows an orderly transition & entry into the market and permits RCA to recover its high initial investment."

**TV-RADIO PRODUCTION: EIA statistics for week ended March 8 (10th week of 1963):**

	March 2-8	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV .....	135,296	137,215	133,674	1,320,745	1,293,080
Total radio .....	309,829	308,925	132,997	3,123,375	3,294,567
auto radio .....	142,354	139,414	249,659	1,429,356	1,404,518

**New Set Introductions:** New Philco 19-in. portable line and harbinger of completely new Sylvania portable chassis highlighted last week's new set activity.

Philco abandoned rounded lines of its "Briefcase 19" series in introducing new "Starlite" portables last week to midwestern & eastern distributors in Chicago & Pittsburgh—first 2 of series of 4 regional meetings. New portable is in squared case, has front speaker & controls, weighs 37 lb. and is available in uhf versions. Four sets are in line, including remote-control model. No prices were announced, but vp Larry H. Hyde called Starlite "popularly priced brother of Philco's stylish Town House" and added "we are going to put at least one Starlite on the floor of every Philco dealer in the country," backed by substantial ad campaign.

Sylvania is already using trade teaser ads for its upcoming new bid for bigger share of portable market. Completely new 19-in. portable chassis will be featured on one "advance 1964" set to be introduced this month. Among unusual features will be horizontal chassis, 5 strap frame grid tubes and "Power Throttle"—Sylvania's trade name for its improved AGC circuit which, company says, limits signal in good reception areas to prevent overload and adds amplification in weak-signal areas. Set is unpriced so far, but it's expected to be around \$149.95. Present 19-in. price leader, at \$139.95, will be continued.

GE introduced 4 cocktail-table stereo phonos to dealers in N.Y. last week. Series starts at \$208, with highest priced unit \$288 including AM-FM.

Meanwhile, Admiral introduced 2 new color sets last week at distributor meeting in Chicago. No details were disclosed.

Packard Bell, which showed year's first portable line in Jan. with group of 5 new models starting at \$148.88 (Vol. 3:3 p10), reports that more units were sold in Jan. show period "than for any other show in our 37-year history," including the typically more successful summer shows. At same time, home products div. vp-gen. mgr. Kenneth R. Johnson announced Feb. sales were 82% over Feb. 1962, with color TV & stereo heading the advance.

EIA Spring Conference March 19-22 at Washington's Statler Hilton Hotel begins with all-day March 19 symposium on European electronics market, under chairmanship of ITT's Ralph E. Van Hoorn. Other sessions of interest to consumer products industry: (1) Two discussions of uhf by FCC officials March 21—Comrs. Lee & Henry addressing Consumer Products Executive Committee on TV receiver makers' role in supporting FCC's Committee for the Full Development of UHF Broadcasting (see p. 2); engineer Jules Deitz speaking on uhf reception to Service Committee. (2) Talk by Dr. Lawrence T. Frymire, chief of FCC educational branch, on "FCC & educational broadcasting," to educational section March 20. (3) Report on foreign markets for FM stereo receivers by FCC's Harold L. Kassens, before radio section March 20. Annual EIA govt.-industry dinner March 21 will hear MITRE Corp. Pres. C. W. Halligan as principal speaker.

Toshiba TV sets will enter U.S. through Majestic Electronics Inc., of Los Angeles & Chicago. Among items which Majestic says it will import, for sale under Brentwood label, are 16-in. color set with round shadow-mask tube, to be priced in neighborhood of \$295 (due in fall); 10-in. line-cord set at \$99.95 (due in 45 days); 19-in. portable at around \$120 (July). Transistor World Corp., N.Y., is importer of Toshiba radios and has also announced plans to import Toshiba TVs. In Tokyo, Toshiba confirmed arrangements to ship 2,000 10-in. sets to Majestic, but denied that it was even negotiating to sell it any color sets.

Jerrold Electronics' Distributor Sales Div. & TACO Appliance Corp.'s Consumer Products Div. (both Jerrold Corp. subsidiaries) have consolidated operations to market latter's line of consumer antennas out of Jerrold's Phila. hq under Jerrold-TACO brand name. Engineering & manufacturing activities continue at TACO's Sherburne, N.Y. facilities.

Emerson's Du Mont Div. has kicked off Silver Anniversary promotion of sale 25 years ago of first TV set—a Du Mont model. Dealers have been furnished with kit of materials for in-store displays & local newspaper, TV & radio promotion of anniversary.

**GE HIT ON CO-OP ADS:** GE lost first round in its tussle with FTC over co-op ad practices initiated in 1959 (Vol. 2:24 p9). FTC hearing examiner Andrew C. Goodhope ruled last week that GE unlawfully restricted retailers in fair-trade areas from advertising GE products below specified minimum prices by withholding co-op ad payments from those who did. "Certain customers have, therefore, been discriminated against," he said, recommending that FTC order GE to cease practice.

TVs & radios are not involved. GE's co-op plan applies only to certain consumer products of its Housewares & Commercial Equipment Div.

GE's minimum-price requirement, Goodhope also charged, was "clearly designed & intended to attempt to eliminate lower-priced advertising & consequently constitutes an attempt [by GE] to tamper with the prices of its retailer dealers, which it has no right to do."

GE noted that "hearing examiner's report is only an initial step in this proceeding," added: "It remains GE's conviction that there have been no restraints on competition & all customers have been treated without discrimination under the plans. The company expects to appeal this matter to the full Commission."

\* \* \* \*

FTC may adopt new procedure under which suspect firms would avoid investigation if they immediately drop challenged practices. Commissioner A. Everette MacIntyre, in speech last week to National Account Mgrs. Assn., said his proposal could streamline Commission's workload & free it for speedier handling of cases requiring investigations & hearings. He said other Commissioners have indicated interest in his idea of pre-investigation conferences which, he believes, would "promote more effective voluntary compliance with the law."

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Philco's Consumer Products Div., "reorganized along functional rather than product lines, made important gains in 1962 in manufacturing efficiencies & facility utilization," Ford Chmn. Henry Ford II & Pres. John Dykstra told stockholders in annual report. They reported sales gains for Philco's foreign subsidiaries, emphasized that Philco last year conducted "intensive program of market appraisal, internal reorganization & product realignment, all aimed at improving its sales in the highly competitive home appliance & electronic equipment markets."

Buying plans are up, Commerce Dept. reports on basis of Census Bureau mid-Jan. survey of 17,500 representative U.S. households. Survey found that 4.5% of consumers expected to purchase TV sets in first half of 1963. Only decline was reported in intentions to buy radios & phonos costing \$100 or more; in this category, 2% expressed plans to buy—down from 2.3% year ago. Purchase of homes was planned in next year by 10% of families, in next 2 years by 20%. Meanwhile, Commerce Dept. reported retail spending reached record high in Feb.

Fourth market for 3M-Revere tape cartridge recorder will be Los Angeles. Instrument will be formally introduced at L.A. High Fidelity Show April 2-7.

Export & licensing arrangements for U.S. products in Sweden will be explored May 4-June 7 by U.S. Trade Development Mission to Sweden, which will include one businessman experienced in electronics. Commerce Dept. says Sweden is "one of the best markets for U.S. products on a per capita basis in the world." For information on submitting business proposals to Trade Mission, write Electronics Div., Business & Defense Services Administration, Washington 25, D. C.

RCA anticipates record ad spending in 1963's first half to promote home entertainment products. Intensified program provides TV, radio, magazine and newspaper promotion of color sets and portable TVs, radios, phonos. "With demand for RCA color sets at an all-time high," noted ad & sales promotion vp J. M. Williams, "we are spending substantially more money on color TV in our print advertising than we did in 1962's first half."

Muntz TV is suing former principal Earl Muntz, Autostereo Music Inc., and Muntz Music Inc. for \$200,000 on charges of trademark infringement & unfair competition. Plaintiff charges in Federal Court of Los Angeles suit that defendants are selling "Muntz Autostereo"-branded car stereo tape playback unit & are using in advertising a Napoleonic caricature trademark-protected by Muntz TV. Commented Earl Muntz: "I have a right to use my name, and that caricature I use isn't of Napoleon—it's me."

Japanese TV exports to U.S. increased again in Jan., according to Japanese govt. figures. TV sets leaving for U.S. during month totaled 18,601, of which 15,261 were tube sets & 3,340 transistor sets (Jan. 1962 total was 2,327, of which 1,415 were tube & 912 transistor). Radios with 3 or more transistors totaled 327,506 (vs. 311,420 year earlier). While tube radios declined to 41,837 from 98,462 in Jan. 1962, and "toy" radios dropped to 89,450 from 244,986.

Feb. retail sales rose 7% to record \$20.291 billion from Feb. 1962 & 0.2% from 1963's first month, Commerce Department reported. New level was record for any month. Sales of durable goods rose 8% from Feb. 1962 to nearly \$6.5 billion; nondurable goods gained 6% to \$13.8 billion.

Opening day bargains, including Westar 16-in. TV sets at \$59.88 (made by Nippon Electric for Westrex Alpine) were snapped up by early-bird shoppers March 13 on opening day of S. Klein's Philadelphia store. Klein spokesman said 100 sets were included in special offer. Set normally lists at \$99. Among other grand opening bargains were 100 power mowers at \$19.99 each.

More information on component sales will be supplied to participating manufacturers under expanded EIA marketing services program. Factory sales will be tabulated for resistors, capacitors, switches, relays, connectors, inductors and filters & networks.

Sylvania is producing 2 new series of microwave germanium tunnel diodes for such high frequency applications as oscillators, amplifiers, frequency converters and high speed switches. Prices range from \$12 to \$110 each in quantities of 1 to 9.

Avco has licensed London-based Ultra Electronics Ltd. to use certain of its communications equipment patents, techniques & developments.



## Trade Personals

Joseph H. Quick resigns as National Co. pres. . . . Stanley Cohen appointed engineering vp of Standard Kollsman Industries' subsidiary Kollsman Motor Corp.

Dr. Paul H. Gleichauf, ex-GE electronics lab, joins Zenith's Rauland Corp. as monochrome CR tube research & development dept. mgr.

Ralph J. Guda named National Union Electric vp & a dir. . . . Richard P. Bucci appointed Sylvania Semiconductor Div. controller.

Perry Winokur, formerly Polk Brothers sales promotion mgr., named national sales mgr. of Mercury Record's Phonograph Div., succeeding Irving Russell, resigned.

Gerald Willner appointed Olympic Radio & TV Sales Corp. credit mgr.

G. R. (Dick) Soden named southern regional sales mgr., Packard Bell Home Products Div., succeeding L. R. Swiney, appointed Packard Bell distributor in Phoenix.

## Obituary

Maurice Kalen, 47, RCA financial operations & analysis dir., died suddenly March 9 while vacationing in Nassau, B.W.I. He lived in Murray Hill, N.J. Previously, he was controller of RCA's Electron Tube Div.

Wilbert E. Stevenson, 63, chmn. of Raytheon's Machlett Labs subsidiary, died March 6 in Springdale, Conn. Widely known in electronics industry, he joined Machlett in 1935 as sales vp, became pres. in 1955. He served as an EIA dir. 1958-59, was a representative for Electronic Tube & Semiconductor Div.

John J. Parsons, 61, retired ITT engineering executive, died in N.Y. March 9 following an accident. He joined ITT in 1925 as a student trainee, held key engineering & executive posts in Europe, Latin America & the U.S. before retirement in 1958.

**Distributor Notes:** Olympic Radio & TV appoints Womack Radio Supply, 515 Wilson Ave., Danville, Va., distributor for Virginia; Womack Electronic Corp., 106 N. Carolina St., Goldsboro, N.C., for North Carolina; establishes 2 new branches: Olympic TV of Washington (William Allen branch mgr., Pat Edwards office mgr.), 825 South Stacy, Seattle, for western Washington; Olympic TV of Central N.Y. (Glenn Sheldon branch mgr., Janet Cooper credit & office mgr.), 845 Hiawatha Boulevard, Syracuse, for upper N.Y. state.

**Mergers & acquisitions:** Audio Devices has purchased Olympic Record Co., Santa Monica, Cal. manufacturer of master & instantaneous recording discs • United Shoe Machinery Co. has purchased for cash Truelove & Maclean Inc., Waterbury, Conn. maker of precision metal components used in electronic, electrical & appliance fields.

**New plants & expansions:** Warwick Mfg. will build \$2.5 million TV manufacturing plant at Forrest City, Ark. Production is slated to begin in 1964's first half. Pres. L. G. Haggerty said new plant is "designed to meet the increased requirements of our customers." Warwick operates TV plant at Zion, Ill., radio manufacturing plant at Niles, Ill.

**Motorola Profit Jumps 28%:** Buoyed by record sales of \$346.9 million, Motorola's 1962 earnings boomed 28% to \$12.2 million from 1961's \$9.5 million (see financial table). Sales rose 16% over 1961's \$298.2 million. Motorola's \$102.2 million 4th-quarter sales also were record—up from \$90.5 million a year earlier—but earnings remained at \$3.1 million. Pres. Robert W. Galvin said Consumer Products Div. captured its largest-yet share of TV market.

"Proportionately greater improvement" in 1963 earnings was forecast by Galvin, but first-quarter profits "may possibly be down" from \$2.5 million a year earlier because of costs of introducing color TV & expanding semiconductor facilities. He expects sales to top 1961's first-quarter volume of \$77 million.

International Resistance, which posted record 1962 sales & profits (Vol. 3:7 p12), closed year with total current assets of \$10,237,927 (including \$1,267,688 cash & \$3,278,532 receivables), up from 1961's \$8,504,536 (\$1,116,046 & \$2,811,835). Annual report to stockholders listed total current liabilities at \$4,189,336 vs. \$3,664,353 year ago. "The company is in sounder condition than ever before," Pres. Walter W. Slocum noted. "Our financial condition is strong, our product lines have been upgraded and expanded, and our research & development effort is creating a stream of new products." He said introductory expenses "will have some impact on earnings during the first half of the year, but we anticipate that for 1963 as a whole, we will again set new records in both sales & earnings."

Giannini Controls, Conrac's parent, expects 1963's first 6 months "to show an improvement in earnings over the 2nd half of 1962." Profit margins have improved since then, Pres. Donald H. Putnam reported, and "we expect steady improvement throughout 1963." Giannini's 1962 earnings slipped from 1961 levels despite sharp sales gain (Vol. 3:7 p12). Earnings in 2nd half totaled an indicated 18¢ a share, vs. first-half's 40¢. Industrial sales now account for 40% of total, and Giannini is aiming for 50-50 ratio between commercial & govt. business.

GE has distributed "nearly \$100 million" of its common stock & U.S. savings bonds to 150,000 employees enrolled in 2 GE savings plans. Major payout represents first annual distribution of company's Savings & Security Program, initiated 1959, under which eligible employees can invest up to 6% of their earnings in savings bonds or combination of latter & GE stock. GE adds \$1 to each \$2 saved. Distribution involved 480,000 shares of GE common, valued at nearly \$36 million, and savings bonds with face value topping \$73 million.

Adler Electronics will post record sales & profits in its 1963 fiscal year ending June 30, Pres. Benjamin Adler predicted. He forecast total sales of about \$25 million—up from fiscal-1962's \$16.6 million—estimated per-share earnings would rise to \$1 from 65¢ a year earlier. "We hope some day to pay a dividend," he said, "but can't see one within the next year. If we did pay a dividend, it might be a stock dividend, but nothing definite has been determined."

CBS Labs & CBS-TV Network have been retained by NASA's Jet Propulsion Lab as joint consultants on display & closed-circuit TV systems of new Space Flight Operations Facility, Pasadena, Cal.

## 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
Desilu Productions	1963—9 mo. to Jan. 26	\$ 15,794,836	\$ 873,777	\$ 415,812	\$0.34	1,233,631
	1962—9 mo. to Jan. 26	11,937,730	293,416	293,416	.25	1,155,940
Famous Players Canadian	1962—year to Dec. 31	—	—	2,667,445 <sup>1</sup>	1.54 <sup>1</sup>	1,737,072
	1961—year to Dec. 31	—	—	2,423,922 <sup>2</sup>	1.40 <sup>2</sup>	1,737,072
General Bronze	1962—year to Dec. 31	18,957,533	(141,108)	(141,108)	—	391,820
	1961—year to Dec. 31	18,641,852	(2,288,832)	(1,663,832) <sup>3</sup>	—	391,820
Motorola Story p. 11	1962—year to Dec. 31	346,881,779 <sup>4</sup>	26,514,514	12,192,862 <sup>5</sup>	3.03 <sup>5</sup>	4,026,872
	1961—year to Dec. 31	298,219,845	19,900,308	9,517,308	2.36	4,028,652
	1962—qtr. to Dec. 31	102,180,934 <sup>4</sup>	—	3,094,782	.77	4,026,872
	1961—qtr. to Dec. 31	90,516,076	—	3,100,416	.77	4,028,652
National Co.	1962—year to Dec. 31	8,832,021	—	9,718	—	804,246
	1961—year to Dec. 31	6,033,032	—	(337,800)	—	802,779
Schlumberger (Daystrom) Story below	1962—year to Dec. 31	266,544,000	38,023,000	22,240,000	4.17	5,333,587
	1961—year to Dec. 31	229,998,000	33,999,000	17,886,000	3.35	5,333,587
Trans-Lux	1962—year to Dec. 31	—	1,149,721	616,539	.83	743,037
	1961—year to Dec. 31	—	1,116,805	567,379	.76	732,182
TraVler Industries	1963—9 mo. to Jan. 31	18,557,000	—	233,000	.23	1,013,842
	1962—9 mo. to Jan. 31	19,676,000	—	570,000	.56 <sup>6</sup>	964,289
	1963—qtr. to Jan. 31	4,592,000	—	7,000	.01	1,013,842
	1962—qtr. to Jan. 31	6,825,000	—	210,000	.21 <sup>6</sup>	964,289

Notes: <sup>1</sup> Includes profit from sale of fixed assets equal to 50¢ a share.  
<sup>2</sup> Includes profit from sale of fixed assets equal to 36¢ a share. <sup>3</sup> After \$725,000 tax credit. <sup>4</sup> Record. <sup>5</sup> Before capital gain of \$1 million (25¢

a share) from sale of Motorola Finance Corp. (Vol. 2:25 p10).  
<sup>6</sup> Adjusted to reflect 5% stock dividend Sept. 1962.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Andrea Radio	Q	\$0.12½	Apr. 1	Mar. 22
Clevite	Q	.35	Mar. 29	Mar. 18
Eico Electronic	Q	.06¼	Apr. 3	Mar. 20
Metromedia	Q	.10	May 1	Apr. 12
Howard W. Sams	Q	.15	Apr. 25	Apr. 10
Sangamo Electric	Q	.12½	Apr. 10	Mar. 22
Schlumberger	Q	.25	June 1	May 15
Trans-Lux	Q	.15	Mar. 29	Mar. 15

Gabriel doubts it will pay cash dividends this year, despite sharply improved 1962 earnings (Vol. 3:8 p12). Pres. Jerome M. Comar, who's also exec. vp of Maremont, which owns 51.5% or 379,340 of Gabriel's 735,913 outstanding common shares, said Gabriel will need cash because it "has substantial prepayments against long-term loans & plans for major capital improvements." Gabriel's last cash dividend was a 15¢ payment Dec. 1959. A 5% stock dividend was issued Nov. 1961.

Crowell-Collier has filed SEC registration for \$5.5 million of convertible subordinated debentures due 1983. They will be offered for subscription, at 100% of principal amount, to common stockholders at rate of \$100 face amount of debentures for each 60 shares held. Unsubscribed debentures will be offered for public sale via underwriters headed by Carl M. Loeb, Rhoades & Co.

AT&T 1962 salaries & stock holdings (as of Jan. 30, 1963) of principal officers, as noted in March 9 proxy statement: Chmn. Frederick R. Kappel, \$254,400 & 1,111 shares; Pres. Eugene J. McNeely, \$189,133 & 1,002; Vice Chmn. William C. Bolenius, \$188,633 & 1,161.

Reports & comments: Columbia Pictures & Screen Gems, comments, Amott, Baker & Co., 150 Broadway, N.Y. 38 • Avco, analysis, Schweickart & Co., 29 Broadway, N.Y. 4 • Litton Industries, review, Coggeshall & Hicks, 111 Broadway, N.Y. 6 • Amphenol-Borg Electronics, comment, Francis I. DuPont & Co., Robinson Bldg., Philadelphia 2 • AT&T, comment, Hornblower & Weeks, 1401 Walnut St., Philadelphia 2 • Avnet Electronics, review, Stanley Heller & Co., 30 Pine St., N.Y. 5 • AT&T, analysis, Bruns, Nordeman & Co., 52 Wall St., N.Y. 5.

Corporate spending for new plants & equipment will rise 4.8% this year from 1962 to record \$39.1 billion, surveys by Commerce Dept. & SEC indicate. Current quarter's capital outlay is at annual rate of slightly under \$38 billion. Spending is expected to increase to approximately \$38.7 billion in April-June quarter, rise to about \$40 billion rate "for 2nd half of year," Commerce-SEC report said.

Daystrom increased "profitability" last year as parent Schlumberger's sales of electronic products rose to some \$110-120 million from 1961's \$99.4 million. Over-all, Schlumberger anticipates 1962 earnings of about \$21.5 million on \$255 million sales—up sharply from 1961's \$17.9 million earned on \$230 million sales. Schlumberger said gains result principally from electronics operations.

First public offering of Scripps-Howard Bestg. Co. stock will be made—375,000 shares (15%) of shares outstanding. Stock is being made available through sale by 4 individual stockholders and E. W. Scripps Co.; latter owns 71.5%. After offering, Scripps Co. will own more than 66-2/3% and the 4 selling shareholders will retain more than 15%.



with

## Consumer Electronics . . . (starting on page 7)

MARCH 25, 1963

NEW SERIES VOL. 3, NO. 12

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

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**NAB LIBRARY****SUMMARY-INDEX OF WEEK'S NEWS**

MAR 25 1963

**Broadcast**

**RATINGS HEARING MAIN TENT OPENS** with Nielsen under attack, Harris Subcommittee giving Pulse rough time. Nielsen offers suggestions for improvement (pp. 1 & 4).

**FORD ON RADIO—IT'S NOT 'AMOS 'N' ANDY'**—gets unanimous agreement of colleagues to aim for en banc hearing—learn radio programming 'as it actually exists' (p. 2).

**NEW SPOTLIGHT ON SYNDICATION** as NAB convention nears. A special report on new trends in off-network syndication, feature packages & overseas telefilm sales problems (p. 3).

**PROGRESS TOWARD CATV REGULATION** reported with NCTA membership backing board in negotiations for new law. Major issue: Should FCC regulate CATV in multiple-station markets? (p. 4).

**OWNERSHIP LIMIT INCREASE** to 5 uhf & 5 vhf suggested by Lee to help 'attract capital' to uhf station construction (p. 5).

**'MINOW EFFECT' ON PRODUCERS** examined by Trendex survey which finds major program producers stating Minow & FCC have had significant influence on output (p. 5).

**Consumer Electronics**

**COLOR TV SALES DATA** compilation for 1962 planned by EIA as RCA waives right to block collection of statistics (p. 7).

**ALL-CHANNEL CHALLENGE** confounds manufacturers as they shelve proposal for \$100,000 PR campaign through EIA; Comrs. Lee & Henry place hopes with coordinating committee. EIA board to push again for uhf excise tax repeal (p. 7).

**HI-FI 'GRADING SYSTEM'** may be acceptable in lieu of definition, FTC official hints, indicating little progress has been made toward protecting public from lo fi (p. 8).

**ENGINEERING DILEMMA** in consumer electronics pinpointed by IEEE's Donald Fink on eve of world's largest engineer meeting (p. 9).

**BROADENING EIA'S SCOPE** is goal of new measures emphasizing distributor products, component hi fi, molecular electronics (p. 9).

**NEW COLOR TUBE**, patented by NYU scientist, attempts simplification of singlegun 'Apple' principle; manufacturers studying design (p. 10).

**ADMIRAL & MAGNAVOX 1962 REPORTS:** Magnavox sales rise 43% to record \$202 million & earnings climb 41% to peak \$12.7 million (p. 11); Admiral earnings drop to \$2 million from \$2.9 million despite 8% sales gain to \$201.5 million (p. 11).

**AB-PT NETS RECORD YEAR:** Volume jumps to \$379.7 million from 1961's \$363.1 million, produces record \$10.8 million profit vs. 1961's \$9.9 million; ABC Div. also posts record sales & earnings (p. 11).

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**RATINGS HEARING MAIN TENT—NIELSEN:** Seldom seriously challenged in broadcast industry, powerful A. C. Nielsen program-rating firm took its uncomfortable turn before Harris Subcommittee investigating ratings, while Pulse had even rougher time.

Though Nielsen came armed with massive documentation, Subcommittee kept insisting that witnesses were avoiding describing fundamentals of operations. In fact, though hearing had been expected to end last week, Nielsen witnesses have been called back for more, starting 2 p.m., March 26; there may be other witnesses, too.

Some observers still argue that whole thing will blow over, but Subcommittee certainly sounds as if it means to "do something." Of course, this is par for any vigorous Congressional committee. But Harris has record of stimulating regulatory agency action.

FTC is certain to be called back, sooner or later, to justify its consent decrees affecting Nielsen, ARB & Pulse—for not making them tougher. And FCC is bound to be brought into picture, too.

Wisely, Nielsen gave Subcommittee some ideas for industry self-improvement. Pulse Pres. Dr. Sydney Roslow, pressed for suggestions by Chmn. Harris, wearily said that "cooperative effort" of govt. & industry may be indicated. (For details of week's testimony, see p. 4.)

**FORD ON RADIO—IT'S NOT 'AMOS 'N' ANDY':** FCC Comr. Fred Ford's long-sought project is in the works. It's the job of updating Commission's knowledge of radio programming, followed by modernization of rules to conform with that knowledge.

In FCC meeting last week, it's understood that Commission unanimously approved Ford's motion: Instruct staff to prepare for an *en banc* hearing, such as that conducted for network programming. Here's essence of Ford's thinking:

"We still regard radio, officially, in light of what it was in the days of *Amos 'n' Andy*. We need to regulate the industry that actually exists—rather than the one we think exists. What is radio? What do we expect of it? I don't think we know enough to write a program form for radio. Those percentages for program categories, the ones we use now, bother me. Is a complicated statement of proposed program necessary?"

"I believe that the FCC should send out staff members to study the programs of different kinds of stations—clear channel, regional, local, etc.—not to beat the stations over the head, but to be able to tell us what stations do."

Ford believes that Commission's TV programming inquiry, which culminated in July 1960 statement on FCC's program policy (full text in our Special Supplement No. 7, Aug. 1, 1960), was one of most useful jobs FCC has ever done. Now, he says, let's do the same for radio.

**NEW FOCUS ON SYNDICATION:** Non-network programming of all types is increasingly in spotlight as NAB Chicago meeting draws closer. Competition is getting keener for station's syndication budget, both here & overseas.

We've noticed definite upbeat of activity on a number of major syndication fronts in past few weeks. Much of this will be translated into stepped-up sales campaigns, promotion efforts & extensive trade advertising. Some highlights:

- **'Off-network' reruns:** Term "off network" is being used in same way booking agents once drummed up trade for vaudeville acts which "have just played the Palace." Warner Bros., for example, is predicting contract commitments totalling \$10 million by year's end for off-network properties like *Bourbon St. Beat & Hawaiian Eye*. Four Star TV, syndication offshoot of Hollywood telefilm major, has plunked down \$1.5 million to clear residual rights (for 10 years) to *The Rifleman & The Detectives*, will soon launch sales campaign. ABC Films, MCA, 20th Century-Fox—among others—are pushing hard on off-network film product.

Seldom mentioned by syndicators, however, is one major problem. Hour-long syndicated rerun shows are dandy buy for independent stations with flexible program schedules, but present a headache to network affiliates which must usually spot such shows in early-evening time, or in place of movies late at night. In turn, this creates problem of producing enough revenue from non-prime time low-rate advertisers to justify expensive purchases of 60-min. rerun packages—which sometimes draw poor local ratings.

- **Feature films:** There's steady demand for features, and the good ones play on & on in TV. Source at United Artists Associated, which handles large libraries of pre-1948 Warner Bros. & RKO pictures, told us in N.Y. that "business is as good as ever" on individual-picture sales of films like "*Casablanca*," now that block selling is outlawed as pressure tactic.

New features are scarce, snapped up quickly. A 30-picture package from 20th Century, consisting of films seen on NBC-TV's network movie series, has been sold (according to 20th) in 31 markets so far, for gross of \$1.75 million, with sales averaging over \$100,000 weekly. Embassy Pictures, which recently joined independent "TFE-'63" exhibit near NAB convention as a late starter, today virtually uses TV as replacement for theatrical runs in small neighborhood houses. Low-budget pictures are particularly ripe for out-of-theaters, onto-TV circuit; a movie like "*Marty*," for instance, could today make back its entire production budget (about \$300,000) in TV alone in about 2 years with network exposure plus rerun, and off-network showing via syndication in top 100 markets.

- **Overseas syndication:** Foreign market gains steadily in syndication importance, with beyond-U.S. set count now standing at over 65 million (see our new 1963 *Television Factbook*). But this is one area where supply often exceeds station demand, and where artificial quotas, price ceilings & national prides are problems.



Higher prices will be sought for U.S. syndicated shows abroad (mostly telefilms) by TV Program Export Assn. this summer. Back in N.Y. from 6-wk. global survey of TV markets, TPEA pres. John G. McCarthy said that payment in Britain, Japan, Australia, West Germany, etc. was largely "inadequate," that his group planned to push with every means short of actual boycott for "cooperative action" among members to raise prices. A particular McCarthy gripe: Japan has \$3.3 million ceiling on import shows, which spells top price of only about \$1,000 per half hour for market with over 12 million sets.

**PROGRESS TOWARD CATV REGULATION:** Go-ahead to seek regulation for community antenna industry has been given by nation's CATV operators. Following National Community TV Assn. board vote (Vol. 3:7 p2), NCTA spokesmen went to grass roots in regional meetings, obtained virtually unanimous agreement on proposed legislation.

However, negotiations between NCTA & FCC aren't through yet. Major area on which agreement is needed: Should proposed FCC regulation of CATV apply in communities with more than one station? Apparently, CATV operators are ready to accept regulation in one-station markets—but believe govt. controls in multiple-station communities would make operations almost impossible.

Here's how: If CATV agrees not to carry out-of-town-originated programs simultaneously with local telecasts of same programs, such cut-outs could be managed. But they believe cut-outs of 2 or more out-of-town signals would create a shambles of their service. Incidentally, there now appears to be good chance that FCC will drop its proposal to forbid CATV duplication of local-station programs for 30 days before & after local telecasting; apparently, Commission is leaning toward agreement to prohibit only simultaneous duplication.

One sticky piece of litigation is about to be resolved, meanwhile. In Clarksburg, W. Va., CATV operator Fortnightly Corp. (which also owns Reporter magazine) is buying local WBOY-TV (Ch. 12) & WBOY for \$950,000, from Rust Craft Bcstg. (Berkman interests). Rust Craft has 2 suits pending against Fortnightly, directly or indirectly. In U.S. Dist. Court (W. Va.), it charges Fortnightly with unfair competition. In Washington, before U.S. Court of Appeals, it has suit against FCC for failing to regulate CATV. Neither has gone to trial yet; both will be dismissed when sale is approved.

CATV resolved another problem recently, when N.Y. Bell system was persuaded to reverse position and grant systems pole attachment rights. Negotiations were conducted by Triangle Publications' Roger Clipp & Jerrold Electronics' Daniel Aaron, whose firms are partners in Binghamton system (below). Bell decision is expected to spark growth of more systems in N.Y. state. Aaron, incidentally, is joining Zal Garfield, former asst. to Jerrold pres., and Pete Musser, as partner in CATV & general business brokerage & management firm (1616 Walnut St., Philadelphia, Kingsley 5-8285). Another telecaster is entering CATV: John Dille, pres. of WKJG-TV Ft. Wayne and WSJV Elkhart-South Bend, heads group building system in Lafayette, Ind. in partnership with Jerrold.

Freeze on microwave grants to CATV systems, in Business Radio Service, will be lifted, FCC decided, if grantee intends only to bring in ETV signals. However, Commission imposed condition: CATV must also agree to distribute present & future local stations' signals over its system, too. Comr. Bartley dissented to imposition of condition. Comr. Minow dissented in part, agreeing with FCC aims but stating he saw no justification for imposing a "price" for the microwave grant. FCC still has pending proposed rule to require CATV to carry local signals as condition of getting new microwave grant.

Tele-Measurements Inc., broadcast equipment sales firm headed by J. R. (Jack) Poppele, opens N.Y. hq. at 45 W. 45th St. (phone LT 1-9020). Tele-Measurements distributes Tele-Beam TV projector (Vol. 3:4 p7), "Simplimation" radio automation equipment, other broadcast gear.

Some results of Phonevision pay-TV test in Hartford were reported last week in Zenith's annual report, which said number of subscribers now exceeds 2,000 and "subscriber expenditures for programming are exceeding the anticipated rate." Patterson-Liston fight was most popular attraction during first 6 months, drawing 85% of homes. Next highest was 65% for "The World of Suzie Wong." Among others: "Notorious Landlady," 58%; Kingston Trio special, 41%; Bolshoi, 29%; Boston-N.Y. basketball, 13%.

Binghamton, N.Y. CATV system, owned by Triangle Publications (WNBFF-TV) and Jerrold Electronics, can now be built, following phone company's go-ahead on pole use. Franchise holder is Empire TV Cable Co., headed by Triangle's Roger Clipp and Jerrold's Daniel Aaron. City has 3 stations; cable will bring in signals of 3 N.Y. independents & educational WNDT.

**NIelsen & PULSE SURVEYED:** Both Harris Subcommittee and Nielsen were primed for rating hearings last week (p. 1)—and Nielsen got its share of lumps, though nothing like the fierce keel-hauling suffered by some firms on stand preceding week (Vol. 3:11 p3). Pulse had no picnic.

Nielsen was represented by 4 top-rung executives, although Chmn. A. C. Nielsen Sr. was in Paris, Pres. A. C. Nielsen Jr. en route to Australia. Henry Rahmel, exec. vp & media research div. mgr., explained that a rating is an "estimate"—but not a "guess." With help of Warren Cordell, vp & chief statistical officer, Rahmel attempted to define accuracy of small samples. He referred to special 1954 Census study made at request of Nielsen. This compared characteristics of households in 400-home samples with those of all U.S. households. Error was very small, Cordell asserted. But, Harris said, Census study dealt with household items, not human behavior.

Cordell said that "perfection is not our goal," because of budget limitations of clients. He also gave elaborate detail on Nielsen's current installation of new sample based on 1960 Census. (Company has been criticized during hearings for allegedly not having changed basic design since 1947.) Moss asked, regarding use of 1960 Census: "How many homes have you changed up to now?" Cordell said "Very few."

Nielsen then produced chart after chart on its national services. Moss interrupted, said company had taken "maximum amount of time to present minimum amount of material" on validity of sample & measurement tools.

Subcommittee also questioned field work & controls. Staffers Robert Richardson & Rex Sparger told about visit to Audimeter home in Texarkana. Woman didn't like Jack Paar statement about Mississippi integration crisis. Although she would have watched program if she had no Audimeter, Richardson said, she cut Paar off, aiming to affect his rating. "Isn't this a bias?" Richardson asked.

Noting that one Nielsen sample home equals 50,000 homes and that 10-12 homes make one rating point, subcommittee counsel speculated on possibilities of interested parties learning which homes have audimeters—because Nielsen has a fixed, not variable, sample. Rahmel said if subcommittee thinks there is real danger of people tampering with these homes, Congress can pass laws. Richardson countered: "Why don't you do away with the fixed sample?"

Subcommittee also charged that Nielsen's national & local reports aren't compatible, as claimed in one of its ads. This referred to testimony of ABC Radio Pres. Robert Pauley that in one case (he provided 6 examples) national rating showed 98,000 homes listening while total of only 5 local reports equalled 138,000 for same program. Nielsen conceded the situation, although its tally was somewhat lower for both figures. Cordell said figures are well within "our statistical tolerance." Subcommittee is more interested in "common sense," said Moss.

Pulse's Roslow was questioned sharply on sampling design & execution. For example, much heat was generated by Subcommittee analysis of Nov. '61 report for metropolitan Louisville, covering 3 counties. Subcommittee said one county's survey was made in city 80 miles from Louisville, another 160 miles. Roslow conceded it was "laxness." Subcommittee also brought to light that radio stations

receiving below minimum share-of-audience in Pulse survey aren't listed by call letters unless they buy report.

Roslow conceded that accuracy of reports can fluctuate 20-30% and that judgment is needed to use ratings properly. Richardson also charged that in some cases a station's program listings are left off Pulse's "aided roster recall" sheet that interviewers present to householders. "Isn't that harmful to stations?" he asked. If a station won't send program logs, Roslow said, there's nothing that can be done to include programs. He said interviewers should carry newspaper logs, too. Richardson charged that in some cases interviewers don't carry those, either. "Is this a true reflection of listening?" he asked. "If a station's listening is significant, it would show," Roslow replied.

Subcommittee counsel said that Pulse interviewers aren't carefully supervised and that, in fact, they don't keep to sample design. Richardson also asserted that Louisville report had stated sample of 1,609, but actually only 796 households were sampled. He eliminated coincidental calls and "not at homes."

Pulse was criticized for its weighting procedures. Subcommittee produced chart comparing audience shares on basis of field work with figures published in report. In one case, field work showed station with 23.6 share, but printed report gave it 12. In other cases, stations were graded up, while some stayed same. Subcommittee claimed that weighting procedures were "arbitrary."

Rep. Younger (R-Cal.) wanted to know if Pulse would make refunds to stations harmed by reports. Roslow said he'd review matter with counsel.

At week's end, Nielsen submitted these suggestions to improve ratings, dependability. Among them: (1) Develop standards to govern unusual promotions during rating week and ask FCC to require stations to advise it of such promotions. (2) Launch cooperative effort among agencies, advertisers & broadcasters to recommend definitions of metro or central areas. (3) Form technical committee, possibly under NAB, to serve as clearinghouse to safeguard against abuses of ratings.

FTC filed false-advertising complaint against Plough Inc. and its agency, Lake-Spiro-Shurman Inc., Memphis, charging misrepresentation in claims for St. Joseph aspirin arising from FTC's own test of analgesics as reported in *Journal of American Medical Assn.* Complaints were similar to those leveled against Sterling Drug Co. in Bayer aspirin case—in which N.Y. federal judge refused to grant FTC request for injunction to stop the ad claims (Vol. 3:6 p4 et seq.). FTC charges Plough deceived by implying that study was made by AMA, that investigators found product caused no "noticeable stomach irritation" and that it was "gentle to the stomach as a sugar pill."

Help for uhf technology is fine function for FCC, but Commission should steer completely clear of business & managerial matters. So stated FCC Comr. Ford, in letter to Sen. Pastore (D-R.I.), expressing his views on FCC-sponsored Committee for Full Development of Uhf Broadcasting (CUB). Ford said he's concerned lest FCC help "oversell" uhf, run danger of "tragic setback" uhf suffered in early 1950's. He's also concerned that "artificial stimulation" of commercial uhf activity could interfere with orderly growth of ETV on uhf—and he said he believes that nationwide ETV system can be achieved only through uhf.



**'MINOW EFFECT' ON PRODUCERS:** "Newton N. Minow and the current policies of the FCC of which he is chairman have succeeded in changing the face of American TV."

So starts press release describing survey of 43 TV producers, conducted by Trendex for Venet Ad Agency, Union, N.J. Survey covered producers of 11 of top 15 rated programs, including executives of Revue, Four Star, 20th Century, Screen Gems, Talent Assoc., MGM-TV, Plautus, Warner Bros., Filmways, Desilu, T & L. There were 4 questions:

(1) Has FCC Comr. Minow's call for more balanced programming & more diverse fare influenced your thinking in the kinds of program ideas you might come up with—i.e., more ambitious productions, more cultural slant, etc.? Of respondents, 48.8% said "yes." Of those who said "no," most said they'd been trying to improve quality "before FCC pressure."

(2) Has your approach to scenes of violence been softened? "Yes," said 23.3%. "However," release states, "at least 25 of the respondents who said 'no' indicated that violence of any kind" is completely outside their formats.

(3) Do you think that Minow should be discussing programming at all? Surveyors found "an astounding 81.4% . . . had no objection to the FCC's intervention in the programming area."

(4) Do Minow's program values in general have merit? "A one-sided majority of 79.1% voted affirmatively."

Conclusion: "As this survey indicates, not only is the outcry from one of the groups most intimately concerned with the problem—programming executives themselves—almost inaudible, but they present an attitude which might easily be interpreted as a mandate for 'state intervention.'"

Minow's reaction? "No comment."

NAB's opinion of Omaha-type investigative hearings, by FCC, has been well-expressed repeatedly by Pres. Collins, and Gen. Counsel Douglas Anello last week backed it with strongly-worded memo filed with Commission. It concludes: "If the Commission has just cause to question the capability of any broadcaster, or to doubt his good faith in service to the public, then there are adequate powers available to it. It can place the license of that broadcaster squarely on the line in either a proper renewal or revocation proceeding, with all the rights of due process fully available to him. It should stop its efforts to govern by harassment, by needling, by nibbling in a proceeding directed indiscriminately against all broadcasters . . . Congress did not intend such a means of influencing programming. Neither did it intend a vain & useless thing."

Philco surprised a lot of people last week when its attorney Henry Weaver told FCC that firm would continue to prosecute its application for Philadelphia's Ch. 3, contesting renewal of NBC's WRCV-TV (Vol. 3:11 p5). This followed Commission's decision to reject Philco-NBC plan whereby former would withdraw, getting up to \$550,000 from NBC for expenses. After the parties' final settlement of abrasive patent litigation (Vol. 3:1 p7), it had been assumed Ch. 3 problem would also be resolved. That's still assumed—but legal strategy remains obscure.

**LEE: 'RAISE OWNERSHIP LIMIT':** Comr. Robert E. Lee threw another uhf-aid proposal into pot last week: Raise multiple TV station ownership limit to 10—5 vhf & 5 uhf. He advanced recommendation in EIA Consumer Products Div. meeting in Washington, at which he & Comr. Henry discussed all-channel law implementation (see also p. 7).

Lee said he felt raising ownership limits from present 5 vhf & 2 uhf would help "attract capital" to uhf station construction. He also told group that "in next week or so" FCC will adopt rules reducing uhf audio-to-visual power ratio and relaxing directional antenna requirements (Vol. 3:10 p3). He added that Commission's final report on its N.Y. uhf experiment will be issued "in a matter of days." He conceded that results could have been predicted by engineering computations, but said: "The purpose of the test was as much to demonstrate [that uhf would work] as to experiment."

On subject of land mobile radio services, request for elimination of TV's Ch. 14 & 15, he advised bluntly: "Land mobile as a practical matter is not going to get any relief from the broadcast spectrum." He said proposal was "poor politics" and its timing was inauspicious. "Perhaps some time, land mobile may be able to share unused vhf channels with TV on a non-interference basis," he added.

As if in direct reply, EIA's land mobile communications section voted opposition to any sharing of vhf TV frequencies on basis that this might open way to requests by other radio services for use of channels now assigned to land mobile.

Executive committee of Committee for Development of UHF Broadcasting, released by FCC at week's end (see p. 7); Edwin M. Marshall, AAAA; Dr. Wayne Masters, Melpar; Seymour Siegel, WNYC-TV N.Y.; L. M. Sandwick, EIA; Adam Young, Adam Young Inc.; Lawrence Webb, Station Representatives Assn.; Harvey Struthers, CBS; Ben Adler, Adler Electronics; William L. Putnam, WWLP Springfield, Mass.; Thad H. Brown, Assn. for Competitive TV; Vincent T. Wasilewski, NAB; Percy H. Russell, attorney, Washington; W. T. Hamilton, WNDU-TV South Bend; Lester Lindow, AMST; Edgar W. Holtz, attorney, Washington; Dr. Frank G. Kear, engineer, Washington; Peter B. Kenney, NBC; Frank Marx, ABC; Sarkes Tarzian, Sarkes Tarzian Inc.; Mort Farr, NARDA.

New short-spaced vhf plan has been devised by Bureau of Standards' Robert Kirby. It's designed to meet some criticisms of his original plan (Vol. 2:49 p3). He has raised minimum adjacent-channel separation from 15-20 to 35 miles and reshuffled channels to keep 7 channels in N.Y. & L.A. instead of cutting them to 6. To effect latter, he had to juggle assignments in 54 cities. Copies of new plan are available from Kirby at Central Radio Propagation Lab, Boulder, Colo.

"Obscenity case," in which FCC ordered licensee denial for radio WDKD Kingstree, S.C. (Vol. 2:31 p3), has been chosen as subject of Harvard Law School's Ames Competition "moot court"—a major wit-testing event.

Proposal to lift TV-radio coverage ban on House committee hearings has been deferred by House Rules Committee for this session (Vol. 3:9 p2).

# Television Digest

PUBLISHED BY TELEVISION DIGEST, INC.

HEADQUARTERS: 2025 Eye St., N.W., Washington 6, D. C.

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

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TELEVISION DIGEST. Published Mondays. Services: \$75-\$150 annually.  
For group rates & other subscription services, write Headquarters.

TELEVISION FACTBOOK  
Published Annually

TV & AM-FM ADDENDA  
Published Saturdays

AM-FM DIRECTORY  
Published Annually

WKRQ-TV Mobile, 50%-owned by *Press Register*, has been subject of complaints, FCC announced, that newspapers' salesmen have threatened potential advertisers with unfavorable publicity if they didn't buy time on WKRQ-TV or WKRQ (or promised favorable publicity if they did). Station Pres. Kenneth R. Giddens flatly denied charges. On March 20, FCC released March 6 letter to WKRQ-TV, saying information it has indicates that "complaints were neither frivolous nor completely unfounded"—though Commission doesn't have sufficient information to "justify institution of hearing proceedings." Giddens wrote FCC 7-page letter describing separation of station & newspaper staff & functions, reporting no knowledge of facts to support complaints, telling of methods used to provide adequate safeguards.

Lifting of equal time provision of Communications Act for Presidential and Vice Presidential candidates in 1964 elections was urged last week by chairmen of Democratic and Republican national committees. Both spokesmen told House Communications Subcommittee that they were not in favor of suspending Sec. 315 for state and local candidates at this time (Vol. 3:10 p3). Rep. Harris (D-Ark.) said he thought provision could be lifted for Senate & gubernatorial elections.

Station Sale: KFEQ-TV (Ch. 2) St. Joseph, Mo. and radios KFEQ & KLIK Jefferson City, Mo. have been sold to Mid-States Bcstg. Corp. for \$1,750,000 by Jesse D. Fine family, operators of Indiana theater chain. John P. McGoff is pres. of Mid-States (WSWM East Lansing, WQDC Midland, WGMZ-FM Flint, WABX-FM Detroit). Negotiations were handled by Hamilton-Landis.

Jefferson Standard stations WBTV & WBT Charlotte & WBTW Florence, S.C., have started editorializing for first time in 18-year history. Editorials will be repeated 4 times daily, running 1-5 min.

## Personals

Theodore Shaker, pres. of ABC Owned TV Stations & ABC-TV Spot Sales, adds job of WABC-TV N.Y. gen. mgr., replacing Joseph Stamler, vp & gen. mgr. resigned. Richard Beesemeyer, ABC-TV Spot Sales sales mgr., Los Angeles, promoted to WABC-TV gen. sales mgr., replacing James Szabo, who stays with company in as yet unnamed position. Arthur Gross, program dir., resigns.

Edward A. Warren, ex-WNBC-TV N.Y. program dir., appointed to similar post for ABC's TV o&o's . . . Duane Watts, KHAS-TV Hastings, Neb. gen. mgr., elected to station's board of directors.

Arthur Sulzburgh, ex-SRDS Data promotion mgr., appointed asst. research dir., CBS-TV Stations Div. . . . Dr. Harold F. Niven Jr., outgoing pres. of APBE & asst. prof. of telecommunications, U. of Wash., joins NAB as asst. to vp Howard H. Bell.

Sam Cook Digges, CBS Films administrative vp, nominated for pres. of IRTS, N.Y. . . . Tom Loeb, ex-Ashley-Steiner gen. exec., named CBS-TV live programming supervisor.

Charles C. Bevis Jr., ex-asst. exec. dir., Assn. of Maximum Service Telecasters, appointed exec. dir., Assn. on Broadcasting Standards, Washington . . . Grover C. Cooper named partner of Fisher, Wayland, Duvall & Southmayd, Washington law firm.

Ralph Radetsky, KOA-TV-AM-FM Denver exec. vp, and Thomas P. Campbell, a company founder, elected pres. and chmn., respectively, succeeding William Grant, resigned, who held both posts.

Carter Hardwick Jr., managing dir., WSFA-TV Montgomery, Ala., elected vp . . . John Dailey, WOW-TV Omaha salesman, promoted to local TV sales mgr., Dale Larson to TV production mgr.

William E. Moore, Avery-Knodel Pacific Coast radio mgr., Los Angeles, moves to San Francisco office. Douglas MacLatchie, Los Angeles TV sales mgr., succeeds him as mgr. of that office.

Ollie Treyz is in Florida for brief vacation, following exit as N.Y.-based sales head of Warner Bros. TV. Official word at WB was that parting was "amicable." Madison Ave. rumor has it that Treyz is considering a top TV spot at one of Big Five ad agencies. Same agency, incidentally, already has at least 3 former top-rank network executives on its payroll now. On heels of departure of one-time ABC-TV pres. from Warner post came word that WB had pulled off a sales nifty on its own from its Burbank hq: A last minute 5th-year renewal for the show which started the whole slick-private-eye cycle—77 *Sunset Strip*. It will again be in Friday-night ABC lineup.

TV can sell special services within frame of mass-market medium, GE has discovered in test of taped minute spots plugging firm's Service Shops Dept. Local-level spots were used adjacent to network telecasts of major sports events, sold nothing to public but put stress on Service Shops specialty of routine & emergency repair of heavy industrial motors, generators, etc. Tests were made in Milwaukee & Albany areas, proved so successful (70% of customers & prospects remembered sales message on TV) that GE now plans to use similar TV promotion for industrial services in over 50 cities.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**EIA TO COMPILE COLOR TV SALES DATA:** End to all the speculation, conjecture, braggadocio & innuendo was in sight at week's end. About color production & sales, that is.

EIA's consumer products marketing services committee reported to the manufacturer association's spring conference in Washington that all color TV manufacturers, including non-members of EIA, had reached virtual agreement on reporting sales & production of color sets. Only non-agreeing manufacturer was understood to be non-member which declined to commit self before learning exact nature of reports & statistics—but EIA marketing services officials were optimistic about prospects of having 100% industry cooperation.

Agreement was made possible by RCA's waiver of its right to block collection of statistics in field where it produces or sells more than 50% of industry output. (In case of color, this could apply to both color sets & color tubes.)

EIA hopes to report color TV sales beginning in July, retroactive to Jan. 1, thereby presenting full picture of 1963. This should settle many arguments. At least 4 manufacturers have conducted exhaustive surveys of 1962's color TV set sales, and you can hear estimates all the way from 225,000 sets to nearly 500,000—with elaborate proof to back them up. There were still some manufacturers who were dubious, when EIA meeting broke up, that RCA would actually and finally consent to contribute its own color figures.

**MANUFACTURERS FACE ALL-CHANNEL CHALLENGE:** Reality of all-channel law, and the tremendous task of educating public, is beginning to face TV manufacturers—13 months before April 30, 1964 demise of the vhf-only set. Much of corridor talk and Consumer Products Div. meeting at last week's EIA spring conference was devoted to subject, with little concrete results except increasing realization of magnitude of job.

Division executive committee, under acting chairmanship of Motorola Consumer Products Pres. Edward R. Taylor (substituting for Olympic Pres. Morris Sobin, who was ill), tentatively turned down proposed \$100,000 dealer-consumer all-channel education program prepared by N.Y. promotion agency Sumner Rider & Assoc. at its request. Committee had agreed to approve study subject to participation of at least 75% of EIA TV members—and sentiments at meeting indicated this participation probably will not be forthcoming.

Last-ditch attempt to eliminate problem by persuading Congress to repeal or cut 10% excise tax on all-channel TV sets was approved at week's end by EIA board of directors. Although elimination of excise tax could wipe out anticipated \$20-\$30 retail increase required by inclusion of all-channel tuners, there was little realistic hope that this legislation—introduced in every Congress since 1953—would get anywhere.

Placing their hope in FCC-coordinated all-industry Committee for Development of UHF Broadcasting (Vol. 3:11 p2) were FCC Comrs. Lee & Henry, who discussed problem with EIA members. Lee, who had just come from addressing service technician group on subject of uhf, outlined proposals to stimulate uhf broadcasting (see p. 5). He praised EIA for "constructive approach" to matter, stressed that education of public was necessary. Henry asked set manufacturers' advice on "promotion of uhf without overselling it."

All-industry committee, said Lee, will hold next full meeting in late April or early May, after meeting of steering committee in Chicago April 4. List of steering committee members, released after EIA session, contained names of no TV set manufacturer personnel—but name of EIA consumer products staff dir. L. M. Sandwick was included (for list, see p. 5).

Encouraged by Commissioners' attitude of friendly cooperation & assistance at EIA meeting, Motorola's Taylor made logical proposition: "What bothers us is that the \$25-\$30 price increase is going to slow

down TV sales unless the consumer understands. If we put together a public relations program, can we get govt. money to finance it?"

Lee considered carefully, replied: "I'm not ruling that out. We might ask for an appropriation . . . but it's a time-consuming matter." To emphasize need for dealer education, Taylor cited Motorola survey, in which dealers gave their ideas on uhf & all-channel law. Typical responses, he said, were: "Some sort of crackpot govt. idea" . . . "Scheme for manufacturers to make more money" . . . "Something to do with Telstar." Taylor summed up: "Of course, the dealers will contribute to sell the sets—but somebody's got to sell the idea."

New FCC supplementary rules for administration of all-channel law were in preparation, meanwhile, and will be issued in few weeks. FCC staff is leaning toward exempting special classroom ETV sets from all-channel law. It hasn't made definite conclusion yet regarding other exemptions sought by industry—sets for hotels, motels & apartments which have uhf converters on their master antenna systems. EIA's Sandwick brought up another case which may need special interpretation: Manufacturer ships TV sets interstate to port for export to Latin America. Is he required to include all-channel tuner?

**GRADING SYSTEM INSTEAD OF HI-FI DEFINITION?** Package phono manufacturers explored with an FTC representative the possibility of substituting sliding scale of "acoustic quality" measurements for that official definition of "high fidelity" the FTC is seeking.

Meeting with EIA phono section in Washington last week, Martin Shepherd Jr. of FTC's Bureau of Industry Guidance gave impression that FTC was far from any major progress in its efforts to adopt standards to protect public from spurious hi fi. At same time, set makers made it clear they were irked with whole megillah, even though they're cooperating fully. Those who also make TV sets (and that includes majority of EIA phono manufacturers) indicated that they already have one transcendental govt.-imposed headache—explaining all-channel set law to public (see p. 7)—and they need hi-fi problem about as much as Asian flu.

Shepherd told manufacturers that component hi-fi manufacturers (who haven't yet submitted proposed definitions) and hi-fi magazine readers who have written letters to FTC generally want more stringent definition than that proposed by EIA. He said FTC has discussed possibility of "A, B, C" or "choice and prime" ratings, as well as separate definitions for packaged & component hi fi.

Among phono makers there was sentiment for adopting standard "acoustic quality" ratings similar to auto industry's approval of SAE horsepower ratings. Suggested rating system would be simplified version of method proposed last June to EIA loudspeaker section by Lincoln Walsh, Walsh Engineering Co. (Vol. 2:26 pl4), and which will be further discussed at section's meeting next June in Chicago. System is designed to measure acoustic qualities of complete system or any part of hi-fi system, and could be applied to packaged phonos, component systems or individual components.

Deep in their hearts, however, packaged phono manufacturers feel sound quality generally is subjective factor which can't be measured satisfactorily, any more than beauty of music can be measured. This they told Shepherd with considerable eloquence and side references to the Mona Lisa. Shepherd remained unconvinced. The situation remained confused.

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Export & licensing business in FM stereo receivers may open up soon in many parts of world, FCC FM-stereo expert Harold Kassens told EIA's radio section in another spring conference session. Reporting on CCIR's recent Geneva conference, he said international radio group was unable to reach agreement on world FM-stereo standards. Countries now have "satisfied their diplomatic obligations," he said, and "there's nothing to prevent them from going ahead with FM stereo now." He predicted several countries would follow lead of U.S. & Canada, begin soon.

Disagreement at CCIR wasn't violent—but many countries had more pressing broadcasting problems and weren't ready to tackle official FM stereo standards. Iron Curtain countries opposed U.S. system, seeking to substitute own system which they say would permit transmission of stereo or 2 separate monophonic programs on same FM channel.



Kassens' briefing of radio section was closed-door affair, and in subsequent news conference he declined to name countries which are prepared to adopt FM stereo standards. From other sources, however, we learn that France, West Germany, Italy, Netherlands, Japan & Spain have informally indicated they hope to start stereocasts on U.S. standards within year or 2.

In an action designed to attract component hi-fi and other smaller & specialized consumer products manufacturers, EIA formally established new products section of Consumer Products Div. Headed by Malcolm S. Low of KLH, it will cover such products as tape recorders & PA systems, in addition to hi-fi components.

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 15 (11th week of 1963):

	March 9-15	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
TV	134,464	135,215	128,905	1,458,432	1,424,385
Total radio	315,997	309,829	365,200	3,460,579	3,973,852
auto radio	140,536	142,354	122,064	1,601,243	1,380,449

**CONSUMER ENGINEERING 'LAG':** On eve of world's largest engineering meeting, this week's IEEE convention & show—where consumer product developments are extreme rarities—IEEE's gen. mgr. spoke out on dilemma of consumer electronics engineering. Addressing research & development symposium in Washington, sponsored by National Security Industrial Assn., Donald G. Fink highlighted problem of time lag between important scientific developments and their application in consumer products.

Problem, he said, is how to see to it that sums spent in govt. R&D also are used properly & quickly in non-military economy. Important govt.-financed developments, he said, usually require 5-10 years to trickle down to consumer products. Taking transistor as example, he pointed out it took nearly 8 years from original development to its application in consumer goods, with use in such industrial equipment as computers an intermediate step.

Consumer electronics engineers, he said, use same technologies as military & industrial engineers, "but under different circumstances—they must think in terms of 1/10 of a cent." Because of cost pressures, too, Fink declared, consumer product labs aren't as well-equipped as military & industrial electronics labs. "Therefore, there is a tendency of consumer product engineers to move more into govt. R&D. When they move, they usually find the new pastures to their liking and they rarely move back." Going back to consumer electronics often means a pay cut, he said. "As a matter of national policy," he added, "we should consider how we can shorten the 5-10 year lag of time" between govt. & consumer application of new principles & devices.

No price reductions on RCA color sets "in the next year or so" were foreseen by RCA Sales Corp. ad & promotion vp Jack Williams in talk to Hollywood Ad Club last week. He called Los Angeles area the No. 1 TV market and said sales there were growing 59% faster than rest of country. In response to question, he said he didn't think "any furor will be created" if 23-in. rectangular tube were introduced by another manufacturer this year.

**Broadening EIA's Scope:** Reflecting changing pace of electronics—and EIA's desire to appeal to wider segment of industry—were these moves approved at week's end by board of directors: (1) Amended bylaws, subject to membership vote, to establish new div. composed of members whose products are sold principally through parts distributors. (2) Authorized Pres. C. F. Horne to appoint joint management committee to coordinate all of EIA's engineering committees working in fields of molecular electronics. (3) Formally broke up Tube & Semiconductor Div. into 2 separate divisions.

In another action, AM-FM broadcasting & radio sections agreed to work with FCC in establishing standards for FM stereo broadcast monitoring equipment after FCC opens inquiry for establishment of standards.

**Elections:** To EIA Board—A. P. Clowe, Western Electric, and Daniel J. Gribbon, Lockheed Electronics, representing Military Products Div.; Marion Pettegrew, Erie Resistor, representing Parts Div.; Merle W. Kremer, Sylvania, representing Tube Div. To division posts—Parts Div.—J. A. (Shine) Milling, Howard W. Sams & Co., chmn.; Walter Slocum, International Resistance, vice chmn. Semiconductor Div.—S. L. Levy, Philco, chmn.; Harper Q. North, Pacific Semiconductor, vice chmn. Tube Div.—George W. Keown, Tung-Sol, acting chmn.

Charter members of newly formed Aerospace Research Applications Center include RCA, ITT, Arvin Industries, Sarkes Tarzian. ARAC seeks to develop industrial benefits from govt.'s investment in space research. Organizational meeting of 26 corporations was hosted by Indiana U. Business School Dean Arthur M. Weiner, at Bloomington, Ind. Center has support of National Aeronautics & Space Administration, which has contributed \$150,000 to its operation. ARAC will serve as a clearing house to analyze space research for ideas & advances that can serve private nonspace industry.

**New sets:** Granco introduces 3 new table radios—FM only, FM-AM & FM-AM-clock—ranging from \$19.95 to \$39.95 . . . Telectro premieres full-feature tape recorder with 6-watt peak output at \$79.95.

Olympic TV sales for Feb. were 30% higher than in Feb. 1962, Pres. Morris Sobin announced.

**Another Color Tube:** Several set & tube manufacturers have been inspecting proposal for new single-gun color tube recently patented by David M. Goodman, senior research scientist at NYU engineering research div.

Tube is of beam-indexing type—somewhat similar to Philco-developed “Apple” tube, but avoiding some of Apple’s complexities—we were told last week by Goodman. Among differences from Apple is use of X-rays (rather than secondary emission of ultraviolet rays as used in different versions of Philco’s tube) to perform indexing function. Phosphor screen is applied directly to tube faceplate in vertical color strips along with thin indexing strips.

Goodman claims his method can produce tube equal in quality to RCA shadow-mask tube, for sale at about \$40 including profit—less than half price of RCA tube—with equal brightness & resolution. He said phosphor can be applied without removing tube faceplate (permitting use of single-piece bulb), because no shadow-mask is inserted. Although receiver circuitry would be slightly more complex than present sets at first, he said costs would not be excessive and could rapidly be reduced. He said no “breakthroughs” or expensive tooling would be needed to produce tube & set, and he foresaw few problems in getting into production quickly.

Official of one TV manufacturer which has been studying Goodman’s patent told us last week that he’s withholding judgment, but that neither he nor his company is convinced that tube & receiver would be better or cheaper than present system.

Newspaper advertising of color sets increased 164% last year over 1961, Advertising Checking Bureau reports. In 149 cities, ACB found color TV ads accounted for more than 13 million lines in 1962, compared with less than 5 million in 1961. Second highest percentage increase among all appliances was tape recorders, up 55.5% in 116 cities. Phone ads were up 25.8%, all TV sets 22.4%.

Full-page ad by Color Electronics Corp., Brooklyn color TV manufacturer (Vol. 3:10 p9) in *Radio & Television Weekly* urges dealers to “stop ignoring a \$200 million a year business,” and advises them: “You can make a real buck with Color by Kane.” It’s signed by Pres. Irving (Chick) Kane and features photos of 2 lowboy consoles & one consolette. No prices are given.

Buy black & white now—convert to color later for \$300. That’s pitch of National Furniture Stores, Spokane, for Curtis Mathes TV-stereo combos. Store promises to exchange new color chassis for b&w “when you are ready,” at the specified amount.

Annual drive for repeal of excise taxes on TV-radio-phonos & appliances is in full cry. American Retail Foundation last week told House Ways & Means Committee hearing that the taxes were discriminatory and would have been repealed in 1950 but for the Korean War.

Prices of new TV portables: Sylvania Suburbanite V, with horizontal chassis (Vol. 3:11 p9), \$144.95; Philco Starlite portable line (Vol. 3:11 p9), although unpriced, is understood designed to sell at \$149.95 & up.

Zenith spring ad campaign in local & national print media will be budgeted at “1.6-million-plus,” the company announced last week.

## Trade Personals

Don G. Mitchell, who served many years as pres. & chmn. of Sylvania, will not be candidate for re-election to board of parent GT&E at annual meeting in May.

L. Berkley Davis, GE vp & Electronic Components Div. gen. mgr., and 2-time EIA pres., will receive EIA Medal of Honor at June 19 annual convention for “distinguished service contributing to the advancement of the electronics industry.”

Robert F. Herr retires as Philco govt. relations vp after 46 years with company.

George A. Banino elected ITT Federal Labs pres., succeeding Dr. William M. Duke, elected an ITT vp & appointed U.S. Defense group exec.

Frank M. Thomas appointed Sylvania Parts Div. chief engineer, succeeding Louis R. Warner, recently named Receiving Tube Operation chief engineer (Vol. 3:9 p11).

Herbert Brown, pres. of Jerrold Corp.’s Technical Appliance Corp., retires; Paul Garrison continues as gen. mgr.

A. K. Wing Jr. elected vp of ITT’s Electron Tube Div.

James C. Duffy appointed ad & sales promotion mgr., Corning Glass TV Products Div. . . . Warden N. Hartman Jr., formerly Eastern Pa. Investment Co. pres., joins Philco Consumer Products Div. as special mkts. mgr., succeeding J. A. Winfield, resigned (Vol. 3:3 p11).

George T. Stewart elected Sony vp & consumer products gen. sales mgr.; Irving Sagor elected finance vp.

Bernard Artz & Larry Solow re-elected pres. & first vp respectively of Marta Cooperative Inc. Other elections: Sy Golden, 2nd vp; Alvin Pearlman, 3rd vp; Harry Creppa, treas.; Joseph Angraldi, secy.

Walter A. Clements, Littelfuse vp for distributor sales & ad mgr., elected pres. of Assn. of Electronic Parts & Equipment Mfrs. Other elections: first vp, Norm Triplett, Triplett Electrical Instrument Co.; 2nd vp, Jay Greengard, Weldon Electronics; treas., J. Wayne Gargile, United Catalog Publishers, re-elected; exec. secy., Kenneth C. Prince, re-elected.

Donald J. Jones appointed Centralab mktg. vp, succeeding V. A. Kamin, resigned . . . E. T. Pastorino elected Reeves Instrument exec. vp.

## Obituary

Maude Cameron Sandwick, wife of EIA consumer products staff dir. L. M. Sandwick, died of heart attack March 16 in Washington. Survivors include 2 sons, 2 daughters, 13 grandchildren.

GE gave its distributor managers an advance look at its new 11-in. TV set, scheduled for May introduction to dealers (Vol. 3:11 p7). GE declined to comment, or release any details of new set, but confirmed that distributor chiefs met in Louisville last week. As previously reported here, both GE & Admiral plan to introduce 11-in. sets this year—but both companies maintain silence on these plans.

Add color sets: International Electrohome Inc., U.S. subsidiary of Canadian set maker Dominion Electrohome, says it expects to show 6 color sets at July’s Music Show.

Opening for marketing dir. “with proven ability for building distribution & creating productive sales programs” is advertised by Andrea Radio in *Wall Street Journal*.



**Magnavox Peaks Again:** Magnavox continued 1961's record-making pace with impressive 1962 sales & profit gains to new peak levels. Sales soared 43% to \$202 million from 1961's \$140.8 million—and 250% over 1958's \$80.1 million (see financial table). Earnings climbed 41% to \$12.7 million from \$9 million. Since 1958's \$2.4 million profit, Magnavox earnings have zoomed more than 400%.

Pres. Frank Freimann noted that 1963 opened with 20% jump in consumer product sales in January & February, forecast increased sales & earnings for total 1963. Consumer Products Div. accounted for less than 55% of total 1962 sales but more than 70% of profits. He said Magnavox's \$202 million sales "would have been substantially higher if we had been able to produce enough new Astro-Sonic stereo hi-fi products to meet sales demand."

Magnavox during 1962 increased working capital by more than \$6 million to \$39.1 million & absorbed short-term borrowing of \$6 million, retired a \$6 million bank loan in January, now has as its only remaining debt a \$6 million 5¼% long-term insurance company loan.

CBS Inc., which celebrated its 35th anniversary with record sales & earnings (Vol. 3:7 p12) also closed 1962 with total current assets of \$232,912,004—up sharply from \$193,058,251 a year earlier. Cash declined to \$19,402,353 from \$32,659,360, but notes & accounts receivable increased to \$95,627,683 from \$83,699,744 at 1961's close. CBS's marketable securities increased to \$48,168,776 from \$12,690,881. Total current liabilities at year's end amounted to \$104,101,339 vs. \$81,499,115 a year earlier. In annual report to stockholders, Chmn. William S. Paley & Pres. Frank Stanton forecast that "broadcasting revenues will continue to grow more rapidly than other advertising media," said "CBS looks ahead to an increased level of sales & profits in 1963."

Avco profits in fiscal 1963's first quarter, ended Feb. 28, rose some 50% from year-earlier's record \$3.3 million. Sales climbed 35-40% from \$83.2 million. Chmn. Kendrick R. Wilson Jr. said Crosley broadcasting stations were among Avco operations that posted sales gains. For total 1963 fiscal year, he forecast 15% gain over fiscal-1962's \$414.2 million sales, said profit should gain at a "comparable" rate. Avco earned record \$18.8 million in 1962 fiscal.

**Reports & Comments:** AB-PT, discussion, Purcell & Co., 50 Broadway, N.Y. 4 • General Tire & Rubber, review, Fahnestock & Co., 65 Broadway, N.Y. 6 • AMP Inc., prospectus, Kidder, Peabody & Co., 17 Wall St., N.Y. 5 • RCA, analysis, Butcher & Sherrerd, 1500 Walnut St., Phila. 2 • Arvin Industries, discussion, Hornblower & Weeks, 40 Wall St., N.Y. 5 • Avco, analysis, Coggeshall & Hicks, 111 Broadway, N.Y. 6 • GE, discussion, D. H. Blair & Co., 42 Broadway, N.Y. 4.

**Dividend action:** Litton Industries may consider a cash dividend in 3 years, Chmn. Charles B. Thornton reported, but until then will continue to plow cash back for expansion & research. Stock dividends will be paid. A 2½% stock payout was made last December • Ling-Temco-Vought told stockholders in annual report that cash dividends on common stock "should not be anticipated in the near future."

**Admiral Profit Sinks:** Despite 8% sales rise to \$201.5 million from 1961's \$186.9 million, Admiral's 1962 earnings sloughed off to \$2 million from \$2.9 million a year ago (see financial table). The 1962 earnings are after a non-recurring charge of \$493,519 resulting from losses of subsidiary Admiral Italiana, closed at 1962's end.

Sales of all Admiral consumer products increased, Chmn. Ross D. Siragusa & Pres. Vincent Barreca said. However, earnings were squeezed by "exceptionally keen competition," they said, and by "heavy costs" involved in preparing Harvard, Ill. plant for "current & future expansion in color TV." Expanded facilities now give Admiral production capacity of 100,000 color sets a year.

**AB-PT Nets Record Year:** Peak sales & profits were posted by AB-PT last year as gross income climbed to \$379.7 million from 1961's \$363.1 million, and net operating profit rose to \$10.8 million from \$9.9 million (see financial table).

ABC Div. also scored record income & profit. Former jumped more than \$20 million to \$274,523,000 from 1961's \$254,280,000. Pres. Leonard H. Goldenson also reported that ABC International now has associations with 36 foreign TV stations in 19 countries.

**New plants & expansions:** Avco has purchased from Raytheon the \$5 million semiconductor plant at Lowell, Mass. which latter bought from CBS Electronics in early 1961. Raytheon ceased semiconductor production at Lowell late last year (Vol. 2:47 p9). Avco will use plant for space activities • Littelfuse will build \$1.7 million 125,000-sq. ft. administration & manufacturing plant at Des Plaines, Ill. New facility is expected to be ready for occupancy in November • Ling-Temco-Vought's University Loudspeakers Div. will move this year from White Plains, N.Y. hq to new \$1 million plant in Oklahoma City • Omscolite, manufacturer & importer of Japanese radios & tape recorders, has acquired from Philadelphia Industrial Development Corp., under an installment sale agreement, a 22,000-sq.ft. office & assembly plant in Philadelphia.

TraVler Industries, which experienced a 59.1% profit drop on a 32.7% sales decline in fiscal-1963's 3rd quarter, ended Jan. 31 (Vol. 3:11 p12), anticipates marked improvement in sales & profits during balance of 1963. Pres. Joe Friedman attributed decline in profits largely to investments in color TV. TraVler's complete concentration on private label production caused drop in sales figures, he pointed out, because sales apply only when contract order is delivered. He emphasized that TraVler currently has \$10 million order backlog, up sharply from about \$7 million a year ago.

Dominion Electrohome anticipates 10% sales rise in 1963 from 1962's \$21.2 million (Vol. 3:10 p12). Pres. C. A. Pollack told stockholders of Kitchener, Ont. home electronics firm that "a major portion" of 1962's sales jump from 1961's \$16.3 million "can be attributed to substantially higher consumer demand for our stereo, hi-fi & TV sets both in Canada & the U.S."

Avnet Electronics Pres. Lester Avnet's direct holdings total 251,567 common shares, after distributing as gifts 39,405 shares, New York Stock Exchange reported. Not included in his Avnet holdings are 101,314 shares held as one of several trustees of various charitable trusts.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
AB-PT Story on p. 11	1962—year to Dec. 31	\$379,741,000 <sup>2</sup>	—	\$ 10,757,000 <sup>2,3</sup>	\$2.46	—
	1961—year to Dec. 31	363,085,000	—	9,906,000 <sup>4</sup>	2.29	—
Admiral Story on p. 11	1962—year to Dec. 31	201,505,441	\$ 4,805,020	2,459,020 <sup>1</sup>	1.01 <sup>1</sup>	2,423,161
	1961—year to Dec. 31	186,885,235 <sup>5</sup>	6,442,138	2,915,265	1.20	2,423,161
Allied Radio	1963—qtr. to Jan. 31	18,792,074	—	382,505	.35	1,065,098
	1962—qtr. to Jan. 31	14,859,494	—	468,849	.43	1,019,739
Decca Records	1962—year to Dec. 31	101,385,915	13,045,278	5,615,281	3.68	1,527,401
	1961—year to Dec. 31	91,141,798	10,113,007	3,964,642	3.08	1,285,701
Esquire Radio & Electronics	1962—year to Dec. 31	5,047,650	203,622	102,928	.25	417,650
	1961—year to Dec. 31	4,949,963	147,470	81,601	.20	417,650
Grass Telecasting	1962—year to Dec. 31	2,610,095	—	662,648	1.66	440,000
	1961—year to Dec. 31	2,492,554	—	582,952	1.46	400,000
Magnavox Story on p. 11	1962—year to Dec. 31	201,922,000 <sup>1</sup>	—	12,656,000 <sup>2</sup>	1.73	7,333,516
	1961—year to Dec. 31	140,782,000	18,176,871	9,007,000	1.26	7,150,975
Reeves Bcstg. & Development	1962—year to Dec. 31	4,719,016	—	72,451	.05	1,408,893
	1961—year to Dec. 31	4,340,240	—	15,283	.01	1,408,893
Servel	1963—year to Jan. 31 <sup>5</sup>	—	2,498,000	2,425,000	1.18 <sup>6</sup>	1,928,345
	1962—year to Jan. 31	—	2,391,000	2,391,000	1.15 <sup>6</sup>	1,925,345
Sonotone	1962—year to Dec. 31	21,772,006	678,944	301,944	.23	1,224,271
	1961—year to Dec. 31	22,328,588	(190,726)	(103,726)	—	1,169,137
Standard Kallsman	1962—year to Dec. 31	89,958,321	4,334,871	2,324,816	1.04	2,245,301
	1961—year to Dec. 31	104,289,859	6,357,711	3,189,761	1.42	2,245,301
Stewart-Warner	1962—year to Dec. 31	120,557,542	16,933,145	8,278,145 <sup>2</sup>	2.38	3,482,449
	1961—year to Dec. 31	111,676,573	14,450,461	6,867,461	1.96	3,482,449
Wometco Enterprises	1962—year to Dec. 31	18,723,132	—	1,831,254 <sup>2</sup>	1.27	1,438,368
	1961—year to Dec. 31	15,999,469	—	1,353,255	.94 <sup>7</sup>	1,008,857

Notes: <sup>1</sup> Before non-recurring charge of \$493,519 (20¢ a share), representing loss on subsidiary Admiral Italiana. <sup>2</sup> Record. <sup>3</sup> Before net capital gains of \$282,000. <sup>4</sup> Before net capital gains of \$5.1 million. <sup>5</sup> Includes Sonotone, acquired Oct. 1962 (Vol. 2:42 p10). <sup>6</sup> After pre-

ferred dividends. <sup>7</sup> Adjusted to reflect stock dividends of 10% Jan. 1962 & 30% Dec. 1962. <sup>8</sup> Restated by company, to exclude accounts of Admiral Italiana closed at end of 1962.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
ITT	Q	\$0.25	Apr. 15	Mar. 22
Motorola	Q	.25	Apr. 12	Mar. 29

Eitel-McCullough's first-half earnings "should be better" than the \$261,576 earned a year earlier despite fact that sales will be "possibly not as high" as 1962's first-half \$15.8 million volume, vp John Gilpin reported. For total 1963, however, earnings "will definitely be better" than 1962's \$750,000, and sales will be "equal to or improved" from 1962's \$29.6 million.

Ling-Temco-Vought seeks to exchange 2 outstanding issues of debentures totaling \$56.7 million for 2 new issues comprising \$23 million of 4½% convertible subordinated debentures & \$33.7 million of 5½% nonconvertible subordinated debentures, both due 1976. Lehman Bros. is managing dealer group soliciting exchange offer, which expires April 3.

Sony Corp. has registered with SEC 3 million shares of common stock to be offered publicly early in April via underwriters managed by Smith, Barney & Co. and Nomura Securities Co. Offering will be in form of 300,000 American depositary shares, each representing 10 Sony common shares.

Philco suit for refund of \$984,369 in excise taxes was dismissed by U. S. District Court Judge Joseph S. Lord in Philadelphia. Philco filed suit against govt. in April 1960, claiming overpayment of taxes (between Jan. 1, 1954 & Dec. 1, 1956) on grounds that it was entitled to credit for additional expenses involved in replacing parts in products under its warranty program. Judge Lord ruled that fulfilling such warranties does not constitute an adjustment of the original cost to a manufacturer.

Telex Inc., Minneapolis manufacturer of phonos, tape recorders & electronic components, anticipates earnings of more than \$1.4 million in its 1963 fiscal year ending March 31, compared with year-ago loss of \$1.5 million. Chmn.-Pres. M. E. Morrow said current quarter will be best final quarter in Telex history, estimated total sales for fiscal year \$35 million vs. fiscal-1962's \$30.4 million.

Automatic Radio Mfg. is "hopeful" that sales & earnings in its 1963-fiscal first half, ending Mar. 31, will be "very pleasing" & up from \$477,600 earned on \$7.3 million sales a year earlier, Pres. David Housman told annual meeting. For total fiscal year, he anticipates "satisfactory" sales & earnings. In fiscal 1962, Automatic earned \$869,900 on \$16.5 million sales.

Dividend action: Metromedia increased quarterly dividend to 10¢ a common share, payable May 1 to stock of record April 12. New 40¢ annual rate compares with 1962's 30¢ payout.